

CVP12 0001 – Jim M. Russell/Tacoma Power
3628 South 35th Street
Tacoma, WA 98409
253-502-8395, jrussell@cityoftacoma.org

We have two questions related to the November 21 Composite Cost True-Up Table: 1) what is the reason for the \$47.7M actual expenditure on line 21 (forecast was \$0), and is this overbudget expected for FY13? 2) Is any portion of the \$11.83M related to intra-rate period timing. In other words is there a higher chance that the FY13 true-up will be a charge due to the FY12 net underspend?

BPA Response to CVP12 0001

Tacoma Power's questions are answered below and will not be included in the Agreed Upon Procedures (AUPs).

- 1) The \$47.7M actual expense is for the Non-Treaty Storage Agreement (NTSA), which is a Designated System Obligation allocated to the Composite Cost Pool Table. NTSA is not over budget because it is not a budgeted item. The NTSA allows for settlement payments.
 - NTSA was discussed at the 2012 Quarterly Business Review (QBR) Meetings. Please see slide 27 and 28, Q2 QBR; slide 20, Q3 QBR; slide 20, and slides 58-66, Q4 QBR.
- 2) No, the \$11.83M Annual Slice True-Up Adjustment credit for FY 2012 is not related to intra-rate period timing. No, there is no higher chance that the FY13 true-up will be a charge.