



FY 2006 FB CRAC True-up

December 14, 2005

Rates Workshop



FB CRAC True-up

- Based on Audited Actual Modified Net Revenues (AAMNR) for FY 2005, BPA will adjust the FY 2006 Financial-Based CRAC downward to account for an increase in FY 2005 MNR of approximately \$24 million relative to the Forecast amount used when the Financial-Based CRAC was originally set.
- The FB CRAC true-up will affect power rates for April 1, 2006, through September 30, 2006.
- The original FB CRAC amount (including Slice) to be collected in FY 2006 was \$59M (\$38M non-Slice). The revised FB CRAC amount to be collected for FY 2006 is \$34M (\$22M non-Slice).
- The resulting FB CRAC rate will be lowered from 4.41 percent to .45 percent for April – September 2006. The annual average FB CRAC is 2.43 percent.
- The average annual adjustment to the PF, non-Slice rate is 30.64 percent. This results in a 3.1 percent reduction in FY 2006 rates compared to FY 2005. The reduction in August/September was 1.6 percent.



FB CRAC True-up Drivers of Change

1	FY 2005 August 9th Rates Model Power Modified Net Revenue (set rates)	\$ 126
2	Changes in Net Secondary Revenues	
3	Increase due to slightly higher market prices for August and September	\$ 5
4	Changes in Other Revenue	
5	Decrease in Slice true-up to reflect the cost reductions and credit increases	\$ (2)
6	Increase in 4(h)(10)(C) Credit - due to purchases in Aug and Sept not forecasted in 3rd Qtr Review	\$ 4
7	Increase in Energy Efficiency - added revenue accrual to forecast	\$ 4
8	Increase - due to contract renegotiation and cash out	\$ 11
9	Changes in Expenses	
10	Decrease in O&M - (i.e. security costs originally budgeted but were appropriated instead, and rebate for Neil insurance)	\$ 10
11	Decrease in Transmission Acquisition and Ancillary Services	\$ 5
12	Decrease in Renewables and F&W Direct Program Funding	\$ 5
13	Other Income, Expenses, Adjustments	\$ 4
14	Increase in Non-Federal Debt Service and Depreciation expense	\$ (13)
15	Miscellaneous	\$ (9)
16	FY 2005 Audited Actuals Power Modified Net Revenue	\$ 150

\$24M
change to
FB CRAC
true-up



FB CRAC True-up Calculation

1 September Final FB CRAC		
2		
3	FB CRAC Amount (Before Slice)	\$ 58,651,688
4	FB CRAC Amount (After Slice)	\$ 38,419,695
5	FB CRAC Percentage	4.41%

6 December FB CRAC True-up		
7		
8	Change in MNR (Audited Actual Modified Net Revenues (AAMNR))	\$ 24,344,000
9		
10	Revised FB CRAC Amount (Before Slice)	\$ 34,307,688
11	FB CRAC Amount (After Slice)	\$ 22,473,197
12	Corrected Annual FB CRAC Annual Percentage Adjustment	2.57%
13		
14	True Up Amount	15,946,499
15		
16	FB CRAC Revenue Basis (Oct-Sept)	\$ 874,478,600.00
17	FB CRAC Revenue Basis (April - Sept)	\$ 402,260,156.00
18	FB CRAC True-up Adjustment	3.96%
19		
20	Revised FB CRAC	0.45%
21	Revenue Collected in CRAC 10	\$ 1,949,102

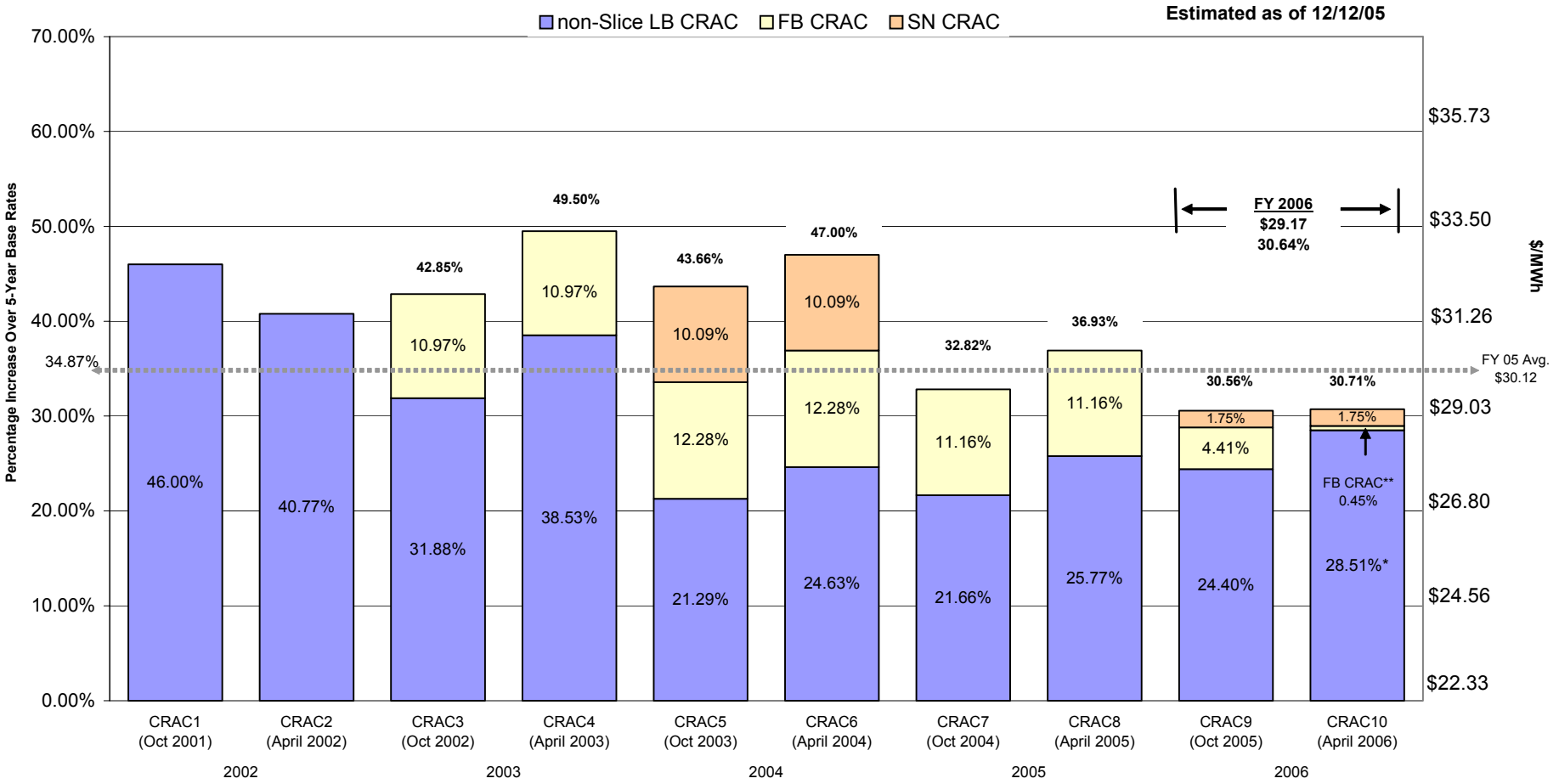
22	CRAC 10 Period Rate Adjustment	September (CRAC 10)	December (CRAC 10)
23	LB CRAC (non-Slice)	28.51%	28.51%
24	Revised FB CRAC	4.41%	0.45%
25	SN CRAC	1.75%	1.75%
26	Total Adjustment to Rates	34.67%	30.71%
27	May 2000 Base Rates-Adjusted	\$ 30.07	\$ 29.19



Rates Chart- CRAC 10

(DRAFT until LB CRAC10 is Final)

FY 2006 PF-02 non-Slice Adjusted Rates



FY06 Rates Compared to FY05: -3.1%