Quarterly Business Review (QBR)

May 1, 2012
9:30 am – 3:25 pm

Rates Hearing Room

To Participate by Phone Please dial **503-230-5566**.
When prompted, enter access code **3434#**.

Time	Min	Agenda Topic	Slide	Presenter
9:30	10	Review Agenda	2	Mary Hawken
9:40	30	CFO Spotlight	~	Claudia Andrews
Financial Highlights				
10:10	30	▪ Review of 2nd Quarter Financial Results ▪ Review of 2nd Quarter Forecast	3-21	Mary Hawken, Brian McConnell, Cheryl Hargin, Kathy Rehmer
10:40	30	Slice Reporting	22-37	Janice Johnson
11:10	20	Accounting Treatment for LGIA Credits	38-53	Harriet Tsen
11:30	20	Depreciation Study Results	54-58	Scott Baird
11:50	40	Lunch	~	~
Operational Excellence				
12:30	20	Accurate Billing of Customer Contracts	59-65	Susan Walsh
12:50	20	Project Management Improvements	66-72	Brian Scott
Other Agency Topics				
1:10	15	75th Anniversary	73-81	Christy Adams
1:25	30	Short-Term Asset-Liability Management Matching Program	82-92	Damen Bleiler, Marcus Harris
1:55	20	CGS Decommissioning Fund	93-95	Steve Gaube
2:15	30	Recent Debt Management Actions	96-110	Jon Dull
2:45	10	Break	~	~
2:55	20	Federal Hydro Capital Projects Update	111-128	Mark Jones
3:15	10	Questions, Comments, Future Meeting Topics	~	Mary Hawken
3:25	~	Adjourn		

Financial Highlights

Customer Collaborative
Financial Overview for FY 2012 through March 31, 2012

- **Agency**
  - The end-of-year net revenue forecast for the 2nd Quarter Review is $42 million. This is $58 million higher than the 1st Quarter Review forecast, $64 million below the SOY forecast and $21 million below the rate case.
  - Agency Net Revenues through March are $111 million. Cumulative net revenue through March is higher than the 1st Quarter forecast, net revenue for the month of March is higher than expected in the 1st Quarter forecast.
  - The start-of-year (SOY) estimate of the net revenues for the fiscal year is $106 million and the rate case forecast is $64 million.
- **Power Services**
  - The 2nd Quarter Review net revenue forecast is $2 million. This is $47 million higher than the 1st Quarter Review forecast, $61 million below the SOY forecast and $51 million below the rate case forecast.
  - Power Services net revenue through March is $82 million. Cumulative net revenue through March is higher than the 1st Quarter forecast.
  - The improvement in net revenue relative to the 1st Quarter forecast is due in large part to increased stream flows and resulting net secondary revenue, despite lower market prices and a purchase expense related to a Canadian storage agreement. Since the 1st Quarter Review, the Northwest River Forecast Center's Official Water Supply Forecast has increased by over 19 million acre-feet.
  - Operating expenses were lower as well, due primarily to lower interest expenses associated with reclassification of a water intake tower at Cougar Dam, and an expected settlement with CalPX and CalISO.

Customer Collaborative
Financial Overview for FY 2012 through March 31, 2012

- Historically, the bulk of precipitation for the water year has occurred by the end of Q2, and the variability of net revenue estimates generally decreases afterwards. Nonetheless, some uncertainty regarding the final net revenue for the year still remains.
- Accounting transactions that impacted net revenue in March.
  - California Settlement proceedings – Bad Debt Expense was increased by $1.7 million to adjust the amount receivable from the CalPX and CalISO down to the agreed upon settlement amount of principal due to BPA. Interest Income of $16 million was recorded as receivable based on the minimum interest accrued in the escrow accounts.
  - Reclassification of the Cougar Dam intake tower – Reclassification of the purpose of these assets changed the allocation percentage for power from 100% to 23%. The impact of the reclassification on net revenues was a reduction in Interest Expense of $14.2 million, reduction of O&M Expense of $1.4 million, and a reduction in Depreciation of $3.6 million.
  - BPA recently negotiated a new non-treaty storage agreement with BC Hydro (BCH) under which BPA and BCH each retain the value of generation changes (at downstream U.S. federal projects) resulting from the operation of their half of this storage. BPA and BCH may each make requests to either store water into or release water from their share of this storage. The value of a water transaction is determined based on the regional market price of power at the time that transaction occurs. BPA or BCH may receive its benefits as either cash or energy. This year, BCH is owed benefits and has indicated that it will take financial settlement of the balance. The current estimate of BCH benefits for this fiscal year is $32 million.

Customer Collaborative
Financial Overview for FY 2012 through March 31, 2012

Transmission Services

- The 2nd Quarter Review forecast is $83 million. This is $9 million higher than the 1st Quarter Review forecast, a $5 million decrease from the SOY forecast and $26 million increase from the rate case.
- Transmission Net Revenues through March are $51 million. Cumulative net revenue through March is consistent with the 1st quarter forecast, net revenue for the month of March is also tracking the 1st Quarter forecast expectations.
- The start-of-year estimate of net revenues for the fiscal year is $88 million and the rate case forecast is $57 million.
- The increase in the forecasted Net Revenues from the 1st quarter is due to higher projected Short-Term and Reimbursable revenues.

Federal Columbia River Power System (FCRPS)

FY 2012 SECOND QUARTER REVIEW

Net Revenues and Reserves

Projection for FY 2012

April 24, 2012

2nd Quarter Review – Executive Highlights

($ in Millions)

	A	B	C	D
			FY 2012 Current Expectation	
	FY 2011 Audited Actuals without Bookouts [1/]	*FY 2012 Start of Year without Bookouts* [1/]	*without Bookouts* [1/]	*with Bookouts*
1. REVENUES	3,377.0	3,411.1	**3,354.6**	**3,308.5**
2. EXPENSES	3,295.3	3,305.2	**3,312.4**	**3,266.3**
3. NET REVENUES [2/]	81.7	105.9	**42.2** [5/]	**42.2** [5/]
4. END OF YEAR FINANCIAL RESERVES [3/]	1,006.0	965.0	**868.1** [5/]	**868.1** [5/]
5. BPA ACCRUED CAPITAL EXPENDITURES [4/]	798.0	876.4	**841.8**	**841.8**

Footnotes

1/ Does not reflect the change in accounting for power "bookout" transactions made after adoption of new accounting guidance as of Oct 1, 2003.
2/ Net revenues include the effects of non-federal debt management. An example of non-federal debt management is the refinancing of ENW debt.
3/ Financial reserves equal total cash plus deferred borrowing and investments in non-marketable U.S. Treasury securities.
4/ Funded by borrowing from BPA's borrowing authority held with the U.S. Treasury.
5/ 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: April 16,2012/ 15:31
Requesting BL: CORPORATE BUSINESS UNIT	Quarterly Review at March 31, 2012	Data Source: EPM Data Warehouse
Unit of measure: $ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 50%

		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 / SOY Budget	Actuals: FYTD	Actuals / SOY Budget
	Operating Revenues						
1	Gross Sales (excluding bookout adjustment) <Notes 1 and 5	$ 3,226,407	$ 3,257,094	$ 3,208,969	99%	$ 1,667,587	51%
2	Bookout adjustment to Sales <Note 1	(92,198)	-	(46,122)	0%	(46,122)	0%
3	Miscellaneous Revenues	60,863	58,352	66,206	113%	32,076	55%
4	U.S. Treasury Credits	89,702	95,662	79,438	83%	44,024	46%
5	**Total Operating Revenues**	**3,284,775**	**3,411,108**	**3,308,492**	**97%**	**1,697,565**	**50%**
	Operating Expenses						
	Power System Generation Resources						
	Operating Generation Resources						
6	Columbia Generating Station	322,212	306,366	295,432	96%	137,041	45%
7	Bureau of Reclamation	85,488	111,972	111,972	100%	42,093	38%
8	Corps of Engineers	190,835	208,700	207,175	99%	93,408	45%
9	Long-term Contract Generating Projects	29,427	25,079	25,131	100%	13,521	54%
10	Operating Generation Settlement Payment	17,570	21,928	20,437	93%	9,467	43%
11	Non-Operating Generation	2,672	1,938	2,100	108%	1,104	57%
12	Gross Contracted Power Purchases and Augmentation Power Purch <Note 1	240,147	102,254	170,308	167%	152,408	149%
13	Bookout Adjustment to Power Purchases <Note 1	(92,198)	-	(46,122)	0%	(46,122)	0%
14	Exchanges & Settlements <Note 5	184,764	202,961	203,424	100%	115,777	57%
15	Renewables	38,045	37,487	37,342	100%	17,056	45%
16	Generation Conservation	59,475	46,950	41,024	87%	17,907	38%
17	**Subtotal Power System Generation Resources**	**1,078,437**	**1,065,636**	**1,068,223**	**100%**	**553,660**	**52%**
18	Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 3	49,397	55,984	56,084	100%	24,645	44%
19	Power Services Non-Generation Operations	75,084	86,611	85,844	99%	35,985	42%
20	Transmission Operations	114,010	131,650	129,148	98%	59,565	45%
21	Transmission Maintenance	128,937	148,546	144,339	97%	58,338	39%
22	Transmission Engineering	30,895	35,050	43,579	124%	20,889	60%
23	Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 3, 4	6,751	5,827	5,497	94%	3,141	54%
24	Transmission Reimbursables	13,807	10,025	20,513	205%	7,832	78%
25	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	253,403	275,745	276,276	100%	133,690	48%
	BPA Internal Support						
26	Additional Post-Retirement Contribution	31,157	34,486	34,486	100%	17,243	50%
27	Agency Services G&A	110,928	108,007	107,151	99%	53,557	50%
28	Other Income, Expenses & Adjustments	19,453	-	1,819	0%	1,508	0%
29	Non-Federal Debt Service <Note 4	624,972	675,693	657,832	97%	320,658	47%
30	Depreciation & Amortization <Note 4	393,502	401,818	392,628	98%	192,362	48%
31	**Total Operating Expenses**	**2,930,733**	**3,035,077**	**3,023,420**	**100%**	**1,483,071**	**49%**
32	**Net Operating Revenues (Expenses)**	**354,041**	**376,031**	**285,072**	**76%**	**214,494**	**57%**
	Interest Expense and (Income)						
33	Interest Expense	352,982	351,730	331,697	94%	158,351	45%
34	AFUDC	(43,062)	(43,204)	(45,230)	105%	(26,819)	62%
35	Interest Income	(37,562)	(38,405)	(43,635)	114%	(27,811)	72%
36	**Net Interest Expense (Income)**	**272,359**	**270,121**	**242,833**	**90%**	**103,722**	**38%**
37	**Net Revenues (Expenses)**	**$ 81,683**	**$ 105,910**	**$ 42,239**	**40%**	**$ 110,772**	**105%**

<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
Requesting BL: POWER BUSINESS UNIT
Unit of measure: $ Thousands

Power Services Summary Statement of Revenues and Expenses

Through the Month Ended March 31, 2012
Preliminary/ Unaudited

Run Date/Time: April 17, 2012 06:01
Data Source: EPM Data Warehouse
% of Year Lapsed = 50%

		A	B	C	D	E <Note 2	F
		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 3	$ 1,384,892	$ 2,486,801	$ 2,445,649	$ 2,445,649	$ 2,407,774	$ 1,275,908
2	Bookout Adjustment to Sales <Note 1	(55,161)	(92,198)	-	-	(46,122)	(46,122)
3	Miscellaneous Revenues	12,541	24,699	26,198	26,198	20,445	13,369
4	Inter-Business Unit	54,064	110,034	127,449	127,449	130,408	61,302
5	U.S. Treasury Credits	53,196	89,702	95,662	95,662	79,438	44,024
6	**Total Operating Revenues**	**1,449,532**	**2,619,038**	**2,694,957**	**2,694,957**	**2,591,943**	**1,348,482**
	Operating Expenses						
	Power System Generation Resources						
	Operating Generation Resources						
7	Columbia Generating Station	184,006	322,212	306,366	306,366	295,432	137,041
8	Bureau of Reclamation	36,198	85,488	111,972	111,972	111,972	42,093
9	Corps of Engineers	84,549	190,835	208,700	208,700	207,175	93,408
10	Long-term Contract Generating Projects	13,008	29,427	25,079	25,079	25,131	13,521
11	Operating Generation Settlement Payment	7,119	17,570	21,928	21,928	20,437	9,467
12	Non-Operating Generation	1,330	2,672	1,938	1,938	2,100	1,104
13	Gross Contracted Power Purchases and Aug Power Purchases <Note 1	159,569	240,147	102,254	102,254	170,308	152,408
14	Bookout Adjustment to Power Purchases <Note 1	(55,161)	(92,198)	-	-	(46,122)	(46,122)
15	Residential Exchange/IOU Settlement Benefits <Note 3	100,391	184,764	201,561	202,961	203,424	115,777
16	Renewables	18,321	38,527	37,670	37,669	37,342	17,067
17	Generation Conservation	29,674	59,476	46,950	46,950	41,024	17,907
18	**Subtotal Power System Generation Resources**	**579,004**	**1,078,919**	**1,064,418**	**1,065,817**	**1,068,223**	**553,672**
19	Power Services Transmission Acquisition and Ancillary Services	83,462	179,684	160,516	162,116	162,884	70,416
20	Power Non-Generation Operations	34,606	75,137	88,460	86,656	85,889	35,993
21	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	108,523	254,540	276,639	276,610	277,356	133,956
	BPA Internal Support						
22	Additional Post-Retirement Contribution	7,789	15,579	17,243	17,243	17,243	8,622
23	Agency Services G&A	23,742	50,861	51,735	51,576	51,111	25,578
24	Other Income, Expenses & Adjustments	301	(156)	-	-	1,738	1,738
25	Non-Federal Debt Service	264,687	563,207	570,970	575,063	559,047	270,495
26	Depreciation & Amortization	98,644	201,106	203,198	200,218	197,748	96,315
27	**Total Operating Expenses**	**1,200,758**	**2,418,876**	**2,433,179**	**2,435,299**	**2,421,238**	**1,196,785**
28	**Net Operating Revenues (Expenses)**	**248,774**	**200,161**	**261,778**	**259,658**	**170,705**	**151,697**
	Interest Expense and (Income)						
29	Interest Expense	103,339	210,371	233,794	224,902	208,965	96,947
30	AFUDC	(5,811)	(15,229)	(12,511)	(15,354)	(15,530)	(7,184)
31	Interest Income	(5,397)	(12,283)	(12,624)	(13,152)	(24,988)	(19,818)
32	**Net Interest Expense (Income)**	**92,131**	**182,860**	**208,659**	**196,396**	**168,447**	**69,945**
33	**Net Revenues (Expenses)**	**$ 156,643**	**$ 17,302**	**$ 53,119**	**$ 63,262**	**$ 2,258**	**$ 81,752**

<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: April 17, 2012 06:07
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended March 31, 2012	Data Source: EPM Data Warehouse
Unit of Measure: $ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 50%

		A	B	C	D
		FY 2012		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	$ 517,140	50%
2	Non-Slice	(206,188)	(206,188)	(102,981)	50%
3	Load Shaping	(6,391)	(6,391)	24,383	-482%
4	Demand	58,932	58,932	21,190	36%
5	Discounts / Fees	(42,895)	(42,895)	(13,341)	31%
6	RSS / RSC	232	232	214	92%
7	Misc.	(33,033)	(33,033)	(16,517)	50%
8	Sub-Total	806,070	806,070	430,088	53%
	Block				
9	Composite	584,339	584,339	295,747	51%
10	Non-Slice	(116,363)	(116,363)	(58,894)	51%
11	Load Shaping	(10,519)	(10,519)	38,753	-468%
12	Demand	-	-	73	0%
13	Discounts / Fees	(4,963)	(4,963)	4	-100%
14	RSS / RSC	-	-	-	0%
15	Misc.	(20,852)	(20,852)	(9,197)	44%
16	Sub-Total	431,642	431,642	266,485	62%
	Slice				
17	Composite	629,081	629,081	314,542	50%
18	Slice	-	-	-	0%
19	Discounts / Fees	(3,216)	(3,216)	(1,938)	60%
20	Misc.	(22,652)	(22,652)	(10,355)	46%
21	Sub-Total	603,213	603,213	302,248	50%
22	**PF Tier 2 Revenues**	8,603	8,603	4,302	50%
23	**NR Revenues**	-	-	90	0%
24	**IP Revenues**	108,618	108,618	55,310	51%
25	**FPS Revenues**	449,121	449,121	184,589	41%
26	**Other Revenues**	38,381	38,381	32,796	85%
27	**Gross Sales (excluding bookout adjustment)**	2,445,649	2,445,649	1,275,908	52%
28	**Bookout Adjustment to Sales**	-	-	(46,122)	0%
29	**Miscellaneous Revenues**	26,198	26,198	13,369	51%
30	**Inter-Business Unit**	127,449	127,449	61,302	48%
31	**U.S. Treasury Credits**	95,662	95,662	44,024	46%
32	**Total Operating Revenues**	**2,694,957**	**2,694,957**	**1,348,482**	**50%**

Report ID: 0023FY12	Transmission Services Summary Statement of Revenues and Expenses	Run Date/Time: April 17, 2012/ 06:01
Requesting BL: TRANSMISSION BUSINESS UNIT	Through the Month Ended March 31, 2012	Data Source: EPM Data Warehouse
Unit of Measure: $ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 50%

		A	B	C	D	E <Note 1>	F
		FY 2011		FY 2012			FY 2012
		Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
	Operating Revenues						
1	Sales	$ 370,956	$ 739,606	$ 808,677	$ 811,445	$ 801,195	$ 391,678
2	Miscellaneous Revenues	16,288	36,164	31,996	32,154	45,761	18,707
3	Inter-Business Unit Revenues	58,840	132,237	107,328	105,058	107,262	46,112
4	**Total Operating Revenues**	**446,084**	**908,008**	**948,001**	**948,658**	**954,219**	**456,497**
	Operating Expenses						
5	Transmission Operations	53,267	114,010	130,050	131,650	129,148	59,565
6	Transmission Maintenance	58,677	128,937	146,713	148,546	144,339	58,338
7	Transmission Engineering	13,503	30,895	31,800	35,050	43,579	20,889
8	Trans Services Transmission Acquisition and Ancillary Services <Note 2	58,026	116,785	138,373	132,787	136,300	64,443
9	Transmission Reimbursables	5,880	13,807	9,917	10,025	20,513	7,832
	BPA Internal Support						
10	Additional Post-Retirement Contribution	7,789	15,579	17,243	17,243	17,243	8,622
11	Agency Services G&A	28,225	60,067	59,857	56,430	56,040	27,979
12	Other Income, Expenses & Adjustments	3,823	19,887	-	-	81	81
13	Depreciation & Amortization <Note 2	96,570	192,396	198,604	201,600	194,880	96,047
14	**Total Operating Expenses**	**325,761**	**692,363**	**732,557**	**733,331**	**742,124**	**343,795**
15	**Net Operating Revenues (Expenses)**	**120,323**	**215,645**	**215,443**	**215,327**	**212,095**	**112,702**
	Interest Expense and (Income)						
16	Interest Expense	89,416	197,010	205,515	180,057	177,087	88,579
17	AFUDC	(11,878)	(27,833)	(30,069)	(27,850)	(29,700)	(18,406)
18	Interest Income	(12,315)	(25,319)	(17,362)	(25,253)	(18,647)	(7,997)
19	**Net Interest Expense (Income)**	**65,224**	**143,858**	**158,084**	**126,954**	**128,740**	**62,175**
20	**Net Revenues (Expenses)**	**$ 55,099**	**$ 71,788**	**$ 57,359**	**$ 88,373**	**$ 83,355**	**$ 50,527**

<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: April 17, 2012 06:07**
Requesting BL: TRANSMISSION BUSINESS UNIT	**Through the Month Ended March 31, 2012**	**Data Source: EPM Data Warehouse**
Unit of Measure: $ Thousands	**Preliminary/ Unaudited**	**% of Year Lapsed = 50%**

		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	$ 365,638	$ 181,202
2	NETWORK INTEGRATION	129,974	129,893	122,330	65,311
3	INTEGRATION OF RESOURCES	25,999	22,512	22,512	11,376
4	FORMULA POWER TRANSMISSION	25,629	25,629	25,416	12,726
5	PTP - SHORT TERM	27,883	28,541	24,979	2,972
6	**TOTAL: NETWORK**	**572,180**	**568,544**	**560,876**	**273,587**
	ANCILLARY SERVICES				
7	SCHEDULING, SYSTEM CONTROL & DISPATCH	93,458	93,493	92,744	44,825
8	OPERATING RESERVES - SPIN & SUPP	55,572	57,014	55,622	27,319
9	VARIABLE RES BALANCING	52,574	51,654	46,073	19,823
10	REGULATION & FREQ RESPONSE	6,442	6,526	6,495	3,455
11	ENERGY & GENERATION IMBALANCE	-	-	5,524	2,506
12	DISPATCHABLE RES BALANCING	-	-	4,250	2,421
13	**TOTAL: ANCILLARY SERVICES**	**208,046**	**208,687**	**210,707**	**100,350**
	INTERTIE				
14	SOUTHERN INTERTIE LONG TERM	92,297	92,297	92,347	45,947
15	SOUTHERN INTERTIE SHORT TERM	4,258	4,817	4,207	683
16	MONTANA INTERTIE LONG TERM	115	115	115	57
17	MONTANA INTERTIE SHORT TERM	-	-	-	9
18	**TOTAL: INTERTIE**	**96,670**	**97,229**	**96,669**	**46,696**

Report ID: 0063FY12	Transmission Services Revenue Detail by Product	Run Date/Time: April 17, 2012 06:07
Requesting BL: TRANSMISSION BUSINESS UNIT	Through the Month Ended March 31, 2012	Data Source: EPM Data Warehouse
Unit of Measure: $ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 50%

		A	B	C	D
		FY 2012			FY 2012
		Rate Case	SOY Budget	Current EOY Forecast	Actuals
	OTHER REVENUES & CREDITS				
19	TOWNSEND-GARRISION TRANS	$ 9,796	$ 12,421	$ 12,421	$ 6,210
20	GEN INTEGRATION - OTHER REV	8,865	8,865	8,865	3,694
21	USE OF FACILITIES	5,146	5,146	5,514	2,760
22	POWER FACTOR PENALTY	4,402	4,402	3,936	1,831
23	NFP - DEPR PNW PSW INTERTIE	3,065	2,943	3,119	1,654
24	AC - PNW PSW INTERTIE - OTH REV	1,432	1,594	1,633	764
25	OPERATIONS & MAINT - OTHER REV	1,145	1,170	1,127	531
26	COE & BOR PROJECT REV	954	954	954	477
27	RESERVATION FEE - OTHER REV	1,089	1,641	1,159	900
28	TRANSMISSION SHARE IRRIGATION	382	382	382	8
29	LAND LEASES AND SALES	301	301	245	279
30	OTHER LEASES REVENUE	151	151	127	23
31	REMEDIAL ACTION - OTHER REV	51	51	44	21
32	MISC SERVICES - LOSS-EXCH-AIR	-	100	325	136
33	FAILURE TO COMPLY - OTHER REV	-	-	414	(1,989)
34	UNAUTHORIZED INCREASE - OTH REV	-	-	-	96
35	OTHER REVENUE SOURCES	-	-	-	-
36	**TOTAL: OTHER REVENUES & CREDITS**	**36,779**	**40,121**	**40,266**	**17,395**
	FIBER & PCS				
37	FIBER OTHER REVENUE	6,899	7,009	8,177	4,049
38	WIRELESS/PCS - OTHER REVENUE	4,861	5,121	4,507	2,516
39	WIRELESS/PCS - REIMBURSABLE REV	1,206	1,285	1,662	439
40	FIBER OTHER REIMBURSABLE REV	886	886	1,000	655
41	**TOTAL: FIBER & PCS**	**13,853**	**14,302**	**15,346**	**7,659**
	REIMBURSABLE				
42	REIMBURSABLE - OTHER REVENUE	15,786	15,330	26,027	8,062
43	ACCRUAL REIMBURSABLE	-	-	-	680
44	**TOTAL: REIMBURSABLE**	**15,786**	**15,330**	**26,027**	**8,742**
	DELIVERY				
45	UTILITY DELIVERY CHARGES	2,902	2,661	2,546	1,177
46	DSI DELIVERY	1,785	1,785	1,782	891
47	**TOTAL: DELIVERY**	**4,687**	**4,445**	**4,328**	**2,068**
48	**TOTAL: Transmission Services Operating Revenues**	**$ 948,001**	**$ 948,658**	**$ 954,219**	**$ 456,497**

Report ID: 0027FY12	BPA Statement of Capital Expenditures	Run Date/Run Time:April 18, 2012/ 15:18
Requesting BL: CORPORATE BUSINESS UNIT	FYTD Through the Month Ended March 31, 2012	Data Source: EPM Data Warehouse
Unit of Measure: $Thousands	Preliminary Unaudited	% of Year Lapsed = 50%

		A	B	C	D	E
		FY 2012		FY 2012		FY 2012
		SOY Budget	Current EOY Forecast	Actuals: Mar	Actuals: FYTD	Actuals / Forecast
	Transmission Business Unit					
	MAIN GRID					
1	MID-COLUMBIA REINFORCEMENT	2	1,472	492	1,232	84%
2	CENTRAL OREGON REINFORCEMENT	17,821	28,898	2,932	7,554	26%
3	BIG EDDY-KNIGHT 500kv PROJECT	104,911	150,073	11,590	51,302	34%
4	WEST OF MCNARY INTEGRATION PRO	7,258	5,801	439	7,346	127%
5	I-5 CORRIDOR UPGRADE PROJECT	27,118	22,162	1,349	9,259	42%
6	LIBBY-TROY LINE REBUILD	157	(99)	-	(97)	99%
7	CENTRAL FERRY- LOWER MONUMNTAL	36,067	37,546	658	9,189	24%
8	PORTLAND-VANCOUVER	12,807	14,475	1,838	12,655	87%
9	WEST OF CASCADES NORTH	-	1,763	-	-	0%
10	SALEM- ALBANY-EUGENE AREA	13,239	6,346	202	4,564	72%
11	TRI-CITIES AREA	4,089	885	29	36	4%
12	MONTANA-WEST OF HATWAI	-	100	9	33	33%
13	NERC CRITERIA COMPLIANCE	557	-	-	-	
14	MISC. MAIN GRID PROJECTS	15,823	1,940	37	(1,956)	-101%
15	TOTAL MAIN GRID	239,850	271,362	19,576	101,116	37%
	AREA & CUSTOMER SERVICE					
16	ROGUE SVC ADDITION	1,603	1,827	76	471	26%
17	CITY OF CENTRALIA PROJECT	157	75	1	(11)	-14%
18	SOUTHERN IDAHO - LOWER VALLEY	8,436	8,071	77	2,507	31%
19	LONGVIEW AREA REINFORCEMENT	1,858	2,226	358	844	38%
20	KALISPELL-FLATHEAD VALLEY	1,501	505			0%
21	MISC. AREA & CUSTOMER SERVICE	5,331	3,061	166	926	30%
22	TOTAL AREA & CUSTOMER SERVICE	18,886	15,764	678	4,737	30%

Report ID: 0027FY12	BPA Statement of Capital Expenditures	Run Date/Run Time:April 18, 2012/ 15:18
Requesting BL: CORPORATE BUSINESS UNIT	FYTD Through the Month Ended March 31, 2012	Data Source: EPM Data Warehouse
Unit of Measure: $Thousands	Preliminary Unaudited	% of Year Lapsed = 50%

		A	B	C	D	E
		FY 2012		FY 2012		FY 2012
		SOY Budget	Current EOY Forecast	Actuals: Mar	Actuals: FYTD	Actuals / Forecast
	Transmission Business Unit (Continued)					
	SYSTEM REPLACEMENTS					
23	TEAP - TOOLS	1,105	1,055	-	197	19%
24	TEAP - EQUIPMENT	14,548	6,859	562	2,657	39%
25	SPC - SER	985	508	104	529	104%
26	SPC - DFRS	4,275	2,391	232	1,514	63%
27	SPC - METERING	1,008	618	18	374	61%
28	SPC - CONTROL AND INDICATION	334	160	66	136	85%
29	SPC - RELAYS	10,803	10,819	383	2,061	19%
30	PSC - TELEPHONE SYSTEMS	930	364	142	317	87%
31	PSC - TRANSFER TRIP	11,927	2,435	584	1,623	67%
32	PSC - TLECOM TRANSPORT	1,295	1,392	167	804	58%
33	PSC - SCADA/TELEMTRY/SUP CNTRL	1,690	631	27	58	9%
34	PSC- TELECOM SUPPORT EQUIPMENT	3,927	217	75	265	122%
35	SUB DC- PWR ELCTRNC & SRS CAPS	13,963	14,410	539	3,867	27%
36	SUB AC- BUS & STRUCTURES	934	181	93	240	133%
37	SUB AC - LOW VOLTAGE AUX.	4,490	5,052	608	1,877	37%
38	SUB AC- SHUNT CAPACITORS	220	93	44	126	136%
39	SUB AC-CIRCUIT BRKR & SWTCH GR	15,121	16,834	798	5,209	31%
40	SUB AC - CVT/PT/CT & ARRESTERS	673	697	58	287	41%
41	SUB AC-TRANSFORMERS & REACTORS	1,442	373	62	(1)	0%
42	LINES - STEEL HARDWARE REPLCMT	10,646	34,653	2,490	5,743	17%
43	LINES - WOOD POLE LN REBUILDS	39,995	37,750	3,120	20,517	54%
44	MISC. REPLACEMENT PROJECTS	750	-	-	-	
45	MISC FACILITIES- NON-ELECTRIC	18,852	11,161	287	2,540	23%
46	TOTAL SYSTEM REPLACEMENTS	159,914	148,651	10,457	50,940	34%

Report ID: 0027FY12	BPA Statement of Capital Expenditures	Run Date/Run Time: April 18, 2012/ 15:18
Requesting BL: CORPORATE BUSINESS UNIT	FYTD Through the Month Ended March 31, 2012	Data Source: EPM Data Warehouse
Unit of Measure: $Thousands	Preliminary Unaudited	% of Year Lapsed = 50%

		A	B	C	D	E
		FY 2012		FY 2012		FY 2012
		SOY Budget	Current EOY Forecast	Actuals: Mar	Actuals: FYTD	Actuals / Forecast
	Transmission Business Unit (Continued)					
	UPGRADES & ADDITIONS					
47	IT PROJECTS	3,460	(2,736)	(5,305)	(5,540)	202%
48	SECURITY ENHANCEMENTS	4,827	4,925	43	693	14%
49	LAND RIGHTS - ACCESS ROADS	8,007	5,046	173	893	18%
50	LAND RIGHTS- VEG MITIGATION	1,118	1,437	202	622	43%
51	LAND RIGHTS - TRIBAL RENEWALS	3,608	1,362	1	11	1%
52	ACCESS ROADS	29,393	21,633	741	4,873	23%
53	SUBSTATION UPGRADES	24,262	22,704	1,968	11,035	49%
54	LINE SWITCH UPGRADES	13	2	(1)	3	139%
55	LINE CAPACITY UPGRADES	953	874	23	54	6%
56	CELILO UPGRADES PROJECT	14,059	4,124	534	1,049	25%
57	CONTROL CENTERS	186	409	14	58	14%
58	CC SYSTEM & APPLICATION	1,010	1,314	64	488	37%
59	CC INFASTRUCTURE COMPONENTS	4,739	3,462	132	1,243	36%
60	SYSTEM TELECOMMUNICATION	33,271	15,598	1,147	5,885	38%
61	MISC. UPGRADES AND ADDITIONS	43,835	48,577	4,306	16,223	33%
62	TOTAL UPGRADES & ADDITIONS	172,740	128,731	4,041	37,592	29%
	ENVIRONMENT CAPITAL					
63	MISC. ENVIRONMENT PROJECTS	6,417	6,601	834	2,754	42%
64	TOTAL ENVIRONMENT CAPITAL	6,417	6,601	834	2,754	42%
65	CAPITAL DIRECT	597,806	571,110	35,585	197,139	35%

Report ID: 0027FY12	BPA Statement of Capital Expenditures	Run Date/Run Time:April 18, 2012/ 15:18
Requesting BL: CORPORATE BUSINESS UNIT	FYTD Through the Month Ended March 31, 2012	Data Source: EPM Data Warehouse
Unit of Measure: $Thousands	Preliminary Unaudited	% of Year Lapsed = 50%

		A	B	C	D	E
		FY 2012		FY 2012		FY 2012
		SOY Budget	Current EOY Forecast	Actuals: Mar	Actuals: FYTD	Actuals / Forecast
	Transmission Business Unit (Continued)					
	PFIA					
66	MISC. PFIA PROJECTS	10,276	7,950	412	2,311	29%
67	GENERATOR INTERCONNECTION	77,814	22,309	2,768	15,686	70%
68	SPECTRUM RELOCATION	2,613	5,104	272	2,721	53%
69	COI ADDITION PROJECT	1,575	257	6	344	134%
70	TOTAL PFIA	92,278	35,620	3,458	21,062	59%
71	CAPITAL INDIRECT	-	-	410	552	
72	LAPSE FACTOR	(103,035)	-	-	-	
73	**TOTAL Transmission Business Unit**	587,049	606,729	39,453	218,754	36%

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

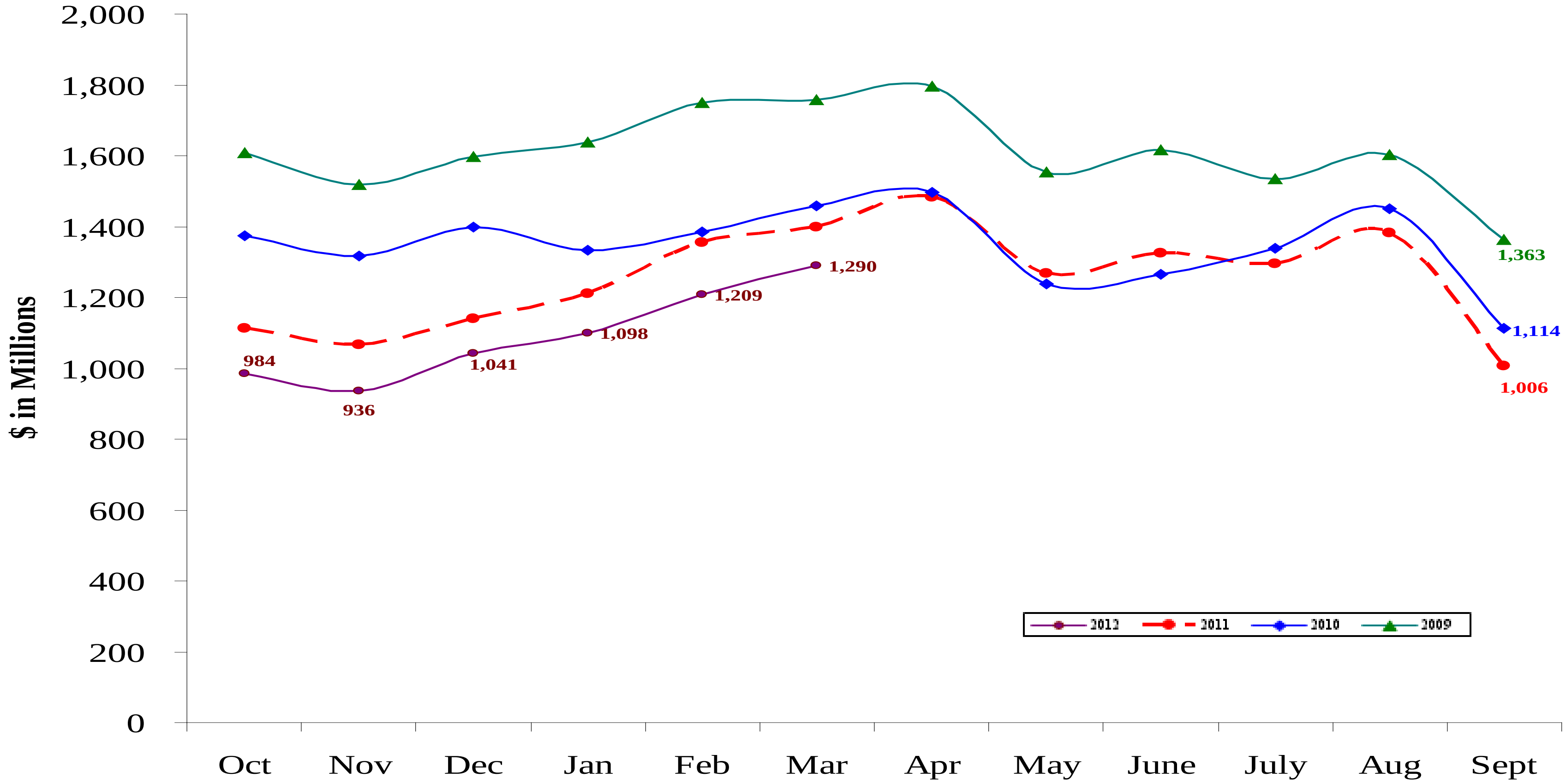
BPA Statement of Capital Expenditures
FYTD Through the Month Ended March 31, 2012
Preliminary Unaudited

Run Date/Run Time:April 18, 2012/ 15:18
Data Source: EPM Data Warehouse
% of Year Lapsed = 50%

		A	B	C	D	E
		FY 2012		FY 2012		FY 2012
		SOY Budget	Current EOY Forecast	Actuals: Mar	Actuals: FYTD	Actuals / Forecast
	Power Business Unit					
74	BUREAU OF RECLAMATION L2	95,321	83,639	6,644	33,651	40%
75	CORPS OF ENGINEERS L2	140,116	150,813	4,104	61,228	41%
76	GENERATION CONSERVATION	89,000	92,900	19,582	37,122	40%
77	NON-GENERATION OPERATIONS	6,915	8,000	1,063	5,024	63%
78	FISH&WILDLIFE&PLANNING COUNCIL	59,785	59,785	(430)	16,558	28%
79	LAPSE FACTOR	(37,038)	-	-	-	
80	**TOTAL Power Business Unit**	354,099	395,137	30,963	153,584	39%
	Corporate Business Unit					
81	CORPORATE BUSINESS UNIT	55,402	43,098	2,460	15,444	36%
82	LAPSE FACTOR	(2,505)	-	-	-	
83	**TOTAL Corporate Business Unit**	52,897	43,098	2,460	15,444	36%
84	**TOTAL BPA Capital Expenditures**	$ 994,044	$ 1,044,965	$ 72,877	$ 387,782	37%

Financial Reserves

Reserves as of the end of March 2012 are $1,290 million



Forecasted End of Fiscal Year 2012 Reserves: $868m

Approximate Split Between Business Units:

Power: $271 million Transmission: $597 million

Estimated Funds Held For Others Current Balance: $238m
(Power $125 million ; Trans $113 million)

Unaudited

Slice Reporting

Janice Johnson

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

Dates	Agenda
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)
Early November	Final audited actual financial data is expected to be available

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

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

Q2 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	**($5,325)**
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)	

SUMMARY OF DIFFERENCES FROM Q2 FORECAST to 2012 RATE CASE

#		Composite Cost Pool True-Up Table Reference	Q2 – 2012 Rate Case $ in thousands
1	Total Expenses	Row 118	($41,929)
2	Total Revenue Credits	Row 137	($17,383)
3	Minimum Required Net Revenue	Row 156	$5,450
4	TOTAL Composite Cost Pool (1 - 2 + 3) ($41.929M) – ($17.383M) + $5.450M = ($19.096M)	Row 158	($19,096)
5	TOTAL in line 4 divided by .9630577 sum of TOCAs ($19.096M) / .9630577) = ($19.828M)	Row 163	($19,828)
6	**Q2 Forecast of True-Up Adjustment** **26.85407 percent of Total in line 5** **.2685407 * ($19.828M) = ($5.325M)**	Row 164	**($5,325)**

Lower Level Differences
FROM Q2 FORECAST to 2012 RATE CASE

#		Composite Cost Pool True-Up Table Reference	Q2 – 2012 Rate Case $ in thousands
1	Designated System Obligation – NTSA	Row 21	$31,600
2	Contra Expense	Row 34	($618)
3	Depreciation (also affects MRNR)	Rows 108 & 151	($12,169)
4	Amortization (also affects MRNR)	Rows 109 & 152	$6,719
5	Net Interest Expense	Rows 113	($34,260)
6	Interest Credit Adjustment	Row 114	($1,362)
7	4h10c Revenue Credit	Row 123	($16,223)
8	Minimum Required Net Revenues	Row 156	$5,450

Designated System Obligation - NTSA

- Non-Treaty Storage Agreement (NTSA) between BC Hydro and BPA
  - NTSA Transaction Benefit Account balance, tracked in dollars, is calculated based upon BC Hydro's water transactions
    - Positive balance is owed to BCH; negative balance is owed to BPA
    - Storing water
    - Releasing water
  - Current Agreement allows for physical and/or financial settlement
    - The balance may be reduced with energy deliveries from Sept 1 – Aug 31
    - $40 million credit limit
    - Annual Financial Settlement of Aug 31 balance unless otherwise agreed
  - A financial settlement of the Transaction Benefit Account Balance is likely
    - It is unlikely that BCH will request energy deliveries to significantly reduce the Transaction Benefit Account balance
    - It is expected that the balance will be financially settled based on the Aug 31 balance
  - The value of this financial settlement at Q2 is $31.6 million
  - The value at Q2 is representative of the value for the 2012 fiscal year end
  - Any incremental adjustments will be made at Q3 and Q4

Contra-Expense and Reinvestments of Green Energy Premiums

			($000)	($000)
Description on Composite Cost Pool True-Up Table	Reference - Composite Cost Pool True-Up Table		Rate Period	RATE CASE FY2012
Contra Expense - Final Rate Case estimate of Green Energy Premium revenues remaining for reinvestment at the end of FY 2011	Row 34		(5,249)	(2,625)
Contra Expense - Actual final amount of Green Energy Premium revenues remaining for reinvestment at the end of FY 2011	Row 34		(6,485)	(3,243)
Actual Projects	Reference		Actuals FY2012 as of 3/31/12	Forecast for FY2012
Eligible Reinvestments so far in 2012				
Power R&D - Other eligible projects	Row 63		142	621
Power R&D - Smart Grid @ 75% of actuals	Row 63		686	1,940
Generation Project Coordination - Pumped Storage	Row 54		160	266
Operations Planning - WIT	Row 60		88	877
Reinvestment Totals for fiscal year 2012			1,075	3,704
Remaining 2012-2013 Contra Expense to be reinvested as of 3/31/12			(5,410)	
The Actual Contra Expense is limited to the Actual reinvestments				
Note: This is 75% of the total budgeted amount				

Minimum Required Net Revenues

	COMPOSITE COST POOL TRUE-UP TABLE		
	Q2 Forecast ($000)	FY 2012 Rate Case forecast ($000)	Q2 - 2012 Rate Case Difference ($000)
148	**Minimum Required Net Revenue Calculation**			
149	Principal Payment of Fed Debt for Power	$ 193,000	$ 193,000	$ -
150	Irrigation assistance	$ 1,182	$ 1,182	$ -
151	Depreciation	$ 110,000	$ 122,169	$ (12,169)
152	Amortization	$ 87,748	$ 81,029	$ 6,719
153	Capitalization Adjustment	$ (45,937)	$ (45,937)	$ -
154	Bond Premium Amortization	$ 185	$ 185	$ -
155	Principal Payment of Fed Debt exceeds non cash expenses	$ 42,186	$ 36,736	$ 5,450
156	Minimum Required Net Revenues	**$ 42,186**	**$ 36,736**	**$ 5,450**

Depreciation decreased which increases MRNR

Amortization increased which decreases MRNR

Overall these combined non cash expenses increased MRNR by $5.4 million

Composite Cost Pool Interest Credit

Allocation of Interest Earned on the Bonneville Fund
($000s)

		A Rate Case 2012	C Forecast 2012	
1	Starting Reserve Balance	495,600	495,600	
2	Adjustments for pre-2002 Transactions	804	804	
3	Other Adjustments	-	(1,701)	
4	Total Reserves for Composite Cost Pool	496,404	494,703	
5	Interest rate	2.24%	3.82%	average interest rate at the end of 2011
6	Composite Pool interest credit (Line 4 X Line 5)	(11,119)	(18,893)	
7	Total interest credit from Rev Req	(12,481)	(24,988)	This is the Q2 estimate from treasury
8	Non-Slice Pool interest credit (Line 7 - Line 6)	(1,362)	(6,095)	

This information has been made publicly available by BPA on April 27, 2012 and contains BPA-Approved Agency Financial Information

Net Interest Expense

	$$ in thousands **2012 Rate Case**	*$$ in thousands* **Q2 Forecast**
▪ Interest Expense	$233,794	$208,965
▪ AFUDC	($12,511)	($15,530)
▪ Interest Income (composite)	($11,119)	($18,893)
▪ Total Net Interest Expense[1]	$210,164	$174,542

- Note 1: $210,164 is the combination of $208,802 on Row 113 and $1,362 on Row 144 in the Composite Cost Pool True-Up Table FY 2012 Rate Case Column. To calculate the net interest expense for the Annual Slice True-Up Adjustment, the non-slice interest income is excluded.

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	$ 36.6 Actual Credits Oct-Dec, actual streamflow Jan-Mar, STD11 esp forecasts Apr-Sep			$ Actual credits Oct-Sep
Expense	$ 237.4	$ 237.4	$ 237.4			
Pisces F&W Program Software	$ 1.8	$ 1.8	$ 1.8			
Capital	$ 50.0	$ 50.0	$ 59.8			
Total	$ 408.4	$ 362.3	$ 335.6			
Credit (22.3%)	**$ 91.1**	**$ 80.8**	**$ 74.8**			

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 FY 2012 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 million to $200 million.
- 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.
- For 2nd Quarter we included actual credit calculations for October through December and updated the rest of the months based on best available forecasting, which included actual streamflows January through March and forecasts for the rest of the months. The estimate decreased again due to a decrease in price forecasts and an increase in the generation forecast.

COMPOSITE COST POOL TRUE-UP TABLE

		Q2 Forecast ($000)	FY 2012 Rate Case forecast ($000)	Q2 - 2012 Rate Case Difference ($000)	Q1 Forecast ($000)	Q1 - 2012 Rate Case Difference ($000)
1	**Operating Expenses**					
2	**Power System Generation Resources**					
3	**Operating Generation**					
4	COLUMBIA GENERATING STATION (WNP-2)	$ 295,432	$ 306,366	$ (10,934)	$ 298,477	$ (7,889)
5	BUREAU OF RECLAMATION	$ 111,972	$ 111,972	$ -	$ 111,972	$ -
6	CORPS OF ENGINEERS	$ 207,175	$ 208,700	$ (1,525)	$ 208,550	$ (150)
8	LONG-TERM CONTRACT GENERATING PROJECTS	$ 25,131	$ 25,079	$ 52	$ 25,079	$ -
9	**Sub-Total**	**$ 639,710**	**$ 652,117**	**$ (12,407)**	**$ 644,078**	**$ (8,039)**
10	**Operating Generation Settlement Payment and Other Payments**					
11	COLVILLE GENERATION SETTLEMENT	$ 20,437	$ 21,928	$ (1,491)	$ 21,928	$ -
12	SPOKANE LEGISLATION SETTLEMENT	$ -	$ -	$ -	$ -	$ -
13	**Sub-Total**	**$ 20,437**	**$ 21,928**	**$ (1,491)**	**$ 21,928**	**$ -**
14	**Non-Operating Generation**					
15	TROJAN DECOMMISSIONING	$ 1,600	$ 1,500	$ 100	$ 1,500	$ -
16	WNP-1&3 DECOMMISSIONING	$ 500	$ 438	$ 62	$ 438	$ -
17	**Sub-Total**	**$ 2,100**	**$ 1,938**	**$ 162**	**$ 1,938**	**$ -**
18	**Gross Contracted Power Purchases**					
19	PNCA HEADWATER BENEFITS	$ 2,452	$ 2,452	$ -	$ 2,452	$ -
20	HEDGING/MITIGATION (omit except for those assoc. with augmentation)	$ -	$ -	$ -	$ -	$ -
21	GROSS OTHER POWER PURCHASES (omit, except for those assoc. with Designated BPA System Obligations or Designated BPA Contract Purchases	$ 31,600	$ -	$ 31,600	$ -	$ -
22	**Sub-Total**	**$ 34,052**	**$ 2,452**	**$ 31,600**	**$ 2,452**	**$ -**
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)	$ 203,424	$ 201,562	$ 1,862	$ 202,961	$ 1,399
29	REP ADMINISTRATION COSTS (actuals are included under strategy and executive below)	$ -	$ 1,446	$ (1,446)	$ -	$ (1,446)
30	OTHER SETTLEMENTS	$ -	$ -	$ -	$ -	$ -
31	**Sub-Total**	**$ 203,424**	**$ 203,008**	**$ 416**	**$ 202,961**	**$ (47)**
32	**Renewable Generation**					
33	RENEWABLES R&D (moved to Power R&D after rate case)	$ -	$ 5,622	$ (5,622)	$ -	$ (5,622)
33a	Renewable Conservation Rate Credit	$ (18)	$ -	$ (18)	$ -	$ -
34	Contra expense for unspent GEP revenues remaining at end of FY 2011	$ (3,243)	$ (2,625)	$ (618)	$ (3,243)	$ (618)
35	RENEWABLES (excludes KIII)	$ 27,543	$ 27,670	$ (126)	$ 27,852	$ 183
36	**Sub-Total**	**$ 24,282**	**$ 30,667**	**$ (6,384)**	**$ 24,610**	**$ (6,057)**
37	**Generation Conservation**					
38	GENERATION CONSERVATION R&D (moved to Power R&D after rate case)	$ -	$ -	$ -	$ -	$ -
39	DSM TECHNOLOGY	$ 3	$ -	$ 3	$ -	$ -
40	CONSERVATION ACQUISITION	$ 13,548	$ 15,950	$ (2,402)	$ 15,950	$ -
41	LOW INCOME WEATHERIZATION & TRIBAL	$ 6,600	$ 5,000	$ 1,600	$ 5,000	$ -
42	ENERGY EFFICIENCY DEVELOPMENT	$ 5,100	$ 11,500	$ (6,400)	$ 11,500	$ -
43	LEGACY	$ 1,000	$ 1,000	$ -	$ 1,000	$ -
44	MARKET TRANSFORMATION	$ 14,790	$ 13,500	$ 1,290	$ 13,500	$ -
45	**Sub-Total**	**$ 41,041**	**$ 46,950**	**$ (5,909)**	**$ 46,950**	**$ -**
46	**Conservation Rate credit (CRC)**	**$ (17)**	$ -	$ (17)	$ -	$ -
47	**Power System Generation Sub-Total**	**$ 965,029**	**$ 959,060**	**$ 5,969**	**$ 944,917**	**$ (14,143)**

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COMPOSITE COST POOL TRUE-UP TABLE

		Q2 Forecast ($000)	FY 2012 Rate Case forecast ($000)	Q2 - 2012 Rate Case Difference ($000)	Q1 Forecast ($000)	Q1 - 2012 Rate Case Difference ($000)
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	$ 8,007	$ 7,143	$ 865	$ 6,357	$ (786)
54	GENERATION PROJECT COORDINATION	$ 5,709	$ 5,895	$ (186)	$ 5,798	$ (97)
55	SLICE IMPLEMENTATION	$ 1,127	$ 2,322	$ (1,195)	$ 1,126	$ (1,196)
56	**Sub-Total**	**$ 14,843**	**$ 15,360**	**$ (516)**	**$ 13,281**	**$ (2,079)**
57	**Power Services Scheduling**					
58	OPERATIONS SCHEDULING	$ 10,010	$ 10,041	$ (31)	$ 10,011	$ (30)
59	PS SCHEDULING R&D (moved to Power R&D after rate case)	$ -	$ -	$ -	$ -	$ -
60	OPERATIONS PLANNING	$ 7,580	$ 6,744	$ 836	$ 7,489	$ 745
61	**Sub-Total**	**$ 17,590**	**$ 16,785**	**$ 805**	**$ 17,500**	**$ 715**
62	**Power Services Marketing and Business Support**					
63	POWER R&D (forecast includes all the R&D items)	$ 5,631		$ 5,631	$ 5,631	$ 5,631
64	SALES & SUPPORT	$ 18,864	$ 19,745	$ (880)	$ 19,316	$ (429)
65	STRATEGY, FINANCE & RISK MGMT (actuals will include a part of REP admin costs)	$ 16,968	$ 16,469	$ 499	$ 18,513	$ 2,044
66	EXECUTIVE AND ADMINISTRATIVE SERVICES (actuals include a part of REP admin costs)	$ 3,199	$ 3,480	$ (280)	$ 2,842	$ (638)
67	CONSERVATION SUPPORT	$ 8,792	$ 9,555	$ (763)	$ 9,498	$ (57)
68	**Sub-Total**	**$ 53,455**	**$ 49,249**	**$ 4,207**	**$ 55,799**	**$ 6,551**
69	**Power Non-Generation Operations Sub-Total**	**$ 85,888**	**$ 81,393**	**$ 4,496**	**$ 86,580**	**$ 5,188**
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	$ 53,863	$ 1,600
75	POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS (omit)					
76	GENERATION INTEGRATION (WIT expense included)	$ 13,035	$ 8,865	$ 4,170	$ 13,035	$ 4,170
77	WIND INTEGRATION TEAM	$ -	$ 4,170	$ (4,170)	$ -	$ (4,170)
78	TELEMETERING/EQUIP REPLACEMT	$ 50	$ 50	$ -	$ 50	$ -
79	**Power Services Trans Acquisition and Ancillary Serv Sub-Total**	**$ 98,656**	**$ 97,056**	**$ 1,600**	**$ 98,656**	**$ 1,600**
80	**Fish and Wildlife/USF&W/Planning Council/Environmental Req**					
81	**BPA Fish and Wildlife (includes F&W Shared Services)**					
82	**Fish & Wildlife**	$ 237,544	$ 237,394	$ 150	$ 237,418	$ 24
83	**USF&W Lower Snake Hatcheries**	$ 28,800	$ 28,800	$ -	$ 28,800	$ -
84	**Planning Council**	$ 10,709	$ 10,114	$ 595	$ 11,251	$ 1,137
85	**Environmental Requirements**	$ 302	$ 302	$ -	$ 302	$ -
86	**Fish and Wildlife/USF&W/Planning Council Sub-Total**	**$ 277,356**	**$ 276,610**	**$ 745**	**$ 277,772**	**$ 1,162**

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COMPOSITE COST POOL TRUE-UP TABLE

		Q2 Forecast ($000)	FY 2012 Rate Case forecast ($000)	Q2 - 2012 Rate Case Difference ($000)	Q1 Forecast ($000)	Q1 - 2012 Rate Case Difference ($000)
87	BPA Internal Support					
88	Additional Post-Retirement Contribution	$ 17,243	$ 17,243	$ -	$ 17,243	$ -
89	Agency Services G&A (excludes direct project support)	$ 51,111	$ 51,735	$ (624)	$ 50,856	$ (879)
90	BPA Internal Support Sub-Total	$ 68,354	$ 68,978	$ (624)	$ 68,099	$ (879)
91	Bad Debt Expense	$ 4	$ -	$ 4	$ -	$ -
92	Other Income, Expenses, Adjustments	$ (13)	$ -	$ (13)	$ -	$ -
93	Non-Federal Debt Service					
94	Energy Northwest Debt Service					
95	COLUMBIA GENERATING STATION DEBT SVC	$ 101,066	$ 115,553	$ (14,487)	$ 103,088	$ (12,465)
96	WNP-1 DEBT SVC	$ 284,146	$ 282,802	$ 1,344	$ 285,274	$ 2,472
97	WNP-3 DEBT SVC	$ 157,186	$ 156,299	$ 887	$ 158,672	$ 2,373
98	EN RETIRED DEBT	$ -	$ -	$ -	$ -	$ -
99	EN LIBOR INTEREST RATE SWAP	$ -	$ -	$ -	$ -	$ -
100	Sub-Total	$ 542,398	$ 554,654	$ (12,256)	$ 547,034	$ (7,620)
101	Non-Energy Northwest Debt Service					
102	TROJAN DEBT SVC	$ -	$ -	$ -	$ -	$ -
103	CONSERVATION DEBT SVC	$ 2,712	$ 2,379	$ 333	$ 2,712	$ 333
104	COWLITZ FALLS DEBT SVC	$ 11,715	$ 11,715	$ (0)	$ 11,715	$ 0
105	NORTHERN WASCO DEBT SVC	$ 2,223	$ 2,223	$ 0	$ 2,223	$ 0
106	Sub-Total	$ 16,649	$ 16,316	$ 333	$ 16,650	$ 334
107	Non-Federal Debt Service Sub-Total	$ 559,047	$ 570,970	$ (11,923)	$ 563,684	$ (7,286)
108	Depreciation	$ 110,000	$ 122,169	$ (12,169)	$ 115,000	$ (7,169)
109	Amortization	$ 87,748	$ 81,029	$ 6,719	$ 85,218	$ 4,189
110	Total Operating Expenses	$ 2,252,068	$ 2,257,265	$ (5,197)	$ 2,239,926	$ (17,339)
111						
112	Other Expenses					
113	Net Interest Expense	$ 174,542	$ 208,802	$ (34,260)	$ 199,697	$ (9,105)
114	Interest credit adjustment (removes nonSlice cost pool interest credit included in row 113)	$ -	$ 1,362	$ (1,362)	$ -	$ (1,362)
115	LDD	$ 30,657	$ 31,768	$ (1,111)	$ 31,743	$ (26)
116	Irrigation Rate Discount Costs	$ 19,305	$ 19,305	$ -	$ 19,305	$ -
117	Sub-Total	$ 224,505	$ 261,237	$ (36,732)	$ 250,745	$ (10,492)
118	Total Expenses	$ 2,476,573	$ 2,518,502	$ (41,929)	$ 2,490,671	$ (27,831)
119						

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COMPOSITE COST POOL TRUE-UP TABLE

		Q2 Forecast ($000)	FY 2012 Rate Case forecast ($000)	Q2 - 2012 Rate Case Difference ($000)	Q1 Forecast ($000)	Q1 - 2012 Rate Case Difference ($000)
120	**Revenue Credits**					
121	Generation Inputs for Ancillary, Control Area, and Other Services Revenues	$ 130,408	$ 127,449	$ 2,959	$ 128,799	$ 1,350
122	Downstream Benefits and Pumping Power revenues	$ 14,984	$ 14,338	$ 647	$ 14,948	$ 611
123	4(h)(10)(c) credit	$ 74,838	$ 91,062	$ (16,223)	$ 80,799	$ (10,263)
124	Colville and Spokane Settlements	$ 4,600	$ 4,600	$ -	$ 4,600	$ -
125	Energy Efficiency Revenues	$ 5,100	$ 11,500	$ (6,400)	$ 11,500	$ -
126	Miscellaneous revenues	$ 3,842	$ 3,420	$ 422	$ 3,365	$ (55)
127	Renewable Energy Certificates	$ 283	$ 2,658	$ (2,376)	$ 320	$ (2,338)
128	Pre-Subscription Revenues (Big Horn/Hungry Horse)	$ 1,644	$ 1,716	$ (72)	$ 1,647	$ (69)
129	Net Revenues from other Designated BPA System Obligations (Upper Baker)	$ 360	$ 360	$ -	$ 272	$ (89)
130	WNP-3 Settlement revenues	$ 34,850	$ 29,516	$ 5,334	$ 34,850	$ 5,334
131	RSS Revenues (not subject to true-up)	$ 2,532	$ 2,532	$ -	$ 2,532	$ -
132	Firm Surplus and Secondary Adjustment (from Unused RHWM)	$ 17,794	$ 19,469	$ (1,675)	$ 17,794	$ (1,675)
133	Balancing Augmentation Adjustment (not subject to true-up)	$ (7,957)	$ (7,957)	$ -	$ (7,957)	$ -
134	Transmission Loss Adjustment (not subject to true-up)	$ 24,835	$ 24,835	$ -	$ 24,835	$ -
135	Tier 2 Rate Adjustment (not subject to true-up)	$ 215	$ 215	$ -	$ 215	$ -
136	NR Revenues (not subject to true-up)	$ 1	$ 1	$ -	$ -	$ (1)
137	**Total Revenue Credits**	**$ 308,329**	**$ 325,712**	**$ (17,383)**	**$ 318,519**	**$ (7,194)**
138						
139	**Augmentation Costs (not subject to True-Up)**					
140	Tier 1 Augmentation Resources (includes Augmentation RSS and Augmentation RSC adders)	$ 12,740	$ 12,740	$ -	$ 12,740	$ -
141	Augmentation Purchases		$ -			
142	**Total Augmentation Costs**	**$ 12,740**	**$ 12,740**	**$ -**	**$ 12,740**	**$ -**
143						
144	**DSI Revenue Credit**					
145	Revenues 340 aMW, 340 aMW @ IP rate	$ 108,606	$ 108,606	$ -	$ 108,606	$ -
146	**Total DSI revenues**	**$ 108,606**	**$ 108,606**	**$ -**	**$ 108,606**	**$ -**
147						
148	**Minimum Required Net Revenue Calculation**					
149	Principal Payment of Fed Debt for Power	$ 193,000	$ 193,000	$ -	$ 193,000	$ -
150	Irrigation assistance	$ 1,182	$ 1,182	$ -	$ 1,182	$ -
151	Depreciation	$ 110,000	$ 122,169	$ (12,169)	$ 115,000	$ (7,169)
152	Amortization	$ 87,748	$ 81,029	$ 6,719	$ 85,218	$ 4,189
153	Capitalization Adjustment	$ (45,937)	$ (45,937)	$ -	$ (45,937)	$ -
154	Bond Premium Amortization	$ 185	$ 185	$ -	$ 185	$ -
155	Principal Payment of Fed Debt exceeds non cash expenses	$ 42,186	$ 36,736	$ 5,450	$ 39,716	$ 2,980
156	Minimum Required Net Revenues	**$ 42,186**	**$ 36,736**	**$ 5,450**	**$ 39,716**	**$ 2,980**
157						
158	Annual Composite Cost Pool (Amounts for each FY)	**$ 2,114,564**	**$ 2,133,660**	**$ (19,096)**	**$ 2,116,002**	**$ (17,658)**
159						
160	**SLICE TRUE-UP ADJUSTMENT CALCULATION FOR COMPOSITE COST POOL**					
161	TRUE UP AMOUNT (Difference between Q1 forecast and 2012 Rate Case)	$ (19,096)			$ (17,658)	
162	Sum of TOCAs	0.9630577			0.9630577	
163	Adjustment of True-Up when actual TOCAs < 100 percent (divide by sum of TOCAs, expressed as a decimal, 100 percent = 1.0)	$ (19,828)			$ (18,335)	
164	TRUE-UP ADJUSTMENT CHARGE BILLED (26.85407 percent)	**$ (5,325)**			**$ (4,924)**	

Accounting Treatment for LGIA Credits

Harriet Tsen

BACKGROUND

- Designed to provide customer financing for transmission upgrades and interconnection that primarily benefit the customer
- FERC issued a series of orders starting with Order 2003
  - Amends regulations under the Federal Power Act
  - Requires public utilities to have standard interconnection procedures
  - Applies to generators with capacity > 20 MW
- BPA modified its tariff to incorporate LGIA
- Generator provides the funding to support integration of their generation
- BPA returns the cost over time through either:
  - Transmission credits for up to 20 years plus a balloon cash payment
  - Cash payments based on formula
- BPA owns and operates the asset that the LGIA customer finances

BACKGROUND (Continued)

Benefits

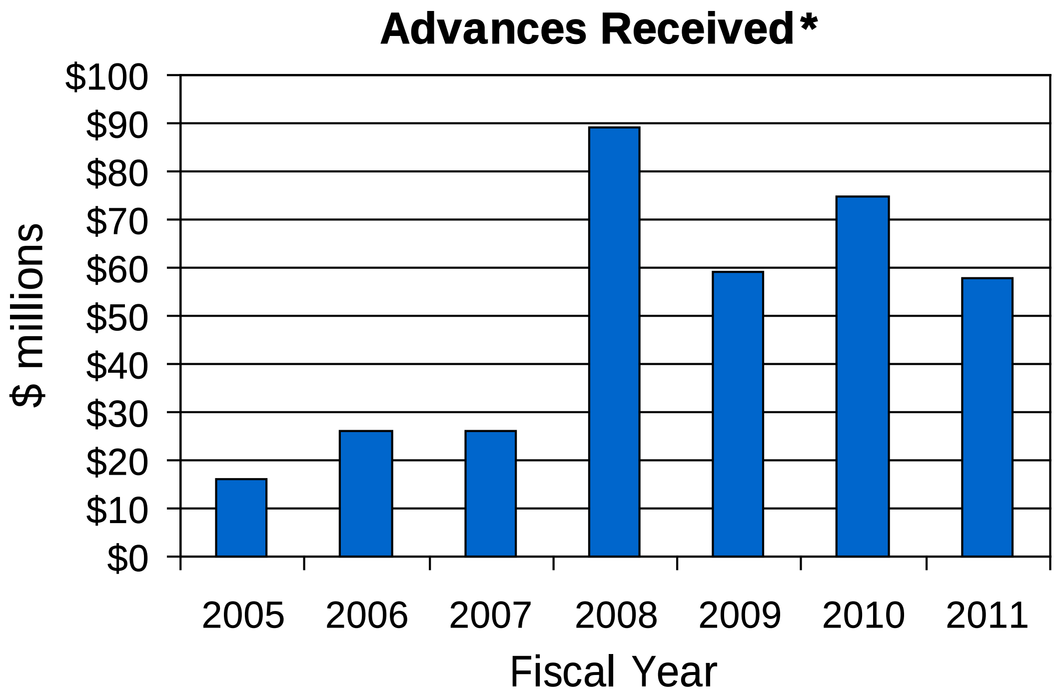
- Creates a standardized procedure and a source of capital funding
- Encourages development of infrastructure

Participants

- Primarily wind generators
- Geothermal plants

ADVANCES

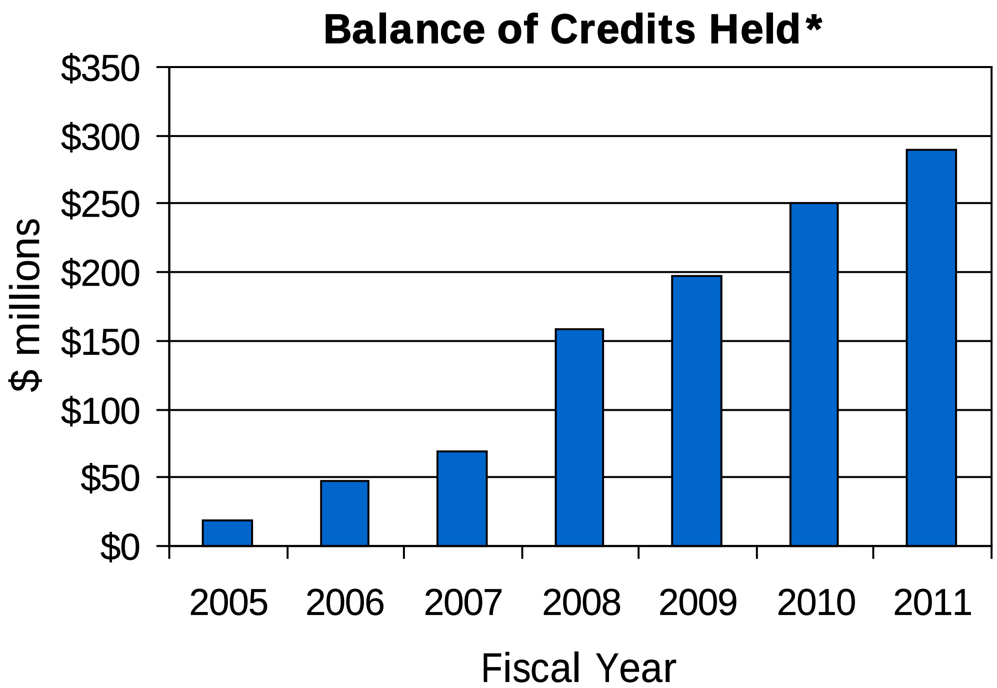
Advances for large wind projects more than tripled cash received between 2007 and 2008.



* Includes all generation interconnection agreements

CREDITS

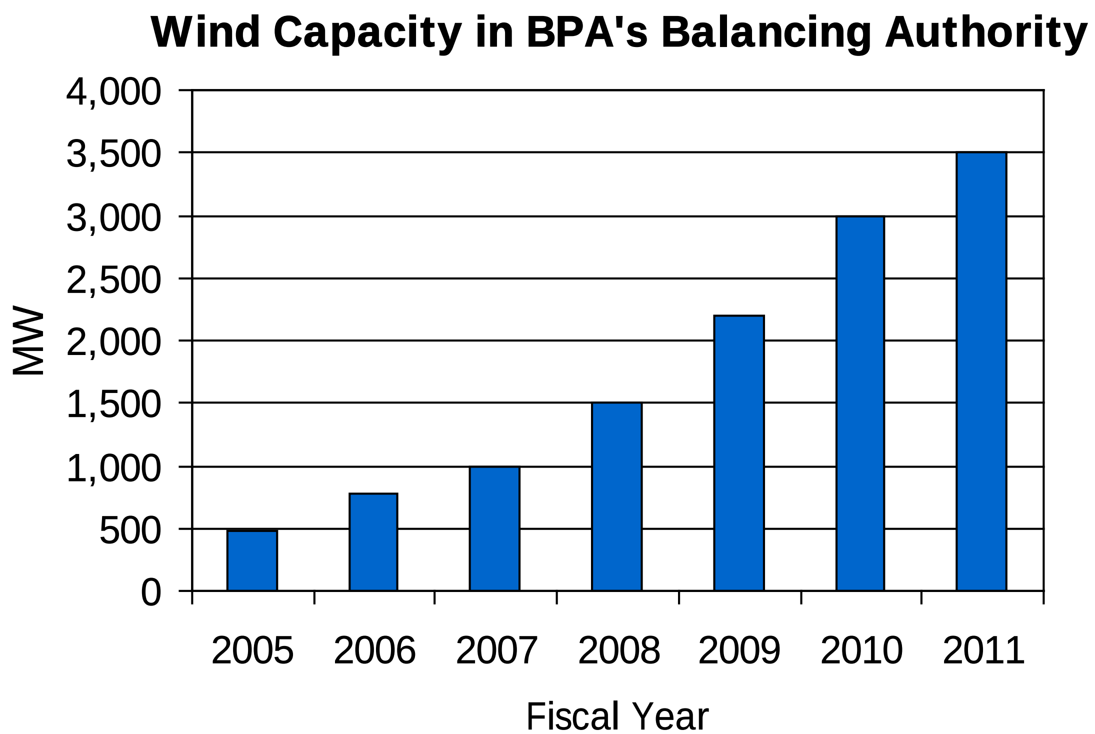
Chart shows the growth of cumulative credits held, which include interest, that will be returned to the customer as cash or credits.



* Includes all generation interconnection agreements

WIND CAPACITY

Overall growth of wind capacity in BPA's balancing authority is consistent with advances received for interconnection.



ACCOUNTING OVERVIEW

The accounting flow for LGIA projects that are successfully completed is shown below:

	1 CASH RECEIPT	2 CONSTRUCTION	3 ASSET IN-SERVICE	4 TRANSMISSION SERVICE
CASH	Record cash	Use cash		
ADVANCE LIABILITY	Record liability			Reduce liability as refund customer with credits or cash
TRANS ASSET		Accumulate Construction Work in Progress	Unitize asset	Depreciate asset
INTEREST		Accrue interest on advance (increases liability)		Accrue interest on unrefunded advance (increases liability)

1 CASH RECEIPT

Balance Sheet: Increase cash, increase advance liability

Current assets

- Cash and cash equivalents ↑
- Short-term investments in U.S. Treasury securities
- Accounts receivable, net of allowance
- Accrued unbilled revenues
- Materials and supplies, at average cost
- Prepaid expenses
- Total current assets

Investments and other assets

- Regulatory assets
- Investments in U.S. Treasury securities
- Nonfederal nuclear decommissioning trusts
- Deferred charges and other
- Total investments and other assets

Total assets

Current liabilities

- Federal appropriations
- Borrowings from U.S. Treasury
- Nonfederal debt
- Accounts payable and other
- Total current liabilities

Other liabilities

- Regulatory liabilities
- IOU exchange benefits
- Asset retirement obligations
- Deferred credits and other ↑
- Total other liabilities

2 CONSTRUCTION

Balance Sheet: Increase CWIP (which increases net utility plant), decrease cash

Assets

Utility plant

Completed plant

Accumulated depreciation

Construction work in progress ↑

Net utility plant

Nonfederal generation

Current assets

Cash and cash equivalents ↓

Short-term investments in U.S. Treasury securities

Accounts receivable, net of allowance

Accrued unbilled revenues

Materials and supplies, at average cost

2 CONSTRUCTION (INTEREST)

Balance Sheet: Increase advance liability

Current liabilities

- Federal appropriations
- Borrowings from U.S. Treasury
- Nonfederal debt
- Accounts payable and other
- Total current liabilities

Other liabilities

- Regulatory liabilities
- IOU exchange benefits
- Asset retirement obligations
- Deferred credits and other ↑
- Total other liabilities

Income Statement: Increase interest expense

Operating expenses

- Operations and maintenance
- Purchased power
- Nonfederal projects
- Depreciation and amortization
- Total operating expenses
- Net operating revenues

Interest expense and (income)

- Interest expense ↑
- Allowance for funds used during construction
- Interest income
- Net interest expense

3 PLACE ASSET IN SERVICE

Balance Sheet: Increase completed plan, decrease CWIP.
Net effect on Net utility plant is zero.

Assets

Utility plant

Completed plant ↑

Accumulated depreciation

Construction work in progress ↓

Net utility plant

Nonfederal generation

Current assets

Cash and cash equivalents

Short-term investments in U.S. Treasury securities

Accounts receivable, net of allowance

Accrued unbilled revenues

Materials and supplies, at average cost

4 TRANSMISSION SERVICE

Balance Sheet: Decrease advance liability, decrease cash through cash payments or billing credits

Current assets	
Cash and cash equivalents	↓
Short-term investments in U.S. Treasury securities	
Accounts receivable, net of allowance	
Accrued unbilled revenues	
Materials and supplies, at average cost	
Prepaid expenses	
Total current assets	
Investments and other assets	
Regulatory assets	
Investments in U.S. Treasury securities	
Nonfederal nuclear decommissioning trusts	
Deferred charges and other	
Total investments and other assets	
Total assets	

Current liabilities	
Federal appropriations	
Borrowings from U.S. Treasury	
Nonfederal debt	
Accounts payable and other	
Total current liabilities	
Other liabilities	
Regulatory liabilities	
IOU exchange benefits	
Asset retirement obligations	
Deferred credits and other	↓
Total other liabilities	

4 TRANSMISSION SERVICE (DEPRECIATION)

Balance Sheet: Increase accum deprec (decreases net utility plant)

Assets

Utility plant

Completed plant

Accumulated depreciation ↑

Construction work in progress

Net utility plant

Nonfederal generation

Current assets

Cash and cash equivalents

Short-term investments in U.S. Treasury securities

Accounts receivable, net of allowance

Accrued unbilled revenues

Materials and supplies, at average cost

Income Statement: Increase depreciation expense

Operating revenues

Sales

Derivative instruments

U.S. Treasury credits for fish

Miscellaneous revenues

Total operating revenues

Operating expenses

Operations and maintenance

Purchased power

Nonfederal projects

Depreciation and amortization ↑

Total operating expenses

4 TRANSMISSION SERVICE (INTEREST)

Balance Sheet: Increase advance liability

Current liabilities

Federal appropriations

Borrowings from U.S. Treasury

Nonfederal debt

Accounts payable and other

Total current liabilities

Other liabilities

Regulatory liabilities

IOU exchange benefits

Asset retirement obligations

Deferred credits and other ↑

Total other liabilities

Income Statement: Increase interest expense

Operating expenses

Operations and maintenance

Purchased power

Nonfederal projects

Depreciation and amortization

Total operating expenses

Net operating revenues

Interest expense and (income)

Interest expense ↑

Allowance for funds used during construction

Interest income

Net interest expense

FINANCIAL STATEMENT NOTES

Disclosures: Total advance liability for all generation interconnection agreements is disclosed in the financial statement notes

10. Deferred Credits and Other

As of Sept. 30 — thousands of dollars	2011	2010
Generation interconnection agreements	$ 279,048	$ 251,206
Customer reimbursable projects	238,317	233,045
Third AC Intertie capacity agreements	101,221	103,904
Capital leases	35,619	36,652
Fiber optic leasing fees	32,722	35,371
Federal Employees' Compensation Act	31,352	29,945
Settlements	28,500	28,500
Derivative instruments	27,422	51,563
Other	7,906	13,272
Total	$ 782,107	$ 783,458

Deferred credits and other include the following items:

"Generation interconnection agreements" are generators' advances held as security for requested new network upgrades and interconnection. These advances accrue interest and will be returned as credits against future transmission service on the new or upgraded lines.

"Customer reimbursable projects" consist of advances received from customers where either the customer or BPA will own the resulting asset. If the customer will own the asset under construction, the revenue is recognized as

QUESTIONS?

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2010 Depreciation Study

Scott Baird

Why does BPA need a Depreciation Study?

- The annual depreciation accrual rates, set forth by the depreciation study, are used to calculate BPA's monthly depreciation expense. These rates provide a reasonable basis for the recovery of the original cost during the plant's remaining life.

- The Depreciation Study reevaluates survivor curves & net salvage percentages used to estimate the annual accrual rates and plant reserve values. Complete depreciation studies which reevaluate these parameters should be performed every three to five years.

Background – 2010 Depreciation Study

- The last depreciation study was performed in 2005 using data through September 30, 2004
- In FY 2011, BPA requested proposals from four depreciation firms. BPA selected Gannett-Fleming.
- This study began in 2011 and was completed February 2012
  - The study used data through September 30, 2010
- Changes to depreciation rates and reserves were made to BPA's accounting records effective March 2012

Summary of Changes

	Change		Impact
1	Change to useful service life of many group assets (example: substation equipment was 37 years, changed to 43 years)		• Longer service lives results in lower depreciation rates and higher composite remaining service life • Lower monthly depreciation expense for Transmission Services
2	Adjustments to accumulated depreciation between group assets		• Net effect of zero to both balance sheet and income statement
3	Change from straight-line to group life for communication towers and buildings		• Minimal impact • Slight reduction in depreciation expense

- Transmission depreciation expense will decrease by approximately $900,000 per month. This change is mainly driven by a decrease in depreciation expense for Station Equipment ($912,000) and Trans Towers/Fixtures ($117,000) offset by an increase in overhead conductors $83,000, vehicles $76,000.
- No impact to Power depreciation expense

Impact to Rates

- Transmission forecast will incorporate the depreciation study results
- The decrease in depreciation expense will have a positive impact on net revenue; however, MRNR (Minimum Required Net Revenues) will go up dollar for dollar because amortization continues to exceed depreciation.
- No impact to Power or Transmission forecasted rates

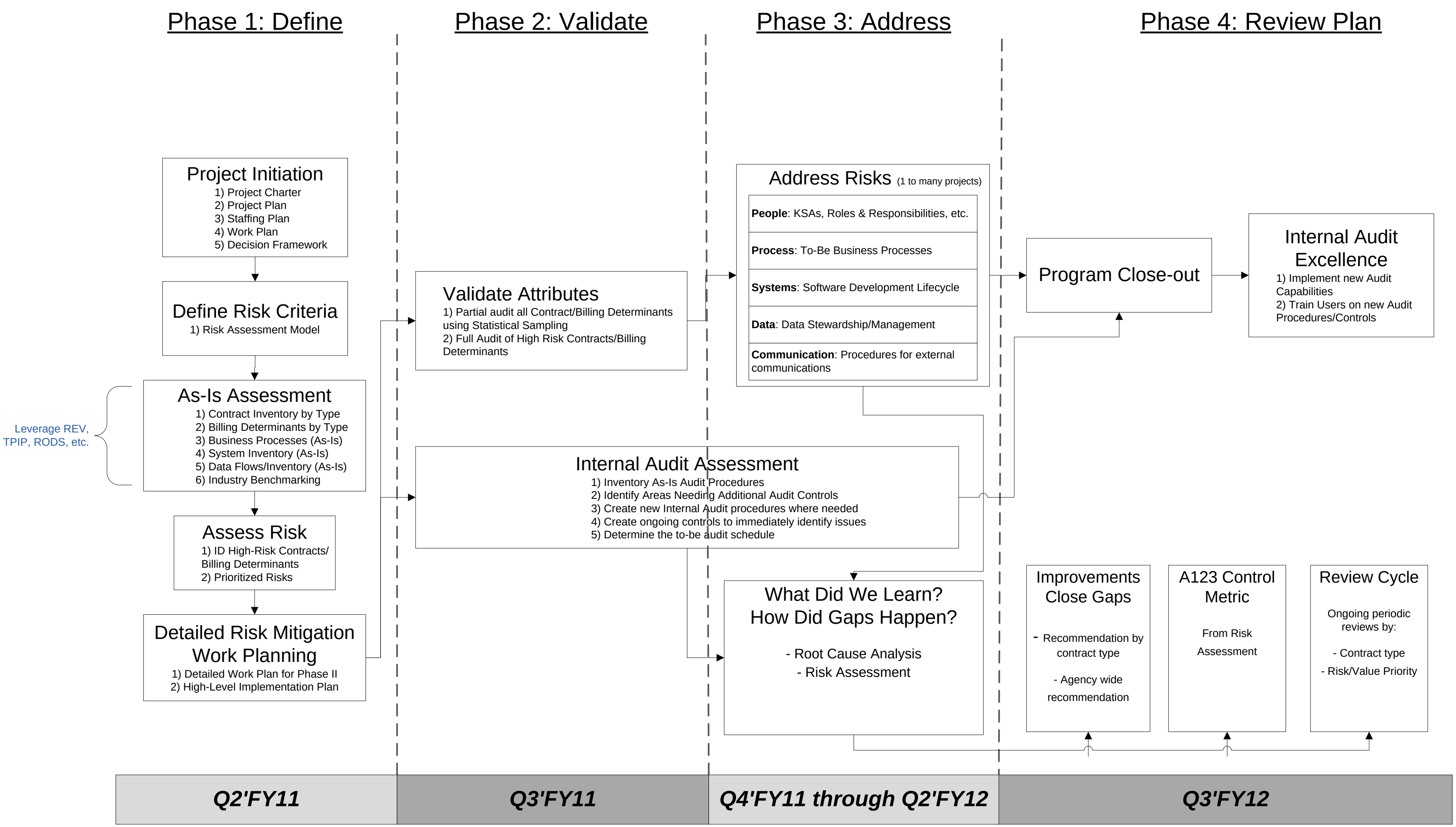
Accurate Billing of Customer Contracts

Susan Walsh

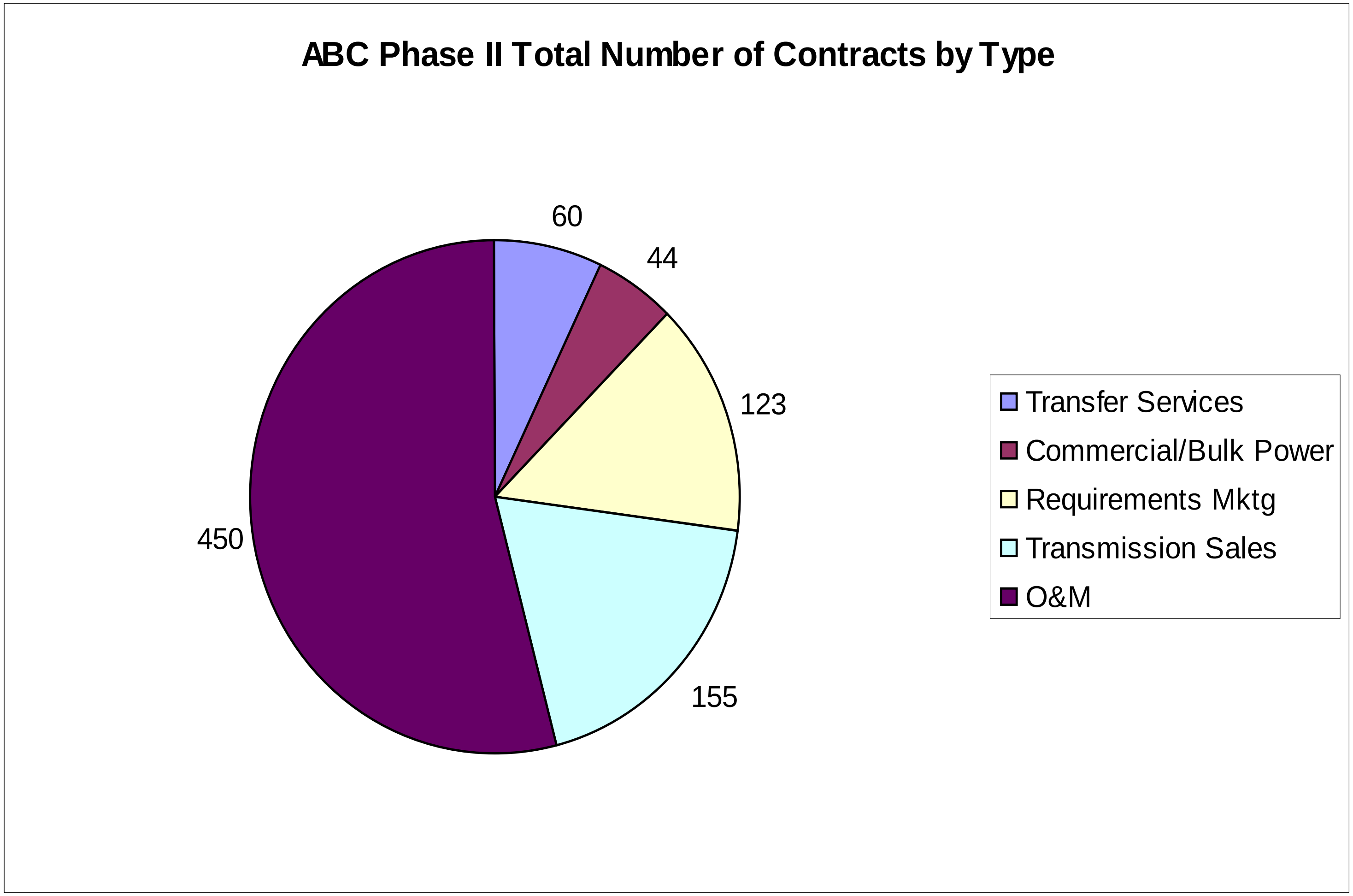
Accurate Billing of Customer Contracts (ABC) Project

- The ABC Project is a thorough review of BPA's existing contracts for power and transmission services
  - Errors found from time to time, impacting BPA and customers
  - Review is timely – new systems, products; industry complexity
- Contracts prioritized by value and perceived risk
- Plan for conducting more systematic, holistic in-depth reviews of contracts on an ongoing basis
- Outcomes are billing that accurately reflect the terms, conditions and intent of each customer's contracts
- Project began early FY11 and will be completed by the end of FY12
  - The Project will be replaced with an ongoing, institutionalized review process
  - Expect to implement recommendations for continuous improvement and quality assurance

ABC Project: Process and Timeline



ABC Project: What We Reviewed



ABC Project: What We Found

- Financial discrepancies as of April 30, 2012
  - Up to $3.1M due BPA by other parties
  - Up to $618K due other parties by BPA
  - Most bill-contract discrepancies are insignificant or minor
  - Some discrepancies have existed for many years
  - Most issues have been or are being addressed
- Cost of review is relatively small – less than $100K so far in FY12
- Analysis of discrepancies
  - Most common problems encountered
    - Documentation
    - Data stewardship
    - Outdated contracts/exhibits (need revisions)
  - Billing accuracy is high
    - BPA's billing accuracy averages about 95-97%
    - Accuracy is similar to results of benchmarking

ABC Project: What We Learned

- Root cause analysis of four major issues
  - Gaps in processes, data stewardship and controls
  - Newer systems (i.e., Customer Contract Management) will mitigate many of the risks
- Routine communication and review of contracts and billing determinants with customers will help address almost all issues early
- Risk assessment
  - Additional step to consider risks beyond those identified in the ABC Project
  - Internal workshop scheduled for May to identify possible additional risks
- Reviewer findings
  - High degree of complexity and interconnectedness of contract-billing relationships
  - How easy it is for data sources and contracts to become outdated without regular review and oversight
  - Reviews and updates serve multiple purposes
    - "Maybe as much as a teaching tool as a quality review"

ABC Project: Next Steps

- Ongoing Quality Assurance program that consists of
  - Corrective Action Plan, including root cause analysis
  - Regular and ongoing contract-billing reviews
  - Data Quality Management at an agency level
  - Preventative/strategic approach to risk, including benchmarking and risk assessment
  - Clear, documented processes/procedures, roles/responsibilities for employees, and the necessary training and development
- Goal: Operational Excellence to serve BPA's Customers
  - Curiosity and continuous improvement – "how can we do it better?"
  - Metrics to monitor source/cause/impact of problems
  - Controls and automation

Project Management Improvements

Brian Scott

TPMI Situation Assessment and Impacts

- Situation Assessment
  - At risk for execution on growing capital program
  - Current project management processes heavily ad-hoc
  - Benchmarking has shown that the Transmission project management function is not in line with industry standards
- Impacts on project delivery
  - Missed customer expectations
  - Lack of early project planning results in more significant impacts later in execution
    - Additional design
    - Missing equipment and materials
    - Other cost impacts

TPMI Vision and Business Value

- Project Vision
  - Put into place a project management culture at BPA with a professional workforce, standard work practices, and the ability to adapt and change as needed
- Business value of TPMI
  - Projects are packaged and integrated to ensure the least impact to operations and maximized value to stakeholders

TPMI Project Purpose

- Integrated project delivery processes
  - Playbook with life cycle, templates, and guidelines
- Project Management Office start-up (organization structure, roles and responsibilities, processes, and policies)
- Tools to support project management (templates, metrics and status reporting, software requirements)

TPMI Accomplishments to Date

- Benchmarking completed, extracted attributes of a PM culture
- Focused existing PM organization on the most critical needs
- Increased Sr PM capability through training and Project Management Professional (PMP) certification
- Most important Playbook content in draft now, deployed just in time to meet business need

TPMI Risks

If the process improvement/transformation efforts do not deliver evident, tangible results within the year, the likelihood of long-term success diminishes significantly.

TPMI Next Steps

- Deploy the project planning elements of the playbook by June 30
  - Includes project management plans and SharePoint sites for each project
- Complete a “bundling” effort with planned FY13 projects to improve efficiencies and minimize operational impacts

BPA 75 YEARS

1937–2012

SERVING THE NORTHWEST

MAY 2012 QUARTERLY BUSINESS REVIEW

This information has been made publicly available by BPA on April 27, 2012 and contains BPA-Approved Agency Financial Information

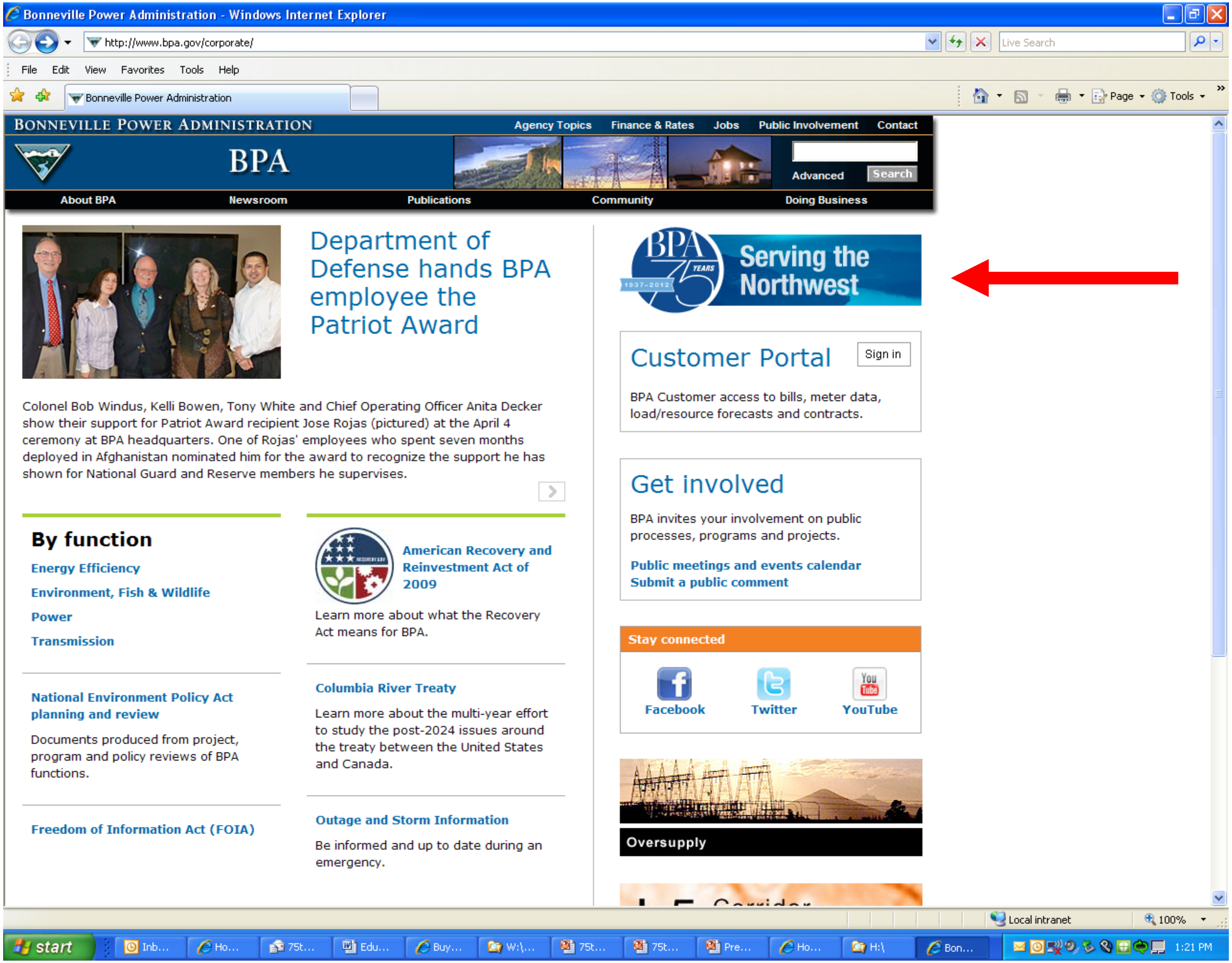
BPA 75 YEARS

1937–2012

SERVING THE NORTHWEST

Together, we watch over the river that creates the most amazing energy on earth.

For a short video click here.


Bonneville Power Administration - Windows Internet Explorer
http://www.bpa.gov/corporate/
Live Search
File Edit View Favorites Tools Help
Bonneville Power Administration
Page Tools
BONNEVILLE POWER ADMINISTRATION
Agency Topics Finance & Rates Jobs Public Involvement Contact
BPA
Advanced Search
About BPA Newsroom Publications Community Doing Business
Department of Defense hands BPA employee the Patriot Award
Colonel Bob Windus, Kelli Bowen, Tony White and Chief Operating Officer Anita Decker show their support for Patriot Award recipient Jose Rojas (pictured) at the April 4 ceremony at BPA headquarters. One of Rojas' employees who spent seven months deployed in Afghanistan nominated him for the award to recognize the support he has shown for National Guard and Reserve members he supervises.
By function
Energy Efficiency
Environment, Fish & Wildlife
Power
Transmission
National Environment Policy Act planning and review
Documents produced from project, program and policy reviews of BPA functions.
Freedom of Information Act (FOIA)
American Recovery and Reinvestment Act of 2009
Learn more about what the Recovery Act means for BPA.
Columbia River Treaty
Learn more about the multi-year effort to study the post-2024 issues around the treaty between the United States and Canada.
Outage and Storm Information
Be informed and up to date during an emergency.
BPA 75 YEARS 1937-2012
Serving the Northwest
Customer Portal
Sign in
BPA Customer access to bills, meter data, load/resource forecasts and contracts.
Get involved
BPA invites your involvement on public processes, programs and projects.
Public meetings and events calendar
Submit a public comment
Stay connected
Facebook Twitter YouTube
Oversupply
Local intranet
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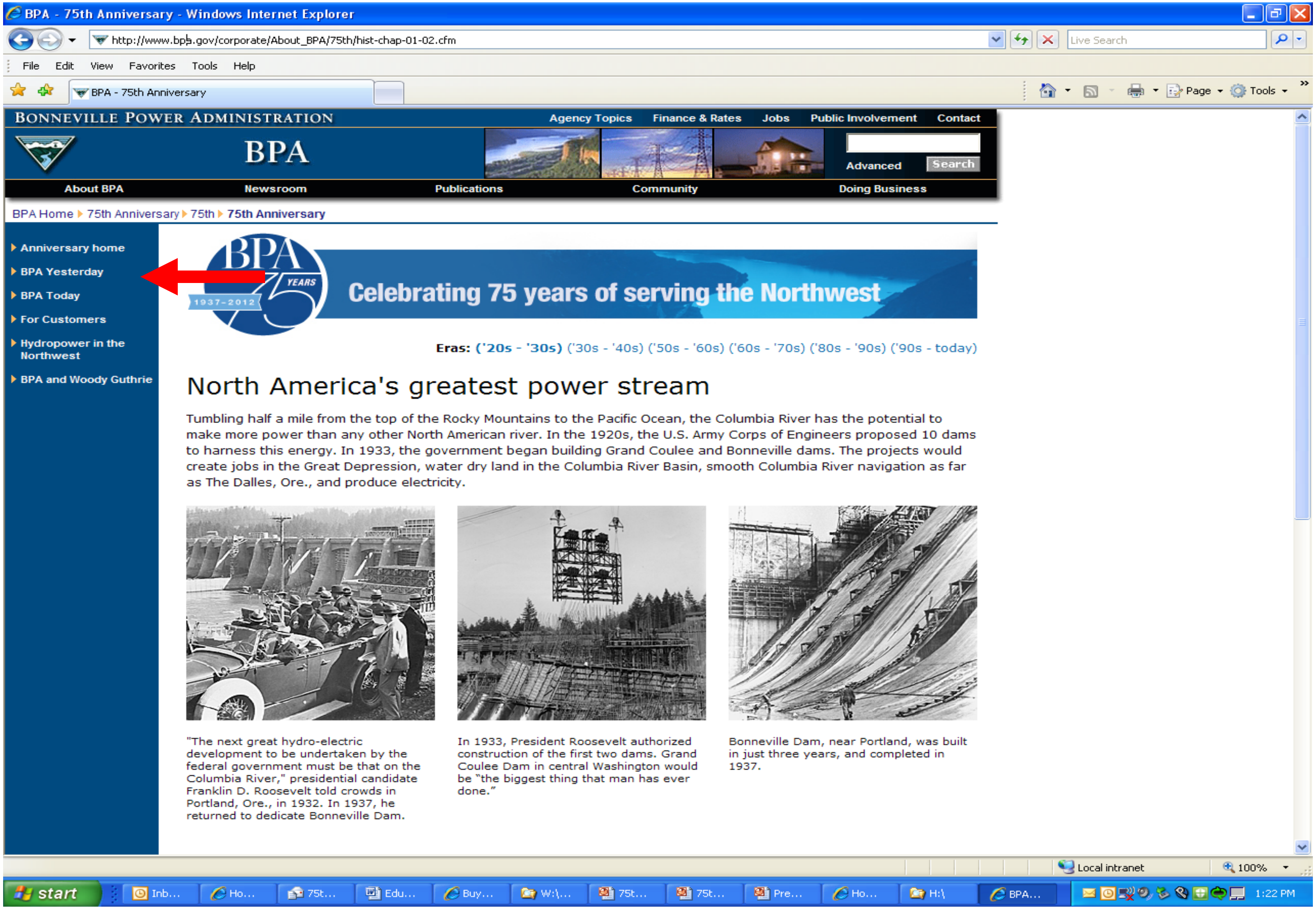
BPA - 75th Anniversary - Windows Internet Explorer
http://www.bpa.gov/corporate/About_BPA/75th/hist-chap-01-02.cfm
BONNEVILLE POWER ADMINISTRATION
Agency Topics
Finance & Rates
Jobs
Public Involvement
Contact
BPA
Advanced
Search
About BPA
Newsroom
Publications
Community
Doing Business
BPA Home ▸ 75th Anniversary ▸ 75th ▸ 75th Anniversary
Anniversary home
BPA Yesterday
BPA Today
For Customers
Hydropower in the Northwest
BPA and Woody Guthrie
BPA 75 YEARS 1937-2012
Celebrating 75 years of serving the Northwest
Eras: ('20s - '30s) ('30s - '40s) ('50s - '60s) ('60s - '70s) ('80s - '90s) ('90s - today)
North America's greatest power stream
Tumbling half a mile from the top of the Rocky Mountains to the Pacific Ocean, the Columbia River has the potential to make more power than any other North American river. In the 1920s, the U.S. Army Corps of Engineers proposed 10 dams to harness this energy. In 1933, the government began building Grand Coulee and Bonneville dams. The projects would create jobs in the Great Depression, water dry land in the Columbia River Basin, smooth Columbia River navigation as far as The Dalles, Ore., and produce electricity.
"The next great hydro-electric development to be undertaken by the federal government must be that on the Columbia River," presidential candidate Franklin D. Roosevelt told crowds in Portland, Ore., in 1932. In 1937, he returned to dedicate Bonneville Dam.
In 1933, President Roosevelt authorized construction of the first two dams. Grand Coulee Dam in central Washington would be "the biggest thing that man has ever done."
Bonneville Dam, near Portland, was built in just three years, and completed in 1937.
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75th Anniversary - Customers - Windows Internet Explorer
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File Edit View Favorites Tools Help
75th Anniversary - Customers
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Agency Topics Finance & Rates Jobs Public Involvement Contact
BPA
Advanced Search
About BPA Newsroom Publications Community Doing Business
BPA Home 75th Anniversary 75th 75th Anniversary - Customers
Anniversary home
BPA Yesterday
BPA Today
For Customers
Hydropower in the Northwest
BPA and Woody Guthrie
BPA 75 YEARS 1937-2012
Celebrating 75 years of serving the Northwest
Customers
BPA provides clean, efficient, cost-effective hydropower to hundreds of utilities in the Northwest, who in turn provide it to homes, businesses, farms and industry.
From our first customer, the City of Cascade Locks, who received Bonneville Dam hydropower in 1938, to our newest customers today, BPA has worked closely with these partners to extend the benefits of clean, affordable power to the region.
BPA also builds, operates and maintains the region's transmission grid, and provides transmission service to other energy providers in the area, including renewable sources such as wind and solar energy.
We invite all our customers to join in our celebration. Take a look at some of the resources that are available.
For our customers
Historic photos and videos
Franklin Delano Roosevelt's "Portland" speech
BPA 75th anniversary logo
BPA 75th anniversary poster
Value of the River education videos
Education resources
Together, we watch over the river that creates the most amazing energy on earth.
Poster (pdf)
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Kids in the

Questions or more info?

Christy Adams
Community Relations and Education
cfadams@bpa.gov
503-230-3913

Short-Term Asset-Liability Management Matching Program

Damen Bleiler

Marcus Harris

Background

Agenda

- Background
  - New Treasury Agreements
  - U.S. Treasury Market Based Special Securities
  - Asset Liability Matching
  - Matching Pilot Program

- Matching Program
  - Sizing the Program
  - FY 2012 Portfolio
  - Risk
  - Risk Mitigation
  - Portfolio Projection
  - Portfolio Metrics

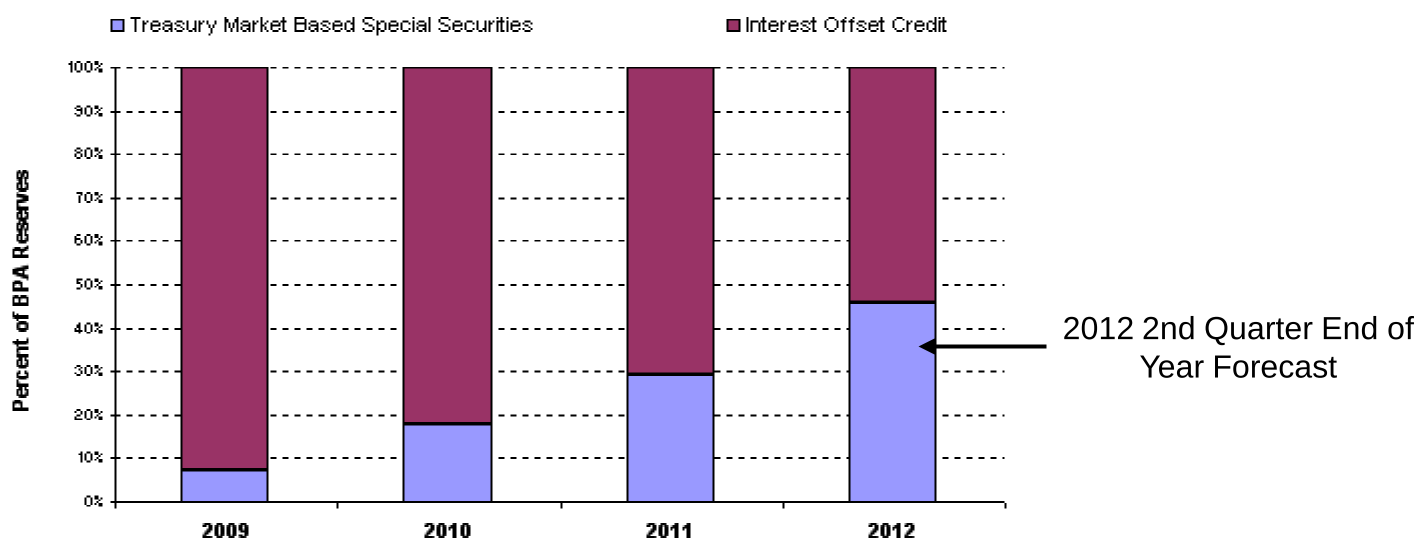
Background – New Treasury Agreements

In FY 2008, BPA and the US Treasury signed new agreements that offer a more flexible borrowing arrangement for BPA and brought changes to how BPA earns interest as well.

- BPA can now borrow for as short as three months or up to 30 years; issue floating rate debt; borrow on any given business day of the month, rather than only at month end; borrow with as little as three business days notice; and borrow for expenses.
- BPA is phasing out of the traditional interest earning mechanism, the interest offset credit (IOC) on the BPA Fund, and phasing into investing funds in Treasury market-based specials (MBS).

Background – U.S. Treasuries Market Based Special Securities

- The interest earning transition started in FY2008. On October 1, FY2009, $100 million of deposits in the BPA Fund was invested in Treasury investment securities; that money no longer earns interest at the weighted average interest rate of BPA's outstanding Treasury bond debt. Each year thereafter for up to 10 years, an additional $100 million of BPA funds on deposit was invested in Treasury investment securities in lieu of earning interest offset credits. The phase out will end when the amount in the BPA Fund is fully invested in Treasury securities or by September 30, 2018, whichever is sooner.
- As BPA transitions more cash into MBS, a larger portion of the investments will reside in short term investments in order to cover liquidity needs. This portion of the investments will be sensitive to market movement, as BPA will lock in the going yield available at the time of reinvestment and will likely have lower earnings than the longer maturities in the portfolio.
- Below is a visual example of BPA reserves invested with Treasury.



Background – Asset Liability Matching

In managing the debt and investment portfolios, BPA must balance the dual goals of reducing costs in the short term and the need for stable, low costs over the long term while managing the challenge of ensuring adequate liquidity.

We are guided by objectives to help balance these goals:

- Maximize the value to BPA stakeholders over the long-term by achieving the optimal combination of lower interest expense and increased interest income, consistent with a prudent degree of risk.
- Maintain financial strength and integrity as measured by independent assessments, audit opinion, bond ratings, etc.
- Maintain financial flexibility such that BPA can react and respond to market opportunities and unusual market conditions.

A key component identified to enable BPA to meet the objectives was to optimize BPA's ability to hedge interest rate risk through variable rate debt issuance while "matching" it to short term investments.

Also known as Immunization, matching assets (short term investments) and liabilites (short term debt issuances) can reduce interest rate expense as well as interest rate volatility effectively through "hedging" the short term debt issuance interest rate exposure. Several reasons support this hedging practice.

- Variable Rate Debt (VRD) is typically cheaper than fixed rate debt due to the position on the yield curve, and this decrease in interest expense outweighs the slight, if any, decrease in investment interest income due to the need to already have the cash investments in short term maturities.
- The hedge position offsets repricing risk, or volatility, decreasing the volatility in interest expense.

Matching Program – Sizing the program

Matching Program Size:

- As BPA transitions more cash into MBS investments, a larger portion of the investments will reside in short-term investments in order to cover liquidity needs. This portion of the investments will be sensitive to market movement, as BPA will simply lock in the going yield available at the time of reinvestment and will likely have lower earnings than the longer maturities in the portfolio.
- A matching program can help deal with both of these issues, limiting large oscillations in interest expense for its portion of the overall portfolio. The size of the matching program should be based on the ***risk vs. reward premise***.

The Reward Element:

- Depending on reserve levels and the interest rate environment, BPA will likely hold around $300 to $500 million invested in maturities as short as overnight to 1 year for working capital needs. These short-term investments are the first and primary component for determining the maximum matching program size. A matching program that is more aligned with this level of short-term investments will:
  - Create an effective hedge that will help to minimize net interest expense. Basically, the reduction to interest earnings from investing at the short end of the yield curve will be offset by reduced interest expense from borrowing at the short end of the yield curve.
  - Reduce the volatility of net interest expense. As interest rates go up or down, the spread between the interest earnings and interest expense will remain relatively stable.

Background – Matching Pilot Program

- In FY 2010 BPA Treasury implemented a $45 million matching pilot program that was approved for one year and was later extended for an additional year.
- Interest rate resetting and re-investment pricing were matched to minimize risk.
- Interest expense was reduced by ~$1.5 million annually over the pilot program's tenure.
- This program has exceeded expectations: spreads between borrowings and investments have been extremely tight over the past period creating even larger than anticipated savings and no other issues have developed or revealed themselves.
- Due to the success of the initial program in FY 2011 the pilot program was increased to $100 million.

Matching Program - FY 2012 Match Portfolio

- In FY 2012, BPA Treasury is increasing the size of the matching program to $300 million.
- $300 million is the amount of liquidity typically established in the Power Services rate case for working capital that BPA would plan to have in cash and short term investments.
- At current rates, a $300 million matching program is expected to reduce interest expense by ~$11 million annually.

Finance has set risk mitigation measures as well as proposed metrics for portfolio management.

Matching Program - Risk

The primary financial risks associated with a matching program are basis risk and re-pricing risk.

- Basis Risk is presented when yields on assets and costs on liabilities are based on different bases or indices.
  - In the context of BPA's matching program, basis risk is only present in the difference between the Treasury and Agency yield curve because the underlying indices are the same.
  - The spread between the two typically is tight, but does not always move in lockstep. Over the past 20 years (~5,000 observations), the spread between 6-month Treasury bonds and Agency debt has been under 100 basis points 98.5% of the time.

- Re-pricing risk occurs when the timing between an interest rate reset or maturity is not equal.
  - Re-pricing risk is often measured by the volume of assets that mature or re-price within a given time period with the volume of liabilities that also mature or re-price in this same time frame.
  - The wider the gap between the asset and liability re-pricing, the greater the re-pricing risk.
  - When re-pricing asset maturities are longer than their associated re-pricing liability maturities, the portfolio is said to be "liability sensitive," because the liabilities will re-price more quickly.
    - The earnings of a portfolio, if liability sensitive, generally increase when interest rates fall and decrease when they rise. Conversely, an asset-sensitive portfolio (re-pricing asset maturities are shorter than re-pricing liability maturities) will generally benefit from a rise in rates and be hurt by a fall in rates.
  - A common metric for measuring re-pricing risk is Macaulay Duration measured as a portfolios' weighted time between re-pricings.

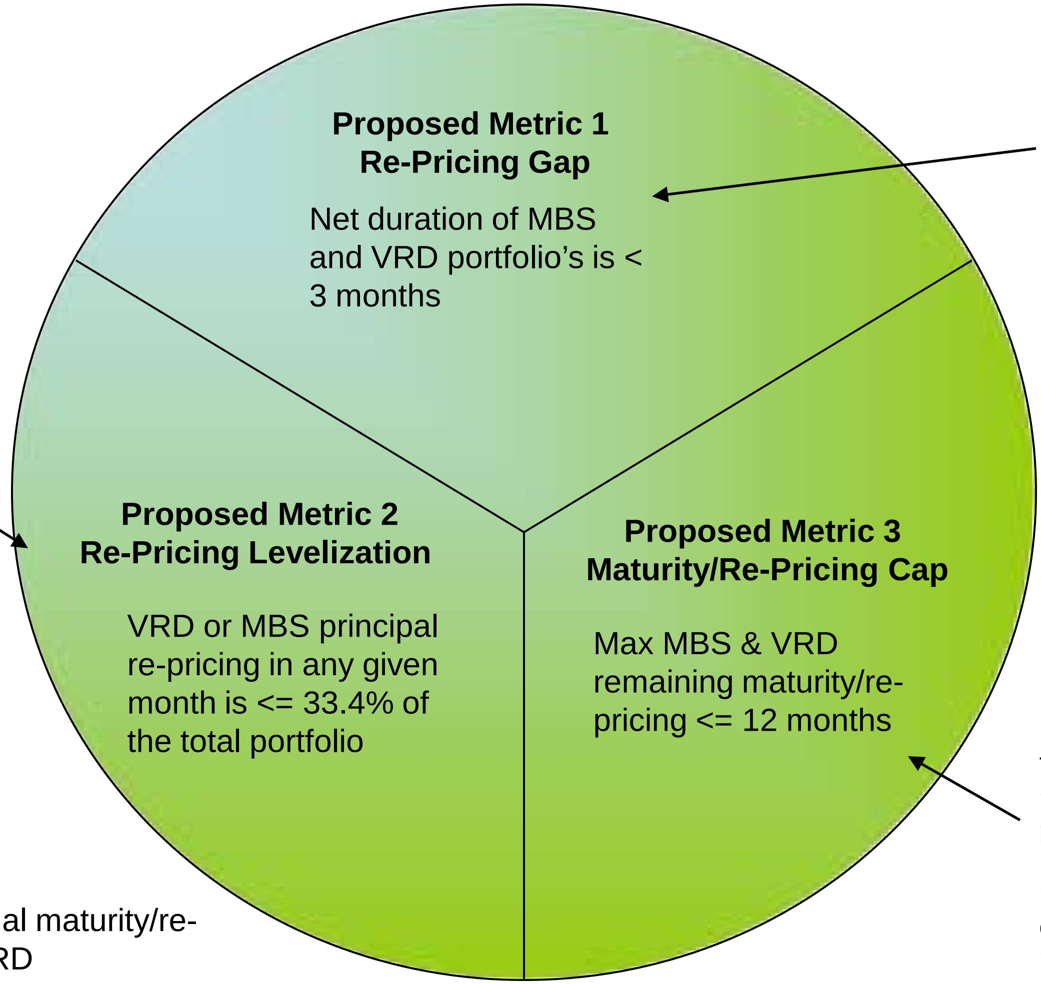
Matching Program - Risk Mitigation

Financial risks associated with the matching program are mitigated in two distinct ways:

- Unwind Rules:
  - Re-pricing risk can occur when VRD exceeds the amount of short term MBS investments. This situation can potentially occur when cash levels drop below the amount of outstanding VRD.
  - In this situation the re-pricing risk could theoretically be infinite because the existence of an offsetting asset is gone.
  - To limit the re-pricing risk associated with this type of a scenario, BPA Finance has implemented a leading indicator that triggers fixing out VRD when forecast cash levels drop below the amount of outstanding VRD. This risk mitigation technique informs and provides a head start to wind down the matching program size when exposure is possible.
- Portfolio Metrics:
  - Portfolio metrics provide the outer bounds by which the matching program can operate. The metrics limit the duration between asset and liability re-pricings, force a dollar cost average approach to re-pricing and limit the maximum time between asset or liability re-pricings. Proposed portfolio metrics include:
    - Portfolio Duration <3 Months
      - This reduces the re-pricing risk of the portfolio by ensuring the portfolio assets and liabilities re-price less than 3 months apart.
    - Maximum re-pricing of assets or liabilities is < 12 Months
      - This metric ensures that assets and liability in the program are short-term
    - Maximum principal re-pricing in a given month is < $100 million.
      - This metric forces a spreading out of asset and liability re-pricings which limits re-pricing risk

Portfolio Metrics

This metric forces a dollar cost average approach to re-pricings. Eliminates the possibility for $300 million VRD to re-price in 1 month and $300 million of VRD to re-price 6 months later



Duration is the weighted average present value of future cash inflows/outflows reported in months. In this context it means that the weighted average distance between MBS and VRD re-pricing is < 3 months. Put another way, we are comfortable with 3 months or less of price risk.

This metric caps the maximum maturity/re-pricing to 12 months. I think it would be reasonable to characterize this metric in a way that leaves open the option to expand this. This metric will be more useful when the IOC sunsets.

Key Reporting Statistics:

1. Weighted average initial maturity/re-pricing of MBS and VRD
2. The weighted avg. spread of MBS and VRD
3. The difference between 30 year and 3 month Agency rates

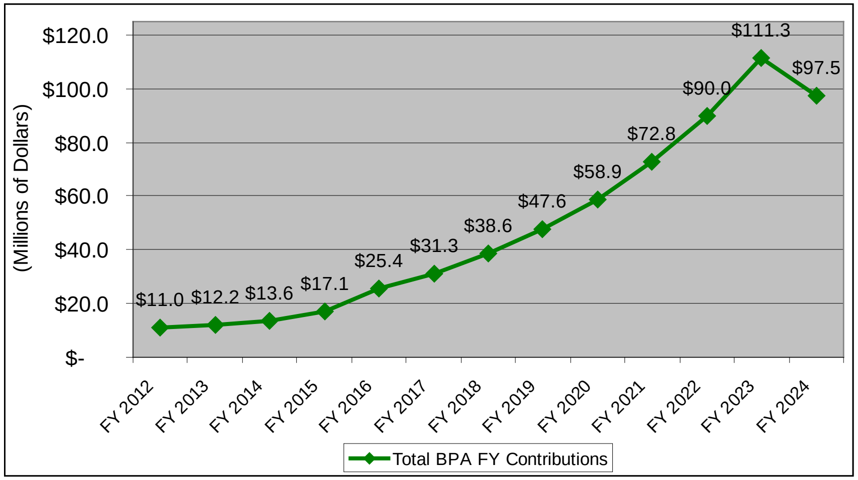
CGS Decommissioning Trust Fund

Steve Gaube

Columbia Generating Station Trust Fund Status Update

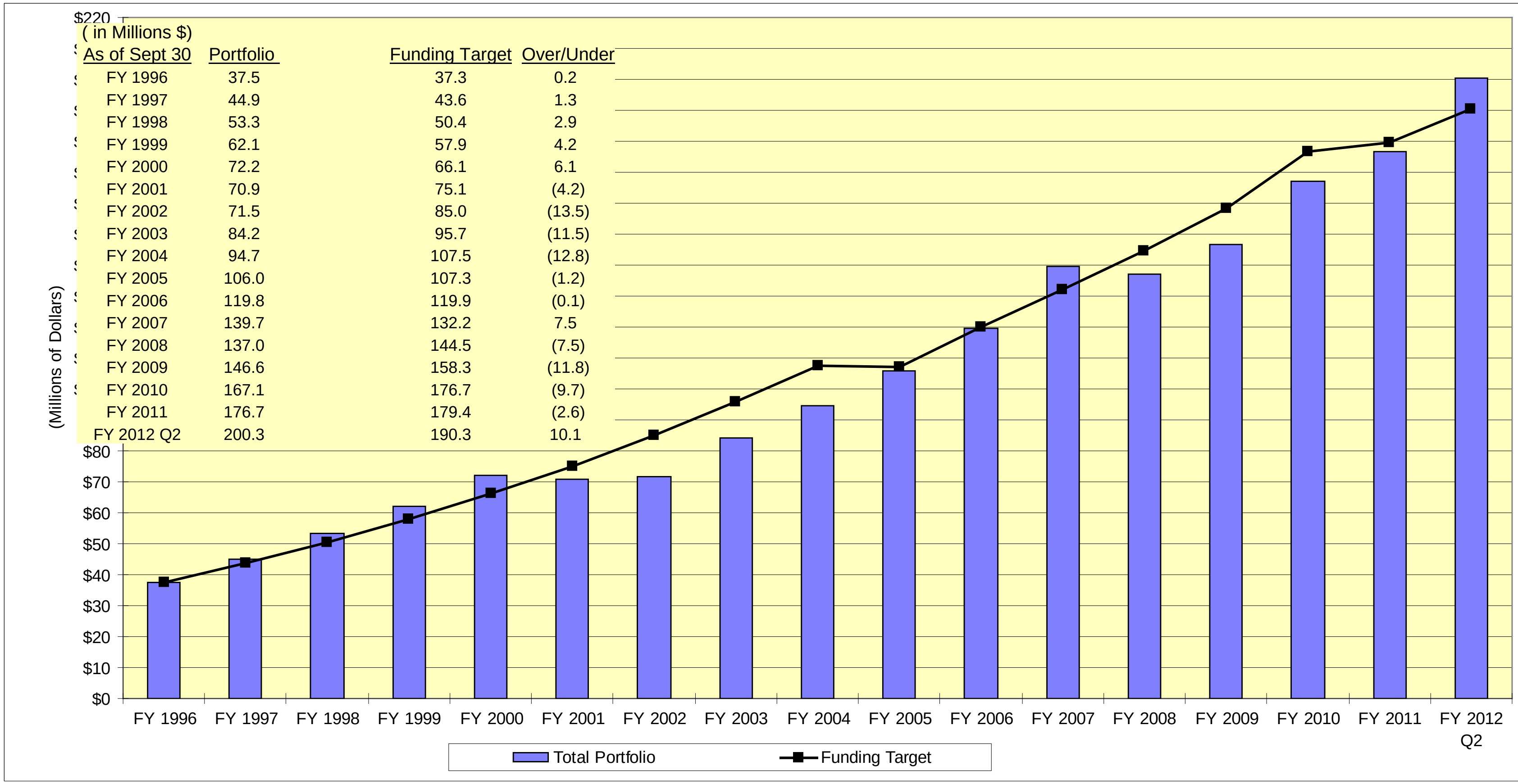
- Energy Northwest is expecting a decision from the Nuclear Regulatory Commission by June 2012 approving Columbia Generating Station license extension from 2023 to 2043.
- The additional 20 years of plant operation presents the opportunity to stretch out BPA's annual contributions to the CGS Decommissioning Trust Fund.
- BPA has an FY 2012 initiative to develop a potential new Funding Plan that can be approved and implemented after license extension is granted.
  - Any changes to the current Funding Plan will be made in coordination with Energy Northwest.
- The current Funding Plan calls for the following contributions to be made in upcoming BPA fiscal years:

BPA Fiscal Year	Total BPA FY Contributions
FY 2012	$ 11.0
FY 2013	$ 12.2
FY 2014	$ 13.6
FY 2015	$ 17.1
FY 2016	$ 25.4
FY 2017	$ 31.3
FY 2018	$ 38.6
FY 2019	$ 47.6
FY 2020	$ 58.9
FY 2021	$ 72.8
FY 2022	$ 90.0
FY 2023	$ 111.3
FY 2024	$ 97.5



Trust Fund Market Value vs. Decommissioning Funding Target

- The Trust Fund has reversed a recent trend and is now slightly over funded.



(in Millions $)

As of Sept 30	Portfolio	Funding Target	Over/Under
FY 1996	37.5	37.3	0.2
FY 1997	44.9	43.6	1.3
FY 1998	53.3	50.4	2.9
FY 1999	62.1	57.9	4.2
FY 2000	72.2	66.1	6.1
FY 2001	70.9	75.1	(4.2)
FY 2002	71.5	85.0	(13.5)
FY 2003	84.2	95.7	(11.5)
FY 2004	94.7	107.5	(12.8)
FY 2005	106.0	107.3	(1.2)
FY 2006	119.8	119.9	(0.1)
FY 2007	139.7	132.2	7.5
FY 2008	137.0	144.5	(7.5)
FY 2009	146.6	158.3	(11.8)
FY 2010	167.1	176.7	(9.7)
FY 2011	176.7	179.4	(2.6)
FY 2012 Q2	200.3	190.3	10.1

Recent Debt Management Actions

Jon Dull

Energy Northwest Traditional Refinancing

EN Refinancing Details 3/20/2012

Bond Details:

- Project 1, Series 2012-B Tax-Exempt
  - $41,285,000
- Project 1, Series 2012-C Taxable
  - $24,100,000
- Project 3, Series 2012-B Tax-Exempt
  - $30,330,000
- Project 3, Series 2012-B Taxable
  - $61,635,000

Total Bond Size: $157,350,000

All-In Total Interest Cost: 1.64%

Average Life: 4.4 years

Net PV Savings Achieved: $15,665,042

Savings Percentage: 10.04%

Year		Savings Total
2012	$	4,084,765
2013	$	3,822,385
2014	$	3,317,872
2015	$	1,809,698
2016	$	1,806,678
2017	$	1,352,756
	$	16,194,153

Credit Ratings

	Moody's	S&P	Fitch
Rating	Aa1	AA-	AA
Outlook	Stable	Stable	Stable
Last Rating	Mar-12	Mar-12	Mar-12
Last Change in Rating or Outlook	Aug-11	Aug-11	Dec-10

Northern Wasco Traditional Refinancing

N. Wasco Refinancing Details 4/17/2012

Bond Details

- Series 2012A Tax-Exempt
  - $7,520,000
- Series 2012B Taxable
  - $12,215,000

Total Bond Size: $19,735,000

All-In Total Interest Cost: 2.57%

Average Life: 7 years

Net PV Savings Achieved: $3,429,966

Savings Percentage: 16.61%

Year	Savings
2012	$ 477,841
2013	$ 268,012
2014	$ 270,065
2015	$ 267,322
2016	$ 269,504
2017	$ 267,129
2018	$ 265,964
2019	$ 266,264
2020	$ 268,137
2021	$ 268,601
2022	$ 265,635
2023	$ 266,035
2024	$ 270,365
2025	$ 268,615

Credit Ratings

	Moody's	S&P	Fitch
Rating	Aa1	AA-	AA
Outlook	Stable	Stable	Stable
Last Rating	Mar-12	Apr-12	Mar-12
Last Change in Rating or Outlook	Aug-11	Aug-11	Dec-10

Lease Financing Update

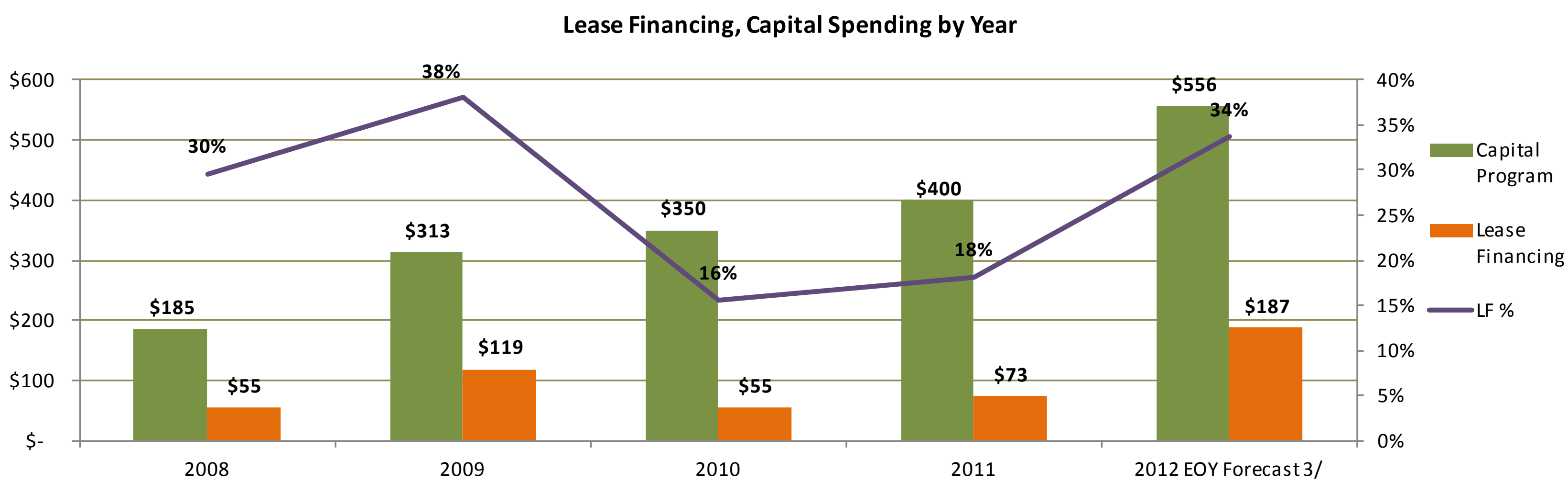
Lease Commitment Amount by Fiscal Year*	
2004	$120
2007	$51
2008	$148
2009	$126
2010	$5
2011	$106
2012	$130
	$686

Lease Financing Rate Comparison

	Weighted Average All In Rate**	Comparable Treasury Financing Rate	Delta
NIFC	5.52%	5.23%	0.29%
NIFC II	5.53%	4.63%	0.90%
NIFC III	4.11%	3.73%	0.39%
NIFC IV	4.24%	2.62%	1.61%
NIFC V	2.81%	1.65%	1.16%
NIFC VI	2.83%	1.80%	1.03%

	Leases Signed to Date	All-In Weighted Average Interest 2/	Expiration	Amount Left on the Line
NIFC	$120	5.52%	January 1, 2034	$0
NIFC II	$90	5.53%	July 1, 2014	$0
NIFC III	$200	4.11%	January 1, 2015	$0
NIFC IV	$100	4.24%	January 1, 2016	$0
NIFC V	$118	2.81%	July 1, 2016	$0
NIFC VI	$58	2.83%	January 1, 2019	$142
Total	$686	4.23%		$142

*Lease commitment refers to the dollar amount of leases signed in a year, not annual spending
**Weighted Average All-In Rate does not include property taxes



This information has been made publicly available by BPA on April 27, 2012 and contains BPA-Approved Agency Financial Information

Access to Capital/Power Prepayment Program

Debt Management Workshop

BPA will hold an Access to Capital/Financial Issues workshop in July to discuss:

- Current Treasury borrowing authority status & the 10 year target
- Updates on Financing Tools
  - Prepays
  - Lease Financing
  - Cash Tools
- ARRA Financing
- General BPA cost of capital and financing information
- Non-Federal Amortization and Depreciation for 2014/15 rate case
- Debt Management ideas

Power Prepay Program

- BPA formed a regional team to develop a power prepay program that consisted of potential participants and non-participants to ensure equity among customers.

- The regional team members are Benton PUD, Clark PUD, EWEB, Lewis Country PUD, NRU, PNGC, Snohomish PUD, Tacoma Power and BPA.

- The team agreed on the following principles that guided the process:

  1. ***Fixed credit/adjustable price:*** A prepay transaction locks in a credit, not power prices. BPA's future rates may go up or down, but the customer will always receive a fixed credit on the prepaid portion of their bill equal to the prepay bond debt service (if applicable) plus an incentive.

     – BPA is mandated to recover its costs from customers and bases its power rates on this mandate. Therefore, BPA cannot lock a fixed power purchase price to recover its future costs when we do not know those costs.

     – BPA believes that any prepay program should maintain equity among participants and non-participants; a fixed price would violate this goal.

Power Prepay Program (continued)

2. ***<u>Consistent with existing Regional Dialogue contracts:</u>*** A prepay transaction should fit within existing Regional Dialogue contracts and does not constitute an "assignment" of power sold at a Tier 1 rate, which may trigger the Tiered Rates Methodology voting process or a 7(i) process.

3. ***<u>Placement of credits:</u>*** BPA has limited degrees of freedom in terms of when credits can be paid and needs to define the timing of credits to minimize the impacts to future revenue requirements.
   - BPA will minimize rate impacts by timing credits using repayment study and revenue requirement analysis.
   - The precise timing mentioned above means that the credit streams should be considered fixed and are not liquid.

Power Prepay Basic Terms

- $50,000 monthly level prepay credit blocks
- Credits match the current Power Sales Agreement's (PSA's) and go through 2028
- Credits are not transferable or sellable by customers
- No minimum block requirement
- No partial block sales
- No performance deposit requirement
- BPA will use the Market Clearing Auction to determine the price of the blocks
- There will be deemed assignments of prepayment credits for monthly unused credits and BPA will remit cash to the prepaying customer as long as BPA has power purchases from other customers

Power Prepay Basic Terms (continued)

- The Utility is expected to fund the prepayment 30 days after a date the utility sets
- Monthly credits start 60 days after the prepayment is funded
- If a utility issues debt to fund the prepayment:
  - BPA will take the full interest rate risk between the bid and funding by adjusting the market clearing price
  - BPA will offer off ramps to customers for credit risk between bid and funding that ensures utilities a savings level
  - BPA will not financially guarantee the payment of principal or interest on any debt issued by or for the benefit of the prepaying customer

Net Billing and Customer Credits

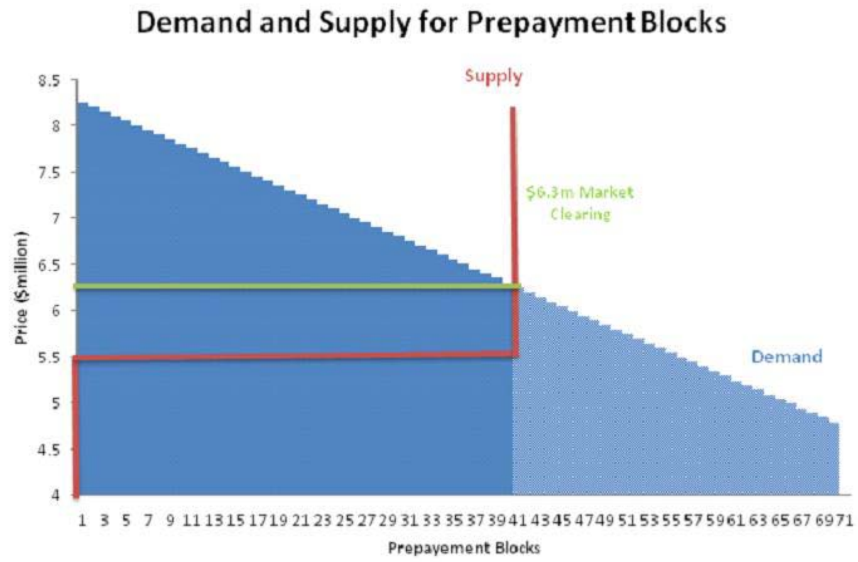
- Energy Northwest's Net Billing Agreements require EN credits to be senior to all other credits.
- Therefore, BPA needs to adjust the credits available for customers to prepay by their specific net billing requirement.
- The following methodology to adjust for net billing is recommended:
  - Individual credits available for purchase under the prepay program are the lower of:
    - 50% of the lowest year of forecasted customer power revenues from 2014-2018 *OR*
    - 100% of the lowest year of forecasted customer power revenues available after the Net Billing obligation is satisfied

Auction Specifics

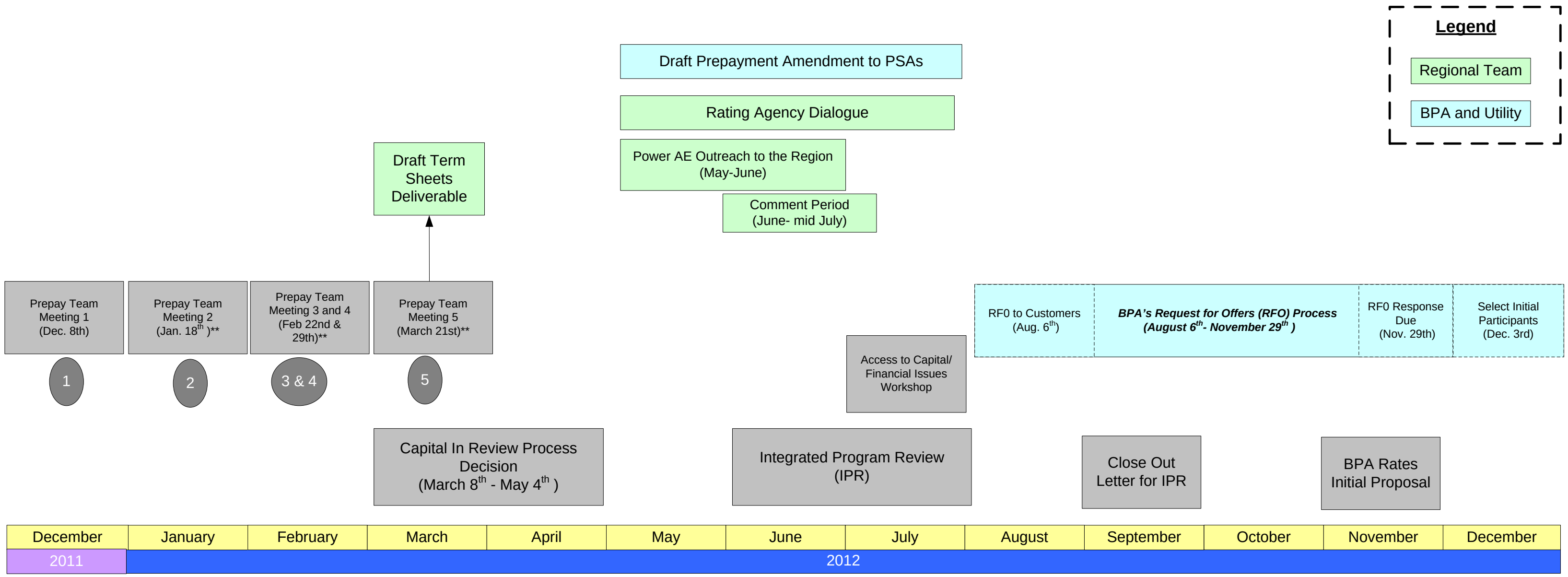
- BPA will offer a specified number of prepay blocks for purchase each rate case. A prepay block is a future stream of monthly credits – currently set at $50,000 per month – on a purchasing utilities' Power bill through the remaining term of the Regional Dialogue contracts.
- Customers will bid on these blocks. A customer can bid on more than one block at different bids.
- Each bid is a dollar amount of prepayment offered for a block of monthly credits on the customer's power bill for 15 years (or the remaining term of the Regional Dialogue contracts) which will result in about $9 million in total credits over the life of the agreement.
- For the first offering, the shape of the monthly credits associated with each block will be levelized. That is, the credits will be equal each month through the term of the Regional Dialogue contracts.
- BPA will establish a "reservation price" per prepay block that will be the minimum dollar amount BPA is willing to accept for each block.
- Customer bids, subject to BPA's reservation price floor, will establish a market clearing price, which will be the competitively determined price for participation in the program. All customers that bid in at or above this price will be offered this clearing price for each block they bid in at or above this price.

Evaluation Example

- BPA offers 40 Blocks of $50,000 monthly credits for the value of electricity for 15 years.
- BPA computes a reservation price of $5.5 million, which reflects an imputed financing rate of approximately 7 percent.
- Suppose BPA receives 70 bids as follows:
  - 4,...,4.5,...,5,5.5,6,......,6.3,...,7,7.5,...,8.15,8.2,8.25
  - 15 bids are less than the $5.5 million dollar reservation price
  - 55 bids remain, of which the 40th lowest bid = $6.3 million
  - $6.3 million is the market clearing price
  - The program generates $252 million in prepay revenues (40 blocks times $6.3 million pre-pay)
- Effectively results in 5 percent rate of financing



Power Prepay Timeline



* Assumes that a customer issues tax-exempt bonds to fund the power prepayment and therefore a Private Letter Ruling is required from the IRS
** Meetings 3-5 are currently scheduled to be held at Tacoma Power
*** Funding for utilities that issue debt would be in April/May 2013

Meeting Objectives

1 (1) Introduced the principles and base structure (2) Defined expectations and agreed upon meeting protocol

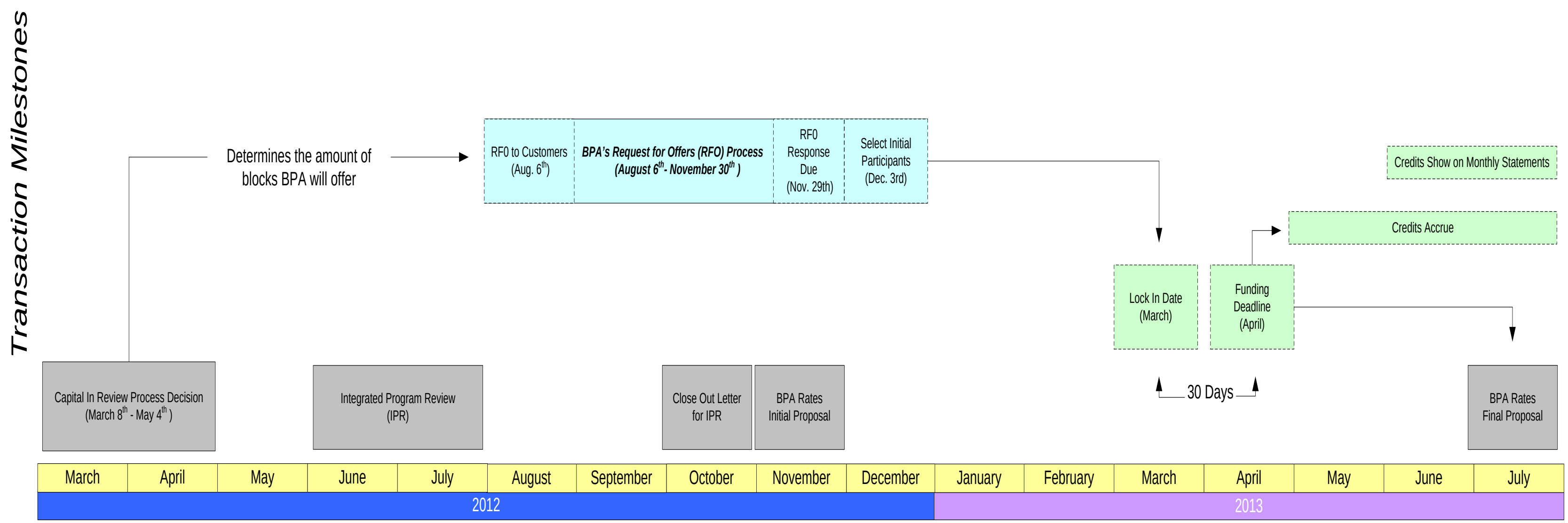
2 (1) Review power rate analysis (2) Discuss term sheet (3) Invite banker reaction and feedback to the base case

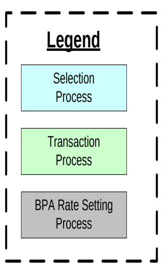
3 (1) Revised term sheet (2) Alternative auction proposal (3) Risk assessment

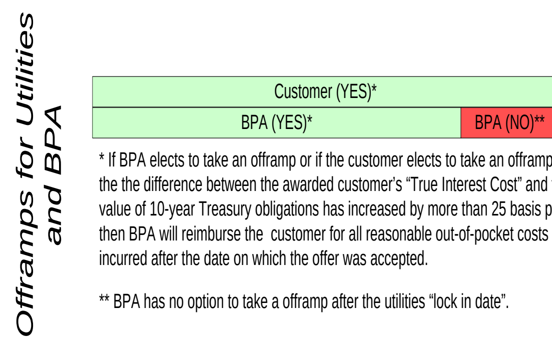
4 (1) Term sheet (2) Auction process (3) Federal and state law (4) Proposed rating agencies strategy

5 (1) Finalize draft term sheets (2) Draft rating agency presentation

Power Prepay Transaction Timeline





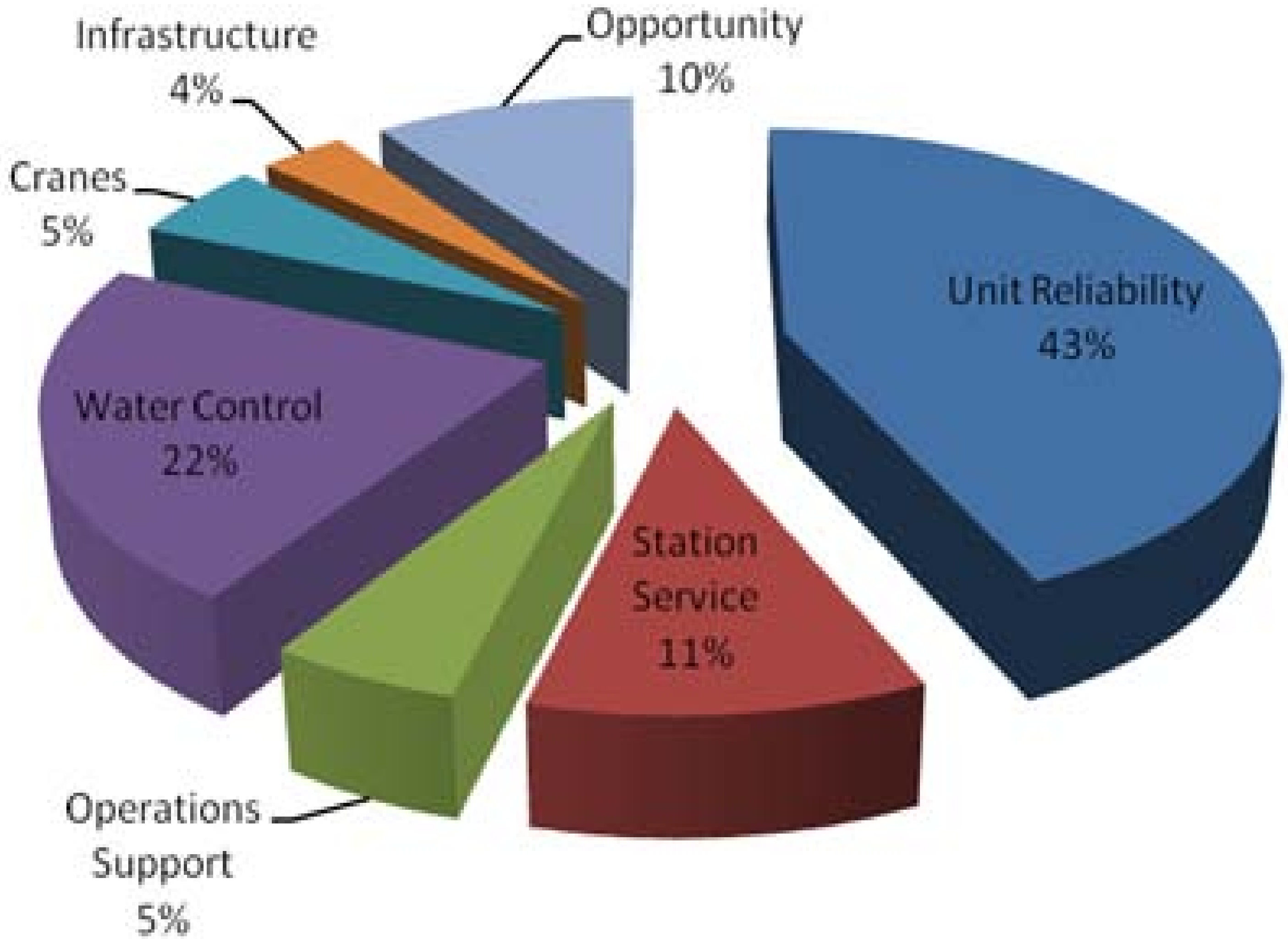


* If BPA elects to take an offramp or if the customer elects to take an offramp and the the difference between the awarded customer's "True Interest Cost" and the value of 10-year Treasury obligations has increased by more than 25 basis points, then BPA will reimburse the customer for all reasonable out-of-pocket costs it incurred after the date on which the offer was accepted.

** BPA has no option to take a offramp after the utilities "lock in date".

Federal Hydro Capital Projects Update

FCRPS Capital Costs 2012- 2021



This information has been made publicly available by BPA on April 27, 2012 and contains BPA-Approved Agency Financial Information

Unit Reliability
Grand Coulee G19 & 20 Transformer Replacement

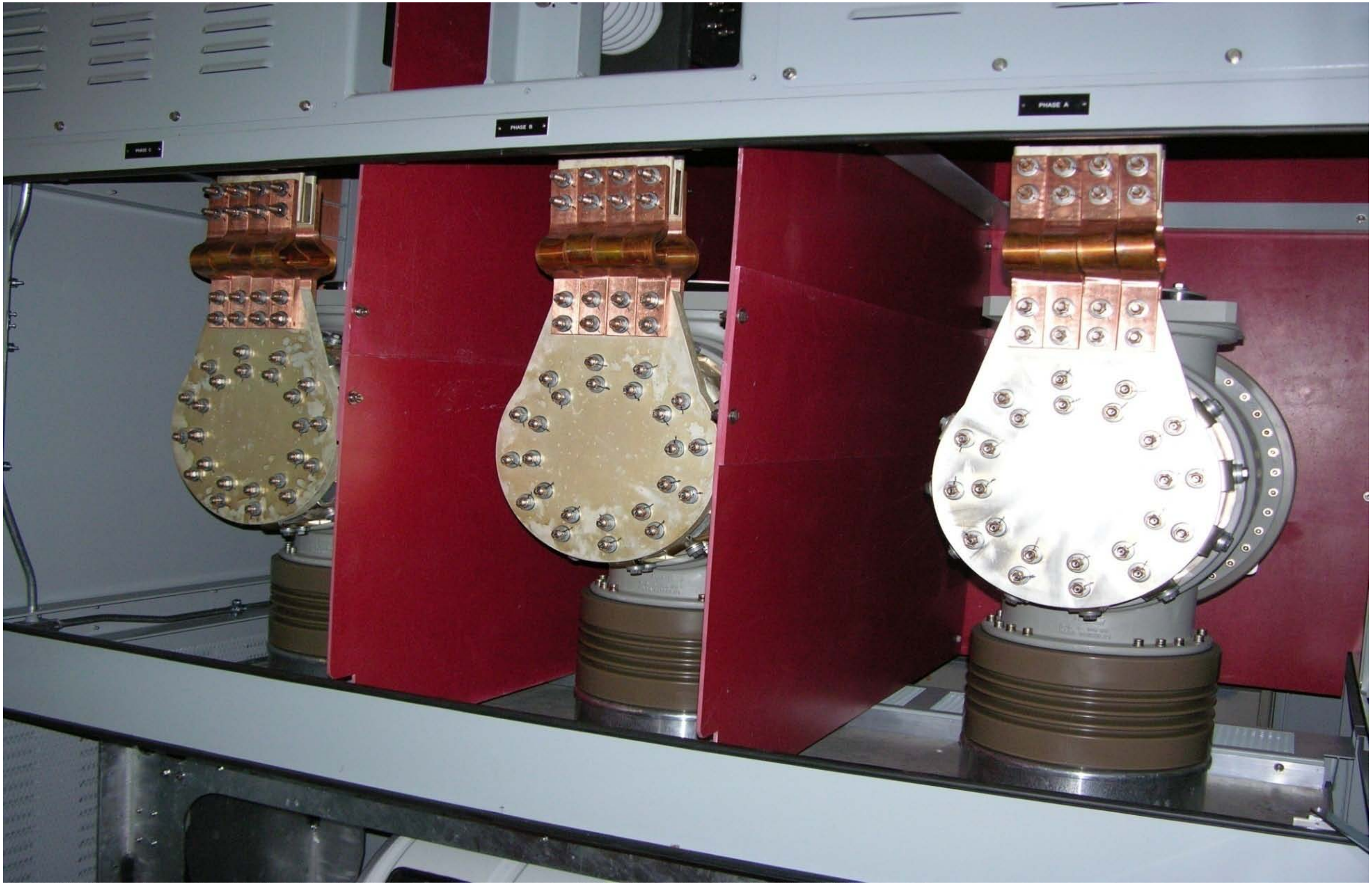
Unit Reliability
Grand Coulee G19 & 20 Transformer Replacement

Unit Reliability
McNary Winding Replacement

Unit Reliability
McNary Winding Replacement

Unit Reliability
Hungry Horse Main Unit Breaker Replacement

Unit Reliability
Hungry Horse Main Unit Breaker Replacement



Cranes
Dworshak Bridge Crane Rehabilitation

Cranes
Lower Monumental Intake Crane Replacement

Cranes
Ice Harbor Tailrace Crane

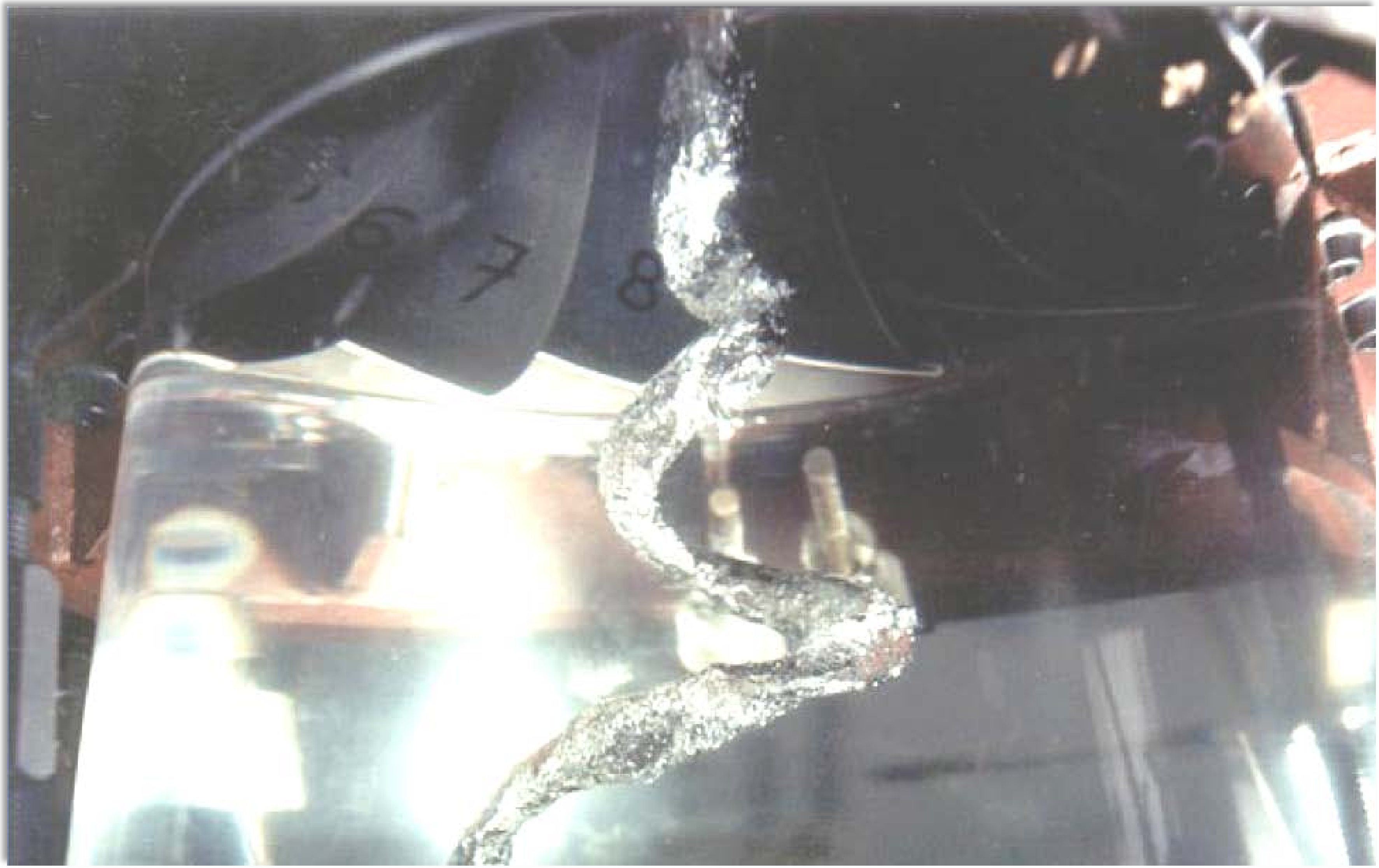
Cranes
Ice Harbor Tailrace Crane

Water Control
Dexter Spillway Tainter Gate Rehabilitation

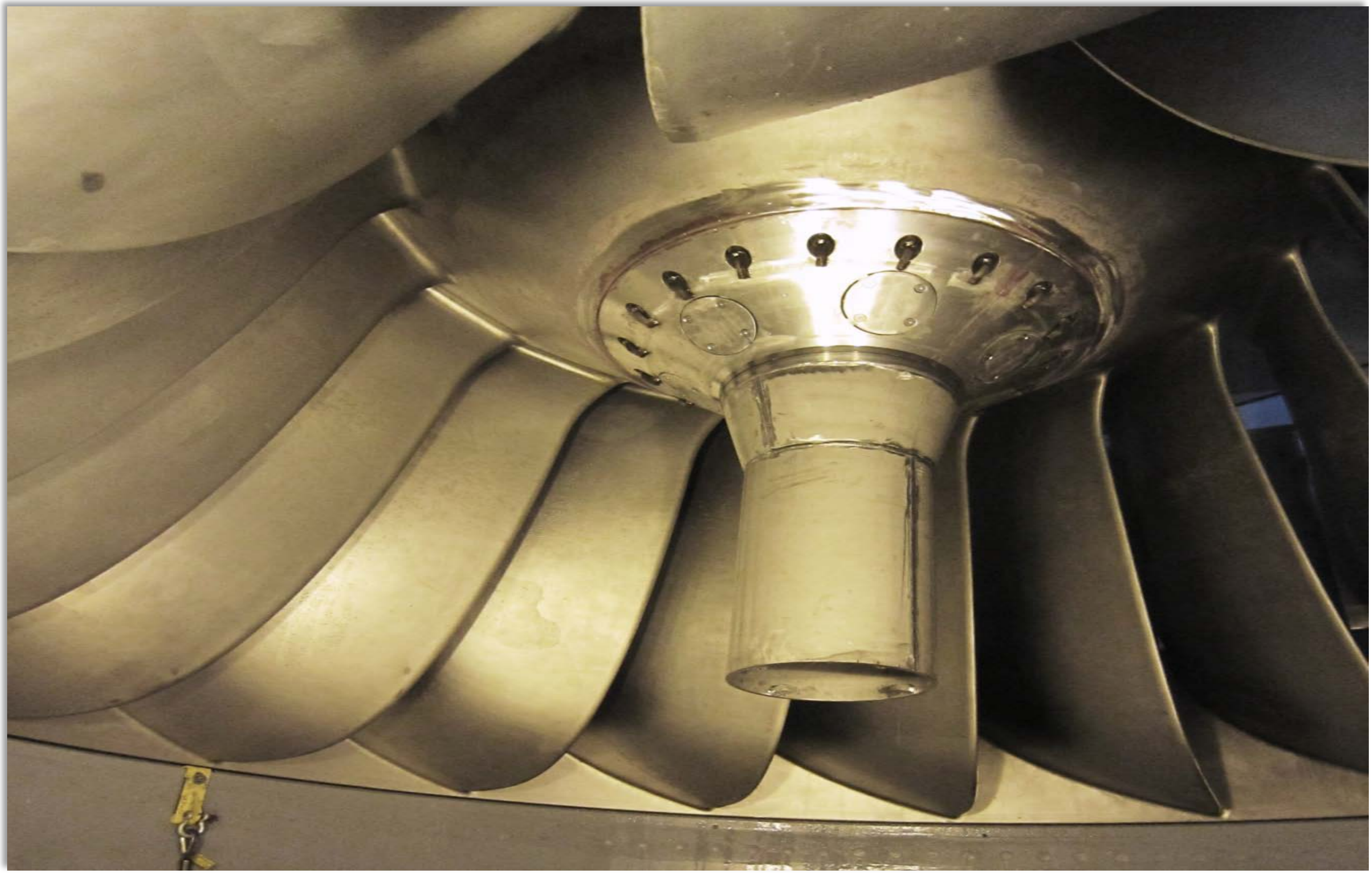
Water Control
Dexter Spillway Tainter Gate Rehabilitation

Opportunity
Chief Joseph Units 1-16 Runner Replacements

Opportunity
Chief Joseph Units 1-16 Runner Replacements



Opportunity
Chief Joseph Units 1-16 Runner Replacements



Questions

Appendix 1

Report ID: 0060FY12	**Power Services Detailed Statement of Revenues and Expenses**	Run Date\Time: April 17, 2012 06:02
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended March 31, 2012	Data Source: EPM Data Warehouse
Unit of Measure: $ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 50%

		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	$ 2,407,774	$ 1,275,908	53%
2	**Bookout Adjustment to Sales** <Note 1	(92,198)	-	-	(46,122)	(46,122)	100%
3	**Miscellaneous Revenues**	24,699	26,198	26,198	20,445	13,369	65%
4	**Inter-Business Unit**	110,034	127,449	127,449	130,408	61,302	47%
5	**U.S. Treasury Credits**	89,702	95,662	95,662	79,438	44,024	55%
6	**Total Operating Revenues**	**2,619,038**	**2,694,957**	**2,694,957**	**2,591,943**	**1,348,482**	**52%**
	Operating Expenses						
	Power System Generation Resources						
	Operating Generation						
7	COLUMBIA GENERATING STATION	322,212	306,366	306,366	295,432	137,041	46%
8	BUREAU OF RECLAMATION	85,488	111,972	111,972	111,972	42,093	38%
9	CORPS OF ENGINEERS	190,835	208,700	208,700	207,175	93,408	45%
10	LONG-TERM CONTRACT GENERATING PROJECTS	29,427	25,079	25,079	25,131	13,521	54%
11	**Sub-Total**	627,962	652,117	652,117	639,710	286,063	45%
	Operating Generation Settlements and Other Payments						
12	COLVILLE GENERATION SETTLEMENT	17,570	21,928	21,928	20,437	9,467	46%
13	**Sub-Total**	17,570	21,928	21,928	20,437	9,467	46%
	Non-Operating Generation						
14	TROJAN DECOMMISSIONING	1,688	1,500	1,500	1,600	863	54%
15	WNP-1&4 O&M	984	438	438	500	241	48%
16	**Sub-Total**	2,672	1,938	1,938	2,100	1,104	53%
	Gross Contracted Power Purchases (excluding bookout adjustments) <Note 1						
17	PNCA HEADWATER BENEFITS	1,973	2,452	2,452	2,452	1,548	63%
18	PURCHASES FOR SERVICE AT TIER 2 RATES	-	-	8,445	8,445	2,803	33%
19	OTHER POWER PURCHASES - (e.g. Short-Term)	235,276	99,802	91,357	159,518	148,163	93%
20	**Sub-Total**	237,249	102,254	102,254	170,415	152,515	89%
21	**Bookout Adjustments to Contracted Power Purchases** <Note 1	(92,198)	-	-	(46,122)	(46,122)	100%
	Augmentation Power Purchases						
22	AUGMENTATION POWER PURCHASES	2,898	-	-	(107)	(107)	100%
23	**Sub-Total**	2,898	-	-	(107)	(107)	100%
	Exchanges & Settlements						
24	RESIDENTIAL EXCHANGE PROGRAM <Note 3	184,764	201,561	202,961	203,424	115,777	57%
25	OTHER SETTLEMENTS	-	-	-	-	-	0%
26	**Sub-Total**	184,764	201,561	202,961	203,424	115,777	57%
	Renewable Generation						
27	RENEWABLE CONSERVATION RATE CREDIT	2,588	-	-	(18)	(18)	100%
28	RENEWABLES	35,939	37,670	37,669	37,360	17,086	46%
29	**Sub-Total**	$ 38,527	$ 37,670	$ 37,669	$ 37,342	$ 17,067	46%

Report ID: 0060FY12	Power Services Detailed Statement of Revenues and Expenses	Run Date\Time: April 17, 2012 06:02
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended March 31, 2012	Data Source: EPM Data Warehouse
Unit of Measure: $ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 50%

		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)	$ -	$ -	$ 3	$ 3	100%
31	CONSERVATION ACQUISITION	12,042	15,950	15,950	13,548	5,553	41%
32	LOW INCOME ENERGY EFFICIENCY	3,046	5,000	5,000	6,600	3,099	47%
33	REIMBURSABLE ENERGY EFFICIENCY DEVELOPMENT	5,330	11,500	11,500	5,100	1,094	21%
34	LEGACY	624	1,000	1,000	1,000	636	64%
35	MARKET TRANSFORMATION	10,807	13,500	13,500	14,790	7,539	51%
36	CONSERVATION RATE CREDIT (CRC)	27,636	-	-	(17)	(17)	100%
37	**Sub-Total**	59,476	46,950	46,950	41,024	17,907	44%
38	**Power System Generation Sub-Total**	**1,078,919**	**1,064,418**	**1,065,817**	**1,068,223**	**553,672**	**52%**
	Power Non-Generation Operations						
	Power Services System Operations						
39	INFORMATION TECHNOLOGY	3,480	7,143	6,283	8,007	2,885	36%
40	GENERATION PROJECT COORDINATION	5,836	5,895	5,798	5,709	1,603	28%
41	SLICE IMPLEMENTATION	1,942	2,322	2,328	1,127	555	49%
42	**Sub-Total**	11,257	15,360	14,410	14,843	5,044	34%
	Power Services Scheduling						
43	OPERATIONS SCHEDULING	7,922	10,041	8,809	10,010	4,516	45%
44	OPERATIONS PLANNING	5,755	6,744	7,489	7,580	3,080	41%
45	**Sub-Total**	13,677	16,785	16,297	17,590	7,596	43%
	Power Services Marketing and Business Support						
46	POWER R&D	4,934	5,622	5,631	5,631	1,737	31%
47	SALES & SUPPORT	18,060	19,745	19,335	18,864	9,344	50%
48	STRATEGY, FINANCE & RISK MGMT	14,134	17,907	18,504	16,968	6,454	38%
49	EXECUTIVE AND ADMINISTRATIVE SERVICES	3,602	3,565	3,200	3,199	1,149	36%
50	CONSERVATION SUPPORT	9,472	9,478	9,279	8,792	4,670	53%
51	**Sub-Total**	50,202	56,316	55,948	53,455	23,354	44%
52	**Power Non-Generation Operations Sub-Total**	**75,137**	**88,460**	**86,656**	**85,889**	**35,993**	**42%**
	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	93,714	41,343	44%
54	3RD PARTY GTA WHEELING	46,992	52,263	53,863	53,863	23,332	43%
55	POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS	2,404	2,221	2,221	2,221	1,313	59%
56	GENERATION INTEGRATION / WIT-TS	8,028	13,035	13,035	13,035	4,424	34%
57	TELEMETERING/EQUIP REPLACEMT	37	50	50	50	4	9%
58	**Power Srvcs Trans Acquisition and Ancillary Services Sub-Total**	**179,684**	**160,516**	**162,116**	**162,884**	**70,416**	**43%**
	Fish and Wildlife/USF&W/Planning Council/Environmental Req						
	BPA Fish and Wildlife						
59	**Fish & Wildlife**	221,048	237,422	237,394	237,544	125,726	53%
60	**USF&W Lower Snake Hatcheries**	24,466	28,800	28,800	28,800	2,982	10%
61	**Planning Council**	8,930	10,114	10,114	10,709	5,184	48%
62	**Environmental Requirements**	96	302	302	302	65	21%
63	**Fish and Wildlife/USF&W/Planning Council Sub-Total**	**$ 254,540**	**$ 276,639**	**$ 276,610**	**$ 277,356**	**$ 133,956**	**48%**

Report ID: 0060FY12	Power Services Detailed Statement of Revenues and Expenses	Run Date\Time: April 17, 2012 06:02
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended March 31, 2012	Data Source: EPM Data Warehouse
Unit of Measure: $ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 50%

		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	$ 8,622	50%
65	Agency Services G&A (excludes direct project support)	50,861	51,735	51,576	51,111	25,578	50%
66	**BPA Internal Support Sub-Total**	**66,440**	**68,978**	**68,819**	**68,354**	**34,200**	**50%**
67	**Bad Debt Expense**	**()**	**-**	**-**	**1,751**	**1,751**	**100%**
68	**Other Income, Expenses, Adjustments**	**(156)**	**-**	**-**	**(13)**	**(13)**	**100%**
	Non-Federal Debt Service						
	Energy Northwest Debt Service						
69	COLUMBIA GENERATING STATION DEBT SVC	81,210	115,553	114,468	101,066	42,669	42%
70	WNP-1 DEBT SVC	275,395	282,802	285,274	284,146	146,940	52%
71	WNP-3 DEBT SVC	189,801	156,299	158,672	157,186	72,587	46%
72	EN RETIRED DEBT	-	-	-	-	-	0%
73	EN LIBOR INTEREST RATE SWAP	-	-	-	-	-	0%
74	Sub-Total	546,406	554,654	558,414	542,398	262,197	48%
	Non-Energy Northwest Debt Service						
75	TROJAN DEBT SVC	-	-	-	-	-	0%
76	CONSERVATION DEBT SVC	2,867	2,379	2,712	2,712	1,329	49%
77	COWLITZ FALLS DEBT SVC	11,711	11,715	11,715	11,715	5,857	50%
78	NORTHERN WASCO DEBT SVC	2,224	2,223	2,223	2,223	1,111	50%
79	Sub-Total	16,801	16,316	16,649	16,649	8,298	50%
80	**Non-Federal Debt Service Sub-Total**	**563,207**	**570,970**	**575,063**	**559,047**	**270,495**	**48%**
81	**Depreciation**	**110,992**	**122,169**	**115,000**	**110,000**	**52,644**	**48%**
82	**Amortization**	**90,114**	**81,029**	**85,218**	**87,748**	**43,671**	**50%**
83	**Total Operating Expenses**	**2,418,876**	**2,433,179**	**2,435,299**	**2,421,238**	**1,196,785**	**49%**
84	**Net Operating Revenues (Expenses)**	**200,161**	**261,778**	**259,658**	**170,705**	**151,697**	**89%**
	Interest Expense and (Income)						
85	Federal Appropriation	215,967	221,865	218,801	205,469	95,876	47%
86	Capitalization Adjustment	(45,937)	(45,937)	(45,937)	(45,937)	(22,968)	50%
87	Borrowings from US Treasury	40,341	57,866	52,038	49,433	24,040	49%
88	AFUDC	(15,229)	(12,511)	(15,354)	(15,530)	(7,184)	46%
89	Interest Income	(12,283)	(12,624)	(13,152)	(24,988)	(19,818)	79%
90	**Net Interest Expense (Income)**	**182,860**	**208,659**	**196,396**	**168,447**	**69,945**	**42%**
91	**Total Expenses**	**2,601,736**	**2,641,838**	**2,631,695**	**2,589,686**	**1,266,730**	**49%**
92	**Net Revenues (Expenses)**	**$ 17,302**	**$ 53,119**	**$ 63,262**	**$ 2,258**	**$ 81,752**	**3621%**

<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: April 17, 2012 06:03
Requesting BL: TRANSMISSION BUSINESS UNIT	Through the Month Ended March 31, 2012	Data Source: EPM Data Warehouse
Unit of Measure: $ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 50%

		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	$ 122,330	$ 65,311	53%
2	**Other Network**	363,019	388,271	389,569	384,373	185,311	48%
3	**Intertie**	71,265	77,124	77,570	77,309	37,198	48%
4	**Other Direct Sales**	186,202	213,308	214,414	217,183	103,858	48%
5	**Miscellaneous Revenues**	36,164	31,996	32,154	45,761	18,707	41%
6	**Inter-Business Unit Revenues**	132,237	107,328	105,058	107,262	46,112	43%
7	**Total Operating Revenues**	**908,008**	**948,001**	**948,658**	**954,219**	**456,497**	**48%**
	Operating Expenses						
	Transmission Operations						
	System Operations						
8	INFORMATION TECHNOLOGY	6,768	7,349	7,370	8,943	6,300	70%
9	POWER SYSTEM DISPATCHING	11,649	12,336	12,979	12,979	5,919	46%
10	CONTROL CENTER SUPPORT	14,753	14,083	15,076	14,438	6,446	45%
11	TECHNICAL OPERATIONS	4,725	8,385	7,401	4,788	1,877	39%
12	SUBSTATION OPERATIONS	21,286	21,065	21,417	21,417	10,895	51%
13	**Sub-Total**	59,182	63,218	64,244	62,565	31,438	50%
	Scheduling						
14	MANAGEMENT SUPERVISION & ADMINISTRATION	(11)	-	-	-	-	0%
15	RESERVATIONS	3,850	1,088	5,135	5,135	1,963	38%
16	PRE-SCHEDULING	240	477	234	234	99	42%
17	REAL-TIME SCHEDULING	3,950	5,090	4,214	4,214	1,897	45%
18	SCHEDULING TECHNICAL SUPPORT	1,226	5,665	1,263	1,263	505	40%
19	SCHEDULING AFTER-THE-FACT	156	453	213	213	100	47%
20	**Sub-Total**	9,412	12,772	11,058	11,058	4,563	41%
	Marketing and Business Support						
21	TRANSMISSION SALES	2,319	3,301	2,855	2,855	1,329	47%
22	MKTG TRANSMISSION FINANCE	270	303	303	303	142	47%
23	MKTG CONTRACT MANAGEMENT	4,058	4,479	4,735	4,661	2,186	47%
24	MKTG TRANSMISSION BILLING	2,226	2,333	2,400	2,461	1,146	47%
25	MKTG BUSINESS STRAT & ASSESS	6,426	6,553	7,214	7,208	3,219	45%
26	MARKETING IT SUPPORT	-	-	-	-	-	0%
27	**Marketing Sub-Total**	15,301	16,969	17,507	17,487	8,022	46%
28	EXECUTIVE AND ADMIN SERVICES	12,179	13,401	13,721	13,760	5,611	41%
29	LEGAL SUPPORT	2,609	2,984	2,822	2,764	1,543	56%
30	TRANS SERVICES INTERNAL GENERAL & ADMINISTRATIVE	10,191	11,714	14,390	14,143	5,130	36%
31	AIRCRAFT SERVICES	1,121	2,372	2,037	2,037	495	24%
32	LOGISTICS SERVICES	3,532	5,644	4,934	4,397	2,585	59%
33	SECURITY ENHANCEMENTS	482	977	937	937	178	19%
34	**Business Support Sub-Total**	30,116	37,092	38,841	38,037	15,542	41%
35	**Transmission Operations Sub-Total**	**$ 114,010**	**$ 130,050**	**$ 131,650**	**$ 129,148**	**$ 59,565**	**46%**

Report ID: 0061FY12	Transmission Services Detailed Statement of Revenues and Expenses	Run Date/Time: April 17, 2012 06:03
Requesting BL: TRANSMISSION BUSINESS UNIT	Through the Month Ended March 31, 2012	Data Source: EPM Data Warehouse
Unit of Measure: $ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 50%

		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
	Transmission Maintenance						
	System Maintenance						
36	NON-ELECTRIC MAINTENANCE	$ 23,548	$ 26,412	$ 26,323	$ 26,323	$ 8,439	32%
37	SUBSTATION MAINTENANCE	25,522	29,961	29,940	28,904	12,614	44%
38	TRANSMISSION LINE MAINTENANCE	22,921	25,882	25,405	26,056	12,479	48%
39	SYSTEM PROTECTION CONTROL MAINTENANCE	11,388	12,802	12,783	12,423	5,403	43%
40	POWER SYSTEM CONTROL MAINTENANCE	11,958	13,423	15,933	13,412	5,815	43%
41	JOINT COST MAINTENANCE	58	206	1	1	49	3765%
42	SYSTEM MAINTENANCE MANAGEMENT	5,292	6,320	6,282	4,166	2,391	57%
43	ROW MAINTENANCE	10,386	24,631	8,133	8,133	3,399	42%
44	HEAVY MOBILE EQUIP MAINT	379	(17)	(249)	926	305	33%
45	TECHNICAL TRAINING	2,530	2,894	3,170	3,170	1,157	37%
46	VEGETATION MANAGEMENT	11,696	-	16,565	16,565	4,867	29%
47	**Sub-Total**	125,680	142,513	144,285	140,079	56,920	41%
	Environmental Operations						
48	ENVIRONMENTAL ANALYSIS	21	81	81	81	4	5%
49	POLLUTION PREVENTION AND ABATEMENT	3,236	4,119	4,180	4,180	1,414	34%
50	**Sub-Total**	3,258	4,199	4,261	4,261	1,417	33%
51	**Transmission Maintenance Sub-Total**	**128,937**	**146,713**	**148,546**	**144,339**	**58,338**	**40%**
	Transmission Engineering						
	System Development						
52	RESEARCH & DEVELOPMENT	6,656	7,583	7,517	7,314	2,180	30%
53	TSD PLANNING AND ANALYSIS	10,801	11,531	12,767	12,488	5,689	46%
54	CAPITAL TO EXPENSE TRANSFER	3,826	4,032	4,000	10,596	7,371	70%
55	REGULATORY & REGION ASSOC FEES	8,403	6,858	8,476	10,168	4,313	42%
56	ENVIRONMENTAL POLICY/PLANNING	1,208	1,797	1,118	1,118	659	59%
57	ENG RATING AND COMPLIANCE	-	-	1,173	1,895	677	36%
58	**Sub-Total**	30,895	31,800	35,050	43,579	20,889	48%
59	**Transmission Engineering Sub-Total**	**30,895**	**31,800**	**35,050**	**43,579**	**20,889**	**48%**
	Trans. Services Transmission Acquisition and Ancillary Services						
	BBL Acquisition and Ancillary Products and Services						
60	ANCILLARY SERVICES PAYMENTS	97,185	114,066	114,073	117,496	54,904	47%
61	OTHER PAYMENTS TO POWER SERVICES	9,094	9,537	9,537	9,537	4,768	50%
62	STATION SERVICES PAYMENTS	3,757	3,350	3,350	3,365	1,631	48%
63	**Sub-Total**	110,035	126,953	126,960	130,398	61,302	47%
	Non-BBL Acquisition and Ancillary Products and Services <Note 2						
64	LEASED FACILITIES	4,257	4,127	4,130	4,130	2,612	63%
65	GENERAL TRANSFER AGREEMENTS (settlement)	1,381	504	500	500	-	0%
66	NON-BBL ANCILLARY SERVICES	428	6,789	500	405	267	66%
67	TRANSMISSION RENEWABLES	684	-	696	866	262	30%
68	**Sub-Total**	6,750	11,420	5,827	5,902	3,141	53%
69	**Trans. Srvcs. Acquisition and Ancillary Services Sub-Total**	**116,785**	**138,373**	**132,787**	**136,300**	**64,443**	**47%**
	Transmission Reimbursables						
	Reimbursables						
70	EXTERNAL REIMBURSABLE SERVICES	12,088	7,637	7,780	17,980	6,757	38%
71	INTERNAL REIMBURSABLE SERVICES	1,719	2,280	2,245	2,533	1,075	42%
72	**Sub-Total**	13,807	9,917	10,025	20,513	7,832	38%
73	**Transmission Reimbursables Sub-Total**	**$ 13,807**	**$ 9,917**	**$ 10,025**	**$ 20,513**	**$ 7,832**	**38%**

Report ID: 0061FY12	Transmission Services Detailed Statement of Revenues and Expenses	Run Date/Time: April 17, 2012 06:03
Requesting BL: TRANSMISSION BUSINESS UNIT	Through the Month Ended March 31, 2012	Data Source: EPM Data Warehouse
Unit of Measure: $ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 50%

		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	$ 8,622	50%
75	**Agency Services G & A** (excludes direct project support)	60,067	59,857	56,430	56,040	27,979	50%
76	**BPA Internal Support Subtotal**	**75,645**	**77,100**	**73,673**	**73,283**	**36,600**	**50%**
	Other Income, Expenses, and Adjustments						
77	**Bad Debt Expense**	**75**	**-**	**-**	**-**	**(91)**	**0%**
78	**Other Income, Expenses, Adjustments**	**19,811**	**-**	**-**	**81**	**172**	**212%**
79	**Undistributed Reduction**	**-**	**-**	**-**	**-**	**-**	**0%**
80	**Non-Federal Debt Service** <Note 2	**-**	**-**	**-**	**-**	**-**	**0%**
81	**Depreciation**	**190,616**	**196,877**	**200,200**	**193,720**	**95,550**	**49%**
82	**Amortization** <Note 2	**1,780**	**1,727**	**1,400**	**1,160**	**498**	**43%**
83	**Total Operating Expenses**	**692,363**	**732,557**	**733,331**	**742,124**	**343,795**	**46%**
84	**Net Operating Revenues (Expenses)**	**215,645**	**215,443**	**215,327**	**212,095**	**112,702**	**53%**
	Interest Expense and (Income)						
85	**Federal Appropriation**	29,217	23,087	26,712	26,712	13,356	50%
86	**Capitalization Adjustment**	(18,968)	(18,968)	(18,968)	(18,968)	(9,484)	50%
87	**Borrowings from US Treasury**	96,181	102,203	83,982	77,725	39,046	50%
88	**Debt Service Reassignment**	54,359	54,352	53,229	54,355	27,176	50%
89	**Customer Advances**	9,838	24,573	9,600	10,700	5,414	51%
90	**Lease Financing**	26,383	20,268	25,502	26,563	13,071	49%
91	**AFUDC**	(27,833)	(30,069)	(27,850)	(29,700)	(18,406)	62%
92	**Interest Income**	(25,319)	(17,362)	(25,253)	(18,647)	(7,997)	43%
93	**Net Interest Expense (Income)**	**143,858**	**158,084**	**126,954**	**128,740**	**62,175**	**48%**
94	**Total Expenses**	**836,220**	**890,641**	**860,285**	**870,864**	**405,970**	**47%**
95	**Net Revenues (Expenses)**	**$ 71,788**	**$ 57,359**	**$ 88,373**	**$ 83,355**	**$ 50,527**	**61%**

<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 April 27, 2012 and contains BPA-approved Agency Financial Information.

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