The Colville Payment Calculation

There are 6 terms defined and used in calculating the annual Colville payment: They are contained in the 'Settlement Agreement' and the implementing Legislation

- Section 1.a. of the Settlement Agreement states: "The term 'BPA power sales revenue' means all BPA
 revenue for the fiscal year from the sale of electric power and transmission of such power. BPA Power
 Sales Revenue does not include revenue from wheeling (i.e., the transmission of electric power not
 marketed by BPA) or from miscellaneous services not associated with the sale or delivery of power."
- 2. Section 1.b. of the Settlement Agreement states: "The term "BPA power sales price" means the ratio of BPA power sales revenue for a fiscal year divided by BPA power sales for such fiscal year measured in megawatt-hours."
- 3. Section 1.c. of the Settlement Agreement states: "The term "BPA escalator" means the ratio of the BPA power sales price divided by the BPA power sales price for FY95, taken to six decimal places."
- 4. Section 1.d. of the Settlement Agreement states: "The term "CPI escalator" means the ratio of the Consumer Price Index (for all urban consumers published by the Bureau of Labor Statics) for the September ending the fiscal year to the Consumer Price Index for September FY95, taken to six decimal places."
- 5. Section 1.e. of the Settlement Agreement states: "The term "combined escalator" means the average of the BPA escalator and the CPI escalator for the fiscal year."
- 6. Section 1.f. of the Settlement Agreement states: "The term "Grand Coulee generation" means Grand Coulee total generation less generation reserved for use at Grand Coulee Dam."

Section 2.b.1. of the Settlement Agreement sets; the FY95 payment at \$15.25Million, Grand Coulee generation at 20,410,800 MWh, and a 'base price' of 0.747153 mills/kWh. For each fiscal year subsequent to FY95 a 'base annual charge' is calculated as the base price multiplied by the BPA escalator multiplied by the Grand Coulee generation.

Section 2.b.2. of the Settlement Agreement sets the "floor price' at 0.661414 mills/kWh, and the "ceiling price' at 0.0832892 mills/kWh. For each fiscal year subsequent to FY95 two 'charges' are calculated: a 'floor annual charge' is calculated as the floor price multiplied by the combined escalator multiplied by the Grand Coulee generation, and a ceiling annual charge is calculated as the ceiling price multiplied by the combined escalator multiplied by the Grand Coulee generation.

Section 2.b.3. of the Settlement Agreement set the annual payment for a fiscal year to be the base annual charge, except that if the base is less than the floor annual charge then the annual payment will be the floor annual charge, and if the base is greater than the ceiling annual charge then the annual payment will be the ceiling annual charge.

The floor was paid in FY's 96, 97, and 99. The Ceiling was paid in FY01. In all other years the base was paid.

Data Sources:

- 1. BPA power sales revenue Corporate Accounting Operations
- 2. BPA power sales Power Rates and Analysis
- 3. CPI Bureau of Labor website
- 4. Grand Coulee generation Grand Coulee Power Office

Sec	Term	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
	Paid	March 1 96	March 197	March 1 98	March 1 99	March 1 00	March 1 01	March 1 02	March 103	March 1 04	March 1 05	March 1, '06	March 1, '07	March 1, '08	March 1, '09
1a	Power Sales Revenue (\$)	2,181,536,000	2,232,783,000	2,050,385,000	2,124,207,300	2,334,118,000	2,763,772,000	3,896,191,784	3,080,682,632	2,869,619,992	2,855,638,350	2,962,803,000	3,194,250,265	2,817,672,451	2,572,206,991
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	BPA Power Sales (MWh)	80,390,635		100,824,858	89,049,385	99,811,118	88,456,250	60,890,800	101,341,981	88,824,535	81,780,780	97,122,791		81,566,361	85,106,413
	BPA Power Sales Price (m/k)	27.136693	21.824346	20.336106	23.854261	23.385351	31.244508	63.986543	30.398879	32.306614	34.918209	30.505744	33.900773	34.544540	30.223421
1c	BPA Price Escalator		0.804237	0.749395	0.879041	0.861761	1.151375	2.357934	1.120213	1.190514	1.286753	1.124151	1.249260	1.272983	1.113747
1d	Consumer Price Index (CPIU)	152.966667	157.371571	161.300000	163.600000	167.900000	173.700000	178.300000	181.000000	185.200000	189.900000	198.800000	202.900000	208.490000	218.783000
	CPI Escalator	1.000000	1.028796	1.054478	1.069514	1.097625	1.135542	1.165613	1.183264	1.210721	1.241447	1.299630	1.326433	1.362977	1.430266
1e	Combined Escalator		0.916517	0.901937	0.974277	0.979693	1.143458	1.761774	1.151739	1.200618	1.264100	1.211890	1.287846	1.317980	1.272007
1f	Grand Coulee Generation (MWh)		26,839,904	25,952,027	21,804,137	22,856,045	22,849,223	14,490,560	19,963,331	18,929,728	18,512,626	20,501,555	21,288,999	21,553,160	21,596,580
2b(1)	Base Annual Charge (\$)		16,127,788	14,530,873	14,320,477	14,716,265	19,656,118	25,528,567	16,708,720	16,837,920	17,798,058	17,219,520	19,870,897	20,499,486	17,971,372
2b(2)	Floor Annual Charge (\$)		16,270,274	15,481,773	14,050,602	14,810,321	17,280,851	16,885,298	15,207,588	15,032,198	15,478,282	16,433,251	18,133,958	18,788,540	18,169,699
	Ceiling Annual Charge (\$)		20,488,500	19,495,573	17,693,357	18,650,040	21,761,079	21,262,975	19,150,303	18,929,441	19,491,177	20,693,731	22,835,363	23,659,652	22,880,370
2b(3)	Computed Annual Payment (\$)	15,250,000	16,270,274	15,481,773	14,320,477	14,810,321	19,656,118	21,262,975	16,708,720	16,837,920	17,798,058	17,219,520	19,870,897	20,499,486	18,169,699
2b(1)	Base Annual Charge = 0.747153 x	Base Annual Charge = 0.747153 x BPA Price Escalator x Grand Coulee Generation					Payment amount								
2b(2)	Floor Annual Charge = 0.661414 x	Floor Annual Charge = 0.661414 × Combined Escalator × Grand Coulee Generation.						,							
	Ceiling Annual Charge = 0.832892		Ceiling Annual Charge = $0.832892 \times Combined Escalator \times Grand Coulee Generation.$												