

**Federal Columbia River Power System (FCRPS)  
FY 2010 FIRST QUARTER REVIEW**

**Net Revenues and Reserves**

**Projection for FY 2010**



**January 29, 2010**

**FY 2010  
EXECUTIVE HIGHLIGHTS  
January 29, 2010**

	<b>A</b>	<b>B</b>	<b>FY 2010 Current Expectation</b>	
			<b>C</b>	<b>D</b>
	<i>FY 2009 Audited Actuals without Derivative Effects &amp; Bookouts <sup>1/</sup></i>	<i>FY 2010 SOY without Derivative Effects &amp; Bookouts <sup>2/</sup></i>	<i>without Derivative Effects &amp; Bookouts <sup>2/</sup></i>	<i>with Derivative Effects &amp; Bookouts <sup>3/</sup></i>
1. REVENUES	2,941.8	3,535.1	<b>3,237</b>	<b>3,221</b>
2. EXPENSES	3,008.1	3,322.9	<b>3,241</b>	<b>3,235</b>
3. NET REVENUES <sup>4/</sup>	(66.3)	212.2	<b>(4.8)</b> <sup>7/</sup>	<b>(13.4)</b> <sup>7/</sup>
4. MODIFIED NET REVENUES <sup>4/</sup>	(187.2)	232.0	<b>(5.9)</b> <sup>7/</sup>	<b>(5.9)</b> <sup>7/</sup>
5. END OF YEAR FINANCIAL RESERVES <sup>5/</sup>	1,363.0	1,291.0	<b>1,089</b> <sup>7/</sup>	<b>1,089</b> <sup>7/</sup>
6. BPA ACCRUED CAPITAL EXPENDITURES <sup>6/</sup>	409.2	647.9	<b>743</b>	<b>743</b>

**Footnotes**

- 1/ Does not include mark-to-market adjustments required by derivative accounting guidance as amended or reflect the change in accounting for power "bookout" transactions made after adoption of new accounting guidance as of Oct 1, 2003. Actual Net Revenues for FY 2009 with the mark-to-market adjustments were \$(101.1) million.
- 2/ Columns B and C do not reflect the change in accounting for power "bookout" transactions made after adoption of new accounting guidance, 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 derivative accounting guidance as amended for identified derivative instruments.
- 4/ Net revenues include the effects of non-federal debt management and derivative accounting guidance as amended. Modified net revenues were 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
	FY 2009 Actuals	FY 2010 Budget (SOY)	FY 2010 Current EOY Forecast	Current Forecast as a % of Budget	FY 2010 Actuals	Actuals as a % of Budget
<b>Operating Revenues</b>						
1 Gross Sales (excluding bookout adjustment) <Notes 1 and 6	\$2,779,584	\$3,370,363	\$3,062,991	91%	\$773,763	23%
2 Bookout adjustment to Sales <Note 1	(36,814)		(6,727)		(6,727)	
3 Miscellaneous Revenues	58,093	63,402	65,013	103%	14,144	22%
4 Derivative Instruments <Note 2	(34,677)		(8,599)		(8,599)	
5 U.S. Treasury Credits	104,099	101,289	108,517	107%	24,893	25%
6 <b>Total Operating Revenues</b>	2,870,285	3,535,054	3,221,194	91%	797,473	23%
<b>Operating Expenses</b>						
Power System Generation Resources						
Operating Generation Resources						
7 Columbia Generating Station	288,208	257,811	257,811	100%	57,357	22%
8 Bureau of Reclamation	78,228	87,318	87,318	100%	19,600	22%
9 Corps of Engineers	178,407	191,060	191,060	100%	35,402	19%
10 Long-term Generating Projects	28,783	30,455	32,755	108%	6,800	22%
11 Operating Generation Settlement Payment	18,170	21,328	21,328	100%	5,332	25%
12 Non-Operating Generation	(754)	2,618	2,618	100%	1,465	56%
13 Gross Contracted & Augmentation Power Purchases (excluding bookout adjustment) <Note 1	324,359	270,689	286,879	106%	88,986	33%
14 Bookout Adjustment to Contracted & Augmentation Power Purchases <Note 1	(36,814)		(6,727)		(6,727)	
15 Exchanges and Settlements <Note 6	205,171	264,528	180,600	68%	46,027	17%
16 Renewable and Conservation Generation	98,709	128,903	120,358	93%	21,818	17%
17 <b>Subtotal Power System Generation Resources</b>	1,182,467	1,254,711	1,174,000	94%	276,059	22%
18 Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 4	42,756	51,570	51,570	100%	11,408	22%
19 Power Services Non-Generation Operations	69,409	81,465	78,623	97%	15,551	19%
20 Transmission Operations	98,521	125,377	126,108	101%	23,167	18%
21 Transmission Maintenance	128,284	135,202	135,202	100%	26,405	20%
22 Transmission Engineering	27,605	28,483	28,520	100%	4,478	16%
23 Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Notes 4 and 5	6,923	13,248	12,103	91%	1,827	14%
24 Transmission Reimbursables	8,733	9,727	8,640	89%	2,194	23%
25 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	207,569	248,126	248,126	100%	51,063	21%
BPA Internal Support						
26 Additional Post-Retirement Contribution	32,706	33,435	33,435	100%	8,359	25%
27 Agency Services G&A	94,969	98,351	98,157	100%	22,498	23%
28 Other Income, Expenses & Adjustments	(3,978)	(3,428)	(2,006)	59%	(447)	13%
29 Non-Federal Debt Service <Note 5	501,367	642,136	621,053	97%	150,852	23%
30 Depreciation & Amortization <Note 5	355,574	371,585	372,685	100%	89,859	24%
31 <b>Total Operating Expenses</b>	2,752,905	3,089,988	2,986,217	97%	683,274	22%
32 <b>Net Operating Revenues (Expenses)</b>	117,379	445,066	234,978	53%	114,199	26%
<b>Interest Expense and (Income)</b>						
33 Interest Expense	326,494	335,958	335,577	100%	81,771	24%
34 AFUDC	(30,710)	(34,300)	(35,912)	105%	(10,141)	30%
35 Interest Income	(77,355)	(68,697)	(51,287)	75%	(13,655)	20%
36 <b>Net Interest Expense (Income)</b>	218,430	232,961	248,377	107%	57,975	25%
37 <b>Net Revenues (Expenses) from Continuing Operations</b>	(101,050)	212,105	(13,400)	-106%	56,225	27%
38 <b>Net Revenues (Expenses)</b>	(\$101,050)	\$212,105	(\$13,400)	-106%	\$56,225	27%

<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 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 derivative accounting guidance 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 accounting guidance for special purpose entities that is effective as of December, 2003. The SOY Budget 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.

<5 The Residential Exchange Program Lookback Amount applied is returned to the Consumer Owned Utilities (COUs) and recovered from the Investor Owned Utilities. Throughout the year actual revenue will be reduced by this amount to reflect the Lookback Amount refunds returned to COUs and actual REP expense will be reduced to reflect the Lookback Amount returned by the IOUs. Budgets were developed with the Lookback Amount applied as an increase to the REP expense, without adjustment to revenue. These circumstances will present actual revenue and REP expense running under budget.