

**Federal Columbia River Power System (FCRPS)
FY 2009 SECOND QUARTER REVIEW**

Net Revenues and Reserves

Projection for FY 2009



May 7, 2009

**FY 2009
EXECUTIVE HIGHLIGHTS
May 6, 2009**

(\$ in Millions)

	A	B	FY 2009 Current Forecast	
			C	D
	<i>FY 2008 Audited Actuals without FAS 133 & Bookouts ^{1/}</i>	<i>FY 2009 SOY without FAS 133 & Bookouts ^{2/}</i>	<i>without FAS 133 & Bookouts ^{2/}</i>	<i>with FAS 133 & Bookouts ^{3/}</i>
1. REVENUES	3,176.9	3,299.1	2,973.6	2,914.8
2. EXPENSES	2,881.5	3,034.6	3,016.2	2,957.4
3. NET REVENUES ^{4/}	295.4	264.5	16.2 ^{7/}	(42.6) ^{7/}
4. MODIFIED NET REVENUES ^{4/}	157.4	157.5	(124.6) ^{7/}	(124.6) ^{7/}
5. END OF YEAR FINANCIAL RESERVES ^{5/}	1,646.4	1,572.0	1,384.2 ^{7/}	1,384.2 ^{7/}
6. BPA ACCRUED CAPITAL EXPENDITURES ^{6/}	290.3	497.5	451.1	451.1

Footnotes

- 1/ Does not include mark-to-market adjustments required by SFAS 133 or reflect the change in accounting for power "bookout" transactions made after adoption of new accounting guidance, EITF 03-11, which was effective as of Oct 1, 2003. Actual Net Revenues for FY 2008 with the mark-to-market adjustments were \$264.8 million.
- 2/ Columns B and C do not reflect the change in accounting for power "bookout" transactions made after adoption of new accounting guidance, EITF 03-11, which was effective as of Oct 1, 2003.
- 3/ Includes an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by SFAS 133 for identified derivative instruments.
- 4/ Net revenues include the effects of non-federal debt management and SFAS 133. Modified net revenues were developed without these line items. An example of non-federal debt management is the refinancing of ENW debt.
- 5/ Financial reserves equal total cash plus deferred borrowing and investments in non-marketable U.S. Treasury securities.
- 6/ Funded by borrowing from the U.S. Treasury.
- 7/ There is significant uncertainty regarding the potential financial results that could occur by the end of the year, mainly a result of water conditions, which may affect net secondary sales, and short-term market prices, which also can affect net secondary sales.

		A	B	C	D	E	F
		Actuals: FY 2008	FY 2009 Target (SOY)	FY 2009 Current EOY Forecast	Current Forecast as a % of Target	Actuals: FYTD 2009	Actuals as a % of Target
Operating Revenues							
1	Gross Sales (excluding bookout adjustment) <Note 1	\$3,007,051	\$3,140,496	\$2,833,193	90%	\$1,496,896	48%
2	Bookout adjustment to Sales <Note 1	(109,704)		(23,750)		(23,750)	
3	Miscellaneous Revenues	64,843	63,421	57,290	90%	31,130	49%
4	Derivative Instruments <Note 2	(30,564)		(35,023)		(35,023)	
5	U.S. Treasury Credits	104,992	95,171	83,178	87%	46,114	48%
6	Total Operating Revenues	3,036,618	3,299,088	2,914,888	88%	1,515,366	46%
Operating Expenses							
Power System Generation Resources							
Operating Generation Resources							
7	Columbia Generating Station	236,736	293,450	296,000	101%	165,858	57%
8	Bureau of Reclamation	72,110	82,100	82,100	100%	33,804	41%
9	Corps of Engineers	178,442	179,500	179,500	100%	71,890	40%
10	Long-term Generating Projects	27,080	31,613	31,961	101%	12,819	41%
11	Operating Generation Settlement Payment	20,499	20,909	18,170	87%	10,455	50%
12	Non-Operating Generation	1,428	2,904	(996)	-134%	(1,848)	-164%
13	Gross Contracted & Augmentation Power Purchases (excluding bookout adjustment) <Note 1	529,433	189,618	273,161	144%	201,525	106%
14	Bookout Adjustment to Contracted & Augmentation Power Purchases <Note 1	(109,704)		(23,750)		(23,750)	
15	Exchanges and Settlements	329	251,416	179,513	71%	102,536	41%
16	Renewable and Conservation Generation	94,954	124,214	108,730	88%	44,213	36%
17	Subtotal Power System Generation Resources	1,051,305	1,175,725	1,144,389	97%	617,502	53%
18	Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 4	44,652	51,250	48,370	94%	21,207	41%
19	Power Services Non-Generation Operations	66,851	76,421	73,601	96%	33,557	44%
20	Transmission Operations	96,817	115,544	105,995	92%	48,035	42%
21	Transmission Maintenance	115,183	109,395	127,355	116%	59,980	55%
22	Transmission Engineering	21,157	24,505	21,320	87%	11,242	46%
23	Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 3, 4	6,190	17,844	6,675	37%	3,253	18%
24	Transmission Reimbursables	11,964	10,000	9,500	95%	4,254	43%
25	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	176,405	230,546	215,566	94%	81,579	35%
BPA Internal Support							
26	Additional Post-Retirement Contribution	18,000	30,554	30,554	100%	15,277	50%
27	Agency Services G&A	103,526	90,951	92,983	102%	46,971	52%
28	Other Income, Expenses & Adjustments	(5,802)	1,600	726	45%	(8)	-101%
29	Non-Federal Debt Service <Note 3	479,493	519,583	503,923	97%	254,658	49%
30	Depreciation & Amortization <Note 3	358,064	379,227	360,484	95%	176,492	47%
31	Total Operating Expenses	2,543,805	2,833,144	2,741,442	97%	1,373,998	48%
32	Net Operating Revenues (Expenses)	492,813	465,944	173,446	37%	141,368	30%
Interest Expense and (Income)							
33	Interest Expense	340,658	308,669	327,837	106%	163,599	53%
34	AFUDC	(32,057)	(24,300)	(35,796)	147%	(17,507)	72%
35	Interest Income	(80,633)	(82,908)	(76,014)	92%	(38,790)	47%
36	Net Interest Expense (Income)	227,968	201,461	216,026	107%	107,301	53%
37	Net Revenues (Expenses) from Continuing Operations	264,845	264,483	(42,580)	-116%	34,067	13%
38	Net Revenues (Expenses)	\$264,845	\$264,483	(\$42,580)	-116%	\$34,067	13%

<1 Beginning in FY 2004, actuals for Power Sales and Contracted Power Purchases are affected by the change in accounting for power "bookout" transactions after adoption of new accounting guidance, EITF 03-11, effective as of Oct 1, 2003. Bookout transactions are not included in the SOY budget or forecasted through the remaining year. Bookouts included in the Forecast column reflect actuals recorded to date.

<2 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by SFAS 133, as amended, for identified derivative instruments.

The MTM adjustment is excluded in calculating Modified Net Revenues for rate setting purposes.

<3 Beginning in FY 2004, the 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. The SOY Target and Current Forecast are for the Bonneville Power Administration only.

<4 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.