



Power Net Revenue Improvement Sounding Board

Columbia Generating Station O&M Costs

Energy Northwest FY 2005 Budget
April 22, 2004



Columbia Generating Station O&M

- Energy Northwest prepares budgets and long range forecasts for Columbia Generating Station (CGS) on a cost basis.
- Energy Northwest uses the cost basis budget for its accounting and cost control purposes.
- Energy Northwest also prepares a budget based on funding (cash) needs.
- BPA prepares its rate cases and budgets for CGS on a cash basis.
- Energy Northwest and BPA have different FY's:
 - Energy Northwest has a July through June FY
 - BPA has an October through September FY
- These differences make a cost to cash and FY conversion necessary.



Columbia Generating Station O&M

- Differences between cost basis and cash basis:
 - Nuclear fuel burn up vs. nuclear fuel procurement
 - Timing of spent fuel waste disposal fees
 - Generation Tax
 - Uranium enrichment decontamination and demolition (UEDD)

- Additional funding needs included in BPA's budget for CGS:
 - NEIL insurance
 - Decommissioning Trust Fund contributions.



Comparison of SNCRAC to Current EN Budgets

Energy Northwest FY 2004

Dollars in Millions

	EN FY 2004 Original EN Budget Basis for SNCRAC	EN FY 2004 Amended Budget Current Estimate	Variance
Cost Basis CGS O&M ¹	200	210	10
Cash Basis CGS O&M ¹	192	200	8

Reasons for Increase in cash basis from SNCRAC to Current Estimate:

- Carryover of FY 2003 outage costs over runs into FY 2004 of \$5M
- Increased security costs of \$3M

¹The cost basis amounts above exclude generation tax, NEIL insurance and the Decommissioning Trust Fund contribution. Cash basis amounts exclude NEIL insurance and the Decommissioning Trust Fund contribution.



Comparison of SNCRAC to Current EN Budgets

Energy Northwest FY 2005

Dollars in Millions

	EN FY 2005 FY 2003 Long Range Forecast Basis for SNCRAC	EN FY 2005 Draft FY 2005 Budget Current Estimate	Variance
Cost Basis CGS O&M ¹	253	256	3
Cash Basis CGS O&M ¹	268	251	(17)

Reasons for change in cash basis from SNCRAC to Current Estimate:

- Outage funding moved to FY 2006 of (\$16M)
- Debt Financing of Critical Spares (\$4M)
- Capital increase of \$3M
- Baseline cost increase of \$2M
- Nuclear fuel changes of (\$2M)

¹The cost basis amounts above exclude generation tax, NEIL insurance and the Decommissioning Trust Fund contribution. The cash basis amounts exclude NEIL insurance and the Decommissioning Trust Fund contribution.



Comparison of SNCRAC to Current Estimates

BPA FYs
Dollars in Millions

	SNCRAC	Current Estimate	Variance
BPA FY 2004	217	223	6
BPA FY 2005	252	243	(9)

The amounts above are on a cash basis and include generation taxes, NEIL insurance and contributions to the Decommissioning Trust Fund.