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**BONNEVILLE POWER ADMINISTRATION
FOR IMMEDIATE RELEASE**

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**BPA's credit ratings affirmed, bond sale will save
BPA rate payers millions of dollars**

Portland, Ore. – The three major credit rating agencies affirmed the ratings on BPA-backed debt last week, paving the way for Energy Northwest, with BPA's support and encouragement, to issue refinancing bonds that will result in substantial savings for the benefit of BPA's ratepayers.

Energy Northwest will refinance approximately \$321 million of outstanding debt associated with Energy Northwest's never-completed nuclear Projects 1 and 3. That debt would otherwise be repaid in fiscal year 2014, but the repayment date is being extended by means of the new Energy Northwest Projects 1 and 3 bonds to more closely match the original expected useful lives of the projects.

This "regional cooperation debt" transaction will free-up funds that BPA expects to use to prepay equal amounts of higher-interest rate federal debt and thereby obtain approximately \$130 million of present value savings. Regional cooperation debt refers to existing debt associated with the Columbia Generating Station and projects 1 and 3 that also serve as a regional financial resource, providing remarkable debt management opportunities to lower costs of power for the benefit of the Pacific Northwest.

This transaction is part of a larger debt restructuring proposal that could allow BPA to lower its Federal Columbia River Power System interest expense and reduce the weighted average maturity of BPA's overall debt portfolio -- which includes Energy Northwest bonds, BPA's appropriations repayment responsibilities and the bonds BPA issues to the United States Treasury, among other items. This transaction is expected to price on Aug. 5 and close on Aug. 21.

"Debt management measures such as this one have saved, and can continue to save, rate payer money," said Javier Fernandez, BPA acting Treasury manager. "They can also provide us capital spending flexibility, which is important as we undertake capital

intensive efforts to preserve and enhance the value of our hydro and transmission infrastructure.”

Similar efforts in the past helped BPA preserve and restore \$2 billion in U.S. Treasury borrowing authority and saved \$500 million in interest.

Energy Northwest, also with BPA’s support, may in the future refinance approximately \$1.4 billion aggregate principal amount of outstanding regional cooperation debt that would otherwise mature in fiscal years 2015-2018. These possible future transactions would be similar to the 2014 regional cooperation debt transaction and could provide similar economic benefits. If the entire proposal is implemented, the projected savings would reduce BPA’s aggregate interest cost and restore valuable U.S. Treasury borrowing authority, an essential element in financing necessary capital investments in the Federal Columbia River Power System. Broad regional support led to the 2014 transaction and BPA believes that regional support appears to be building for the future possible regional cooperation debt transactions.

“BPA is extremely appreciative of the leadership of the Energy Northwest executive board and the management and staff of Energy Northwest for grappling with these refinancing efforts for the region,” added Fernandez.

The three [bond rating agencies](#) affirmed ratings on BPA-backed debt include: Standard & Poor’s (AA-), Moody’s (Aa1) and Fitch (AA).

BPA is a nonprofit federal agency that markets renewable hydropower from 31 federal hydro projects in the Columbia Basin and power from Energy Northwest’s Columbia Generating Station. BPA also operates three-quarters of high-voltage transmission line capacity in the Northwest and funds one of the largest wildlife protection and restoration programs in the world. BPA and its partners have also saved enough electricity through energy efficiency projects to power four large American cities. For more information, contact us at 503-230-5131 or visit www.bpa.gov.

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