

# TEF Distribution Q&As

## **What is the Tenaska Equity Fund (TEF)?**

From 2013 to 2016, BPUB collected \$29 million to cover debt service during the construction period of the proposed power plant. These funds remained unspent in the Tenaska Equity Fund. On April 10, the BPUB Board of Directors voted to include BPUB's net interest earned on the \$29 million, an additional \$2,082,611. The City of Brownsville received \$208,261 from that interest as part of BPUB's payment transfers to the city. This leaves a net amount of \$1,874,350 added to the TEF, bringing the total to \$30,874,350.

Additional interest from October 2022 through March 2023 totaled an estimated \$534,134. With 10 percent, or \$53,413, transferred to the City of Brownsville, this leaves a net amount of \$480,721. At the May 1 BPUB Special Board Meeting, the board voted to include those funds into the total TEF, bringing the new total to \$31,355,071 million.

## **What is the Bill Reduction Program?**

Beginning in 2013, \$29 million was collected to pay for anticipated costs during the construction period of the power plant; these funds are unspent and still held by BPUB (Tenaska Equity Fund, or TEF).

Starting in 2017, funds brought in through the power plant portion of the rate increases, along with additional funds from BPUB, were returned to customers as a reduction of the Fuel and Energy Charge on their bills through BPUB's bill reduction program. When the rates were lowered to remove power plant funding, the bill reduction program ended, effective Nov. 30, 2022.

## **I have heard different figures on how much money was brought in from the proposed power plant. How much was really brought in?**

BPUB collected a total of \$114,809,414 from the plant-portion of the electric rate increases. Of that total, BPUB transferred \$11,480,941 to the city of Brownsville. Additionally, BPUB returned \$74.3 million from the power plant rate increases to electric customers from 2017 to 2022 by adjusting the Fuel and Energy Charge on customers' bills. This was part of the "bill reduction program," which aimed to stabilize electric bills. The program was supplemented with additional BPUB funds and ended on Nov. 30, 2022, when the City Commission approved BPUB's request to adjust the electric rate to remove project funding.

## **How much is in the TEF?**

There is \$31,355,071 million in the TEF. This is composed of funds collected to cover debt service during the construction period of the proposed power plant as well as the interest collected on those funds.

## **Was there any interest generated from the TEF?**

Per Section 24.B. of the Bond Ordinance, the interest earned on the funds in the Improvement Fund flows back into the Plant Fund for Operations & Maintenance and does not stay in the Improvement Fund. BPUB is not required to add the interest to the Tenaska Equity Fund, but BPUB's Board of Directors voted to add the total interest of approximately \$2.35 million.

**What is the average refund electric customers will receive?**

The average refund per 1,000 kWh residential customer is \$212.18; however, the amount of individual refunds may vary quite a bit. Keep in mind that these refunds are based on consumption. That means that accounts with higher monthly bills will receive higher refund amounts. Consumption can vary from home to home quite a bit for a number of reasons, including the size of the home, number of people living there, how energy efficient the home is, weather conditions and temperature, and the amount of time with that account.

**I'm eligible to receive a refund. How much should I expect to receive?**

The amount of individual refunds varies. Refunds are based on consumption. That means that electric accounts with higher monthly bills will receive higher refund amounts. Consumption can vary from home to home quite a bit for a number of reasons, including the size of the home, number of people living there, how energy efficient the home is, weather conditions and temperature, and the amount of time with that account. The average refund per 1,000 kWh residential customer is \$212.18.

**How will the refunds be distributed?**

Customers who paid into the TEF from 2013 thru 2016 and have an active BPUB electric account will receive their refund as a statement credit on their bill. The credit will be labeled on the bill as "Tenaska Equity Fund (TEF) Refund." If the individual eligible for a refund is no longer a BPUB customer, a check will be issued and mailed to the last forwarding address given by the individual in accordance with BPUB policies. As such, refunds of less than \$1 will not be issued a check. However, all active customers eligible for a refund will receive a statement credit regardless of amount.

**Will I receive a refund?**

You might receive a refund if you were a BPUB electric customer between April 2013 and September 2016.

**I was a BPUB electric customer between April 2013 and September 2016 and am still an active BPUB electric customer. What refund will I receive?**

You will be refunded as a credit on your account based on the amount of electricity consumed in your household. This means that you will receive back what you paid into the TEF. Additionally, the city of Brownsville and BPUB have combined their refunds and will distribute it equally among all active TEF customers as of May 1, 2023, as an account credit. This additional \$1.6 million will ensure that each of these active customers will receive at least an estimated \$48.91 credit, in addition to any other refund they may receive.

**Will commercial accounts also receive refunds?**

Yes, all BPUB electric customers active between April 2013 and September 2016 are eligible to receive a refund. Refunds will be based on electric consumption during that time period.

**If I am behind on my BPUB bill or owe BPUB money, will I receive a refund?**

You will receive a refund, but it will be offset against any debts owed to BPUB.

**What if I want to opt-out to receive a refund?**

To ensure timely delivery of all refunds, we are not allowing customers to opt out; however, customers can donate to the BPUB Project SHARE program, which assists customers in paying utility bills.

**If I am no longer a BPUB customer but was during April 2013 to September 2016, how will I receive a refund?**

If you qualify for a refund, it will be sent to you by mail to the last forwarding address given to BPUB, but if the refund amount is less than \$1, a check will not be issued.

**My father, husband, etc. was a customer during April 2013 to September 2016 but they are now deceased. Will they be eligible for a refund?**

Yes, BPUB will refund all accounts meeting the refund terms. Any inactive accounts will have their refunds mailed to the last known address in BPUB's system. If these checks are not cashed, then they will be turned over to the state as unclaimed property.

**What if I had an account between April 2013 and September 2016 but closed it and still owe money?**

You will receive a refund, but it will be offset against any debts owed to BPUB.

**Why is my reimbursement what it is?**

Refunds are based on the amount of consumption from an account during the April 2013 to September 2016 timeframe.

**How many customers will see a credit?**

There are 62,794 residential customers who will receive a refund and 8,208 commercial customers.

**Will the city of Brownsville or BPUB receive a refund based on the amount of electricity that they used?**

The joint subcommittee composed of representatives from the city of Brownsville and BPUB recommended that they not receive their refunds. Instead, they recommended that these funds, which add up to \$1,681,018.70, be distributed equally among TEF timeframe customers who are still active electric account holders as of May 1, 2023. At a May 1 BPUB special board meeting, BPUB voted to accept the subcommittee's recommendation, and the Brownsville City Commission approved the resolution May 2.

This additional \$1.6 million will ensure that each of these active customers will receive at least an estimated \$48.91, in addition to any other refund they may receive. Please note that the estimate is based on eligible customers and may change by May 1.

**If I am only a BPUB water and/or wastewater customer, will I receive a refund?**

Refunds only go to BPUB electric customers between April 2013 and September 2016. These are the customers who paid into the TEF. No portion of water or wastewater rates went into the TEF.

**I am an AEP or Magic Valley Electric customer. Will I receive a refund?**

Refunds only go to BPUB electric customers between April 2013 and September 2016.