

Response to the submitted request, CVPSTUA150001, in the FY2015 Cost Verification Process

By letter dated December 10, 2015, the Slice Customer Group has made a request that BPA include verification of nine line entries in the Annual Slice True-up Adjustment, as a task under the Agreed Upon Procedures (AUPs) for BPA’s independent auditor in conducting the FY 2015 Cost Verification Process. The line items are:

	FY2015	A	B	A-B
line#	Description	Actuals FY2015 (\$000)	FY2015 Rate Case Forecast (\$000)	FY2015 Actuals - Rate Case Forecast(\$000)
74	Fish & Wildlife	\$258,177	\$260,000	(\$1,823)
75	USF&W Lower Snake Hatcheries	\$30,930	\$31,670	(\$740)
76	Planning Council	\$9,870	\$10,799	(\$929)
77	Environmental Requirements	\$0	\$300	(\$300)
78	Fish & Wildlife, USF&W, Planning Council and Environmental Requirements	\$298,978	\$302,769	(\$3,791)
114	4(h)(10)(c) credits	\$77,716	\$92,996	(\$15,280)
116	Energy Efficiency Revenues	\$7,603	\$12,083	(\$4,480)
123	Firm Surplus and Secondary Adjustment (from Unused RHWM)	\$1,071	\$2,383	(\$1,312)
136	DSI Revenue Credit	\$97,359	\$106,510	(\$9,151)

Attachment A section 1(b) in the Tiered Rates Methodology states: “Following the posting of the Cost Allocation Tables, BPA will allow 15 Business Days for the identification by any customer of any Slice True-Up Adjustment issue for consideration by BPA for inclusion in the Agreed-Upon Procedures (AUPs), including the following calculations: the sum of adjusted TOCAs; the actual Unused RHWM credit; and the Slice Percentages used in the Slice True-Up Adjustment Charge for the Composite Cost Pool and Slice Cost Pool calculation”.

BPA understands that although a verification of line items has been requested, no specific issue has been raised by the Slice customers in their letter that would allow the development of an AUP. All nine category entry descriptions and rate case forecast amounts taken from BP-14 rate proceeding final studies, documents and General Contract Provisions are final as filed and approved by FERC. The nine lines of category entry descriptions are permitted to be included in the Composite Cost Pool Table for the Slice True-Up Adjustment as they are included in Table G in the General Rate Schedule Provisions (FY 2014-2015) as shown in column B above. Absent identification of specific issues, BPA cannot determine the tasks to be performed under an AUP process by BPA’s external auditor. Please clarify what specific issues Slice customers are raising regarding the nine entries in the submitted letter. If Slice customers seek a verification of the actual amounts (column A above) then BPA will explore an arrangement with our external auditor to supply a report with that information to the Slice customers. Slice and Non-Slice customers have until January 5, 2016 to comment on BPA’s response.