

# **Amended Fiscal Year 2024 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 2024 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 2024. In addition, this document includes all funding requirements.

The total cost budget for Fiscal Year 2024 for Expense and Capital related costs are estimated at \$662,617,000 (Table 3), with associated total funding requirements of \$635,025,000 (Table 5). Using the Memorandum of Agreement basis for measuring Columbia's costs, budget requirements for Fiscal Year 2024 have been established at \$394,631,000 (Table 1). In Fiscal Year 2024, 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 2024 Capital costs will be funded by bond proceeds and are not included in the Fiscal Year 2024 direct pay requirements. Total direct pay requirements of \$436,160,000 (Table 5) 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 4) converting cost data to a cash basis. The Columbia Generating Station's Annual Budget (Table 5) is required by the various project agreements.

Comparison of the Amended Fiscal Year 2024 Budget is made to the Original Budget for Fiscal Year 2024, dated April 26, 2023.

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

<u>Description</u>	<u>Amended FY 2024 Budget</u>	<u>Original FY 2024 Budget</u>	<u>Change</u>
Baseline	\$ 137,439	\$ 137,439	\$ -
Allocations O&M	84,091	84,091	-
Expense Projects	8,240	8,240	-
Risk Reserve	1,911	1,911	-
<b>Operations &amp; Maintenance Total</b>	<b>\$ 231,681</b>	<b>\$ 231,681</b>	<b>\$ -</b>
Capital Projects	\$ 68,991	\$ 62,191	\$ 6,800
Allocations Capital	31,074	31,074	-
Risk Reserve	9,074	9,074	-
<b>Capital Total</b>	<b>\$ 109,139</b>	<b>\$ 102,339</b>	<b>\$ 6,800</b>
Nuclear Fuel Related Costs	\$ 53,811	\$ 53,811	\$ -
<b>Fuel Total</b>	<b>\$ 53,811</b>	<b>\$ 53,811</b>	<b>\$ -</b>
<b>Total</b>	<b>\$ 394,631</b>	<b>\$ 387,831</b>	<b>\$ 6,800</b>
<b>Net Generation (GWh)</b>	<b>9,731</b>	<b>9,731</b>	<b>-</b>
<b>Generating Cost of Power (\$/MWh)</b>	<b>\$ 40.55</b>	<b>\$ 39.86</b>	<b>\$ 0.70</b>
<b>Production Cost Of Power (\$/MWh) (2)</b>	<b>\$ 29.34</b>	<b>\$ 29.34</b>	<b>\$ -</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).

(2) Production Cost of Power is calculated by dividing the sum of O&M plus Nuclear Fuel Cost by Net Generation.

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

<u>Description</u>	<u>Amended FY 2024 Budget</u>	<u>Original FY 2024 Budget</u>	<u>Change</u>
<b>Controllable Costs</b>			
Energy Northwest Labor	\$ 77,397	\$ 77,397	\$ -
Baseline Non-Labor	64,438	64,438	-
Incremental Outage	-	-	-
Expense Projects Non-Labor	6,633	6,633	-
Capital Projects Non-Labor	66,202	59,402	6,800
Allocations	115,165	115,165	-
Risk Reserve	10,985	10,985	-
<b>Subtotal Controllable</b>	<b><u>\$ 340,820</u></b>	<b><u>\$ 334,020</u></b>	<b><u>\$ 6,800</u></b>
<b>Nuclear Fuel Related Costs</b>			
Nuclear Fuel Amortization	\$ 53,811	\$ 53,811	\$ -
<b>Subtotal Nuclear Fuel Related</b>	<b><u>\$ 53,811</u></b>	<b><u>\$ 53,811</u></b>	<b><u>\$ -</u></b>
<b>Total</b>	<b><u>\$ 394,631</u></b>	<b><u>\$ 387,831</u></b>	<b><u>\$ 6,800</u></b>
<b>Net Generation (GWh)</b>	<b><u>9,731</u></b>	<b><u>9,731</u></b>	<b><u>-</u></b>
<b>Generating Cost of Power (\$/MWh)</b>	<b><u>\$ 40.55</u></b>	<b><u>\$ 39.86</u></b>	<b><u>\$ 0.70</u></b>
<b>Production Cost Of Power (\$/MWh) (2)</b>	<b><u>\$ 29.34</u></b>	<b><u>\$ 29.34</u></b>	<b><u>\$ -</u></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).

(2) Production Cost of Power is calculated by dividing the sum of O&M plus Nuclear Fuel Cost by Net Generation

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

<u>Description</u>	<u>Amended FY 2024 Budget</u>	<u>Original FY 2024 Budget</u>	<u>Change</u>
<b><u>Controllable Expense</u></b>			
Energy Northwest Labor	\$ 74,608	\$ 74,608	\$ -
Base Non-Labor	64,438	64,438	-
Expense Projects Non-Labor	6,633	6,633	-
Incremental Outage	-	-	-
Allocations	84,091	84,091	-
O&M Risk Reserve	1,911	1,911	-
<b>Subtotal Controllable</b>	<b>\$ 231,681</b>	<b>\$ 231,681</b>	<b>\$ -</b>
<b><u>Incremental</u></b>			
Nuclear Fuel Amortization	\$ 53,811	\$ 53,811	\$ -
Generation Taxes	5,522	5,522	-
<b>Subtotal Incremental</b>	<b>\$ 59,333</b>	<b>\$ 59,333</b>	<b>\$ -</b>
<b><u>Fixed</u></b>			
Treasury Related Expenses	\$ 121,632	\$ 121,632	\$ -
Decommissioning (1)	41,679	41,679	-
Depreciation	99,153	99,153	-
<b>Subtotal Fixed</b>	<b>\$ 262,464</b>	<b>\$ 262,464</b>	<b>\$ -</b>
<b>Total Operating Expense</b>	<b>\$ 553,478</b>	<b>\$ 553,478</b>	<b>\$ -</b>
<b><u>Capital</u></b>			
Energy Northwest Labor	\$ 2,789	\$ 2,789	\$ -
Capital Projects Non-Labor	66,202	59,402	6,800
Indirect Allocations	31,074	31,074	-
Capital Risk Reserve	9,074	9,074	-
<b>Total Capital</b>	<b>\$ 109,139</b>	<b>\$ 102,339</b>	<b>\$ 6,800</b>
<b>Total Expense and Capital</b>	<b>\$ 662,617</b>	<b>\$ 655,817</b>	<b>\$ 6,800</b>

(1) Includes ISFSI Decommissioning.

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

Description	FY 2024 Total Cost	Non-Cash Items	Non-Cost Items	Deferred Cash Requirements	Prior Year Commitments	FY 2024 Total Cash
<u>Operating</u>						
Controllable - Expense	\$ 231,681	\$ -	\$ -	\$ -	\$ -	\$ 231,681
Controllable - Capital	109,139	-	3,707	-	-	112,846
Nuclear Fuel	53,811	(53,595)	43,174	-	-	43,390
Fuel Litigation	-	-	187	-	-	187
Spares/Inventory Growth	-	-	5,075	-	-	5,075
Generation Taxes	5,522	-	(433)	-	-	5,089
<b>Subtotal Operating</b>	<b>\$ 400,153</b>	<b>\$ (53,595)</b>	<b>\$ 51,710</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 398,268</b>
<u>Fixed Expenses</u>						
Treasury Related Expense						
Interest on Bonds	\$ 154,822	\$ -	\$ -	\$ -	\$ -	\$ 154,822
Build America Bond Subsidy	(2,762)	-	-	-	-	(2,762)
Interest on Note Payable	620	-	-	-	-	620
Commitment Fee on Note	200	-	-	-	-	200
Payoff of Note Principal	-	-	53,850	-	-	53,850
Bond Retirement	-	-	25,154	-	-	25,154
Amortized Cost	(29,502)	29,502	-	-	-	-
Investment Income-Revenue Fund	(2,437)	-	-	1,600	-	(837)
Treasury Services	691	-	-	-	-	691
Decommissioning and Site Restoration (1)	41,400	(41,400)	4,739	-	-	4,739
ISFSI Decommissioning	279	(279)	280	-	-	280
Depreciation	99,153	(99,153)	-	-	-	-
<b>Subtotal Fixed Expenses</b>	<b>\$ 262,464</b>	<b>\$ (111,330)</b>	<b>\$ 84,023</b>	<b>\$ 1,600</b>	<b>\$ -</b>	<b>\$ 236,757</b>
<b>Total</b>	<b>\$ 662,617</b>	<b>\$ (164,925)</b>	<b>\$ 135,733</b>	<b>\$ 1,600</b>	<b>\$ -</b>	<b>\$ 635,025</b>

(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 and the institution of contractor time & labor.

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

<u>Description</u>	<u>Amended</u> <u>FY 2024</u> <u>Budget</u>	<u>Original</u> <u>FY 2024</u> <u>Budget</u>	<u>Change</u>
<u>Operating</u>			
Controllable Expense	\$ 231,681	\$ 231,681	\$ -
Controllable Capital	112,846	106,046	6,800
Nuclear Fuel	43,390	43,390	-
Fuel Litigation	187	187	-
Spares/Inventory Growth	5,075	5,075	-
Generation Taxes	5,089	5,089	-
<b>Subtotal Operating Requirements</b>	<b>\$ 398,268</b>	<b>\$ 391,468</b>	<b>\$ 6,800</b>
<u>Fixed</u>			
Treasury Related Expenses			
Interest on Bonds	\$ 154,822	\$ 154,822	\$ -
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)	25,154	25,154	-
Investment Income-Revenue Fund	(837)	(837)	-
Treasury Services/Paying Agent Fees	691	691	-
Decommissioning and Site Restoration Costs (2)	4,739	4,739	-
ISFSI Decommissioning Costs (2)	280	280	-
<b>Subtotal Fixed</b>	<b>\$ 236,757</b>	<b>\$ 236,757</b>	<b>\$ -</b>
<b>Total Funding Requirements</b>	<b>\$ 635,025</b>	<b>\$ 628,225</b>	<b>\$ 6,800</b>
<u>Funding Sources</u>			
Direct Pay from BPA / Net Billing (3)	\$ 436,160	\$ 436,160	\$ -
Note / Line of Credit Draws (4)	27,000	27,000	-
Bond Proceeds (Capital) (5)	112,846	106,046	6,800
Bond Proceeds (Interest / LOC) (6)	54,000	54,000	-
Fuel Revenue	-	-	-
Bonneville Direct Funding Decommissioning (2)	5,019	5,019	-
<b>Total Funding Sources</b>	<b>\$ 635,025</b>	<b>\$ 628,225</b>	<b>\$ 6,800</b>

(1) \$290.8 million of maturing July 2024 bonds are expected to be extended while \$25.2 million will 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) Draws against Note / Line of Credit for Tax-Exempt Interest Expense in January 2024.

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

(6) Approximately \$54 million of interest expense is expected to be extended as part of Phase II of RCD.

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