



# ENERGY NORTHWEST

Fiscal Year 2025 Draft Budget



**Fiscal Year 2025  
Energy Northwest  
Budget Summary**

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## Summary

This document contains a summary of budgets for all Energy Northwest business units. This section has been prepared for information purposes only.

Energy Northwest operates six business units under various contractual agreements and Energy Northwest Board Resolutions. These business units include Columbia Generating Station, Project 1, Project 3, Packwood Lake Hydroelectric Project, Business Development Fund, and the Nine Canyon Wind Project. Energy Northwest also manages an Internal Service Fund, commonly referenced as the General Business Unit, which acts as an agency clearing account for disbursing agency-wide costs such as employee benefits including incentive payments and corporate programs (administrative type costs like IT, HR, Finance, etc.) to the various business units.

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**Table 1**  
**Funding Requirements**  
(Dollars in Thousands)

| <u>Funding Requirements</u>                | <u>FY 2025<br/>Budget</u> | <u>Original<br/>FY 2024<br/>Budget</u> | <u>Change</u>            |
|--|---------------------------|--|--------------------------|
| Columbia (1)                               | \$ 844,094                | \$ 628,225                             | \$ 215,869               |
| Packwood (2)                               | 3,596                     | 3,725                                  | (129)                    |
| Nine Canyon Wind Project (3)               | 13,572                    | 15,221                                 | (1,649)                  |
| Project 1 (4)                              | 45,581                    | 53,340                                 | (7,759)                  |
| Project 3 (5)                              | 47,557                    | 59,451                                 | (11,894)                 |
| Business Development Fund (6)              | 32,637                    | 16,820                                 | 15,817                   |
| <b>Total Funding Requirements</b>          | <b><u>\$ 987,037</u></b>  | <b><u>\$ 776,782</u></b>               | <b><u>\$ 210,255</u></b> |
|  |                           | <b>Original</b>                        |                          |
|  |                           | <b>FY 2024</b>                         |                          |
| <u>Funding Sources</u>                     | <u>FY 2025<br/>Budget</u> | <u>Budget</u>                          | <u>Change</u>            |
| Net Billing Revenues/Direct Pay            | \$ 661,515                | \$ 483,682                             | \$ 177,833               |
| Note/Line of Credit Draws                  | -                         | 48,000                                 | (48,000)                 |
| Bond Proceeds (Capital)                    | 236,798                   | 106,046                                | 130,752                  |
| Excess Capital Funds from FY2024           | 20,000                    | -                                      | 20,000                   |
| Bond Proceeds (Interest/Line of Credit)    | -                         | 96,000                                 | (96,000)                 |
| Revenues                                   | 43,498                    | 32,853                                 | 10,645                   |
| Capital Reimbursement                      | 3,146                     | 1,120                                  | 2,026                    |
| Working Capital/Receipts from Participants | 6,980                     | 4,062                                  | 2,918                    |
| Bonneville Direct Funding Decommissioning  | 15,100                    | 5,019                                  | 10,081                   |
| <b>Total Funding Sources</b>               | <b><u>\$ 987,037</u></b>  | <b><u>\$ 776,782</u></b>               | <b><u>\$ 210,255</u></b> |

- (1) See Table 8 on Page 13 of Columbia's Budget Documents  
(2) See Table 5 on Page 9 of Packwood's Budget Documents  
(3) See Table 4 on Page 9 of Nine Canyon's Budget Documents  
(4) See Table 5 on Page 9 of Project 1's Budget Documents  
(5) See Table 4 on Page 7 of Project 3's Budget Documents

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**Table 2**  
**Operating & Capital Costs**  
(Dollars in Thousands)

|                               | <b>FY 2025</b>    | <b>Original</b>   |                     |
|-------------------------------|-------------------|-------------------|---------------------|
|                               | <b>Budget</b>     | <b>FY 2024</b>    |                     |
| <b><u>Operating Costs</u></b> | <b>Budget</b>     | <b>Budget</b>     | <b>Change</b>       |
| Columbia (1)                  | \$ 333,118        | \$ 553,478        | \$ (220,360)        |
| Packwood (2)                  | 3,373             | 3,306             | 67                  |
| Nine Canyon Wind Project (3)  | 11,723            | 12,289            | (566)               |
| Project 1 (4)                 | 25,705            | 23,337            | 2,368               |
| Project 3 (5)                 | 29,429            | 30,833            | (1,404)             |
| Business Development Fund (6) | 29,584            | 15,848            | 13,736              |
| <b>Total Operating Costs</b>  | <b>\$ 432,932</b> | <b>\$ 639,091</b> | <b>\$ (206,159)</b> |
|                               |                   |                   |                     |
|                               | <b>FY 2025</b>    | <b>Original</b>   |                     |
|                               | <b>Budget</b>     | <b>FY 2024</b>    |                     |
| <b><u>Capital Costs</u></b>   | <b>Budget</b>     | <b>Budget</b>     | <b>Change</b>       |
| Columbia (1)                  | \$ 253,833        | \$ 102,339        | \$ 151,494          |
| Packwood (2)                  | 580               | 760               | (180)               |
| Business Development Fund (7) | 4,105             | 672               | 3,433               |
| <b>Total Capital Costs</b>    | <b>\$ 258,518</b> | <b>\$ 103,771</b> | <b>\$ 154,747</b>   |

(1) See Table 3 on Page 7 of Columbia's Budget Document

(2) See Table 1 on Page 5 of Packwood's Budget Document

(3) See Table 1 on Page 5 of Nine Canyon's Budget Document

(4) See Table 1 on Page 4 of Project 1's Budget Document

(5) See Table 1 on Page 4 of Project 3's Budget Document

(6) See Table 1 on Page 5 of Business Development's Budget Document

(7) See Table 3 on Page 7 of Business Development's Budget Document

**Table 3**  
**Summary of Full Time Equivalent Positions by Business Unit (1), (2)**

| <u>Business Unit</u>                        | <u>FY 2025<br/>Budget</u> | <u>Original<br/>FY 2024<br/>Budget</u> | <u>Change</u> |
|---|---------------------------|--|---------------|
| Columbia                                    | 1,046                     | 934                                    | 112           |
| Packwood                                    | 4                         | 4                                      | -             |
| Nine Canyon Wind Project                    | 12                        | 12                                     | -             |
| Project 1                                   | 5                         | 4                                      | 1             |
| Project 3                                   | 1                         | 1                                      | -             |
| Business Development Fund                   | 71                        | 66                                     | 5             |
| <b>Total Full Time Equivalent Positions</b> | <b>1,139</b>              | <b>1,021</b>                           | <b>118</b>    |

(1) Includes Full Time Equivalent (FTE) positions for transition of new employees taking positions of retiring employees.

(2) Corporate Programs (A&G) FTE positions of 162 in FY 2025 and 82 in FY 2024 have been allocated and are included in the Business Units above.

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**Fiscal Year 2025  
Columbia Generating Station  
Annual Operating Budget**

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### Summary

Energy Northwest's Columbia Generating Station (Columbia) is a 1,174 megawatt boiling water nuclear power station utilizing a General Electric nuclear steam supply system. The project is located on the Department of Energy's Hanford Reservation near Richland, Washington. The project began commercial operation in December 1984.

This Columbia Generating Station Fiscal Year 2025 Annual Operating Budget has been prepared by Energy Northwest pursuant to the requirements of Board of Directors Resolution No. 640, the Project Agreement, and the Net Billing Agreements. This document includes all capitalized and non-capitalized costs associated with the project for Fiscal Year 2025. In addition, this document includes all funding requirements.

The total cost budget for Fiscal Year 2025 for Expense and Capital related costs are estimated at \$886,925,000 (Table 3), with associated total funding requirements of \$844,094,000 (Table 8). Using the Memorandum of Agreement basis for measuring Columbia's costs, budget requirements for Fiscal Year 2025 have been established at \$630,593,000 (Table 1) including escalation. In Fiscal Year 2025, Bonneville Power Administration will be directly paying the funding requirements on a monthly basis under the provisions of the Direct Pay Agreements. This will take the net billing requirements to zero, for the statements which are normally sent to participants in the project and will be paid in accordance with the terms of the Net Billing Agreements. The Net Billing Agreements are still in place, but the direct cash payments from Bonneville Power Administration will simply take the participant payment amounts to zero. In the Direct Pay Agreements, Energy Northwest agreed to promptly bill each participant its share of the costs of the project under the Net Billing Agreements, if Bonneville fails to make a payment when due under the Direct Pay Agreements. Fiscal Year 2025 Capital costs will be funded by bond proceeds and are not included in the Fiscal Year 2025 direct pay requirements. Total direct pay requirements of \$572,196,000 (Table 8) will be the basis for billing directly to Bonneville Power Administration.

This budget is presented on a cost basis and includes a cost-to-cash reconciliation (Table 7) converting cost data to a cash basis. The Columbia Generating Station's Annual Budget (Table 8) is required by the various project agreements.

A comparison of the Fiscal Year 2025 budget is made to the original budget issued for Fiscal Year 2024 (Table 1).

**Key Assumptions/Qualifications**

This budget is based upon the following key assumptions and qualifications:

- Fiscal Year 2025 cost of power is based on net generation of 8,216 GWh.
- There is a refueling outage planned for Fiscal Year 2025.
- Risk reserves consist of a total of \$32.38 million.
- Unknown NRC mandates are excluded.
- All assumptions associated with Nuclear Fuel are referenced in the Columbia Fuel Plan Section.
- Other Specific Inclusions:
  - Sales tax calculated at 8.7 percent for appropriate items.
- All Fiscal Year 2025 Capital expenses are expected to be funded by proceeds of the 2024ABC transaction or will be funded by cash held as a result of Independent Spent Fuel Storage Installation Facility settlements with the Department of Energy.

**Table 1**  
**Memorandum of Agreement (MOA) (1)**  
(Dollars in Thousands)

| <u>Description</u>                        | <u>FY 2025</u><br><u>Budget</u> | <u>Original</u><br><u>FY 2024</u><br><u>Budget</u> | <u>Change</u>      |
|---|---------------------------------|--|--------------------|
| Baseline                                  | \$ 179,070                      | \$ 137,439   | \$ 41,631          |
| Allocations O&M                           | 98,534                          | 84,091   | 14,443             |
| Expense Projects                          | 51,514                          | 8,240  | 43,274             |
| Risk Reserve                              | 4,000                           | 1,911  | 2,089              |
| <b>Operations &amp; Maintenance Total</b> | <b>\$ 333,118</b>               | <b>\$ 231,681</b>                                  | <b>\$ 101,437</b>  |
| Capital Projects                          | \$ 171,999                      | \$ 52,341  | \$ 119,658         |
| EPU                                       | 12,049                          | 9,850  | 2,199              |
| Allocations Capital                       | 41,402                          | 31,074   | 10,328             |
| Risk Reserve                              | 28,383                          | 9,074  | 19,309             |
| <b>Capital Total</b>                      | <b>\$ 253,833</b>               | <b>\$ 102,339</b>                                  | <b>\$ 151,494</b>  |
| Nuclear Fuel Related Costs                | \$ 43,642                       | \$ 53,811  | \$ (10,169)        |
| <b>Fuel Total</b>                         | <b>\$ 43,642</b>                | <b>\$ 53,811</b>                                   | <b>\$ (10,169)</b> |
| <b>Total</b>                              | <b>\$ 630,593</b>               | <b>\$ 387,831</b>                                  | <b>\$ 242,762</b>  |
| <b>Net Generation (GWh)</b>               | <b>8,216</b>                    | <b>9,731</b>                                       | <b>(1,515)</b>     |
| <b>Generation Cost of Power (\$/MWh)</b>  | <b>\$ 76.75</b>                 | <b>\$ 39.86</b>                                    | <b>\$ 36.89</b>    |
| <b>Production Cost of Power (\$/MWh)</b>  | <b>\$ 45.86</b>                 | <b>\$ 29.34</b>                                    | <b>\$ 16.52</b>    |

(1) Columbia costs as defined by the Memorandum of Agreement between Energy Northwest and BPA. This measure includes operations and maintenance, capital additions and fuel related costs as well as an appropriate allocation of indirect costs (such as employee benefits, A&G, and information technology expenses).



**Table 2**  
**Columbia Station Costs - Memorandum of Agreement Comparison (1)**  
(Dollars in Thousands)

| <u>Description</u>                        | <u>FY 2025<br/>Budget</u> | <u>Original<br/>FY 2024<br/>Budget</u> | <u>Change</u>      |
|---|---------------------------|--|--------------------|
| <b>Controllable Costs</b>                 |                           |  |                    |
| Energy Northwest Labor                    | \$ 83,140                 | \$ 77,397                              | \$ 5,743           |
| Baseline Non-Labor                        | 69,766                    | 64,438                                 | 5,328              |
| Incremental Outage                        | 34,600                    | -                                      | 34,600             |
| Expense Projects Non-Labor                | 49,772                    | 6,633                                  | 43,139             |
| Capital Projects Non-Labor<br>Allocations | 177,354                   | 59,402                                 | 117,952            |
| Risk Reserve                              | 139,936                   | 115,165                                | 24,771             |
|   | 32,383                    | 10,985                                 | 21,398             |
| <b>Subtotal Controllable</b>              | <b>\$ 586,951</b>         | <b>\$ 334,020</b>                      | <b>\$ 252,931</b>  |
| <b>Nuclear Fuel Related Costs</b>         |                           |  |                    |
| Nuclear Fuel Amortization                 | \$ 43,642                 | \$ 53,811                              | \$ (10,169)        |
| <b>Subtotal Nuclear Fuel Related</b>      | <b>\$ 43,642</b>          | <b>\$ 53,811</b>                       | <b>\$ (10,169)</b> |
| <b>Total</b>                              | <b>\$ 630,593</b>         | <b>\$ 387,831</b>                      | <b>\$ 242,762</b>  |
| <b>Net Generation (GWh)</b>               | <b>8,216</b>              | <b>9,731</b>                           | <b>(1,515)</b>     |
| <b>Generation Cost of Power (\$/MWh)</b>  | <b>\$ 76.75</b>           | <b>\$ 39.86</b>                        | <b>\$ 36.89</b>    |
| <b>Production Cost of Power (\$/MWh)</b>  | <b>\$ 45.86</b>           | <b>\$ 29.34</b>                        | <b>\$ 16.52</b>    |

(1) Columbia Costs as defined by the Memorandum of Agreement between Energy Northwest and BPA. This cost measure includes operations and maintenance and capital additions, fuel related costs as well as an appropriate allocation of indirect costs (such as employee benefits, and corporate programs).

**Table 3**  
**Summary of Costs**  
(Dollars in Thousands)

| <u>Description</u>                 | <u>FY 2025<br/>Budget</u> | <u>Original<br/>FY 2024<br/>Budget</u> | <u>Change</u>      |
|------------------------------------|---------------------------|--|--------------------|
| <b><u>Controllable Expense</u></b> |                           |  |                    |
| Energy Northwest Labor             | \$ 76,446                 | \$ 74,608                              | \$ 1,838           |
| Base Non-Labor                     | 69,766                    | 64,438                                 | 5,328              |
| Incremental Outage                 | 34,600                    | -                                      | 34,600             |
| Allocations                        | 98,534                    | 84,091                                 | 14,443             |
| Expense Projects Non-Labor         | 49,772                    | 6,633                                  | 43,139             |
| O&M Risk Reserve                   | 4,000                     | 1,911                                  | 2,089              |
| <b>Subtotal Controllable</b>       | <b>\$ 333,118</b>         | <b>\$ 231,681</b>                      | <b>\$ 101,437</b>  |
| <b><u>Incremental</u></b>          |                           |  |                    |
| Nuclear Fuel Amortization          | \$ 43,642                 | \$ 53,811                              | \$ (10,169)        |
| Generation Taxes                   | 5,044                     | 5,522                                  | (478)              |
| <b>Subtotal Incremental</b>        | <b>\$ 48,686</b>          | <b>\$ 59,333</b>                       | <b>\$ (10,647)</b> |
| <b><u>Fixed</u></b>                |                           |  |                    |
| Treasury Related Expenses (1)      | \$ 117,178                | \$ 121,632                             | \$ (4,454)         |
| Decommissioning (2)                | 41,963                    | 41,679                                 | 284                |
| Depreciation                       | 92,147                    | 99,153                                 | (7,006)            |
| <b>Subtotal Fixed</b>              | <b>\$ 251,288</b>         | <b>\$ 262,464</b>                      | <b>\$ (11,176)</b> |
| <b>Total Operating Expense</b>     | <b>\$ 633,092</b>         | <b>\$ 553,478</b>                      | <b>\$ 79,614</b>   |
| <b><u>Capital</u></b>              |                           |  |                    |
| Energy Northwest Labor             | \$ 6,694                  | \$ 2,789                               | \$ 3,905           |
| Capital Projects Non-Labor         | 177,354                   | 59,402                                 | 117,952            |
| Indirect Allocations               | 41,402                    | 31,074                                 | 10,328             |
| Capital Risk Reserve               | 28,383                    | 9,074                                  | 19,309             |
| <b>Total Capital</b>               | <b>\$ 253,833</b>         | <b>\$ 102,339</b>                      | <b>\$ 151,494</b>  |
| <b>Total Expense and Capital</b>   | <b>\$ 886,925</b>         | <b>\$ 655,817</b>                      | <b>\$ 231,108</b>  |

(1) See Table 6 (page 10).

(2) Includes ISFSI Decommissioning.

Table 4  
Summary of Full Time Equivalent (FTE) Positions (1)

| Organization  | Direct     | Corporate      | FY 2025      | Original       | Change     |
|---|------------|----------------|--------------|----------------|------------|
|   | Charge     | Allocation (2) | Budget       | FY 2024 Budget |            |
| Chief Executive Officer                                     | -          | 2              | 2            | 2              | -          |
| Vice President Corporate Governance & General Counsel       | 41         | 15             | 56           | 50             | 6          |
| Vice President Nuclear Generation/Chief Nuclear Officer (3) | 789        | -              | 789          | 723            | 66         |
| Vice President Chief Financial Officer                      | 14         | 51             | 65           | 33             | 32         |
| Corporate Services General Manager                          | 51         | 83             | 134          | 126            | 8          |
| <b>Total</b>  | <b>895</b> | <b>151</b>     | <b>1,046</b> | <b>934</b>     | <b>112</b> |

- Note:** (1) Includes project positions, employees supporting Capital Projects and excludes temporary positions  
 (2) Includes allocation of Corporate FTE Positions (92.82% in FY 2024 and 92.49% in FY 2024)  
 (3) Includes employment "pipeline" for Operations and Security

**Table 5**  
**Projects Non-Labor**  
(Dollars in Thousands)

| <u>Description</u>               | Original                        |                                 | <u>Change</u>     |
|----------------------------------|---------------------------------|---------------------------------|-------------------|
|                                  | <u>FY 2025</u><br><u>Budget</u> | <u>FY 2024</u><br><u>Budget</u> |                   |
| <b><u>Capital Projects</u></b>   |                                 |                                 |                   |
| Plant Modifications              | \$ 155,767                      | \$ 40,520                       | \$ 115,247        |
| EPU                              | 10,306                          | 9,466                           | 840               |
| Information Technology           | 8,509                           | 8,026                           | 483               |
| Facilities Modifications         | 2,772                           | 1,390                           | 1,382             |
| <b>Subtotal Capital Projects</b> | <b>\$ 177,354</b>               | <b>\$ 59,402</b>                | <b>\$ 117,952</b> |
| <b><u>Expense Projects</u></b>   |                                 |                                 |                   |
| Plant Modifications              | \$ 48,209                       | \$ 5,626                        | \$ 42,583         |
| Facilities Modifications         | 1,563                           | 1,007                           | 556               |
| <b>Subtotal Expense Projects</b> | <b>\$ 49,772</b>                | <b>\$ 6,633</b>                 | <b>\$ 43,139</b>  |
| <b>Total</b>                     | <b>\$ 227,126</b>               | <b>\$ 66,035</b>                | <b>\$ 161,091</b> |

**Table 6**  
**Treasury Related Expenses**  
**(Dollars in Thousands)**

| <u>Description</u>                  | Original          |                   | <u>Change</u>     |
|-------------------------------------|-------------------|-------------------|-------------------|
|                                     | <u>FY 2025</u>    | <u>FY 2024</u>    |                   |
|                                     | <u>Budget</u>     | <u>Budget</u>     |                   |
| Interest Expense (1)                | \$ 155,391        | \$ 154,822        | \$ 569            |
| Build America Bond Subsidy (2)      | -                 | (2,762)           | 2,762             |
| Interest on Note (3)                | -                 | 620               | (620)             |
| Commitment Fee on Note (3)          | -                 | 200               | (200)             |
| Amortized Financing Cost (4)        | (32,412)          | (29,502)          | (2,910)           |
| Investment Income (5)               | (6,517)           | (2,437)           | (4,080)           |
| Treasury Svcs/Paying Agent Fees (6) | 716               | 691               | 25                |
| <b>Total</b>                        | <b>\$ 117,178</b> | <b>\$ 121,632</b> | <b>\$ (4,454)</b> |

#### **Assumptions**

- (1) Budget assumes approximately \$165.26 million in principal will be refunded in fiscal year 2024 and approximately \$236.80 million new capital bond financed in 2024 bond transaction.
- (2) Build America Bonds subsidy from the Treasury for 35% of the interest payments in prior years will end following fiscal year 2024. As a result \$0 is budgeted for fiscal year 2025.
- (3) The line of credit terms utilized in previous years to fund a portion of interest expense under the Regional Cooperation Debt 2 Initiative will expire in April of 2024. No expenses related to the line of credit are planned in fiscal year 2025.
- (4) The amortized financing costs are driven by the amortization of the premiums on bond issues.
- (5) Includes interest earned on cash holdings and investments. Capital Fund can be transferred periodically to the Revenue Fund. Projected investment income earning rates are forecasted to average 3.75%.
- (6) Includes all non-interest costs of banking, debt and internal labor and overheads.



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**Table 7  
Cost-to-Cash Reconciliation  
(Dollars in Thousands)**

| Description                              | FY 2025<br>Total<br>Cost | Non-Cash<br>Items   | Non-Cost<br>Items | Deferred<br>Cash<br>Requirements | Prior<br>Year<br>Commitments | FY 2025<br>Total<br>Cash |
|--|--------------------------|---------------------|-------------------|----------------------------------|------------------------------|--------------------------|
| <u>Operating</u>                         |                          |                     |                   |                                  |                              |                          |
| Controllable - Expense                   | \$ 333,118               | \$ -                | \$ -              | \$ -                             | \$ -                         | \$ 333,118               |
| Controllable - Capital                   | 241,784                  | -                   | 2,965             | -                                | -                            | 244,749                  |
| EPU                                      | 12,049                   | -                   | -                 | -                                | -                            | 12,049                   |
| Nuclear Fuel Amortization                | 43,642                   | (43,368)            | 51,520            | -                                | -                            | 51,794                   |
| Fuel Litigation                          | -                        | -                   | 188               | -                                | -                            | 188                      |
| Spares/Inventory Growth                  | -                        | -                   | 7,395             | -                                | -                            | 7,395                    |
| Generation Taxes                         | 5,044                    | -                   | 81                | -                                | -                            | 5,125                    |
| <b>Subtotal Operating</b>                | <b>\$ 635,637</b>        | <b>\$ (43,368)</b>  | <b>\$ 62,149</b>  | <b>\$ -</b>                      | <b>\$ -</b>                  | <b>\$ 654,418</b>        |
| <u>Fixed Expenses</u>                    |                          |                     |                   |                                  |                              |                          |
| Treasury Related Expense                 |                          |                     |                   |                                  |                              |                          |
| Interest on Bonds                        | \$ 155,391               | \$ -                | \$ -              | \$ -                             | \$ -                         | \$ 155,391               |
| Build America Bond Subsidy               | -                        | -                   | -                 | -                                | -                            | -                        |
| Interest on Note Payable                 | -                        | -                   | -                 | -                                | -                            | -                        |
| Commitment Fee on Note                   | -                        | -                   | -                 | -                                | -                            | -                        |
| Payoff of Note Principal                 | -                        | -                   | -                 | -                                | -                            | -                        |
| Bond Retirement                          | -                        | -                   | 19,585            | -                                | -                            | 19,585                   |
| Amortized Cost                           | (32,412)                 | 32,412              | -                 | -                                | -                            | -                        |
| Investment Income-Revenue Fund           | (6,517)                  | -                   | -                 | 5,401                            | -                            | (1,116)                  |
| Treasury Services                        | 716                      | -                   | -                 | -                                | -                            | 716                      |
| Decommissioning and Site Restoration (1) | 41,683                   | (41,683)            | 14,805            | -                                | -                            | 14,805                   |
| ISFSI Decommissioning                    | 280                      | (280)               | 295               | -                                | -                            | 295                      |
| Depreciation                             | 92,147                   | (92,147)            | -                 | -                                | -                            | -                        |
| <b>Subtotal Fixed Expenses</b>           | <b>\$ 251,288</b>        | <b>\$ (101,698)</b> | <b>\$ 34,685</b>  | <b>\$ 5,401</b>                  | <b>\$ -</b>                  | <b>\$ 189,676</b>        |
| <b>Total</b>                             | <b>\$ 886,925</b>        | <b>\$ (145,066)</b> | <b>\$ 96,834</b>  | <b>\$ 5,401</b>                  | <b>\$ -</b>                  | <b>\$ 844,094</b>        |

(1) Decommissioning and Site Restoration paid directly by the Bonneville Power Administration

**Table 8**  
**Annual Budget**  
**Statement of Funding Requirements (Revenue Fund)**  
(Dollars in Thousands)

| <u>Description</u>                             | Original          |                   | Change             |
|--|-------------------|-------------------|--------------------|
|  | FY 2025<br>Budget | FY 2024<br>Budget |                    |
| <u>Operating</u>                               |                   |                   |                    |
| Controllable Expense                           | \$ 333,118        | \$ 231,681        | \$ 101,437         |
| Controllable Capital                           | 244,749           | 96,196            | 148,553            |
| EPU  | 12,049            | 9,850             | 2,199              |
| Nuclear Fuel Amortization                      | 51,794            | 43,390            | 8,404              |
| Fuel Litigation                                | 188               | 187               | 1                  |
| Spares/Inventory Growth                        | 7,395             | 5,075             | 2,320              |
| Generation Taxes                               | 5,125             | 5,089             | 36                 |
| <b>Subtotal Operating Requirements</b>         | <b>\$ 654,418</b> | <b>\$ 391,468</b> | <b>\$ 262,950</b>  |
| <u>Fixed</u>                                   |                   |                   |                    |
| Treasury Related Expenses                      |                   |                   |                    |
| Interest on Bonds                              | \$ 155,391        | \$ 154,822        | \$ 569             |
| Build America Bond Subsidy                     | -                 | (2,762)           | 2,762              |
| Interest on Note                               | -                 | 620               | (620)              |
| Note Commitment Fee                            | -                 | 200               | (200)              |
| Payoff of Note Principal                       | -                 | 53,850            | (53,850)           |
| Bond Retirement (1)                            | 19,585            | 25,154            | (5,569)            |
| Investment Income-Revenue Fund                 | (1,116)           | (837)             | (279)              |
| Treasury Services/Paying Agent Fees            | 716               | 691               | 25                 |
| Decommissioning and Site Restoration Costs (2) | 14,805            | 4,739             | 10,066             |
| ISFSI Decommissioning Costs (2)                | 295               | 280               | 15                 |
| <b>Subtotal Fixed</b>                          | <b>\$ 189,676</b> | <b>\$ 236,757</b> | <b>\$ (47,081)</b> |
| <b>Total Funding Requirements</b>              | <b>\$ 844,094</b> | <b>\$ 628,225</b> | <b>\$ 215,869</b>  |
| <u>Funding Sources</u>                         |                   |                   |                    |
| Direct Pay from BPA / Net Billing (3)          | \$ 572,196        | \$ 436,160        | \$ 136,036         |
| Note / Line of Credit Draws (4)                | -                 | 27,000            | (27,000)           |
| Bond Proceeds (Capital) (5)                    | 236,798           | 106,046           | 130,752            |
| Excess Capital Funds from FY2024               | 20,000            | -                 | 20,000             |
| Bond Proceeds (Interest / LOC) (4)             | -                 | 54,000            | (54,000)           |
| Fuel Revenue                                   | -                 | -                 | -                  |
| Bonneville Direct Funding Decommissioning (2)  | 15,100            | 5,019             | 10,081             |
| <b>Total Funding Sources</b>                   | <b>\$ 844,094</b> | <b>\$ 628,225</b> | <b>\$ 215,869</b>  |

(1) \$19.585 million of taxable bonds maturing July 2025 and are expected to be repaid.

(2) BPA directly funds the requirements for the Decommissioning and Site Restoration Funds on behalf of Energy Northwest.

(3) Bonneville will direct pay the monthly funding requirements under the provisions of the Direct Pay Agreement.

(4) The Note / Line of Credit will expire April, 2024. No funds will be drawn in fiscal year 25.

(5) Bond Proceeds do not include any funding related to the Energy Northwest Office Complex.

**Table 9**  
**Monthly Statement of Funding Requirements**  
(Dollars in Thousands)

| Description                          | Jul              | Aug              | Sep              | Oct              | Nov              | Dec               | Jan              | Feb              | Mar              | Apr              | May              | Jun               | FY 2025 Total     |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|
| <b>Beginning Balance</b>             | <b>\$ 3,000</b>  | <b>\$ 3,000</b>  | <b>\$ 3,000</b>  | <b>\$ 3,000</b>  | <b>\$ 3,000</b>  | <b>\$ 3,000</b>   | <b>\$ 3,000</b>  | <b>\$ 3,000</b>  | <b>\$ 3,000</b>  | <b>\$ 3,000</b>  | <b>\$ 3,000</b>  | <b>\$ 3,000</b>   | <b>\$ 3,000</b>   |
| <u>Disbursements</u>                 |                  |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |                   |                   |
| <u>Operating</u>                     |                  |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |                   |                   |
| Controllable Expense                 | \$ 22,213        | \$ 20,091        | \$ 17,869        | \$ 22,303        | \$ 18,743        | \$ 20,754         | \$ 20,603        | \$ 20,940        | \$ 22,827        | \$ 40,711        | \$ 48,854        | \$ 57,210         | \$ 333,118        |
| Controllable Capital                 | 16,747           | 15,781           | 15,542           | 14,798           | 9,786            | 15,476            | 17,180           | 16,204           | 15,534           | 26,819           | 24,554           | 56,328            | 244,749           |
| EPU                                  | 901              | 851              | 801              | 951              | 701              | 801               | 851              | 751              | 851              | 901              | 801              | 2,888             | 12,049            |
| Nuclear Fuel In Process              | 4,316            | 4,316            | 4,316            | 4,316            | 4,316            | 4,316             | 4,316            | 4,316            | 4,316            | 4,316            | 4,317            | 4,317             | 51,794            |
| Fuel Litigation                      | -                | -                | -                | -                | 5                | 10                | 30               | 46               | 45               | 32               | 20               | -                 | 188               |
| Spares/Inventory Growth              | -                | 2,465            | -                | -                | 2,465            | -                 | -                | -                | -                | -                | 1,233            | -                 | 7,395             |
| Generation Taxes                     | -                | -                | -                | -                | -                | -                 | -                | 5,125            | -                | -                | -                | -                 | 5,125             |
| <b>Subtotal Operating</b>            | <b>\$ 44,177</b> | <b>\$ 43,504</b> | <b>\$ 38,528</b> | <b>\$ 42,368</b> | <b>\$ 36,016</b> | <b>\$ 41,357</b>  | <b>\$ 42,980</b> | <b>\$ 48,614</b> | <b>\$ 43,573</b> | <b>\$ 72,779</b> | <b>\$ 79,779</b> | <b>\$ 120,743</b> | <b>\$ 654,418</b> |
| <u>Fixed</u>                         |                  |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |                   |                   |
| Treasury Related Expenses            |                  |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |                   |                   |
| Interest on Bonds                    | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             | \$ 77,696         | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             | \$ 77,696         | \$ 155,391        |
| Payoff of Note Principal             | -                | -                | 26,850           | -                | -                | -                 | -                | -                | -                | -                | -                | (26,850)          | -                 |
| Bond Retirement (1)                  | -                | -                | -                | -                | -                | -                 | -                | -                | -                | -                | -                | 19,585            | 19,585            |
| Investment Income                    | (93)             | (93)             | (93)             | (93)             | (93)             | (93)              | (93)             | (93)             | (93)             | (93)             | (93)             | (93)              | (1,116)           |
| Treasury Services                    | 60               | 60               | 60               | 60               | 60               | 60                | 60               | 60               | 60               | 60               | 60               | 56                | 716               |
| Decommissioning and Site Restoration | -                | -                | 14,805           | -                | -                | -                 | -                | -                | -                | -                | -                | -                 | 14,805            |
| ISFSI Decommissioning                | -                | -                | 295              | -                | -                | -                 | -                | -                | -                | -                | -                | -                 | 295               |
| <b>Subtotal Fixed</b>                | <b>\$ (33)</b>   | <b>\$ (33)</b>   | <b>\$ 41,917</b> | <b>\$ (33)</b>   | <b>\$ (33)</b>   | <b>\$ 77,663</b>  | <b>\$ (33)</b>   | <b>\$ (33)</b>   | <b>\$ (33)</b>   | <b>\$ (33)</b>   | <b>\$ (33)</b>   | <b>\$ 70,394</b>  | <b>\$ 189,676</b> |
| <b>Total Disbursements</b>           | <b>\$ 44,144</b> | <b>\$ 43,471</b> | <b>\$ 80,445</b> | <b>\$ 42,335</b> | <b>\$ 35,983</b> | <b>\$ 119,020</b> | <b>\$ 42,947</b> | <b>\$ 48,581</b> | <b>\$ 43,540</b> | <b>\$ 72,746</b> | <b>\$ 79,746</b> | <b>\$ 191,137</b> | <b>\$ 844,094</b> |
| <u>Funding Sources</u>               |                  |                  |                  |                  |                  |                   |                  |                  |                  |                  |                  |                   |                   |
| BPA Direct Pay (2)                   | \$ 26,496        | \$ 26,839        | \$ 49,002        | \$ 26,586        | \$ 25,496        | \$ 102,743        | \$ 24,916        | \$ 31,626        | \$ 27,155        | \$ 45,026        | \$ 54,391        | \$ 131,921        | \$ 572,196        |
| Bond Proceeds (Capital)              | 7,648            | 6,632            | 16,343           | 15,749           | 10,487           | 16,277            | 18,031           | 16,955           | 16,385           | 27,720           | 25,355           | 59,216            | 236,798           |
| Excess Capital Funds from FY2024     | 10,000           | 10,000           | -                | -                | -                | -                 | -                | -                | -                | -                | -                | -                 | 20,000            |
| BPA - Decommissioning                | -                | -                | 15,100           | -                | -                | -                 | -                | -                | -                | -                | -                | -                 | 15,100            |
| <b>Total Funding Sources</b>         | <b>\$ 44,144</b> | <b>\$ 43,471</b> | <b>\$ 80,445</b> | <b>\$ 42,335</b> | <b>\$ 35,983</b> | <b>\$ 119,020</b> | <b>\$ 42,947</b> | <b>\$ 48,581</b> | <b>\$ 43,540</b> | <b>\$ 72,746</b> | <b>\$ 79,746</b> | <b>\$ 191,137</b> | <b>\$ 844,094</b> |
| <b>Ending Balance</b>                | <b>\$ 3,000</b>  | <b>\$ 3,000</b>  | <b>\$ 3,000</b>  | <b>\$ 3,000</b>  | <b>\$ 3,000</b>  | <b>\$ 3,000</b>   | <b>\$ 3,000</b>  | <b>\$ 3,000</b>  | <b>\$ 3,000</b>  | <b>\$ 3,000</b>  | <b>\$ 3,000</b>  | <b>\$ 3,000</b>   | <b>\$ 3,000</b>   |

(1) \$290.8 million of 7/1/2024 maturing bonds are expected to be extended. The remaining \$25.2 million are expected to be paid off.

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# **Draft - Fiscal Year 2025 Columbia Generating Station Long Range Plan**



| BPA Rate Case  | BP24              | BP24(25%)<br>BP26(75%) | BP26              | BP26              | BP26(25%)<br>BP29(75%) | BP29              | BP29(25%)<br>BP31(75%) | BP31              | BP31(25%)<br>BP33(75%) | BP33              | BP33(25%)<br>BP35(75%) |
|--|-------------------|------------------------|-------------------|-------------------|------------------------|-------------------|------------------------|-------------------|------------------------|-------------------|------------------------|
| Columbia Fiscal Year/ \$ in Thousands                                | FY25 (R27)        | FY26                   | FY27 (R28)        | FY28              | FY29 (R29)             | FY30              | FY31 (R30)             | FY32              | FY33 (R31)             | FY34              | FY35 (R32)             |
| <b>CASH RELATED REQUIREMENTS (1)</b>                                 |                   |                        |                   |                   |                        |                   |                        |                   |                        |                   |                        |
| <b>Operations &amp; Maintenance (O&amp;M) Costs</b>                  |                   |                        |                   |                   |                        |                   |                        |                   |                        |                   |                        |
| Total Baseline Costs   | \$ 144,470        | \$ 157,426             | \$ 163,530        | \$ 163,143        | \$ 167,705             | \$ 161,165        | \$ 163,769             | \$ 161,061        | \$ 164,483             | \$ 162,609        | \$ 164,763             |
| Total Outage Incremental   | \$ 34,600         | \$ -                   | \$ 50,764         | \$ -              | \$ 52,570              | \$ -              | \$ 42,639              | \$ -              | \$ 39,479              | \$ -              | \$ 33,000              |
| Plant O&M Projects   | \$ 49,951         | \$ 7,017               | \$ 41,412         | \$ 15,694         | \$ 45,683              | \$ 8,236          | \$ 38,031              | \$ 7,900          | \$ 41,916              | \$ 17,279         | \$ 44,231              |
| Facilities O&M Projects  | \$ 1,563          | \$ 1,537               | \$ 1,973          | \$ 1,474          | \$ 1,465               | \$ 1,470          | \$ 1,586               | \$ 1,703          | \$ 1,709               | \$ 1,433          | \$ 1,415               |
| Indirect Allocations   | \$ 98,534         | \$ 103,411             | \$ 107,977        | \$ 112,180        | \$ 110,870             | \$ 109,900        | \$ 106,037             | \$ 108,969        | \$ 109,164             | \$ 115,337        | \$ 109,940             |
| Management Reserve   | \$ 4,000          | \$ 5,000               | \$ 5,000          | \$ 5,000          | \$ 5,000               | \$ 5,000          | \$ 5,000               | \$ 5,000          | \$ 5,000               | \$ 5,000          | \$ 5,000               |
| Subtotal O&M Costs   | \$ 333,118        | \$ 274,391             | \$ 370,656        | \$ 297,491        | \$ 383,293             | \$ 285,771        | \$ 357,062             | \$ 284,633        | \$ 361,752             | \$ 301,658        | \$ 358,349             |
| Escalation (2)   | \$ -              | \$ 11,356              | \$ 26,400         | \$ 32,343         | \$ 61,846              | \$ 53,635         | \$ 81,858              | \$ 77,500         | \$ 114,606             | \$ 109,471        | \$ 147,138             |
| <b>Total O&amp;M Related Costs</b>                                   | <b>\$ 333,118</b> | <b>\$ 285,747</b>      | <b>\$ 397,056</b> | <b>\$ 329,834</b> | <b>\$ 445,139</b>      | <b>\$ 339,406</b> | <b>\$ 438,921</b>      | <b>\$ 362,132</b> | <b>\$ 476,358</b>      | <b>\$ 411,129</b> | <b>\$ 505,487</b>      |
| <b>Fuel Cash Requirements (3)</b>                                    | <b>\$ 51,794</b>  | <b>\$ 47,206</b>       | <b>\$ 68,889</b>  | <b>\$ 49,089</b>  | <b>\$ 109,642</b>      | <b>\$ 92,772</b>  | <b>\$ 76,621</b>       | <b>\$ 20,019</b>  | <b>\$ 101,334</b>      | <b>\$ 26,256</b>  | <b>\$ 109,095</b>      |
| <b>Other Cash Related Requirements (Escalation Included by categ</b> |                   |                        |                   |                   |                        |                   |                        |                   |                        |                   |                        |
| Spares / Inventory   | \$ 7,395          | \$ 9,500               | \$ 9,975          | \$ 10,474         | \$ 10,997              | \$ 11,547         | \$ 12,125              | \$ 12,731         | \$ 13,367              | \$ 14,036         | \$ 14,738              |
| Generation Tax   | \$ 5,152          | \$ 4,865               | \$ 6,451          | \$ 5,962          | \$ 8,166               | \$ 8,150          | \$ 10,199              | \$ 10,218         | \$ 13,009              | \$ 12,989         | \$ 16,375              |
| Treasury Services (4)  | \$ 716            | \$ 772                 | \$ 811            | \$ 851            | \$ 894                 | \$ 938            | \$ 985                 | \$ 1,035          | \$ 1,086               | \$ 1,141          | \$ 1,198               |
| Fuel Litigation  | \$ 188            | \$ 274                 | \$ 288            | \$ 302            | \$ 317                 | \$ 333            | \$ 350                 | \$ 367            | \$ 386                 | \$ 405            | \$ 425                 |
| Facilities (ENOC Rentals) Capital (5)                                | \$ 500            | \$ 500                 | \$ 525            | \$ 551            | \$ 579                 | \$ 608            | \$ 638                 | \$ 670            | \$ 704                 | \$ 739            | \$ 776                 |
| Subtotal Other Cash Related  | \$ 13,951         | \$ 15,911              | \$ 18,049         | \$ 18,140         | \$ 20,953              | \$ 21,577         | \$ 24,297              | \$ 25,021         | \$ 28,552              | \$ 29,309         | \$ 33,511              |
| <b>Total Other Cash Related</b>                                      | <b>\$ 13,951</b>  | <b>\$ 15,911</b>       | <b>\$ 18,049</b>  | <b>\$ 18,140</b>  | <b>\$ 20,953</b>       | <b>\$ 21,577</b>  | <b>\$ 24,297</b>       | <b>\$ 25,021</b>  | <b>\$ 28,552</b>       | <b>\$ 29,309</b>  | <b>\$ 33,511</b>       |
| <b>TOTAL CASH RELATED "IPR COSTS"</b>                                | <b>\$ 398,863</b> | <b>\$ 348,864</b>      | <b>\$ 483,993</b> | <b>\$ 397,063</b> | <b>\$ 575,734</b>      | <b>\$ 453,754</b> | <b>\$ 539,839</b>      | <b>\$ 407,172</b> | <b>\$ 606,244</b>      | <b>\$ 466,695</b> | <b>\$ 648,093</b>      |
| <b>CAPITAL RELATED REQUIREMENTS (6)</b>                              |                   |                        |                   |                   |                        |                   |                        |                   |                        |                   |                        |
| <b>Life-Cycle Management (LCM) Capital Related</b>                   |                   |                        |                   |                   |                        |                   |                        |                   |                        |                   |                        |
| Plant "Life Cycle Management" (LCM) Projects                         | \$ 160,718        | \$ 106,164             | \$ 319,050        | \$ 157,574        | \$ 186,716             | \$ 86,094         | \$ 236,440             | \$ 122,112        | \$ 131,155             | \$ 45,082         | \$ 63,028              |
| Facilities Capital Projects  | \$ 2,772          | \$ 2,782               | \$ 3,273          | \$ 2,123          | \$ 1,037               | \$ 981            | \$ 1,161               | \$ 1,726          | \$ 1,762               | \$ 1,410          | \$ 1,398               |
| Information Technology Capital Projects                              | \$ 8,509          | \$ 6,736               | \$ 9,086          | \$ 8,966          | \$ 8,650               | \$ 10,641         | \$ 7,407               | \$ 10,751         | \$ 8,099               | \$ 6,544          | \$ 7,156               |
| LCM Allocated Costs  | \$ 41,402         | \$ 33,729              | \$ 38,841         | \$ 27,748         | \$ 28,813              | \$ 25,536         | \$ 37,309              | \$ 30,345         | \$ 31,243              | \$ 19,637         | \$ 26,920              |
| Management Reserve   | \$ 28,383         | \$ 9,000               | \$ 28,000         | \$ 14,000         | \$ 16,000              | \$ 12,000         | \$ 20,000              | \$ 13,000         | \$ 43,000              | \$ 27,000         | \$ 34,000              |
| Escalation (2)   | \$ -              | \$ 5,400               | \$ 28,518         | \$ 22,045         | \$ 34,619              | \$ 24,262         | \$ 64,587              | \$ 42,793         | \$ 66,126              | \$ 36,103         | \$ 55,761              |
| Inflation Reduction Act Reimbursement (7)                            | \$ -              | \$ -                   | \$ -              | \$ -              | \$ -                   | \$ -              | \$ -                   | \$ -              | \$ -                   | \$ -              | \$ -                   |
| <b>Total LCM Capital Projects</b>                                    | <b>\$ 241,784</b> | <b>\$ 163,812</b>      | <b>\$ 426,769</b> | <b>\$ 232,455</b> | <b>\$ 275,835</b>      | <b>\$ 159,514</b> | <b>\$ 366,904</b>      | <b>\$ 220,727</b> | <b>\$ 281,384</b>      | <b>\$ 135,777</b> | <b>\$ 188,263</b>      |
| <b>Extended Power Uprate (EPU)</b>                                   |                   |                        |                   |                   |                        |                   |                        |                   |                        |                   |                        |
| Extended Power Uprate "Incremental"                                  | \$ 12,049         | \$ 96,000              | \$ 142,000        | \$ 127,000        | \$ 106,000             | \$ 76,000         | \$ 132,000             | \$ 39,000         | \$ 11,000              | \$ 6,000          | \$ 5,000               |
| Escalation (2)   | \$ -              | \$ 3,840               | \$ 11,587         | \$ 15,858         | \$ 18,005              | \$ 16,466         | \$ 35,022              | \$ 12,321         | \$ 4,054               | \$ 2,540          | \$ 2,401               |
| Inflation Reduction Act Reimbursement (7)                            | \$ -              | \$ -                   | \$ -              | \$ -              | \$ -                   | \$ -              | \$ -                   | \$ -              | \$ -                   | \$ -              | \$ -                   |
| <b>Total Extended Power Uprate</b>                                   | <b>\$ 12,049</b>  | <b>\$ 99,840</b>       | <b>\$ 153,587</b> | <b>\$ 142,858</b> | <b>\$ 124,005</b>      | <b>\$ 92,466</b>  | <b>\$ 167,022</b>      | <b>\$ 51,321</b>  | <b>\$ 15,054</b>       | <b>\$ 8,540</b>   | <b>\$ 7,401</b>        |
| ISFSI Capital Funding Requirements                                   | \$ 2,965          | \$ 13,117              | \$ 555            | \$ 2,963          | \$ 2,895               | \$ 13,979         | \$ 666                 | \$ 2,730          | \$ 2,758               | \$ 17,806         | \$ 801                 |
| <b>TOTAL CAPITAL RELATED REQUIREMENTS</b>                            | <b>\$ 256,798</b> | <b>\$ 276,769</b>      | <b>\$ 580,911</b> | <b>\$ 378,276</b> | <b>\$ 402,735</b>      | <b>\$ 265,959</b> | <b>\$ 534,592</b>      | <b>\$ 274,778</b> | <b>\$ 299,197</b>      | <b>\$ 162,122</b> | <b>\$ 196,466</b>      |

| BPA Rate Case                               | BP24       | BP24(25%)<br>BP26(75%) | BP26       | BP26       | BP26(25%)<br>BP29(75%) | BP29       | BP29(25%)<br>BP31(75%) | BP31       | BP31(25%)<br>BP33(75%) | BP33       | BP33(25%)<br>BP35(75%) |
|---|------------|------------------------|------------|------------|------------------------|------------|------------------------|------------|------------------------|------------|------------------------|
| Columbia Fiscal Year/ \$ in Thousands       | FY25 (R27) | FY26                   | FY27 (R28) | FY28       | FY29 (R29)             | FY30       | FY31 (R30)             | FY32       | FY33 (R31)             | FY34       | FY35 (R32)             |
| <b>NON-CASH RELATED REQUIREMENTS (8)</b>    |            |                        |            |            |                        |            |                        |            |                        |            |                        |
| Fuel Amortization Costs                     | \$ 43,642  | \$ 56,998              | \$ 50,816  | \$ 61,269  | \$ 54,471              | \$ 67,077  | \$ 59,080              | \$ 74,931  | \$ 66,804              | \$ 61,250  | \$ 65,055              |
| <b>GENERATION ASSUMPTIONS (9)</b>           |            |                        |            |            |                        |            |                        |            |                        |            |                        |
| Total Net Generation (Gwh)                  | 8,216      | 9,700                  | 7,421      | 9,828      | 7,391                  | 9,920      | 8,077                  | 11,388     | 9,463                  | 11,357     | 10,115                 |
| <b>SUMMARY / COST OF POWER METRICS</b>      |            |                        |            |            |                        |            |                        |            |                        |            |                        |
| Total O&M Related Costs                     | \$ 333,118 | \$ 285,747             | \$ 397,056 | \$ 329,834 | \$ 445,139             | \$ 339,406 | \$ 438,921             | \$ 362,132 | \$ 476,358             | \$ 411,129 | \$ 505,487             |
| Fuel Amortization Costs                     | \$ 43,642  | \$ 56,998              | \$ 50,816  | \$ 61,269  | \$ 54,471              | \$ 67,077  | \$ 59,080              | \$ 74,931  | \$ 66,804              | \$ 61,142  | \$ 59,502              |
| Production Cost of Power (\$/MWh)           | \$ 45.86   | \$ 35.33               | \$ 60.35   | \$ 39.79   | \$ 67.60               | \$ 40.98   | \$ 61.66               | \$ 38.38   | \$ 57.40               | \$ 41.58   | \$ 55.86               |
| 2-Year Production Cost of Power (\$/MWh)    | \$ 36.90   | \$ 40.16               | \$ 46.18   | \$ 48.64   | \$ 51.73               | \$ 52.34   | \$ 50.26               | \$ 48.04   | \$ 47.01               | \$ 48.77   | \$ 48.31               |
| Total LCM Capital Projects                  | \$ 241,784 | \$ 163,812             | \$ 426,769 | \$ 232,455 | \$ 275,835             | \$ 159,514 | \$ 366,904             | \$ 220,727 | \$ 281,384             | \$ 135,777 | \$ 188,263             |
| LCM Generating Cost of Power (\$/MWh)       | \$ 75.29   | \$ 52.22               | \$ 117.86  | \$ 63.45   | \$ 104.92              | \$ 57.06   | \$ 107.08              | \$ 57.76   | \$ 87.13               | \$ 53.54   | \$ 74.47               |
| 2-Year Generating Cost of Power (\$/MWh)    | \$ 55.32   | \$ 62.80               | \$ 80.67   | \$ 86.86   | \$ 81.25               | \$ 77.49   | \$ 79.51               | \$ 78.23   | \$ 71.09               | \$ 68.81   | \$ 63.40               |
| Total Extended Power Uprate                 | \$ 12,049  | \$ 99,840              | \$ 153,587 | \$ 142,858 | \$ 124,005             | \$ 92,466  | \$ 167,022             | \$ 51,321  | \$ 15,054              | \$ 8,540   | \$ 7,401               |
| Generating Cost of Power w/EPU&SLR (\$/MWh) | \$ 76.75   | \$ 62.52               | \$ 138.56  | \$ 77.98   | \$ 121.70              | \$ 66.38   | \$ 127.76              | \$ 62.27   | \$ 88.72               | \$ 54.29   | \$ 75.20               |
| 2-Year Generating COP w/EPU&SLR (\$/MWh)    | \$ 56.54   | \$ 69.04               | \$ 95.47   | \$ 104.04  | \$ 96.75               | \$ 90.00   | \$ 93.93               | \$ 89.44   | \$ 74.28               | \$ 69.94   | \$ 64.14               |

Note: Due to rounding totals may have slight variances from other reports

- (1) Cash Related Funding Requirements represent cash related costs incorporated into Bonneville Power Administration's Integrated Program Review (IPR) rate setting process
- (2) Escalation Note = blended 4%
- (3) Fuel Escalation included
- (4) Treasury Services = finance related costs, does not include debt retirement
- (5) ENOC Capital Requirements cannot be financed
- (6) Capital Related costs funded with Bond Proceeds
- (7) Inflation Reduction Act - inputs to be generated when information becomes available
- (8) Defines Non-Cash Related Costs
- (9) Net Generation Assumptions: 1153 MWe baseline, 1131 MWe in summer. Note = 1% unplanned/2.5% planned loss; FY28 12MWe increase MSR, FY30 14 MWe increase Main Turbine upgrade, FY32 ~170 MWe increase Main Generator replacement (assumes full EPU implementation). Generation increases slightly due to leap year every fourth year.

**Fiscal Year 2025  
Packwood Lake Hydroelectric Project  
Annual Operating Budget**

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### Summary

The Packwood Lake Hydroelectric Project (Packwood), the first electrical generating project undertaken by Energy Northwest, began commercial operation in June 1964. Occupying 660 acres of the Gifford Pinchot National Forest in south central Washington, Packwood consists of a dam at Packwood Lake; a five-mile-long system of pipeline, tunnels and Penstock; and a 27,500 kilowatt-rated, underground powerhouse located 1,800 feet below the lake elevation. The reservoir is fed by Upper Lake Creek and several small tributaries that rely exclusively on direct rainfall and snow melt for their water supply.

The total net Fiscal Year (FY) 2025 operating, and capital cost combined is estimated to be \$3,953,000 (Table 1), with associated funding requirements of \$3,596,000 (Table 5). The difference between total program cost and net funding requirements is due to depreciation (Table 4).

A comparison of the FY 2025 budget is made to the original budget issued for FY 2024.

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**Key Assumptions/Qualifications**

- The Project budget has been reviewed and approved by the participants.
- Generation is estimated at 77,876 MWh, which reflects a 5-year average of the plant output decreased by approximately 10% due to the mitigation impacts of actions required under the new operating license.
- The Fiscal Year 2025 Budget includes costs for mitigation activities required under the new operating license which was obtained in October 2018.

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**Table 1**  
**Summary of Operating and Capital Costs**  
(Dollars in Thousands)

| <b>Description</b>                      | <b>FY 2025<br/>Budget</b> | <b>Original<br/>FY 2024<br/>Budget</b> | <b>Change</b>          |
|---|---------------------------|--|------------------------|
| <b>Operating Costs</b>                  |                           |  |                        |
| Operating & Support Services            | \$ 3,016                  | \$ 2,974                               | \$ 42                  |
| Generation Taxes                        | 20                        | 20                                     | -                      |
| Depreciation                            | 357                       | 341                                    | 16                     |
| Subtotal Operating Costs                | <u>\$ 3,393</u>           | <u>\$ 3,335</u>                        | <u>\$ 58</u>           |
| Interest/Financing (Net)                | \$ (20)                   | \$ (29)                                | \$ 9                   |
| <b>Total Cost</b>                       | <b><u>\$ 3,373</u></b>    | <b><u>\$ 3,306</u></b>                 | <b><u>\$ 67</u></b>    |
| <b>Total Net Generation (MWh)</b>       | <b><u>77,876</u></b>      | <b><u>83,343</u></b>                   | <b><u>(5,467)</u></b>  |
| <b>Cost of Power (\$/MWh) (1)</b>       | <b><u>\$ 43.31</u></b>    | <b><u>\$ 39.66</u></b>                 | <b><u>\$ 3.65</u></b>  |
| <b>Total Capital Cost</b>               | <b><u>\$ 580</u></b>      | <b><u>\$ 760</u></b>                   | <b><u>\$ (180)</u></b> |
| <b>Total Operating and Capital Cost</b> | <b><u>\$ 3,953</u></b>    | <b><u>\$ 4,066</u></b>                 | <b><u>\$ (113)</u></b> |

(1) Cost of Power includes Operating & Support Services, Generation Taxes, Depreciation, and Net Interest/Financing costs.



**Table 2**  
**Summary of Revenues**  
(Dollars in Thousands)

| <u>Description</u>                  | <u>FY 2025<br/>Budget</u> | <u>Original<br/>FY 2024<br/>Budget</u> | <u>Change</u> |
|-------------------------------------|---------------------------|--|---------------|
| <u>Revenues</u>                     |                           |  |               |
| Participant Billings                | \$ 3,536                  | \$ 3,198                               | \$ 338        |
| Substation Interconnection Billings | 220                       | 235                                    | (15)          |
| <b>Total Revenues</b>               | <b>\$ 3,756</b>           | <b>\$ 3,433</b>                        | <b>\$ 323</b> |

Variance - ( ) Unfavorable

**Table 3**  
**Summary of Full Time Equivalent Positions (1)**

| <u>Description</u>       | <u>FY 2025<br/>Budget</u> | <u>FY 2024<br/>Budget</u> | <u>Change</u> |
|--------------------------|---------------------------|---------------------------|---------------|
| Operations & Maintenance | 4                         | 4                         | -             |

(1) Includes Allocations of Corporate Full Time Equivalent Positions

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**Table 4**  
**Cost-to-Cash Reconciliation**  
(Dollars in Thousands)

| <b>Description</b>                  | <b>FY 2025<br/>Total<br/>Cost</b> | <b>Non-Cash<br/>Items</b> | <b>Non-Cost<br/>Items</b> | <b>Deferred<br/>Cash<br/>Requirements</b> | <b>Prior<br/>Year<br/>Commitments</b> | <b>FY 2025<br/>Total</b> |
|-------------------------------------|-----------------------------------|---------------------------|---------------------------|---|---------------------------------------|--------------------------|
| Operating                           |                                   |                           |                           |   |                                       |                          |
| O&M and Support Services            | \$ 3,016                          | \$ -                      | \$ -                      | \$ -                                      | \$ -                                  | \$ 3,016                 |
| Generation Taxes                    | 20                                | -                         | -                         | -   | -                                     | 20                       |
| Depreciation                        | 357                               | (357)                     | -                         | -   | -                                     | -                        |
| Subtotal Operating                  | \$ 3,393                          | \$ (357)                  | \$ -                      | \$ -                                      | \$ -                                  | \$ 3,036                 |
| Interest/Financing                  |                                   |                           |                           |   |                                       |                          |
| Interest Income                     | \$ (37)                           | \$ -                      | \$ -                      | \$ -                                      | \$ -                                  | \$ (37)                  |
| Interest on Note                    | -                                 | -                         | -                         | -   | -                                     | -                        |
| Treasury Services                   | 17                                | -                         | -                         | -   | -                                     | 17                       |
| Subtotal Net Interest/Financing     | \$ (20)                           | \$ -                      | \$ -                      | \$ -                                      | \$ -                                  | \$ (20)                  |
| Capital                             | \$ 580                            | \$ -                      | \$ -                      | \$ -                                      | \$ -                                  | \$ 580                   |
| Refund to Members                   | -                                 | -                         | -                         | -   | -                                     | -                        |
| Total Disbursements                 | \$ 3,953                          | \$ (357)                  | \$ -                      | \$ -                                      | \$ -                                  | \$ 3,596                 |
| Funding Sources                     |                                   |                           |                           |   |                                       |                          |
| Participants Billings               | \$ 3,536                          | \$ -                      | \$ -                      | \$ -                                      | \$ -                                  | \$ 3,536                 |
| Substation Interconnection Billings | 220                               | -                         | -                         | -   | -                                     | 220                      |
| Beginning Packwood Funds            | -                                 | -                         | 1,268                     | -   | -                                     | 1,268                    |
| Total Funding Sources               | \$ 3,756                          | \$ -                      | \$ 1,268                  | \$ -                                      | \$ -                                  | \$ 5,024                 |
| Ending Working Capital              | \$ (197)                          | \$ (357)                  | \$ 1,268                  | \$ -                                      | \$ -                                  | \$ 1,428                 |

**Table 5**  
**Statement of Funding Requirements**  
(Dollars in Thousands)

| <u>Description</u>                       | Original            |                   | Change            |
|--|---------------------|-------------------|-------------------|
|  | FY 2025<br>Budget   | FY 2024<br>Budget |                   |
| <b>Beginning Packwood Funds Balance</b>  | <b>\$ 1,268</b>     | <b>\$ 1,245</b>   | <b>\$ 23</b>      |
| <br><b><u>Funding Requirements</u></b>   |                     |                   |                   |
| <u>Operating</u>                         |                     |                   |                   |
| Operating & Support Services             | \$ 3,016            | \$ 2,974          | \$ 42             |
| Generation Taxes                         | 20                  | 20                | -                 |
| <b>Subtotal Operating</b>                | <b>\$ 3,036</b>     | <b>\$ 2,994</b>   | <b>\$ 42</b>      |
| <u>Interest/Financing</u>                |                     |                   |                   |
| Interest Income                          | \$ (37)             | \$ (44)           | \$ 7              |
| Treasury Services                        | 17                  | 15                | 2                 |
| <b>Subtotal Net Interest/Financing</b>   | <b>\$ (20)</b>      | <b>\$ (29)</b>    | <b>\$ 9</b>       |
| Capital                                  | \$ 580              | \$ 760            | \$ (180)          |
| <b>Total Funding Requirements</b>        | <b>\$ 3,596</b>     | <b>\$ 3,725</b>   | <b>\$ (129)</b>   |
| <br><b><u>Funding Sources</u></b>        |                     |                   |                   |
| Participants Billings                    | \$ 3,536            | \$ 3,198          | \$ 338            |
| Substation Interconnection Billings      | 220                 | 235               | (15)              |
| <b>Total Funding Sources</b>             | <b>\$ 3,756</b>     | <b>\$ 3,433</b>   | <b>\$ 323</b>     |
| <br><b>Ending Packwood Funds Balance</b> | <br><b>\$ 1,428</b> | <br><b>\$ 953</b> | <br><b>\$ 475</b> |

**Table 6**  
**Monthly Statement of Funding Requirements**  
(Dollars in Thousands)

| Description                                | Jul             | Aug             | Sept            | Oct             | Nov             | Dec             | Jan             | Feb             | Mar             | Apr             | May             | Jun             | FY 2025 Total   |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Beginning Balance</b>                   | \$ 1,268        | \$ 1,279        | \$ 1,295        | \$ 1,308        | \$ 1,325        | \$ 1,342        | \$ 1,356        | \$ 1,372        | \$ 1,388        | \$ 1,402        | \$ 1,417        | \$ 1,412        | \$ 1,268        |
| Receipts                                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Line of Credit Receipts                    | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            |
| Participants Billings                      | 295             | 295             | 294             | 295             | 294             | 295             | 294             | 295             | 294             | 295             | 295             | 295             | 3,536           |
| Substation Interconnection Billings        | 18              | 19              | 18              | 19              | 18              | 18              | 18              | 19              | 18              | 18              | 18              | 19              | 220             |
| <b>Total Receipts</b>                      | <b>\$ 313</b>   | <b>\$ 314</b>   | <b>\$ 312</b>   | <b>\$ 314</b>   | <b>\$ 312</b>   | <b>\$ 313</b>   | <b>\$ 312</b>   | <b>\$ 314</b>   | <b>\$ 312</b>   | <b>\$ 313</b>   | <b>\$ 313</b>   | <b>\$ 314</b>   | <b>\$ 3,756</b> |
| Disbursements                              |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Operations Disbursements                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| O&M and Support Services                   | \$ 251          | \$ 251          | \$ 252          | \$ 251          | \$ 251          | \$ 252          | \$ 251          | \$ 251          | \$ 252          | \$ 251          | \$ 252          | \$ 251          | \$ 3,016        |
| Generation Taxes                           | -               | -               | -               | -               | -               | -               | -               | -               | -               | -               | 20              | -               | 20              |
| <b>Subtotal Operations</b>                 | <b>\$ 251</b>   | <b>\$ 251</b>   | <b>\$ 252</b>   | <b>\$ 251</b>   | <b>\$ 251</b>   | <b>\$ 252</b>   | <b>\$ 251</b>   | <b>\$ 251</b>   | <b>\$ 252</b>   | <b>\$ 251</b>   | <b>\$ 272</b>   | <b>\$ 251</b>   | <b>\$ 3,036</b> |
| Interest/Financing                         |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Investment Income                          | \$ (3)          | \$ (3)          | \$ (3)          | \$ (3)          | \$ (4)          | \$ (3)          | \$ (3)          | \$ (3)          | \$ (3)          | \$ (3)          | \$ (3)          | \$ (3)          | \$ (37)         |
| Interest on Note                           | -               | -               | -               | -               | -               | -               | -               | -               | -               | -               | -               | -               | -               |
| Treasury Services                          | 5               | 2               | 1               | 1               | -               | 1               | -               | 2               | 1               | 1               | 1               | 2               | 17              |
| <b>Subtotal Interest/Financing Related</b> | <b>\$ 2</b>     | <b>\$ (1)</b>   | <b>\$ (2)</b>   | <b>\$ (2)</b>   | <b>\$ (4)</b>   | <b>\$ (2)</b>   | <b>\$ (3)</b>   | <b>\$ (1)</b>   | <b>\$ (2)</b>   | <b>\$ (2)</b>   | <b>\$ (2)</b>   | <b>\$ (1)</b>   | <b>\$ (20)</b>  |
| Capital                                    | \$ 49           | \$ 48           | \$ 49           | \$ 48           | \$ 48           | \$ 49           | \$ 48           | \$ 48           | \$ 48           | \$ 49           | \$ 48           | \$ 48           | \$ 580          |
| <b>Total Disbursements</b>                 | <b>\$ 302</b>   | <b>\$ 298</b>   | <b>\$ 299</b>   | <b>\$ 297</b>   | <b>\$ 295</b>   | <b>\$ 299</b>   | <b>\$ 296</b>   | <b>\$ 298</b>   | <b>\$ 298</b>   | <b>\$ 298</b>   | <b>\$ 318</b>   | <b>\$ 298</b>   | <b>\$ 3,596</b> |
| <b>Ending Balance</b>                      | <b>\$ 1,279</b> | <b>\$ 1,295</b> | <b>\$ 1,308</b> | <b>\$ 1,325</b> | <b>\$ 1,342</b> | <b>\$ 1,356</b> | <b>\$ 1,372</b> | <b>\$ 1,388</b> | <b>\$ 1,402</b> | <b>\$ 1,417</b> | <b>\$ 1,412</b> | <b>\$ 1,428</b> | <b>\$ 1,428</b> |

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**Fiscal Year 2025  
Nine Canyon Wind Project  
Annual Operating Budget**

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## Summary

The Nine Canyon Wind Project is located in the Horse Heaven Hills area southeast of Kennewick, Washington.

Phase I of the project, which began commercial operation in September 2002, consists of 37 wind turbines, each with a maximum generating capacity of approximately 1.3 megawatts of electricity, for a total wind capacity of 48.1 megawatts. Phase II of the project, which was declared operational December 31, 2003, included an additional 12 wind turbines with an aggregate generating capacity of approximately 15.6 megawatts. Phase III of the project, which was declared operational April 1, 2008, included an additional 14 wind turbines, each with a maximum generating capacity of approximately 2.3 megawatts of electricity, for a total wind capacity of 32.2 megawatts. The total project generating capability is approximately 95.9 megawatts.

For Phase I and II the turbines are installed in rows with about 500 feet between turbines. Each three-blade turbine consists of a tubular steel tower 200 feet in height, three 100-foot turbine blades attached to a rotor, and a nacelle that houses a generator, gear box and braking mechanisms.

For Phase III the turbines are installed in rows with about 600 feet between turbines. Each three-blade turbine consists of a tubular steel tower 262 feet in height, three 147-foot turbine blades attached to a rotor, and nacelle that houses a generator, gear box and braking mechanisms.

Electricity generated by the project is purchased by Pacific Northwest Public Utility Districts whose customers have expressed an interest in purchasing at least a portion of their electricity from green power sources. Phase I, II, and III participants have signed a power purchase agreement with Energy Northwest through 2030. The project is connected to the Bonneville Power Administration transmission grid via a substation and transmission lines constructed by the Benton County Public Utility District.

For Fiscal Year (FY) 2025, the total funding requirements equal \$13,572,000 (Table 4) with revenue of \$14,038,000 (Table 1) resulting in a net cash deposit of \$466,000 (Table 4).

The FY 2025 Budget is presented on a cost basis and includes a cost-to-cash reconciliation (Table 3) illustrating the conversion of the cost data to a cash basis.

A comparison of the FY 2025 budget is made to the original budget issued for FY 2024.

### Key Assumptions/Qualifications

This budget will provide funding for continued operation and maintenance of the project. This is based upon the key assumptions and qualifications stated below.

- The Project budget has been reviewed and approved by the participants.
- Billing Price for electrical output is estimated to be \$53.03 per MWh (Table 1) for Fiscal Year 2025. The difference between billing price and cost of power is due to depreciation and debt repayment.
- Estimated Generation is set at 220,937 MWh (Table 1) which is based off the most recent five-year average.
- Turbine manufacturer bonus A/S provided O&M services and training. Their support of Phase I was completed in August 2005. Phase II support was completed in December 2006. Siemens is currently providing support for Phase III with the Long-Term Service Agreement that was extended for a fifteen-year term beginning in August 2013.
- Energy Northwest implemented Governmental Accounting Standards Board (GASB) No. 83- Certain Asset Retirement Obligations as required in FY 2019. GASB 83 required a current estimate of the retirement obligation and a change in accounting on recognizing the liability. The major change is the full liability for the retirement obligation is to be booked at the current estimate in today's dollars. The offset to the liability is a deferred outflow, which is amortized over the remaining life of the asset. The resulting straight line charge each year for decommissioning continues until the end of the asset life. At the point of actual decommissioning, the liability is then reduced accordingly for any incurred cash expenditures each period until the asset is fully decommissioned and retired. Decommissioning costs through FY 2024 have been partially funded by Phase I & II participants. Estimated Asset Retirement Obligation liability is \$22.3 million in 2024 dollars. Phase I & II final debt services payments have been made. Phase I & II participants will fund \$1.623 million in decommissioning in FY 2025.

**Table 1**  
**Summary of Operations**  
(Dollars in Thousands)

| <u>Description</u>                                  | <u>FY 2025</u><br><u>Budget</u> | <u>Original</u><br><u>FY 2024</u><br><u>Budget</u> | <u>Change</u>     |
|---|---------------------------------|--|-------------------|
| <u>Revenue</u>                                      |                                 |  |                   |
| Billings  | \$ 11,715                       | \$ 11,716  | \$ (1)            |
| Decommissioning Billings                            | 1,623                           | 3,168  | (1,545)           |
| BPA Transmission Revenue                            | 700                             | 700  | -                 |
| <b>Total Revenue</b>                                | <b>\$ 14,038</b>                | <b>\$ 15,584</b>                                   | <b>\$ (1,546)</b> |
| <u>Operating Costs</u>                              |                                 |  |                   |
| Labor & Overheads                                   | \$ 2,439                        | \$ 2,348   | \$ 91             |
| Equipment/Materials/Services                        | 2,254                           | 2,083  | 171               |
| Insurance   | 393                             | 356  | 37                |
| Site Maintenance & Warranty                         | 1,200                           | 1,142  | 58                |
| Lessee Payments                                     | 675                             | 700  | (25)              |
| Risk Reserve  | 40                              | 44   | (4)               |
| <b>Subtotal Operating Costs</b>                     | <b>\$ 7,001</b>                 | <b>\$ 6,673</b>                                    | <b>\$ 328</b>     |
| Generation Taxes                                    | \$ 54                           | \$ 54  | \$ -              |
| BPA Transmission Costs                              | 700                             | 700  | -                 |
| Decommissioning                                     | 998                             | 1,224  | (226)             |
| Depreciation  | 3,239                           | 3,313  | (74)              |
| <b>Subtotal Operating, Taxes &amp; Capital Cost</b> | <b>\$ 11,992</b>                | <b>\$ 11,964</b>                                   | <b>\$ 28</b>      |
| <u>Net Financing</u>                                |                                 |  |                   |
| Interest/Financing (Net)                            | \$ (269)                        | \$ 325   | \$ (594)          |
| <b>Subtotal Net Financing</b>                       | <b>\$ (269)</b>                 | <b>\$ 325</b>                                      | <b>\$ (594)</b>   |
| <b>Total Cost</b>                                   | <b>\$ 11,723</b>                | <b>\$ 12,289</b>                                   | <b>\$ (566)</b>   |
| <b>Total Net Generation (MWh)</b>                   | <b>220,937</b>                  | <b>231,390</b>                                     | <b>(10,453)</b>   |
| <b>Cost of Power (\$/MWh) (1)</b>                   | <b>\$ 49.89</b>                 | <b>\$ 50.09</b>                                    | <b>\$ (0.20)</b>  |
| <b>Billing Price to Participants (\$/MWh) (2)</b>   | <b>\$ 53.02</b>                 | <b>\$ 50.63</b>                                    | <b>\$ 2.39</b>    |

(1) Cost of Power excludes BPA Transmission and Capital related costs.

(2) Billing Price is the cash requirements for O&M, Capital, and Debt Service of the Project.

**Table 2**  
**Summary of Full Time Equivalent Positions (1)**

| <u>Description</u>           | <u>FY 2025<br/>Budget</u> | <u>Original<br/>FY 2024<br/>Budget</u> | <u>Change</u> |
|------------------------------|---------------------------|--|---------------|
| Project Manager / Supervisor | 1                         | 1                                      | -             |
| O&M Technicians              | 9                         | 9                                      | -             |
| Admin & Technical Support    | 2                         | 2                                      | -             |
| <b>Total</b>                 | <b>12</b>                 | <b>12</b>                              | <b>-</b>      |

(1) Includes Allocations of Corporate Full Time Equivalent Positions

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**Table 3**  
**Cost-to-Cash Reconciliation**  
(Dollars in Thousands)

| Description                                    | FY 2025 Total Cost | Non-Cash Items    | Non-Cost Items  | Deferred Cash Requirements | Prior Year Commitments | FY 2025 Total Cash |
|--|--------------------|-------------------|-----------------|----------------------------|------------------------|--------------------|
| Operating Costs                                |                    |                   |                 |                            |                        |                    |
| Operating Costs                                | \$ 7,001           | \$ -              | \$ -            | \$ -                       | \$ -                   | \$ 7,001           |
| Generation Tax                                 | 54                 | -                 | -               | -                          | -                      | 54                 |
| BPA Transmission                               | 700                | -                 | -               | -                          | -                      | 700                |
| Decommissioning (1)                            | 998                | (998)             | 1,623           | -                          | -                      | 1,623              |
| Depreciation                                   | 3,239              | (3,239)           | -               | -                          | -                      | -                  |
| <b>Subtotal Operating, Taxes &amp; Capital</b> | <b>\$ 11,992</b>   | <b>\$ (4,237)</b> | <b>\$ 1,623</b> | <b>\$ -</b>                | <b>\$ -</b>            | <b>\$ 9,378</b>    |
| Net Debt Service                               |                    |                   |                 |                            |                        |                    |
| Interest Expense                               | \$ 1,206           | \$ -              | \$ -            | \$ -                       | \$ -                   | \$ 1,206           |
| Bond Retirement                                | -                  | -                 | 4,160           | -                          | -                      | 4,160              |
| Amortized Cost                                 | (303)              | 303               | -               | -                          | -                      | -                  |
| Interest Income                                | (1,210)            | -                 | -               | -                          | -                      | (1,210)            |
| Treasury Services                              | 38                 | -                 | -               | -                          | -                      | 38                 |
| <b>Subtotal Net Debt Service</b>               | <b>\$ (269)</b>    | <b>\$ 303</b>     | <b>\$ 4,160</b> | <b>\$ -</b>                | <b>\$ -</b>            | <b>\$ 4,194</b>    |
| <b>Total Disbursements</b>                     | <b>\$ 11,723</b>   | <b>\$ (3,934)</b> | <b>\$ 5,783</b> | <b>\$ -</b>                | <b>\$ -</b>            | <b>\$ 13,572</b>   |
| Revenue  |                    |                   |                 |                            |                        |                    |
| Billings                                       | \$ 11,715          | \$ -              | \$ -            | \$ -                       | \$ -                   | \$ 11,715          |
| Decommissioning Billings                       | 1,623              | -                 | -               | -                          | -                      | 1,623              |
| BPA Transmission                               | 700                | -                 | -               | -                          | -                      | 700                |
| <b>Total Revenue</b>                           | <b>\$ 14,038</b>   | <b>\$ -</b>       | <b>\$ -</b>     | <b>\$ -</b>                | <b>\$ -</b>            | <b>\$ 14,038</b>   |
| <b>Cash (Withdrawal) / Deposit</b>             |                    |                   |                 |                            |                        | <b>\$ 466</b>      |

(1) FY2025 include \$1.623 million for Phase I & II decommissioning costs.  
Estimated Asset Retirement Obligation liability is \$22.3 million in FY24 dollars.

**Table 4**  
**Statement of Funding Requirements**  
(Dollars in Thousands)

| <u>Description</u>                                   | <u>FY 2025<br/>Budget</u> | <u>Original<br/>FY 2024<br/>Budget</u> | <u>Change</u>            |
|--|---------------------------|--|--------------------------|
| <u>Operating Costs</u>                               |                           |  |                          |
| Labor/Benefits/Overhead                              | \$ 2,439                  | \$ 2,348                               | \$ 91                    |
| Equipment/Materials/Services                         | 2,254                     | 2,083                                  | 171                      |
| Insurance  | 393                       | 356                                    | 37                       |
| Site Maintenance & Warranty                          | 1,200                     | 1,142                                  | 58                       |
| Lessee Payments                                      | 675                       | 700                                    | (25)                     |
| Risk Reserve   | 40                        | 44                                     | (4)                      |
| <b>Subtotal Operating Costs</b>                      | <b><u>\$ 7,001</u></b>    | <b><u>\$ 6,673</u></b>                 | <b><u>\$ 328</u></b>     |
| Generation Taxes                                     | \$ 54                     | \$ 54                                  | \$ -                     |
| Capital  | -                         | -                                      | -                        |
| Decommissioning Reserve Contribution                 | 1,623                     | 3,168                                  | (1,545)                  |
| BPA Transmission                                     | 700                       | 700                                    | -                        |
| <b>Subtotal Operating, Taxes &amp; Capital Costs</b> | <b><u>\$ 9,378</u></b>    | <b><u>\$ 10,595</u></b>                | <b><u>\$ (1,217)</u></b> |
| <u>Net Debt Service</u>                              |                           |  |                          |
| Interest Expense                                     | \$ 1,206                  | \$ 1,403                               | \$ (197)                 |
| Bond Retirement                                      | 4,160                     | 3,960                                  | 200                      |
| Interest Income                                      | (1,210)                   | (786)                                  | (424)                    |
| Treasury Services                                    | 38                        | 49                                     | (11)                     |
| <b>Subtotal Net Debt Service</b>                     | <b><u>\$ 4,194</u></b>    | <b><u>\$ 4,626</u></b>                 | <b><u>\$ (432)</u></b>   |
| <b>Total Funding Requirements</b>                    | <b><u>\$ 13,572</u></b>   | <b><u>\$ 15,221</u></b>                | <b><u>\$ (1,649)</u></b> |
| <u>Funding Sources</u>                               |                           |  |                          |
| Billings   | \$ 11,715                 | \$ 11,716                              | \$ (1)                   |
| Decommissioning Billings                             | 1,623                     | 3,168                                  | \$ (1,545)               |
| Participants for BPA Transmission                    | 700                       | 700                                    | -                        |
| Cash Withdrawal / (Deposit)                          | (466)                     | (363)                                  | (103)                    |
| <b>Total Funding Sources</b>                         | <b><u>\$ 13,572</u></b>   | <b><u>\$ 15,221</u></b>                | <b><u>\$ (1,649)</u></b> |

**Table 5**  
**Monthly Statement of Funding Requirements**  
(Dollars in Thousands)

| Description                   | Jul       | Aug       | Sept      | Oct       | Nov       | Dec       | Jan       | Feb       | Mar       | Apr       | May       | Jun       | FY 2025 Total |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------|
| <b>Beginning Balance</b>      | \$ 27,781 | \$ 28,011 | \$ 28,635 | \$ 28,960 | \$ 29,583 | \$ 30,206 | \$ 29,925 | \$ 30,549 | \$ 31,173 | \$ 31,495 | \$ 32,119 | \$ 32,690 | \$ 27,781     |
| Receipts                      |           |           |           |           |           |           |           |           |           |           |           |           |               |
| Billings                      | \$ 977    | \$ 976    | \$ 976    | \$ 976    | \$ 976    | \$ 976    | \$ 977    | \$ 976    | \$ 976    | \$ 976    | \$ 977    | \$ 976    | \$ 11,715     |
| Decommissioning Billings      | 135       | 135       | 136       | 135       | 135       | 136       | 135       | 135       | 135       | 136       | 135       | 135       | 1,623         |
| BPA Transmission              | 59        | 58        | 58        | 59        | 58        | 58        | 59        | 58        | 58        | 58        | 59        | 58        | 700           |
| <b>Total Receipts</b>         | \$ 1,171  | \$ 1,169  | \$ 1,170  | \$ 1,170  | \$ 1,169  | \$ 1,170  | \$ 1,171  | \$ 1,169  | \$ 1,169  | \$ 1,170  | \$ 1,171  | \$ 1,169  | \$ 14,038     |
| Disbursements                 |           |           |           |           |           |           |           |           |           |           |           |           |               |
| Operations Disbursements      |           |           |           |           |           |           |           |           |           |           |           |           |               |
| Labor & Overheads             | \$ 203    | \$ 203    | \$ 204    | \$ 203    | \$ 203    | \$ 203    | \$ 203    | \$ 204    | \$ 203    | \$ 203    | \$ 203    | \$ 204    | \$ 2,439      |
| Equipment/Materials/Services  | 188       | 188       | 187       | 188       | 188       | 188       | 188       | 187       | 188       | 188       | 188       | 188       | 2,254         |
| Insurance                     | 393       | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | 393           |
| Site Maintenance & Warranty   | -         | -         | 300       | -         | -         | 300       | -         | -         | 300       | -         | -         | 300       | 1,200         |
| Lease Payments & Risk Res     | 60        | 59        | 59        | 60        | 59        | 60        | 60        | 59        | 60        | 60        | 59        | 60        | 715           |
| Generation Taxes              | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | 54        | -         | 54            |
| BPA Transmission              | 59        | 58        | 58        | 59        | 58        | 58        | 59        | 58        | 58        | 58        | 59        | 58        | 700           |
| <b>Subtotal Operations</b>    | \$ 903    | \$ 508    | \$ 808    | \$ 510    | \$ 508    | \$ 809    | \$ 510    | \$ 508    | \$ 809    | \$ 509    | \$ 563    | \$ 810    | \$ 7,755      |
| Decommissioning Reserve       | \$ 136    | \$ 135    | \$ 135    | \$ 135    | \$ 136    | \$ 135    | \$ 135    | \$ 135    | \$ 136    | \$ 135    | \$ 135    | \$ 135    | \$ 1,623      |
| Debt Service                  |           |           |           |           |           |           |           |           |           |           |           |           |               |
| Interest Expense              | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ 603    | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ 603    | \$ 1,206      |
| Bond Retirement               | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | 4,160     | 4,160         |
| Investment Income             | (101)     | (101)     | (101)     | (101)     | (101)     | (100)     | (101)     | (101)     | (101)     | (101)     | (101)     | (100)     | (1,210)       |
| Treasury Services             | 3         | 3         | 3         | 3         | 3         | 4         | 3         | 3         | 3         | 3         | 3         | 4         | 38            |
| <b>Subtotal Debt / Decomm</b> | \$ 38     | \$ 37     | \$ 37     | \$ 37     | \$ 38     | \$ 642    | \$ 37     | \$ 37     | \$ 38     | \$ 37     | \$ 37     | \$ 4,802  | \$ 5,817      |
| <b>Total Disbursements</b>    | \$ 941    | \$ 545    | \$ 845    | \$ 547    | \$ 546    | \$ 1,451  | \$ 547    | \$ 545    | \$ 847    | \$ 546    | \$ 600    | \$ 5,612  | \$ 13,572     |
| <b>Ending Balance</b>         | \$ 28,011 | \$ 28,635 | \$ 28,960 | \$ 29,583 | \$ 30,206 | \$ 29,925 | \$ 30,549 | \$ 31,173 | \$ 31,495 | \$ 32,119 | \$ 32,690 | \$ 28,247 | \$ 28,247     |



**Table 6**  
**Bank Accounts**  
(Dollars in Thousands)

| <u>Description</u>                | <u>FY 2025<br/>Budget</u> | <u>Original<br/>FY 2024<br/>Budget</u> | <u>Change</u>   |
|-----------------------------------|---------------------------|--|-----------------|
| Phase I Bond Reserve Account (1)  | \$ -                      | \$ -                                   | \$ -            |
| Phase II Bond Reserve Account (1) | -                         | -                                      | -               |
| Phase III Bond Reserve Account    | 4,757                     | 4,357                                  | 400             |
| Operating Reserve Account         | 814                       | 847                                    | (33)            |
| Reserve and Contingency Account   | 864                       | 797                                    | 67              |
| Decommissioning Reserve Account   | 6,506                     | 3,179                                  | 3,327           |
| Revenue Fund                      | 14,840                    | 13,838                                 | 1,002           |
| <b>Total Beginning Balance</b>    | <b>\$ 27,781</b>          | <b>\$ 23,018</b>                       | <b>\$ 4,763</b> |
| Addition / (Reduction) (2)        | \$ 466                    | \$ 363                                 | \$ 103          |
| Use of Phase I / II Bond Reserves | -                         | -                                      | -               |
| <b>Total Ending Balance</b>       | <b>\$ 28,247</b>          | <b>\$ 23,381</b>                       | <b>\$ 4,866</b> |

(1) Phase I & II Bond Reserve Accounts were utilized to help fund the final debt service payment on July 1, 2023.

(2) Includes \$1,623k funding for Phase I / II Decommissioning Reserve.

**Table 7**  
**Operations & Maintenance - Budget & Forecast**  
**Long Range Plan**  
(Dollars in Thousands)

| Description  | Budget         | Forecast       |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
|  | FY25           | FY26           | FY27           | FY28           | FY29           | FY30           |
| <b>Operating Costs</b>                                     |                |                |                |                |                |                |
| Labor & Overheads  | \$2,439        | \$2,500        | \$2,562        | \$2,627        | \$2,692        | \$2,760        |
| Equipment/Materials/Services                               | 2,254          | 2,128          | 2,181          | 2,190          | 2,245          | 2,348          |
| Insurance  | 393            | 374            | 383            | 393            | 403            | 413            |
| Long Term Service Agreement                                | 1,200          | 1,230          | 1,261          | 1,292          | 1,325          | 1,358          |
| Lease Payments   | 675            | 675            | 675            | 675            | 675            | 675            |
| Risk Reserve   | 40             | 100            | 100            | 100            | 100            | 100            |
| <b>Subtotal Operating Costs</b>                            | <b>\$7,001</b> | <b>\$7,007</b> | <b>\$7,162</b> | <b>\$7,277</b> | <b>\$7,440</b> | <b>\$7,654</b> |
| <b>Taxes &amp; Capital Costs</b>                           |                |                |                |                |                |                |
| Generation Taxes   | \$54           | \$54           | \$54           | \$54           | \$54           | \$54           |
| Capital  | 0              | 71             | 73             | 75             | 77             | 79             |
| BPA Transmission   | 700            | 700            | 700            | 700            | 700            | 700            |
| <b>Subtotal Taxes &amp; Capital Costs</b>                  | <b>\$754</b>   | <b>\$825</b>   | <b>\$827</b>   | <b>\$829</b>   | <b>\$831</b>   | <b>\$833</b>   |
| <b>Total Operating, Taxes, &amp; Capital Disbursements</b> | <b>\$7,755</b> | <b>\$7,832</b> | <b>\$7,989</b> | <b>\$8,106</b> | <b>\$8,271</b> | <b>\$8,487</b> |

**Key Assumptions/Qualifications**

Escalation Rate = 2.5% FY25 = Base Year, excluding lease payments and generation taxes.

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**Fiscal Year 2025  
Project 1  
Annual Budget**

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### Summary

The Project 1 Fiscal Year (FY) 2025 Annual Budget is prepared by Energy Northwest pursuant to the provisions and requirements of Board of Directors' Resolution No. 769, the Project Agreement and the Net Billing Agreements. The budget includes all costs associated with the project for FY 2025 including reuse funding, fixed and variable costs, and treasury related expenses. In addition, the budget includes all funding requirements identified for the project for FY 2025.

The total net cost for FY 2025 is estimated to be \$21,886,000 (Table 1). Total Funding Requirements of \$45,581,000 (Table 5) less revenue from restoration/demolition, leasing, and other financing receipts totaling \$3,819,000 will result in \$41,762,000 being direct billed to Bonneville Power Administration. Bonneville Power Administration directly pays the funding requirements on a monthly basis under the provisions of the Direct Pay Agreements. This takes the net billing requirements to zero, for the statements which otherwise would be sent to participants in the project and paid in accordance with the terms of the Net Billing Agreements. The Net Billing Agreements are still in place, but the direct cash payments from Bonneville Power Administration simply takes the participant payment amounts to zero. In the Direct Pay Agreements, Energy Northwest agreed to promptly bill each participant its share of the costs of the project under the Net Billing Agreements, if Bonneville fails to make a payment when due under the Direct Pay Agreements.

A comparison of the FY 2025 budget is made to the original budget issued for FY 2024.

**Table 1**  
**Summary of Costs**  
(Dollars in Thousands)

|                              | <u>FY 2025<br/>Budget</u> | <u>Original<br/>FY 2024<br/>Budget</u> | <u>Change</u>          |
|------------------------------|---------------------------|--|------------------------|
| <b>Revenue</b>               |                           |  |                        |
| Restoration / Demolition (1) | \$ 3,813                  | \$ 2,263                               | 1,550                  |
| Fixed Costs                  | 6                         | 6                                      | -                      |
| <b>Total Revenue</b>         | <b><u>\$ 3,819</u></b>    | <b><u>\$ 2,269</u></b>                 | <b><u>\$ 1,550</u></b> |
| <b>Costs</b>                 |                           |  |                        |
| <b><u>Site Costs</u></b>     |                           |  |                        |
| Restoration / Demolition (1) | \$ 3,813                  | \$ 2,263                               | 1,550                  |
| Variable Costs               | 36                        | 26                                     | 10                     |
| Fixed Costs                  | 513                       | 378                                    | 135                    |
| <b>Subtotal Site Costs</b>   | <b><u>\$ 4,362</u></b>    | <b><u>\$ 2,667</u></b>                 | <b><u>\$ 1,695</u></b> |
| <b><u>Other</u></b>          |                           |  |                        |
| Treasury Related Expenses    | \$ 21,343                 | \$ 20,670                              | \$ 673                 |
| Decommissioning              | -                         | -                                      | -                      |
| <b>Subtotal Other Costs</b>  | <b><u>\$ 21,343</u></b>   | <b><u>\$ 20,670</u></b>                | <b><u>\$ 673</u></b>   |
| <b>Total Costs</b>           | <b><u>\$ 25,705</u></b>   | <b><u>\$ 23,337</u></b>                | <b><u>\$ 2,368</u></b> |
| <b>Total Net Costs</b>       | <b><u>\$ 21,886</u></b>   | <b><u>\$ 21,068</u></b>                | <b><u>\$ 818</u></b>   |

(1) Restoration / Demolition receipts from the Bonneville Power Administration restoration trust fund will be used to offset all costs of this initiative.

**Table 2**  
**Treasury Related Expenses**  
(Dollars in Thousands)

| <u>Description</u>           | <u>FY 2025<br/>Budget</u> | <u>Original<br/>FY 2024<br/>Budget</u> | <u>Change</u>        |
|------------------------------|---------------------------|--|----------------------|
| Interest Expense (1)         | \$ 39,960                 | \$ 40,137                              | \$ (177)             |
| Interest on Note (2)         | -                         | 230                                    | (230)                |
| Commitment Fee on Note (2)   | -                         | 50                                     | (50)                 |
| Amortized Financing Cost (3) | (18,944)                  | (20,006)                               | 1,062                |
| Investment Income (4)        | (144)                     | (136)                                  | (8)                  |
| Treasury Services (5)        | 471                       | 395                                    | 76                   |
| <b>Total</b>                 | <b><u>\$ 21,343</u></b>   | <b><u>\$ 20,670</u></b>                | <b><u>\$ 673</u></b> |

**Assumptions**

(1) Budget Assumes \$237.900 million bond principal will mature in fiscal year 2025. Of this, \$236.965 million will be extended.

(2) The line of credit terms utilized in previous years to fund a portion of interest expense under the Regional Cooperation Debt 2 Initiative will expire in April of 2024. No expenses related to the line of credit are planned in fiscal year 2025.

(3) The amortized financing costs are driven by the amortization of the premiums on bond issues.

(4) Includes interest earned on cash holdings and from investments. Earnings are transferred to the Revenue Fund. Investment income earnings rates are forecasted to average 3.75%.

(5) Includes all non-interest costs of banking, debt, internal labor and overheads.



**Table 3  
Summary of Full Time Equivalent Positions (1)**

| <u>Description</u>       | <u>FY 2025<br/>Budget</u> | <u>Original<br/>FY 2024<br/>Budget</u> | <u>Change</u> |
|--------------------------|---------------------------|--|---------------|
| Restoration / Demolition | 3                         | 2                                      | 1             |
| Site Support             | 1                         | 1                                      | -             |
| Treasury                 | 1                         | 1                                      | -             |
| <b>Total Positions</b>   | <b>5</b>                  | <b>4</b>                               | <b>1</b>      |

(1) Includes Allocations of Corporate Full Time Equivalent Positions.

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**Table 4**  
**Cost-to-Cash Reconciliation**  
(Dollars in Thousands)

| Description                       | FY 2025<br>Total<br>Cost | Non-Cash<br>Items | Non-Cost<br>Items | Deferred<br>Cash Req'ts | Prior Year's<br>Commitments | FY 2025<br>Total<br>Cash |
|-----------------------------------|--------------------------|-------------------|-------------------|-------------------------|-----------------------------|--------------------------|
| Variable Costs                    | \$ 36                    | \$ -              | \$ -              | \$ -                    | \$ -                        | \$ 36                    |
| Restoration / Demolition (1)      | 3,813                    | -                 | -                 | -                       | -                           | 3,813                    |
| Fixed Costs                       | 513                      | (3)               | -                 | -                       | -                           | 510                      |
| <b>Subtotal Site Costs</b>        | <b>\$ 4,362</b>          | <b>\$ (3)</b>     | <b>\$ -</b>       | <b>\$ -</b>             | <b>\$ -</b>                 | <b>\$ 4,359</b>          |
| <b>Other</b>                      |                          |                   |                   |                         |                             |                          |
| Decommissioning                   | \$ -                     | \$ -              | \$ -              | \$ -                    | \$ -                        | \$ -                     |
| Treasury Related                  |                          |                   |                   |                         |                             |                          |
| Interest Expense                  | 39,960                   | -                 | -                 | -                       | -                           | 39,960                   |
| Bond Retirement (2)               | -                        | -                 | 935               | -                       | -                           | 935                      |
| Payoff of Note Principal          | -                        | -                 | -                 | -                       | -                           | -                        |
| Interest on Note                  | -                        | -                 | -                 | -                       | -                           | -                        |
| Commitment Fee on Note            | -                        | -                 | -                 | -                       | -                           | -                        |
| Amortized Cost                    | (18,944)                 | 18,944            | -                 | -                       | -                           | -                        |
| Invest. Income (Rev.)             | (144)                    | -                 | -                 | -                       | -                           | (144)                    |
| Treasury Services                 | 471                      | -                 | -                 | -                       | -                           | 471                      |
| Subtotal Treasury Expenses        | \$ 21,343                | \$ 18,944         | \$ 935            | \$ -                    | \$ -                        | \$ 41,222                |
| <b>Subtotal Other</b>             | <b>\$ 21,343</b>         | <b>\$ 18,944</b>  | <b>\$ 935</b>     | <b>\$ -</b>             | <b>\$ -</b>                 | <b>\$ 41,222</b>         |
| <b>Total Funding Requirements</b> | <b>\$ 25,705</b>         | <b>\$ 18,941</b>  | <b>\$ 935</b>     | <b>\$ -</b>             | <b>\$ -</b>                 | <b>\$ 45,581</b>         |

(1) Funding will be from BPA Restoration Trust Fund.

(2) Budget Assumes \$237.900 million bond principal will mature in fiscal year 2025. Of this, \$236.965 million will be extended.

**Table 5**  
**Annual Budget**  
**Statement of Funding Requirements**  
(Dollars in Thousands)

| <u>Description</u>                    | <u>FY 2025<br/>Budget</u> | <u>Original<br/>FY 2024<br/>Budget</u> | <u>Change</u>            |
|---------------------------------------|---------------------------|--|--------------------------|
| Programs                              |                           |  |                          |
| Variable Costs                        | \$ 36                     | \$ 26                                  | \$ 10                    |
| Restoration / Demolition              | 3,813                     | 2,263                                  | 1,550                    |
| Fixed Costs                           | <u>510</u>                | <u>375</u>                             | <u>135</u>               |
| <b>Subtotal Site Costs</b>            | <b><u>\$ 4,359</u></b>    | <b><u>\$ 2,664</u></b>                 | <b><u>\$ 1,695</u></b>   |
| Treasury Related Expenses             |                           |  |                          |
| Interest Expense (2)                  | \$ 39,960                 | \$ 40,137                              | \$ (177)                 |
| Bond Retirement (1)                   | 935                       | -                                      | 935                      |
| Payoff of Note Principal (2)          | -                         | 10,000                                 | (10,000)                 |
| Interest on Note (2)                  | -                         | 230                                    | (230)                    |
| Commitment Fee on Note (2)            | -                         | 50                                     | (50)                     |
| Investment Income (Revenue)           | (144)                     | (136)                                  | (8)                      |
| Treasury Services                     | <u>471</u>                | <u>395</u>                             | <u>76</u>                |
| <b>Subtotal Treasury Related</b>      | <b><u>\$ 41,222</u></b>   | <b><u>\$ 50,676</u></b>                | <b><u>\$ (9,454)</u></b> |
| <b>Total Funding Requirements</b>     | <b><u>\$ 45,581</u></b>   | <b><u>\$ 53,340</u></b>                | <b><u>\$ (7,759)</u></b> |
| <u>Funding Sources</u>                |                           |  |                          |
| Restoration / Demolition              | \$ 3,813                  | \$ 2,263                               | \$ 1,550                 |
| Fixed Costs                           | 6                         | 6                                      | -                        |
| Note / Line of Credit (LOC) Draws (2) | -                         | 10,000                                 | (10,000)                 |
| Bond Proceeds (Interest / LOC) (2)    | -                         | 20,000                                 | (20,000)                 |
| Net Billing/BPA Direct Payments       | <u>\$ 41,762</u>          | <u>\$ 21,071</u>                       | <u>\$ 20,691</u>         |
| <b>Total Funding Sources</b>          | <b><u>\$ 45,581</u></b>   | <b><u>\$ 53,340</u></b>                | <b><u>\$ (7,759)</u></b> |

(1) Budget Assumes \$237.900 million bond principal will mature in fiscal year 2025. Of this, \$236.965 million will be extended.

(2) The line of credit terms utilized in previous years to fund a portion of interest expense under the Regional Cooperation Debt 2 Initiative will expire in April of 2024. No expenses related to the line of credit are planned in fiscal year 2025.

**Table 6**  
**Monthly Statement of Funding Requirements - Revenue Fund**  
(Dollars in Thousands)

| Description                        | Jul      | Aug      | Sep      | Oct      | Nov      | Dec       | Jan      | Feb      | Mar      | Apr      | May      | Jun       | FY 2025 Total |
|------------------------------------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|----------|----------|-----------|---------------|
| <b>Beginning Balance</b>           | \$ 3,000 | \$ 2,613 | \$ 2,225 | \$ 1,838 | \$ 2,404 | \$ 2,017  | \$ 2,533 | \$ 3,100 | \$ 2,712 | \$ 2,325 | \$ 2,891 | \$ 1,569  | \$ 3,000      |
| Receipts                           |          |          |          |          |          |           |          |          |          |          |          |           |               |
| BPA Direct Payments (1)            | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ 20,881 | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ 20,881 | \$ 41,762     |
| Restoration / Demolition (2)       | -        | -        | -        | 953      | -        | -         | 953      | -        | -        | 953      | -        | 954       | 3,813         |
| Note / Line of Credit (LOC) (4)    | -        | -        | -        | -        | -        | -         | -        | -        | -        | -        | -        | -         | -             |
| Bond Proceeds (Interest / LOC) (4) | -        | -        | -        | -        | -        | -         | -        | -        | -        | -        | -        | -         | -             |
| Revenue - Leasing                  | -        | -        | -        | -        | -        | 3         | -        | -        | -        | -        | -        | 3         | 6             |
| <b>Total Receipts</b>              | \$ -     | \$ -     | \$ -     | \$ 953   | \$ -     | \$ 20,884 | \$ 953   | \$ -     | \$ -     | \$ 953   | \$ -     | \$ 21,838 | \$ 45,581     |
| Disbursements                      |          |          |          |          |          |           |          |          |          |          |          |           |               |
| Treasury Related Expenses          |          |          |          |          |          |           |          |          |          |          |          |           |               |
| Interest Expense (4)               | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ 19,980 | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ 19,980 | \$ 39,960     |
| Bond Retirement (3)                | -        | -        | -        | -        | -        | -         | -        | -        | -        | -        | 935      | -         | 935           |
| Interest on Note (4)               | -        | -        | -        | -        | -        | -         | -        | -        | -        | -        | -        | -         | -             |
| Commitment Fee on Note (4)         | -        | -        | -        | -        | -        | -         | -        | -        | -        | -        | -        | -         | -             |
| Payoff of Note Principal           | -        | -        | -        | -        | -        | -         | -        | -        | -        | -        | -        | -         | -             |
| Investment Income                  | (12)     | (12)     | (12)     | (12)     | (12)     | (12)      | (12)     | (12)     | (12)     | (12)     | (12)     | (12)      | (144)         |
| Treasury Services                  | 39       | 39       | 39       | 39       | 39       | 39        | 39       | 39       | 39       | 39       | 39       | 42        | 471           |
| <b>Subtotal Treasury Related</b>   | \$ 27    | \$ 27    | \$ 27    | \$ 27    | \$ 27    | \$ 20,007 | \$ 27    | \$ 27    | \$ 27    | \$ 27    | \$ 962   | \$ 20,010 | \$ 41,222     |
| Variable Costs                     | -        | -        | -        | -        | -        | -         | -        | -        | -        | -        | -        | 36        | 36            |
| Restoration / Demolition           | 318      | 318      | 318      | 317      | 318      | 318       | 317      | 318      | 318      | 317      | 318      | 318       | 3,813         |
| Fixed Costs                        | 42       | 43       | 42       | 43       | 42       | 43        | 42       | 43       | 42       | 43       | 42       | 43        | 510           |
| <b>Total Disbursements</b>         | \$ 387   | \$ 388   | \$ 387   | \$ 387   | \$ 387   | \$ 20,368 | \$ 386   | \$ 388   | \$ 387   | \$ 387   | \$ 1,322 | \$ 20,407 | \$ 45,581     |
| <b>Ending Balance</b>              | \$ 2,613 | \$ 2,225 | \$ 1,838 | \$ 2,404 | \$ 2,017 | \$ 2,533  | \$ 3,100 | \$ 2,712 | \$ 2,325 | \$ 2,891 | \$ 1,569 | \$ 3,000  | \$ 3,000      |

- (1) BPA is billed, through the Direct Payment Agreements, one month in advance for the following month's expenses.
- (2) Funding will be from BPA Restoration Trust Fund.
- (3) Budget assumes \$935k of maturing bonds will be retired in fiscal year 2025.
- (4) The line of credit terms utilized in previous years to fund a portion of interest expense under the Regional Cooperation Debt 2 Initiative will expire in April of 2024.  
No expenses related to the line of credit are planned in fiscal year 2025.

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**Fiscal Year 2025  
Project 3  
Annual Budget**

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### Summary

Energy Northwest's Project 3 was terminated in June 1994. Transfer of the Project 3 site to the Satsop Redevelopment Project was completed during Fiscal Year 2000.

This Project 3 Fiscal Year 2025 Annual Budget is prepared by Energy Northwest pursuant to the provisions and requirements of Board of Directors' Resolution No. 775, the Project Agreement, and the Net Billing Agreements. The budget includes all costs and funding requirements associated with the debt on Project 3. No other costs are incurred on this project.

The total net cost for Fiscal Year (FY) 2025 is estimated to be \$29,429,000 (Table 1). The total net funding requirements for FY 2025 are \$47,557,000 (Table 4). Bonneville Power Administration directly pays the funding requirements on a monthly basis under the provisions of the Direct Pay Agreements. This takes the net billing requirements to zero, for the statements which otherwise would be sent to participants in the project and paid in accordance with the terms of the Net Billing Agreements. The Net Billing Agreements are still in place, but the direct cash payments from Bonneville Power Administration simply takes the participant payment amounts to zero. In the Direct Pay Agreements, Energy Northwest agreed to promptly bill each participant its share of the costs of the project under the Net Billing Agreements, if Bonneville fails to make a payment when due under the Direct Pay Agreements.

A comparison of the FY 2025 budget is made to the original budget issued for FY 2024.

**Table 1**  
**Summary of Costs**  
(Dollars in Thousands)

| <u>Description</u>            | <u>FY 2025</u><br><u>Budget</u> | <u>Original</u><br><u>FY 2024</u><br><u>Budget</u> | <u>Change</u>            |
|-------------------------------|---------------------------------|--|--------------------------|
| Interest Expense (1)          | \$ 47,243                       | \$ 47,913  | \$ (670)                 |
| Interest on Note (2)          | -                               | 230  | (230)                    |
| Commitment Fee on Note (2)    | -                               | 50   | (50)                     |
| Amortized Financing Costs (3) | (18,128)                        | (17,618)   | (510)                    |
| Investment Income (4)         | (147)                           | (123)  | (24)                     |
| Treasury Services (5)         | 461                             | 381  | 80                       |
| <b>Total</b>                  | <b><u>\$ 29,429</u></b>         | <b><u>\$ 30,833</u></b>                            | <b><u>\$ (1,404)</u></b> |

**Assumptions**

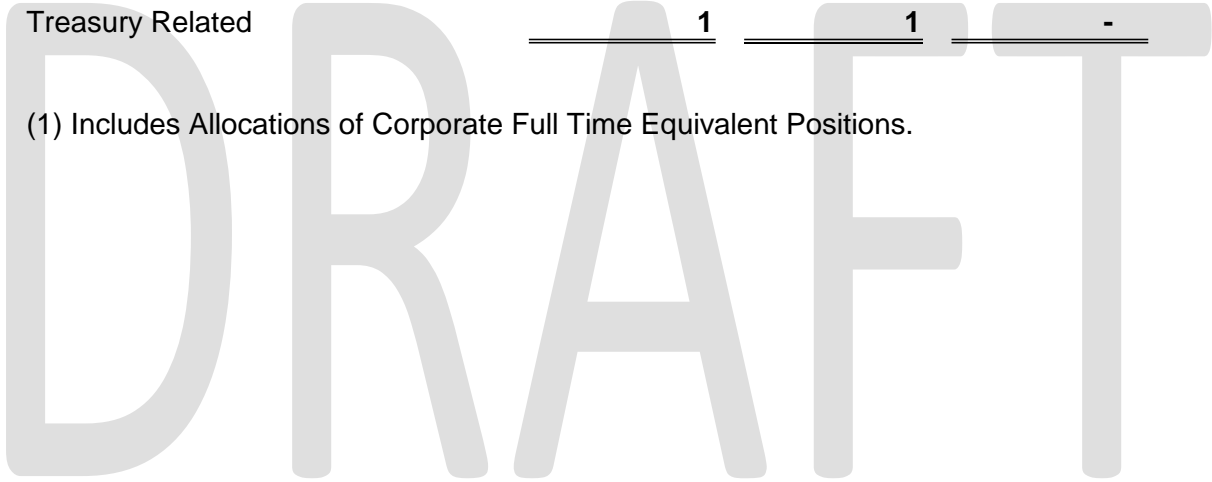
- (1) Budget assumes no principal will be repaid and \$63.3 million extended in fiscal year 2024.
- (2) The Line of Credit term ends April, 2024. No expenses related to the Line of Credit will be carried into fiscal year 2025.
- (3) The amortized financing costs are driven by the amortization of the premiums on bonds.
- (4) Includes interest earned on cash holdings and from investments. Earnings are transferred to the Revenue Fund. Investment income earnings rates are forecasted to average 3.75%.
- (5) Includes all non-interest costs of banking, debt, internal labor and overheads.

**Table 2**  
**Summary of Full Time Equivalent Positions (1)**

| <u>Description</u> | <u>FY 2025<br/>Budget</u> | <u>Original<br/>FY 2024<br/>Budget</u> | <u>Change</u> |
|--------------------|---------------------------|--|---------------|
|--------------------|---------------------------|--|---------------|

|                  |          |          |          |
|------------------|----------|----------|----------|
| Treasury Related | <u>1</u> | <u>1</u> | <u>-</u> |
|------------------|----------|----------|----------|

(1) Includes Allocations of Corporate Full Time Equivalent Positions.



**Table 3**  
**Cost-to-Cash Reconciliation**  
(Dollars in Thousands)

| Description                       | FY 2025<br>Total<br>Cost | Non-Cash<br>Items | Non-Cost<br>Items | Deferred<br>Cash Req'ts | Prior Year's<br>Commitments | FY 2025<br>Total<br>Cash |
|-----------------------------------|--------------------------|-------------------|-------------------|-------------------------|-----------------------------|--------------------------|
| Treasury Related Expenses         |                          |                   |                   |                         |                             |                          |
| Interest Expense                  | \$ 47,243                | \$ -              | \$ -              | \$ -                    | \$ -                        | \$ 47,243                |
| Bond Retirement (1)               | -                        | -                 | -                 | -                       | -                           | -                        |
| Payoff of Note Principal          | -                        | -                 | -                 | -                       | -                           | -                        |
| Interest on Note                  | -                        | -                 | -                 | -                       | -                           | -                        |
| Commitment Fee on Note            | -                        | -                 | -                 | -                       | -                           | -                        |
| Amortized Financing Costs         | (18,128)                 | 18,128            | -                 | -                       | -                           | -                        |
| Investment Income                 | (147)                    | -                 | -                 | -                       | -                           | (147)                    |
| Treasury Services                 | 461                      | -                 | -                 | -                       | -                           | 461                      |
| <b>Subtotal Treasury Related</b>  | <b>\$ 29,429</b>         | <b>\$ 18,128</b>  | <b>\$ -</b>       | <b>\$ -</b>             | <b>\$ -</b>                 | <b>\$ 47,557</b>         |
| <b>Total Funding Requirements</b> | <b>\$ 29,429</b>         | <b>\$ 18,128</b>  | <b>\$ -</b>       | <b>\$ -</b>             | <b>\$ -</b>                 | <b>\$ 47,557</b>         |

(1) Budget assumes no principal will be repaid and \$120.44 million extended in FY2025.

**Table 4**  
**Annual Budget**  
**Statement of Funding Requirements**  
(Dollars in Thousands)

| <u>Description</u>                    | <u>FY 2025<br/>Budget</u> | <u>Original<br/>FY 2024<br/>Budget</u> | <u>Change</u>      |
|---------------------------------------|---------------------------|--|--------------------|
| Treasury Related Expenses             |                           |  |                    |
| Interest Expense (1)                  | \$ 47,243                 | \$ 47,913                              | \$ (670)           |
| Bond Retirement (2)                   | -                         | -                                      | -                  |
| Payoff of Note Principal (3)          | -                         | 11,000                                 | (11,000)           |
| Interest on Note (3)                  | -                         | 230                                    | (230)              |
| Commitment Fee on Note (3)            | -                         | 50                                     | (50)               |
| Investment Income (Revenue)           | (147)                     | (123)                                  | (24)               |
| Treasury Services                     | 461                       | 381                                    | 80                 |
| <b>Total Funding Requirements</b>     | <b>\$ 47,557</b>          | <b>\$ 59,451</b>                       | <b>\$ (11,894)</b> |
| <u>Funding Sources</u>                |                           |  |                    |
| Net Billing/BPA Direct Payments       | \$ 47,557                 | \$ 26,451                              | \$ 21,106          |
| Note / Line of Credit (LOC) Draws (3) | -                         | 11,000                                 | (11,000)           |
| Bond Proceeds (Interest / LOC) (3)    | -                         | 22,000                                 | (22,000)           |
| <b>Total Funding Sources</b>          | <b>\$ 47,557</b>          | <b>\$ 59,451</b>                       | <b>\$ (11,894)</b> |

(1) No principal will be repaid and \$120.44 million extended in fiscal year 2025.

(2) Budget assumes no principal will be repaid and \$63.3 million extended in fiscal year 2024.

(3) The Line of Credit term ends April, 2024. No expenses related to the Line of Credit will be carried into fiscal year 2025.

**Table 5**  
**Monthly Statement of Funding Requirements - Revenue Fund**  
(Dollars in Thousands)

| Description                        | Jul      | Aug      | Sep      | Oct      | Nov      | Dec       | Jan      | Feb      | Mar      | Apr      | May      | Jun       | FY2025 Total |
|------------------------------------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|----------|----------|-----------|--------------|
| <b>Beginning Balance</b>           | \$ 3,000 | \$ 2,974 | \$ 2,948 | \$ 2,922 | \$ 2,895 | \$ 2,869  | \$ 3,000 | \$ 2,974 | \$ 2,948 | \$ 2,922 | \$ 2,895 | \$ 2,869  | \$ 3,000     |
| Receipts                           |          |          |          |          |          |           |          |          |          |          |          |           |              |
| BPA Direct Payments (1)            | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ 23,779 | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ 23,778 | \$ 47,557    |
| Note / Line of Credit (LOC) (3)    | -        | -        | -        | -        | -        | -         | -        | -        | -        | -        | -        | -         | -            |
| Bond Proceeds (Interest / LOC) (3) | -        | -        | -        | -        | -        | -         | -        | -        | -        | -        | -        | -         | -            |
| <b>Total Receipts</b>              | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ 23,779 | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ 23,778 | \$ 47,557    |
| Disbursements                      |          |          |          |          |          |           |          |          |          |          |          |           |              |
| Treasury Related                   |          |          |          |          |          |           |          |          |          |          |          |           |              |
| Interest Expense                   | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ 23,622 | \$ -     | \$ -     | \$ -     | \$ -     | \$ -     | \$ 23,621 | \$ 47,243    |
| Bond Retirement (2)                | -        | -        | -        | -        | -        | -         | -        | -        | -        | -        | -        | -         | \$ -         |
| Interest on Note (3)               | -        | -        | -        | -        | -        | -         | -        | -        | -        | -        | -        | -         | \$ -         |
| Commitment Fee on Note (3)         | -        | -        | -        | -        | -        | -         | -        | -        | -        | -        | -        | -         | \$ -         |
| Payoff of Note Principal (3)       | -        | -        | -        | -        | -        | -         | -        | -        | -        | -        | -        | -         | \$ -         |
| Investment Income (Revenue)        | (12)     | (12)     | (12)     | (12)     | (12)     | (12)      | (12)     | (12)     | (12)     | (12)     | (12)     | (12)      | \$ (147)     |
| Treasury Services                  | 38       | 38       | 38       | 38       | 38       | 38        | 38       | 38       | 38       | 38       | 38       | 38        | \$ 461       |
| <b>Total Disbursements</b>         | \$ 26    | \$ 26    | \$ 26    | \$ 26    | \$ 26    | \$ 23,648 | \$ 26    | \$ 26    | \$ 26    | \$ 26    | \$ 26    | \$ 23,647 | \$ 47,557    |
| <b>Ending Balance</b>              | \$ 2,974 | \$ 2,948 | \$ 2,922 | \$ 2,895 | \$ 2,869 | \$ 3,000  | \$ 2,974 | \$ 2,948 | \$ 2,922 | \$ 2,895 | \$ 2,869 | \$ 3,000  | \$ 3,000     |

- (1) BPA is billed, through the Direct Payment Agreements, one month in advance for the following month's expenses.
- (2) No principal will be repaid and \$120.44 million extended in fiscal year 2025.
- (3) The Line of Credit term ends April, 2024. No expenses related to Line of Credit will be carried into fiscal year 2025.

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**Fiscal Year 2025  
Business Development Fund  
Annual Budget**

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### Summary

The Business Development Fund (BDF) was created by Executive Board Resolution No. 1006 in April 1997 for the purpose of holding, administering, disbursing, and accounting for Energy Northwest costs and revenues generated from engaging in new energy-related business opportunities.

The BDF is managed as an enterprise fund. The budgets are divided by business sector: Business Support, Energy & Professional Services, Laboratory Services, Nuclear Development, O&M Services, and Overhead Costs. Each sector may have one or more programs that are managed as a unique business activity. Revenues, expenses, and margins are reported for each program and sector.

For Fiscal Year 2025, the revenue for the BDF equals \$26,341,000 with \$3,146,000 of reimbursable capital while total funding requirements equal \$32,637,000 creating a decrease in fund balance of \$3,150,000 (See Table 5).

A comparison of the Fiscal Year 2025 budget is made to the original budget issued for Fiscal Year 2024.

### Key Assumptions/Qualifications

- Manage, operate, maintain, modify, and support facilities related to power generation.
- Assist members with generation resources, transmission integration, and power management issues.
- Offer cost competitive resource options that manage risk and promote environmental stewardship.
- Invest in key strategic focus areas:
  - Develop New Nuclear
  - Expand Hydro and Wind O&M Services
  - Build new Solar Project on 300 Acres
  - Become a more comprehensive and active Joint Operating Agency
    - Electric Vehicle Charging Stations
    - Grant Funding Program
    - Information Technology + Cyber Security Expansion
  - Optimize Laboratory Services

**Table 1**  
**Summary of Revenues and Expenses by Business Sector**  
(Dollars in Thousands)

| <u>Description</u>                 | <u>FY 2025<br/>Budget</u> | <u>Original<br/>FY 2024<br/>Budget</u> | <u>Change</u>            |
|------------------------------------|---------------------------|--|--------------------------|
| <b><u>Revenues (1)</u></b>         |                           |  |                          |
| Business Support                   | \$ 55                     | \$ 54                                  | \$ 1                     |
| Energy & Professional Services     | 10,735                    | 1,738                                  | 8,997                    |
| Laboratory Services                | 7,550                     | 7,469                                  | 81                       |
| Nuclear Development                | 4,640                     | 3,271                                  | 1,369                    |
| O&M Services                       | 3,361                     | 3,193                                  | 168                      |
| <b>Total Revenues</b>              | <b><u>\$ 26,341</u></b>   | <b><u>\$ 15,725</u></b>                | <b><u>\$ 10,616</u></b>  |
| <b><u>Expenses (1)</u></b>         |                           |  |                          |
| Business Support                   | \$ 27                     | \$ 31                                  | \$ (4)                   |
| Energy & Professional Services (2) | 11,183                    | 1,571                                  | 9,612                    |
| Laboratory Services (3)            | 7,152                     | 7,293                                  | (141)                    |
| Nuclear Development                | 7,765                     | 3,714                                  | 4,051                    |
| O&M Services (4)                   | 3,356                     | 3,210                                  | 146                      |
| Overhead Costs (5)                 | 101                       | 29                                     | 72                       |
| <b>Total Expenses</b>              | <b><u>\$ 29,584</u></b>   | <b><u>\$ 15,848</u></b>                | <b><u>\$ 13,736</u></b>  |
| <b>Net Margin</b>                  | <b><u>\$ (3,243)</u></b>  | <b><u>\$ (123)</u></b>                 | <b><u>\$ (3,120)</u></b> |

(1) Does not include capital

(2) Includes \$209,000 in depreciation

(3) Includes \$333,000 in depreciation

(4) Includes \$392,000 in depreciation; \$2,000 in decommissioning

(5) Includes \$116,000 in depreciation

Table 2

**Detailed Financial Summary**  
(Dollars in Thousands)

| <u>Description</u>                                  | <u>FY 2025<br/>Revenue</u> | <u>FY 2025<br/>Cost</u> | <u>FY 2025<br/>Margin</u> |
|---|----------------------------|-------------------------|---------------------------|
| <u>Business Support</u>                             |                            |                         |                           |
| Co-Location Rentals                                 | \$ 55                      | \$ 27                   | \$ 28                     |
| <b>Total Business Support</b>                       | <b>\$ 55</b>               | <b>\$ 27</b>            | <b>\$ 28</b>              |
| <u>Energy &amp; Professional Services</u>           |                            |                         |                           |
| Electric Vehicle Initiatives                        | \$ 8,442                   | \$ 8,901                | \$ (459)                  |
| Solar Development                                   | 25                         | 201                     | (176)                     |
| Support / Member Services                           | 197                        | 297                     | (100)                     |
| Packwood SSM Storage Study                          | 46                         | 46                      | -                         |
| Benton Co LDES Study                                | 46                         | 46                      | -                         |
| APPA DEED   | 56                         | 56                      | -                         |
| Legislative Services                                | 17                         | 15                      | 2                         |
| Internship Program                                  | 90                         | 82                      | 8                         |
| PNNL HRSST Meas System (EXP)                        | 46                         | 26                      | 20                        |
| Grant Funding Program                               | 508                        | 461                     | 47                        |
| IT & Cyber Security Services                        | 462                        | 385                     | 77                        |
| Bechtel Lab Support                                 | 800                        | 667                     | 133                       |
| <b>Total Energy &amp; Professional Services (1)</b> | <b>\$ 10,735</b>           | <b>\$ 11,183</b>        | <b>\$ (448)</b>           |
| <u>Laboratory Services</u>                          |                            |                         |                           |
| Columbia Calibration Services                       | \$ 2,744                   | \$ 2,744                | \$ -                      |
| Commercial Calibration Services                     | 2,400                      | 1,987                   | 413                       |
| Columbia Environmental Services                     | 2,248                      | 2,248                   | -                         |
| Commercial Environmental Services                   | 158                        | 173                     | (15)                      |
| <b>Total Laboratory Services (2)</b>                | <b>\$ 7,550</b>            | <b>\$ 7,152</b>         | <b>\$ 398</b>             |
| <u>Nuclear Development</u>                          |                            |                         |                           |
| EN Site 1 Nuclear Project Study                     | \$ 4,200                   | \$ 7,225                | \$ (3,025)                |
| Natrium Support                                     | 440                        | 440                     | -                         |
| Westinghouse eVinci                                 | -                          | 100                     | (100)                     |
| <b>Total Nuclear Development</b>                    | <b>\$ 4,640</b>            | <b>\$ 7,765</b>         | <b>\$ (3,125)</b>         |
| <u>O&amp;M Services</u>                             |                            |                         |                           |
| Horn Rapids O&M                                     | \$ 76                      | \$ 472                  | \$ (396)                  |
| Portland Hydro Project                              | 1,494                      | 1,298                   | 196                       |
| O&M New Project Development                         | 216                        | 216                     | -                         |
| Stone Creek Hydro Project                           | 500                        | 435                     | 65                        |
| Tieton O&M Services                                 | 1,075                      | 935                     | 140                       |
| <b>Total Professional Services (3)</b>              | <b>\$ 3,361</b>            | <b>\$ 3,356</b>         | <b>\$ 5</b>               |
| <u>Overhead Costs</u>                               |                            |                         |                           |
| Net Overhead Costs and Allocations                  | \$ -                       | \$ 101                  | \$ (101)                  |
| <b>Total Overhead Costs (4)</b>                     | <b>\$ -</b>                | <b>\$ 101</b>           | <b>\$ (101)</b>           |
| <b>Total</b>  | <b>\$ 26,341</b>           | <b>\$ 29,584</b>        | <b>\$ (3,243)</b>         |

Margin - ( ) Unfavorable

(1) Includes depreciation of \$209,000

(2) Includes depreciation of \$333,000

(3) Includes depreciation of \$392,000 and \$2,000 in decommissioning

(4) Includes depreciation of \$116,000

Note: \$6,603,000 in BDF Business Support is allocated to Energy Services & Development programs.

**Table 3**  
**Summary of Capital**  
(Dollars in Thousands)

| <u>Description</u>                              | <u>FY 2025 Budget</u> | <u>FY 2025 Budget Reimbursable (1)</u> | <u>FY 2025 Net Budget</u> | <u>Original FY 2024 Net Budget</u> | <u>Change</u>  |
|---|-----------------------|--|---------------------------|------------------------------------|----------------|
| <b><u>Business Sector / Project</u></b>         |                       |  |                           |                                    |                |
| <u>Energy &amp; Professional Services</u>       |                       |  |                           |                                    |                |
| Electric Vehicle Capital                        | \$ 3,473              | \$ 3,075                               | \$ 398                    | \$ 250                             | \$ 148         |
| PEAKS Capital                                   | 132                   | 40                                     | 92                        | -                                  | 92             |
| DVRI Capital                                    | 31                    | 31                                     | -                         | -                                  | -              |
| <b>Total Energy &amp; Professional Services</b> | <b>\$ 3,636</b>       | <b>\$ 3,146</b>                        | <b>\$ 490</b>             | <b>\$ 250</b>                      | <b>\$ 240</b>  |
| <u>Laboratory Services</u>                      |                       |  |                           |                                    |                |
| Calibration Laboratory Services                 | \$ 384                | \$ -                                   | \$ 384                    | \$ 325                             | \$ 59          |
| Environmental Laboratory Services               | 60                    | -                                      | 60                        | 37                                 | 23             |
| <b>Total Laboratory Services</b>                | <b>\$ 444</b>         | <b>\$ -</b>                            | <b>\$ 444</b>             | <b>\$ 362</b>                      | <b>\$ 82</b>   |
| <u>Overhead Costs</u>                           |                       |  |                           |                                    |                |
| MEC - ENOC - Capital                            | \$ 25                 | \$ -                                   | \$ 25                     | \$ 60                              | \$ (35)        |
| <b>Total Laboratory Services</b>                | <b>\$ 25</b>          | <b>\$ -</b>                            | <b>\$ 25</b>              | <b>\$ 60</b>                       | <b>\$ (35)</b> |
| <b>Total - Capital</b>                          | <b>\$ 4,105</b>       | <b>\$ 3,146</b>                        | <b>\$ 959</b>             | <b>\$ 672</b>                      | <b>\$ 287</b>  |

(1) Reimbursed by expected Grant Proceeds and/or receipts under established Participants Agreements.

**Table 4**  
**Summary of Full Time Equivalent Positions (1)**

| <b>Description</b>                    | <b>FY 2025</b> | <b>Original</b>           | <b>Change</b> |
|---------------------------------------|----------------|---------------------------|---------------|
|                                       | <b>Budget</b>  | <b>FY 2024<br/>Budget</b> |               |
| Laboratory Services Sector            | 24             | 24                        | -             |
| Energy & Professional Services Sector | 8              | 5                         | 3             |
| Nuclear Development                   | 12             | 12                        | -             |
| Indirect Support / Overhead Costs     | 19             | 17                        | 2             |
| O&M Services Sector                   | 8              | 8                         | -             |
| <b>Total Positions</b>                | <b>71</b>      | <b>66</b>                 | <b>5</b>      |

(1) Includes Allocations of Corporate Full Time Equivalent Positions

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**Table 5**  
**Statement of Funding Requirements**  
(Dollars in Thousands)

| <u>Description</u>                            | <u>FY 2025</u><br><u>Budget</u> | <u>Original</u><br><u>FY 2024</u><br><u>Budget</u> | <u>Change</u>            |
|---|---------------------------------|--|--------------------------|
| <b><u>Funding Requirements</u></b>            |                                 |  |                          |
| Expense Requirements (1)                      | \$ 28,532                       | \$ 15,028  | \$ 13,504                |
| Capital Requirements                          | 4,105                           | 1,792  | 2,313                    |
| <b>Total Funding Requirements</b>             | <b><u>\$ 32,637</u></b>         | <b><u>\$ 16,820</u></b>                            | <b><u>\$ 15,817</u></b>  |
| <b><u>Funding Sources</u></b>                 |                                 |  |                          |
| Revenues                                      | \$ 26,341                       | \$ 15,725  | \$ 10,616                |
| Capital Reimbursement                         | 3,146                           | 1,120  | 2,026                    |
| <b>Total Funding Sources</b>                  | <b><u>\$ 29,487</u></b>         | <b><u>\$ 16,845</u></b>                            | <b><u>\$ 12,642</u></b>  |
| <b>Change in Fund Balance from Operations</b> | <b><u>\$ (3,150)</u></b>        | <b><u>\$ 25</u></b>                                | <b><u>\$ (3,175)</u></b> |

(1) Expenses exclude \$1,052,000 of depreciation and decommissioning (non-cash item).

**Table 6**  
**Business Development Fund - Cash Flow**  
(Dollars in Thousands)

| Description                | Jul              | Aug              | Sept             | Oct              | Nov              | Dec              | Jan              | Feb              | Mar              | Apr              | May              | Jun              | FY 2025<br>Total |
|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Beginning Balance</b>   | <b>\$ 12,957</b> | <b>\$ 12,694</b> | <b>\$ 12,431</b> | <b>\$ 12,168</b> | <b>\$ 11,906</b> | <b>\$ 11,643</b> | <b>\$ 11,380</b> | <b>\$ 11,118</b> | <b>\$ 10,856</b> | <b>\$ 10,593</b> | <b>\$ 10,331</b> | <b>\$ 10,069</b> | <b>\$ 12,957</b> |
| Receipts                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Revenues                   | \$ 2,195         | \$ 2,195         | \$ 2,195         | \$ 2,195         | \$ 2,195         | \$ 2,195         | \$ 2,195         | \$ 2,195         | \$ 2,195         | \$ 2,195         | \$ 2,195         | \$ 2,196         | \$ 26,341        |
| Capital Reimbursement      | 262              | 262              | 262              | 262              | 262              | 262              | 262              | 263              | 262              | 262              | 263              | 262              | 3,146            |
| <b>Total Receipts</b>      | <b>\$ 2,457</b>  | <b>\$ 2,457</b>  | <b>\$ 2,457</b>  | <b>\$ 2,457</b>  | <b>\$ 2,457</b>  | <b>\$ 2,457</b>  | <b>\$ 2,457</b>  | <b>\$ 2,458</b>  | <b>\$ 2,457</b>  | <b>\$ 2,457</b>  | <b>\$ 2,458</b>  | <b>\$ 2,458</b>  | <b>\$ 29,487</b> |
| Disbursements              |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Expense Requirements       | \$ 2,378         | \$ 2,378         | \$ 2,378         | \$ 2,377         | \$ 2,378         | \$ 2,378         | \$ 2,377         | \$ 2,378         | \$ 2,378         | \$ 2,377         | \$ 2,378         | \$ 2,377         | \$ 28,532        |
| Capital Requirements       | 342              | 342              | 342              | 342              | 342              | 342              | 342              | 342              | 342              | 342              | 342              | 343              | 4,105            |
| <b>Total Disbursements</b> | <b>\$ 2,720</b>  | <b>\$ 2,720</b>  | <b>\$ 2,720</b>  | <b>\$ 2,719</b>  | <b>\$ 2,720</b>  | <b>\$ 2,720</b>  | <b>\$ 2,719</b>  | <b>\$ 2,720</b>  | <b>\$ 2,720</b>  | <b>\$ 2,719</b>  | <b>\$ 2,720</b>  | <b>\$ 2,720</b>  | <b>\$ 32,637</b> |
| <b>Ending Balance</b>      | <b>\$ 12,694</b> | <b>\$ 12,431</b> | <b>\$ 12,168</b> | <b>\$ 11,906</b> | <b>\$ 11,643</b> | <b>\$ 11,380</b> | <b>\$ 11,118</b> | <b>\$ 10,856</b> | <b>\$ 10,593</b> | <b>\$ 10,331</b> | <b>\$ 10,069</b> | <b>\$ 9,807</b>  | <b>\$ 9,807</b>  |

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**Fiscal Year 2025  
General Business Unit  
Annual Budget**

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### Summary

Presented within the Internal Service Fund (General Business Unit) fiscal year (FY) 2025 budget are the costs for benefits, corporate programs (administrative type costs like IT, HR, Finance, etc.), organizational overhead and general purpose projects.

The total FY 2025 General Business Unit cost is estimated to be \$137,716,000 (Table 1).

Corporate program costs and staffing are shown separately to identify the services being provided to each business unit as opposed to employee related benefits. FY 2025 corporate costs are estimated to be \$31,962,000 (Table 2).

Benefits which include health care, personal time/holidays, employer portion of social security and Washington State Employees' Retirement System, 401(k) matching, and other related costs are estimated to be \$79,911,000 (Table 3).

Organizational overhead which includes at-risk compensation, tuition and relocation reimbursements as well as other related costs is estimated to be \$21,160,000 (Table 4).

General purpose projects are composed of corporate IT projects. The corporate IT Projects are estimated to be \$4,683,000 (Table 5).

The General Business Unit costs are allocated to each business unit as explained on page 10. Also, the allocation process is depicted in a diagram on Table 7.

A comparison of the FY 2025 budget is made to the original budget issued for FY 2024.

**Table 1**  
**Summary of Costs**  
(Dollars in Thousands)

| <u>Description</u>                | <u>FY 2025<br/>Budget</u> | <u>Original<br/>FY 2024<br/>Budget</u> | <u>Change</u>    |
|-----------------------------------|---------------------------|--|------------------|
| Corporate Programs                | \$ 31,962                 | \$ 19,747                              | \$ 12,215        |
| Benefits/Personal Time            | 79,911                    | 72,475                                 | 7,436            |
| Organizational Overhead           | 21,160                    | 18,309                                 | 2,851            |
| <b>Total O&amp;M Costs</b>        | <b>\$ 133,033</b>         | <b>\$ 110,531</b>                      | <b>\$ 22,502</b> |
| General Purpose Project - Capital | \$ 4,683                  | \$ 5,275                               | \$ (592)         |
| <b>Total Costs</b>                | <b>\$ 137,716</b>         | <b>\$ 115,806</b>                      | <b>\$ 21,910</b> |

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**Table 2**  
**Corporate Program Costs**  
(Dollars in Thousands)

| <u>Description</u>                  | <u>FY 2025</u><br><u>Budget</u> | <u>Original</u><br><u>FY 2024</u><br><u>Budget</u> | <u>Change</u>           |
|-------------------------------------|---------------------------------|--|-------------------------|
| Information Services                | \$ 11,957                       | \$ 8,377   | \$ 3,580                |
| Corporate Finance                   | 6,205                           | 2,202  | 4,003                   |
| Public Affairs                      | 2,772                           | 2,440  | 332                     |
| Senior Management                   | 3,644                           | 2,439  | 1,205                   |
| Human Resources                     | 2,623                           | 2,035  | 588                     |
| Legal                               | 678                             | 509  | 169                     |
| Organizational Effectiveness        | 325                             | 432  | (107)                   |
| Environmental & Regulatory Programs | 255                             | 210  | 45                      |
| Other                               | 3,503                           | 1,103  | 2,400                   |
| <b>Total</b>                        | <b><u>\$ 31,962</u></b>         | <b><u>\$ 19,747</u></b>                            | <b><u>\$ 12,215</u></b> |

**Table 2A**  
**Corporate Program Full Time Equivalent Positions**

| <u>Description</u>                  | <u>FY 2025</u><br><u>Budget</u> | <u>Original</u><br><u>FY 2024</u><br><u>Budget</u> | <u>Change</u>    |
|-------------------------------------|---------------------------------|--|------------------|
| Information Services                | 67                              | 30   | 37               |
| Corporate Finance                   | 52                              | 17   | 35               |
| Public Affairs                      | 11                              | 9  | 2                |
| Senior Management                   | 6                               | 6  | -                |
| Human Resources                     | 21                              | 15   | 6                |
| Legal                               | 3                               | 2  | 1                |
| Organizational Effectiveness        | -                               | 1  | (1)              |
| Environmental & Regulatory Programs | 2                               | 2  | -                |
| <b>Total</b>                        | <b><u>162</u></b>               | <b><u>82</u></b>                                   | <b><u>80</u></b> |



**Table 3**  
**Employee Benefit Costs**  
 (Dollars in Thousands)

| <u>Description</u>            | <u>FY 2025<br/>Budget</u> | <u>Original<br/>FY 2024<br/>Budget</u> | <u>Change</u>   |
|-------------------------------|---------------------------|--|-----------------|
| Medical Benefits              | \$ 20,561                 | \$ 20,557                              | \$ 4            |
| F.I.C.A.                      | 12,785                    | 10,583                                 | 2,202           |
| Retirement:                   |                           |  |                 |
| WA PERS Contribution          | 15,995                    | 15,018                                 | 977             |
| 401(k) Match                  | 5,019                     | 4,242                                  | 777             |
| Personal Time/Holidays        | 22,360                    | 20,139                                 | 2,221           |
| Unemployment/Disability/Other | 1,659                     | 1,936                                  | (277)           |
| <b>Subtotal</b>               | <b>\$ 78,379</b>          | <b>\$ 72,475</b>                       | <b>\$ 5,904</b> |
| Outage                        | \$ 1,532                  | \$ -                                   | \$ 1,532        |
| <b>Total</b>                  | <b>\$ 79,911</b>          | <b>\$ 72,475</b>                       | <b>\$ 7,436</b> |

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**Table 4**  
**Organizational Overhead**  
 (Dollars in Thousands)

| <u>Description</u>                                      | <u>FY 2025</u><br><u>Budget</u> | <u>Original</u><br><u>FY 2024</u><br><u>Budget</u> | <u>Change</u>          |
|---|---------------------------------|--|------------------------|
| At-Risk Compensation/Retention/<br>Employee Recognition | \$ 20,191                       | \$ 17,341  | \$ 2,850               |
| Relocations   | 826                             | 825  | 1                      |
| Tuition   | 143                             | 143  | -                      |
| <b>Total</b>  | <b><u>\$ 21,160</u></b>         | <b><u>\$ 18,309</u></b>                            | <b><u>\$ 2,851</u></b> |

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**Table 5**  
**General Purpose Projects**  
 (Dollars in Thousands)

| <u>Description</u>                    | <u>FY 2025</u><br><u>Budget</u> | <u>Original</u><br><u>FY 2024</u><br><u>Budget</u> | <u>Change</u>   |
|---------------------------------------|---------------------------------|--|-----------------|
| <b><u>Capital Projects</u></b>        |                                 |  |                 |
| Information Technology (1)            | \$ 4,683                        | \$ 5,275   | \$ (592)        |
| <b>Total Capital Projects</b>         | <b>\$ 4,683</b>                 | <b>\$ 5,275</b>                                    | <b>\$ (592)</b> |
| <b><u>Expense Projects</u></b>        |                                 |  |                 |
| Information Technology (1)            | \$ -                            | \$ -   | \$ -            |
| <b>Total Expense Projects</b>         | <b>\$ -</b>                     | <b>\$ -</b>  | <b>\$ -</b>     |
| <b>Total General Purpose Projects</b> | <b>\$ 4,683</b>                 | <b>\$ 5,275</b>                                    | <b>\$ (592)</b> |

(1) Information Technology costs are managed centrally within Energy Northwest for the benefit of all Business Units. Items must have a useful life greater than one year, and have a procurement cost of greater than \$1,000. Internally developed software projects must be greater than \$250,000 to be capitalized.

**Table 6**  
**Business Unit Allocation of Costs**  
(Dollars in Thousands)

| <b><u>Business Unit Allocations (Dollars)</u></b> | <b>FY 2025<br/>Budget</b> | <b>Original<br/>FY 2024<br/>Budget</b> | <b>Change</b>           |
|---|---------------------------|--|-------------------------|
| Project 1   | \$ 470                    | \$ 363                                 | \$ 107                  |
| Columbia  | 123,483                   | 102,251                                | 21,232                  |
| Project 3   | 120                       | 92                                     | 28                      |
| Packwood  | 419                       | 502                                    | (83)                    |
| Nine Canyon Wind Project                          | 961                       | 1,039                                  | (78)                    |
| Business Development Fund                         | 7,580                     | 6,307                                  | 1,273                   |
| <b>Total Allocations</b>                          | <b><u>\$ 133,033</u></b>  | <b><u>\$ 110,554</u></b>               | <b><u>\$ 22,479</u></b> |

| <b><u>Business Unit Allocations (Percentages)</u></b> | <b>FY 2025<br/>Budget</b> | <b>Original<br/>FY 2024<br/>Budget</b> | <b>Change</b>         |
|---|---------------------------|--|-----------------------|
| Project 1   | 0.35%                     | 0.33%                                  | 0.02%                 |
| Columbia  | 92.82%                    | 92.49%                                 | 0.33%                 |
| Project 3   | 0.09%                     | 0.08%                                  | 0.01%                 |
| Packwood  | 0.31%                     | 0.45%                                  | (0.14%)               |
| Nine Canyon Wind Project                              | 0.72%                     | 0.94%                                  | (0.22%)               |
| Business Development Fund                             | 5.71%                     | 5.71%                                  | 0.00%                 |
| <b>Total Allocations</b>                              | <b><u>100.00%</u></b>     | <b><u>100.00%</u></b>                  | <b><u>(0.00%)</u></b> |

**Note:**

Total Business Unit Allocation dollars shown exclude non-allocated costs, thus, will not agree with Table 1.

### **Overview of Indirect Cost Pools**

Energy Northwest makes use of three indirect cost pools. Allocation of these pools is conducted in three sequential steps. A graphical depiction of allocation steps are provided on the following page (Table 7).

#### **Step 1 - Employee Benefits (Resource Category 703)**

Contains all costs incurred by Energy Northwest for medical and dental benefits, employer portion of social security and Washington State Employees' Retirement System, 401(k) matching, Personal Time (e.g., vacation, holiday, sick, etc.) and other costs associated with employee wellness. Employee benefit costs are allocated to business units and other intermediate cost pools based on regular labor costs. Overtime, temporary and special pay costs receive a reduced rate.

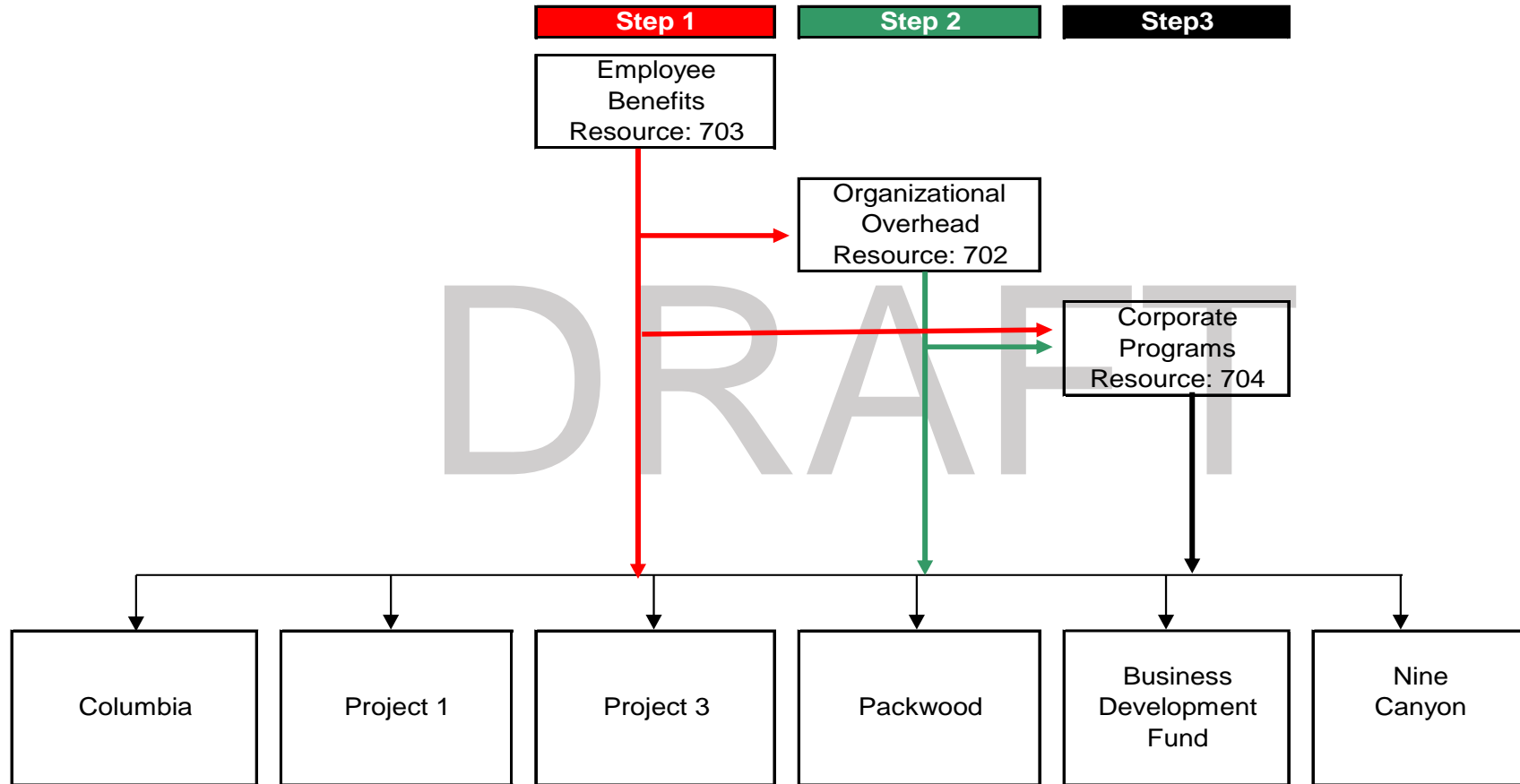
#### **Step 2 – Organizational Overhead (Resource Category 702)**

Contains costs for education reimbursement, new employee relocation, and employee recognition programs determined when goals are evaluated. Also, included is a pro-rata allocation of employee benefits. These costs are allocated to business units and the corporate programs cost pool based on regular labor costs.

#### **Step 3 – Corporate Programs (Resource Category 704)**

Contains all costs associated with management of Energy Northwest's corporate activities. These costs include costs of corporate finance, legal, public affairs, human resources, and information technology. Also, included is a pro-rata allocation of employee benefits, and organizational overhead. These costs in FY 2025 are allocated to business units based on regular labor costs. In FY 2024 these costs were allocated to business units based on total operating and capital costs.

**Table 7**  
**Indirect Cost Allocation Diagram**



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**ALLOCATION:** A process to spread indirect overhead costs to other business units based on a common cost pool.

**AMORTIZATION:** A method of allocating (accruing) costs to fiscal periods to match costs with the revenues or benefits generated from a specific activity.

**AMORTIZED FINANCING COSTS:** Reflects the capitalized financing costs that were incurred to issue long-term bonds to finance construction of the project or refinance outstanding project bonds, which are being amortized over the life of the bonds.

**ANNUAL BUDGET:** The amount of resources, expressed in dollars, allocated to a specific project for a given fiscal year.

**BASELINE COSTS:** Columbia Generating Station (Columbia) direct and indirect costs not associated with projects. Estimated labor associated with projects has been included in the project line item budgets.

**BILLING STATEMENTS:** A contractual notification to project participants indicating their percentage and dollar share of a net-billed project's annual budget.

**BOND PROCEEDS:** Monies received from the issuance of bonds.

**BOND RESOLUTION:** A resolution passed by Energy Northwest's Board of Directors establishing a plan and system for the acquisition and construction of a particular Energy Northwest project. Each of Energy Northwest's projects has a bond resolution. Among other things, the resolution authorizes the issuance of bonds to construct the project and establishes special rules pertaining to the accounting and funding of each project. Each resolution mandates that separate funds and books of accounts be maintained and strictly prohibits the payment of obligations of one project with funds of another project.

**BOND RETIREMENT:** Funds deposited into the Bond Fund Principal or Bond Fund Retirement accounts used to retire maturing debt or meet sinking fund requirements.

**BPA DIRECT PAY AGREEMENTS:** Energy Northwest and Bonneville entered into an agreement with respect to each Net Billed Project ("Direct Pay Agreements") pursuant to which, beginning May 2006, Bonneville pays at least monthly all costs for each Net Billed Project, including debt service on the Net Billed Bonds, directly to Energy Northwest. Each Participant pays directly to Bonneville all costs associated with its power sales and other contracts with Bonneville instead of making such payments to Energy Northwest. The Net Billing Agreements provide that Energy Northwest is to bill budgeted costs less



amounts payable from sources other than the Net Billing Agreements to Participants. Direct payments received from Bonneville under the Direct Pay Agreements are considered a source other than the Net Billing Agreements and, therefore, the Net Billing Agreements were not amended. In the Direct Pay Agreements, Energy Northwest agrees to promptly bill each Participant its share of the costs of the respective Project under the Net Billing Agreements if Bonneville fails to make a payment when due under the Direct Pay Agreements.

**BUSINESS DEVELOPMENT FUND (BDF):** A special enterprise fund created for the purpose of holding, administering, disbursing and accounting for Energy Northwest costs and revenues generated from new energy-related business opportunities. Created by Executive Board Resolution Number 1006 in April 1997.

**BUSINESS UNIT:** A plan and system authorized by Energy Northwest's Board of Directors. Columbia, WNP-1, WNP-3, Packwood, Business Development Fund, Nine Canyon Wind Project, and General Business Unit are all Business Units. The General Business Unit includes indirect costs that are subsequently allocated to all other business units.

**CAPITAL ADDITIONS:** Includes improvements and modifications that will be made throughout the operating life of the plant that will be necessary to assure plant safety, reliability, efficiency and cost effectiveness.

**CAPITAL COSTS/EQUIPMENT:** Costs related to improvements and modifications to the plant or the purchase of equipment. Generally, an item is considered to be capital equipment if it exceeds \$10K, except computer equipment which is \$1K, in value and has a service life of greater than one year. Capital items are depreciated over their estimated service-lives.

**CONSTRUCTION FUND:** Established pursuant to Bond Fund resolutions, the Construction Fund pays for all costs of construction.

**CONTROLLABLE COSTS:** Controllable costs include operations, maintenance, capital and overhead costs. They exclude costs related to depreciation, fuel, and financing.

**CORPORATE PROGRAMS:** The administration, management and general programs that support Energy Northwest as a business entity are accumulated into a Corporate Program indirect cost pool. The Corporate Program costs are distributed based upon total Operating and Capital costs charged to Energy Northwest projects or other final cost objectives. Corporate Programs include, but are not limited to, accounting, human resources, legal services and general management.

**COST OF POWER:** A measurement, expressed in dollars per megawatt-hour, designed to measure the cost effectiveness of plant operations. Also see Memorandum of Agreement.

**COST-TO-CASH RECONCILIATION:** A schedule depicting how cost numbers, which are used to manage and control Energy Northwest business units, are converted to cash and funding requirements.

**DEBT SERVICE:** Amounts paid or required to be paid into the applicable Bond and Reserve & Contingency Fund for purposes of paying the semi-annual coupon interest and annual bond principal redemption.

**DECOMMISSIONING:** Refers to the plan of dismantlement and site restoration of Columbia. The decommissioning plan for Columbia reflects a 60-year plant life, three years to prepare for protective storage, 60 years of protective storage, and 3.5 years for facility dismantlement and site restoration. A special fund has been established to provide monies necessary to pay for decommissioning.

**DEPRECIATION:** A systematic and rational basis for allocating capital costs over the service life of an asset. Depreciation may be based on estimated service life in years or production capacity. Depreciation can be viewed as the wear and tear of an asset over time.

**ESCALATION:** The dollar amount or percentage rate that costs are expected to increase in future periods due to inflation, changes in labor contracts, tax increases, etc.

**EXCESS WORKING CAPITAL:** The amount in excess of \$3 million that has been designated as the required amount of working capital for the Revenue Fund. To the extent that on June 30, there is more than that amount of monies in the Revenue Fund, such amounts for the current fiscal year are excess amounts to be used to reduce the funding requirements for the project for the subsequent fiscal year.

**FISCAL YEAR:** The twelve-month period July 1 through June 30. Energy Northwest's accounting and budgeting cycle is based on a fiscal year that spans this period.

**FIXED COSTS:** Includes non-variable costs that will be incurred regardless of plant operations, output or conditions (e.g., bond interest, depreciation, decommissioning, etc.).

**FUND:** Established by bond resolutions, a fund is a pool of money set aside to pay specified obligations of the projects. Typically, Energy Northwest project bond resolutions call for construction costs to be paid from the Construction Fund, operations and maintenance costs to be paid from the Revenue Fund,

bond interest payments to be paid from the Interest Account within the Bond Fund, etc. Fund restrictions were established by bond resolutions as a form of security for bondholders.

**FUNDING REQUIREMENTS:** Identification of the amount of cash required for a given budget period to meet business unit needs.

**GENERAL BUSINESS UNIT (GENERAL FUND):** A fund established for accounting purposes to pay multi-project obligations and collect and allocate overhead costs to projects.

**GENERATION TAXES:** Pursuant to RCW 54.28.025, a tax is assessed on Columbia net generation equal to one and one-half percent of the wholesale value of energy produced. An additional surcharge is also assessed pursuant to RCW 82.02.030 equal to seven percent of the generation tax payable.

**INCREMENTAL COSTS:** Includes those costs that are variable in nature and are directly related to the amount of power produced (e.g., nuclear fuel amortization spent fuel disposal fees, generation taxes, etc.).

**INCREMENTAL OUTAGE COSTS:** Includes those costs that are needed to support an outage that are not specific to an individual project (e.g., overtime, supplies and materials).

**INDIRECT COSTS:** Includes costs charged to intermediate cost pools for later allocation. Includes costs associated with Administrative & General (A&G), Information Technology, Organizational Overhead, Employee Benefits, and Absence (see General Business Unit tab for further definition of these cost pools).

**INTEREST EXPENSE:** The interest on outstanding bonds. Funds are transferred monthly from the Revenue Funds to the Bond Fund Interest Accounts in order to pay the semi-annual coupon interest.

**INVENTORY:** Operational spare parts, common stock and general materials and supplies purchased by Energy Northwest and stored in warehouses for later use.

**INVESTMENT INCOME:** Income earned on investment securities.

**MATERIALS:** Included in materials is the cost of office supplies, software, fuels, oils, chemicals, gases, support materials, and resins.

**NET-BILLING:** A payment procedure established by net-billing agreements. More than 100 Northwest utilities have purchased all of the project capability of Nuclear Project No. 1, Columbia and Energy Northwest's 70 percent ownership

share of Nuclear Project No. 3. Project Participants have resold such capability to BPA and, in return, BPA is obligated to pay annual costs of these projects, including debt service, by a procedure referred to as net-billing. Project Participants pay Energy Northwest their respective share of annual costs, and BPA pays Project Participants identical amounts by reducing amounts due to BPA by Participants under power sales agreements.

**NUCLEAR FUEL AMORTIZATION:** Represents the amortization of nuclear fuel costs in a given fiscal year. The cost of nuclear fuel is first capitalized as an asset in order to reflect the value of the unused fuel. At the time the fuel is placed in the reactor, the cost of the fuel is amortized to fiscal periods on the basis of quantity of heat produced.

**NUCLEAR FUEL IN PROCESS:** The cost of nuclear fuel that is being converted, fabricated, enriched, etc. not having reached a finished state.

**OPERATING COSTS:** Includes controllable and incremental costs.

**ORIGINAL BUDGET:** The beginning fiscal year budget for a Business Unit.

**OUTSIDE SERVICES:** Includes the cost of services provided by outside companies. Energy Northwest uses outside services for various functions including data systems, legal assistance, engineering support, craft support, paying agent and trustee fees, health physics and chemistry, maintenance services and radwaste disposal.

**PRIOR YEAR'S RESERVE AND CONTINGENCY FUND SURPLUS:** Annually, funds remaining are to be transferred back to the Revenue Fund to be utilized to reduce the funding requirements of the project for the subsequent fiscal year. Monies deposited in the Reserve and Contingency Fund can be expended only for special purposes.

**PRIVILEGE TAXES:** Pursuant to RCW 54.28.020, a tax is assessed on Packwood and Nine Canyon net generation equal to five percent of the first four mills per kilowatt-hour of revenue obtained from the sale of energy for resale. An additional surcharge is also assessed pursuant to RCW 82.02.030 equal to seven percent of the generation tax payable.

**PROJECT PARTICIPANT:** Municipalities, public utility districts, investor-owned utilities and electric cooperatives that have purchased a share of project output.

**REFINANCING:** An Energy Northwest and BPA program to refund higher coupon outstanding debt issued for Projects 1, 3 and Columbia with the goal of reducing total debt service of the projects over the life of the bonds.

**RESERVE AND CONTINGENCY FUND REQUIREMENT:** Funds equal to 10 to 15 percent of the aggregate required monthly transfers from the Revenue Fund to the Bond Fund Debt Service Accounts are to be transferred monthly from the Revenue Fund to the Reserve and Contingency Fund.

**RISK RESERVE:** A reserve in the budget set aside for unplanned events.

**SPENT FUEL DISPOSAL FEE:** The Nuclear Waste Policy Act of 1982 specifies that a waste disposal of one mill be paid to the United States Department of Energy (DOE) for each kilowatt-hour of electricity generated. In return, DOE will accept and dispose of spent nuclear fuel.

**STRATEGIC PLANNING:** A process undertaken by key managers and staff, approved by the Executive Board, to establish a vision of what Energy Northwest should be in five or more years.

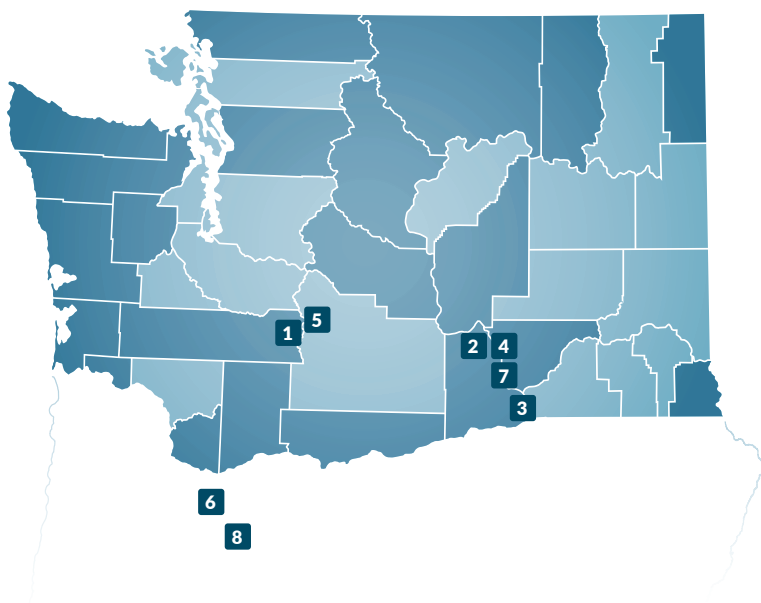
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Manage Energy Northwest as a **joint operating agency**

Operate Columbia Generating Station for **80+ years**

Support **clean energy** transformation



- 1 Packwood Lake Hydroelectric Project
- 2 Columbia Generating Station
- 3 Nine Canyon Wind Project
- 4 White Bluffs Solar Station
- 5 Tieton Hydroelectric Project
- 6 Portland Hydroelectric Project
- 7 Horn Rapids Solar, Storage & Training Project
- 8 Stone Creek Hydroelectric Project