

**BPA Reponses to Questions:  
FY25 End of Year's Quarterly Business Review and Technical Workshop  
Nov. 13, 2025**

Materials are posted to BPA's [Quarterly Business Review webpage](#).

**Submitted Question 1:**

First, during today's QBR one of our questions probably didn't come over very well. I'll spare you my thoughts on the Slido delay and/or raised hand issues, and will just ask: how much total trx revenue was used to pay down debt during FY 2025? Second, I heard the confirmation that the entire \$82.8 million from last year's RDC was utilized for debt (as opposed to preserving liquidity)--thank you for confirming that--and I'm assuming that payment happened in FY 2025 as anticipated, but please let me know if that's not right and/or isn't already in the number that you are providing per my request above. Additionally, can you confirm whether that payment reduced interest expense by \$3.7 million (~4.5%) as anticipated?

**BPA's response:**

We understand the question to be twofold:

- 1) How much Transmission debt was repaid in FY25? and,
- 2) For the debt repayment associated with the FY24 RDC, how much did this reduce interest expense?

**Part 1:** In FY25 Transmission repaid ~\$429 million of federal principal, made up of the following:

- \$187.5M for the scheduled payment required by BP24 rate case
- \$82.8M for the FY24 RDC decision to use for additional debt reduction, applied in FY25
- \$68.9M of additional debt repayment using cash generated from a FY25 debt management transaction, e.g. used cash not generated from Transmission operations.
- \$90.0M of additional debt repayment using proceeds freed up from extension of maturing non-federal lease purchase debt, e.g. paid more federal debt and less non-federal debt.

**Part 2:** Going forward, Transmission net interest expense is approximately \$2.9M lower than it otherwise would be because of the \$82.8M additional debt payment associated with the FY24 RDC applied in FY25. Note however, that due to the Transmission grid expansion program, Transmission is borrowing significantly more each year than it repays. Therefore, Transmission interest expense will be higher in FY26 than in FY25, but it will still be lower than it otherwise would be due to the added debt payments made in FY25.



## Submitted Question 2:

Finally, pretty sure I heard the RDC threshold for trx has bounced around based on differences between forecasts/actuals, but I'm not sure I'm tracking. For clarity, I'm seeing in the Aug. and Nov. 2024 slide decks that the RDC threshold for trx is listed as \$233 million (for FY 2024). The Feb. and May 2025 slide decks list it as \$302 million (for FY 2025) and the Aug and Nov slide decks list it as \$283 million (also for FY 2025). Now maybe I'm just thinking of this wrong, but the BP-24 rates were in place from Oct 2023 to Sept 2025 and the BP-26 rates were finalized July 2025 and in place from Oct 2025-Sept 2028, so... which thresholds were based on forecasts?

### BPA's response:

We understand this question is seeking clarity on the Financial Reserves Policy thresholds in FY24 and FY25, given that the thresholds seemed to change over the course of the year.

The thresholds are set for each rate period and outlined in the Rate Case Risk Study, and notably the thresholds for the last year of a rate period follow threshold calculations as outlined in the initial proposal and final proposal of the next rate period. As such:

- FY24 used the thresholds published in BP-24-FS-BPA-05 Risk Study.
- FY25 used the thresholds published in the risk study for the initial and final proposals of BP-26. The thresholds can and often do change from initial proposal to final proposal. Changes in underlying costs included in initial and final proposal are the drivers for changes in the thresholds. Here are the specific reference files for FY25 thresholds reported at quarters.
  - BP-26-E-BPA-05-CC01, which is the initial proposal risk study, was the basis for FY25 Q1 thresholds.
  - BP-26-FS-BPA-05, which is the final proposal risk study, was the basis of the thresholds for Q2 – Q4.
- The tables are shared below for ease.

**BP24 Risk Study Table** (This table was used for calculations at the end of FY23 and FY24)

**Table 11: Transmission Days Cash and Financial Reserves Thresholds**  
(Dollars in millions)

		A	B
		FY 2024	FY 2025
1	Total Expenses	\$1,208	\$1,228
	Less		
2	Net Interest Expense	\$151	\$167
3	Depreciation and Amortization	\$358	\$344
4	Contracted Power Purchases	\$0	\$0
5	Sum of rows 2-4	\$509	\$511
6	Operating Expenses (row 1 less row 5)	\$699	\$717
7	Operating Expenses divided by 365 (row 6/365)	\$1.92	\$1.96
8	Rate period average (average of row 7 column A and B)	\$1.94	
9	Lower Financial Reserves Threshold (row 8 * 60)	\$116.4	
10	30 days cash on hand (row 8 * 30)	\$58.2	
11	Upper Financial Reserves Threshold (row 8 * 120)	\$232.7	

BP-24-E-BPA-05  
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**BP26 Initial Proposal Risk Study Table** (This table was basically a place holder until rates were final)

**Table 11: Transmission Days Cash and Financial Reserves Thresholds**  
(Dollars in millions)

		A	B	C
		FY 2026	FY 2027	FY 2028
1	Total Expenses	\$1,449	\$1,566	\$1,677
	Less			
2	Net Interest Expense	\$204	\$241	\$281
3	Depreciation and Amortization	\$377	\$404	\$432
4	Contracted Power Purchases	\$0	\$0	\$0
5	Sum of rows 2-4	\$581	\$645	\$713
6	Operating Expenses (row 1 less row 5)	\$868	\$921	\$964
7	Operating Expenses divided by 365 (row 6/365)	\$2.38	\$2.52	\$2.64
8	Rate period average (average of row 7 column A and B)	\$2.51		
9	Lower Financial Reserves Threshold (row 8 * 60)	\$151		
10	30 days cash on hand (row 8 * 30)	\$75		
11	Upper Financial Reserves Threshold (row 8 * 120)	\$302		

BP-26-E-BPA-05-CC01  
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**BP26 Final Proposal Risk Study Table** (This table will be used for EO calculations in FY25/26/27)

**Table 11: Transmission Days Cash and Financial Reserves Thresholds**  
(Dollars in millions)

		<b>A</b>	<b>B</b>	<b>C</b>
		<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
1	Total Expenses	\$1,398	\$1,507	\$1,621
	Less			
2	Net Interest Expense	\$164	\$190	\$237
3	Depreciation and Amortization	\$423	\$454	\$477
4	Contracted Power Purchases	\$0	\$0	\$0
5	Sum of rows 2-4	\$587	\$644	\$714
6	Operating Expenses (row 1 less row 5)	\$811	\$863	\$907
7	Operating Expenses divided by 365 (row 6/365)	\$2.22	\$2.37	\$2.49
8	Rate period average (average of row 7 column A and B)	\$2.36		
9	<b>Lower Financial Reserves Threshold (row 8 * 60)</b>	<b>\$141</b>		
10	<b>30 days cash on hand (row 8 * 30)</b>	<b>\$71</b>		
11	<b>Upper Financial Reserves Threshold (row 8 * 120)</b>	<b>\$283</b>		