

**Federal Columbia River Power System (FCRPS)
FY 2012 THIRD QUARTER REVIEW**

Net Revenues and Reserves

Projection for FY 2012



July 27, 2012

FY 2012 THIRD QUARTER REVIEW
EXECUTIVE HIGHLIGHTS
 July 27, 2012

(\$ in Millions)

	A	B	FY 2012 Current Expectation	
			C	D
	<i>FY 2011 Audited Actuals without Bookouts ^{1/}</i>	<i>FY 2012 Start of Year without Bookouts ^{1/}</i>	<i>without Bookouts ^{1/}</i>	<i>with Bookouts</i>
1. REVENUES	3,377.0	3,411.1	3,404.5	3,351.4
2. EXPENSES	3,295.3	3,305.2	3,297.2	3,244.1
3. NET REVENUES ^{2/}	81.7	105.9	107.3 ^{5/}	107.3 ^{5/}
4. END OF YEAR FINANCIAL RESERVES ^{3/}	1,006.0	965.0	1,034.8 ^{5/}	1,034.8 ^{5/}
5. BPA ACCRUED CAPITAL EXPENDITURES ^{4/}	798.0	876.4	775.8	775.8

Footnotes

- 1/ Does not reflect the change in accounting for power "bookout" transactions made after adoption of new accounting guidance as of Oct 1, 2003.
- 2/ Net revenues include the effects of non-federal debt management. An example of non-federal debt management is the refinancing of ENW debt.
- 3/ Financial reserves equal total cash plus deferred borrowing and investments in non-marketable U.S. Treasury securities.
- 4/ Funded by borrowing from BPA's borrowing authority held with the U.S. Treasury.
- 5/ There is uncertainty regarding the potential financial results that could occur by the end of the year. Uncertain water conditions and short-term prices may affect revenues from net secondary sales.

	A	B	C <Note 2	D	E	F
	FY 2011	FY 2012			FY 2012	
	Actuals	Start of Year Budget	Current End of Year Forecast	Current Forecast / SOY Budget	Actuals: Fiscal Year to Date	Actuals / SOY Budget
Operating Revenues						
1 Gross Sales (excluding bookout adjustment) <Notes 1 and 5	\$ 3,226,407	\$ 3,257,094	\$ 3,258,360	100%	\$ 2,468,996	76%
2 Bookout adjustment to Sales <Note 1	(92,198)	-	(53,094)	0%	(53,094)	0%
3 Miscellaneous Revenues	60,863	58,352	63,840	109%	49,335	85%
4 U.S. Treasury Credits	89,702	95,662	82,333	86%	61,847	65%
5 Total Operating Revenues	3,284,775	3,411,108	3,351,438	98%	2,527,084	74%
Operating Expenses						
Power System Generation Resources						
Operating Generation Resources						
6 Columbia Generating Station	322,212	306,366	293,037	96%	204,531	67%
7 Bureau of Reclamation	85,488	111,972	101,972	91%	64,436	58%
8 Corps of Engineers	190,835	208,700	207,175	99%	148,238	71%
9 Long-term Contract Generating Projects	29,427	25,079	25,131	100%	19,566	78%
10 Operating Generation Settlement Payment	17,570	21,928	20,424	93%	14,946	68%
11 Non-Operating Generation	2,672	1,938	2,100	108%	1,598	82%
12 Gross Contracted Power Purchases and Augmentation Power Purch <Note 1	240,147	102,254	178,054	174%	166,886	163%
13 Bookout Adjustment to Power Purchases <Note 1	(92,198)	-	(53,094)	0%	(53,094)	0%
14 Exchanges & Settlements <Note 5	184,764	202,961	202,635	100%	160,938	79%
15 Renewables	38,045	37,487	37,312	100%	26,278	70%
16 Generation Conservation	59,475	46,950	40,768	87%	27,351	58%
17 Subtotal Power System Generation Resources	1,078,437	1,065,636	1,055,515	99%	781,672	73%
18 Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 3	49,397	55,984	51,334	92%	37,056	66%
19 Power Services Non-Generation Operations	75,084	86,611	85,384	99%	56,326	65%
20 Transmission Operations	114,010	131,650	124,570	95%	87,731	67%
21 Transmission Maintenance	128,937	148,546	140,916	95%	91,863	62%
22 Transmission Engineering	30,895	35,050	47,986	137%	32,877	94%
23 Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 3, 4	6,751	5,827	5,273	91%	4,266	73%
24 Transmission Reimbursables	13,807	10,025	20,425	204%	15,032	150%
25 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	253,403	275,745	284,087	103%	205,823	75%
BPA Internal Support						
26 Additional Post-Retirement Contribution	31,157	34,486	34,486	100%	25,865	75%
27 Agency Services G&A	110,928	108,007	108,177	100%	79,041	73%
28 Other Income, Expenses & Adjustments <Note 4	19,453	-	393	0%	188	0%
29 Non-Federal Debt Service	624,972	675,693	660,788	98%	478,998	71%
30 Depreciation & Amortization <Note 4	393,502	401,818	390,528	97%	288,900	72%
31 Total Operating Expenses	2,930,733	3,035,077	3,009,863	99%	2,185,636	72%
32 Net Operating Revenues (Expenses)	354,041	376,031	341,575	91%	341,447	91%
Interest Expense and (Income)						
33 Interest Expense	352,982	351,730	331,657	94%	244,209	69%
34 AFUDC	(43,062)	(43,204)	(53,491)	124%	(40,805)	94%
35 Interest Income	(37,562)	(38,405)	(43,923)	114%	(35,447)	92%
36 Net Interest Expense (Income)	272,359	270,121	234,243	87%	167,958	62%
37 Net Revenues (Expenses)	\$ 81,683	\$ 105,910	\$ 107,332	101%	\$ 173,490	164%

- <1 For BPA management reports, Gross Sales and Purchase Power are shown separated from the power bookout adjustment (EITF 03-11, effective as of Oct 1, 2003) to provide a better picture of our gross sales and purchase power. picture of our gross sales and purchase power.
- <2 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties among other factors may result in large range swings +/- impacting the final results revenues, expenses, and cash reserves. Acquisition and Ancillary Services.
- <3 The consolidated FCRPS Statement reduces reported Revenues and Expenses where between business line transactions occur, the most significant of which are for Transmission Acquisition and Ancillary Services.
- <4 Beginning in FY 2004, consolidated actuals reflect the inclusion of transactions associated with a Variable Interest Entity (VIES), which is in accordance with the FASB Interpretation No. 46 (FIN 46) that is effective as of December, 2003. (FIN 46) that is effective as of December, 2003.
- <5 The Residential Exchange Program expenses reflect the Scheduled Amount of REP benefits payments established in the 2012 REP Settlement Agreement. The Scheduled Amount of REP benefit payments incorporates a \$76,537,617 reduction in REP benefits to provide Refund Amount payment COU's. The Refund Amount to the COU's is reflected through reduction in the Gross Sales amount.