

1st Amended Fiscal Year 2026 Columbia Generating Station Annual Operating Budget



Prepared 07/15/25

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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 facility is located on the Department of Energy's Hanford Reservation near Richland, Washington, and began commercial operation in December 1984.

The Fiscal Year (FY) 2026 1st Amended Annual Operating Budget has been prepared in accordance with Board of Directors' Resolution No. 640, the Project Agreement, and the Net Billing Agreements. It includes all capitalized and non-capitalized costs associated with the project, along with all funding requirements.

Fiscal Year 2026 Budget Summary

- Total expense and capital is estimated to be \$868,524,000 (Table 3).
- Total funding requirements: \$902,959,000 (Table 8).
- Total direct pay requirements for FY 2026: \$523,007,000 (Table 8).

Funding & Direct Pay Agreements

- Bonneville Power Administration (BPA) will directly pay the funding requirements on a monthly basis under the provisions of the Direct Pay Agreements.
- This eliminates net billing requirements, meaning statements normally sent to participants will reflect a zero balance under the Net Billing Agreements.
- The Net Billing Agreements remain in effect, but direct cash payments from BPA offset participant payment obligations.
- Under the Direct Pay Agreements, Energy Northwest retains the authority to bill each participant for its share of project costs if BPA fails to make a required payment.
- FY 2026 Capital Costs will be funded by bond proceeds and are not included in the direct pay requirements.

The FY 2026 Annual Operating Budget is presented on a cost basis and includes a cost-to-cash reconciliation illustrating the conversion of cost data to a cash basis. A comparison is made between the FY 2026 1st Amended budget and the Original budget issued for FY 2026 (Table 1).

Key Assumptions/Qualifications

- Estimated generation for Columbia is 9,700 GWh.
- The Cost of Power (CoP) for Production is \$34.20.
- Risk reserves total \$27 million.
- Unknown NRC mandates, insurance liabilities, workers compensation claims, or Inflation Reduction Act are excluded from the budget.
- Nuclear fuel assumptions are detailed in the Columbia Fuel Plan Section.
- All FY 2026 capital expenses are expected to be funded through:
 - Proceeds from the 2025A/B transaction, or
 - Cash reserves from Independent Spent Fuel Storage Installation Facility settlements with the Department of Energy.
- In FY 2019, Energy Northwest implemented Governmental Accounting Standards Board (GASB) Statement No. 83 – *Certain Asset Retirement Obligations*. GASB 83 requires a current estimate of the retirement obligation and a revised accounting approach for recognizing the liability. The primary change is that the full liability for the retirement obligation must be recorded at its current estimated value in today's dollars. The offset to the liability is a deferred outflow, which is amortized over the remaining life of the asset. A straight-line charge for decommissioning is recognized annually until the asset reaches the end of its useful life. At the time of decommissioning, the liability is reduced based on actual expenditures incurred each period until the asset is fully retired.
- As of FY 2025, the estimated Asset Retirement Obligation liability for Columbia and ISFSI are \$1,906.5 million & \$25.7 million respectively. Decommissioning funding is maintained by BPA.

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

Description	1st Amend FY 2026 Budget	Original FY 2026 Budget	Change
Baseline	\$ 150,558	\$ 150,558	\$ -
Allocations O&M	107,955	107,955	-
Expense Projects	9,277	9,277	-
Risk Reserve	9,249	9,249	-
Operations & Maintenance Total	\$ 277,039	\$ 277,039	\$ -
Capital Projects	\$ 138,721	\$ 128,321	\$ 10,400
EPU	75,578	75,578	-
Allocations Capital	42,003	42,003	-
Risk Reserve	17,751	17,751	-
Capital Total	\$ 274,053	\$ 263,653	\$ 10,400
Nuclear Fuel Related Costs	\$ 54,738	\$ 54,738	\$ -
Fuel Total	\$ 54,738	\$ 54,738	\$ -
Total	\$ 605,830	\$ 595,430	\$ 10,400
Net Generation (GWh)	9,700	9,700	-
Generation Cost of Power (\$/MWh)	\$ 62.46	\$ 61.38	\$ 1.08
Production Cost of Power (\$/MWh)	\$ 34.20	\$ 34.20	\$ -

(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)

Description	1st Amend FY 2026 Budget	Original FY 2026 Budget	Change
Controllable Costs			
Energy Northwest Labor	\$ 90,790	\$ 90,790	\$ -
Baseline Non-Labor	71,375	71,375	-
Incremental Outage	-	-	-
Expense Projects Non-Labor	7,311	7,311	-
Capital Projects Non-Labor	204,658	194,258	10,400
Allocations	149,958	149,958	-
Risk Reserve	27,000	27,000	-
Subtotal Controllable	\$ 551,092	\$ 540,692	\$ 10,400
Nuclear Fuel Related Costs			
Nuclear Fuel Amortization	\$ 54,738	\$ 54,738	\$ -
Subtotal Nuclear Fuel Related	\$ 54,738	\$ 54,738	\$ -
Total	\$ 605,830	\$ 595,430	\$ 10,400
Net Generation (GWh)	9,700	9,700	-
Generation Cost of Power (\$/MWh)	\$ 62.46	\$ 61.38	\$ 1.08
Production Cost of Power (\$/MWh)	\$ 34.20	\$ 34.20	\$ -

(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>1st Amend FY 2026 Budget</u>	<u>Original FY 2026 Budget</u>	<u>Change</u>
<u>Controllable Expense</u>			
Energy Northwest Labor	\$ 81,149	\$ 81,149	\$ -
Base Non-Labor	71,375	71,375	-
Incremental Outage	-	-	-
Allocations	107,955	107,955	-
Expense Projects Non-Labor	7,311	7,311	-
O&M Risk Reserve	9,249	9,249	-
Subtotal Controllable	\$ 277,039	\$ 277,039	\$ -
<u>Incremental</u>			
Nuclear Fuel Amortization	\$ 54,738	\$ 54,738	\$ -
Generation Taxes	5,988	5,988	-
Subtotal Incremental	\$ 60,726	\$ 60,726	\$ -
<u>Fixed</u>			
Treasury Related Expenses (1)	\$ 128,732	\$ 128,732	\$ -
Decommissioning (2)	47,883	47,883	-
Depreciation	80,091	80,091	-
Subtotal Fixed	\$ 256,706	\$ 256,706	\$ -
Total Operating Expense	\$ 594,471	\$ 594,471	\$ -
 <u>Capital</u>			
Energy Northwest Labor	\$ 9,641	\$ 9,641	\$ -
Capital Projects Non-Labor	204,658	194,258	10,400
Allocations	42,003	42,003	-
Capital Risk Reserve	17,751	17,751	-
Total Capital	\$ 274,053	\$ 263,653	\$ 10,400
 Total Expense and Capital	\$ 868,524	\$ 858,124	\$ 10,400

(1) See Table 6 (page 10).

(2) Includes ISFSI Decommissioning.

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

Organization	Direct Charge	Corporate Allocation (2)	1st Amend FY 2026 Budget	Original FY 2026 Budget	Change
Chief Executive Officer	-	3	3	3	-
Vice President Corporate Governance & General Counsel	40	16	56	56	-
Vice President Nuclear Generation/Chief Nuclear Officer (3)	819	-	819	819	-
Vice President Chief Financial Officer	14	53	67	67	-
Corporate Services General Manager	<u>50</u>	<u>87</u>	<u>137</u>	<u>137</u>	<u>-</u>
Total	<u>923</u>	<u>159</u>	<u>1,082</u>	<u>1,082</u>	<u>-</u>

Note: (1) Includes project positions, employees supporting Capital Projects and excludes temporary positions.

(2) Includes allocation of Corporate FTE Positions (89.77% in FY 2026 and 92.59% in FY 2025).

(3) Includes employment "pipeline" for Operations and Security.

Table 5
Projects Non-Labor
(Dollars in Thousands)

<u>Description</u>	<u>1st Amend FY 2026 Budget</u>	<u>Original FY 2026 Budget</u>	<u>Change</u>
<u>Capital Projects</u>			
Plant Modifications	\$ 122,575	\$ 112,175	\$ 10,400
EPU	71,187	71,187	-
Information Technology	7,680	7,680	-
Facilities Modifications	3,216	3,216	-
Subtotal Capital Projects	<u>\$ 204,658</u>	<u>\$ 194,258</u>	<u>\$ 10,400</u>
<u>Expense Projects</u>			
Plant Modifications	\$ 5,742	\$ 5,742	\$ -
Facilities Modifications	1,569	1,569	-
Subtotal Expense Projects	<u>\$ 7,311</u>	<u>\$ 7,311</u>	<u>\$ -</u>
 Total	 <u>\$ 211,969</u>	 <u>\$ 201,569</u>	 <u>\$ 10,400</u>

Table 6
Treasury Related Expenses
(Dollars in Thousands)

Description	1st Amend FY 2026 Budget	Original FY 2026 Budget	Change
Interest Expense (1)	\$ 166,312	\$ 166,312	\$ -
Interest on Note (2)	2,500	2,500	-
Commitment Fee on Note (2)	165	165	-
Amortized Financing Cost (3)	(37,286)	(37,286)	-
Investment Income (4)	(3,700)	(3,700)	-
Treasury Svcs/Paying Agent Fees (5)	741	741	-
Total	\$ 128,732	\$ 128,732	\$ -

Assumptions

- (1) Budget assumes approximately \$18.650 million bond principal will mature in FY 2026. Of this, approximately \$18.650 million is expected to be repaid.
- (2) A line of credit will be used to fund \$75.578 million for the Extended Power Uprate capital project during FY 2026. Repayment will be provided by bond proceeds from the 2026 long-term bond transaction.
- (3) The amortized financing costs are driven by the amortization of the premiums on bond issues.
- (4) 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 3.00%.
- (5) Includes all non-interest costs of banking, debt and internal labor and overheads.

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

Description	FY 2026 Total Cost	Non-Cash Items	Non-Cost Items	Deferred Cash Requirements	Prior Year Commitments	FY 2026 Total Cash
<u>Operating</u>						
Controllable - Expense	\$ 277,039	\$ -	\$ -	\$ -	\$ -	\$ 277,039
Controllable - Capital	198,475	-	14,817	-	-	213,292
EPU	75,578	-	-	-	-	75,578
Nuclear Fuel In Process	54,738	(54,596)	44,958	-	-	45,100
Fuel Litigation	-	-	188	-	-	188
Spares/Inventory Growth	-	-	8,500	-	-	8,500
Generation Taxes	5,988	-	(1,355)	-	-	4,633
Subtotal Operating	\$ 611,818	\$ (54,596)	\$ 67,108	\$ -	\$ -	\$ 624,330
<u>Fixed Expenses</u>						
Treasury Related Expense						
Interest on Bonds	\$ 166,312	\$ -	\$ -	\$ -	\$ -	\$ 166,312
Interest on Note Payable	2,500	-	-	-	-	2,500
Commitment Fee on Note	165	-	-	-	-	165
Payoff of Note Principal	75,578	-	-	-	-	75,578
Bond Retirement	-	-	18,650	-	-	18,650
Amortized Cost	(37,286)	37,286	-	-	-	-
Investment Income-Revenue Fund	(3,700)	-	-	2,833	-	(867)
Treasury Services	741	-	-	-	-	741
Decommissioning and Site Restoration (1)	47,603	(47,603)	15,240	-	-	15,240
ISFSI Decommissioning	280	(280)	310	-	-	310
Depreciation	80,091	(80,091)	-	-	-	-
Subtotal Fixed Expenses	\$ 332,284	\$ (90,688)	\$ 34,200	\$ 2,833	\$ -	\$ 278,629
Total	\$ 944,102	\$ (145,284)	\$ 101,308	\$ 2,833	\$ -	\$ 902,959

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

Note: Controllable cost and cash is equal due to BPA decision to Direct Pay.

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

	1st Amend	Original	
	FY 2026	FY 2026	
<u>Description</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
<u>Operating</u>			
Controllable Expense	\$ 277,039	\$ 277,039	\$ -
Controllable Capital	213,292	202,892	10,400
EPU	75,578	75,578	-
Nuclear Fuel In Process	45,100	45,100	-
Fuel Litigation	188	188	-
Spares/Inventory Growth	8,500	8,500	-
Generation Taxes	4,633	4,633	-
Subtotal Operating Requirements	\$ 624,330	\$ 613,930	\$ 10,400
<u>Fixed</u>			
Treasury Related Expenses			
Interest on Bonds	\$ 166,312	\$ 166,312	\$ -
Interest on Note	2,500	2,500	-
Note Commitment Fee	165	165	-
Payoff of Note Principal	75,578	75,578	-
Bond Retirement (1)	18,650	18,650	-
Investment Income-Revenue Fund	(867)	(867)	-
Treasury Services/Paying Agent Fees	741	741	-
Decommissioning and Site Restoration Costs (2)	15,240	15,240	-
ISFSI Decommissioning Costs (2)	310	310	-
Subtotal Fixed	\$ 278,629	\$ 278,629	\$ -
Total Funding Requirements	\$ 902,959	\$ 892,559	\$ 10,400
<u>Funding Sources</u>			
Direct Pay from BPA / Net Billing (3)	\$ 523,007	\$ 523,007	\$ -
Note / Line of Credit Draws (4)	75,578	75,578	-
Bond Proceeds (Capital) (5)	205,419	200,519	4,900
Capital Funds from ISFSI Settlements	2,327	2,327	-
Excess Capital Funds from FY2025	5,500	-	5,500
Bond Proceeds (Note / LOC) (4)	75,578	75,578	-
Bonneville Direct Funding Decommissioning (2)	15,550	15,550	-
Total Funding Sources	\$ 902,959	\$ 892,559	\$ 10,400

(1) \$18.650 million of taxable bonds maturing July 2026 and are expected to 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 be used to fund the Extended Power Uprate capital project during FY 2026 and will be repaid with bond proceeds from the 2026 long-term bond transaction.

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

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

Description	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY 2026 Total
Beginning Balance	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
<u>Disbursements</u>													
<u>Operating</u>													
Controllable Expense	\$ 25,248	\$ 19,614	\$ 21,637	\$ 22,928	\$ 20,518	\$ 23,014	\$ 21,084	\$ 21,881	\$ 24,087	\$ 22,217	\$ 21,544	\$ 33,267	\$ 277,039
Controllable Capital	28,350	10,248	12,756	15,807	10,473	12,977	11,883	12,790	14,837	13,914	16,206	53,051	\$ 213,292
EPU	6,802	6,046	6,424	6,802	5,290	6,424	6,046	5,668	6,802	6,802	5,668	6,804	\$ 75,578
Nuclear Fuel In Process	34,262	438	3,694	686	456	679	920	458	440	438	2,142	487	\$ 45,100
Fuel Litigation	-	-	-	-	24	24	24	24	23	23	23	23	\$ 188
Spares/Inventory Growth	-	2,833	-	-	2,833	-	-	1,417	-	-	1,417	-	\$ 8,500
Generation Taxes	-	-	-	-	-	-	-	4,633	-	-	-	-	\$ 4,633
Subtotal Operating	\$ 94,662	\$ 39,179	\$ 44,511	\$ 46,223	\$ 39,594	\$ 43,118	\$ 39,957	\$ 46,871	\$ 46,189	\$ 43,394	\$ 47,000	\$ 93,632	\$ 624,330
<u>Fixed</u>													
Treasury Related Expenses													
Interest on Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,156	\$ 166,312
Interest on Note	-	-	-	-	-	-	-	-	-	-	2,500	-	2,500
Commitment Fee on Note	-	-	-	45	-	-	45	-	-	40	-	35	165
Payoff of Note Principal	-	-	-	-	-	-	-	-	-	-	75,578	-	75,578
Bond Retirement (1)	-	-	-	-	-	-	-	-	-	-	-	18,650	18,650
Investment Income	(72)	(72)	(72)	(72)	(72)	(72)	(72)	(72)	(72)	(72)	(72)	(75)	(867)
Treasury Services	62	46	153	43	31	55	42	32	145	45	43	44	741
Decommissioning and Site Restoration	-	-	15,240	-	-	-	-	-	-	-	-	-	15,240
ISFSI Decommissioning	-	-	310	-	-	-	-	-	-	-	-	-	310
Subtotal Fixed	\$ (10)	\$ (26)	\$ 15,631	\$ 16	\$ (41)	\$ 83,139	\$ 15	\$ (40)	\$ 73	\$ 13	\$ 78,049	\$ 101,810	\$ 278,629
Total Disbursements	\$ 94,652	\$ 39,153	\$ 60,142	\$ 46,239	\$ 39,553	\$ 126,257	\$ 39,972	\$ 46,831	\$ 46,262	\$ 43,407	\$ 125,049	\$ 195,442	\$ 902,959
<u>Funding Sources</u>													
BPA Direct Pay (2)	\$ 59,500	\$ 22,859	\$ 23,085	\$ 23,630	\$ 23,790	\$ 106,856	\$ 22,043	\$ 28,373	\$ 24,623	\$ 22,691	\$ 20,793	\$ 144,764	\$ 523,007
Note / Line of Credit Draws	6,802	6,046	6,424	6,802	5,290	6,424	6,046	5,668	6,802	6,802	12,472	-	75,578
Bond Proceeds (Capital)	22,850	10,248	12,756	15,807	10,473	12,977	11,883	12,790	14,837	13,914	16,206	50,678	205,419
Capital Funds from ISFSI Settlement	-	-	2,327	-	-	-	-	-	-	-	-	-	2,327
Excess Capital Funds from FY2025	5,500	-	-	-	-	-	-	-	-	-	-	-	5,500
Bond Proceeds (Note / LOC)	-	-	-	-	-	-	-	-	-	-	75,578	-	75,578
BPA - Decommissioning	-	-	15,550	-	-	-	-	-	-	-	-	-	15,550
Total Funding Sources	\$ 94,652	\$ 39,153	\$ 60,142	\$ 46,239	\$ 39,553	\$ 126,257	\$ 39,972	\$ 46,831	\$ 46,262	\$ 43,407	\$ 125,049	\$ 195,442	\$ 902,959
Ending Balance	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000

(1) \$18.650 million of taxable bonds maturing July 2026 and are expected to repaid.

(2) BPA is billed, through the Direct Pay Agreements, one month in advance for the following month's expenses.

(End of Columbia Generating Station Report)