



**February 2004
Customer Collaborative
Discussion on BPA's Capital Investments**



Federal Columbia River Power System (FCRPS)

Total Liabilities to Federal and Non Federal Parties

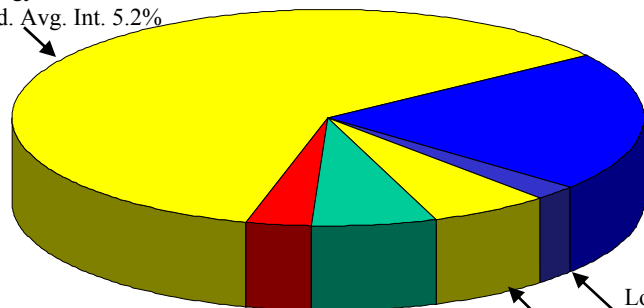
FY 2003 ^{1/}

Generation

(\$ millions)

Transmission

Energy Northwest \$6,012
Wtd. Avg. Int. 5.2%



Corps of Engineers
Appropriations \$2,227
Wtd. Avg. Int. 6.8%

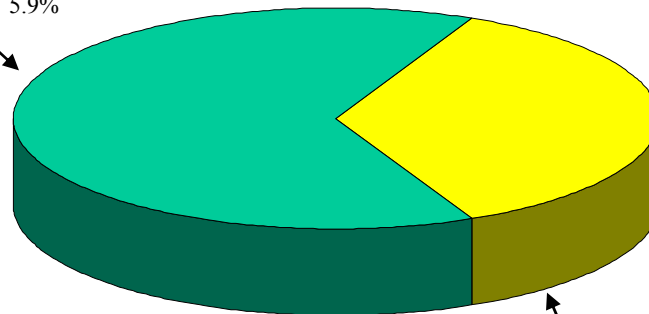
Lower Snake Fish and Wildlife \$231
Wtd. Avg. Int. 7.0%

Bureau of Reclamation Appropriations \$609
Wtd. Avg. Int. 6.8%

Other Non-Federal
Projects \$274
Wtd. Avg. Int. 5.3%

Bonds Issued to
Treasury \$804
Wtd. Avg. Int. 5.3%

Bonds Issued to Treasury \$1,893
Wtd. Avg. Int. 5.9%



BPA Appropriations \$868
Wtd. Avg. Int. 7.1%

	<u>Power Marketing</u>		<u>Transmission</u>		<u>Total</u>	
	Liabilities Outstanding (\$millions)	WAI Rate	Liabilities Outstanding (\$millions)	WAI Rate	Liabilities Outstanding (\$millions)	WAI Rate
Total Appropriations ^{2/}	\$3,066	6.9	\$868	7.1	\$3,934	7.0
Total Bonds Issued to Treasury	804	5.3	1,893	5.9	2,697	5.8
Total Federal Liabilities	3,870	6.6	2,761	6.3	6,631	6.5
BPA Liabilities to Non Federal Parties	6,286	5.2	0	0	6,286	5.2
Total FCRPS Liabilities	\$10,156	5.7	\$2,761	6.3	\$12,917	5.9

^{1/} Irrigation assistance not included (\$685 million at zero percent interest).
^{2/} Appropriation amounts exclude appropriations for work still in progress. 2003 CWIP was \$674,432,593.

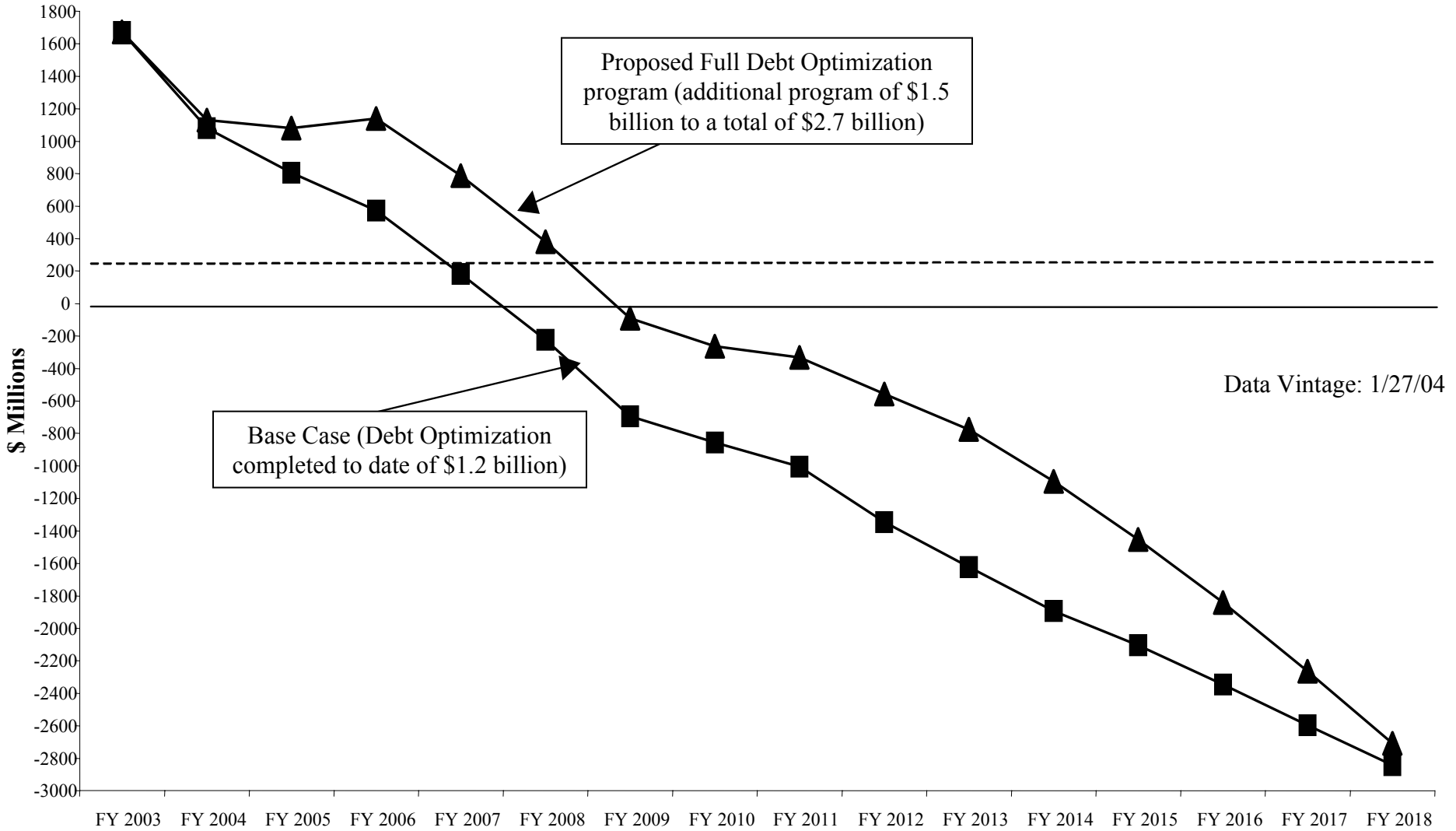


Capital Objectives

- BPA will strive to maintain its ability to borrow from the U.S. Treasury through at least 2018.
- After that date most of BPA's third party debt will be retired, and significant amounts of Federal debt will start to be paid off, probably providing more rapid replenishment of Treasury borrowing cap.
- BPA will use a combination of tools to achieve this objective, with reductions of capital spending and more reliance upon third party arrangements being preferred over revenue financing and increased amortization payments.

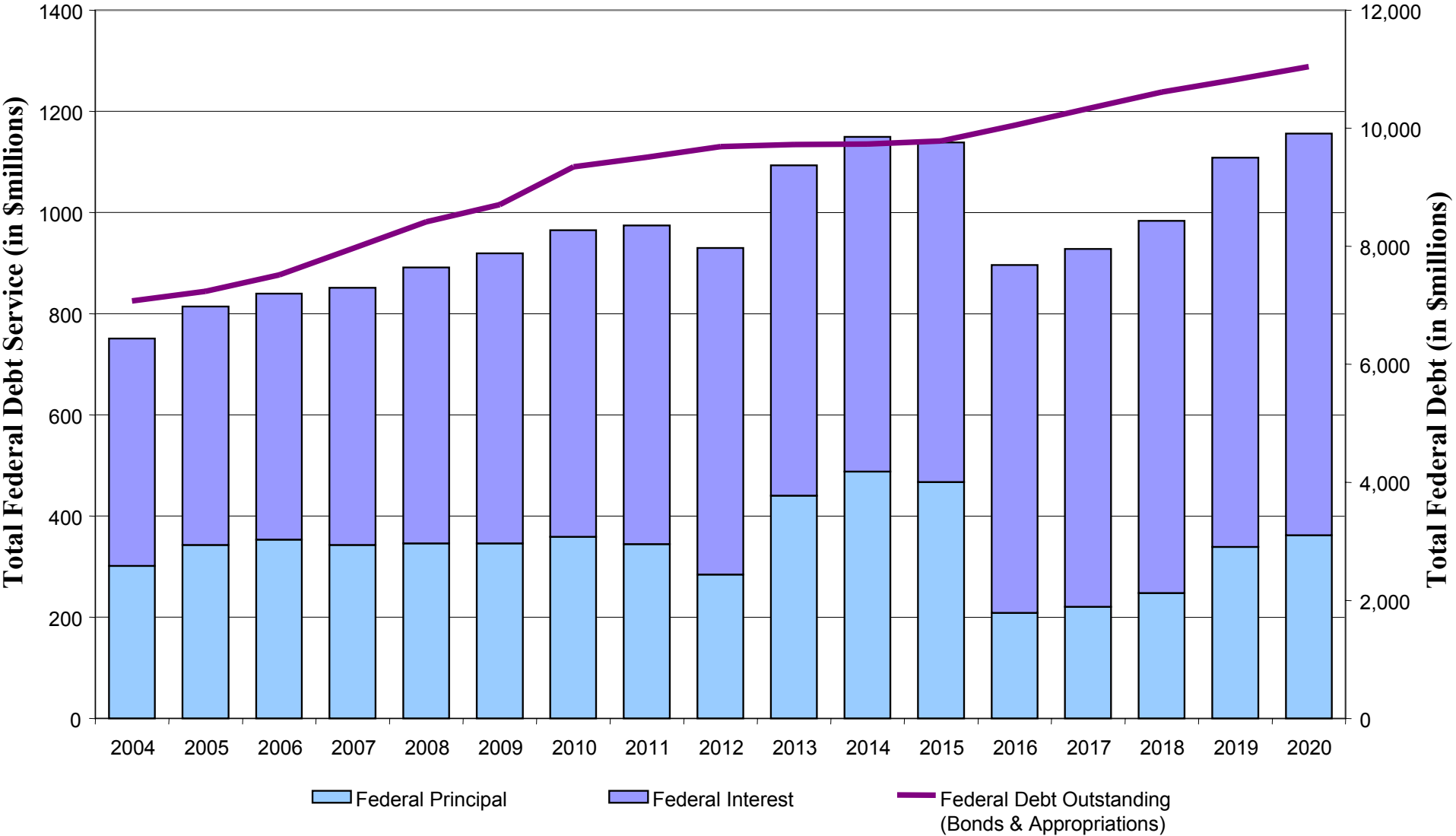


Access to Treasury Capital with and without Future Debt Optimization





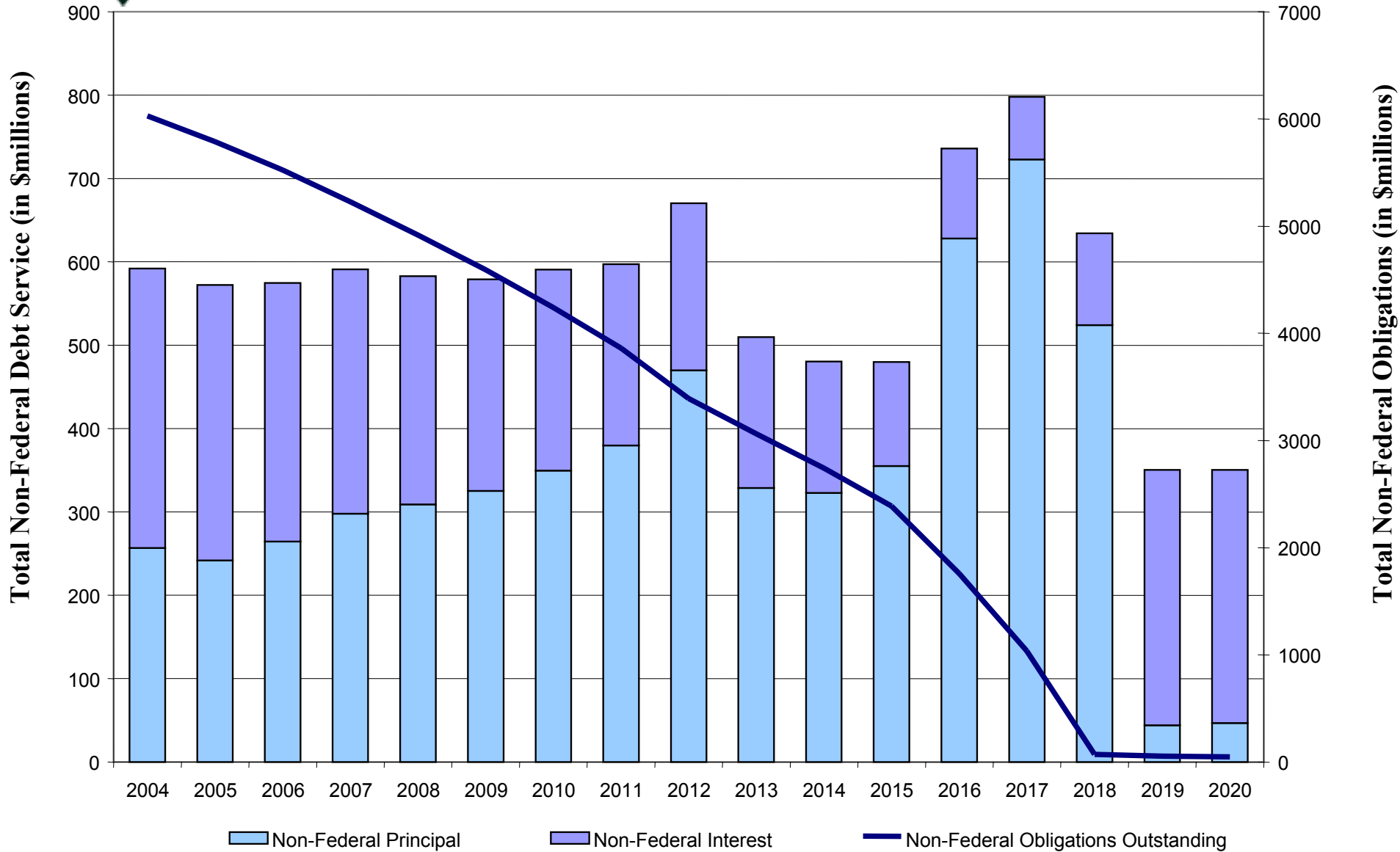
Federal Debt Outstanding and Federal Debt Service both are growing until 2015



* Assumes ENW Refinancing through FY 2003



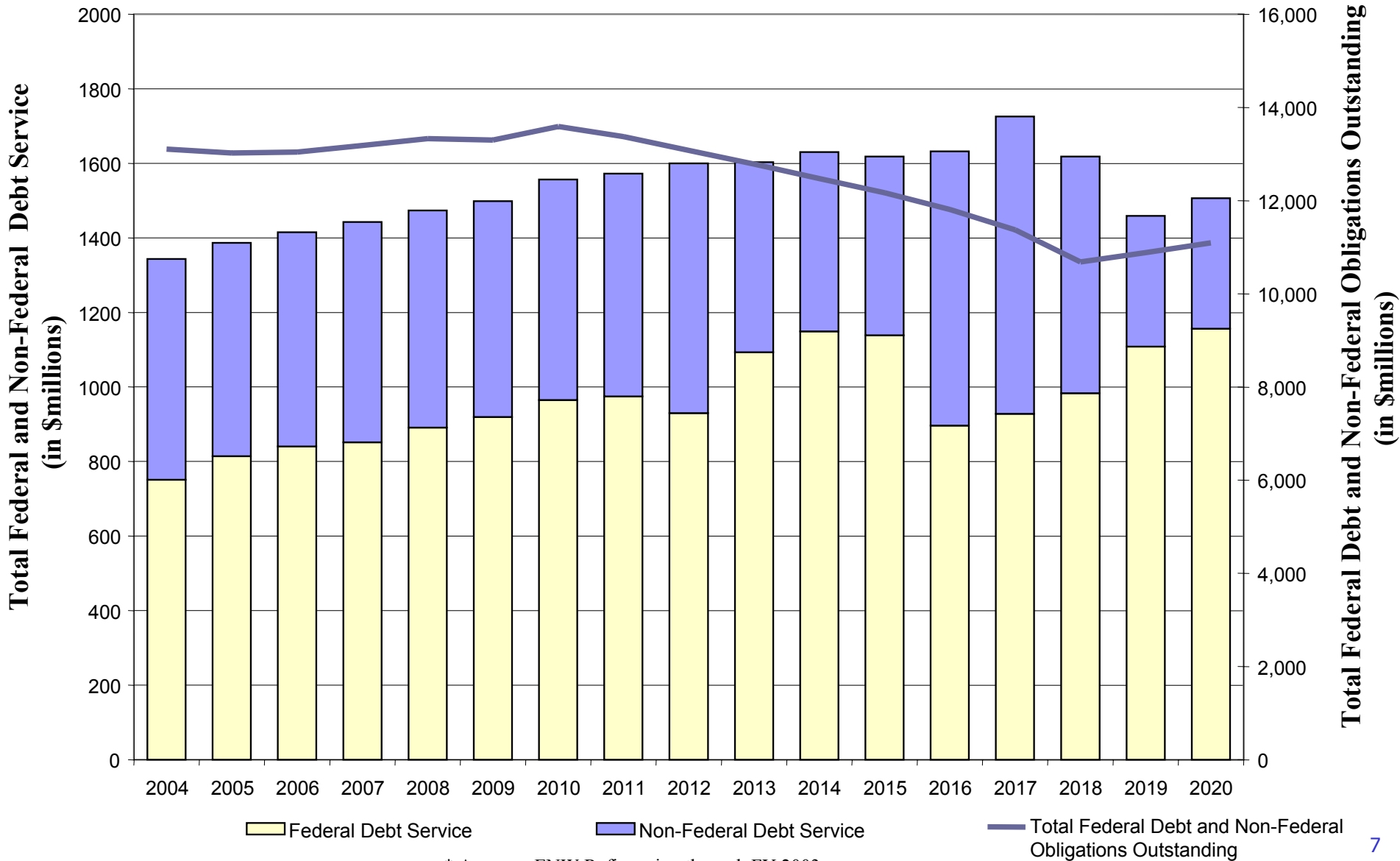
Non-Federal Obligations Outstanding are projected to decline, but debt service will remain relatively constant through FY 2011



* Assumes ENW Refinancing through FY 2003



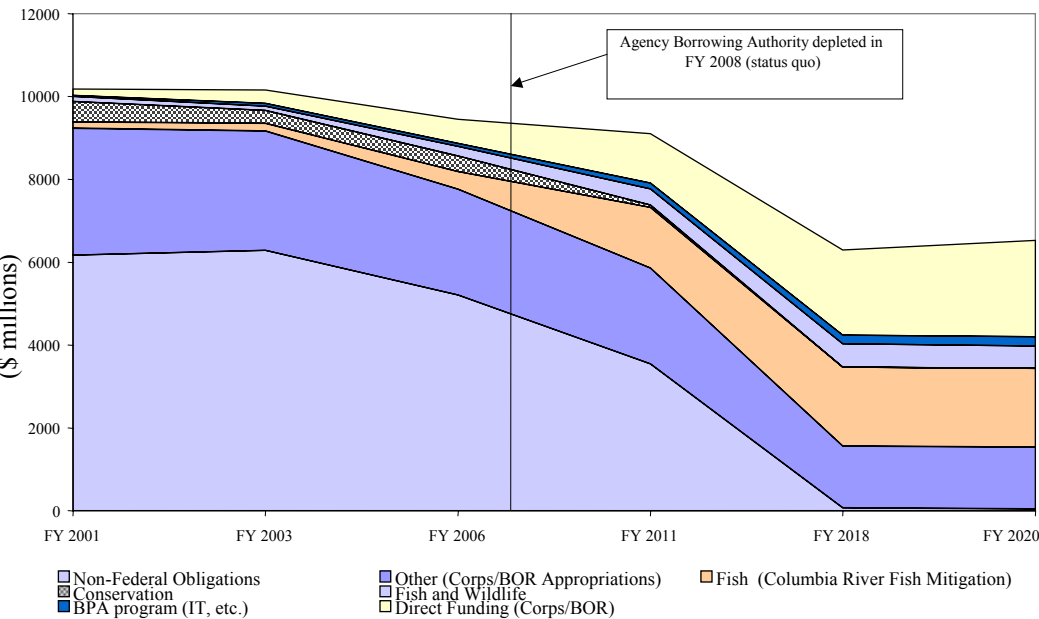
Total Federal Debt and Non-Federal Obligations Outstanding are projected to remain relatively constant



* Assumes ENW Refinancing through FY 2003



Federal Debt & Non-Federal Obligations Attributed to Generation are projected to decrease by almost \$.74 billion, or 7.5% between FYs 2003 and 2011



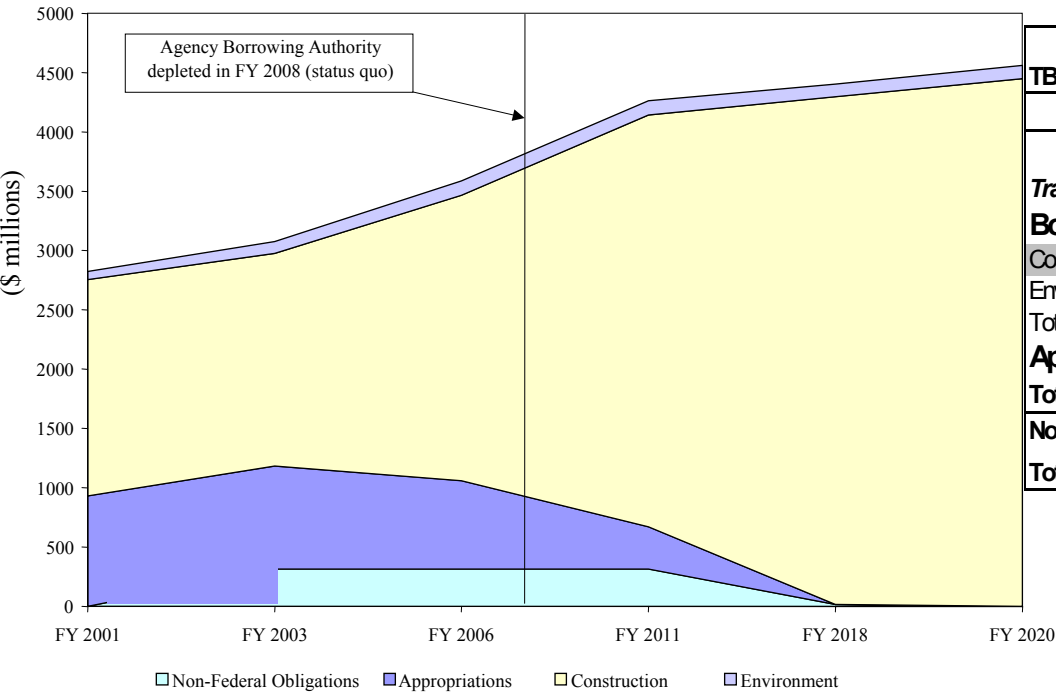
PBL	Actual		Projected (as of Nov., 2003)			
	FY 2001	FY 2003	FY 2006	FY 2011	FY 2018	FY 2020
Power Bonds	Debt Outstanding (\$ millions)					
Fish and Wildlife	122.6	105.0	234.0	394.0	561.0	540.0
Conservation	492.8	304.8	376.5	52.8	0.0	0.0
BPA program (IT, etc.)	24.2	69.6	72.5	141.1	210.3	223.0
Direct Funding (Corps/BOR)	155	325.0	585.4	1,194.0	2,054.3	2,326.1
Total Bonds	794.6	804.4	1,268.4	1,781.9	2,825.6	3,089.1
Appropriations						
Fish (Columbia River Fish Mitigation)	153	186.2	424.2	1,465.0	1,902.4	1,902.4
Other (Corps/BOR)	3,062.8	2,882.4	2,552.9	2,311.6	1,496.2	1,490.4
Total Appropriations	3,215.8	3,068.6	2,977.1	3,776.6	3,398.6	3,392.8
Total Federal Debt	4,010.4	3,873.0	4,245.4	5,558.5	6,224.2	6,481.9
Non-Federal Obligations	6,171.0	6,286.0	5,208.2	3,547.1	70.0	46.0
Total	10,181.4	10,159.0	9,453.6	9,105.7	6,294.2	6,527.9

Major Drivers:

- Direct Funding Program
- Columbia River Fish Mitigation
- Conservation
- Retirement of Energy Northwest Debt



Federal Debt & Non-Federal Obligations Attributed to Transmission are projected to grow by over \$1.2 billion, or 39%, between FYs 2003 and 2011



TBL

	Actual		Projected (as of Nov., 2003)			
	FY 2001	FY 2003	FY 2006	FY 2011	FY 2018	FY 2020
Transmission	Debt Outstanding (\$ millions)					
Bonds						
Construction	1824.1	1,793.3	2,407.4	3,471.2	4281.0	4448.9
Environment	70.0	100.0	120.1	120.5	105.7	112.3
Total bonds	1,894.1	1,893.3	2,527.5	3,591.7	4386.7	4561.2
Appropriations	930.4	867.5	744.3	356.4	0.0	0
Total Federal Debt	2,824.5	2,760.8	3,271.9	3,948.2	4,386.7	4,561.2
Non-Federal Obligations	0	0	315	315	0	0
Total	2,824.5	2,760.8	3,586.9	4,263.2	4,386.7	4,561.2

Major Driver:

- Infrastructure Investments