

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

Net Revenues and Reserves

Projection for FY 2010



April 30, 2010

FY 2010
EXECUTIVE HIGHLIGHTS
April 30, 2010

	A	B	FY 2010 Current Expectation	
			C	D
	<i>FY 2009 Audited Actuals without Derivative Effects & Bookouts ^{1/}</i>	<i>FY 2010 SOY without Derivative Effects & Bookouts ^{2/}</i>	<i>without Derivative Effects & Bookouts ^{2/}</i>	<i>with Derivative Effects & Bookouts ^{3/}</i>
1. REVENUES	2,941.8	3,535.1	3,088.8	3,062.1
2. EXPENSES	3,008.1	3,322.9	3,312.1	3,277.4
3. NET REVENUES ^{4/}	(66.3)	212.2	(223.3) ^{7/}	(215.3) ^{7/}
4. MODIFIED NET REVENUES ^{4/}	(187.2)	232.0	(232.8) ^{7/}	(232.8) ^{7/}
5. END OF YEAR FINANCIAL RESERVES ^{5/}	1,363.0	1,291.0	1,004.8 ^{7/}	1,004.8 ^{7/}
6. BPA ACCRUED CAPITAL EXPENDITURES ^{6/}	409.2	647.9	653.2	653.2

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 Start of Year Budget	FY 2010 Current End of Year Forecast	Current Forecast as a % of Budget	FY 2010 Actuals	Actuals as a % of Budget
Operating Revenues						
1 Gross Sales (excluding bookout adjustment) <Notes 1 and 5	\$2,779,584	\$3,370,363	\$2,885,531	86%	\$1,558,417	46%
2 Bookout adjustment to Sales <Note 1	(36,814)		(34,654)		(34,654)	
3 Miscellaneous Revenues	58,093	63,402	57,824	91%	27,110	43%
4 Derivative Instruments <Note 2	(34,677)		7,986		7,986	
5 U.S. Treasury Credits	104,099	101,289	145,384	144%	59,786	59%
6 Total Operating Revenues	2,870,285	3,535,054	3,062,071	87%	1,618,645	46%
Operating Expenses						
Power System Generation Resources						
Operating Generation Resources						
7 Columbia Generating Station	288,208	257,811	264,411	103%	114,713	44%
8 Bureau of Reclamation	78,228	87,318	87,318	100%	37,504	43%
9 Corps of Engineers	178,407	191,060	191,060	100%	78,016	41%
10 Long-term Generating Projects	28,783	30,455	32,755	108%	13,615	45%
11 Operating Generation Settlement Payment	18,170	21,328	16,712	78%	6,467	30%
12 Non-Operating Generation	(754)	2,618	2,618	100%	1,860	71%
13 Gross Contracted & Augmentation Power Purchases (excluding bookout adjustment) <Note 1	324,359	270,689	391,837	145%	239,595	89%
14 Bookout Adjustment to Contracted & Augmentation Power Purchases <Note 1	(36,814)		(34,654)		(34,654)	
15 Exchanges and Settlements <Note 5	205,171	264,528	179,820	68%	102,423	39%
16 Renewable and Conservation Generation	98,709	128,903	111,796	87%	47,884	37%
17 Subtotal Power System Generation Resources	1,182,467	1,254,711	1,243,673	99%	607,422	48%
18 Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 4	42,756	51,570	52,590	102%	24,565	48%
19 Power Services Non-Generation Operations	69,409	81,465	76,414	94%	32,601	40%
20 Transmission Operations	98,521	125,377	118,691	95%	48,259	38%
21 Transmission Maintenance	128,284	135,202	135,023	100%	55,948	41%
22 Transmission Engineering	27,605	28,483	25,860	91%	10,550	37%
23 Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Notes 3 and 4	6,923	13,248	12,089	91%	3,681	28%
24 Transmission Reimbursables	8,733	9,727	9,082	93%	5,398	55%
25 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	207,569	248,126	248,568	100%	103,326	42%
BPA Internal Support						
26 Additional Post-Retirement Contribution	32,706	33,435	33,435	100%	16,717	50%
27 Agency Services G&A	94,969	98,351	98,652	100%	47,364	48%
28 Other Income, Expenses & Adjustments	(3,978)	(3,428)	2,098	-161%	1,295	-138%
29 Non-Federal Debt Service <Note 3	501,367	642,136	612,598	95%	329,852	51%
30 Depreciation & Amortization <Note 3	355,574	371,585	368,635	99%	180,475	49%
31 Total Operating Expenses	2,752,905	3,089,988	3,037,408	98%	1,467,453	47%
32 Net Operating Revenues (Expenses)	117,379	445,066	24,663	6%	151,192	34%
Interest Expense and (Income)						
33 Interest Expense	326,494	335,958	333,913	99%	165,370	49%
34 AFUDC	(30,710)	(34,300)	(39,600)	115%	(19,772)	58%
35 Interest Income	(77,355)	(68,697)	(54,368)	79%	(28,157)	41%
36 Net Interest Expense (Income)	218,430	232,961	239,945	103%	117,441	50%
37 Net Revenues (Expenses) from Continuing Operations	(101,050)	212,105	(215,282)	-201%	33,751	16%
38 Net Revenues (Expenses)	(\$101,050)	\$212,105	(\$215,282)	-201%	\$33,751	16%

<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 Start of Year (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 (REP) 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.