

**Errata to
2003 Safety-Net CRAC Initial Power Rate Proposal
General Rate Schedule Provisions
SN-03-E-BPA-03(E1)**

Page 1: Replace paragraph 1 of section A.

By August of each fiscal year (FY 2003-2005) immediately prior to each fiscal year of the remainder of the rate period (*i.e.*, FY 2004-2006), a forecast of that end-of-year Accumulated Net Revenue (ANR) will be completed. BPA will compare the forecasted ANR to the SN CRAC Threshold applicable to that year to determine the SN CRAC to be implemented. If the ANR at the end of the forecast year falls below the SN CRAC Threshold applicable to that fiscal year, an SN CRAC rate adjustment will be implemented. That SN CRAC rate adjustment will go into effect beginning in October of the upcoming fiscal year (FY 2004-2006).

With:

“By August of each fiscal year (FY 2003-2005) immediately prior to each fiscal year of the remainder of the rate period (*i.e.*, FY 2004-2006), forecasts of that end-of-year Accumulated Net Revenue (ANR) and of FB CRAC revenue for the upcoming fiscal year will be completed. These forecasts will be made after the calculations for the Financial-Based CRAC are completed. BPA will compare the sum of the forecasted ANR for the current fiscal year plus forecasted FB CRAC revenue for the upcoming fiscal year to the SN CRAC Threshold applicable to that year to determine the SN CRAC to be implemented. If the sum of ANR at the end of the forecast year and FB CRAC revenue for the upcoming fiscal year falls below the SN CRAC Threshold applicable to that fiscal year, an SN CRAC rate adjustment will be implemented. That SN CRAC rate adjustment will go into effect beginning in October of the upcoming fiscal year (FY 2004-2006).

Page 1: Replace “SN CRAC Threshold minus forecasted ANR;” with “SN CRAC Threshold minus the sum of forecasted ANR for the current fiscal year and forecasted FB CRAC revenue for the upcoming year;”

Page 2: Insert the following sentence into paragraph 2 of page 2.

Where ANR is generation function net revenues, as accumulated since 1999, at the end of each of the fiscal years 2003-2005. **Audited Actual Accumulated Net Revenues (AANR), confirmed by BPA's independent auditing firm will be used starting with FY 1999, and any subsequent year for which they are available. Unaudited AANR will be used to the extent audited actuals are not available.** The forecast of ANR through the end of each fiscal year will be

calculated and used to determine if the threshold has been reached and the Revenue Amount needed. Net revenues for any given fiscal year are accrued revenues less accrued expenses, in accordance with Generally Accepted Accounting Principles, with the following two exceptions. First, for purposes of determining if the SN CRAC threshold has been reached, actual and forecasted expenses will include BPA expenses associated with Energy Northwest debt service as forecasted in the WP-02 Final Studies. Second, the impact of adopting Financial Accounting Standard 133, Accounting for Derivative Instruments and Hedging Activities, will not be considered in determining if the SN CRAC threshold has been reached. Only generation function actual and forecasted revenues and expenses that are associated with the production, acquisition, marketing, and conservation of electric power, will be included in determinations under the SN CRAC. Accrued revenues and expenses of the transmission function are excluded. Impacts of forecasted revenues, positive or negative, from contractual true-up pursuant to the Slice Agreement shall be included in the revenue forecast when determining the SN CRAC.

Page 2: Insert after paragraph 2.

Where forecasted FB CRAC revenue for the upcoming year is the amount of revenue forecasted to be generated throughout the upcoming fiscal year by the Financial-Based CRAC.

Please refer to SN-03-E-BPA-03(E1-A) to view the revised GRSP's in their entirety.