



**BPA's ARRA Borrowing  
Authority and Capital  
Investment Forecasts  
FY 2008 to 2010**

# Objective

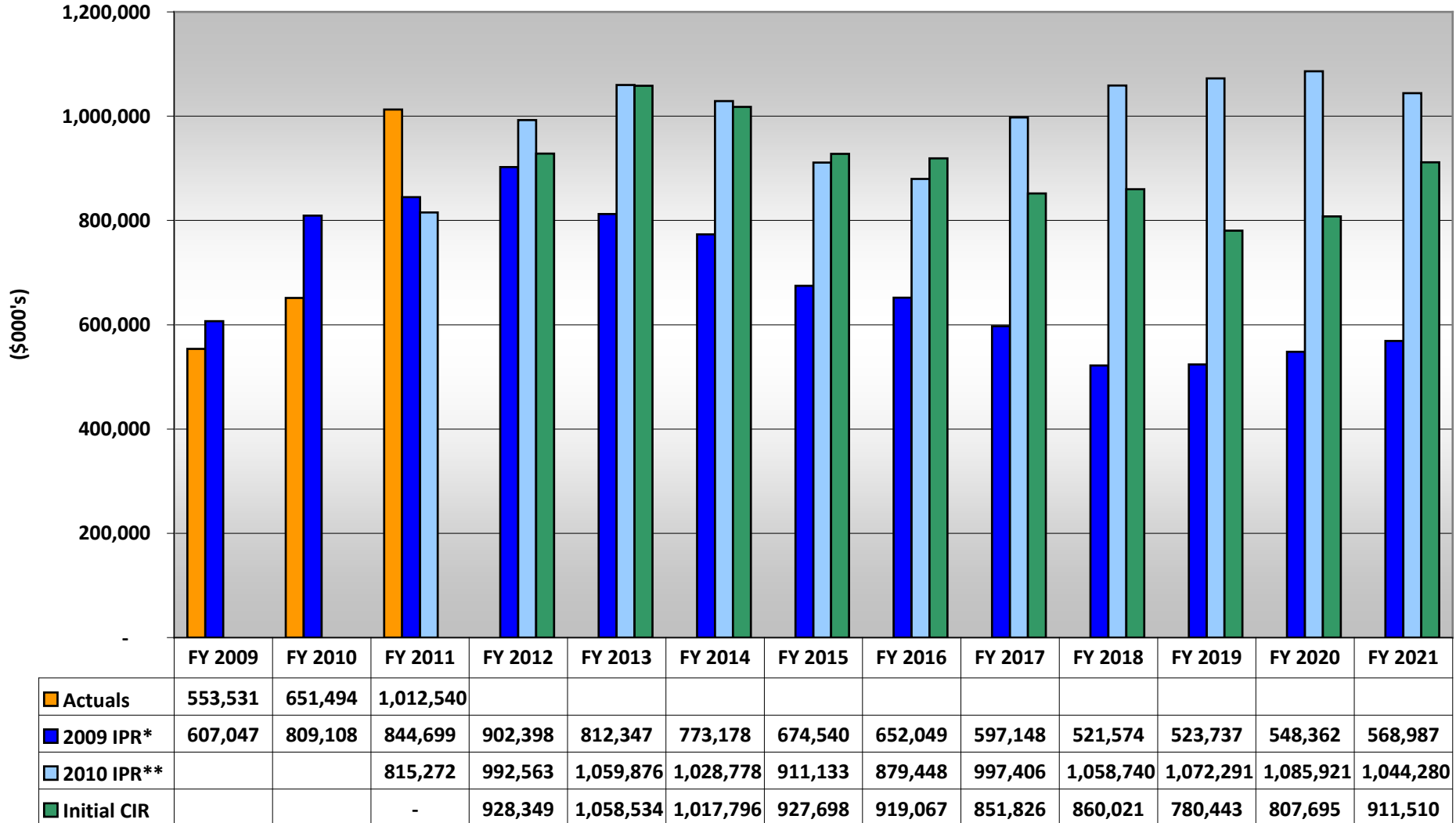
Address the question of what happened to Bonneville's forecast of available borrowing authority between FY 2008 and FY 2010

- Capital forecasts from the 2008 IPR resulted in a forecast of borrowing authority being available until 2014
- Capital forecasts from the 2009 IPR2 and the additional \$3.25 billion in borrowing authority provided by the ARRA resulted in a forecast of borrowing authority being available into 2018 (assuming lapsed capital and no use of lease financing)
- In 2010, updated forecasts of proposed investments and repayment resulted in forecast of borrowing authority availability into only 2016 (assuming no additional use of lease financing)

# What changed?

- Higher capital investment forecasts - \$1 billion increase for the 2012-2016 period :
  - Started capitalizing all Energy Efficiency acquisition in addition to extending the amortization period from 5 years to 12 years, which delays borrowing authority replenishment.
  - Since the last IPR, we have made significant progress in the development of asset strategies. These strategies now include comprehensive condition and risk assessment, which have highlighted the need for significantly increased capital investment.
    - As formal asset strategies were being developed for the first time, many assets were subjected to a more in-depth condition assessment.
    - Asset condition is generally not good; we have been delaying maintenance for several years on many assets.
    - This caused some programs to forecast large increases in capital investment \$1 billion increase, total increase of roughly \$6 billion over a 20-year period
  
- Additionally, the actual use of borrowing authority in 2010 reflects reduced reliance on lease financing:
  - Lease financing is slightly more expensive than borrowing authority. With new borrowing authority, BPA minimized lease financing for a few years.

## Agency Total - Comparison of Capital Spending Forecasts (Includes AFUDC, Corporate Overheads and Lapse)

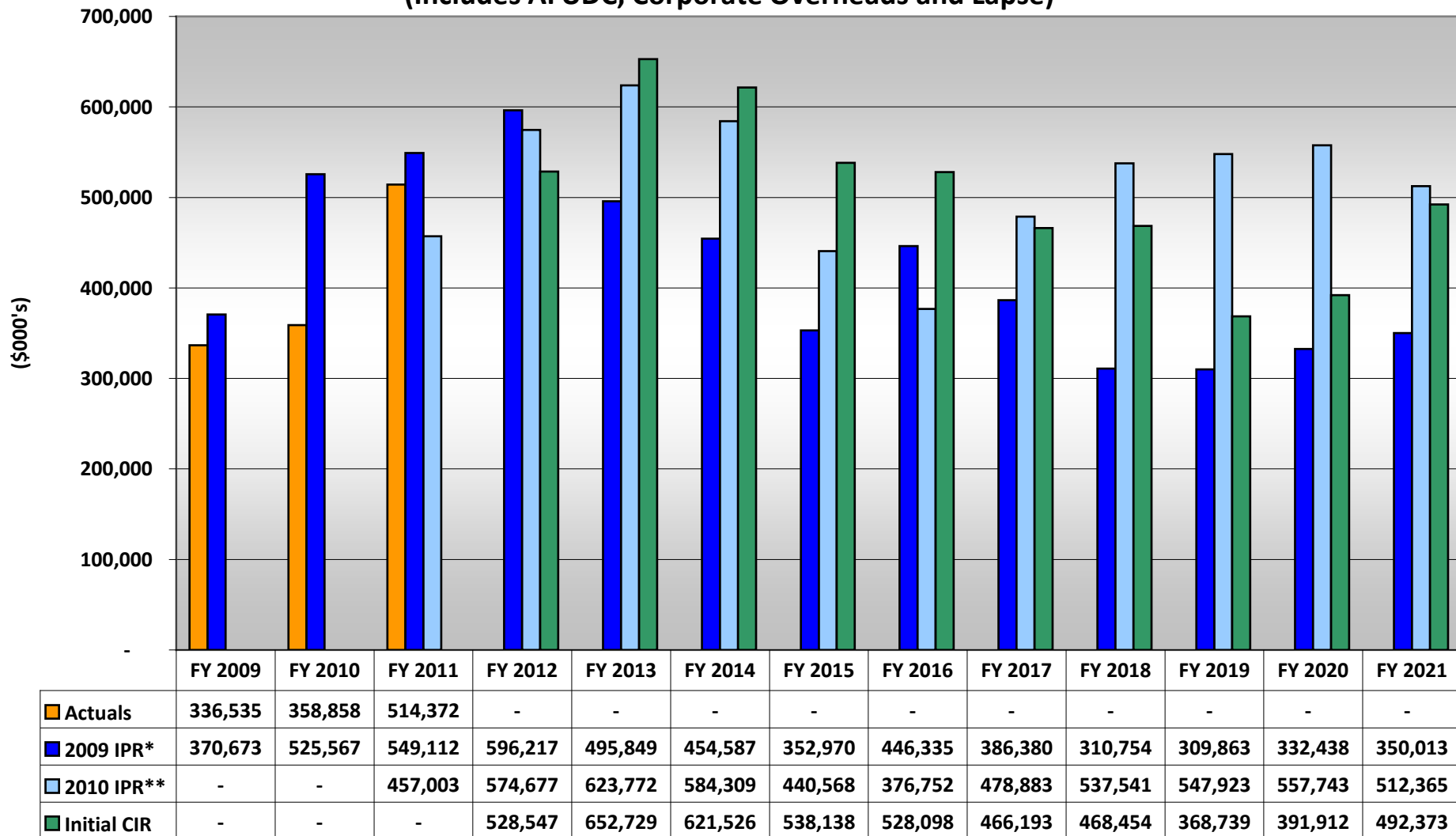


\*FYs 2015 - 2021 are forecasts from the 2009 repayment study

\*\*FYs 2018 - 2021 are forecasts from the 2010 repayment study

■ Actuals    
 ■ 2009 IPR\*    
 ■ 2010 IPR\*\*    
 ■ Initial CIR

## Transmission - Comparison of Capital Spending Forecasts (Includes AFUDC, Corporate Overheads and Lapse)



\*FYs 2015 - 2021 are forecasts from the 2009 repayment study

\*\*FYs 2018 - 2021 are forecasts from the 2010 repayment study

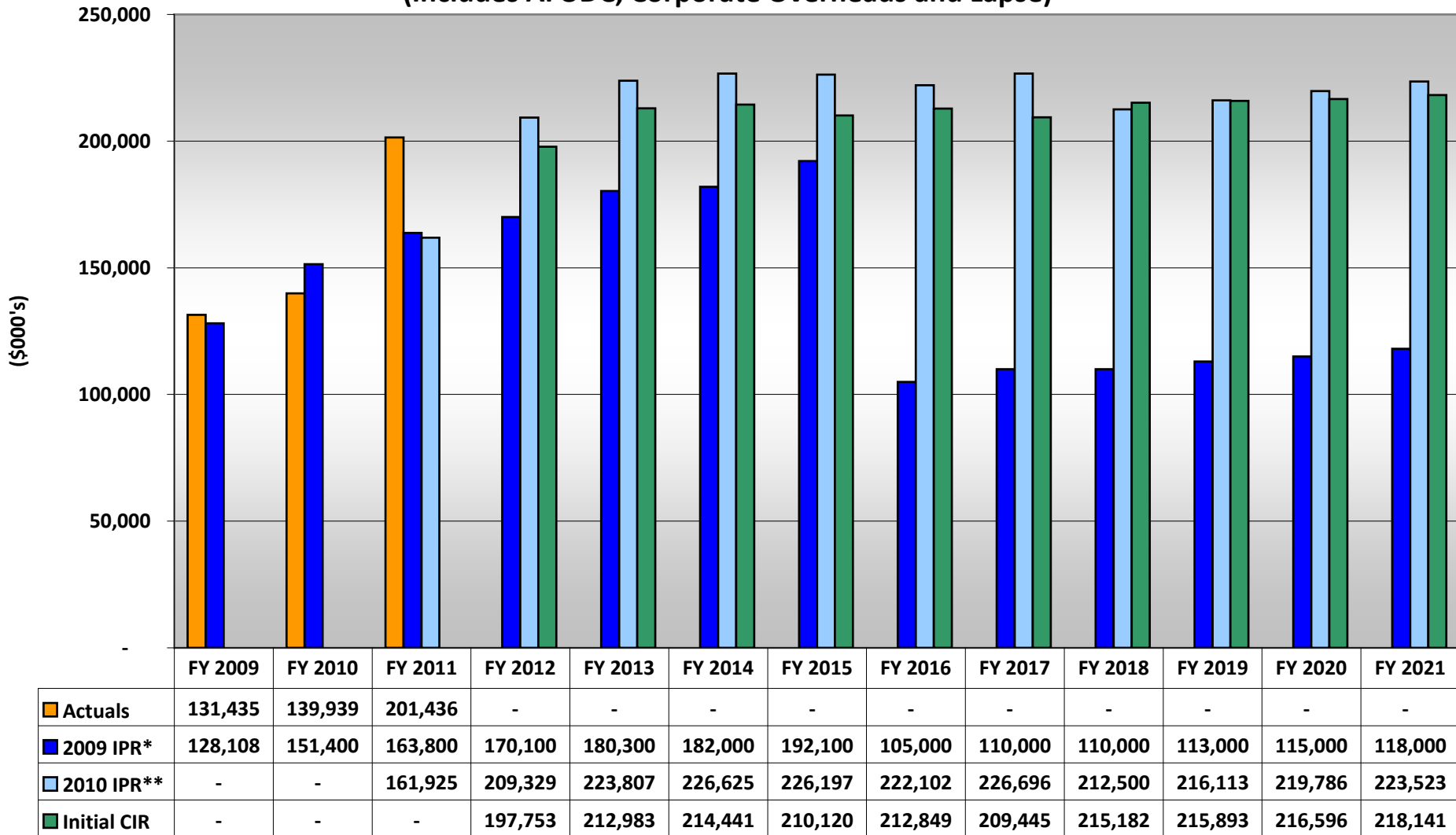
■ Actuals

■ 2009 IPR\*

■ 2010 IPR\*\*

■ Initial CIR

## Hydro- Comparison of Capital Spending Forecasts (Includes AFUDC, Corporate Overheads and Lapse)



\*FYs 2015 - 2021 are forecasts from the 2009 repayment study

\*\*FYs 2018 - 2021 are forecasts from the 2010 repayment study

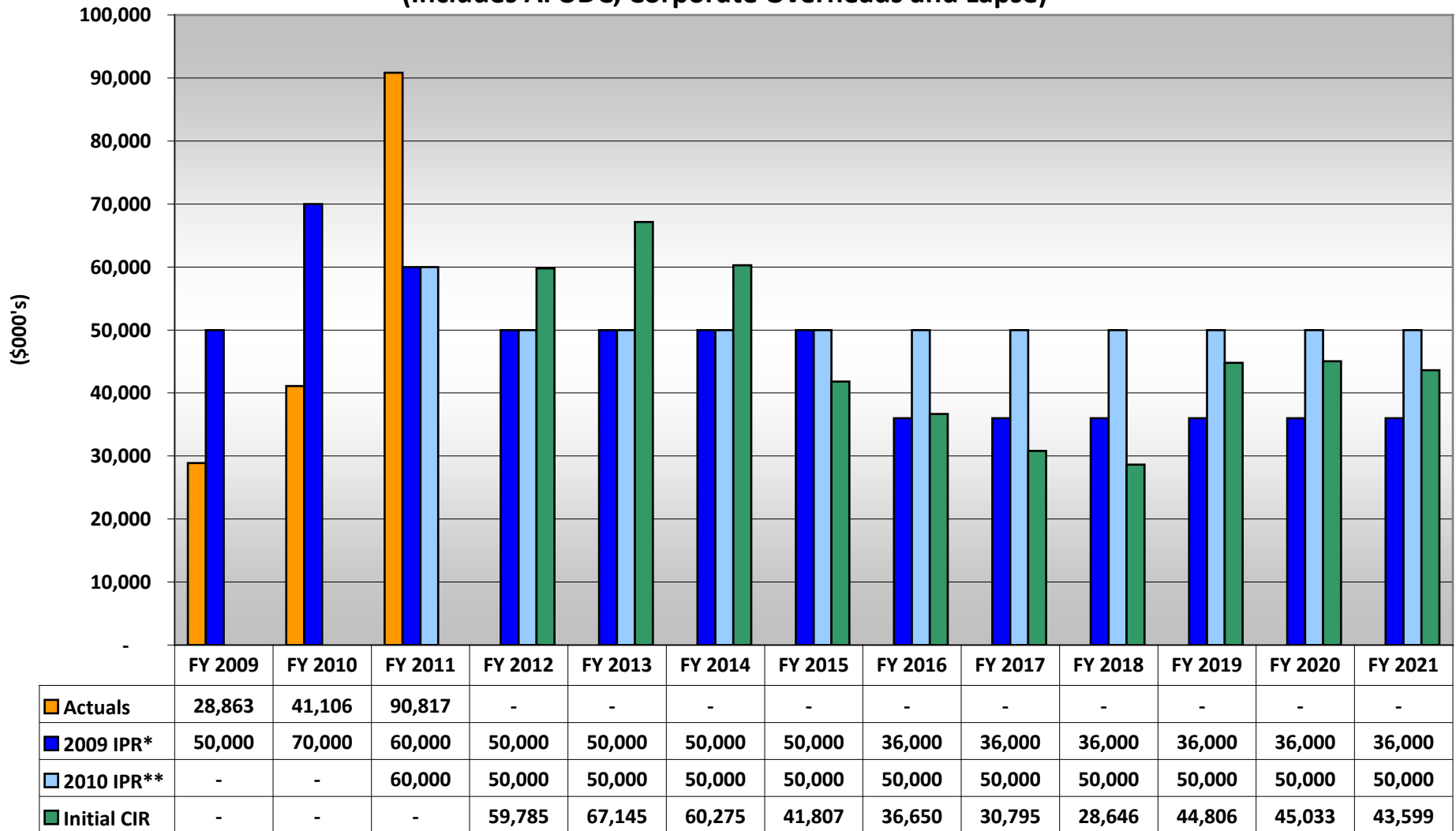
Actuals

2009 IPR\*

2010 IPR\*\*

Initial CIR

## Fish & Wildlife- Comparison of Capital Spending Forecasts (Includes AFUDC, Corporate Overheads and Lapse)



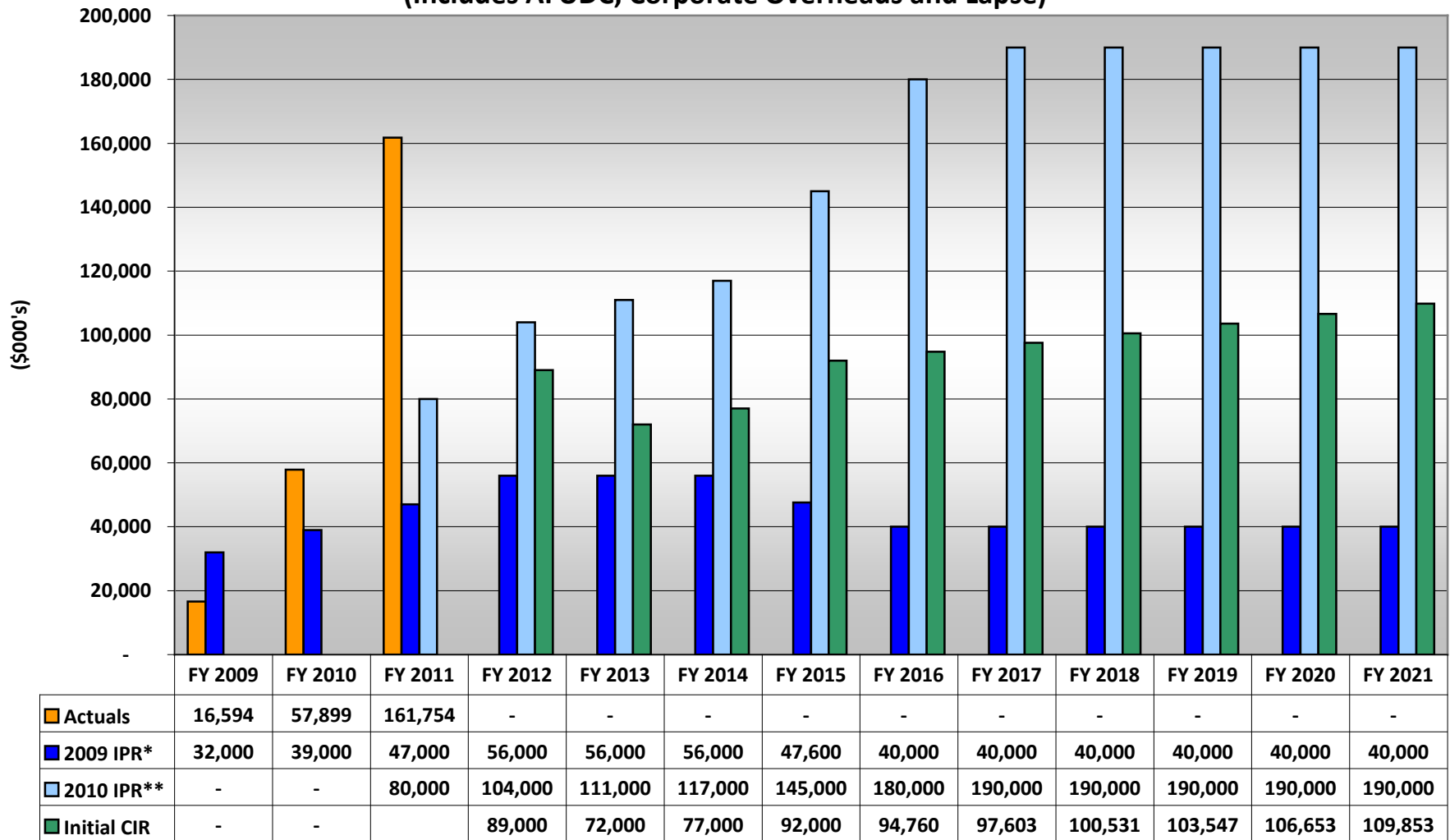
\*FYs 2015 - 2021 are forecasts from the 2009 repayment study

\*\*FYs 2018 - 2021 are forecasts from the 2010 repayment study

■ Actuals   
 ■ 2009 IPR\*   
 ■ 2010 IPR\*\*   
 ■ Initial CIR

Shifted \$30 million from end of 2010 into early 2011

## Conservation - Comparison of Capital Spending Forecasts (Includes AFUDC, Corporate Overheads and Lapse)



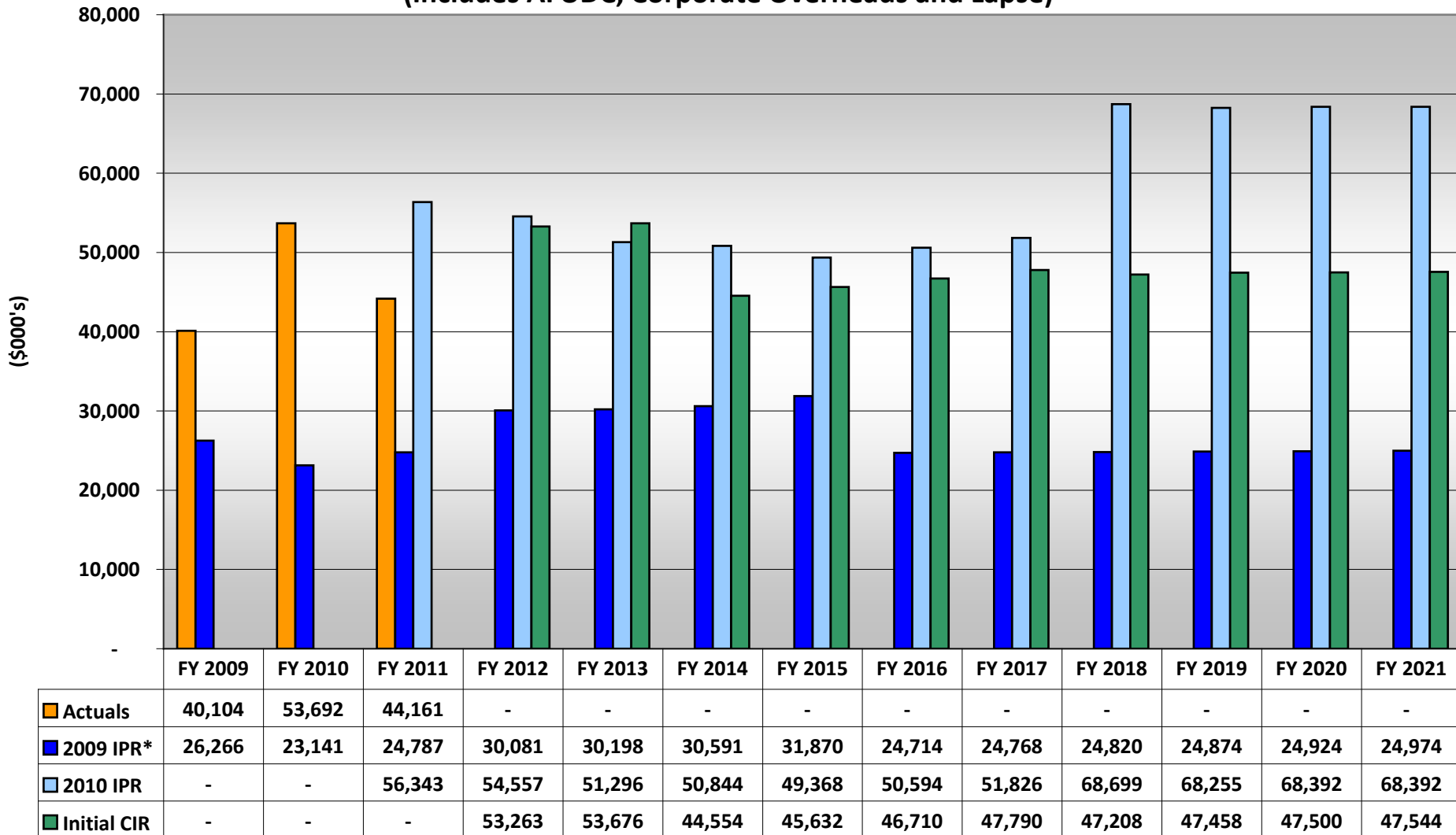
\*FYs 2015 - 2021 are forecasts from the 2009 repayment study

\*\*FYs 2018 - 2021 are forecasts from the 2010 repayment study

■ Actuals    
 ■ 2009 IPR\*    
 ■ 2010 IPR\*\*    
 ■ Initial CIR



## Corporate - Comparison of Capital Spending Forecasts (Includes AFUDC, Corporate Overheads and Lapse)

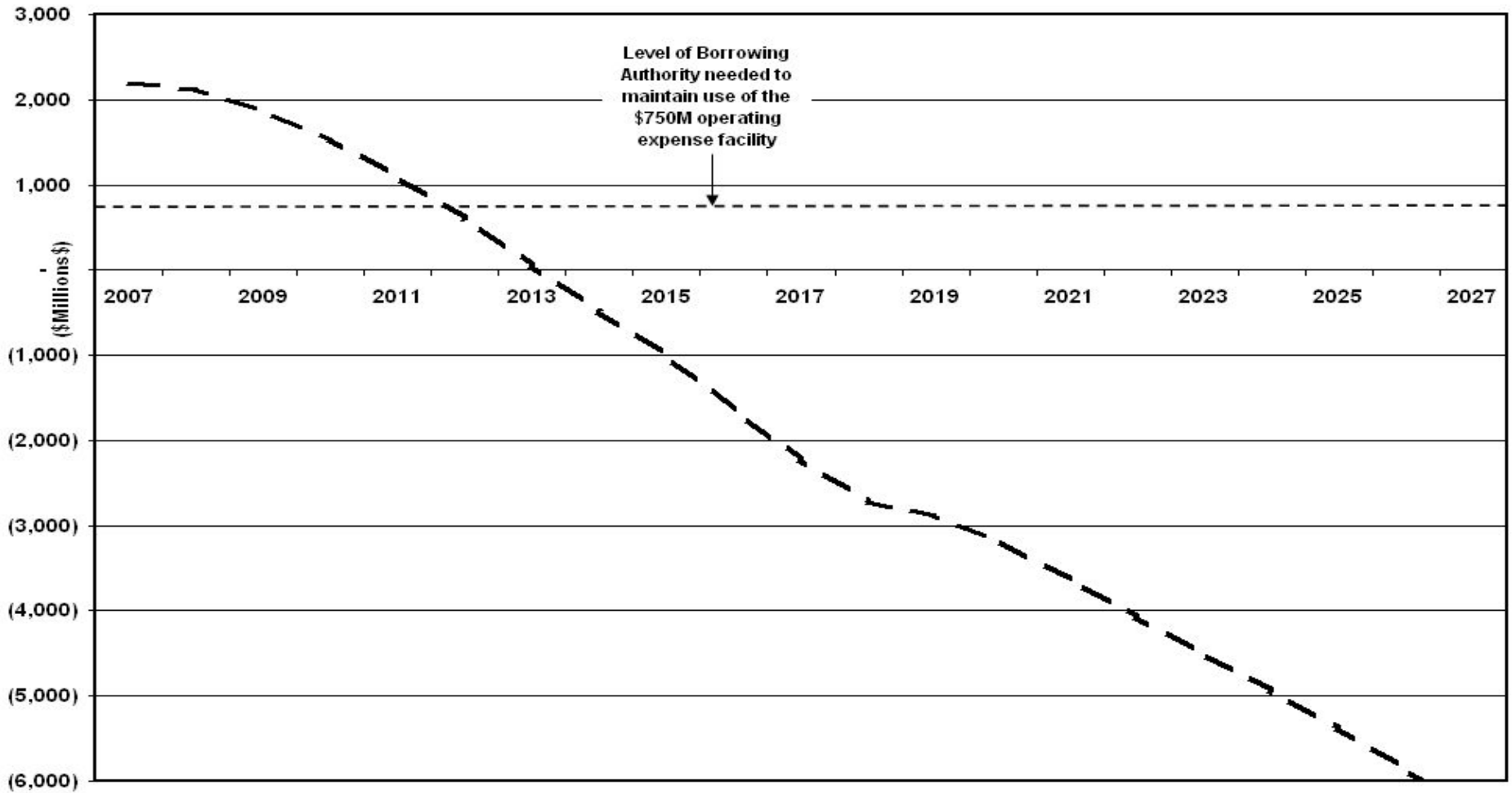


\*FYs 2015 - 2021 are forecasts from the 2009 repayment study

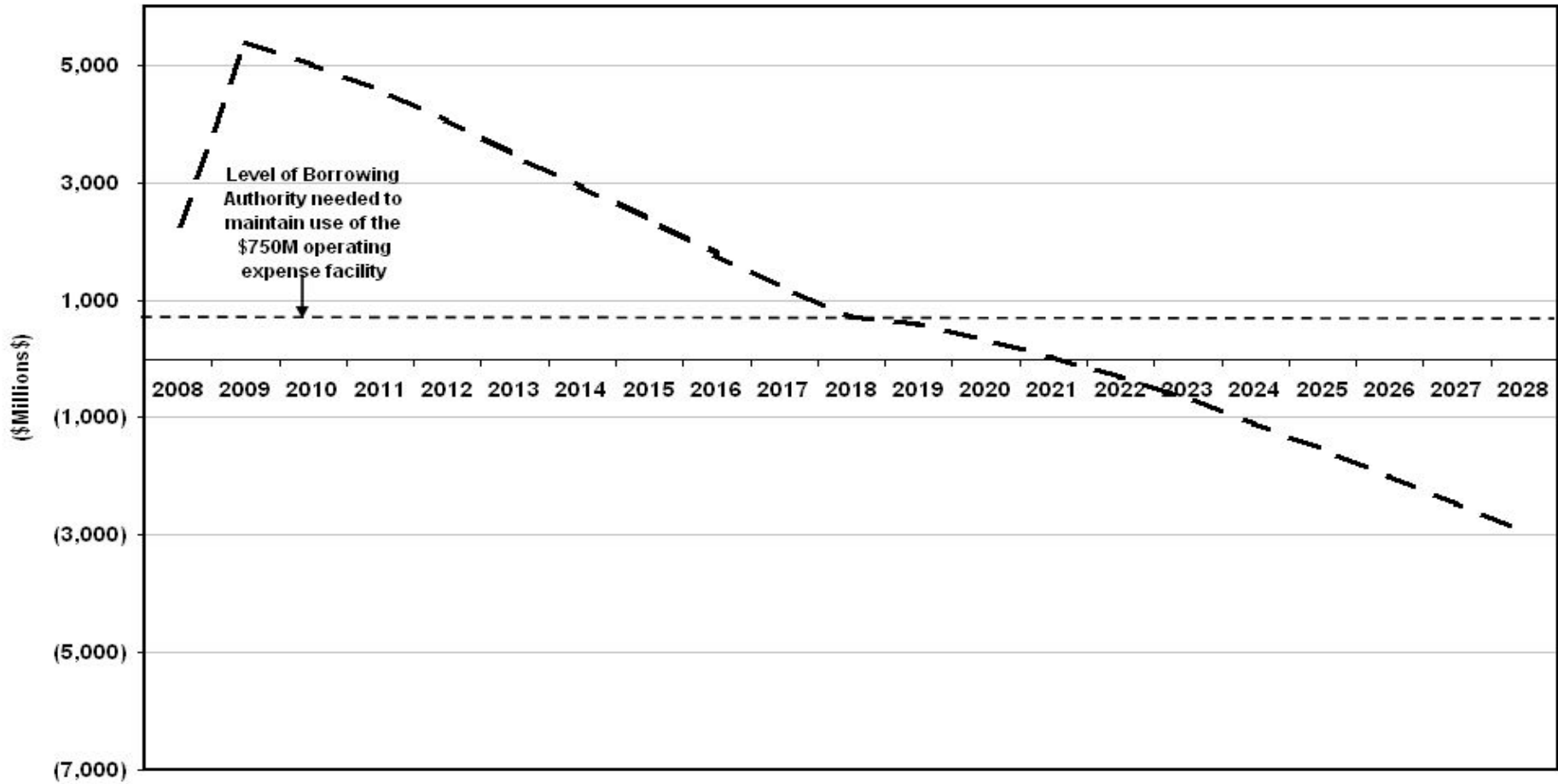
\*\*FYs 2018 - 2021 are forecasts from the 2010 repayment study

■ Actuals   
 ■ 2009 IPR\*   
 ■ 2010 IPR   
 ■ Initial CIR

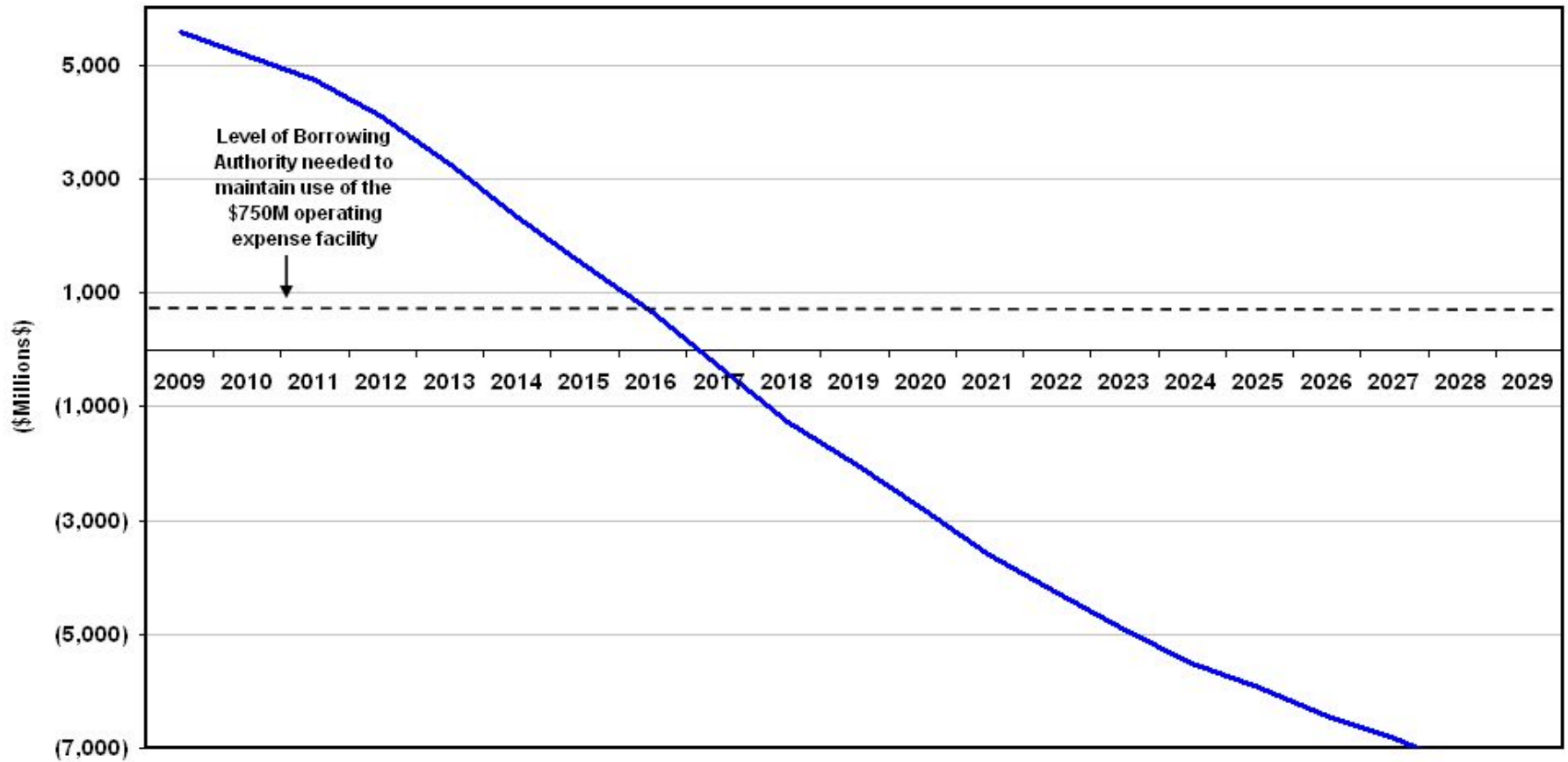
## Remaining Borrowing Authority June 2008 IPR



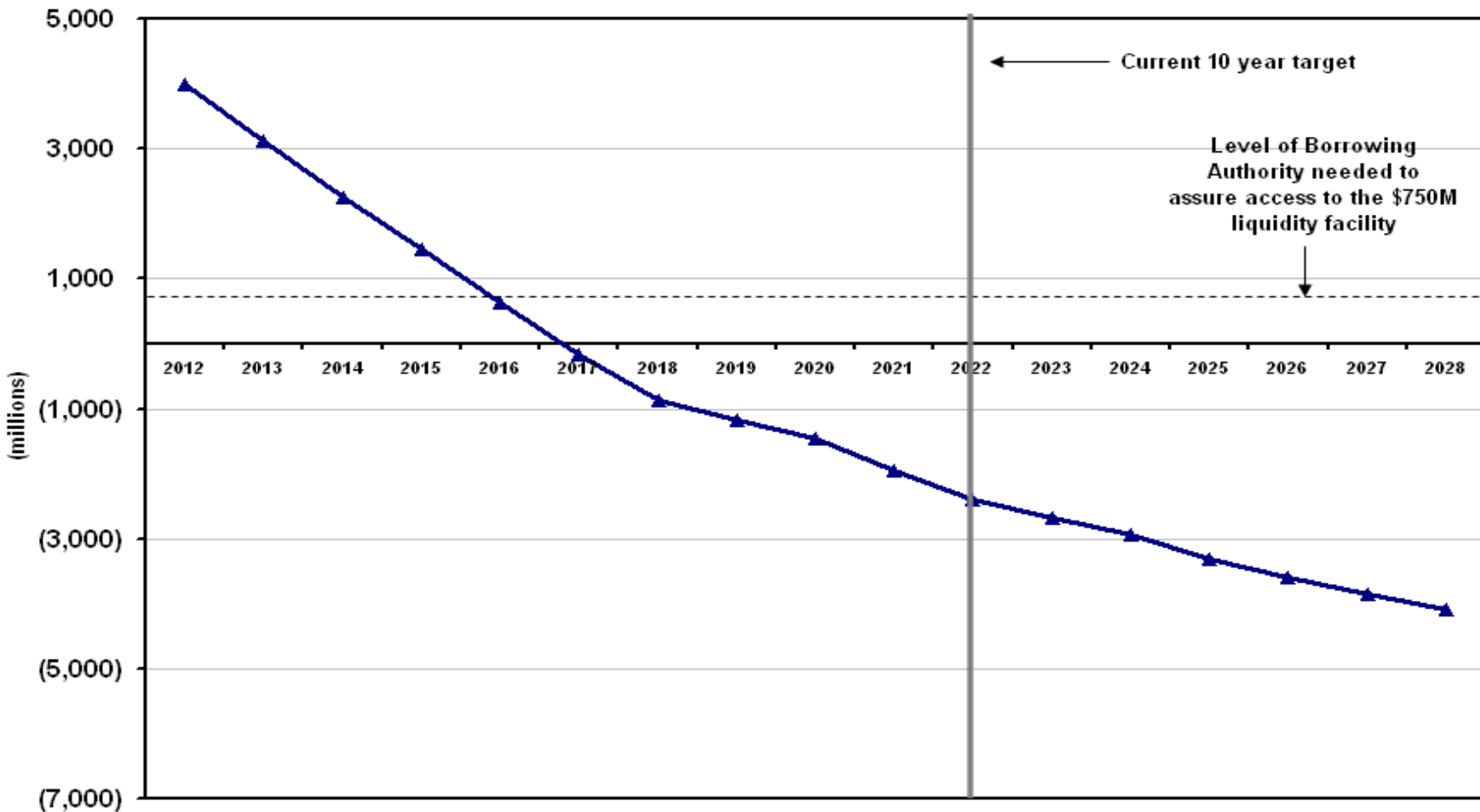
# Remaining Borrowing Authority February 2009 IPR2



Remaining Borrowing Authority  
September 2010 IPR Update



### Remaining Borrowing Authority 2012 IPR



# Capital Investment Review

## *Financial Disclosure*

This information has been made publicly available by BPA on March 9, 2012 and contains information not reported in agency financial statements.