

Quarterly Business Review

January 30, 2012



January 30, 2012 Agenda

(10:00 – 3:10 pm)

Updated 1/30 adjusting CGS and
Trans Capital Start Times

Time	Min	Agenda Topic	Slide	Presenter
10:00	10	Review Agenda	2	Mary Hawken
10:10	30	CFO Spotlight	~	Claudia Andrews
Financial Highlights				
10:40	30	<ul style="list-style-type: none"> ▪ Review of 1st Quarter Financial Results ▪ Review of 1st Quarter Forecast 	4-21	Mary Hawken, Steve McGuire, Brenda Weller, Kathy Rehmer
11:10	30	Slice Reporting	22-31	Janice Johnson
11:40	20	CGS Fuel Financing	54-59	Larry Bekkedahl
12:00	60	Lunch	~	
1:00	20	Transmission Capital (Completed Projects)	32-53	Andy Rapacz, Steve Gaube
Operational Excellence				
1:20	30	Customer Contract Management Demo	60-76	Karen Graves-Pyrch
1:50	20	Supplemental Labor Information Management	77-84	Scott Hampton
2:10	20	Sustainability	85-98	Darby Collins
2:30	15	Print Services & Sustainability	99-102	Barry Wooley
2:45	20	Intra-Hour Scheduling Successes	103-111	Troy Simpson
3:05	5	Questions, Comments, Future Meeting Topics	~	Mary Hawken
3:10	~	Adjourn	~	

Financial Highlights



Customer Collaborative



▪ Agency

- Agency Net Revenues through December are \$29 million.
- The start-of-year estimate of the end-of-year net revenues is \$106 million and the rate case forecast is \$64 million.
- The 1st Quarter Review forecast is (\$16) million, a \$122 million decrease from the SOY forecast and \$80 million decrease from the rate case .
- The 1st quarter net revenue forecast is down from the SOY estimate due to lower than anticipated market prices and streamflow estimates.

Customer Collaborative



■ Power Services

- Power Services Net Revenues through December are \$12 million.
- The start-of-year estimate of the end-of-year net revenues is \$63 million and the rate case forecast is \$53 million.
- The 1st Quarter Review forecast is (\$45) million, a \$108 million decrease from the SOY forecast and \$98 million decrease from the rate case forecast.
 - The bulk of the decline in Power's net revenue is the lower-than-average streamflow forecast and low market prices compared to the SOY expectations. This decline is slightly offset by \$17 million received by EN due to the fuel storage settlement.
- First Quarter results reflect a considerable decrease in the January to July runoff forecast relative to average, which was the basis for the SOY and rate case revenue forecasts. The streamflow forecast used for the 1st quarter forecast was developed in early January and is about 13 million-acre-feet lower than that used for the SOY forecast. However, this forecast occurred prior to the current set of major storms that has swept through the Pacific Northwest. In addition, forecasts of market prices have fallen considerably, driven largely by the continued decline in natural gas prices.
- It is still early in the fiscal year and uncertainty in several factors, such as hydro conditions and electricity market prices, will influence this year's actual financial results for Power. However, power prices likely will remain low throughout this fiscal year, limiting the likelihood that future forecasts of net secondary revenue will increase due to market prices.

Customer Collaborative



■ Transmission Services

- Transmission Net Revenues through December are \$28 million.
- The start-of-year estimate of the end-of-year net revenues is \$88 million and the rate case forecast is \$57 million.
- The 1st Quarter Review forecast is \$74 million, a \$14 million decrease from the SOY forecast and \$17 million increase from the rate case.
 - Transmission's revenue forecast was reduced by \$13 million due to the lower hydro forecast and current expectations for no significant economic recovery in FY2012.
 - In addition, Transmission's expense forecast was increased slightly to incorporate ancillary services increases related to higher ancillary revenues.



Federal Columbia River Power System (FCRPS) **FY 2012 FIRST QUARTER REVIEW**

Net Revenues and Reserves

Projection for FY 2012



1st Quarter Review – Executive Highlights

	A	FY 2012 FIRST QUARTER REVIEW Current Expectation			
		B	C		D
	FY 2011 Audited Actuals without Derivative Effects & Bookouts ^{1/}	FY 2012 Start of Year without Bookouts ^{2/}	without Bookouts ^{2/}		with Bookouts
1. REVENUES	3,377.0	3,411.1	3,220	- 3,435	3,207 - 3,422
2. EXPENSES	3,295.3	3,305.2	3,312	- 3,393	3,299 - 3,379
3. NET REVENUES ^{3/}	81.7	105.9	(92)	- 43 ^{6/}	(92) - 43 ^{6/}
4. END OF YEAR FINANCIAL RESERVES ^{4/}	1,006.0	965	784	- 919 ^{6/}	784 - 919 ^{6/}
5. BPA ACCRUED CAPITAL EXPENDITURES ^{5/}	798.0	876.4	883.2		883.2

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 2011 with the mark-to-market adjustments were \$81.7 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/ 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.
- 4/ Financial reserves equal total cash plus deferred borrowing and investments in non-marketable U.S. Treasury securities.
- 5/ Funded by borrowing from the U.S. Treasury.
- 6/ 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.

Monthly Financial Reports



Report ID: 0070FY12 **FCRPS Summary Statement of Revenues and Expenses** Run Date/Run Time: January 20,2012/ 13:54
 Requesting BL: CORPORATE BUSINESS UNIT Quarterly Review at December 31, 2011 Data Source: EPM Data Warehouse
 Unit of measure: \$ Thousands Preliminary/ Unaudited/For Internal Use Only % of Year Lapsed = 25%

	A	B	C <Note 2	D	E	F
	FY 2011	FY 2012			FY 2012	
	Actuals	Start of Year Budget	Current End of Year Forecast	Current Forecast / Start of Year Budget	Actuals: FYTD	Actuals / Start of Year Budget
Operating Revenues						
1 Gross Sales (excluding bookout adjustment) <Notes 1 and 5	\$ 3,226,407	\$ 3,257,094	\$ 3,188,149	98%	\$ 798,141	25%
2 Bookout adjustment to Sales <Note 1	(92,198)	-	(13,924)	0%	(13,924)	0%
3 Miscellaneous Revenues	60,863	58,352	62,674	107%	12,482	21%
4 U.S. Treasury Credits	89,702	95,662	85,399	89%	21,492	22%
5 Total Operating Revenues	3,284,775	3,411,108	3,322,298	97%	818,190	24%
Operating Expenses						
Power System Generation Resources						
Operating Generation Resources						
6 Columbia Generating Station	322,212	306,366	298,477	97%	69,754	23%
7 Bureau of Reclamation	85,488	111,972	111,972	100%	19,710	18%
8 Corps of Engineers	190,835	208,700	208,550	100%	37,800	18%
9 Long-term Contract Generating Projects	29,427	25,079	25,079	100%	6,543	26%
10 Operating Generation Settlement Payment	17,570	21,928	21,928	100%	5,482	25%
11 Non-Operating Generation	2,672	1,938	1,938	100%	525	27%
12 Gross Contracted Power Purchases and Augmentation Power Purch <Note 1	240,147	102,254	166,059	162%	58,571	57%
13 Bookout Adjustment to Power Purchases <Note 1	(92,198)	-	(13,924)	0%	(13,924)	0%
14 Exchanges & Settlements <Note 5	184,764	202,961	202,961	100%	52,160	26%
15 Renewables	38,045	37,487	37,669	100%	7,672	20%
16 Generation Conservation	59,475	46,950	46,950	100%	10,427	22%
17 Subtotal Power System Generation Resources	1,078,437	1,065,636	1,107,659	104%	254,721	24%
18 Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 3	49,397	55,984	56,084	100%	12,698	23%
19 Power Services Non-Generation Operations	75,084	86,611	86,535	100%	18,660	22%
20 Transmission Operations	114,010	131,650	130,281	99%	28,235	21%
21 Transmission Maintenance	128,937	148,546	150,739	101%	26,439	18%
22 Transmission Engineering	30,895	35,050	37,251	106%	7,420	21%
23 Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 3, 4	6,751	5,827	5,327	91%	1,341	23%
24 Transmission Reimbursables	13,807	10,025	10,025	100%	1,986	20%
25 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	253,403	275,745	276,693	100%	75,355	27%
BPA Internal Support						
26 Additional Post-Retirement Contribution	31,157	34,486	34,486	100%	8,622	25%
27 Agency Services G&A	110,928	108,007	106,621	99%	26,023	24%
28 Other Income, Expenses & Adjustments	19,453	-	(3,806)	0%	(170)	0%
29 Non-Federal Debt Service <Note 4	624,972	675,693	664,313	98%	161,951	24%
30 Depreciation & Amortization <Note 4	393,502	401,818	401,818	100%	97,831	24%
31 Total Operating Expenses	2,930,733	3,035,077	3,064,025	101%	721,111	24%
32 Net Operating Revenues (Expenses)	354,041	376,031	258,272	69%	97,079	26%
Interest Expense and (Income)						
33 Interest Expense	352,982	351,730	349,986	100%	86,264	25%
34 AFUDC	(43,062)	(43,204)	(44,654)	103%	(13,323)	31%
35 Interest Income	(37,562)	(38,405)	(30,699)	80%	(5,089)	13%
36 Net Interest Expense (Income)	272,359	270,121	274,633	102%	67,852	25%
37 Net Revenues (Expenses)	\$ 81,683	\$ 105,910	\$ (16,361)	-115%	\$ 29,227	28%

<1 For BPA management reports, Gross Sales and Purchase Power are shown separated from the power bookout adjustment (EITF 03-11, effective as of Oct 1, 2003) to provide a better picture of our gross sales and purchase power.

<2 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties among other factors may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

<3 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.

<4 Beginning in FY 2004, 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,

<5 The Residential Exchange Program expenses reflect the Scheduled Amount of REP benefits payments established in the 2012 REP Settlement Agreement. The Scheduled Amount of REP benefit payments incorporates a \$76,537,617 reduction in REP benefits to provide Refund Amount payments to COUs. The Refund Amount returned to the COUs is reflected through a reduction in the Gross Sales amount.

Report ID: 0020FY12 **FCRPS Summary Statement of Revenues and Expenses** Run Date/Run Time: January 20,2012/ 13:49
 Requesting BL: CORPORATE BUSINESS UNIT Through the Month Ended December 31, 2011 Data Source: EPM Data Warehouse
 Unit of measure: \$ Thousands Preliminary/ Unaudited % of Year Lapsed = 25%

	FY 2011		FY 2012			FY 2012
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
Operating Revenues						
1 Gross Sales (excluding bookout adjustment) <Notes 1 and 5	\$ 836,370	\$ 3,226,407	\$ 3,254,325	\$ 3,257,094	\$ 3,188,149	\$ 798,141
2 Bookout adjustment to Sales <Note 1	(26,061)	(92,198)	-	-	(13,924)	(13,924)
3 Miscellaneous Revenues	13,796	60,863	58,194	58,352	62,674	12,482
4 U.S. Treasury Credits	26,916	89,702	95,662	95,662	85,399	21,492
5 Total Operating Revenues	851,022	3,284,775	3,408,181	3,411,108	3,322,298	818,190
Operating Expenses						
Power System Generation Resources						
Operating Generation Resources						
6 Columbia Generating Station	92,410	322,212	306,366	306,366	298,477	69,754
7 Bureau of Reclamation	19,869	85,488	111,972	111,972	111,972	19,710
8 Corps of Engineers	42,252	190,835	208,700	208,700	208,550	37,800
9 Long-term Contract Generating Projects	5,957	29,427	25,079	25,079	25,079	6,543
10 Operating Generation Settlement Payment	5,438	17,570	21,928	21,928	21,928	5,482
11 Non-Operating Generation	581	2,672	1,938	1,938	1,938	525
12 Gross Contracted Power Purchases and Augmentation Power Purch <Note 1	105,535	240,147	102,254	102,254	166,059	58,571
13 Bookout Adjustment to Power Purchases <Note 1	(26,061)	(92,198)	-	-	(13,924)	(13,924)
14 Exchanges & Settlements <Note 5	46,229	184,764	201,561	202,961	202,961	52,160
15 Renewables	7,986	38,045	37,489	37,487	37,669	7,672
16 Generation Conservation	13,511	59,475	46,950	46,950	46,950	10,427
17 Subtotal Power System Generation Resources	313,708	1,078,437	1,064,237	1,065,636	1,107,659	254,721
Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 3	12,421	49,397	54,384	55,984	56,084	12,698
19 Power Services Non-Generation Operations	17,116	75,084	88,415	86,611	86,535	18,660
20 Transmission Operations	25,044	114,010	130,050	131,650	130,281	28,235
21 Transmission Maintenance	27,260	128,937	146,713	148,546	150,739	26,439
22 Transmission Engineering	5,131	30,895	31,800	35,050	37,251	7,420
23 Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 3, 4	1,429	6,751	11,420	5,827	5,327	1,341
24 Transmission Reimbursables	2,976	13,807	9,917	10,025	10,025	1,986
25 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	51,721	253,403	276,133	275,745	276,693	75,355
BPA Internal Support						
26 Additional Post-Retirement Contribution	7,789	31,157	34,486	34,486	34,486	8,622
27 Agency Services G&A	25,035	110,928	111,592	108,007	106,621	26,023
28 Other Income, Expenses & Adjustments	3,148	19,453	-	-	(3,806)	(170)
29 Non-Federal Debt Service <Note 4	147,747	624,972	671,296	675,693	664,313	161,951
30 Depreciation & Amortization <Note 4	96,059	393,502	401,802	401,818	401,818	97,831
31 Total Operating Expenses	736,584	2,930,733	3,032,247	3,035,077	3,064,025	721,111
32 Net Operating Revenues (Expenses)	114,437	354,041	375,935	376,031	258,272	97,079
Interest Expense and (Income)						
33 Interest Expense	81,467	352,982	384,957	351,730	349,986	86,264
34 AFUDC	(9,201)	(43,062)	(42,580)	(43,204)	(44,654)	(13,323)
35 Interest Income	(7,453)	(37,562)	(29,986)	(38,405)	(30,699)	(5,089)
36 Net Interest Expense (Income)	64,813	272,359	312,391	270,121	274,633	67,852
37 Net Revenues (Expenses)	\$ 49,624	\$ 81,683	\$ 63,544	\$ 105,910	\$ (16,361)	\$ 29,227

- <1 For BPA management reports, Gross Sales and Purchase Power are shown separated from the power bookout adjustment (EITF 03-11, effective as of Oct 1, 2003) to provide a better picture of our gross sales and purchase power.
- <2 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties among other factors may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.
- <3 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.
- <4 Beginning in FY 2004, 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.
- <5 The Residential Exchange Program expenses reflect the Scheduled Amount of REP benefits payments established in the 2012 REP Settlement Agreement. The Scheduled Amount of REP benefit payments incorporates a \$76,537,617 reduction in REP benefits to provide Refund Amount payments to COUs. The Refund Amount returned to the COUs is reflected through a reduction in the Gross Sales amount.

Report ID: 0021FY12 **Power Services Summary Statement of Revenues and Expenses** Run Date/Time: January 20, 2012 13:49
 Requesting BL: POWER BUSINESS UNIT Through the Month Ended December 31, 2011 Data Source: EPM Data Warehouse
 Unit of measure: \$ Thousands Preliminary/ Unaudited % of Year Lapsed = 25%

	A		B		C		D		E <Note 2	F
	FY 2011		FY 2012		FY 2012		FY 2012			FY 2012
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD				Actuals: FYTD
Operating Revenues										
1 Gross Sales (excluding bookout adjustment) <Notes 1 and 3	\$ 650,159	\$ 2,486,801	\$ 2,445,649	\$ 2,445,649	\$ 2,389,050	\$ 605,304				\$ 605,304
2 Bookout Adjustment to Sales <Note 1	(26,061)	(92,198)	-	-	(13,924)	(13,924)				(13,924)
3 Miscellaneous Revenues	6,221	24,699	26,198	26,198	26,396	5,202				5,202
4 Inter-Business Unit	27,524	110,034	127,449	127,449	128,799	30,640				30,640
5 U.S. Treasury Credits	26,916	89,702	95,662	95,662	85,399	21,492				21,492
6 Total Operating Revenues	684,760	2,619,038	2,694,957	2,694,957	2,615,720	648,713				648,713
Operating Expenses										
Power System Generation Resources										
Operating Generation Resources										
7 Columbia Generating Station	92,410	322,212	306,366	306,366	298,477	69,754				69,754
8 Bureau of Reclamation	19,869	85,488	111,972	111,972	111,972	19,710				19,710
9 Corps of Engineers	42,252	190,835	208,700	208,700	208,550	37,800				37,800
10 Long-term Contract Generating Projects	5,957	29,427	25,079	25,079	25,079	6,543				6,543
11 Operating Generation Settlement Payment	5,438	17,570	21,928	21,928	21,928	5,482				5,482
12 Non-Operating Generation	581	2,672	1,938	1,938	1,938	525				525
13 Gross Contracted Power Purchases and Aug Power Purchases <Note 1	105,535	240,147	102,254	102,254	166,059	58,571				58,571
14 Bookout Adjustment to Power Purchases <Note 1	(26,061)	(92,198)	-	-	(13,924)	(13,924)				(13,924)
15 Residential Exchange/IOU Settlement Benefits <Note 3	46,229	184,764	201,561	202,961	202,961	52,160				52,160
16 Renewables	8,067	38,527	37,670	37,669	37,669	7,682				7,682
17 Generation Conservation	13,511	59,476	46,950	46,950	46,950	10,427				10,427
18 Subtotal Power System Generation Resources	313,789	1,078,919	1,064,418	1,065,817	1,107,659	254,731				254,731
19 Power Services Transmission Acquisition and Ancillary Services	36,418	179,684	160,516	162,116	155,847	34,383				34,383
20 Power Non-Generation Operations	17,119	75,137	88,460	86,656	86,580	18,667				18,667
21 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	51,943	254,540	276,639	276,610	277,772	75,502				75,502
BPA Internal Support										
22 Additional Post-Retirement Contribution	3,895	15,579	17,243	17,243	17,243	4,311				4,311
23 Agency Services G&A	11,504	50,861	51,735	51,576	50,867	12,480				12,480
24 Other Income, Expenses & Adjustments	-	(156)	-	-	-	(8)				(8)
25 Non-Federal Debt Service	132,345	563,207	570,970	575,063	563,683	136,870				136,870
26 Depreciation & Amortization	48,693	201,106	203,198	200,218	200,218	49,475				49,475
27 Total Operating Expenses	615,706	2,418,876	2,433,179	2,435,299	2,459,869	586,411				586,411
28 Net Operating Revenues (Expenses)	69,053	200,161	261,778	259,658	155,851	62,303				62,303
Interest Expense and (Income)										
29 Interest Expense	51,031	210,371	233,794	224,902	226,670	55,440				55,440
30 AFUDC	(2,779)	(15,229)	(12,511)	(15,354)	(15,854)	(3,934)				(3,934)
31 Interest Income	(1,908)	(12,283)	(12,624)	(13,152)	(10,085)	(1,333)				(1,333)
32 Net Interest Expense (Income)	46,343	182,860	208,659	196,396	200,731	50,173				50,173
33 Net Revenues (Expenses)	\$ 22,710	\$ 17,302	\$ 53,119	\$ 63,262	\$ (44,880)	\$ 12,130				\$ 12,130

<1 For BPA management reports, Gross Sales and Purchase Power are shown separated from the power bookout adjustment (EITF 03-11, effective as of Oct 1, 2003) to provide a better picture of our gross sales
 <2 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties, among other factors, may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.
 <3 The Residential Exchange Program expenses reflect the Scheduled Amount of REP benefits payments established in the 2012 REP Settlement Agreement. The Scheduled Amount of REP benefit payments incorporates a \$76,537,617 reduction in REP benefits to provide Refund Amount payments to COUs. The Refund Amount returned to the COUs is reflected through a reduction in the Gross Sales amount.

Report ID: 0064FY12	Power Services Detailed Statement of Revenues by Product	Run Date\Time: January 20, 2012 13:51
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended December 31, 2011	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 25%

	FY 2012		FY 2012	
	Rate Case	SOY Budget	Actuals	Actuals per Rate Case
Operating Revenues				
Gross Sales (excluding bookout adjustment)				
PF Tier 1 Revenues				
Load Following				
1 Composite	\$ 1,035,412	\$ 1,035,412	\$ 241,420	23%
2 Non-Slice	(206,188)	(206,188)	(51,502)	25%
3 Load Shaping	(6,391)	(6,391)	18,486	-389%
4 Demand	58,932	58,932	14,204	24%
5 Discounts / Fees	(42,895)	(42,895)	(6,369)	15%
6 RSS / RSC	232	232	98	42%
7 Misc.	(33,033)	(33,033)	(8,258)	25%
8 Sub-Total	806,070	806,070	208,078	26%
Block				
9 Composite	584,339	584,339	132,346	23%
10 Non-Slice	(116,363)	(116,363)	(29,376)	25%
11 Load Shaping	(10,519)	(10,519)	26,022	-347%
12 Demand	-	-	73	0%
13 Discounts / Fees	(4,963)	(4,963)	4	-100%
14 RSS / RSC	-	-	-	0%
15 Misc.	(20,852)	(20,852)	(3,983)	19%
16 Sub-Total	431,642	431,642	125,086	29%
Slice				
17 Composite	629,081	629,081	157,271	25%
18 Slice	-	-	-	0%
19 Discounts / Fees	(3,216)	(3,216)	(1,178)	37%
20 Misc.	(22,652)	(22,652)	(4,692)	21%
21 Sub-Total	603,213	603,213	151,400	25%
22 PF Tier 2 Revenues	8,603	8,603	2,164	25%
23 NR Revenues	-	-	90	0%
24 IP Revenues	108,618	108,618	27,523	25%
25 FPS Revenues	449,121	449,121	76,204	17%
26 Other Revenues	38,381	38,381	14,759	38%
27 Gross Sales (excluding bookout adjustment)	2,445,649	2,445,649	605,304	25%
28 Bookout Adjustment to Sales	-	-	(13,924)	0%
29 Miscellaneous Revenues	26,198	26,198	5,202	20%
30 Inter-Business Unit	127,449	127,449	30,640	24%
31 U.S. Treasury Credits	95,662	95,662	21,492	22%
32 Total Operating Revenues	2,694,957	2,694,957	648,713	24%

Report ID: 0023FY12	Transmission Services Summary Statement of Revenues and Expenses	Run Date/Time: January 20, 2012/ 13:49
Requesting BL: TRANSMISSION BUSINESS UNIT	Through the Month Ended December 31, 2011	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 25%

	FY 2011		FY 2012			FY 2012
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
Operating Revenues						
1 Sales	\$ 186,211	\$ 739,606	\$ 808,677	\$ 811,445	\$ 799,099	\$ 192,837
2 Miscellaneous Revenues	7,575	36,164	31,996	32,154	36,278	7,280
3 Inter-Business Unit Revenues	24,516	132,237	107,328	105,058	99,896	21,871
4 Total Operating Revenues	218,302	908,008	948,001	948,658	935,273	221,988
Operating Expenses						
5 Transmission Operations	25,044	114,010	130,050	131,650	130,281	28,235
6 Transmission Maintenance	27,260	128,937	146,713	148,546	150,739	26,439
7 Transmission Engineering	5,131	30,895	31,800	35,050	37,251	7,420
8 Trans Services Transmission Acquisition and Ancillary Services <Note 2	28,953	116,785	138,373	132,787	134,980	31,981
9 Transmission Reimbursables	2,976	13,807	9,917	10,025	10,025	1,986
BPA Internal Support						
10 Additional Post-Retirement Contribution	3,895	15,579	17,243	17,243	17,243	4,311
11 Agency Services G&A	13,530	60,067	59,857	56,430	55,754	13,543
12 Other Income, Expenses & Adjustments	3,462	19,887	-	-	(3,806)	(19)
13 Depreciation & Amortization <Note 2	47,365	192,396	198,604	201,600	201,600	48,356
14 Total Operating Expenses	157,617	692,363	732,557	733,331	734,066	162,252
15 Net Operating Revenues (Expenses)	60,685	215,645	215,443	215,327	201,206	59,736
Interest Expense and (Income)						
16 Interest Expense	44,648	197,010	205,515	180,057	176,545	44,412
17 AFUDC	(5,830)	(27,833)	(30,069)	(27,850)	(28,800)	(8,782)
18 Interest Income	(5,561)	(25,319)	(17,362)	(25,253)	(20,614)	(3,756)
19 Net Interest Expense (Income)	33,256	143,858	158,084	126,954	127,131	31,874
20 Net Revenues (Expenses)	\$ 27,428	\$ 71,788	\$ 57,359	\$ 88,373	\$ 74,075	\$ 27,861

<1 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties, among other factors, may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

<2 Beginning in FY 2004, 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.

Report ID: 0063FY12

Transmission Services Revenue Detail by Product

Run Date/Time: January 20, 2012 13:51

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended December 31, 2011

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Lapsed = 25%

		A	B	C	D
		FY 2012			FY 2012
		Rate Case	SOY Budget	Current EOY Forecast	Actuals
Transmission Services Operating Revenues					
NETWORK					
1	PTP - LONG TERM	\$ 362,694	\$ 361,970	\$ 364,775	\$ 89,928
2	NETWORK INTEGRATION	129,974	129,893	122,340	32,134
3	INTEGRATION OF RESOURCES	25,999	22,512	22,512	5,808
4	FORMULA POWER TRANSMISSION	25,629	25,629	25,453	6,360
5	PTP - SHORT TERM	27,883	28,541	18,858	473
6	TOTAL: NETWORK	572,180	568,544	553,938	134,703
ANCILLARY SERVICES					
7	SCHEDULING, SYSTEM CONTROL & DISPATCH	93,458	93,493	91,515	22,092
8	OPERATING RESERVES - SPIN & SUPP	55,572	57,014	55,975	13,120
9	VARIABLE RES BALANCING	52,574	51,654	44,499	9,887
10	REGULATION & FREQ RESPONSE	6,442	6,526	6,534	1,726
11	ENERGY & GENERATION IMBALANCE	-	-	5,277	1,482
12	DISPATCHABLE RES BALANCING	-	-	4,424	1,170
13	TOTAL: ANCILLARY SERVICES	208,046	208,687	208,224	49,478
INTERTIE					
14	SOUTHERN INTERTIE LONG TERM	92,297	92,297	92,386	22,975
15	SOUTHERN INTERTIE SHORT TERM	4,258	4,817	3,301	441
16	MONTANA INTERTIE LONG TERM	115	115	115	29
17	MONTANA INTERTIE SHORT TERM	-	-	-	2
18	TOTAL: INTERTIE	96,670	97,229	95,802	23,447

Report ID: 0063FY12

Transmission Services Revenue Detail by Product

Run Date/Time: January 20, 2012 13:51

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended December 31, 2011

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Lapsed = 25%

		A	B	C	D
		FY 2012			FY 2012
		Rate Case	SOY Budget	Current EOY Forecast	Actuals
OTHER REVENUES & CREDITS					
19	TOWNSEND-GARRISON TRANS	\$ 9,796	\$ 12,421	\$ 12,240	\$ 2,924
20	GEN INTEGRATION - OTHER REV	8,865	8,865	8,865	1,430
21	USE OF FACILITIES	5,146	5,146	5,320	1,361
22	POWER FACTOR PENALTY	4,402	4,402	4,372	1,016
23	NFP - DEPR PNW PSW INTERTIE	3,065	2,943	2,943	724
24	AC - PNW PSW INTERTIE - OTH REV	1,432	1,594	1,599	355
25	OPERATIONS & MAINT - OTHER REV	1,145	1,170	1,155	266
26	COE & BOR PROJECT REV	954	954	954	239
27	RESERVATION FEE - OTHER REV	1,089	1,641	1,083	875
28	TRANSMISSION SHARE IRRIGATION	382	382	382	21
29	LAND LEASES AND SALES	301	301	313	58
30	OTHER LEASES REVENUE	151	151	139	(4)
31	REMEDIAL ACTION - OTHER REV	51	51	49	11
32	MISC SERVICES - LOSS-EXCH-AIR	-	100	175	39
33	FAILURE TO COMPLY - OTHER REV	-	-	203	(2,231)
34	UNAUTHORIZED INCREASE - OTH REV	-	-	-	1
35	OTHER REVENUE SOURCES	-	-	-	-
36	TOTAL: OTHER REVENUES & CREDITS	36,779	40,121	39,792	7,088
FIBER & PCS					
37	FIBER OTHER REVENUE	6,899	7,009	7,001	1,514
38	WIRELESS/PCS - OTHER REVENUE	4,861	5,121	4,686	1,853
39	WIRELESS/PCS - REIMBURSABLE REV	1,206	1,285	1,231	188
40	FIBER OTHER REIMBURSABLE REV	886	886	972	32
41	TOTAL: FIBER & PCS	13,853	14,302	13,890	3,586
REIMBURSABLE					
42	REIMBURSABLE - OTHER REVENUE	15,786	15,330	19,130	2,756
43	ACCRUAL REIMBURSABLE	-	-	-	(99)
44	TOTAL: REIMBURSABLE	15,786	15,330	19,130	2,657
DELIVERY					
45	UTILITY DELIVERY CHARGES	2,902	2,661	2,677	584
46	DSI DELIVERY	1,785	1,785	1,819	446
47	TOTAL: DELIVERY	4,687	4,445	4,496	1,030
48	TOTAL: Transmission Services Operating Revenues	\$ 948,001	\$ 948,658	\$ 935,273	\$ 221,988

Report ID: 0027FY12 Requesting BL: CORPORATE BUSINESS UNIT Unit of Measure: \$Thousands	BPA Statement of Capital Expenditures FYTD Through the Month Ended December 31, 2011 Preliminary Unaudited	Run Date/Run Time: January 20, 2012/ 13:51 Data Source: EPM Data Warehouse % of Year Lapsed = 25%
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A	B	C	D	E
FY 2012		FY 2012		FY 2012
SOY Budget	Current EOY Forecast	Actuals: Dec	Actuals: FYTD	Actuals / Forecast

Transmission Business Unit

	MAIN GRID				
1	MID-COLUMBIA REINFORCEMENT	2	163	41	100
2	CENTRAL OREGON REINFORCEMENT	17,821	27,497	1,109	2,203
3	BIG EDDY-KNIGHT 500kv PROJECT	104,911	145,856	12,774	17,863
4	OLYMPIC PENINSULA REINFORCEMNT	-	206	-	-
5	WEST OF MCNARY INTEGRATION PRO	7,258	10,769	2,173	5,761
6	I-5 CORRIDOR UPGRADE PROJECT	27,118	21,405	1,518	4,691
7	LIBBY-TROY LINE REBUILD	157	(132)	18	(99)
8	CENTRAL FERRY- LOWER MONUMNTAL	36,067	36,193	1,191	4,948
9	PORTLAND-VANCOUVER	12,807	14,457	1,632	6,044
10	WEST OF CASCADES NORTH	-	1,722	-	-
11	SALEM- ALBANY-EUGENE AREA	13,239	2,402	1,024	1,057
12	TRI-CITIES AREA	4,089	3,400	-	-
13	MONTANA-WEST OF HATWAI	-	1,000	1	16
14	NERC CRITERIA COMPLIANCE	557	-	-	-
15	MISC. MAIN GRID PROJECTS	15,823	3,624	260	(181)
16	TOTAL MAIN GRID	239,850	268,564	21,740	42,403
	AREA & CUSTOMER SERVICE				
17	ROGUE SVC ADDITION	1,603	1,859	37	224
18	CITY OF CENTRALIA PROJECT	157	75	1	2
19	SOUTHERN IDAHO - LOWER VALLEY	8,436	8,313	529	2,151
20	LONGVIEW AREA REINFORCEMENT	1,858	2,239	88	250
21	KALISPELL-FLATHEAD VALLEY	1,501	397	1	1
22	MISC. AREA & CUSTOMER SERVICE	5,331	2,963	108	381
23	TOTAL AREA & CUSTOMER SERVICE	18,886	15,847	764	3,009

Report ID: 0027FY12

Requesting BL: CORPORATE BUSINESS UNIT

Unit of Measure: \$Thousands

BPA Statement of Capital Expenditures

FYTD Through the Month Ended December 31, 2011

Preliminary Unaudited

Run Date/Run Time: January 20, 2012/ 13:51

Data Source: EPM Data Warehouse

% of Year Lapsed = 25%

A		B		C		D		E	
FY 2012		FY 2012		FY 2012		FY 2012		FY 2012	
SOY Budget	Current EOY Forecast	Actuals: Dec	Actuals: FYTD	Actuals: Dec	Actuals: FYTD	Actuals: Dec	Actuals: FYTD	Actuals / Forecast	Actuals / Forecast

Transmission Business Unit (Continued)

SYSTEM REPLACEMENTS

24	TEAP - TOOLS	1,105	905	29	59	7%
25	TEAP - EQUIPMENT	14,548	13,477	118	1,782	13%
26	SPC - SER	985	455	94	265	58%
27	SPC - DFRS	4,275	2,329	320	946	41%
28	SPC - METERING	1,008	625	45	204	33%
29	SPC - CONTROL AND INDICATION	334	140	7	43	31%
30	SPC - RELAYS	10,803	5,605	255	755	13%
31	PSC - TELEPHONE SYSTEMS	930	355	29	70	20%
32	PSC - TRANSFER TRIP	11,927	3,601	289	329	9%
33	PSC - TLECOM TRANSPORT	1,295	1,462	101	422	29%
34	PSC - SCADA/TELEMETRY/SUP CNTRL	1,690	655	6	73	11%
35	PSC- TELECOM SUPPORT EQUIPMENT	3,927	217	53	91	42%
36	SUB DC- PWR ELCTRNC & SRS CAPS	13,963	14,730	1,336	2,155	15%
37	SUB AC- BUS & STRUCTURES	934	167	37	86	51%
38	SUB AC - LOW VOLTAGE AUX.	4,490	4,806	43	520	11%
39	SUB AC- SHUNT CAPACITORS	220	93	9	64	69%
40	SUB AC-CIRCUIT BRKR & SWTCH GR	15,121	16,653	266	1,751	11%
41	SUB AC - CVT/PT/CT & ARRESTERS	673	730	39	203	28%
42	SUB AC-TRANSFORMERS & REACTORS	1,442	369	10	7	2%
43	LINES - STEEL HARDWARE REPLCMT	10,646	32,718	35	2,071	6%
44	LINES - WOOD POLE LN REBUILDS	39,995	36,794	6,445	11,844	32%
45	MISC. REPLACEMENT PROJECTS	750	-	-	-	0%
46	MISC FACILITIES- NON-ELECTRIC	18,852	13,487	728	1,660	12%
47	TOTAL SYSTEM REPLACEMENTS	159,914	150,371	10,295	25,399	17%

Report ID: 0027FY12
 Requesting BL: CORPORATE BUSINESS UNIT
 Unit of Measure: \$Thousands

BPA Statement of Capital Expenditures
 FYTD Through the Month Ended December 31, 2011
 Preliminary Unaudited

Run Date/Run Time: January 20, 2012/ 13:51
 Data Source: EPM Data Warehouse
 % of Year Lapsed = 25%

		FY 2012		FY 2012		FY 2012
		A	B	C	D	E
		SOY Budget	Current EOY Forecast	Actuals: Dec	Actuals: FYTD	Actuals / Forecast
Transmission Business Unit (Continued)						
UPGRADES & ADDITIONS						
48	IT PROJECTS	3,460	3,331	248	745	22%
49	SECURITY ENHANCEMENTS	4,827	4,855	101	456	9%
50	LAND RIGHTS - ACCESS ROADS	8,007	8,293	56	207	3%
51	LAND RIGHTS- VEG MITIGATION	1,118	1,437	110	112	8%
52	LAND RIGHTS - TRIBAL RENEWALS	3,608	1,362	()	10	1%
53	ACCESS ROADS	29,393	15,665	1,437	2,835	18%
54	SUBSTATION UPGRADES	24,262	22,749	1,718	6,079	27%
55	LINE SWITCH UPGRADES	13	2	-	5	191%
56	LINE CAPACITY UPGRADES	953	874	11	12	1%
57	CELILO UPGRADES PROJECT	14,059	4,322	234	451	10%
58	CONTROL CENTERS	186	29	-	44	154%
59	CC SYSTEM & APPLICATION	1,010	1,309	66	256	20%
60	CC INFRASTRUCTURE COMPONENTS	4,739	3,409	55	788	23%
61	SYSTEM TELECOMMUNICATION	33,271	21,159	941	2,275	11%
62	MISC. UPGRADES AND ADDITIONS	43,835	39,707	2,675	6,100	15%
63	TOTAL UPGRADES & ADDITIONS	172,740	128,503	7,651	20,377	16%
ENVIRONMENT CAPITAL						
64	MISC. ENVIRONMENT PROJECTS	6,417	6,306	581	1,009	16%
65	TOTAL ENVIRONMENT CAPITAL	6,417	6,306	581	1,009	16%
66	CAPITAL DIRECT	597,806	569,591	41,031	92,197	16%
PFIA						
67	MISC. PFIA PROJECTS	10,276	10,379	276	1,010	10%
68	GENERATOR INTERCONNECTION	77,814	40,008	3,789	9,404	24%
69	SPECTRUM RELOCATION	2,613	4,877	368	1,474	30%
70	COI ADDITION PROJECT	1,575	204	164	272	133%
71	TOTAL PFIA	92,278	55,469	4,596	12,160	22%
72	CAPITAL INDIRECT	-	(260)	408	284	-109%
73	LAPSE FACTOR	(103,035)	-	-	-	0%
74	TOTAL Transmission Business Unit	587,049	624,799	46,035	104,641	17%

Report ID: 0027FY12

Requesting BL: CORPORATE BUSINESS UNIT

Unit of Measure: \$Thousands

BPA Statement of Capital Expenditures

FYTD Through the Month Ended December 31, 2011

Preliminary Unaudited

Run Date/Run Time: January 20, 2012/ 13:51

Data Source: EPM Data Warehouse

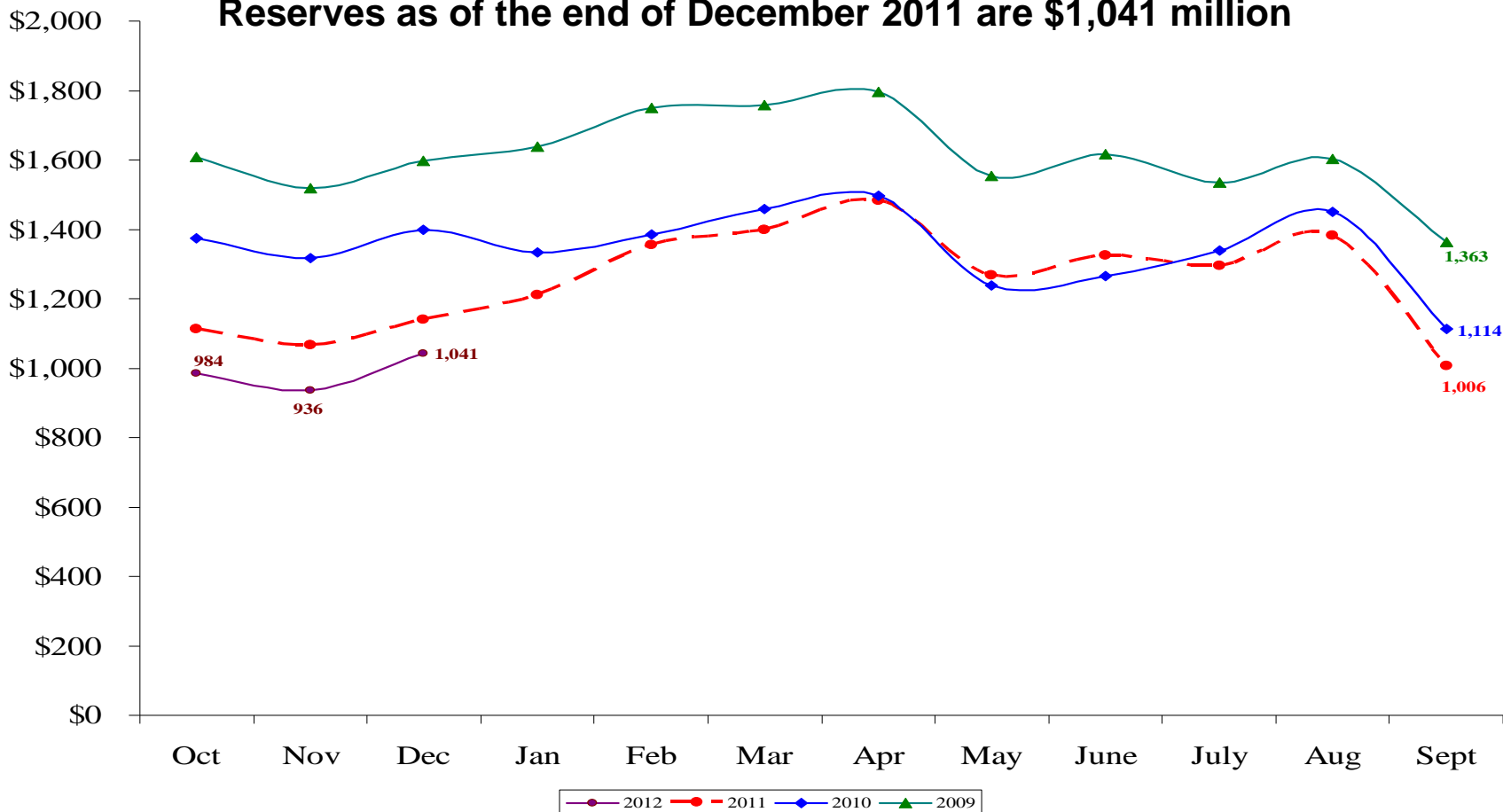
% of Year Lapsed = 25%

	A FY 2012 SOY Budget		B FY 2012 Current EOY Forecast		C FY 2012 Actuals: Dec		D FY 2012 Actuals: FYTD		E FY 2012 Actuals / Forecast	
Power Business Unit										
75	BUREAU OF RECLAMATION L2	95,321	95,321	5,698	13,908	15%				
76	CORPS OF ENGINEERS L2	140,116	140,116	14,217	31,251	22%				
77	GENERATION CONSERVATION	89,000	89,000	10,472	13,697	15%				
78	NON-GENERATION OPERATIONS	6,915	6,915	776	2,408	35%				
79	FISH&WILDLIFE&PLANNING COUNCIL	59,785	59,785	8,702	13,273	22%				
80	LAPSE FACTOR	(37,038)	-	-	-	0%				
81	TOTAL Power Business Unit	354,099	391,137	39,864	74,536	19%				
Corporate Business Unit										
82	CORPORATE BUSINESS UNIT	55,402	46,102	1,869	8,515	18%				
83	LAPSE FACTOR	(2,505)	-	-	-	0%				
84	TOTAL Corporate Business Unit	52,897	46,102	1,869	8,515	18%				
85	TOTAL BPA Capital Expenditures	\$ 994,044	\$ 1,062,038	\$ 87,769	\$ 187,692	18%				

Financial Reserves



Reserves as of the end of December 2011 are \$1,041 million



Forecasted End of Fiscal Year 2012 Reserves: \$843.4m
Approximate Split Between Business Units:
Power: \$241.9 million Transmission: \$601.5 million

Estimated Funds Held For Others Current Balance: \$228m
(Power \$125 million ; Trans \$103 million)

Unaudited

Slice Reporting

Janice Johnson, Accountant



Proposed Schedule for Slice True-Up Adjustment for Composite Cost Pool True-up Table and Cost Verification Process



Dates	Agenda
January 30, 2012	First Quarter Business Review Meeting with customers Slice True-Up Adjustment estimate for the Composite Cost Pool True-Up Table and review High Level explanation of variances between rate case forecast and Q1 forecast Q&A customers for any additional information of line items in the Slice True-Up
May 1, 2012	Second Quarter Business Review Meeting with customers Slice True-Up Adjustment estimate for the Composite Cost Pool True-up Table and review High Level explanation of variances between rate case forecast and Q2 forecast Q&A customers for any additional information of line items in the Slice True-Up Revisit any questions and data requests that were asked during Q1 as needed
July 31, 2012	Third Quarter Business Review Meeting with customers Slice True-Up Adjustment estimate for the Composite Cost Pool True-Up Table and review High Level explanation of variances between rate case forecast and Q3 forecast Q&A customers for any additional information of line items in the Slice True-Up Revisit any questions and data requests that were asked during Q2 as needed
October – November 2012	BPA External CPA firm conducting audit for fiscal year end
Mid-October 2012	Recording the End of Fiscal Year Slice True-Up Adjustment Accrual for the Composite Cost Pool True-Up Table in the financial system
October 30, 2012	Fourth Quarter Business Review Meeting with customers External audit should be complete by the end of October Provide Slice True-Up Adjustment for the Composite Cost Pool True-Up Table and review (this is the number posted in the financial system and is expected to be the final number)

Proposed Schedule for Slice True-Up Adjustment for Composite Cost Pool True-Up Table and Cost Verification Process



Early November	Final audited actual financial data is expected to be available
November 21, 2012 or earlier	Notification to Slice Customers of the Slice True-Up Adjustment for the Composite Cost Pool True-Up Table
November 21, 2012	BPA to post Composite Cost Pool True-Up Table containing actual values and the Slice True-Up Adjustment
December 14, 2012	Deadline for customers to submit questions about actual line items in the Composite Cost Pool True-Up Table with the Slice True-Up Adjustment for inclusion in the Agreed Upon Procedures (AUPs) Performed by BPA external CPA firm (customers have 15 business days following the posting of Composite Cost Pool Table containing actual values and the Slice True-Up Adjustment)
December 31, 2012	BPA posts a draft list of AUP tasks to be performed (Attachment A does not specify an exact date)
January 11, 2013	Customer comments are due on the list of tasks (The deadline can not exceed 10 days from BPA posting)
January 18, 2013	BPA finalizes list of questions about actual lines items in the Composite Cost Pool True-Up Table for the AUPs
January 21, 2013	External auditor to begin the work on the AUPs
March 21, 2013	External auditor to complete the AUPs (may have up to 120 calendar days)
March 24, 2013	Initial Cost Verification Workshop
April 17, 2013	Customer comment period deadline
April 24, 2013	Follow-up Cost Verification Workshop
May 15, 2013	BPA Draft Response on AUP Report and questions/items raised during workshops
End of May 2013	If customers do not deliver any notice of grievances that are vetted with a third party Neutral, BPA will issue a Final Response on the AUP Report

Q1 Forecast of FY 2012 Slice True-Up Adjustment



	FY 2012 Forecast \$ in thousands
January 30, 2012 First Quarter Business Review	(\$4,924)
May 1, 2012 Second Quarter Business Review	
July 31, 2012 Third Quarter Business Review	
October 30, 2012 Fourth Quarter Business Review	
Actual Slice True-Up Adjustment Charge/Credit (negative amt. = credit on bill)	

Summery of Differences From Q1 Forecast to 2012 Rate Case



#		Composite Cost Pool True-Up Table Reference	Q1–2012 Rate Case \$ in thousands
1	Total Expenses	Row 118	(\$27,831)
2	Total Revenue Credits	Row 137	(\$7,194)
3	Minimum Required Net Revenue	Row 156	\$2,980
4	TOTAL Composite Cost Pool (1 - 2 + 3) (\$27.831M) – (\$7.194M) + \$2.980M = (\$17.658M)	Row 158	(\$17,658)
5	TOTAL in line 4 divided by .9630577 sum of TOCAs (\$17.658M / .9630577) = (\$18.335M)	Row 163	(\$18,335)
6	Q1 Forecast of True-Up Adjustment 26.85407 percent of Total in line 5 .2685407 * (\$18.335M) = (\$4.924M)	Row 164	(\$4,924)

Lower Level Differences From Q1 Forecast to 2012 Rate Case



#		Composite Cost Pool True-Up Table Reference	Q1–2012 Rate Case \$ in thousands
1	Columbia Generating Station (WNP-2)	Row 4	(\$7,889)
2	Renewables R&D	Row 33	(\$5,622)
3	Power R&D	Row 63	\$5,631
4	Columbia Generating Station Debt Service	Row 95	(\$12,465)
5	WNP-1 Debt Service	Row 96	\$2,472
6	WNP-3 Debt Service	Row 97	\$2,373
7	Depreciation	Rows 108 & 151	(\$7,169)
8	Amortization	Rows 109 & 152	\$4,189
9	Net Interest Expense	Rows 113	(\$9,105)
10	Interest Credit Adjustment	Row 114	(\$1,362)
11	4h10c Revenue Credit	Row 123	(\$10,263)
12	Renewable Energy Certificates Revenue Credit	Row 127	(\$2,338)
13	WNP3 Settlement Revenue Credit	Row 130	\$5,334
14	Firm Surplus & Secondary Adj Revenue Credit	Row 132	(\$1,675)

4h10c Credits: FY 2012



Estimated 4h10c Credits (\$ millions)	FY12 Rate Case	1st Quarter	2nd Quarter	3rd Quarter	August DOE Certification	Final Calculations
Power Purchases Caused by Operations for Fish & Wildlife	\$ 119.2 BP-12 Rate Case 70-yr average	\$ 73.1 Actual Streamflows Oct-Dec, STD06 esp Forecasts Dec-Sep				\$ Actual credits Oct-Sep
Expense	\$ 237.4	\$ 237.4				
Pisces F&W Program Software	\$ 1.8	\$ 1.8				
Capital	\$ 50.0	\$ 50.0				
Total	\$ 408.4	\$ 362.3				
Credit (22.3%)	\$ 91.1	\$ 80.8				

Comments on the Power Purchase Forecasts:

- For Rate Cases we estimate a 4(h)(10)(C) credit for each of the 70 historic water years in the Rate Case study and use the 70-year average of these estimates, which was \$91 M in FY12 of the WP-12 Rate Case. The credit can vary significantly each year; for instance, the 70 years of WP-12 estimates ranged from \$70 M to \$200 M.
- For 1st Quarter we updated the credit estimate based on best available forecasting. The estimate decreased compared to the rate case primarily due to a significant decrease in price forecasts for the year and an increase in generation forecast for the fall months.

COMPOSITE COST POOL TRUE-UP TABLE

	Q1 Forecast (\$000)	FY 2012 Rate Case forecast (\$000)	Case Difference (\$000)	FY 2013 Rate Case forecast (\$000)
1 Operating Expenses				
2 Power System Generation Resources				
3 Operating Generation				
4 COLUMBIA GENERATING STATION (WNP-2)	\$ 298,477	\$ 306,366	\$ (7,889)	\$ 345,945
5 BUREAU OF RECLAMATION	\$ 111,972	\$ 111,972	\$ -	\$ 119,891
6 CORPS OF ENGINEERS	\$ 208,550	\$ 208,700	\$ (150)	\$ 215,700
8 LONG-TERM CONTRACT GENERATING PROJECTS	\$ 25,079	\$ 25,079	\$ -	\$ 25,832
9 Sub-Total	\$ 644,078	\$ 652,117	\$ (8,039)	\$ 707,368
10 Operating Generation Settlement Payment and Other Payments				
11 COLVILLE GENERATION SETTLEMENT	\$ 21,928	\$ 21,928	\$ -	\$ 22,148
12 SPOKANE LEGISLATION SETTLEMENT	\$ -	\$ -	\$ -	\$ -
13 Sub-Total	\$ 21,928	\$ 21,928	\$ -	\$ 22,148
14 Non-Operating Generation				
15 TROJAN DECOMMISSIONING	\$ 1,500	\$ 1,500	\$ -	\$ 1,500
16 WNP-1&3 DECOMMISSIONING	\$ 438	\$ 438	\$ -	\$ 448
17 Sub-Total	\$ 1,938	\$ 1,938	\$ -	\$ 1,948
18 Gross Contracted Power Purchases				
19 PNCA HEADWATER BENEFITS	\$ 2,452	\$ 2,452	\$ -	\$ 2,704
20 HEDGING/MITIGATION (omit except for those assoc. with augmentation)	\$ -	\$ -	\$ -	\$ -
GROSS OTHER POWER PURCHASES (omit, except for those assoc. with Designated BPA				
System Obligations or Designated BPA Contract Purchases	\$ -	\$ -	\$ -	\$ -
22 Sub-Total	\$ 2,452	\$ 2,452	\$ -	\$ 2,704
23 Bookout Adjustment to Power Purchases (omit)				
24 Augmentation Power Purchases (omit - calculated below)				
25 AUGMENTATION POWER PURCHASES	\$ -	\$ -	\$ -	\$ -
26 Sub-Total	\$ -	\$ -	\$ -	\$ -
27 Exchanges and Settlements				
28 RESIDENTIAL EXCHANGE PROGRAM (REP)	\$ 202,961	\$ 201,562	\$ 1,399	\$ 201,760
29 REP ADMINISTRATION COSTS (actuals are included under strategy and executive below)	\$ -	\$ 1,446	\$ (1,446)	\$ 885
30 OTHER SETTLEMENTS	\$ -	\$ -	\$ -	\$ -
31 Sub-Total	\$ 202,961	\$ 203,008	\$ (47)	\$ 202,645
32 Renewable Generation				
33 RENEWABLES R&D (moved to Power R&D after rate case)	\$ -	\$ 5,622	\$ (5,622)	\$ 5,939
34 Contra expense for unspent GEP revenues remaining at end of FY 2011	\$ (3,243)	\$ (2,625)	\$ (618)	\$ (2,625)
35 RENEWABLES (excludes KIII)	\$ 27,852	\$ 27,670	\$ 183	\$ 28,145
36 Sub-Total	\$ 24,610	\$ 30,667	\$ (6,057)	\$ 31,459
37 Generation Conservation				
38 GENERATION CONSERVATION R&D (moved to Power R&D after rate case)	\$ -	\$ -	\$ -	\$ -
39 DSM TECHNOLOGY	\$ -	\$ -	\$ -	\$ -
40 CONSERVATION ACQUISITION	\$ 15,950	\$ 15,950	\$ -	\$ 15,950
41 LOW INCOME WEATHERIZATION & TRIBAL	\$ 5,000	\$ 5,000	\$ -	\$ 5,000
42 ENERGY EFFICIENCY DEVELOPMENT	\$ 11,500	\$ 11,500	\$ -	\$ 11,500
43 LEGACY	\$ 1,000	\$ 1,000	\$ -	\$ 900
44 MARKET TRANSFORMATION	\$ 13,500	\$ 13,500	\$ -	\$ 14,500
45 Sub-Total	\$ 46,950	\$ 46,950	\$ -	\$ 47,850
46 Conservation Rate credit (CRC)				
47 Power System Generation Sub-Total	\$ 944,917	\$ 959,060	\$ (14,143)	\$ 1,016,121
48				
49 Power Non-Generation Operations				
50 Power Services System Operations				
51 EFFICIENCIES PROGRAM	\$ -	\$ -	\$ -	\$ -
52 PS SYSTEM OPERATIONS R&D (moved to Power R&D after rate case)	\$ -	\$ -	\$ -	\$ -
53 INFORMATION TECHNOLOGY	\$ 6,357	\$ 7,143	\$ (786)	\$ 7,316
54 GENERATION PROJECT COORDINATION	\$ 5,798	\$ 5,895	\$ (97)	\$ 5,919
55 SLICE IMPLEMENTATION	\$ 1,126	\$ 2,322	\$ (1,196)	\$ 2,394
56 Sub-Total	\$ 13,281	\$ 15,360	\$ (2,079)	\$ 15,629

COMPOSITE COST POOL TRUE-UP TABLE

57	Power Services Scheduling				
58	OPERATIONS SCHEDULING	\$ 10,011	\$ 10,041	\$ (30)	\$ 10,010
59	PS SCHEDULING R&D (moved to Power R&D after rate case)	\$ -	\$ -	\$ -	\$ -
60	OPERATIONS PLANNING	\$ 7,489	\$ 6,744	\$ 745	\$ 6,709
61	Sub-Total	\$ 17,500	\$ 16,785	\$ 715	\$ 16,719
62	Power Services Marketing and Business Support				
63	POWER R&D (forecast includes all the R&D items)	\$ 5,631	\$ -	\$ 5,631	\$ -
64	SALES & SUPPORT	\$ 19,316	\$ 19,745	\$ (429)	\$ 20,130
65	STRATEGY, FINANCE & RISK MGMT (actuals will include a part of REP admin costs)	\$ 18,513	\$ 16,469	\$ 2,044	\$ 17,412
66	EXECUTIVE AND ADMINISTRATIVE SERVICES (actuals will include a part of REP admin costs)	\$ 2,842	\$ 3,480	\$ (638)	\$ 3,550
67	CONSERVATION SUPPORT	\$ 9,498	\$ 9,555	\$ (57)	\$ 9,686
68	Sub-Total	\$ 55,799	\$ 49,249	\$ 6,551	\$ 50,778
69	Power Non-Generation Operations Sub-Total	\$ 86,580	\$ 81,393	\$ 5,188	\$ 83,126
70	Power Services Transmission Acquisition and Ancillary Services				
71	PS Transmission Acquisition and Ancillary Services				
72	POWER SERVICES TRANSMISSION & ANCILLARY SERVICES				
73	Transmission costs for Designated BPA System Obligations (not subject to True-Up)	\$ 31,707	\$ 31,707	\$ -	\$ 31,707
74	3RD PARTY GTA WHEELING	\$ 53,863	\$ 52,263	\$ 1,600	\$ 52,891
75	POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS (omit)				
76	GENERATION INTEGRATION (WIT expense included)	\$ 13,035	\$ 8,865	\$ 4,170	\$ 8,709
77	WIND INTEGRATION TEAM	\$ -	\$ 4,170	\$ (4,170)	\$ 4,259
78	TELEMETERING/EQUIP REPLACEMT	\$ 50	\$ 50	\$ -	\$ 51
79	Power Services Trans Acquisition and Ancillary Serv Sub-Total	\$ 98,656	\$ 97,056	\$ 1,600	\$ 97,617
80	Fish and Wildlife/USF&W/Planning Council/Environmental Req				
81	BPA Fish and Wildlife (includes F&W Shared Services)				
82	Fish & Wildlife	\$ 237,418	\$ 237,394	\$ 24	\$ 241,384
83	USF&W Lower Snake Hatcheries	\$ 28,800	\$ 28,800	\$ -	\$ 29,900
84	Planning Council	\$ 11,251	\$ 10,114	\$ 1,137	\$ 10,355
85	Environmental Requirements	\$ 302	\$ 302	\$ -	\$ 305
86	Fish and Wildlife/USF&W/Planning Council Sub-Total	\$ 277,772	\$ 276,610	\$ 1,162	\$ 281,944
87	BPA Internal Support				
88	Additional Post-Retirement Contribution	\$ 17,243	\$ 17,243	\$ -	\$ 17,821
89	Agency Services G&A (excludes direct project support)	\$ 50,856	\$ 51,735	\$ (879)	\$ 52,662
90	BPA Internal Support Sub-Total	\$ 68,099	\$ 68,978	\$ (879)	\$ 70,483
91	Bad Debt Expense	\$ -	\$ -	\$ -	\$ -
92	Other Income, Expenses, Adjustments	\$ -	\$ -	\$ -	\$ -
93	Non-Federal Debt Service				
94	Energy Northwest Debt Service				
95	COLUMBIA GENERATING STATION DEBT SVC	\$ 103,088	\$ 115,553	\$ (12,465)	\$ 100,172
96	WNP-1 DEBT SVC	\$ 285,274	\$ 282,802	\$ 2,472	\$ 249,288
97	WNP-3 DEBT SVC	\$ 158,672	\$ 156,299	\$ 2,373	\$ 175,817
98	EN RETIRED DEBT	\$ -	\$ -	\$ -	\$ -
99	EN LIBOR INTEREST RATE SWAP	\$ -	\$ -	\$ -	\$ -
100	Sub-Total	\$ 547,034	\$ 554,654	\$ (7,620)	\$ 525,277
101	Non-Energy Northwest Debt Service				
102	TROJAN DEBT SVC	\$ -	\$ -	\$ -	\$ -
103	CONSERVATION DEBT SVC	\$ 2,712	\$ 2,379	\$ 333	\$ 2,377
104	COWLITZ FALLS DEBT SVC	\$ 11,715	\$ 11,715	\$ 0	\$ 11,709
105	NORTHERN WASCO DEBT SVC	\$ 2,223	\$ 2,223	\$ 0	\$ 2,224
106	Sub-Total	\$ 16,650	\$ 16,316	\$ 334	\$ 16,309
107	Non-Federal Debt Service Sub-Total	\$ 563,684	\$ 570,970	\$ (7,286)	\$ 541,586
108	Depreciation	\$ 115,000	\$ 122,169	\$ (7,169)	\$ 127,560
109	Amortization	\$ 85,218	\$ 81,029	\$ 4,189	\$ 86,767
110	Total Operating Expenses	\$ 2,239,926	\$ 2,257,265	\$ (17,339)	\$ 2,305,204

COMPOSITE COST POOL TRUE-UP TABLE

111	Other Expenses				
112	Net Interest Expense	\$ 199,697	\$ 208,802	\$ (9,105)	\$ 221,546
113	Interest credit adjustment (removes nonSlice cost pool interest credit included in row 113 Q1 forecast)	\$ -	\$ 1,362	\$ (1,362)	\$ (1,216)
114	LDD	\$ 31,743	\$ 31,768	\$ (26)	\$ 32,944
115	Irrigation Rate Discount Costs	\$ 19,305	\$ 19,305	\$ -	\$ 19,305
116	Sub-Total	\$ 250,745	\$ 261,237	\$ (10,492)	\$ 272,579
117	Total Expenses	\$ 2,490,671	\$ 2,518,502	\$ (27,831)	\$ 2,577,783
118					
119	Revenue Credits				
120	Generation Inputs for Ancillary, Control Area, and Other Services Revenues	\$ 128,799	\$ 127,449	\$ 1,350	\$ 131,078
121	Downstream Benefits and Pumping Power revenues	\$ 14,948	\$ 14,338	\$ 611	\$ 14,438
122	4(h)(10)(c) credit	\$ 80,799	\$ 91,062	\$ (10,263)	\$ 95,847
123	Colville and Spokane Settlements	\$ 4,600	\$ 4,600	\$ -	\$ 4,600
124	Energy Efficiency Revenues	\$ 11,500	\$ 11,500	\$ -	\$ 11,500
125	Miscellaneous revenues	\$ 3,365	\$ 3,420	\$ (55)	\$ 3,420
126	Renewable Energy Certificates	\$ 320	\$ 2,658	\$ (2,338)	\$ 2,836
127	Pre-Subscription Revenues	\$ 1,647	\$ 1,716	\$ (69)	\$ 1,778
128	Net Revenues from other Designated BPA System Obligations (Upper Baker)	\$ 272	\$ 360	\$ (89)	\$ 397
129	WNP-3 Settlement revenues	\$ 34,850	\$ 29,516	\$ 5,334	\$ 29,163
130	RSS Revenues (not subject to true-up)	\$ 2,532	\$ 2,532	\$ -	\$ 2,611
131	Firm Surplus and Secondary Adjustment (from Unused RHWM)	\$ 17,794	\$ 19,469	\$ (1,675)	\$ 5,827
132	Balancing Augmentation Adjustment (not subject to true-up)	\$ (7,957)	\$ (7,957)	\$ -	\$ (6,268)
133	Transmission Loss Adjustment (not subject to true-up)	\$ 24,835	\$ 24,835	\$ -	\$ 25,266
134	Tier 2 Rate Adjustment (not subject to true-up)	\$ 215	\$ 215	\$ -	\$ 645
135	NR Revenues	\$ -	\$ 1	\$ (1)	\$ 1
136	Total Revenue Credits	\$ 318,519	\$ 325,712	\$ (7,194)	\$ 323,139
137					
138	Augmentation Costs (not subject to True-Up)				
139	Tier 1 Augmentation Resources (includes Augmentation RSS and Augmentation RSC adders)	\$ 12,740	\$ 12,740	\$ -	\$ 12,737
140	Augmentation Purchases	\$ -	\$ -	\$ -	\$ 66,155
141	Total Augmentation Costs	\$ 12,740	\$ 12,740	\$ -	\$ 78,892
142					
143	DSI Revenue Credit				
144	Revenues 340 aMW, 340 aMW @ IP rate	\$ 108,606	\$ 108,606	\$ -	\$ 108,309
145	Total DSI revenues	\$ 108,606	\$ 108,606	\$ -	\$ 108,309
146					
147	Minimum Required Net Revenue Calculation				
148	Principal Payment of Fed Debt for Power	\$ 193,000	\$ 193,000	\$ -	\$ 122,800
149	Irrigation assistance	\$ 1,182	\$ 1,182	\$ -	\$ 58,822
150	Depreciation	\$ 115,000	\$ 122,169	\$ (7,169)	\$ 127,560
151	Amortization	\$ 85,218	\$ 81,029	\$ 4,189	\$ 86,767
152	Capitalization Adjustment	\$ (45,937)	\$ (45,937)	\$ -	\$ (45,937)
153	Bond Premium Amortization	\$ 185	\$ 185	\$ -	\$ 185
154	Principal Payment of Fed Debt exceeds non cash expenses	\$ 39,716	\$ 36,736	\$ 2,980	\$ 13,047
155	Minimum Required Net Revenues	\$ 39,716	\$ 36,736	\$ 2,980	\$ 13,047
156					
157	Annual Composite Cost Pool (Amounts for each FY)	\$ 2,116,002	\$ 2,133,660	\$ (17,658)	\$ 2,238,275
158					
159	SLICE TRUE-UP ADJUSTMENT CALCULATION FOR COMPOSITE COST POOL				
160	TRUE UP AMOUNT (Difference between Q1 forecast and 2012 Rate Case)	\$ (17,658)			
161	Sum of TOCAs	0.9630577			
162	Adjustment of True-Up when actual TOCAs < 100 percent (divide by sum of TOCAs, expressed as a	\$ (18,335)			
163	TRUE-UP ADJUSTMENT CHARGE BILLED (26.85407 percent)	\$ (4,924)			
164					

Building the Future

Construction Highlights 2011



Construction Highlights of 2011

■ Upgrades & Replacements

- Wood Pole Program
- Steel Replacement Program
- Substation Program
- Telecom
- Relay/TT/UFLS/Battery Projects
- RAS/Data Systems/Metering Projects
- Transformer Bank Projects

■ Main Grid Expansion

- Forest Grove Substation
- Lower-Mid Columbia Upgrade
- Naselle Tap Upgrade
- Ostrander
- Central Ferry
- California-Oregon Intertie
- McNary – John Day
- Projects Underway



Upgrades & Replacements

Wood Pole Program, \$6.7M

Danger Pole Replacements

- **Program Manager: Rob Ochs**
- **Project Manager: Chad Hamel**
 - **125** Projects
 - Replaced **897** Poles



Wood Pole Rebuilds, \$32M

- **Project Manager: Erich Orth**
 - **Cardwell-Cowlitz, 8 miles**
 - CM: Jon Malmberg
 - Contractor: ILB
 - **Bandon-Rogue, 46 miles**
 - CM: Dale McClain
 - Contractor: Wilson
 - **Colville-Republic, 13 miles**
 - CM: Jared Perez
 - Contractor: Wilson
 - **Walla Walla-Tucannon River, 47 miles**
 - CM: Dale McClain
 - Contractor: Wilson



Steel Program, \$14M

- **Program Manager: Corinn Castro**
- **Project Manager: Erik Fredrickson**
 - **Spacer – Damper Replacements**
 - 607 miles accomplished
 - **Insulator/Hardware Replacements**
 - 87 miles accomplished



Substation AC Program, \$8.7M

Breaker & Reactor Replacements

■ Project Manager: Emmanuel Jaramillo

- CM: Jeff Flansberg
- Contractor: HDR
- Substations
 - Drummond
 - Heyburn
 - Unity
 - Colville
 - Columbia
 - Keeler
 - Maple Valley
 - Snohomish



Telecom Program & Additions, \$10M

- **Project Manager: Dave Tripp**
 - 6 New Radio Station Buildings
 - 11 Digital Radio Installations
 - 9 New Radio Tower Installations
 - 27 Antenna Installations
 - 4 SONET Node Installations
 - 2 DATS Phone System Upgrades
 - RAS System Upgrade to the new PG&E Control Center at Vacaville, CA



Relay, Transfer Trip, UFLS, and Battery Program, \$2.8M

- **Project Manager: Kelly Gardner**
 - 20 Relays & Transfer Trip - \$1.65 M
 - 10 Under Frequency Load Shedding \$340 K

- **Project Manager: Andrew Montano and Mike Evans**
 - 7 Battery and Cable Replacements \$59 K
 - 12 Battery Replacements and Upgrades \$776 K



RAS, Data Systems and Metering Upgrades & Additions, \$10.7M

- **Project Manager: Debbie Ruckwardt**
 - SPC/PSC Replacement Program Successes:
 - DFRs: 10 Designed and Installed
 - Meter Upgrades: 15 Designed and Installed
 - SCADA/SERs: 5 Designed and Installed
 - CMO: First racks through CROWN for Reedsport & Teton Substations
 - DC RAS Project: Completed SCADA/SER installations at Munro & Dittmer Control Centers



Spare Transformer Bank Projects, \$18.9M

- **Project Manager: Michael Marleau**

- CM: Jon Malmberg
- Contractor: PAR Electric
- New Spares
 - McNary
 - Hot Springs
 - Monroe
 - Alvey



Main Grid Expansion Projects

Forest Grove Substation, \$2.9M

- **Project Manager: Amit Sinha**
 - **Bay Addition, Upgrades & Yard Expansion**
 - CM: Jared Perez
 - Contractor: MYR
 - **Completion: September 30, 2011**



Lower Mid Columbia Upgrade, \$17.5M

- **Project Manager: Johny Luiz & Alaric Hsu**
 - **Vantage – Midway 230kV Line Upgrade**
 - **Vantage Substation Upgrade**
 - **Midway Substation Upgrade**



Naselle Tap Upgrade, \$6.3M

- **Project Manager: Amy Freel**
 - **Upgrades:**
 - **Alston – Astoria 115kV Rebuild**
 - **New 115kV Yard at Driscoll Substation**
 - CM: Jared Perez
 - Contractor: PAR



Ostrander, \$22M

- **Project Manager: Amit Sinha**
 - **Transformer Addition & Yard Expansion**
 - CM: Jon Malmberg
 - Contractor: Wilson



- **Project Manager: Erich Orth**
 - **Line Swap**
 - CM: Jeff Flansberg
 - Contractor: Henkels & McCoy



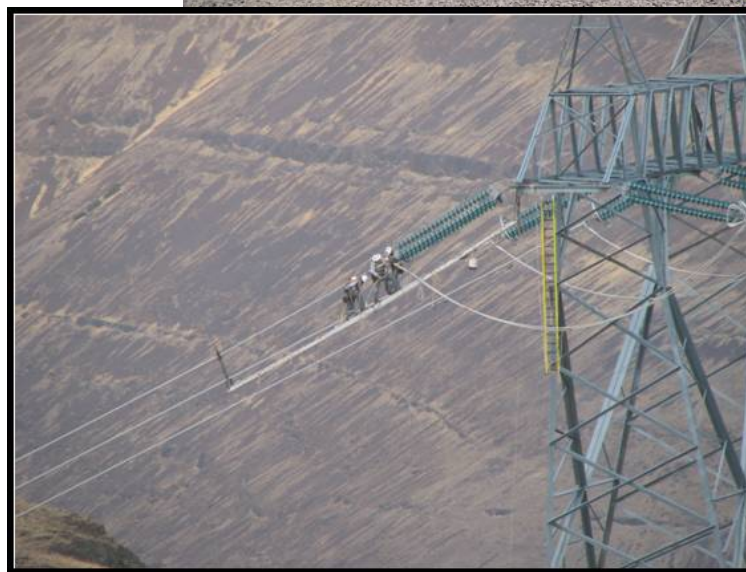
Central Ferry, \$75.5M

- **Project Manager: Johny Luiz**
 - **Central Ferry Substation**
 - CM: Jeff Flansberg
 - Contractor: PAR Electric/Wislon
 - **Central Ferry Sub Loop**
 - CM: Michael Hoffman
 - Contractor: Michel's Power
- **Project Manager: Glenn Van Bergen**
 - **Central Ferry Fiber**
 - CM: Dan Cassady
 - Contractor: Wilson



California-Oregon Intertie, \$50.3M

- **Project Manager: Amy Freel**
- **Station Upgrades:**
 - Coyote Springs Substation
 - Bakeoven Compensation Station
 - Captain Jack Substation
 - Slatt Substation
 - Buckely Substation
 - Grizzly Substation
 - John Day Substation
 - Malin Substation
 - Big Eddy Substation
- **Control Center Upgrades:**
 - Dittmer Control Center
 - Munro Control Center
- **Line Upgrades:**
 - John Day-Grizzly #1
 - John Day Grizzly #2
- **Completion: May 2011**



McNary-John Day, \$192M

- **Project Manager: Theresa Berry**
 - **Projects:**
 - **McNary-John Day 500kV line, 79 miles**
 - CM: Shantini Rathnathican
 - Contractor: Wilson
 - **Completion: November 1, 2011**
 - **McNary Substation**
 - PM: Amit Sinha
 - **Completion: January 30, 2012**



McNary-John Day Continued...

- **John Day Substation**
 - PM: Amit Sinha
 - Completion: January 30, 2012
- **McNary Transformer RAS**
 - PM: Deborah Ruckwardt
 - Completion: October 2010
- **Jones Canyon Cap**
 - PM: Amy Freel
 - Completion: April 1, 2011
- **John Day-Big Eddy 500kV Upgrade**
 - PM: Mark Kjelland
 - Completion: November 2010
- **McNary-Ross 345kV Upgrade**
 - PM: Mark Kjelland/Theresa Berry
 - Contractor: Michel's Power
 - Completion: January 30, 2012



Projects Underway

Big Eddy - Knight



Cattle Creek Substation



Ponderosa Substation



Thank you!



CGS Fuel Financing



Background

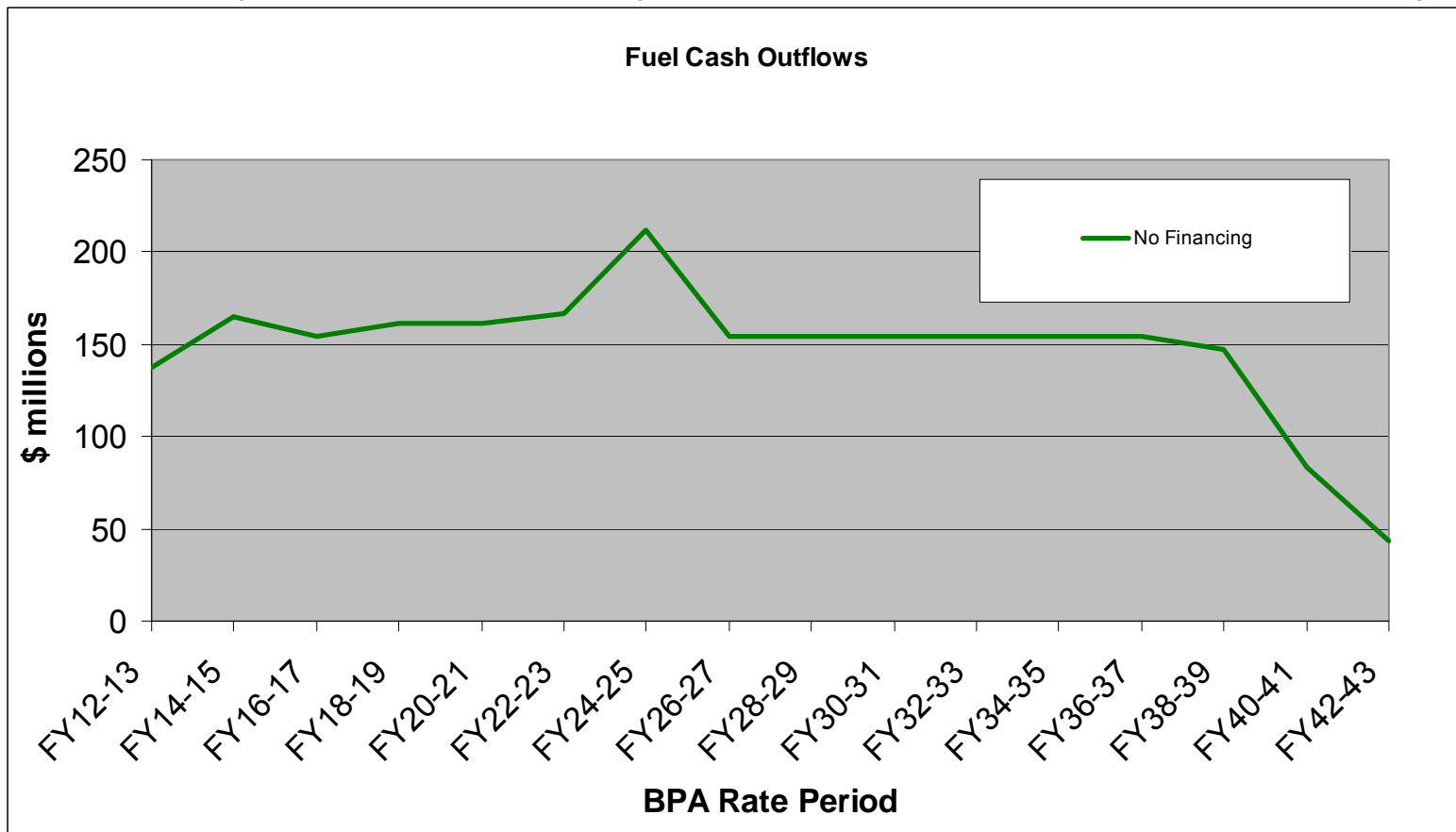


- **The 2010 IPR Final Close-Out Letter stated that:**
 - “BPA supports financing fuel purchases, if needed, for future rate periods, but not in the upcoming rate period.”
 - “BPA will continue to work with EN to develop principles that delineate when it is appropriate to expense fuel-related costs and when it may be appropriate to consider bond financing those purchases. BPA and EN have agreed to the principle of aligning closely the timing of fuel purchase cash requirements with the estimated amortized costs of fuel burned. The focus will be to associate cost causation with cost recovery.”
- **Energy Northwest does currently amortize fuel costs over the burn period, but this does not affect BPA’s net-billing obligation to cover cash expenses as they are incurred.**
- **BPA staff collaborated with Energy Northwest to develop the following principles to guide fuel financing decisions:**
 - In each rate period, rate payers should cover the costs of:
 - a) the fuel burned during a rate period, and
 - b) the proportional share of strategic fuel reserves.

Today's Fuel Costs



- Costs are mostly level with minor increases due to existing debt service for previously financed fuel purchases.
- Costs decrease near the end of the plant's assumed life.
- Fluctuations present in older CGS fuel plans have been smoothed out in the current fuel plan.

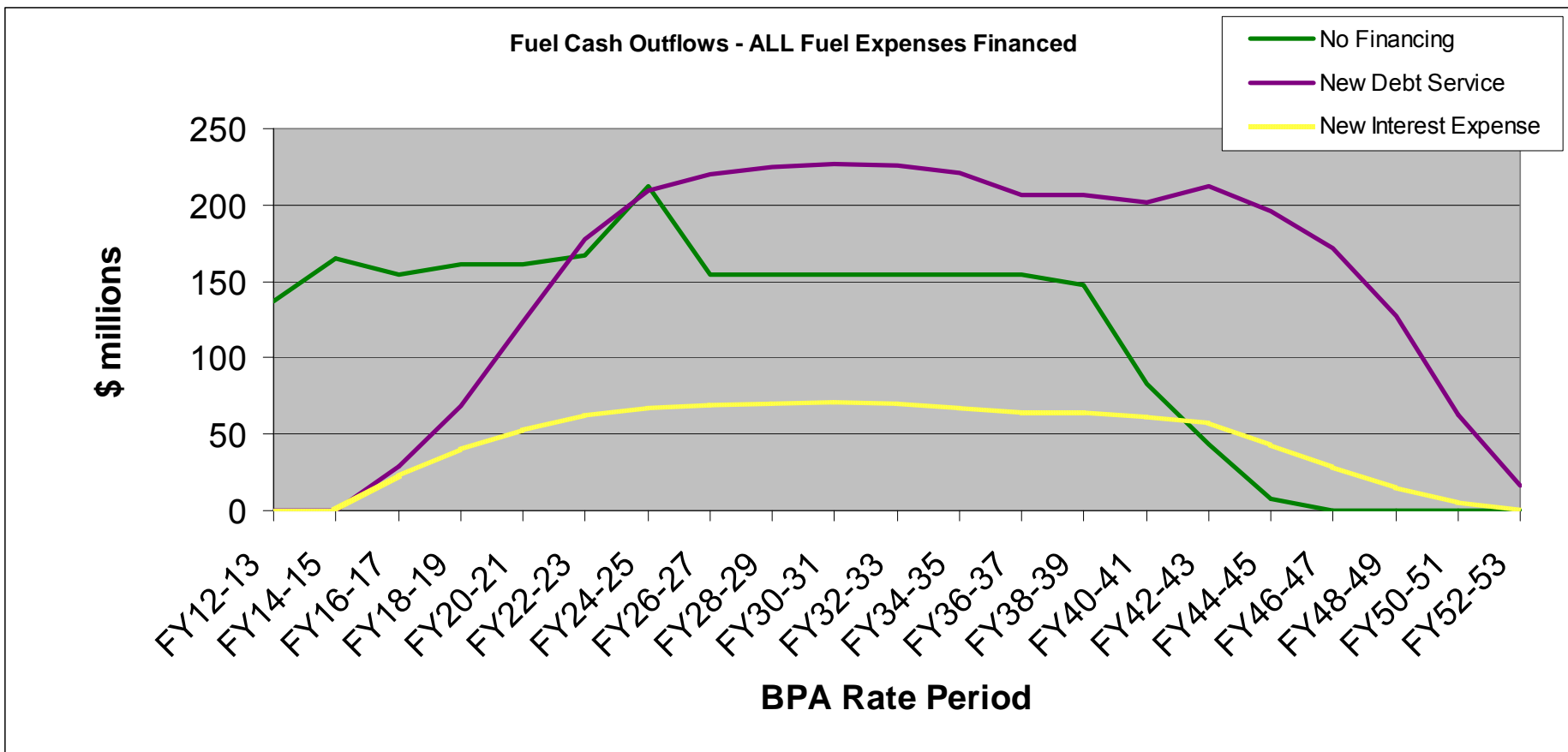


Graph data is based on the current CGS fuel plan, existing debt service for financed fuel, and long term assumptions about fuel expenses.

Customers Requested That BPA Consider Financing All Fuel



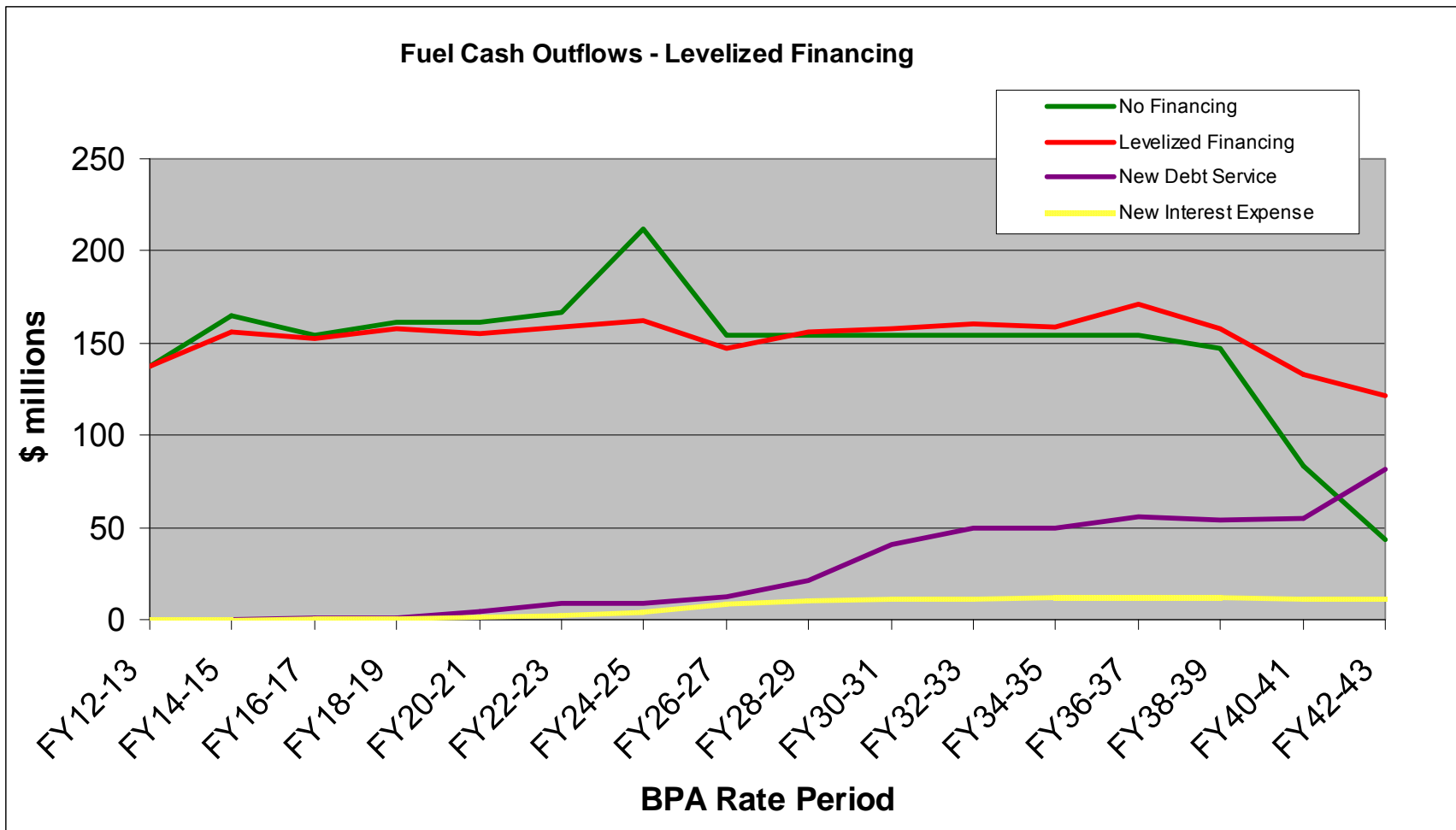
- Financing all fuel expenses quickly results in dramatically increased costs.



Levelized Financing Could Prevent Increased Costs



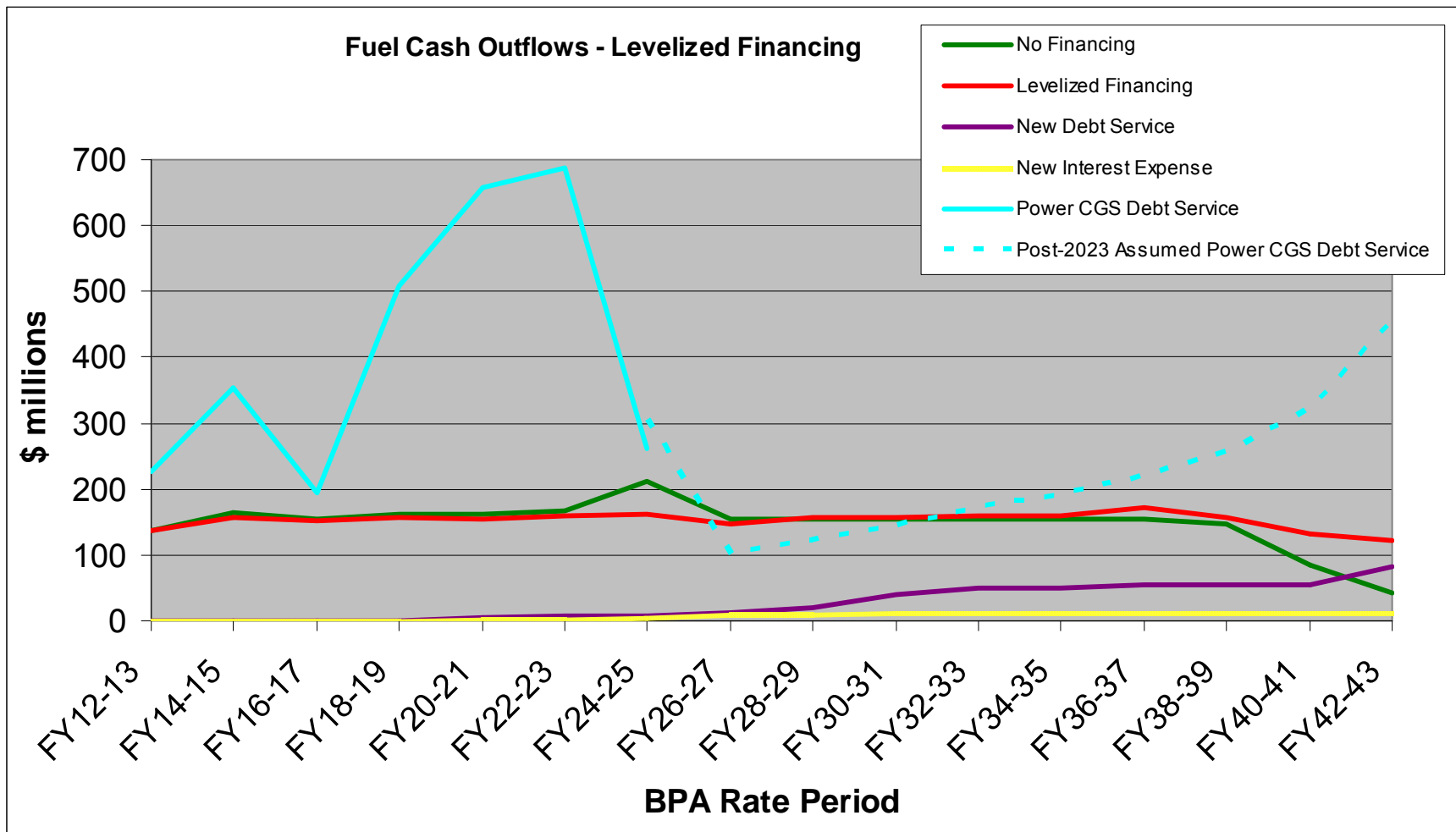
- Levelizing fuel costs provides very little benefit to near-term ratepayers.
- Beginning to finance fuel is not urgent because significant financings would not take place until 2024, and no fuel would be financed before CGS license extension is approved.



Financing Fuel Would Increase CGS Debt Service



- BPA has decided not to finance fuel-related expenses, except in the case of extraordinary purchases to prevent spikes in net-billed expenses.
- Energy Northwest is in agreement with BPA's decision not to finance fuel.



BPA's Customer Contract Management System

Chuck Maichel, Executive Sponsor
Karen Graves Pynch, Co-Lead Sponsor
Eric Albertson, Project Manager
Gary Insley, Functional Lead
Rahul Kukreti, Change Management Lead



OPERATIONAL EXCELLENCE

Agenda

1. What is Customer Contract Management (CCM)?
2. Contract Management Before and After CCM
3. CCM Functionality Overview
4. Questions/Answers



OPERATIONAL EXCELLENCE

Why CCM?

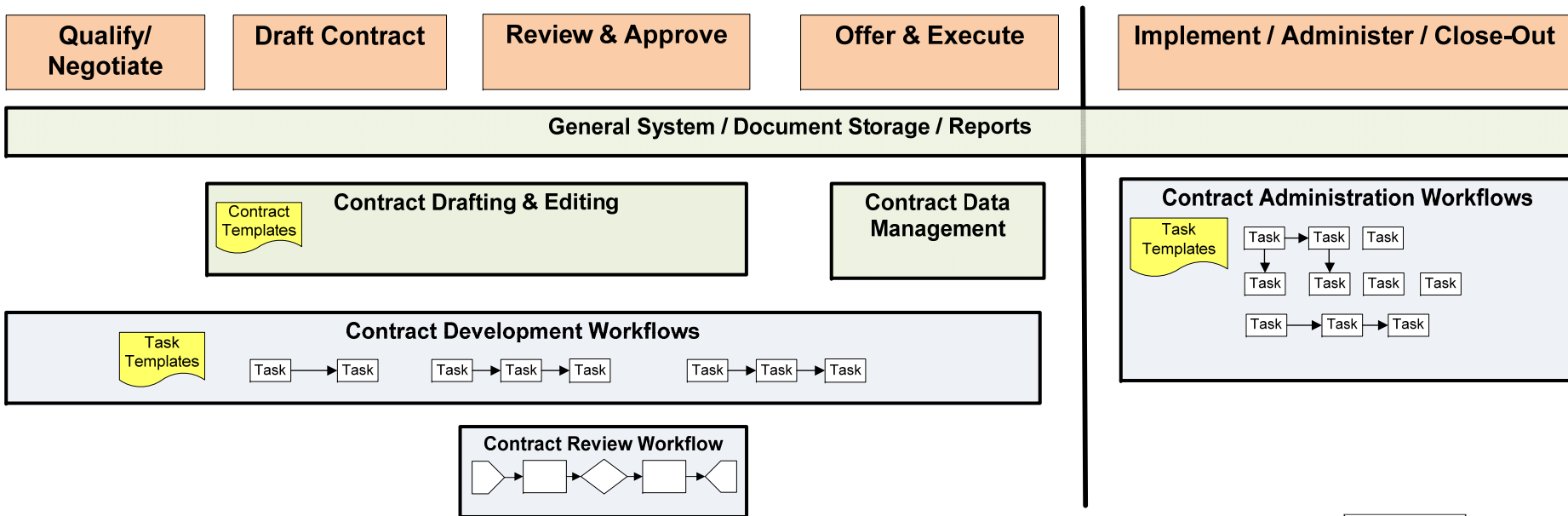
- Total of 34,446 contracts in CCM
 - 5,058 active contracts
 - 468 different contract types
 - 175,703 documents / files
- Oldest agreement including contract document:
 - Power sale executed in 1939
- Oldest Active Agreement:
 - Right of Way Agreement executed in 1942
- Systems:
 - Two different 'vaults' for electronic contract storage
 - Many disconnected contract implementation systems
 - Excel, Access, Outlook, etc.



OPERATIONAL EXCELLENCE

What Is CCM?

- **The Customer Contract Management (CCM) system is the BPA’s online customer contract information, administration, and drafting tool that supports management of the full contract lifecycle.**
 - Contract Drafting and Editing
 - Contract Development, Review, and Administration Workflows
 - Contract Data Management and Electronic Document Storage



OPERATIONAL EXCELLENCE

Project Drivers

- **Marketing & Sales Enterprise Process Improvement Project (EPIP):** The CCM System is a key step in meeting the objectives set in BPA's Marketing & Sales EPIP:
 - Superior Customer Service / Customer Focused Culture
 - One BPA Way
 - Improved Customer Contract Management
- **Operational Excellence:** the CCM system allows BPA to streamline, standardize, and automate manual contracting processes.



OPERATIONAL EXCELLENCE

Project Objectives

- Standardize and automate contract lifecycle management
 - Accurate and timely management of contracts
 - Enable data-driven management / process performance metrics
 - Establish strong contract management / governance
- Consolidate to a single system to manage all BPA contract documents and data
 - Implement a single contract typing schema for all agreements in system
 - Maintain standardized contract templates and a library of approved clauses
 - Provide one source for contract data and documents
- Utilize and provide quality contract data to internal BPA consuming systems



OPERATIONAL EXCELLENCE

CCM Accomplishments

- The CCM system successfully went online with first release on August 30, 2011:
 - Replacement of legacy contract systems
 - Automated capture and loading of data from Regional Dialogue contracts
 - Integration with other BPA systems to share contract documents and data
- The CCM system has a large impact across BPA:
 - As of mid-January, 489 employees in over 30 organizations are using CCM



Contract Management: Before and After

Before	After
<ul style="list-style-type: none"> • Non-standardized contracting drafting processes <ul style="list-style-type: none"> – Manual entry of contract data – Standard clauses difficult to access and apply • Manual contract review and governance <ul style="list-style-type: none"> – Reviews conducted by email, internal forms and/or on paper – Approvals conducted manually – Audit trail difficult to assemble • Manual contracting administration processes <ul style="list-style-type: none"> – Tracking using Excel, Access, or other methods – Non-standardized processes create difficulty in planning for succession • Multiple data / document management systems <ul style="list-style-type: none"> – Documents stored in Power and Transmission specific vaults – Data maintained in different systems or documents • Legacy system no longer supported by vendor 	<ul style="list-style-type: none"> ▪ Standard contract drafting processes <ul style="list-style-type: none"> – Drafting in Word 2010 within integrated CCM platform – Draft using templates, contracts, data and/or clauses stored in CCM ▪ Automated contract review workflows <ul style="list-style-type: none"> – Workflow provides a single framework for review of contracts – Implement governance policies and procedures – Audit record of contract implementer or reviewer ▪ Automated contract development and administration process <ul style="list-style-type: none"> – Tasks to track contract events or changes – Provide alerts / notifications by role or individual user ▪ Integrated data / document management system <ul style="list-style-type: none"> – Centralized location for contracts and related data ▪ Improved searching and reporting capabilities

1. CCM Home Screen

The screenshot displays the CCM home screen for user Kukreti, Rahul. The interface includes a top navigation bar with 'Vault', 'MailBox', and 'Reports' tabs. A left sidebar shows a 'Classification' tree with folders like 'Contract Documents', 'Contract Team', and 'Admin'. The main content area features the Bonneville Power Administration logo, a 'Customer Contract Management System' title, a disclaimer, and a 'Common links' section with icons for 'Assigned Tasks', 'Cross Search', 'Smart Views', 'Reports', 'Content Search', and 'Start Workflow'. A 'Useful Links' sidebar on the right contains 'User Guides' and 'Help/Contacts'. A 'Personal links' bar is at the bottom. Red callout boxes highlight specific features: '1. Documents in CCM' points to the classification tree; '2. Quick Access for Searching, Reports and Workflows' points to the 'Smart Views' and 'Start Workflow' links; '3. Customize Home Page' points to the 'Personal links' bar; '4. Support Material' points to the 'User Guides' and 'Help/Contacts' links; '5. Navigation buttons' points to the top bar; and '6. Tabs' points to the 'Vault', 'MailBox', and 'Reports' tabs.

2. Searching in CCM

The screenshot shows the 'Advanced search' sidebar on the left, which is highlighted with a red box. It contains a tree view under 'Smart view' with the following structure:

- Smart view
 - Contract Types-Status
 - Business Services
 - Administrative BUS
 - Customer Portal
 - Canceled
 - Executed
 - In Review

To the right, the 'Smart view' table is displayed with the following data:

Contract Number	Customer Name(s)	L1: Function	L2: Program
11BS-10257	Alder Mutual Light Company	Business Services	Administrative BUS
11BS-10271	Public Utility District No. 1 of Benton County	Business Services	Administrative BUS
11BS-10276	City of Blaine	Business Services	Administrative BUS
11BS-10279	City of Bonners Ferry	Business Services	Administrative BUS

1. Smart Views: browsing by contract types

The screenshot shows the 'Content Search' interface. The search query entered in the text box is "customer portal use agreement".

2. Content Search: search inside the text of the documents in CCM

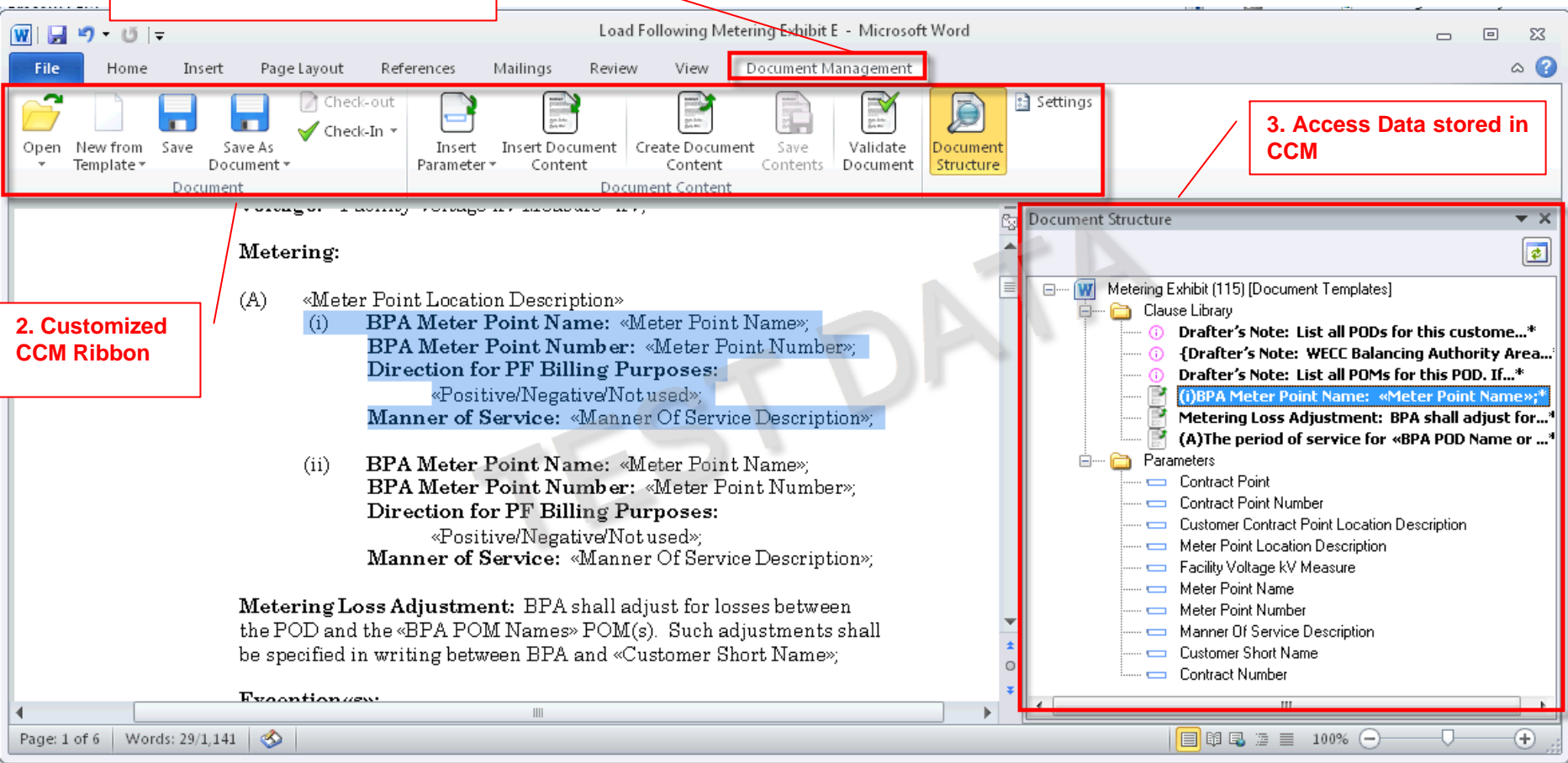
... originals of the **Customer Portal Use Agreement**, Contract No. 11BS-10271. To open your Customer Portal account, please complete both Customer Portal Use Agreements, filling out Exhibit A and sign both originals of the Agreement and the other original Agreement and Exhibit A to me. The other signed original of the Agreement and Exhibit A to me.

3. CCM Overview - Drafting

1. Microsoft 2010 Integration with CCM for Contract Drafting

3. Access Data stored in CCM

2. Customized CCM Ribbon



4. Contract Review Workflow

Contract: 12PM-10127

1:Function: Commercial
2:Program: Short Term Balancing
3:Service type: Master Power

Account/Contract Specialist: Lockman, Christopher L
Contract Administrator: Kukreti, Rahul
Review Originator (Drafter): Kukreti, Rahul

Contract Documents to be Reviewed [Reload Files From Vault](#)

Document	File Name	Review Version	Actions
Contract: 12PM-10127 (Draft)	12PM-10127_CT_PDF.pdf	1	Download Details Revise

Compliance Review Not Complete

Review Path: Agency Approved Contract Template – Commercial, Energy Efficiency, Requirements Marketing and Transfer Services

QA (Current) | Stakeholder | Compliance (Active)

Edit Mode
[Close](#)

Modify Stakeholder Reviewers:

All reviewers required
 First reviewer only

Default Stakeholder Reviewers:
 Account Executive
 Account/Contract Specialist

[Add Role](#) [Add User](#)

Reviewers

- Insley, Gary C (Account Executive)
- Lockman, Christopher L (Account/Contract Specialist)

[Add Role](#) [Add User](#)

CC Reviewers

Reminder Options: [Add](#)

Reviewer Instructions:
 Please complete the review of the contract document attached above. If you have any comments you may insert them directly into the document or use the comment log below. The due date for this review is COB on January 30, 2012.

Select a due date:

January 2012						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
25	26	27	28	29	30	31
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4

1, Document for Review

2. Select reviews

3. Due Dates

4. Instructions

5. Contract Administration Workflows

1. Task Name

The screenshot shows a task configuration window for 'Contract Expiration (Waiting)'. The 'Task Name' field is highlighted with a red box and labeled '1. Task Name'. The 'Task Description' field contains the text 'Work with team to plan contract renewal, amendment, or close-out plan.' and is highlighted with a red box labeled '2. Description'. The 'Trigger Date' field is set to 'Will trigger 90 Day(s) prior to Expiration Date' and is highlighted with a red box labeled '3. Set Task Trigger'. The 'CC Assigned Roles and Users' section is highlighted with a red box labeled '4. Assign users', showing users 'Arvieux, Dan L' and 'Kukreti, Rahul' assigned to the 'Account Executive' role.

2. Description

3. Set Task Trigger

4. Assign users

The screenshot shows an email inbox with a notification email highlighted. The 'Mailbox' icon in the left sidebar is highlighted with a red box and labeled '5. Mailbox'. The notification email is titled 'Lascom PLM Today - Friday, October 8, 2010' and contains a table with one row of data. The table is highlighted with a red box labeled '6. Notification'.

Package Name	Description	Date Notified
10TX-14701 Review CIP GCI 10/07/2010	Task '10TX-14701 Review CIP GCI 10/07/2010' on Contract '10TX-14701 (6' Oct 07, 2010	

6. Notification

5. Mailbox

6. Contract Data Management

	Oct	Nov	Dec	Jan
Total (MWh)	756	813	1,038	888
HLH (MWh)	423	451	580	477
LLH (MWh)	333	362	458	411
Peak (MW)				

Data from the contract document is loaded directly into CCM and then shared with internal BPA systems.

Display Name	Oct	Nov	Dec	Jan
2012				
Total (MWh)	756.000	813.000	1038.000	888.000
HLH (MWh)	423.000	451.000	580.000	477.000
LLH (MWh)	333.000	362.000	458.000	411.000
Peak (MW)				

7. General System Overview: Reporting

1. The Contract Expiration Report allows users to quickly search for contracts due to expire.

Contract Expiration

Options

Function:	L1:Function: Transmission Sales	Customers:	<input checked="" type="radio"/> All <input type="radio"/> At least one
	L2:Program: All	Expiration Date:	Between 01/17/2012 and 02/29/2012
Status: Select All	<input type="checkbox"/> Approved <input type="checkbox"/> Assigned <input type="checkbox"/> Canceled <input type="checkbox"/> Draft <input checked="" type="checkbox"/> Executed <input type="checkbox"/> Expired <input type="checkbox"/> In Review <input type="checkbox"/> Offered <input type="checkbox"/> Performed <input type="checkbox"/> Reference Only <input type="checkbox"/> Request Approved <input type="checkbox"/> Request Submitted <input type="checkbox"/> Suspended <input type="checkbox"/> Terminated <input type="checkbox"/> Unknown		
Show: Select All	<input type="checkbox"/> System Number <input checked="" type="checkbox"/> Contract Number <input checked="" type="checkbox"/> Customer Name <input checked="" type="checkbox"/> Description <input checked="" type="checkbox"/> Expiration Date <input checked="" type="checkbox"/> Remaining Days <input checked="" type="checkbox"/> Status <input checked="" type="checkbox"/> L1 Function <input checked="" type="checkbox"/> L2 Program <input checked="" type="checkbox"/> L3 Service Type		
Sort By:	No Sort		
Page Size:	25		

2. Limit searches to specific contract types

3. Limit searches to specific date ranges

Submit Close

8. Integrated Platform: CCM, Word 2010 and Outlook 2010

The screenshot displays a Citrix desktop environment with three main applications highlighted by colored boxes and callouts:

- 1, CCM System:** A red box highlights the My Lascom PLM application in Internet Explorer. The interface shows contract details for Contract: 09PB-13128, Status: Executed, and System Number: 15794. It includes a table with columns for Execution Date, Effective Date, Expiration Date, and Termination Date.
- 1, Outlook 2010 Integration:** A blue box highlights the Microsoft Outlook application. The main pane shows an email titled "Review for contract : 11PS-10005 (Draft) has been completed" from CCMTech_Support, dated Wed 9/21/2011 7:14 AM. A calendar on the right shows the date September 21, 2011, with 4 appointments.
- 1, Word 2010 Integration:** A green box highlights the Microsoft Word application. The ribbon shows the Document group with options like Open, New from Template, Save, and Attach To. A yellow security warning banner states "Macros have been disabled." The document content includes "Revision No. 1, Exhibit E METERING Effective on October 1, 2011" and "Point of Metering: In Wakkialkun's Cathlamet Substation in the 12.5 kV circuit over which such electric power flows; BPA Meter Point Name: Cathlamet Out;".

Questions / Discussion

Supplemental Labor Management Office

Delivering Total Solutions for BPA



Supplemental Labor Management Office (SLMO)



- Created in 2008 as part of the Supply Chain Enterprise Process Improvement Project
- Implemented a system to manage onboarding/offboarding and track time
- Decided to manage the program internally instead of outsourcing
- Work very hard to keep everything vendor neutral
- Organization consists of one policy person, one analyst, four BFTE and five contractor workers in operations
- Reorganized in May, 2011 to be an organization rather than a program
 - Brings visibility and focus to Supplemental Labor Management
 - Dedicated leadership to champion causes and “stand up” the organization
 - Focus on managing costs, risks and efficiency from an agency perspective
 - Create an organization of “experts” to manage the changing face of the contingent workforce

SLMO Goals and Objectives



Cost

- Reduce Contingent Labor Costs
- Standardize rates across BPA Contingent Labor
- Cost avoidance due to improved spend visibility



Efficiencies

- Decrease Cycle Time
- Automate the invoice process
- Standardize workflows across the organization
- Identify "bottlenecks"



Quality

- Candidate Scoring
- Supplier Evaluations
- SLA Adherence



Compliance

- Reduce co-employment risks
- Provide Visibility to the entire contingent labor acquisition and on-boarding/off-boarding process
- Supplier Compliance

How SLMO Operates



- Supplemental Labor = Non-government employee labor contracted and billed on an hourly or daily basis performing tasks on BPA premises
- Operate as an internal Managed Services Provider (MSP) of supplemental labor
- Selected Fieldglass as our Vendor Management System (VMS)
 - Using the system since August, 2009
 - Provides centralized repository of all data associated with supplemental labor
 - Currently SLMO is able to manage the workforce less expensively than outsourcing
- Benchmarking has shown that an outsourced VMS typically costs 2.5-3% of spend including the VMS fee. SLMO operated in 2011 at 1.63% of spend
- Joined Staffing Industry Analysts (SIA)
 - BPA's program would be classified as a large program (\$100-\$300 Million)
 - They are a valuable source of leading practice and peer information
 - Using information from SIA, and the fact BPA is a large program, allowed us to recently renegotiate the VMS fee to a much lower amount which will result in savings this year (and going forward) of at least \$197,600 a year
- Like other larger organizations, SLMO is looking at more effectively managing independent contractors in order to get an understanding of that spend

Efficiencies So Far



- SLMO is constantly working to ensure the ratepayers see a payback for the investment made in developing this office since 2008. The investment is beginning to pay off:
 - During FY11, the average straight time hourly rate for the agency was reduced from \$76.75 to \$72.23, a reduction of \$4.52 or 5.89%. This translates to roughly \$6.4m in savings over what we would have paid had we not worked to align rates more with market
- Before SLMO there were 65 COTRs involved in managing 45 Supplemental Labor suppliers
 - Now there are 1 dedicated CO and 3 COTRs involved in managing 26 Supplemental Labor suppliers
- Standardized the time to fill and can procure a worker in as little as 4 weeks (including 3 weeks for security and background screening)
- The VMS has allowed full automation of the invoicing process, which has eliminated paper invoices and reconciliations, saving roughly \$390,000 a year in COTR and Accounts Payable time

Efficiencies So Far (cont.)

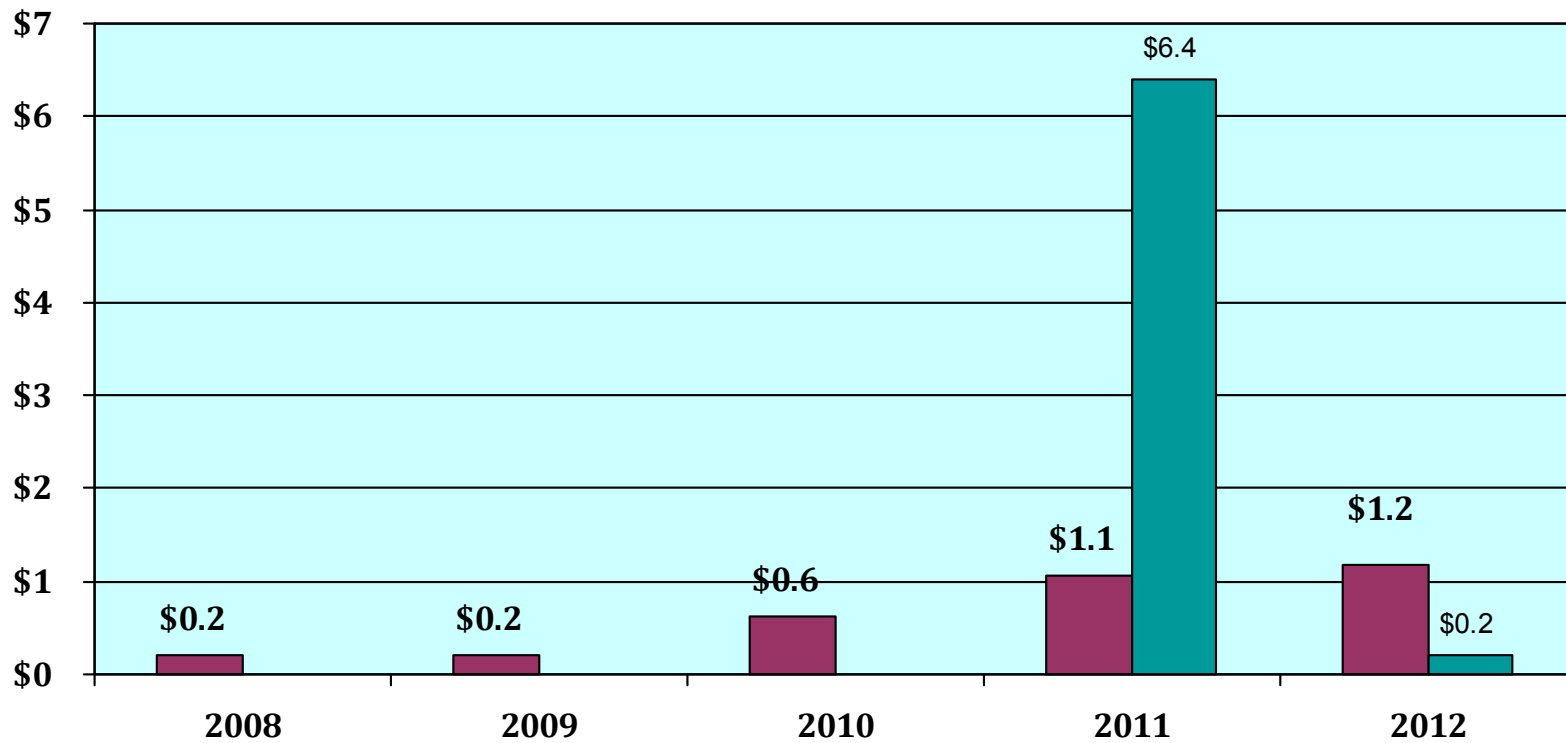


- Visibility into the size, composition, and cost of BPA's contingent workforce
- Centralized and standardized the review of bill rates, expenses, travel, training, communication, on boarding and off boarding
- Using detailed market analysis to determine what rates to pay supplemental labor
 - Typically use a minimum of 3 data sources
 - Data Sources:
 - Bureau of Labor Statistics (BLS)
 - Oregon Labor Market Information System (OLMIS)
 - Salary.com
 - CareerBuilder.com – wages powered by SalaryExpert.com
 - PayScale.com
 - PeopleTicker
- Developing policies that reduce risk and establish standardized procedures

Annual SLMO Costs Compared to Savings



■ SLMO Costs ■ Savings



Dollars shown in millions

Going Forward



- 2012 Balanced Scorecard Items
 - Standardized Self Service Management Reports
 - Contract Worker Handbook
 - Manager Handbook
 - 2-4% reduction in Agency Average Hourly Rate
- Pay Rate & Mark-up
 - Ability to manage supplier overhead rates without affecting worker pay.
 - Provides data for use of more creative tools to manage rates down
 - Ensure suppliers are appropriately designating state and local taxes for our workers placed throughout the region.
 - SLMO recently met with the Department of Labor and learned that they expect us to monitor wages compared to Service Contract Act, and notify our suppliers if workers are not being paid enough
- Standardized Contracts across all vendors
- Working with Human Capital Management on all Supplemental Labor Policies
- Operational and supplier performance metrics
- Supplier Tiering to more effectively manager supplier relationships
- Push to Incorporate Independent Consultants (Statement of Work) to gain visibility into that spend
- Improvements in Managing the Workforce
 - Reasonable Accommodation, Safety Program, Performance Feedback, etc.

Small steps . . . big difference

Sustainability at BPA

Darby Collins



Business value of sustainability

- “Sustainability is not optional.”

Mike Duke, Wal-Mart CEO



- Sustainability becomes an approach, a language, a discipline that allows us to see opportunities for efficiency that our more traditional lines of business orientation might miss.”

Roberta Bowman, Duke Energy Senior VP and Chief Sustainability Officer

Creating competitive advantage

- % of CEOs who see sustainability as important to their company's future success = **93**

United Nations/Accenture CEO Study 2010

- % of executives who expect their organization to step up investment in and management of sustainability over the next year = **70**

MIT Sloan 2010 Global Executive Study and Research Project

Greening the government

“As the largest consumer of energy in the U.S. economy, the Federal government can and should **lead by example** when it comes to creating innovative ways to reduce greenhouse gas emissions, increase energy efficiency, conserve water, reduce waste, and use environmentally-responsible products and technologies.”

President Barack Obama

Executive Order 13514 signed October 2009

Sustainability Video

Double Click the black box to play this video. If the video does not start after 10 seconds it can be viewed on [YouTube](#):

BPA: Thinking, Working and Living Green: <http://www.youtube.com/watch?v=hd7Ja3GGIUK>



Sustainability Vision

Support and encourage innovative, cost-effective business practices that reduce BPA's effect on the environment, conserve resources and cut greenhouse gas emissions

Sustainability at BPA

- Perfect blend of Operation Excellence and Environmental Stewardship
- Committed Sustainability Team and Action Plan
 - Employee Engagement and Involvement Team
- Targets to cut costs and increase efficiency
 - 30% energy reduction by 2015
 - 20% water reduction by 2020
 - 2% reduction in petroleum use and 10% increase in alternative fuel use
 - Federal Electronics Challenge
 - Establish BPA's greenhouse gas footprint

Highlights

- GHG footprint and benchmarks
- Reductions to date:
 - Energy – 4.8%
 - Water – 14.1%
- Composting
- Awards
 - Silver in Federal Electronics Challenge
 - DOE Secretary's Award – Fugitive Emissions Team
 - 2011 DOE EStar award
 - Federal Green Challenge
 - GreenGov recognition



Producing Results

- Composting
 - Doubled amount of compost at BPA café
 - Costs 55 percent less to dispose of compost than trash
- Electronic bill statements
 - Went electric and saved \$1,000/month in paper/printing
- LED lighting in BPA garage
 - Expect to save \$4,000/year
- Toledo substation landscaping revamp
 - Saves \$500/year in water costs
 - Save \$2,000/year in landscaping maintenance

Challenges in FY2012

- Fleet
- Greening the Supply Chain
- Printing
- Improved tracking and benchmarking

Printing Opportunities

- Typical employee uses 10,000 pieces of paper a year
 - BPA employees average 11,000 per person
- Color copies up by 2,000% over past 5 years
- Color costs 4 times as much as B&W
- More than 1,400 printers throughout BPA
 - 313 brands
- Spend \$1.2 million a year in toner costs
- Developed a print strategy to drive down costs
 - Short-term goals – cut paper and toner costs
 - Long-term – develop enterprise-wide document management strategy



Benefits

- Innovation
- Employee engagement
- Increased efficiency of resources
- Cost savings
- Better informed decision making
- Recruitment
- Overarching value to BPA customers

Small steps . . . big difference

“Sustainability has gotten traction at BPA because of people’s passion and desire to bring about changes in our environment. It is also about sound decision making that is cost effective and business driven. We owe that to our customers.”

— ***Kim Leathley***

IBS Executive Vice President



Print Services

Barry Wooley

Manager, Printing & Mail Services



OPERATIONAL EXCELLENCE

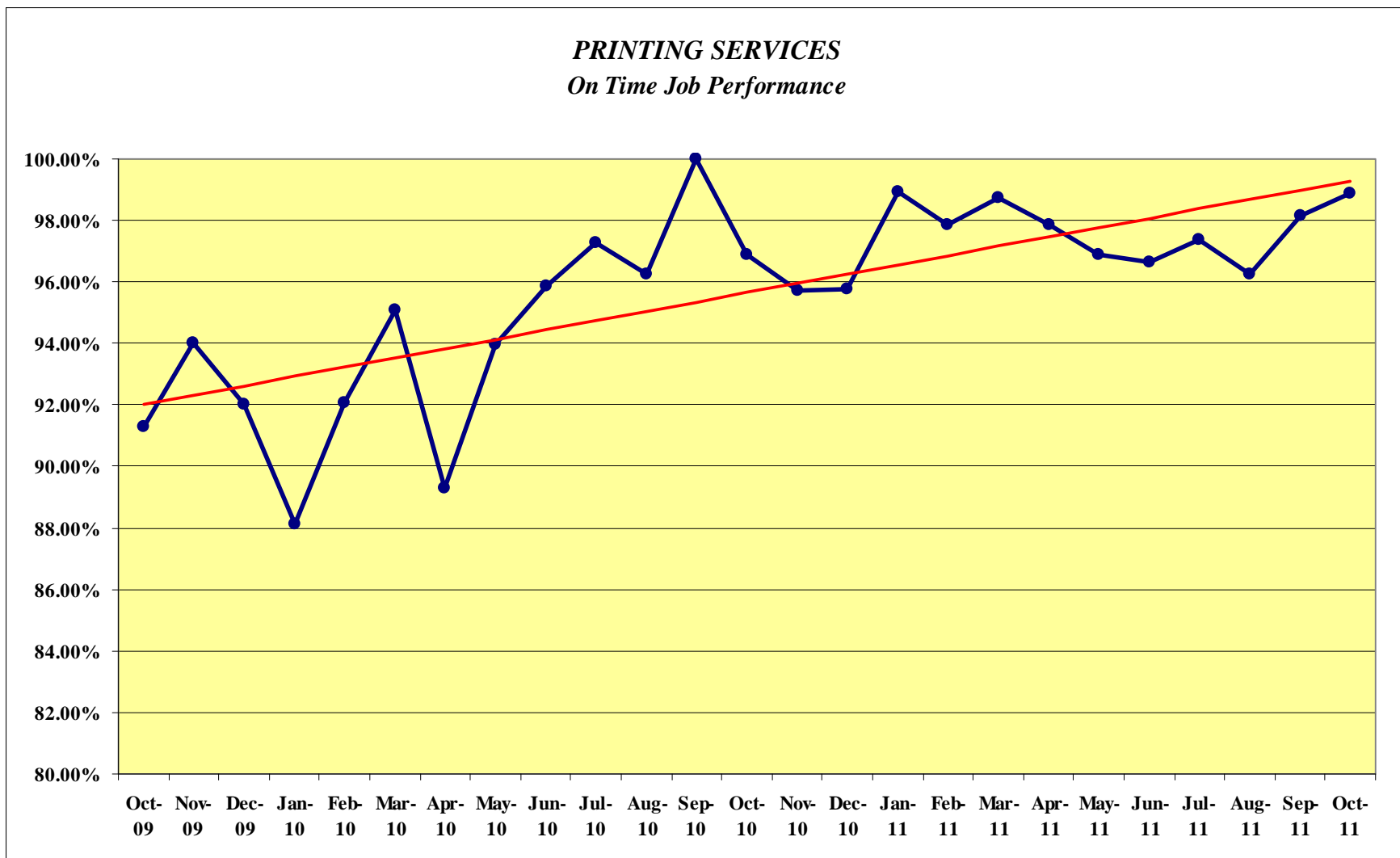
Printing Services

“Perfect blend of Operational Excellence and Environmental Stewardship

- Converted to recycled materials
- Sourced our materials locally
- Replaced outdated technology
- Installed process performance metrics
- Designed & implemented improved processing



OPERATIONAL EXCELLENCE



OPERATIONAL EXCELLENCE

Printing Services

“Perfect blend of Operational Excellence and Environmental Stewardship”

- Transition from *Order Takers* to *Consultants*:
 - T8 Lighting Project
 - Agriculture and Energy Efficiency Program
 - Utility Summit
 - Whistling Ridge FEIS – saved \$175,000
 - Accident Prevention Manual – 46% cost reduction
 - I-5 Corridor Project – customer/supplier model



Intra-Hour Scheduling

Troy Simpson
Project Manager

Bonneville Power Administration
Congestion and Dispatch Support



OPERATIONAL EXCELLENCE

Why Intra-Hour Scheduling is Important

- **Historically, energy is traded in hourly blocks**
- **Variable Energy Resources (VERs) Output is generally difficult to predict**
 - Wind is difficult to forecast
 - Hourly schedules are submitted approximately 30 minutes before the hour
 - Hourly schedules did not change once submitted
 - By the end of the hour, the hourly schedules are 90 minutes old
- **VERs energy is typically not dispatched and can ramp at any point in the hour**
 - Unlike Dispatchable Energy Resources which typically ramp at the top of the hour
- **The increasing penetration of VERs is making them more challenging to manage.**
 - Generation swings in VERs output larger and can occur very rapidly
 - Bonneville must assure a balance of total generation and loads at every moment in time
- **The region requested Intra-Hour Scheduling as one way to better manage integration of VERs**
 - BPA has undertaken various efforts to better manage VERs
 - VERs are the primary driver for intra-hour scheduling but not the only user



OPERATIONAL EXCELLENCE

Implementation Challenges

- **Need for Regional Cooperation**
 - Joint Initiative facilitated cooperation
 - Includes members of Columbia Grid, West Connect and Northern Tier Transmission Group
 - No authority to compel change
 - Facilitated common (not identical) business practice language
- **BPA System Changes**
 - Added a mid-hour ramp
 - Historically data collected and stored hourly
 - Accelerated the retirement of legacy systems
- **BPA New validations and Processes**
 - First come, first served access to intra-hour scheduling
 - Preserve hourly scheduling
 - Only accept intra-hour schedules that do not negatively impact system reliability



OPERATIONAL EXCELLENCE

Timeline

- **December 1, 2009 – Intra-Hour Phase I**
 - BPA Wind Only
 - Export only
 - Non-Firm only
 - New e-Tags only

- **June 28, 2011 – Intra-Hour Phase II**
 - Any Generation or Load
 - Any schedule type (Import, Export, Wheel Through or Internal BPA)
 - Non-Firm only
 - New e-Tags only

- **September 27, 2011 – Intra-Hour Phase III**
 - Full 30 Minute Scheduling
 - Any Generation or Load
 - Any schedule type
 - Any transmission priority
 - New or changed e-Tags



OPERATIONAL EXCELLENCE

Other Intra-Hour Initiatives

- **Committed Intra-Hour Scheduling Pilot – October 1, 2011**
 - Participating wind facilities agree to schedule every 30 minutes
 - Schedules must meet scheduling accuracy metrics
 - 34% credit on wind balancing rate
 - 34% reduction in wind balancing reserves held for participating generators
 - Currently Limited to 1,200 MW

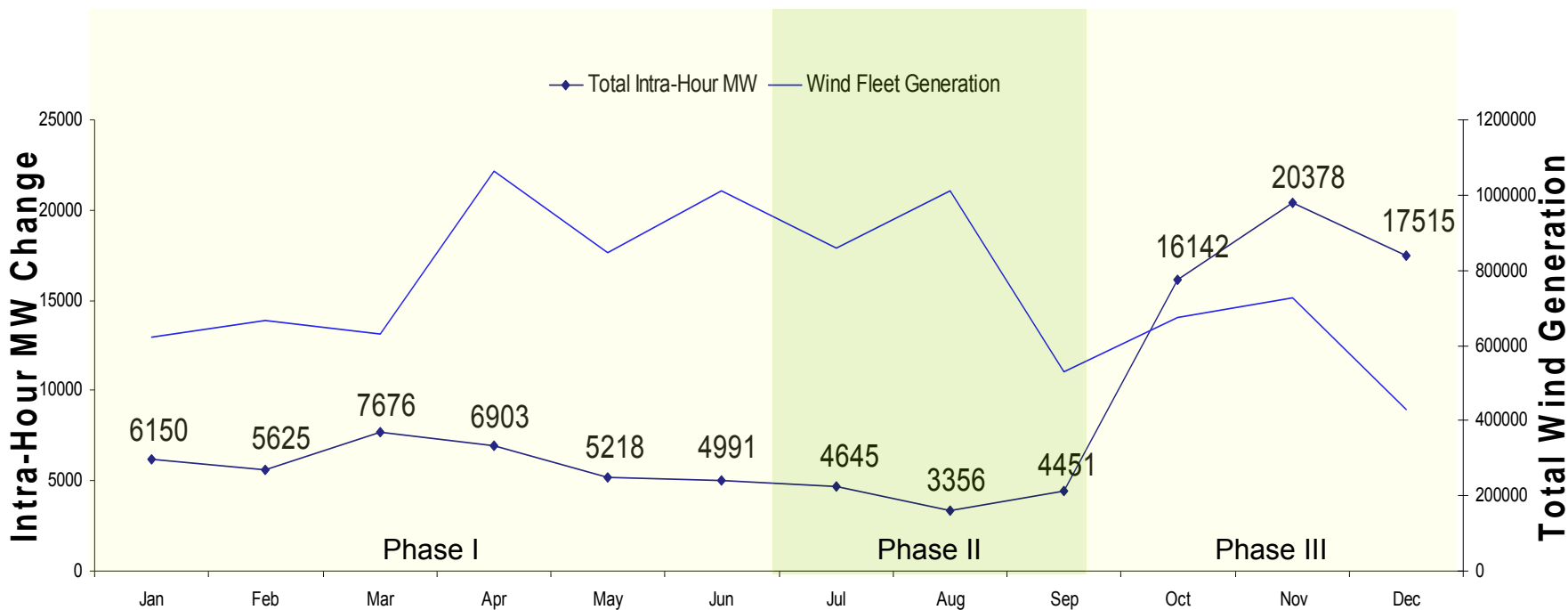
- **CAISO Intra-Hour Scheduling Pilot – October 17, 2011**
 - Dynamic schedule created from e-Tag
 - Updated every 30 minutes based on e-Tag adjustments
 - BPA updates the e-Tag after the hour with the integrated value as required by WECC
 - Opens CAISO balancing resources to Northwest wind generators
 - Currently limited to 200 MW



OPERATIONAL EXCELLENCE

Increased Intra-Hour Scheduling

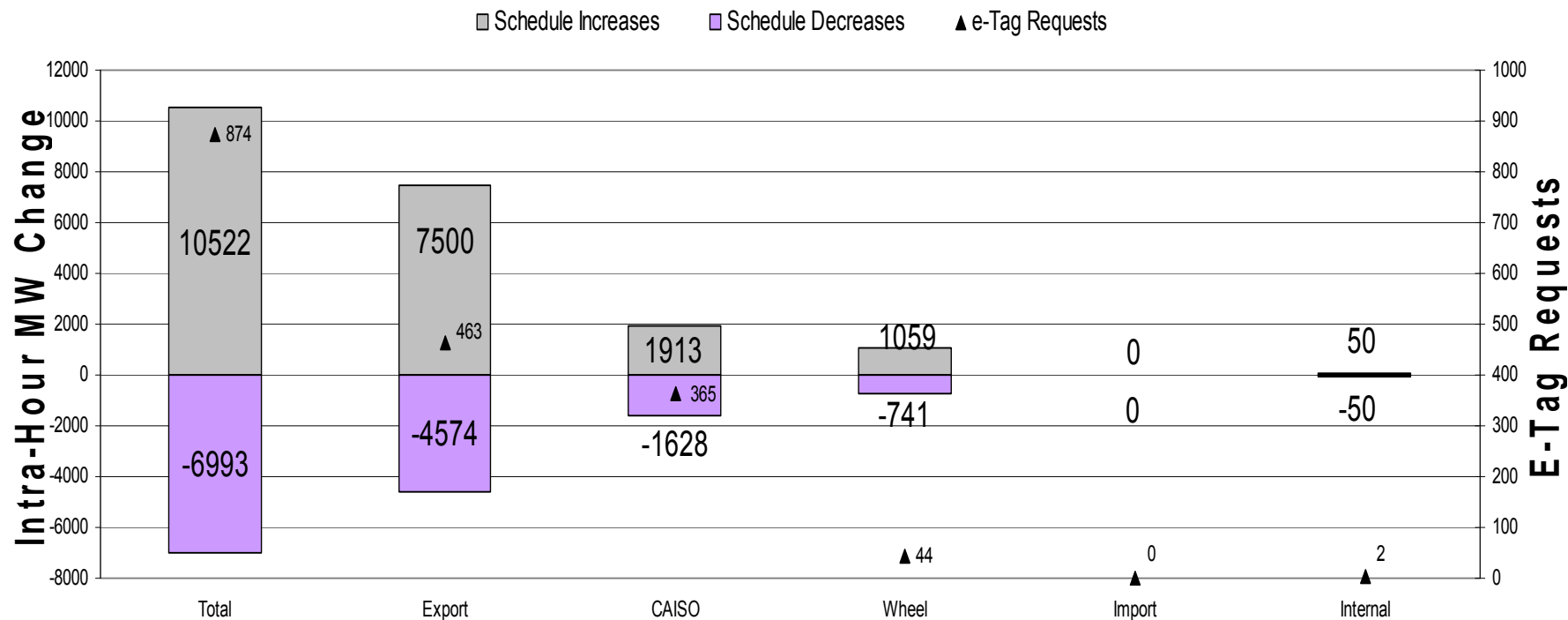
Intra-Hour Scheduling Activity – Last 12 Months
 (Intra-Hour MW is the absolute value of the MW change)



OPERATIONAL EXCELLENCE

December Intra-Hour Activity Break-down

Intra-Hour Scheduling Activity – December 2011



OPERATIONAL EXCELLENCE

Next Steps

- **Stay the Course**
 - Evaluate for improvements
 - Expand participation in Committed Intra-Hour Scheduling
 - Expand participation in the CAISO Intra-Hour Scheduling Pilot

- **Continue work with Joint Initiatives**
 - Four Step proposal
 - Currently in Step One

- **FERC Notice of Proposed Rulemaking (NOPR)**
 - 15 Minute Scheduling?



OPERATIONAL EXCELLENCE

Questions?



Appendix 1



Report ID: 0060FY12	Power Services Detailed Statement of Revenues and Expenses	Run Date/Time: January 20, 2012 13:50
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended December 31, 2011	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 25%

	A	B	C	D ^{<Note 2}	E	F
	FY 2011	FY 2012			FY 2012	FY 2012
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
Operating Revenues						
1	Gross Sales (excluding bookout adjustment) <Notes 1 and 3	\$ 2,486,801	\$ 2,445,649	\$ 2,445,649	\$ 2,389,050	25%
2	Bookout Adjustment to Sales <Note 1	(92,198)	-	-	(13,924)	100%
3	Miscellaneous Revenues	24,699	26,198	26,198	5,202	20%
4	Inter-Business Unit	110,034	127,449	127,449	30,640	24%
5	U.S. Treasury Credits	89,702	95,662	95,662	21,492	25%
6	Total Operating Revenues	2,619,038	2,694,957	2,694,957	2,615,720	25%
Operating Expenses						
Power System Generation Resources						
Operating Generation						
7	COLUMBIA GENERATING STATION	322,212	306,366	306,366	298,477	69,754
8	BUREAU OF RECLAMATION	85,488	111,972	111,972	111,972	19,710
9	CORPS OF ENGINEERS	190,835	208,700	208,700	208,550	37,800
10	LONG-TERM CONTRACT GENERATING PROJECTS	29,427	25,079	25,079	25,079	6,543
11	Sub-Total	627,962	652,117	652,117	644,078	133,808
Operating Generation Settlements and Other Payments						
12	COLVILLE GENERATION SETTLEMENT	17,570	21,928	21,928	21,928	5,482
13	Sub-Total	17,570	21,928	21,928	21,928	5,482
Non-Operating Generation						
14	TROJAN DECOMMISSIONING	1,688	1,500	1,500	1,500	404
15	WNP-1&4 O&M	984	438	438	438	120
16	Sub-Total	2,672	1,938	1,938	1,938	525
Gross Contracted Power Purchases (excluding bookout adjustments) <Note 1						
17	PNCA HEADWATER BENEFITS	1,973	2,452	2,452	2,452	985
18	PURCHASES FOR SERVICE AT TIER 2 RATES	-	-	8,445	8,445	704
19	OTHER POWER PURCHASES - (e.g. Short-Term)	235,276	99,802	91,357	155,269	56,989
20	Sub-Total	237,249	102,254	102,254	166,166	58,678
21	Bookout Adjustments to Contracted Power Purchases <Note 1	(92,198)	-	-	(13,924)	(13,924)
Augmentation Power Purchases						
22	AUGMENTATION POWER PURCHASES	2,898	-	-	(107)	(107)
23	Sub-Total	2,898	-	-	(107)	(107)
Exchanges & Settlements						
24	RESIDENTIAL EXCHANGE PROGRAM <Note 3	184,764	201,561	202,961	202,961	52,160
25	OTHER SETTLEMENTS	-	-	-	-	-
26	Sub-Total	184,764	201,561	202,961	202,961	52,160
Renewable Generation						
27	RENEWABLE CONSERVATION RATE CREDIT	2,588	-	-	-	-
28	RENEWABLES	35,939	37,670	37,669	37,669	7,682
29	Sub-Total	\$ 38,527	\$ 37,670	\$ 37,669	\$ 37,669	\$ 7,682

Report ID: 0060FY12

Power Services Detailed Statement of Revenues and Expenses

Run Date/Time: January 20, 2012 13:50

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended December 31, 2011

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Lapsed = 25%

	A	B		C	D <Note 2	E	F
	FY 2011	FY 2012			FY 2012	FY 2012	
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast	
Generation Conservation							
30 DSM TECHNOLOGY	\$ (9)	\$ -	\$ -	\$ -	\$ 0	0%	
31 CONSERVATION ACQUISITION	12,042	15,950	15,950	15,950	2,487	16%	
32 LOW INCOME ENERGY EFFICIENCY	3,046	5,000	5,000	5,000	2,408	48%	
33 REIMBURSABLE ENERGY EFFICIENCY DEVELOPMENT	5,330	11,500	11,500	11,500	869	8%	
34 LEGACY	624	1,000	1,000	1,000	392	39%	
35 MARKET TRANSFORMATION	10,807	13,500	13,500	13,500	4,272	32%	
36 CONSERVATION RATE CREDIT (CRC)	27,636	-	-	-	()	0%	
37 Sub-Total	59,476	46,950	46,950	46,950	10,427	22%	
38 Power System Generation Sub-Total	1,078,919	1,064,418	1,065,817	1,107,659	254,731	23%	
Power Non-Generation Operations							
Power Services System Operations							
39 INFORMATION TECHNOLOGY	3,480	7,143	6,283	6,357	1,782	28%	
40 GENERATION PROJECT COORDINATION	5,836	5,895	5,798	5,798	1,048	18%	
41 SLICE IMPLEMENTATION	1,942	2,322	2,328	1,127	280	25%	
42 Sub-Total	11,257	15,360	14,410	13,282	3,109	23%	
Power Services Scheduling							
43 OPERATIONS SCHEDULING	7,922	10,041	8,809	10,010	2,286	23%	
44 OPERATIONS PLANNING	5,755	6,744	7,489	7,489	1,520	20%	
45 Sub-Total	13,677	16,785	16,297	17,499	3,806	22%	
Power Services Marketing and Business Support							
46 POWER R&D	4,934	5,622	5,631	5,631	659	12%	
47 SALES & SUPPORT	18,060	19,745	19,335	19,316	4,797	25%	
48 STRATEGY, FINANCE & RISK MGMT	14,134	17,907	18,504	18,513	3,357	18%	
49 EXECUTIVE AND ADMINISTRATIVE SERVICES	3,602	3,565	3,200	2,842	541	19%	
50 CONSERVATION SUPPORT	9,472	9,478	9,279	9,498	2,398	25%	
51 Sub-Total	50,202	56,316	55,948	55,799	11,751	21%	
52 Power Non-Generation Operations Sub-Total	75,137	88,460	86,656	86,580	18,667	22%	
Power Services Transmission Acquisition and Ancillary Services							
PBL Transmission Acquisition and Ancillary Services							
53 POWER SERVICES TRANSMISSION & ANCILLARY SERVICES	122,222	92,946	92,946	86,677	19,958	23%	
54 3RD PARTY GTA WHEELING	46,992	52,263	53,863	53,863	11,985	22%	
55 POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS	2,404	2,221	2,221	2,221	713	32%	
56 GENERATION INTEGRATION / WIT-TS	8,028	13,035	13,035	13,035	1,725	13%	
57 TELEMETERING/EQUIP REPLACEMT	37	50	50	50	3	6%	
58 Power Svcs Trans Acquisition and Ancillary Services Sub-Total	179,684	160,516	162,116	155,847	34,383	22%	
Fish and Wildlife/USF&W/Planning Council/Environmental Req							
BPA Fish and Wildlife (includes F&W Shared Services)							
59 Fish & Wildlife	221,048	237,422	237,394	237,418	70,175	30%	
60 USF&W Lower Snake Hatcheries	24,466	28,800	28,800	28,800	2,450	9%	
61 Planning Council	8,930	10,114	10,114	11,251	2,865	25%	
62 Environmental Requirements	96	302	302	302	11	4%	
63 Fish and Wildlife/USF&W/Planning Council Sub-Total	\$ 254,540	\$ 276,639	\$ 276,610	\$ 277,772	\$ 75,502	27%	

Report ID: 0060FY12	Power Services Detailed Statement of Revenues and Expenses	Run Date/Time: January 20, 2012 13:50
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended December 31, 2011	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 25%

	A	B	C	D -Note 2	E	F
	FY 2011	FY 2012			FY 2012	FY 2012
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
BPA Internal Support						
64 Additional Post-Retirement Contribution	\$ 15,579	\$ 17,243	\$ 17,243	\$ 17,243	\$ 4,311	25%
65 Agency Services G&A (excludes direct project support)	50,861	51,735	51,576	50,867	12,480	25%
66 BPA Internal Support Sub-Total	66,440	68,978	68,819	68,110	16,791	25%
67 Bad Debt Expense	(0)	-	-	-	-	0%
68 Other Income, Expenses, Adjustments	(156)	-	-	-	(8)	0%
Non-Federal Debt Service						
Energy Northwest Debt Service						
69 COLUMBIA GENERATING STATION DEBT SVC	81,210	115,553	114,468	103,088	22,956	22%
70 WNP-1 DEBT SVC	275,395	282,802	285,274	285,274	73,470	26%
71 WNP-3 DEBT SVC	189,801	156,299	158,672	158,672	36,294	23%
72 EN RETIRED DEBT	-	-	-	-	-	0%
73 EN LIBOR INTEREST RATE SWAP	-	-	-	-	-	0%
74 Sub-Total	546,406	554,654	558,414	547,034	132,720	24%
Non-Energy Northwest Debt Service						
75 TROJAN DEBT SVC	-	-	-	-	-	0%
76 CONSERVATION DEBT SVC	2,867	2,379	2,712	2,712	665	25%
77 COWLITZ FALLS DEBT SVC	11,711	11,715	11,715	11,715	2,929	25%
78 NORTHERN WASCO DEBT SVC	2,224	2,223	2,223	2,223	556	25%
79 Sub-Total	16,801	16,316	16,649	16,649	4,150	25%
80 Non-Federal Debt Service Sub-Total	563,207	570,970	575,063	563,683	136,870	24%
81 Depreciation	110,992	122,169	115,000	115,000	28,072	24%
82 Amortization	90,114	81,029	85,218	85,218	21,403	25%
83 Total Operating Expenses	2,418,876	2,433,179	2,435,299	2,459,869	586,411	24%
84 Net Operating Revenues (Expenses)	200,161	261,778	259,658	155,851	62,303	40%
Interest Expense and (Income)						
85 Federal Appropriation	215,967	221,865	218,801	219,836	55,006	25%
86 Capitalization Adjustment	(45,937)	(45,937)	(45,937)	(45,937)	(11,484)	25%
87 Borrowings from US Treasury	40,341	57,866	52,038	52,771	11,918	23%
88 AFUDC	(15,229)	(12,511)	(15,354)	(15,854)	(3,934)	25%
89 Interest Income	(12,283)	(12,624)	(13,152)	(10,085)	(1,333)	13%
90 Net Interest Expense (Income)	182,860	208,659	196,396	200,731	50,173	25%
91 Total Expenses	2,601,736	2,641,838	2,631,695	2,660,600	636,583	24%
92 Net Revenues (Expenses)	\$ 17,302	\$ 53,119	\$ 63,262	\$ (44,880)	\$ 12,130	-127%

- <1 For BPA management reports, Gross Sales and Purchase Power are shown separated from the power bookout adjustment (EITF 03-11, effective as of Oct 1, 2003) to provide a better picture of our gross sales and gross purchase power.
- <2 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties among other factors may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.
- <3 The Residential Exchange Program expenses reflect the Scheduled Amount of REP benefits payments established in the 2012 REP Settlement Agreement. The Scheduled Amount of REP benefit payments incorporates a \$76,537,617 reduction in REP benefits to provide Refund Amount payments to COUs. The Refund Amount returned to the COUs is reflected through a reduction in the Gross Sales amount.
- <4 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by ASC 815, Derivatives and Hedging (formerly SFAS 133), for identified derivative instruments. In FY2010, BPA began applying ASC 980, Regulated Operations, treating the unrealized gains and losses on derivative instruments as Regulatory Assets and Liabilities.

Report ID: 0061FY12

Transmission Services Detailed Statement of Revenues and Expenses

Run Date/Time: January 20, 2012 13:50

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended December 31, 2011

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Lapsed = 25%

	A	B	C	D <Note 1	E	F
	FY 2011	FY 2012			FY 2012	FY 2012
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
Operating Revenues						
Sales						
Network						
1 Network Integration	\$ 119,121	\$ 129,974	\$ 129,893	\$ 122,340	\$ 32,134	26%
2 Other Network	363,019	388,271	389,569	384,577	91,643	24%
3 Intertie	71,265	77,124	77,570	76,467	18,687	24%
4 Other Direct Sales	186,202	213,308	214,414	215,715	50,373	23%
5 Miscellaneous Revenues	36,164	31,996	32,154	36,278	7,280	20%
6 Inter-Business Unit Revenues	132,237	107,328	105,058	99,896	21,871	22%
7 Total Operating Revenues	908,008	948,001	948,658	935,273	221,988	24%
Operating Expenses						
Transmission Operations						
System Operations						
8 INFORMATION TECHNOLOGY	6,768	7,349	7,370	7,346	2,050	28%
9 POWER SYSTEM DISPATCHING	11,649	12,336	12,979	12,979	3,069	24%
10 CONTROL CENTER SUPPORT	14,753	14,083	15,076	15,076	3,234	21%
11 TECHNICAL OPERATIONS	4,725	8,385	7,401	6,596	1,000	15%
12 SUBSTATION OPERATIONS	21,286	21,065	21,417	21,417	5,140	24%
13 Sub-Total	59,182	63,218	64,244	63,415	14,493	23%
Scheduling						
14 MANAGEMENT SUPERVISION & ADMINISTRATION	(11)	-	-	-	-	0%
15 RESERVATIONS	3,850	1,088	5,135	5,135	982	19%
16 PRE-SCHEDULING	240	477	234	234	41	18%
17 REAL-TIME SCHEDULING	3,950	5,090	4,214	4,214	937	22%
18 SCHEDULING TECHNICAL SUPPORT	1,226	5,665	1,263	1,263	246	19%
19 SCHEDULING AFTER-THE-FACT	156	453	213	213	41	19%
20 Sub-Total	9,412	12,772	11,058	11,058	2,247	20%
Marketing and Business Support						
21 TRANSMISSION SALES	2,319	3,301	2,855	2,855	672	24%
22 MKTG TRANSMISSION FINANCE	270	303	303	303	76	25%
23 MKTG CONTRACT MANAGEMENT	4,058	4,479	4,735	4,726	1,036	22%
24 MKTG TRANSMISSION BILLING	2,226	2,333	2,400	2,393	600	25%
25 MKTG BUSINESS STRAT & ASSESS	6,426	6,553	7,214	7,302	1,540	21%
26 MARKETING IT SUPPORT	-	-	-	-	-	0%
27 Marketing Sub-Total	15,301	16,969	17,507	17,578	3,923	22%
28 EXECUTIVE AND ADMIN SERVICES	12,179	13,401	13,721	13,760	3,038	22%
29 LEGAL SUPPORT	2,609	2,984	2,822	2,764	834	30%
30 TRANS SERVICES INTERNAL GENERAL & ADMINISTRATIVE	10,191	11,714	14,390	14,343	2,162	15%
31 AIRCRAFT SERVICES	1,121	2,372	2,037	2,037	270	13%
32 LOGISTICS SERVICES	3,532	5,644	4,934	4,390	1,195	27%
33 SECURITY ENHANCEMENTS	482	977	937	937	72	8%
34 Business Support Sub-Total	30,116	37,092	38,841	38,230	7,571	20%
35 Transmission Operations Sub-Total	\$ 114,010	\$ 130,050	\$ 131,650	\$ 130,281	\$ 28,235	22%

Report ID: 0061FY12 **Transmission Services Detailed Statement of Revenues and Expenses** Run Date/Time: January 20, 2012 13:50
 Requesting BL: TRANSMISSION BUSINESS UNIT Through the Month Ended December 31, 2011 Data Source: EPM Data Warehouse
 Unit of Measure: \$ Thousands Preliminary/ Unaudited % of Year Lapsed = 25%

	A	B	C	D <small><Note 1</small>	E	F
	FY 2011	FY 2012			FY 2012	FY 2012
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
Transmission Maintenance						
System Maintenance						
36 NON-ELECTRIC MAINTENANCE	\$ 23,548	\$ 26,412	\$ 26,323	\$ 26,323	\$ 3,765	14%
37 SUBSTATION MAINTENANCE	25,522	29,961	29,940	29,904	5,692	19%
38 TRANSMISSION LINE MAINTENANCE	22,921	25,882	25,405	25,056	5,990	24%
39 SYSTEM PROTECTION CONTROL MAINTENANCE	11,388	12,802	12,783	12,423	2,323	19%
40 POWER SYSTEM CONTROL MAINTENANCE	11,958	13,423	15,933	15,812	2,729	17%
41 JOINT COST MAINTENANCE	58	206	1	1	18	0%
42 SYSTEM MAINTENANCE MANAGEMENT	5,292	6,320	6,282	8,166	1,226	15%
43 ROW MAINTENANCE	10,386	24,631	8,133	8,133	1,753	22%
44 HEAVY MOBILE EQUIP MAINT	379	(17)	(249)	926	(278)	-130%
45 TECHNICAL TRAINING	2,530	2,894	3,170	3,170	471	15%
46 VEGETATION MANAGEMENT	11,696	-	16,565	16,565	2,133	13%
47 Sub-Total	125,680	142,513	144,285	146,478	25,821	18%
Environmental Operations						
48 ENVIRONMENTAL ANALYSIS	21	81	81	81	4	5%
49 POLLUTION PREVENTION AND ABATEMENT	3,236	4,119	4,180	4,180	614	15%
50 Sub-Total	3,258	4,199	4,261	4,261	618	14%
51 Transmission Maintenance Sub-Total	128,937	146,713	148,546	150,739	26,439	18%
Transmission Engineering						
System Development						
52 RESEARCH & DEVELOPMENT	6,656	7,583	7,517	7,485	974	13%
53 TSD PLANNING AND ANALYSIS	10,801	11,531	12,767	12,488	2,725	22%
54 CAPITAL TO EXPENSE TRANSFER	3,826	4,032	4,000	5,788	917	16%
55 REGULATORY & REGION ASSOC FEES	8,403	6,858	8,476	8,478	2,024	24%
56 ENVIRONMENTAL POLICY/PLANNING	1,208	1,797	1,118	1,118	306	27%
57 ENG RATING AND COMPLIANCE	-	-	1,173	1,895	474	25%
58 Sub-Total	30,895	31,800	35,050	37,251	7,420	20%
59 Transmission Engineering Sub-Total	30,895	31,800	35,050	37,251	7,420	20%
Trans. Services Transmission Acquisition and Ancillary Services						
BBL Acquisition and Ancillary Products and Services						
60 ANCILLARY SERVICES PAYMENTS	97,185	114,066	114,073	116,151	27,367	24%
61 OTHER PAYMENTS TO POWER SERVICES	9,094	9,537	9,537	9,536	2,384	25%
62 STATION SERVICES PAYMENTS	3,757	3,350	3,350	3,461	889	26%
63 Sub-Total	110,035	126,953	126,960	129,148	30,640	24%
Non-BBL Acquisition and Ancillary Products and Services <Note 2						
64 LEASED FACILITIES	4,257	4,127	4,130	4,130	1,130	27%
65 GENERAL TRANSFER AGREEMENTS (settlement)	1,381	504	500	500	-	0%
66 NON-BBL ANCILLARY SERVICES	428	6,789	500	505	86	17%
67 TRANSMISSION RENEWABLES	684	-	696	696	125	18%
68 Sub-Total	6,750	11,420	5,827	5,832	1,341	23%
69 Trans. Svcs. Acquisition and Ancillary Services Sub-Total	116,785	138,373	132,787	134,980	31,981	24%
Transmission Reimbursables						
Reimbursables						
70 EXTERNAL REIMBURSABLE SERVICES	12,088	7,637	7,780	7,980	1,503	19%
71 INTERNAL REIMBURSABLE SERVICES	1,719	2,280	2,245	2,045	483	24%
72 Sub-Total	13,807	9,917	10,025	10,025	1,986	20%
73 Transmission Reimbursables Sub-Total	\$ 13,807	\$ 9,917	\$ 10,025	\$ 10,025	\$ 1,986	20%

Report ID: 0061FY12	Transmission Services Detailed Statement of Revenues and Expenses	Run Date/Time: January 20, 2012 13:50
Requesting BL: TRANSMISSION BUSINESS UNIT	Through the Month Ended December 31, 2011	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 25%

	A	B	C	D <Note 1	E	F
	FY 2011	FY 2012			FY 2012	FY 2012
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
BPA Internal Support						
74 Additional Post-Retirement Contribution	\$ 15,579	\$ 17,243	\$ 17,243	\$ 17,243	\$ 4,311	25%
75 Agency Services G & A (excludes direct project support)	60,067	59,857	56,430	55,754	13,543	24%
76 BPA Internal Support Subtotal	75,645	77,100	73,673	72,997	17,854	24%
Other Income, Expenses, and Adjustments						
77 Bad Debt Expense	75	-	-	-	(147)	0%
78 Other Income, Expenses, Adjustments	19,811	-	-	(19)	128	0%
79 Undistributed Reduction	-	-	-	(3,788)	-	0%
80 Non-Federal Debt Service <Note 2	-	-	-	-	-	0%
81 Depreciation	190,616	196,877	200,200	200,200	48,113	24%
82 Amortization <Note 2	1,780	1,727	1,400	1,400	243	17%
83 Total Operating Expenses	692,363	732,557	733,331	734,066	162,252	22%
84 Net Operating Revenues (Expenses)	215,645	215,443	215,327	201,206	59,736	30%
Interest Expense and (Income)						
85 Federal Appropriation	29,217	23,087	26,712	26,712	6,678	25%
86 Capitalization Adjustment	(18,968)	(18,968)	(18,968)	(18,968)	(4,742)	25%
87 Borrowings from US Treasury	96,181	102,203	83,982	80,072	19,694	25%
88 Debt Service Reassignment	54,359	54,352	53,229	53,229	13,588	26%
89 Customer Advances	9,838	24,573	9,600	9,600	2,818	29%
90 Lease Financing	26,383	20,268	25,502	25,900	6,376	25%
91 AFUDC	(27,833)	(30,069)	(27,850)	(28,800)	(8,782)	30%
92 Interest Income	(25,319)	(17,362)	(25,253)	(20,614)	(3,756)	18%
93 Net Interest Expense (Income)	143,858	158,084	126,954	127,131	31,874	25%
94 Total Expenses	836,220	890,641	860,285	861,197	194,127	23%
95 Net Revenues (Expenses)	\$ 71,788	\$ 57,359	\$ 88,373	\$ 74,075	\$ 27,861	38%

<1 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties, among other factors, may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

<2 Beginning in FY 2004, 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.

Financial Disclosure

- This information has been made publicly available by BPA on January 27, 2012 and contains BPA-approved Agency Financial Information.