

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

**Net Revenues and Reserves**

**Projection for FY 2012**



**April 27, 2012**

**FY 2012 SECOND QUARTER REVIEW**  
**EXECUTIVE HIGHLIGHTS**  
 April 27, 2012

(\$ in Millions)

	<b>A</b>	<b>B</b>	<b>FY 2012</b> Current Expectation	
			<b>C</b>	<b>D</b>
	<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	3,354.6	3,308.5
2. EXPENSES	3,295.3	3,305.2	3,312.4	3,266.3
3. NET REVENUES <sup>2/</sup>	81.7	105.9	42.2 <sup>5/</sup>	42.2 <sup>5/</sup>
4. END OF YEAR FINANCIAL RESERVES <sup>3/</sup>	1,006.0	965.0	868.1 <sup>5/</sup>	868.1 <sup>5/</sup>
5. BPA ACCRUED CAPITAL EXPENDITURES <sup>4/</sup>	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. Uncertain water conditions and short-term prices may affect revenues from net secondary sales.

	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
<b>Operating Revenues</b>						
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 <b>Total Operating Revenues</b>	<b>3,284,775</b>	<b>3,411,108</b>	<b>3,308,492</b>	<b>97%</b>	<b>1,697,565</b>	<b>50%</b>
<b>Operating Expenses</b>						
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 <b>Subtotal Power System Generation Resources</b>	<b>1,078,437</b>	<b>1,065,636</b>	<b>1,068,223</b>	<b>100%</b>	<b>553,660</b>	<b>52%</b>
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 <b>Total Operating Expenses</b>	<b>2,930,733</b>	<b>3,035,077</b>	<b>3,023,420</b>	<b>100%</b>	<b>1,483,071</b>	<b>49%</b>
32 <b>Net Operating Revenues (Expenses)</b>	<b>354,041</b>	<b>376,031</b>	<b>285,072</b>	<b>76%</b>	<b>214,494</b>	<b>57%</b>
<b>Interest Expense and (Income)</b>						
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 <b>Net Interest Expense (Income)</b>	<b>272,359</b>	<b>270,121</b>	<b>242,833</b>	<b>90%</b>	<b>103,722</b>	<b>38%</b>
37 <b>Net Revenues (Expenses)</b>	<b>\$ 81,683</b>	<b>\$ 105,910</b>	<b>\$ 42,239</b>	<b>40%</b>	<b>\$ 110,772</b>	<b>105%</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.