

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

**Net Revenues and Reserves**

**Projection for FY 2012**



**January 24, 2012**

**FY 2012 FIRST QUARTER REVIEW**  
**EXECUTIVE HIGHLIGHTS**  
 January 24, 2012

(\$ in Millions)

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

**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 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.

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

<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.

This Agency-approved Financial Information has been made publicly available by BPA on 01-27-2012