

**Bonneville Power Administration
Responses to Customer Requests for Information
Following February 25, 2003 Policy Level Workshop**

A group of public power customers requested the following information from BPA on 2/27/03. Below is the request along with BPA's responses. It should be noted that BPA has made it a priority to promptly respond to the request to assist these customers in preparing and developing a settlement proposal. While BPA has no reason to believe that the responses are not accurate, BPA has not had the time to verify that the information contained in the responses is fully consistent with all materials presented in the workshops or with what may be contained in BPA's initial proposal. Therefore, BPA reserves the right to update these responses to the extent necessary in the event that it is subsequently discovered that responses are inconsistent with other materials presented. In addition, none of these responses should be interpreted as a BPA forecast of prices or actual outcomes to the extent that the request implies or states.

CUSTOMER INFORMATION REQUESTS

(Received 2/27/03)

In order to provide BPA with a complete proposal to BPA, answers to the following questions are needed as soon as possible.

Request 1: An estimate of the percentage of BPA's annual revenues from power sales (including regional and extra-regional sales) that occur in the months of April, May and June.

Response 1: In FY 2003, revenues from power sales are projected to be \$519.4 million, and annual revenues from power sales are projected to be \$2,702.5 million. The portion of annual power revenues earned during the period April through June is 19.2% this year.

Request 2: An estimate of the amount of BPA revenues from power sales (including regional and extra-regional sales) that are and are not subject to net-billing during the months of July, August and September.

Response 2: Total power revenues during July through September of 2003 are projected to be \$885.1 million. Power revenues exclude: inter-businessline transfers, energy efficiency and miscellaneous revenues, and Treasury credits. Revenues subject to net billing are \$426.3 million. The difference is \$458.8 million.

Request 3: An estimate of BPA monthly cash flows from January, 2003 through September, 2006, and actual cash flows from October, 2001 through December, 2002.

Response 3: BPA will not be providing a response to this question. In order to provide a meaningful response, the toolkit model would require significant modifications.

Request 4: A list and a description of the magnitude of all of the tools available to BPA to manage within year cash deficits.

Response 4: A list of the major cash tools available to BPA is shown on pages 10 and 11 of Handout 2, Update on Financial Situation, from the [February 25, 2003 Policy Level Workshop](#).

Request 5: What are the consequences to BPA of being in a cash deficit position within a year?

Response 5: BPA does not have a response prepared at this time.

Request 6: An estimate of the increase to forecast BPA FY03 surplus sales revenues over the BPA estimate of forecast BPA FY03 surplus sales revenues using the following assumptions:

Case 1: Second quarter on-peak price of \$51/MWh, off-peak price of \$40/MWh, and third quarter on-peak price of \$56/MWh, off-peak price of \$40/MWh.

Case 2: Second quarter on-peak price of \$41/MWh, off-peak price of \$30/MWh, and third quarter on-peak price of \$46/MWh, off-peak price of \$30/MWh.

Response 6:

| Base FY 03 | Dollars | Price | aMW |
|----------------------|-----------------------|-----------------|--------------|
| Committed Sales | \$ 315,995,000 | \$ 32.29 | 1,117 |
| Forecasted Sales | \$ 251,017,000 | \$ 39.69 | 722 |
| Total Sales | \$ 567,012,000 | \$ 35.20 | 1,839 |
| Committed Purchases | \$ 123,866,000 | \$ 33.69 | 420 |
| Forecasted Purchases | \$ 28,351,000 | \$ 43.15 | 75 |
| Total Purchases | \$ 152,217,000 | \$ 35.10 | 495 |
| Net Revenue | \$ 414,795,000 | \$ 35.23 | 1,344 |

| Case 1 FY 03 | Dollars | Price | aMW |
|----------------------|-----------------------|-----------------|--------------|
| Committed Sales | \$ 315,995,000 | \$ 32.29 | 1,117 |
| Forecasted Sales | \$ 293,369,000 | \$ 46.38 | 722 |
| Total Sales | \$ 609,364,000 | \$ 37.83 | 1,839 |
| Committed Purchases | \$ 123,866,000 | \$ 33.69 | 420 |
| Forecasted Purchases | \$ 33,787,000 | \$ 51.43 | 75 |
| Total Purchases | \$ 157,653,000 | \$ 36.36 | 495 |
| Net Revenue | \$ 451,711,000 | \$ 38.37 | 1,344 |

| Case 2 FY 03 | Dollars | Price | aMW |
|----------------------|-----------------------|-----------------|--------------|
| Committed Sales | \$ 315,995,000 | \$ 32.29 | 1,117 |
| Forecasted Sales | \$ 241,070,000 | \$ 38.12 | 722 |
| Total Sales | \$ 557,065,000 | \$ 34.58 | 1,839 |
| Committed Purchases | \$ 123,866,000 | \$ 33.69 | 420 |
| Forecasted Purchases | \$ 27,951,000 | \$ 42.54 | 75 |
| Total Purchases | \$ 151,817,000 | \$ 35.01 | 495 |
| Net Revenue | \$ 405,248,000 | \$ 34.42 | 1,344 |