

Agency Services

Integrated Program Review (IPR)

May 25, 2010

Agenda

	Topic	Slide #	Presenter
1:00	Introduction, G&A and Business Services Allocations	3-14	Bryan Crawford/ Kelly Kintz
1:20	Non-Internal Business Services ^{1/}	15-24	Shawna Lamothe
1:30	Corporate Strategy & Technology Innovation	25-30	Elliot Mainzer Terry Oliver
2:00	Risk, Public Affairs, Legal	31-44	Sam Cannady, Christy Munro Randy Roach
2:30	<i>Break</i>		
2:45	Customer Support Services	45-55	Chuck Maichel
3:00	Governance & Compliance (NERC & WECC Costs)	56-60	David Rubin
3:30	Internal Business Services ^{2/}	61-129	Multiple
4:55	Next Steps	130-134	Mary Hawken
5:00	Adjorn		

1/ Non-Internal Business Services include Internal Audit and Finance.

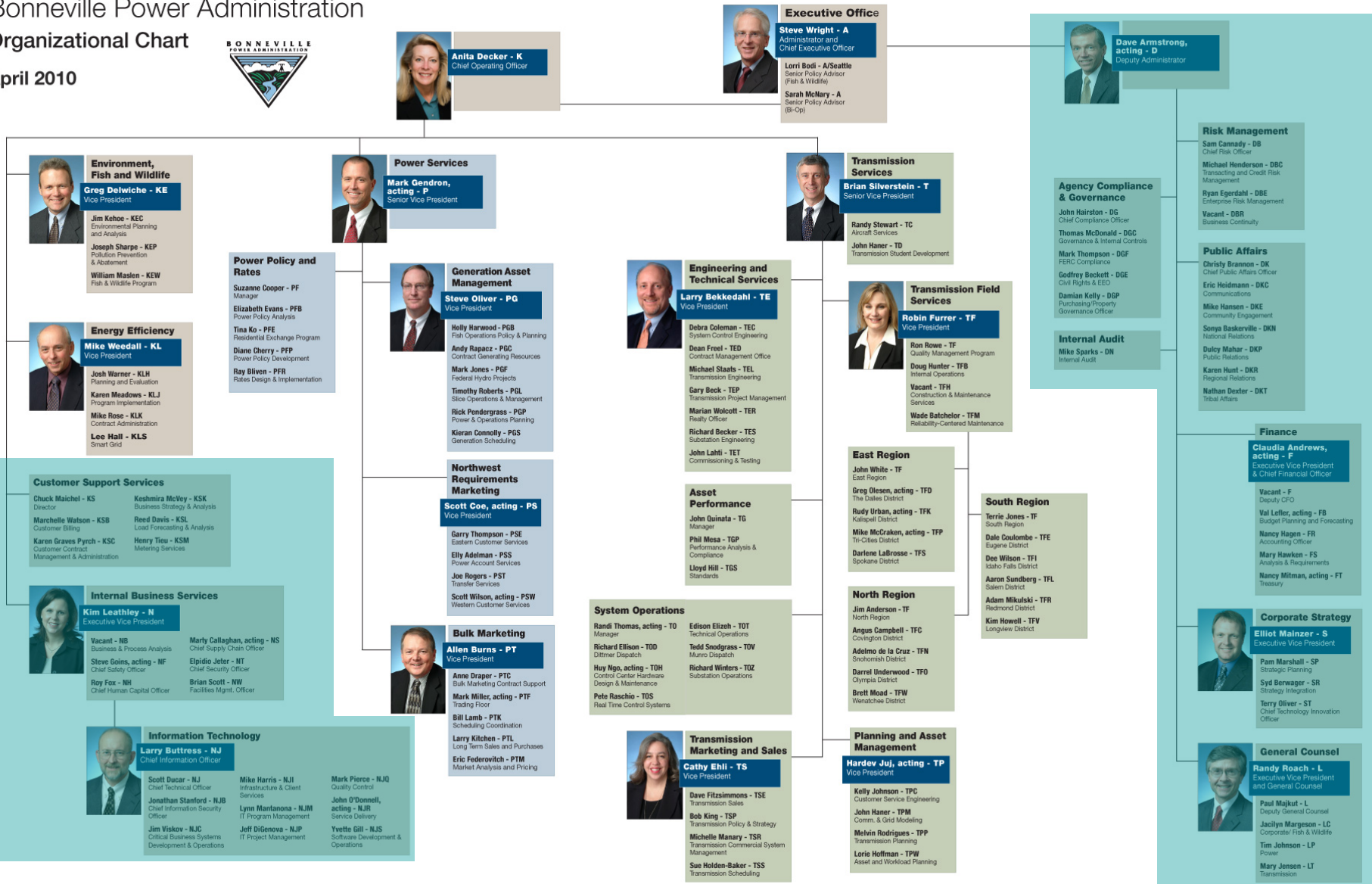
2/ Internal Business Services, Business & Process Analysis, HCM, Supply Chain, Security, Workplace Services, Information Technology and Safety.



Who We Are and How We Are Organized

Bonneville Power Administration Organizational Chart

April 2010



Executive Office

Steve Wright - A
Administrator and Chief Executive Officer

Lori Bodi - A/Seattle
Senior Policy Advisor (Fish & Wildlife)

Sarah McNary - A
Senior Policy Advisor (Bt-Op)

Dave Armstrong, acting - D
Deputy Administrator

Environment, Fish and Wildlife

Greg Delwiche - KE
Vice President

Jim Keboe - KEC
Environmental Planning and Analysis

Joseph Sharpe - KEP
Pollution Prevention & Abatement

William Maslen - KEW
Fish & Wildlife Program

Power Services

Mark Gendron, acting - P
Senior Vice President

Transmission Services

Brian Silverstein - T
Senior Vice President

Randy Stewart - TC
Aircraft Services

John Haner - TD
Transmission Student Development

Risk Management

Sam Connady - DB
Chief Risk Officer

Michael Henderson - DBC
Transacting and Credit Risk Management

Ryan Egerdahl - DBE
Enterprise Risk Management

Vacant - DBR
Business Continuity

Agency Compliance & Governance

John Hairston - DG
Chief Compliance Officer

Thomas McDonald - DDC
Governance & Internal Controls

Mark Thompson - DGF
FERC Compliance

Godfrey Beckett - DGE
Civil Rights & EEO

Damian Kelly - DGP
Purchasing/Property Governance Officer

Public Affairs

Christy Brannon - DK
Chief Public Affairs Officer

Eric Heidmann - DKC
Communications

Mike Hansen - DKE
Community Engagement

Sonya Baskerville - DKN
National Relations

Dulcy Mahar - DKP
Public Relations

Karen Hunt - DKR
Regional Relations

Nathan Dexter - DKT
Tribal Affairs

Energy Efficiency

Mike Weedall - KL
Vice President

Josh Warner - KLH
Planning and Evaluation

Karen Meadows - KLJ
Program Implementation

Mike Rose - KLK
Contract Administration

Lee Hall - KLS
Smart Grid

Power Policy and Rates

Suzanne Cooper - PF
Manager

Elizabeth Evans - PFB
Power Policy Analysis

Tina Ko - PFE
Residential Exchange Program

Diane Cherry - PFP
Power Policy Development

Ray Bliven - PFR
Rates Design & Implementation

Generation Asset Management

Steve Oliver - PG
Vice President

Holly Harwood - PGB
Fish Operations Policy & Planning

Andy Rapacz - PGD
Contract Generating Resources

Mark Jones - PGF
Federal Hydro Projects

Timothy Roberts - PGL
Slicc Operations & Management

Rick Pendergrass - PGP
Power & Operations Planning

Kieran Connolly - PGS
Generation Scheduling

Engineering and Technical Services

Larry Bekkedahl - TE
Vice President

Debra Coleman - TEC
System Control Engineering

Dean Freel - TED
Contract Management Office

Michael Staats - TEL
Transmission Engineering

Gary Beck - TEP
Transmission Project Management

Marian Wolcott - TER
Realty Officer

Richard Becker - TES
Substation Engineering

John Lahti - TET
Commissioning & Testing

Transmission Field Services

Robin Furrer - TF
Vice President

Ron Rowe - TF
Quality Management Program

Doug Hunter - TFB
Internal Operations

Vacant - TFH
Construction & Maintenance Services

Wade Batchelor - TFM
Reliability-Centered Maintenance

Internal Audit

Mike Sparks - DN
Internal Audit

Finance

Claudia Andrews, acting - F
Executive Vice President & Chief Financial Officer

Vacant - F
Deputy CFO

Vai Laffer, acting - FB
Budget Planning and Forecasting

Nancy Hagen - FR
Accounting Officer

Mary Hawken - FS
Analysis & Requirements

Nancy Mifman, acting - FT
Treasury

Customer Support Services

Chuck Maichel - KS
Director

Marchelle Watson - KSB
Customer Billing

Karen Graves Pynch - KSC
Customer Contract Management & Administration

Kashmira McVey - KSK
Business Strategy & Analysis

Reed Davis - KSL
Load Forecasting & Analysis

Henry Tieu - KSM
Marketing Services

Northwest Requirements Marketing

Scott Coe, acting - PS
Vice President

Garry Thompson - PSE
Eastern Customer Services

Ely Adelman - PSS
Power Account Services

Joe Rogers - PST
Transfer Services

Scott Wilson, acting - PSW
Western Customer Services

Bulk Marketing

Allen Burns - PT
Vice President

Anne Draper - PTC
Bulk Marketing Contract Support

Mark Miller, acting - PTF
Trading Floor

Bill Lamb - PTK
Scheduling Coordination

Larry Kitchen - PTL
Long Term Sales and Purchases

Eric Federovitch - PTM
Market Analysis and Pricing

System Operations

Randi Thomas, acting - TO
Manager

Richard Ellison - TOD
Dinner Dispatch

Huy Ngo, acting - TOH
Control Center Hardware Design & Maintenance

Pete Raschio - TOS
Real Time Control Systems

Edison Elizeh - TOT
Technical Operations

Tedd Snodgrass - TOV
Muro Dispatch

Richard Winters - TOZ
Substation Operations

East Region

John White - TF
East Region

Greg Olesen, acting - TFD
The Dalles District

Rudy Urban, acting - TFK
Kalispell District

Mike McCracken, acting - TFP
Tri-Cities District

Darlene LaBrosse - TFS
Spokane District

South Region

Terrie Jones - TF
South Region

Dale Coulombe - TFE
Sugden District

Dee Wilson - TFI
Idaho Falls District

Aaron Sundberg - TFL
Salem District

Adam Mikulski - TFR
Redmond District

Kim Howell - TFV
Longview District

North Region

Jim Anderson - TF
North Region

Angus Campbell - TFC
Covington District

Adelmo de la Cruz - TFN
Snohomish District

Darrel Underwood - TFO
Olympia District

Bret Mead - TFW
Wenatchee District

Internal Business Services

Kim Leathley - N
Executive Vice President

Vacant - NB
Business & Process Analysis

Steve Goins, acting - NF
Chief Safety Officer

Roy Fox - NH
Chief Human Capital Officer

Marty Callaghan, acting - NS
Chief Supply Chain Officer

Elpidio Jeter - NT
Chief Security Officer

Brian Scott - NW
Facilities Mgmt. Officer

Information Technology

Larry Buttress - NJ
Chief Information Officer

Scott Ducar - NJ
Chief Technical Officer

Jonathan Stanford - NJB
Chief Information Security Officer

Jim Viskov - NJC
Critical Business Systems Development & Operations

Mike Harris - NJI
Infrastructure & Client Services

Lynn Mantazona - NJM
IT Program Management

Jeff DiGenova - NJP
IT Project Management

Mark Pierce - NJQ
Quality Control

John O'Donnell, acting - NJR
Service Delivery

Yvette Gill - NJS
Software Development & Operations

Transmission Marketing and Sales

Cathy Ehli - TS
Vice President

Dave Fitzsimmons - TSE
Transmission Sales

Bob King - TSP
Transmission Policy & Strategy

Michelle Manary - TSR
Transmission Commercial System Management

Sue Holden-Baker - TSS
Transmission Scheduling

Planning and Asset Management

Hardev Jul, acting - TP
Vice President

Kelly Johnson - TPC
Customer Service Engineering

John Haner - TPM
Comm. & Grid Modeling

Melvin Rodrigues - TPP
Transmission Planning

Lorie Hoffman - TPW
Asset and Workload Planning

Corporate Strategy

Elliot Mainzer - S
Executive Vice President

Pam Marshall - SP
Strategic Planning

Syd Benavger - SR
Strategy Integration

Terry Oliver - ST
Chief Technology Innovation Officer

General Counsel

Randy Roach - L
Executive Vice President and General Counsel

Paul Majkut - L
Deputy General Counsel

Jacilyn Margson - LC
Corporate Fish & Wildlife

Tim Johnson - LP
Power

Mary Jensen - LT
Transmission



What is Agency Services?

- Agency Services is a collection of activities that support and enable Power and Transmission Services to produce and sell power and transmission services. In and of themselves, Agency Services activities do not result in revenue producing products.
- Power and Transmission programs and projects are significant drivers of Agency Services costs. Growth in existing programs and/or new initiatives result in increased demand for Agency Services supporting activities.
- Agency Services programs fall into 2 general categories:
 - Direct program support
 - General and Administrative
- Direct program support costs are distributed according to Business Unit usage.
- General and Administrative costs are distributed by percentages to the Business Units.

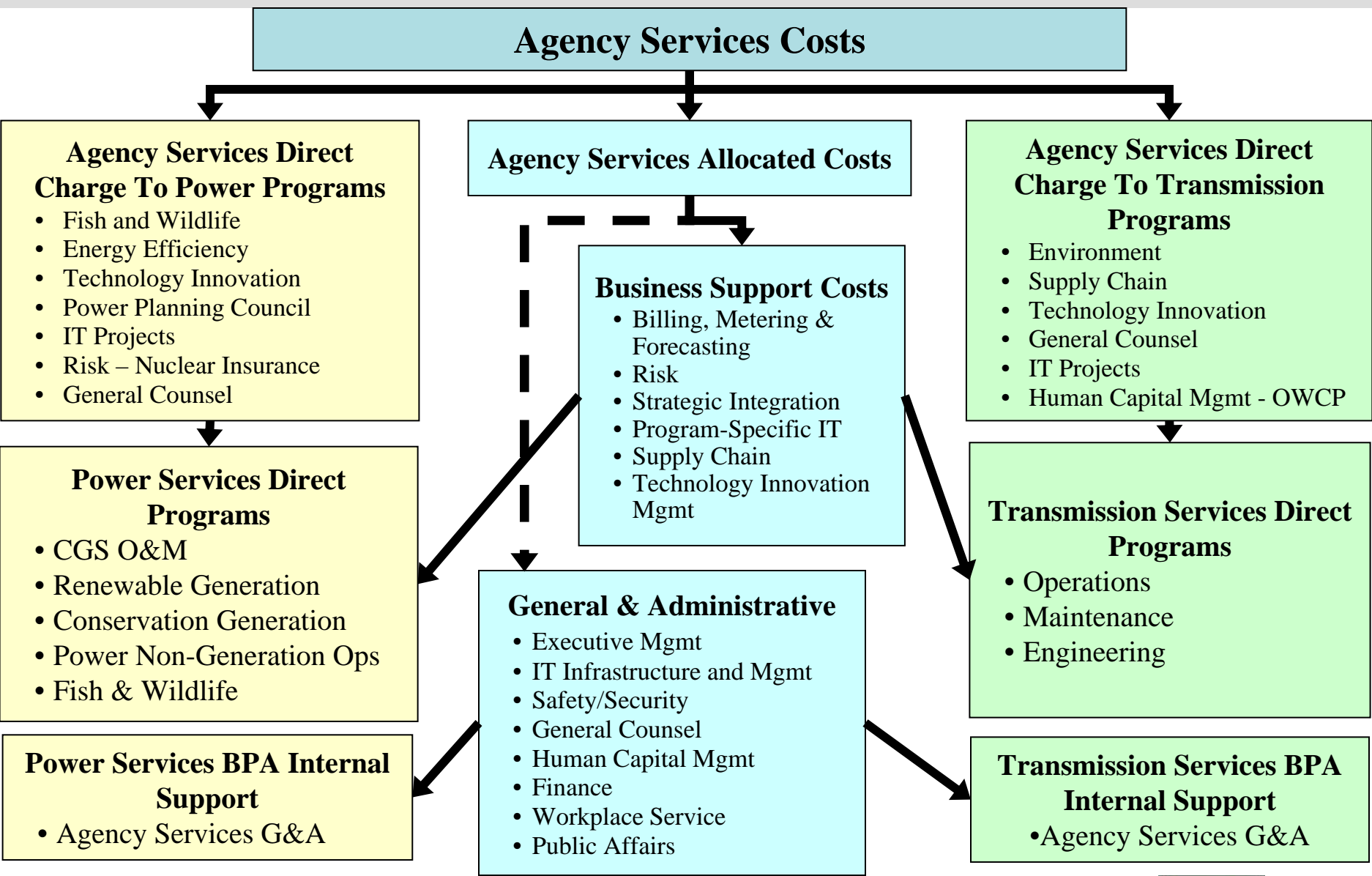


Enterprise Process Improvement Program (EPIP)

- BPA embarked on a journey to improve its efficiency in 2003. The program that was created to manage our efficiency initiatives is the BPA Enterprise Process Improvement Program (EPIP).
- 9 projects participated: Energy Efficiency, Public Affairs, Transmission O&M, Transmission PDB, Asset Management, IT, Supply Chain, Human Capital Management, and Marketing & Sales.
- \$112.4 million was saved in FY 2006 and 2007 and an average \$65 million in savings per year expected in fiscal years 2008–2011. Without EPIP, the budgets would have been \$65 million higher each year.
- With the conclusion of 2008, BPA phased out EPIP as an agency-wide program.
- Key agency targets, managers' performance contracts and metrics are being used to ensure that residual work is embedded in the business.



Agency Services Cost Distribution



Agency Services Proposed Spending Levels¹

Expense

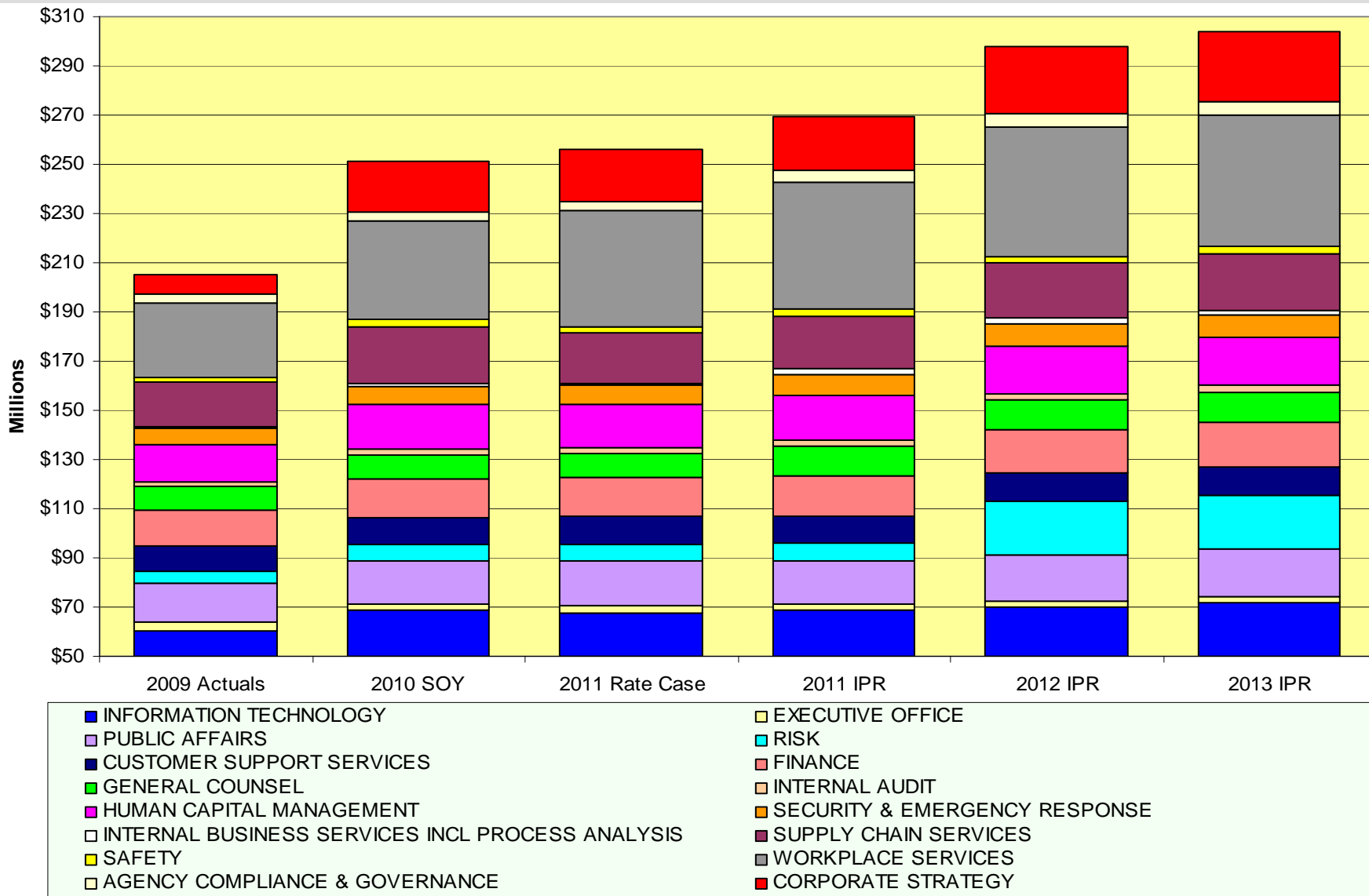
Department	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
EXECUTIVE OFFICE 2	3,107,984	2,460,214	3,004,865	2,100,074	2,151,348	2,194,915
RISK	4,637,558	6,848,177	6,853,814	7,051,195	21,992,025	22,082,095
AGENCY COMPLIANCE & GOVERNANCE	3,524,719	3,557,311	3,771,878	5,123,745	5,159,426	5,191,449
PUBLIC AFFAIRS	16,242,349	17,377,536	18,070,259	18,147,413	18,803,738	19,263,172
INTERNAL AUDIT	2,193,516	2,302,841	2,336,757	2,563,263	2,511,847	2,568,337
FINANCE	14,561,861	15,597,270	16,077,049	16,364,774	17,731,334	18,069,454
CUSTOMER SUPPORT SERVICES	10,200,105	10,847,014	11,289,059	10,931,858	11,262,181	11,501,925
GENERAL COUNSEL	9,490,185	9,734,164	9,811,964	11,728,820	11,893,694	12,551,084
INTERNAL BUSINESS SERVICES	473,547	1,084,333	786,997	874,451	892,621	908,258
BUSINESS & PROCESS ANALYSIS	-	257,015	-	1,241,793	1,442,467	1,468,290
SAFETY	2,214,061	2,497,335	2,478,586	2,577,130	2,647,346	2,701,779
HUMAN CAPITAL MANAGEMENT	15,004,532	18,035,368	17,344,046	18,387,532	19,544,538	19,361,765
SUPPLY CHAIN SERVICES	17,851,814	23,000,000	20,719,854	21,468,414	22,272,482	22,867,222
SECURITY & EMERGENCY RESPONSE	7,007,742	7,590,487	7,832,315	8,668,050	8,975,665	9,012,059
WORKPLACE SERVICES	29,911,509	40,176,738	47,213,170	51,738,457	52,881,794	53,530,953
INFORMATION TECHNOLOGY	60,574,453	69,036,394	67,547,071	68,831,671	70,224,503	71,902,311
CORPORATE STRATEGY	8,435,643	20,794,465	21,152,290	21,324,882	27,471,088	28,535,261
Total	205,431,580	251,196,662	256,289,975	269,123,523	297,858,097	303,710,329

¹ Includes direct business support charges and all costs allocated to Power and Transmission.

² Executive Office program level in 2011 Rate Case does not include an undistributed reduction totaling \$2,599,149, taking this reduction into account the 2011 Rate Case level for Executive Office is \$405,149 with total Agency Services expenses for 2011 Rate case equaling \$253,690,826.



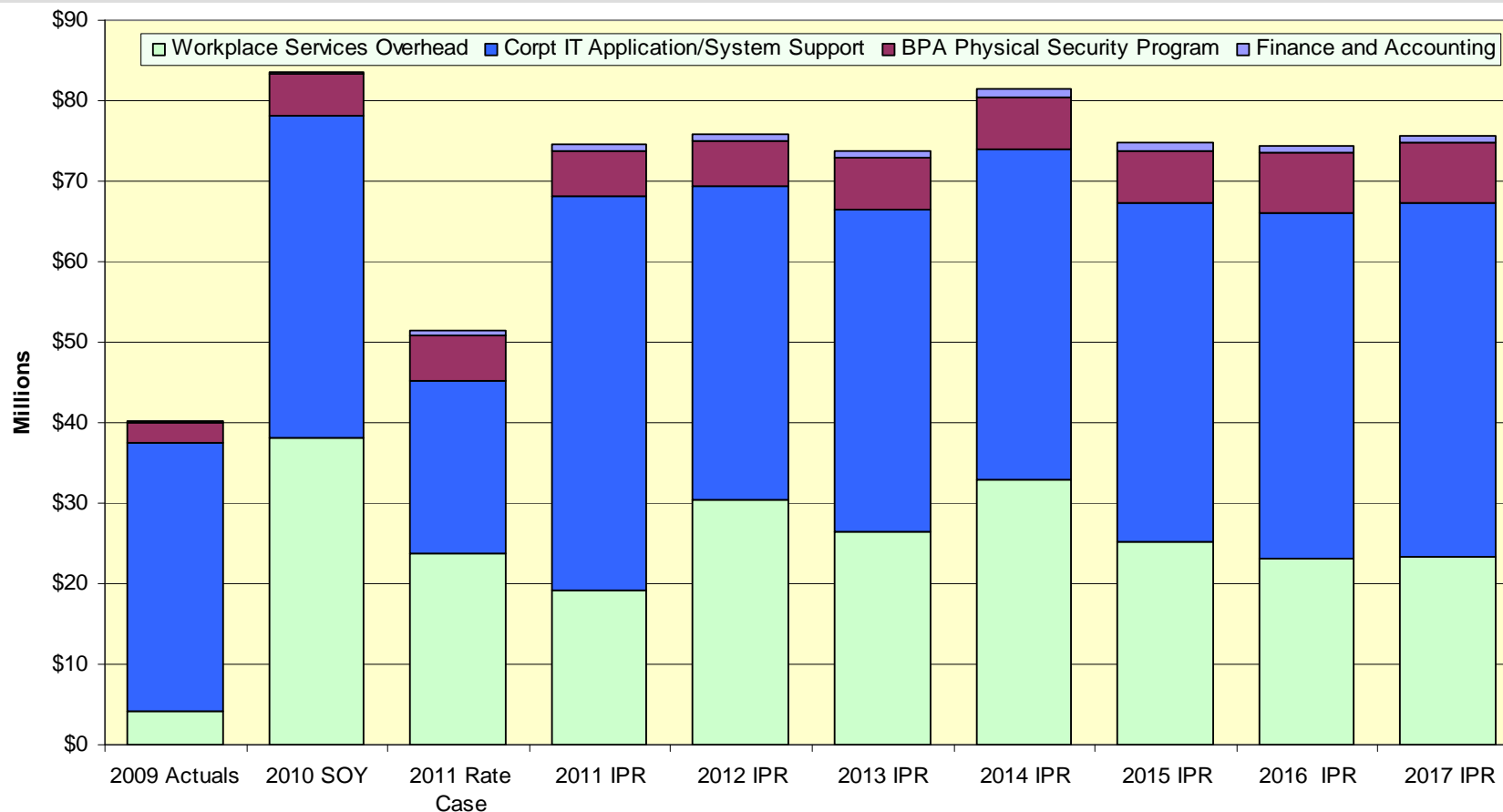
Agency Services Expense¹ Proposed Spending Levels



¹ Includes direct business support charges and all costs allocated to Power and Transmission.



Agency Services Capital Proposed Spending Levels



Corporate Capital by Program	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR	2014 IPR	2015 IPR	2016 IPR	2017 IPR
Finance and Accounting	144,388	386,111	611,876	865,410	881,743	898,941	916,248	933,925	951,721	970,429
BPA Physical Security Program	2,640,775	5,101,730	5,813,940	5,500,000	5,500,000	6,500,000	6,500,000	6,500,000	7,500,000	7,500,000
Workplace Services Overhead	4,205,312	38,150,775	23,741,449	19,202,871	30,396,804	26,371,245	33,006,906	25,272,114	23,025,921	23,236,921
Corpt IT Application/System Support	33,257,630	40,000,000	21,375,000	49,000,030	39,000,000	40,000,000	41,000,000	41,999,998	43,000,000	43,999,999
Sub Total	40,248,104	83,638,616	51,542,265	74,568,311	75,778,547	73,770,186	81,423,154	74,706,037	74,477,642	75,707,349
Corporate Lapse Factor	-	(4,895,772)	(5,011,903)	(1,922,669)	(1,179,658)	(886,788)	(444,061)	(451,481)	(459,050)	(5,011,903)
Total Corporate Capital	40,248,104	78,742,844	46,530,362	72,645,642	74,598,889	72,883,398	80,979,093	74,254,556	74,018,592	70,695,446

¹ Corporate lapse factor Includes 15% lapse factor applied to Facilities..



G&A and Business Support Cost Allocations

Allocation Objective: Recover the cost of corporate functions from power and transmission rates in a manner that is fair and equitable.

Guiding Principles

- Methodologies are equitable and fair
- Methodologies represent a causal relationship to the services provided
- Methodologies are justifiable in a rate setting environment
- Methodologies are affirmed by internal and external auditors
- Methodologies can be implemented and are cost effective
- Methodologies are direct and simple – improving understanding and transparency
- Methodologies are used to develop rates that will be implemented and unchanged on an annual basis without exception.



Overview of Cost Allocation Methodologies

Even Distributions - Traditional General and Administrative Costs: Cost pools that serve the general purpose of agency support functions (split 50/50 to power and transmission rates)

- No consistent, measurable method of assigning support costs directly to the benefactor
- Functions are general in nature and are not directly affected by changes in traditional cost drivers (i.e. FTE levels, budget levels, etc.)
- Collection of costs or measurement of driver is cost prohibitive – it is uneconomical to attempt more precise allocations
- Lack of causal relationship to benefactors prevents a clear distinction for assigning those costs



Even Distribution Allocation Pools

Even Distributions:

- **Executive Office/Planning/Governance** – Executive administration of the Agency
- **Accounting & Finance** – Financial functions of the Agency
- **Legal Services** – Legal functions of the Agency
- **IT Administration** – Executive administration of Agency-wide IT
- **IT Cross Agency Projects** – Expense costs of cross agency IT capital projects
- **Strategic Integration** – Strategy integration costs of the Agency
- **Technology Innovation** – R&D function of the Agency



Directed Allocation Methodology and Pools

- Directed Allocation Pools:** Cost pools that can be distributed with more precision, based on specific cost drivers (split other than 50/50 to power and transmission rates)
- Activities are managed and budgeted centrally, but methods exist to assign costs to benefactors
 - Functions can be linked to cost drivers and can change based on those drivers
 - Direction of effort studies or other means can be used to allocate in a cost-effective manner

Directed Allocations:

- **Security Services – Building security, emergency services, crime witness program**
 - Allocation base: Direction of Effort/FTE – 22.4% power, 1.0% F&W, 76.6% transmission
- **Risk Management – Risk analysis and mgmt services for both power & transmission**
 - Allocation base: Direction of Effort – 42% power, 58% transmission
- **IT Infrastructure – Desktop support, Server Support, Telecommunications**
 - Allocation base: Direction of Effort – 33.6% power, 1.0% F&W, 65.4% transmission
- **IT Business Enterprise System – Enterprise solution/resource Planning software**
 - Allocation base: Direction of Effort/Analysis of use – 30% power, 70% transmission
- **Dedicated IT Projects – Direct support of business line specific IT projects**
 - Allocation base: Project Specific – 100% power or 100% transmission



Support Cost Allocation Pools

Directed Allocation (continued):

- **Contracting and Forecasting Services**
 - Allocation base: Direction of Effort – 48% power, 52% transmission
- **Human Resources Services – Personnel and Library Services**
 - Allocation base: Direction of Effort – 21.6% power, 1.8% F&W, 76.6% transmission
- **Public Affairs – Public Affairs and Communication**
 - Allocation base: Direction of Effort – 45% power, 5% F&W, 50% transmission
- **Workplace Services – Building management and facility support**
 - Allocation base: Direction of Effort – 38.8% power, 3.6% F&W, 57.6% transmission
- **Supply Chain Purchasing – Purchasing function**
 - Allocation base: Direction of Effort – 37.8% power, 37.0% F&W, 25.2% transmission
- **Billing and Metering Services – Billing and metering of customer sales**
 - Allocation base: Direction of Effort – 58% power, 48% transmission
- **Safety – Administering safety program, training, accident investigation, etc.**
 - Allocation base: Direction of Effort/FTE – 11% power, 89% transmission
- **Aircraft Services – Fixed-wing aircraft usage**
 - Allocation base: Direction of Effort – 35% power, 65% transmission
- **Dedicated Workplace Services Projects – Direct support of business unit specific workplace services projects**
 - Allocation base: Project Specific – 100% power or 100% transmission
- **Supply Chain Administration – Administration of the Supply Chain operation**
 - Allocation base: Direction of Effort – 13.4% power, 86.6% transmission



Non-Internal Business Services

(Internal Audit & Finance)

Shawna Lamothe

Internal Audit

INTERNAL AUDIT	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
Total	2,193,516	2,302,841	2,336,757	2,563,263	2,511,847	2,568,337

Program Description

- Provides independent, objective assurance and consulting services designed to evaluate and help BPA improve the effectiveness of its internal control, risk management and agency governance processes. This includes evaluating whether BPA processes are adequately designed and functioning to help assure:
 - Risks are appropriately identified and managed.
 - Controls and risk management activities are adequately designed and operating effectively.
 - Interaction between BPA’s various control, risk and governance groups is effective.
 - Significant financial, managerial and operating information is accurate, reliable and timely.
 - Employee actions comply with policies, standards, procedures, laws and regulations.
 - Resources are acquired economically, used efficiently and protected adequately.
 - Operational excellence and continuous improvement are fostered.
- The scope of work also includes services such as contract audits and preliminary investigations, which support operation of BPA internal control systems.

Strategic Objectives

- I1 – Systems and Processes
- I3 – Governance and Internal Controls
- I4 – Asset Management
- I7 – Risk-Informed Decision Making and Transparency

Key Products and Outputs

- Provide audit services contained in the annual workload plan approved by BPA’s Audit and Internal Controls Committee.



Internal Audit

FY 2012-13 Program Spending Drivers

- The increases are due to the expanded audit program that supports various compliance and governance initiatives that have increased recently.

Potential Risk

- Unable to monitor compliance adequately leading to possible sanctions and urgency to achieve compliance.



Internal Audit – Reduction Scenario

INTERNAL AUDIT	2012 IPR	2012 IPR Reduction Scenario	Delta	2013 IPR	2013 IPR Reduction Scenario	Delta
Total	2,511,847	2,336,018	175,829	2,568,337	2,388,553	179,784

Program Line Item	Description of Reduction	\$ Amount of Reduction	Impact of Reduction	Risk
Support for Internal Audit Efforts	Reduced funding available for audit staff as well as for contract services	\$177K per year	The capability to provide assurance audits supporting governance, risk management, and compliance would be reduced by about 10 to 12 percent. Also during the two-year period, capability to provide internal control consulting services to BPA operations would be reduced by about 25 percent. The primary risk from reduced audit services capability is that delayed provision of Internal Audit review or assistance within some key BPA operations will postpone identification of needed operational improvements to better assure meeting agency objectives for effectiveness, efficiency, or compliance. Delaying action on needed improvements can extend operational problems or non-compliance, and result in added costs, delayed savings, or non-compliance findings and associated adverse impacts.	Medium



Finance

FINANCE	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
Total	14,561,861	15,597,270	16,077,049	16,364,774	17,731,334	18,069,454

Program Description

- Finance provides financial planning, accounting, and reporting for the Federal Columbia River Power System (FCRPS) and BPA. The organization also provides economic and analytical support for rate case and regulatory proceedings, and coordinates and executes all Treasury and non-Federal financing programs. Finance has primary responsibility for relationships with Federal and non-Federal banking communities, rating agencies, investors and others in the financial community. It also has primary responsibility for the development of agency spending levels. Finance provides leadership in developing proposals and policies on strategic issues that affect the agency’s long-term financial integrity and competitiveness, or that have an impact on customers, constituents, and other stakeholders. Finance is also responsible for establishing financial policies and procedures for agency-wide guidance and internal controls.
- This program also manages the CGS Decommissioning Trust Fund.

Strategic Objectives

- F1 - Capital Access
- F2 - Cost Recovery
- F3 - Cash Flow
- I3 - Governance and Internal Controls



Finance

Key Products and Outputs

- Finance provides all accounting and financial reporting for BPA, both Federal and commercial; develops and implements accounting policy, prepares audited financial statements; maintains appropriate and adequate financial systems and establishes BPA and FCRPS requirements and reporting mechanisms to ensure adequacy of internal controls and compliance with applicable laws, regulations, and internal directives; supports and participates in Power and Transmission rate cases; establishes debt service (annual capital cost) levels; plans, coordinates and leads processes to develop program spending levels; provides budget support for all organizations in the agency including development of start-of-year budgets and tracking, monitoring and reporting on budget-to-actuals during the year; identifies financial and strategic issues; plans, coordinates and leads public processes on costs and budgets, e.g., IPR, Quarterly Business Review; participates in internal capital review processes; allocates capital funds based on approved budgets; develops Federal Budget, working closely with DOE and coordinating across the agency, developing testimony, resolving issues, assuring accuracy and consistency; tracks and manages all agency debt and cash, plans and coordinates 3rd party financing deals including working with the banking communities, rating agencies and investors.
- Total costs include annual contributions to the CGS Decommissioning Trust Fund.

	2009 Actuals	2010 SOY	2011 Rate Case	2011 Proposed	2012 Proposed	2013 Proposed
Finance	\$14,561,861	\$15,597,270	\$16,077,049	\$16,364,774	\$17,731,334	\$18,069,454
Decommissioning Fund	\$8,776,921	\$8,911,000	\$9,882,000	\$9,882,000	\$11,266,000	\$13,745,000
Total	\$23,338,782	\$24,508,270	\$25,959,049	\$26,246,774	\$28,997,334	\$31,814,454



Finance

FY 2012-13 Program Spending Drivers

- **Financial Planning and Analysis/Budget computer software improvements/upgrades. Expected benefits:**
 - Improve efficiency of budgeting and forecasting work, allowing re-direction of staff to other value-added work
 - Reduce budgeting/ forecasting cycle times by simplifying and standardizing data collection across the organization
 - Decrease errors, improve accuracy
 - Make faster, more informed decisions
 - Proposal includes consultant support for:
 - FY 2012 - mapping current process, identifying process improvements and design work, support to back up staff members dedicated to project leadership
 - FY 2013 - application implementation
- **Financial Reporting computer software improvement/upgrade: Expected benefits**
 - Improved efficiency in reporting work – less staff time spent developing/modifying/trouble-shooting reports
 - Significant reduction in the number of financial reporting tools used and the skills necessary required for those tools.
 - Reduced reliance on IT for financial report development and maintenance.
 - Simplified report access and execution. Improved access to online information.
 - Improved decision making and quality of financial information through enhanced financial analytics capabilities, including drill downs, pivots, ad hocs, and dashboards.
- **Increased cost of contracts**
 - To support debt management actions including lease financing (Moody's)
 - To support improved, more efficient operational cash management and long-term cash forecasting
- **Additional accounting staff due to emerging FASB accounting changes and ramp-up of transmission capital program**
- **Resources for additional workload associated with accounting for and tracking LGIA revenues/credits**
- **Efficiencies:**
 - Assumes significant efficiencies occur
 - Potential efficiencies due to process improvements in Start-of-Year/Quarterly Review processes, system improvements to allow automation for Federal reporting to DOE



Finance

Potential Risk of Insufficient Funding

- Need to support ever-changing and complex financial reporting requirements for programs such as Lease Financing, Recovery Act, and Tiered Rates.
- Inefficiencies and inflexibility in current system for gathering budget and forecast data, calculating allocations, and reporting, result in errors and significant resources needed. If improvements in software are not made, assumed efficiencies, e.g., reductions in FTE that are assumed in these forecasts, will not be achievable while providing the same level of service.
- Inadequately staffed to provide strategic analysis to BPA management to inform business decisions.
- The proposed levels to not include resources to support any new FERC requirements such as the initiative to financially facilitate Transmission resales.



Finance – Reduction Scenario

FINANCE	2012 IPR	2012 IPR Reduction Scenario	Delta	2013 IPR	2013 IPR Reduction Scenario	Delta
Total	17,731,334	16,588,322	1,143,012	18,069,454	16,901,157	1,168,297

Program Line Item	Description of Reduction	\$ Amount of Reduction	Impact of Reduction	Risk
Nuclear Decommissioning Trust Fund	Reduce annual contribution to Nuclear Decommissioning Trust Fund	\$600K per year	Reducing contributions to this Fund would be inconsistent with the funding schedule agreed upon between BPA and EN and the schedule that was submitted to the US Nuclear Regulatory Commission in March, 2009.	High
Financial Systems/Software Support	Reduce funding for two related computer systems/software efforts geared towards improving reporting tools and financial planning and analysis systems	\$225K per year	Reduction would result in project not concluding until post-2013, significantly delaying/reducing potential efficiencies expected with this effort. Current planning and analysis system is among the oldest Business Enterprise systems we use and causes significant inefficiencies in budgeting, forecasting, and reporting.	High



Finance – Reduction Scenario (continued)

Program Line Item	Description of Reduction	\$ Amount of Reduction	Impact of Reduction	Risk
Power and Transmission Services Financial Support	Reduce funding available for appropriately staff financial support functions	\$800K per year	<p>Staffing reductions would require re-prioritization of efforts, placing at risk our ability to adequately staff essential workload. Impacts/Risks: Increased risk of external auditor findings associated with significant deficiencies/ material weaknesses in accounting and reporting; reduced follow-up on delinquent receipts collection; increased risk of missing DOE deadlines for Federal financial reporting leading to additional Federal requirements.</p> <p>Finance “intern” program, a key succession-planning tool, would be discontinued.</p> <p>Limited strategically valuable analysis such as near- and long-term liquidity needs, reduce support for capital project/financial analysis review (ACPR work) as well as decrease the budget and analytical support provided to business units</p> <p>Adversely impact to coordination across Finance and with business units on a variety of accounting and financial issues such as scenario planning, reporting support, accounting treatment.</p>	<div style="border: 2px solid red; background-color: red; color: black; padding: 5px; display: inline-block;">High</div>



Corporate Strategy & Technology Innovation

Elliot Mainzer & Terry Oliver

Corporate Strategy

CORPORATE STRATEGY	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
Total	8,435,643	20,794,465	21,152,290	21,324,882	27,471,088	28,535,261

	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
Corporate Strategy	\$ 248,182	\$ 311,695	\$ 329,324	\$ 579,521	\$ 624,170	\$ 637,947
Strategic Planning	\$ 1,370,571	\$ 1,937,265	\$ 2,129,330	\$ 1,635,355	\$ 1,789,221	\$ 1,854,560
Strategy Integration	\$ 3,595,898	\$ 5,438,470	\$ 5,826,983	\$ 5,820,006	\$ 7,515,695	\$ 7,645,820
SubTotal	\$ 5,214,651	\$ 7,687,430	\$ 8,285,637	\$ 8,034,882	\$ 9,929,086	\$ 10,138,327
Technology Innovation	\$ 3,220,992	\$ 13,107,035	\$ 12,866,653	\$ 13,290,000	\$ 17,542,002	\$ 18,396,845
Grand Total	\$ 8,435,643	\$ 20,794,465	\$ 21,152,290	\$ 21,324,882	\$ 27,471,088	\$ 28,535,172

Program Description

On January 1, 2010, BPA's Technology Innovation Program was consolidated into BPA's Corporate Strategy group. As a result, the Technology Innovation program spending levels are now managed as part of Corporate Strategy. The Corporate Strategy group has three functional organizations: Strategic Planning, Strategy Integration, and Technology Innovation. This provides a significant increase in Corporate Strategy's ability to create successful futures for BPA by effectively integrating Asset Management, Technology Innovation, and cross-agency initiative management.

Strategic Planning plans, directs, and manages a strategic planning program and an asset management program aligned to meet BPA's mission, vision, and strategic objectives. It analyzes the potential impact of the energy industry landscape, and evaluates future scenarios and strategic options. This function supports the executive team in establishing and updating BPA's strategies, and leads development of agency performance objectives and targets that integrate both business and public responsibility goals. Strategic Planning is also responsible for the development of agency level asset management policies, and interfaces closely with the business units in the development of asset strategies.

Strategy Integration develops, directs and coordinates the management of specific cross-agency strategic initiatives, consistent with BPA's mission and strategic objectives. These include BPA's initiatives related to renewables integration, transmission strategy, climate change and market design. Strategy Integration manages BPA's engagement with ColumbiaGrid and the North American Energy Standards Board (NAESB). The group also conducts landscape analysis and manages analytical tools to support the cross-agency initiatives.



Corporate Strategy

Program Description (continued)

- Technology Innovation (TI)** strategically recruits, constructs and manages a portfolio of research projects to address and solve BPA business challenges by applying research results that have a direct link to the agency's strategic objectives/mission and provide financial benefit to the region. The TI Office works synergistically with Strategic Planning and Strategy Integration to implement technologies in support of asset management and cross agency initiatives. Technology Innovation uses target driven, systematic, sound business best practices for strategy evaluation and program development that addresses integration of decisions made across all program areas. The purpose is to provide benefit to BPA and its customers, based on a well defined agency strategic agenda. The TI Office also works to preserve the regional benefit associated with the intellectual property developed during the research. The portfolio consists of projects proposed from internal BPA staff and external organizations. The TI Office leads BPA R&D engagement with external research groups such as such as universities, national labs, Electric Power Research Institute (EPRI) and TVA. The TI Office is responsible for structuring BPA's research investments and set the agency's technology agenda (except Fish & Wildlife) through consultation, coordination and collaboration with BPA executives and technical experts. This program is guided internally by a Technology Innovation Council consisting of experts and executives from across the agency. The TI Office implements mature business practices associated with excellence in R&D management such as the use of technology roadmaps to drive the research agenda, robust portfolio management, life cycle project management, technology transfer and business driven technology application.

Strategic Objectives

- S1- Policy and Regional Actions
- S8 - Climate Change
- I5 - Technology Innovation
- I4 - Asset Management

Key Products and Outputs

- Up-to-date agency strategy description and performance metrics/targets.
- Fully resourced Agency Strategy Forum (ASF) based on research agenda ratified by the Front Office.
- Strategic market intelligence.
- Asset management strategy and policy guidance in support of asset category, asset strategies, plans, business case development and evaluation.
- An effective climate change strategy that identifies implications for BPA, and responds with actions and policies to address physical, economic, legislative and regulatory changes related to climate change.



Corporate Strategy

Key Products and Outputs (continued)

- A coordinated, agency-wide strategy for integrating additional amounts of variable renewable resources (with a current emphasis on wind energy) into the regional power system.
- Involvement in regional activities facilitated by ColumbiaGrid to foster a one-utility approach to planning and utilizing the regional grid and participation in Joint Initiative activities to foster new inter-utility business practices and operational approaches for meeting variable generation integration challenges.
- R&D portfolio linked to agency business objectives that advances technologies that are environmentally sound, increase system reliability and reduce system costs through managing a portfolio of near, medium and long term research projects. The portfolio consists of a suite of projects that span across grid operation, energy efficiency, climate change, wind integration, and smart grid.
- Research on shunt connector designs has resulted in transmission lines upgrades to carry up to 40 percent more power and yield a cost savings of 25-35 percent of the cost to reconductor an existing line. In 2008, BPA saved \$4 million installing this shunt design to upgrade 20 miles of the Ross Lexington line. Cost savings of \$200,000 per mile are expected on all future shunt applications with several lines planned for upgrading in the near future.
- Research on BPA grid operation results in incremental improvements that move toward Operational Transfer Capability levels to be based on real time system conditions. This enables efficient use of existing transmission lines and eliminates the need for building new transmission lines. This research works to develop tools for BPA operators to respond quickly and effectively to outage/emergency situations, thereby increases reliability and minimizes costly curtailments caused by unplanned line outages.
- Other grid operation research outputs include potential cost savings and reliability increases from improved seismic standards, advanced surge suppression technology, gigabit ethernet transport over fiber network and synchrophasor application for wide area grid control.
- Energy efficiency projects develop technologies to meet the 504 aMW energy efficiency target outlined in the NW Power Planning Council's 6th Power Plan. Climate change projects develop strategies and stream flow scenarios to reflect the most up-to-date climate change modeling. Benefits from wind research are increased understanding of wind forecasting and ramp events. Technologies that reliably integrate large amounts of wind are currently being worked on. The BPA Smart Grid project organized initial regional efforts to submit a PNW proposal for DOE Smart Grid funding in 2009 resulting in the largest smart grid demonstration project chosen in the nation.



Corporate Strategy

FY 2012-13 Program Spending Drivers

- Additional funding to support asset management analysis for business case development as volume increases and Columbia Generating Station (CGS) and Energy Efficiency (EE) asset categories are added.
- Additional funding of \$1.5 million per year to enable BPA to financially contribute to a region-wide analysis of the costs and benefits of new approaches to balancing authority coordination across the Northwest Power Planning Council and WECC footprints.
- Additional funding to enable internal analysis and coordination of such regional initiatives.
- After flat program spending levels in FY 2010-2011, Technology Innovation Program includes additional funds in FY 2012-13 consistent with ramp-up in programmatic spending target of one-half of one percent of Agency revenues.

Potential Risks Mitigated by these Increases

- Inability to keep pace with demands of asset management strategy, plan development and business case analysis, and desired expansion of asset categories to include CGS and EE.
- Limited internal resources to evaluate and analyze potential operational requirements as well as potential costs and benefits of new mechanisms to increase regional balancing authority coordination which may promote better use of existing system resources and reduce pressure on the capacity of the Federal hydro system from increased wind integration.
- Inability to advance application of technologies in the BPA system, thereby not solving some of BPA's business challenges, resulting in loss of value to the region.



Corporate Strategy – Reduction Scenario

CORPORATE STRATEGY	2012 IPR	2012 IPR Reduction Scenario	Delta	2013 IPR	2013 IPR Reduction Scenario	Delta
Total	27,471,088	26,049,266	1,421,822	28,535,261	27,058,646	1,476,614

	2012 Reduction	2013 Reduction
Corporate Strategy	\$ 624,170	\$ 637,947
Strategic Planning	\$ 1,789,221	\$ 1,854,650
Strategy Integration	\$ 6,970,973	\$ 7,089,047
SubTotal	\$ 9,384,364	\$ 9,581,644
Technology Innovation	\$ 16,664,902	\$ 17,477,002
Grand Total	\$ 26,049,266	\$ 27,058,646

Program Line Item FY 2012& FY 2013 Program Reductions	Description of Reduction	\$ Amount of Reduction	Impact of Reduction	Risk
ColumbiaGrid/ Joint Initiatives	Reduced support of balancing authority coordination analysis.	\$350,000	Constraints on ability to develop multi-utility strategy to reduce pressure on balancing resources of FCRPS.	High
Integrated Resource Planning	Reduction in analytical support for transmission planning efforts.	\$200,000	Decreased ability to define commercial, reliability, and diversity benefits associated with plans of service in BPA Network Open Seasons and other regional transmission line proposals.	Medium
Technology Innovation	Reduction in R&D on new energy efficiency technologies.	\$892,000	A reduction in this program would put future conservation targets at risk by reducing the number of energy efficiency technologies available for implementation	High



Risk

Sam Cannady

Risk

RISK OFFICE	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
Total	4,637,558	6,848,177	6,853,814	7,051,195	21,992,025	22,082,095

Program Description

- The key responsibilities of Risk Management include: facilitating a risk-based approach to strategic planning in which BPA's tolerance for specific risks and overall risk management capability are key inputs to strategy development and execution planning; coordinating a robust and sustained Enterprise Risk Management (ERM) program to identify and appropriately address the broad range of risks to achievement of the agency's strategic objectives; monitoring and reporting on BPA's full range of risks, including commodity transacting risks; mitigating BPA's credit exposure in the event of counter-party default; and implementing a Business Continuity Management Program, including Emergency Management and Continuity of Operations planning.

Strategic Objectives

- 17- Risk Informed Decision Making and Transparency
- 13 - Governance and Internal Controls
- I4 - Asset Management
- F1- Capital Access

Key Products and Outputs

- The key products and outputs at a high level are agency enterprise risk management, transacting and credit risk management, and business continuity assurance. This group supports various executive initiatives in risk management through the Enterprise Risk Management Committee, the Transacting and Credit Risk Management Committee, and the Business Continuity Steering Committee.

FY 2012-13 Program Spending Drivers

- Includes \$15 million of property Insurance. This comprises the cost of a property insurance premium and \$100,000/year for administrative expenses for Transmission Services, Power Services, Corps of Engineers and Bureau of Reclamation. This is a new insurance policy purchase for BPA.



Risk – Reduction Scenario

RISK OFFICE	2012 IPR	2012 IPR Reduction Scenario	Delta	2013 IPR	2013 IPR Reduction Scenario	Delta
Total	21,992,025	21,662,025	330,000	22,082,095	21,752,095	330,000

Program Line Item	Description of Reduction	\$ Amount of Reduction	Impact of Reduction	Risk
Risk Evaluation and Mitigation Activities	Reduction of funding available for staffing and contracting support	\$330K per year	Reduction would require the elimination of two positions, resulting in 1) less resources available to identify and assess key enterprise risks and develop risk mitigation plans and 2) a slower implementation of the Agency's Business Continuity program. This could expose the agency to negative financial or reputational impacts due to failure to identify and adequately manage enterprise risks, or in the case of business continuity the potential that the agency might not respond adequately to a significant disruptive event.	High



Public Affairs

Christy Munro

Public Affairs

PUBLIC AFFAIRS	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
Total	16,242,349	17,377,536	18,070,259	18,147,413	18,803,738	19,263,172

Program Description

- Public Affairs is responsible for developing a comprehensive public affairs strategy and managing the centralized support of the agency implementation of that strategy. This includes direction and support for national, regional, and tribal relations, media and internal and external communications. This function is responsible for fostering support, knowledge, and awareness of BPA’s activities, including the regional engagement required by section 2.3 of the 1980 Northwest Power Act, achievements, and value to the Pacific Northwest. Public Affairs is also responsible for ensuring that programs are in place to secure appropriate public input into BPA’s decision-making processes.

Strategic Objectives

- S9 – Stakeholders Satisfaction
- I6 – Collaboration
- I2 – One BPA
- P3-Engagement

Key Products and Outputs

- The Public Affairs programs consist of:**
 - Agency's Freedom of Information Act and Privacy Act programs.
 - Communications group develops and implements an array of products for both internal and external audiences.
 - Community Engagement group does Public Engagement by identifying the appropriate processes, techniques and procedures to inform and involve key stakeholders of an issue or a proposed decision that may impact them.
 - National Relations group are the liaison between BPA and the Congress, the Executive Branch agencies, Department of Energy (DOE), the Federal Energy Regulatory Commission (FERC) and other organizations.
 - Public Relations group does Media/Writing maintains agency relationships with the Northwest media.
 - Regional Relations group DKR -- Builds and maintains productive relationships with the Northwest Power & Conservation Council, Governors, state legislatures and executive agencies; state congressional offices; public utility and environmental regulatory commissions; local governments; and public interest groups.
 - Tribal Affairs group develops and maintains effective government-to-government relationships and provide up-to-date information on tribal leadership and tribal programs with the 46 tribes and tribal organizations within the BPA service territory.



Public Affairs

FY 2012-13 Program Spending Drivers

- Program spending levels are driven by a combination of factors.
- Public Relations heightened by multiple transmission proposals under review, more intensive work on Columbia River Treaty, and likely increasing agency focus on consolidating control areas and other inter-utility initiatives, including wind and renewable resource integration, effects of California and potentially national renewable portfolio standard implementation, smart grid development and meeting regional and customer Energy Efficiency targets.
- Regional Relations are expected to continue to assist with transmission siting and construction as well as to support California policy development. Expect additional demand of staff time for support of agency participation and coordination for working with state agencies and regulators for implementation of the Council's 6th Power Plan and development of the Council's Fish & Wildlife Program.
- Communications expect additional workload as the build projects, the Columbia River Treaty, Energy Efficiency targets and Social Media engagement and emerging communication technologies demand more time.

Potential Risk

- Unable to provide adequate support to agency programs.



Public Affairs – Reduction Scenarios

- The Public Affairs EPIP staffing and funding level recommendations called for reducing the staff that was initially consolidated in FY 2004 by roughly 20 FTE by FY 2007, with an expense spending level (minus the Power Planning Council) of \$8,999K in FY 2007, escalating as appropriate for inflation/COLA adjustments. In June 2006, it was anticipated that the Public Affairs FY 2010 expense budget would be \$9,977K. Since then, Public Affairs has achieved further efficiencies, reducing total staffing to below the EPIP targets and reducing the FY 2010 spending level [minus Council] to \$7,695K, more than \$2 million lower than anticipated under the EPIP.
- Public Affairs has achieved this savings while increasing workload associated with Freedom of Information Act/Privacy Act, Open Government, California RPS standards, a more robust news clipping service and employee newsletter (Connection), launching the Agency's social media presence, and staffing over 75 existing communication efforts/projects, which includes on average 30 to 35 public comment processes a year such as the I-5 Corridor Replacement Project and the FY 2014 Columbia River Treaty negotiations. In particular, Public Affairs work load associated with wind generation, transmission construction projects and Federal Caucus fish issues has accelerated appreciably since the EPIP consolidation.



Public Affairs – Reduction Scenario (3%)

PUBLIC AFFAIRS	2012 IPR	2012 IPR Reduction Scenario	Delta	2013 IPR	2013 IPR Reduction Scenario	Delta
Total	18,803,738	18,220,248	583,490	19,263,172	18,667,248	595,924

Program Line Item	Description of Reduction	\$ Amount of Reduction	Impact of Reduction	Risk
Communication Support Activities & Community Outreach Support Activities	Reduce available funding for contract labor and support	\$311K per year for FY 2012-2013	<ul style="list-style-type: none"> •Eliminate liaison for Public Interest Groups •Reduce staffing for Public outreach and support •Eliminate ability to electronically coordinate with Associated Press events and issues, and ability to track and follow regional newspapers •Eliminate ability to track the effectiveness of Public Affairs programs •Constrain ability to support Small Indian-Owned business as well as ad hoc consultation services with regional tribes and tribal associations •Constrain ability to continue to improve understanding of regional interests and during a time of regional expansion in conservation and renewables could impact ability to achieve regional targets •Reduced ability to quickly garner information about national energy policies and their impact upon BPA and its customers. •Reduce or eliminate spending for events resulting in inability to pay for materials, food and labor for agency celebrations with partner organizations, constituents and the public 	Medium



Legal

Randy Roach

Legal (General Counsel)

GENERAL COUNSEL	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
Total	9,490,185	9,734,164	9,811,964	11,728,820	11,893,694	12,551,084

Program Description

- The Office of General Counsel (OGC) supports BPA programs through legal advice and representation. Major activities include: (1) risk assessment, negotiation and alternative dispute resolution; (2) advice and representation concerning BPA power marketing, transmission policies and transmission tariffs, contracts and rates; (3) representation in all areas of litigation before the courts or administrative and regulatory proceedings covering: power marketing, contracts, rates, energy efficiency, resource acquisition, renewable resource policy matters, federal projects, and nonfederal projects, including Energy Northwest and BPA’s statutory and contractual responsibilities with regard to the provision of transmission service; (4) advice and legal representation on environmental matters, including NEPA, lands, hazardous waste, and BPA’s fish and wildlife obligations under various acts; (5) drafting and negotiating financial instruments, including documents related to Energy Northwest and treasury financing, and (6) advice and representation on personnel, ethics, privacy, EEO, finance, budget, lands & rights of way, torts, procurement, corporate authority and other corporate legal matters.
- General Counsel’s spending levels include costs for hearing officers, court reporters, arbitrators, investigators, third-party experts, and outside counsel.

Strategic Objectives

- S1 – Policy and Regional Actions
- I7 – Risk Informed Decision Making and Transparency
- S3-Tiered Power Rates
- P2 –Talent and Development

Key Products and Outputs

- OGC is wholly a support group; the work is programmatic. OGC advises on all Agency issues.



Legal (General Counsel)

FY 2012-13 Program Spending Increase Drivers

- The wind initiative is one of the top BPA priorities. BPA expects to integrate 4-6000 mw of wind over the next two years and beyond.
- DOE has recommended increased attention and review for personnel annual financial disclosures.
- Increased FERC and reliability related work.
- Arbitrations are also expected to increase due to the terms of the new power sales contracts.
- The Tiered Rates Methodology anticipates increased hearing officer responsibilities. Program spending reflects a possible significant increase in hearing officer work.
- Fact findings are expected to be a continued workload and they have been consolidated in these spending levels.

Potential Risk

The potential risk would be in the following programs:

- OGC support is necessary for the agency to succeed on its various wind initiatives and related work, such as FERC's recent Renewables Notice of Inquiry. Inadequate OGC support will delay or frustrate accomplishment of the initiatives since they rely on timely environmental, contractual, tariff and other legal work.
- OGC would be unable to process personnel financial disclosure work leading to risks of potential fraud & unethical behavior.
- Derivative regulation and taxation may have a significant impact on financing of BPA infrastructure additions that are critical to meeting our mission. We anticipate that these developments will require additional expenditures on outside bond and tax counsel.
- Arbitrations are also expected to increase due to the terms of the new power sales contracts. Inadequate funding for hearing officers could compromise agency commitments in the Tiered Rates Methodology.
- Without these increases OGC will be unable to provide advice regarding these or other issues or quality will be less than appropriate.



Legal (General Counsel) – Reduction Scenario

GENERAL COUNSEL	2012 IPR	2012 IPR Reduction Scenario	Delta	2013 IPR	2013 IPR Reduction Scenario	Delta
Total	11,893,694	11,227,847	665,847	12,551,084	11,850,139	700,945

Program Line Item	Description of Reduction	\$ Amount of Reduction	Impact of Reduction	Risk
Support for Transmission Construction (NEPA Work) <i>G&A Transmission</i>	Reduce support for NEPA and reduce contract services expenses	FY 2012 \$78K FY 2013 \$85K	Reduction would require redistribution of NEPA work. This would have an adverse impact on transmission construction schedules and other transmission support work.	High
Human Capital Management & Agency Ethics requirements <i>G&A Both</i>	Reduce expense contract funding for Ethics training vendor and Fact Finders, Investigators	FY 2012 \$46K FY 2013 \$50K	Reducing our ability to use outside fact finders to investigate personnel, EEO, torts and other issues. Also elimination of use of an Ethics training vendor to help meet federal agency ethics training obligations. These reductions are not recommended as these contracts provide the most efficient and effective means to meet requirements. Business lines would have to fund these contract services expenses themselves.	Medium
Support for Wind Integration <i>G&A Power</i>	Reduce support of Wind Integration efforts in Power Services and reduce contracts expense	FY 2012 \$78K FY 2013 \$78K	Reduction would result in delay of services provided for wind integration and other key initiatives - including transfer service and transmission procurement. These delays would adversely impact implementation of wind integration and other initiatives.	High



Legal (General Counsel) – Reduction Scenario

Program Line Item	Description of Reduction	\$ Amount of Reduction	Impact of Reduction	Risk
FY 2012 - 2013 Direct Support to Rate Proceedings and Arbitrations <i>Direct Both</i>	FY 2012 Trans: Eliminate spending for the hearing officer and arbitration FY 2012 Power: - Eliminate spending for the hearing officer and arbitration FY 2013 Trans: Reduce spending by one hearing officer and arbitration FY 2013 Power: Reduce spending by one hearing officer and arbitration	FY 2012: \$159K to Transmission, no hearing officer FY 2012 \$180K to Power, no hearing officer FY 2013: \$171K to Transmission, fund only one hearing officer FY 2013 \$180K to Power, fund only one hearing officer	<p>Eliminating hearing officer for FY 2012 assumes no follow-up issues with new power and transmission rates – including wind integration, stepped-up capital program, FERC’s recent NOI on renewables integration, and requirements of the residential exchange and DSI contracts. Hiring one hearing officer for FY 2014-2015 rate proceeding, anticipated to be complex and demanding (incorporating TRM implementation, wind integration, segmentation, use of reserves, increasing capital investment) increases risk of procedural delays and errors and of customer dissatisfaction. Business lines would have to absorb costs associated with arbitration or a hearings officer if necessary.</p> <p>OGC has assumed \$640,000 for 2 hearing officers, plus \$80,000 for arbitration services, for a total of \$720,000 for each of FY 2011 and FY 2013, both of which are “rate case” years. It has assumed, as a contingency, \$360,000 for hearing officer and arbitration services in FY 2012. These costs are directly charged to the business lines, with each business line bearing 50% of the costs.</p> <p>At the same time, (1) on the Power side, the TRM provides the hearing officer greatly expanded authorities; the TRM, with all its complexity, will still be in the “shake-out” implementation phase, meaning it will be contentious; it will be very important to develop continuity of knowledge in the hearing officer; and pricing for wind integration will continue to be contentious; and (2) on the Transmission side, parties will be expected to be much more vigorous due to wind integration issues, reconsidering segmentation, use of transmission reserves, and increases in capital costs associated with BPA’s expanded construction program. All of that will create unprecedented demands on the hearing officer.</p>	<div style="border: 2px solid black; padding: 5px; width: fit-content; margin: auto;">High</div>



Legal (General Counsel) – Reduction Scenario

Program Line Item	Description of Reduction	\$ Amount of Reduction	Impact of Reduction	Risk
Support for Federal Hydro Projects and NERC-related reliability <i>Direct Power</i>	Reduce support of Federal Hydro projects and NERC related reliability issues and reduce funding for service contracts.	FY 2012 Reduce by \$78K FY 2013 Reduce by \$93K	These reductions would require that business lines directly fund any support needed – either increasing their costs or requiring offsetting reductions elsewhere. These reductions would most likely result in cost shifts to power and transmission.	<div style="border: 1px solid black; background-color: red; color: black; padding: 5px; display: inline-block;">High</div>



Customer Support Services

Chuck Maichel

Customer Support Services

CUSTOMER SUPPORT SERVICES	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
Total	10,200,105	10,847,014	11,289,059	10,931,858	11,262,181	11,501,925

Note for FY 2009: \$253.5K in expenses were charged as capital, making combined actuals = \$10,453,568

PROGRAM DESCRIPTION:

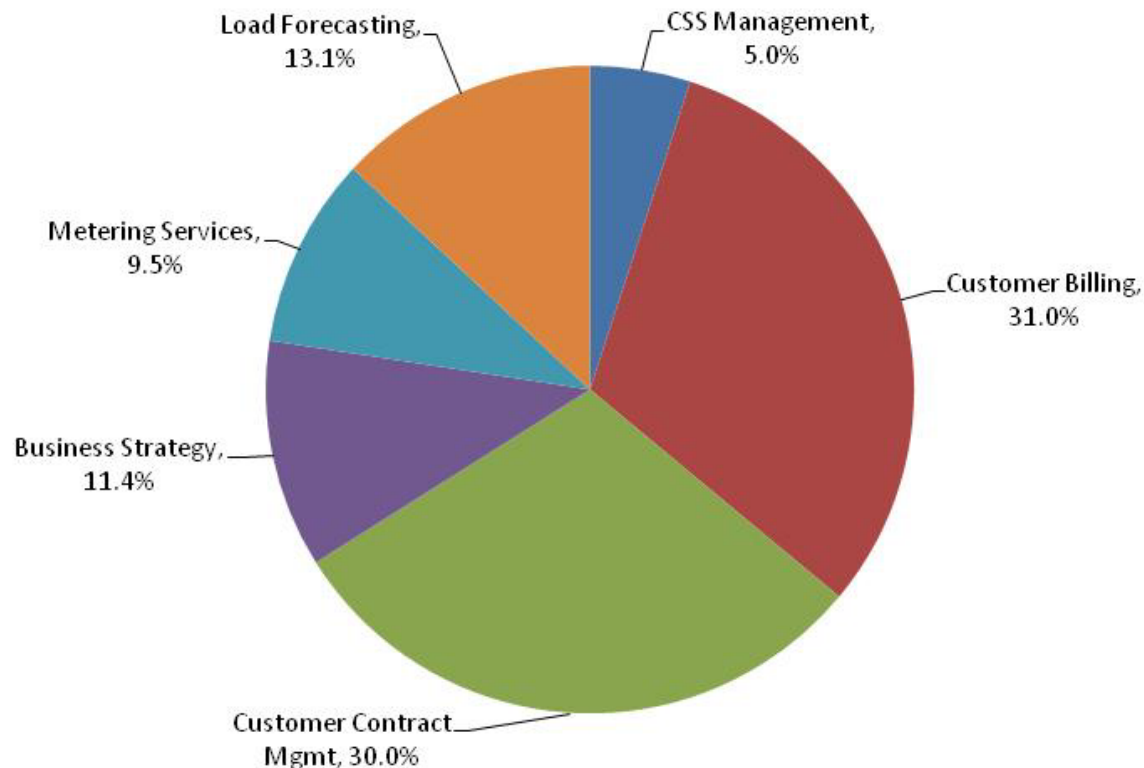
Customer Support Services (CSS) provides core business services and leadership central to the customer experience and marketing and sales value chain. CSS is the single source of consolidated and aligned customer contract, metering, load forecasting and billing information.

PROGRAM AREAS:

- ✓ Customer Billing
- ✓ Customer Contract Management & Administration
- ✓ BPA Load Forecasting & Analysis
- ✓ Customer Metering Services
- ✓ Business Strategy & Analysis

CSS costs are direct charged:
54% to Power, 46% to Transmission

PROGRAM FUNDING DISTRIBUTION:



Customer Support Services

STRATEGIC OBJECTIVES:

Stakeholder
Perspective

KS S2

Superior Customer Service
Superior customer service is achieved by providing ongoing support for integrated Power and Transmission planning and Resource Acquisition Program

Internal
Operations
Perspective

KS I1

Systems & Processes

CSS meets the demands of business operations efficiently and effectively through standardized, continuously improved systems and processes including the REV Program and CSS system/process integration
[I1]

People &
Culture
Perspective

KS P1 Performance

CSS Managers set clear expectations and all individuals accept accountability and are recognized for quality performance
[P1]

KEY PRODUCTS AND OUTPUTS:

- ✓ Conducts billing analysis. Validates and distributes more than 6,600 Transmission and Power bills for 550 customers each year, collecting nearly \$3 billion annually.
- ✓ Creates and maintains over 1,140 Contract Implementation Plans. Nearly 260 new contracts, amendments, and exhibits revisions are administered each quarter; and approximately 6,000 contracts and related documents are maintained and authenticated each year.
- ✓ Provides over 1000 energy/peak forecasts annually. Analyzes customer load projections, Transmission points and scheduling points of delivery from day-ahead -> 20 years for Power and Transmission rate cases, operating year revenue projections, Transmission system power flow, and Power resource planning, and regular scheduling and Available Transfer Capability (ATC) activities.
- ✓ Performs Agency's revenue metering function. Coordinates, manages and directs activities related to the lifecycle of all revenue metering functions. Single source of revenue meter data for BPA, providing data retrieval, collection and storage, meter data validation, estimations, meter analysis, tracking and information exchanges for nearly 1800 meters daily and 110 meters hourly.
- ✓ Identifies improvements to customer service either through current services (e.g., billing and metering), or through new service offerings (e.g., Regional Dialogue contracts). In addition, maintains the group's internal controls and provides for the integrated/aligned management of customer support systems.



Customer Support Services

FY 2012-13 Program Spending Drivers

- ✓ **Customer Support Services' spending levels are comprised entirely of salary, related expenses, and supplemental labor costs.**
- ✓ **The total dollars for salary, benefits, travel, training, rents/utilities, materials/equipment, and contract staff have been declining and are reduced further for FY 2011-13 compared to the prior IPR as the organization realizes the benefits of the Marketing and Sales Enterprise Process Improvement project (M&S EPIP).**
- ✓ **Program Spending Drivers will continue in order to provide critical base customer services:**
 - Collecting ~\$3 billion in revenue for 550 BPA customers and implementing a single agency customer billing system, including single customer bills, and billing under the Tiered Rates Methodology.
 - Providing meter data retrieval, collection, analysis, validation, estimations, and tracking.
 - Producing integrated plans for implementing agency initiatives, including Regional Dialogue contracts.
 - Providing understanding of regional and national economic conditions that impact regional load growth and enhance system operations.
 - Ensuring A-123 responsibilities are met for proper contract administration and associated internal controls, and implementing a single agency customer contract management system.
 - Delivering superior customer service and operational excellence.



Customer Support Services

What the data show – CSS has managed its costs effectively (see Bar Chart)

- ✓ Consistent with the M&S EPIP, CSS will achieve its 15% EPIP cost reduction target during FY 2011. In last year's IPR for the current FY 2010-11 rate period, CSS reduced its spending levels by 7.6% for FY10, and 6.0% for FY11.
- ✓ Moreover, compared to last year's IPR, CSS will achieve additional reductions of 3.5% in FY 2012, and 4.7% in FY 2013.
- ✓ CSS's proposed IPR10 spending levels for FY 2011 is the same as its spending levels for FY 2009 – flat over three years.

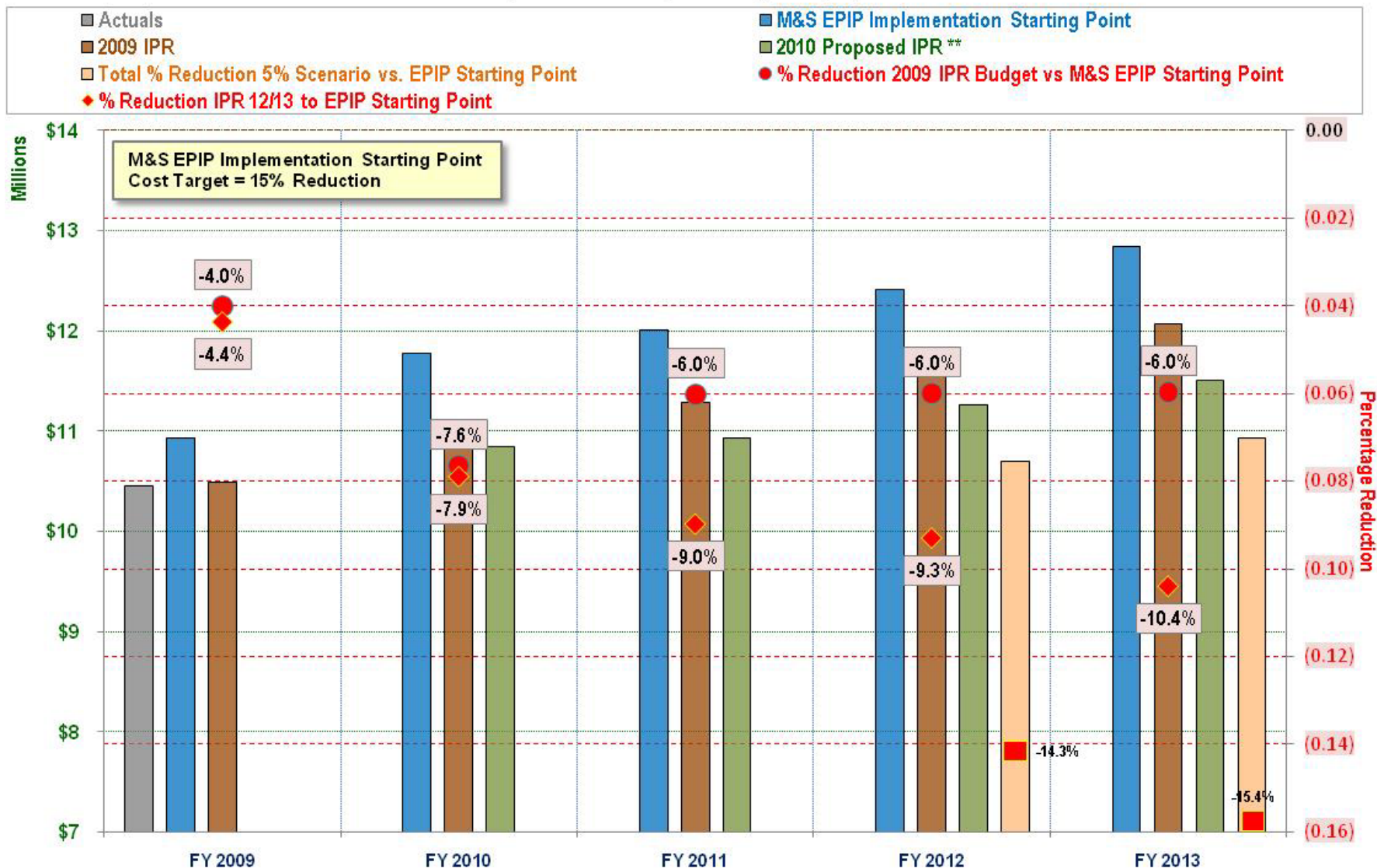
CSS's Continuous Improvement Goals

- ✓ Implement one combined Power and Transmission bill for those customers that want it, with one analyst providing a single point of contact.
- ✓ Distribute all customer bills electronically, except where technology is a limitation.
- ✓ Eliminate most monthly estimated billing (produce nearly all bills as final bills).
- ✓ Implement an automated meter usage data cross-check to ensure accurate and consistent meter data is used in all customer systems.
- ✓ Eliminate manual document hand-offs, create and access standardized contract templates and provisions, and automate alerts and notifications through the Contract Management System.



Customer Support Services

(FY 2009 = Includes expenses charged as capital)



** 2010 Proposed IPR for FY 11-13 reflect reduced estimated mandatory COLAs



Customer Support Services

Evolution of Customer Support Services Staffing & Costs

- ✓ **Grade structure aligned.**
- ✓ **New employees, many of which started as student interns.**
- ✓ **Consolidated billing, contract administration, load forecasting, and metering services into single agency functions, eliminating duplication of staff.**
- ✓ **Implemented single agency systems for billing, load forecasting, metering and contracts (FY 2011).**
- ✓ **Cross training and reskilling (upskilling) employees to perform both (dual) Transmission and Power functions for billing, contracts, load forecasting, and metering.**



Customer Support Services

Potential Risk

Proposed IPR FY 2010 spending levels for Customer Support Services are reduced compared to the 2008 IPR.

- ✓ **CSS Federal and contractor resources will have to operate at full capacity with minimal or no back-ups for many core functions. Cross-training of CSS employees has helped this situation, but has not eliminated it.**
- ✓ **New demands placed on the CSS organization, e.g., for sub-hourly scheduling activities associated with the integration of Wind projects, and implementation of the Regional Dialogue contracts starting in the fall of 2011.**
- ✓ **Demands increase the complexity of customer billing, metering, contract administration and the number of short-term load forecasts required to ensure proper accounting of customer resource use and minimizing imbalance charges.**

The increased level and complexity of work facing CSS, along with its reduced spending level, will require creative position management and diligent cost control leadership to be successful.

CSS is intending to live within its lower, proposed IPR FY 2010 spending levels.



Customer Support Services – Reduction Scenario

CUSTOMER SUPPORT SERVICES	2012 IPR	2012 IPR Reduction Scenario	Delta	2013 IPR	2013 IPR Reduction Scenario	Delta
Total	11,262,181	10,699,070	563,111	11,501,925	10,926,831	575,094

Program Line Item	Description of Reduction	\$ Amount of Reduction	Impact of Reduction	Risk: Medium High
Power and Transmission Customer Support	May reduce funding to appropriately staff customer support functions.	\$200K per year	<p>Overall, additional FTE reductions would not result in less work. Rather, it will require prioritization of work and put at risk our ability to adequately staff essential customer service workload. For example:</p> <ul style="list-style-type: none"> ▪ Reduced response timeliness to customer information requests into metering, billing, contracts, and load forecasts issues that affect customers ▪ Reduced bill, meter and load forecast data QC checks ▪ Reduced validation of compliance with internal contract policies and standards, and contract authentication ▪ Reduced analytical support associated with policy decision impacts on customer support systems and processes ▪ Reduced support and responsiveness to AE Customer Account Teams ▪ Increased risk exposure from A-123 internal control findings associated with system and process deficiencies and lack of remediation 	<div style="border: 2px solid black; background-color: red; color: white; padding: 10px; width: fit-content; margin: 0 auto;">High</div>



Customer Support Services – Reduction Scenario (continued)

Program Line Item	Description of Reduction	\$ Amount of Reduction	Impact of Reduction	Risk: Medium High
Customer Contract Management	May limit research on executed contracts by ~50% (focus primarily on processing new contract actions only).	\$75K per year	Would cause delays in the resolution of issues raised by customers.	High
Billing/Metering Services	May discontinue metering reporting of renewable (wind) outputs at no cost (charge for the service). May limit resolution of Billing and Metering disputes, issues, and problems to those that exceed the dollar amount of staff it costs to resolve the dispute or problem. May limit meter monitoring of small distributed customer-owned generation outside BPA's balancing authority to 50 sites.	\$50K-\$100K per year	Customers would be charged directly for service. A billing or metering dispute, issue or problem that costs more in staff time than the dispute or problem is valued, will not be resolved. Computing Total Retail Load (TRL) for customers outside BPA's balancing authority would be capped.	High
Economic & Regional Conditions & Forecasts	May reduce customer sites visits by ~50% [primarily Load Forecasting and Metering Services].	\$50K per year	Would result in less informed knowledge about customer specific circumstances, and regional economic conditions.	Medium



Customer Support Services – Reduction Scenario (continued)

Program Line Item	Description of Reduction	\$ Amount of Reduction	Impact of Reduction	Risk: Medium High
Customer Support Systems	<p>May defer implementing sub-hourly (within hour) functionality in billing, metering and load forecasting systems until FY 2015.</p> <p>May defer system, program and process improvements to billing, contracts, load forecasting and metering to implement Regional Dialogue functionality, and defer the customer portal (to be viewed/used externally by customers) for customer-specific information.</p>	\$195K per year	<p>Would delay delivery of validated sub-hourly metered data and producing sub-hourly forecasts (for power scheduling), and bills. Systems would require more manual intervention than expected. Differences between BPA and customer information would go undetected and uncorrected.</p>	<div style="border: 2px solid black; background-color: red; color: black; text-align: center; padding: 10px; width: fit-content; margin: 0 auto;">High</div>



Governance & Compliance

David Rubin

Compliance & Governance

AGENCY COMPLIANCE & GOVERNANCE	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
Total	3,524,719	3,557,311	3,771,878	5,123,745	5,159,426	5,191,449

Program Description

Bonneville Power Administration’s (BPA) Governance & Compliance Program oversees agency compliance and governance functions. The program is managed by Agency Compliance & Governance Organization in consult with the Office of General Counsel and affected programs, and maintains a comprehensive program to assure compliance with applicable regulatory rules and standards by:

- ✓ Monitoring and commenting on developing regulations that apply to BPA.
- ✓ Building and maintaining relationships with regulatory bodies.
- ✓ Implementing management controls and reporting.
- ✓ Shaping and monitoring internal compliance policies and procedures.
- ✓ Working cooperatively to provide direction to business units concerning compliance processes and procedures.
- ✓ Interpreting regulatory rules and standards, in consult with the Office of General Counsel, as necessary.
- ✓ Coordinating review and testing of business unit controls and compliance.
- ✓ Communicating and training of BPA employees and contractors.

Strategic Objectives

- I3 - Governance and Internal Controls
- I1 - Systems and Processes
- S2 - FCRPS Operations and Expansion
- I2 - One BPA



Agency Services – Compliance & Governance

Key Products and Outputs

Agency Compliance and Governance assures:

- ✓ An effective governance structure.
- ✓ Adequate controls over financial reporting.
- ✓ Clear policies and guidelines for directing day-to-day business operations.
- ✓ Certified and documented practices for reliable Transmission and Generation operations.
- ✓ Effective Equal Employment Opportunities program for all employees.
- ✓ Robust and consistent procurement and personal property policies.
- ✓ An ethics program, code of conduct and hot line for all employees.

Consistent with this direction, the Agency Compliance and Governance balanced scorecard contains:

- 14 Stakeholder Perspective measures.
- 6 Financial measures.
- 8 Internal Operations measures.

Comparison to 2008 IPR Program Levels

Agency Compliance and Governance did not exist during the 2008 IPR. In 2009 Regulatory Affairs, Supply Chain Policy and Governance and Civil Rights were combined to become Agency Compliance and Governance. Then in 2010, two small activities were transferred from Transmission and Information Technology - Reliability Compliance and Records Management, respectively. The table to the right presents the comparison between 2008 and 2010 IPR materials:

	IPR 2008			IPR 2010				
	2009	2010	2011	2009	2010	2011	2012	2013
	(\$'s millions)							
Agency Compliance and Governance				\$ 3,525	\$ 3,557	\$ 5,124	\$ 5,159	\$ 5,191
Regulatory Affairs	\$ 2,327	\$ 2,426	\$ 2,530					
Supply Chain Policy & Governance	667	696	726					
Civil Rights	725	758	792					
Total	\$ 3,719	\$ 3,880	\$ 4,048	\$ 3,525	\$ 3,557	\$ 5,124	\$ 5,159	\$ 5,191

(\$194)
(\$323)
\$ 1,076

differences from 2010 IPR Estimates compared to 2008 IPR Estimates

Not included in the IPR 2008 Base for FY 2010 and 2011 are the following:

- Transfer of Reliability Staff from Transmission 2nd quarter FY 2010 to Agency Compliance and Governance = \$300 (full year equivalent amount)
- Transfer of Records Management Staff from IT mid FY 2010 to Agency Compliance and Governance = \$435 (full year equivalent amount)



Agency Services – Compliance & Governance

FY 2011 Program Spending Drivers

Compared to the IPR 2008 for FY 2011 or the IPR 2010 materials, there has been an increase for FY 2011. While there have been efficiencies achieved through consolidations of various compliance activities, there has also been an increased focus in compliance at BPA as a result of needing to remediate compliance gaps in:

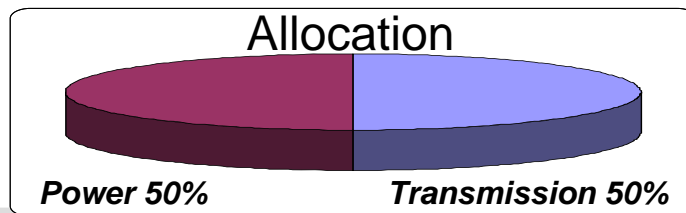
1. **Information Management/e-Discovery:** BPA is required to meet the 2006 amendments to the Federal Rules of Civil Procedure (FRCP) which codified the requirements for discovery of Electronically Stored Information (ESI). ESI is an “expansive” term—it encompasses “any type of information that is stored electronically” in “any medium.” In a lawsuit or claim, BPA must preserve all potentially relevant ESI. By necessity, this requires that BPA know where its ESI is created and stored, and how it is disposed of. In fact, in response to the new rules, the Department of Justice requires each federal agency to adopt clear and enforced data management policies. Failure to comply potentially may lead to adverse judgments and judicial sanctions representing material financial penalties to the agency.
2. **Open Access Transmission Tariffs (OATT):** FERC’s Order 890 outlined the requirements for OATT and BPA maintains that the agency is not subject to FERC jurisdiction, but has chosen to comply voluntarily. FERC has approved BPA’s OATT, so there is technically no risk of being in noncompliance with the requirements for OATT. However, FERC has described what additional steps would need to be taken (beyond those already taken) to meet the requirements for a Reciprocity Tariff.

These initiatives along with further assurance that BPA is meeting all of its compliance responsibilities with regard to ethics, financial reporting, procurement policy management, transmission and power reliability and equal employment opportunity have caused staffing to increase from 22 BFTE in 2009 to a budgeted 29 BFTE. The increase from FY 2010 to 2011 include:

1. An increase of 6 BFTE along with the associated benefits and related costs result in a \$0.9 million increase.
2. Supplemental labor and service contract support result in a \$0.3 million increase.

FY 2012-13 Program Spending Drivers

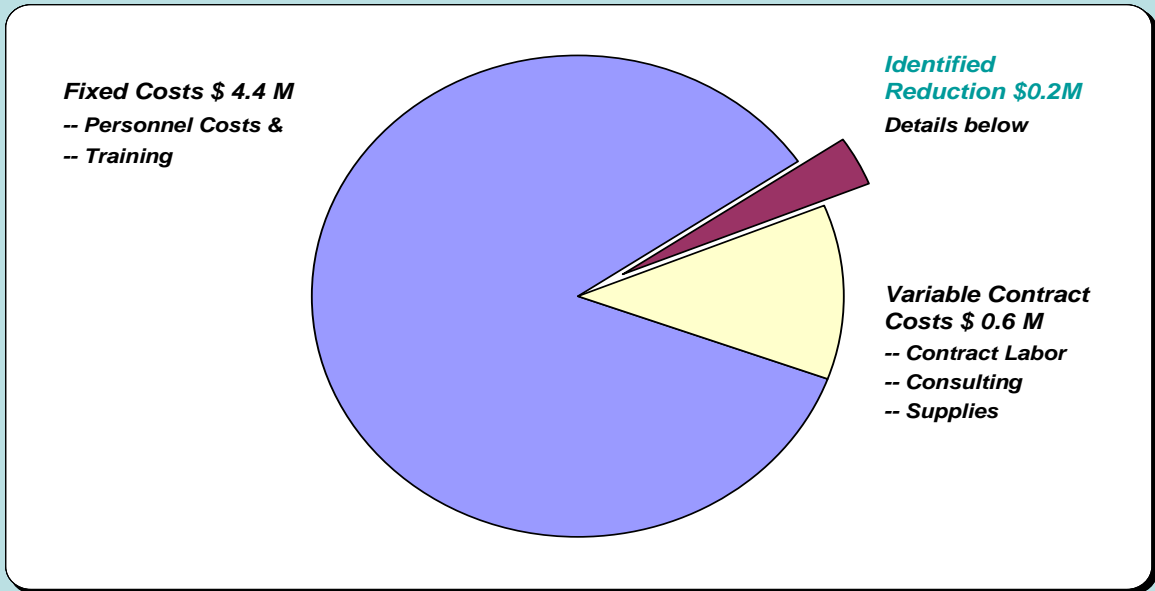
For FY 2012 and 2013, the very slight increases forecasted are because of inflation offsets with a continued effort to achieve further efficiencies.



Governance & Compliance – Reduction Scenario

AGENCY COMPLIANCE & GOVERNANCE	2012 IPR	2012 IPR Reduction Scenario	Delta	2013 IPR	2013 IPR Reduction Scenario	Delta
Total	5,159,426	4,978,266	181,159	5,191,449	5,009,747	181,702

Identified Reductions



Contract Support -- For FY 2012 & 2013 the average per year \$84,430 reduction is about a 13 percent reduction which would impact Agency Compliance and Governance’s ability to hire contract support to analyze where there are gaps in BPA’s compliance programs and develop plans to address those issues. An annual assessment of organization’s compliance activities is a best practice for implementing a culture of compliance. Also, NERC has a 2 year cycle for its reviews with FY 2013 as the next review date. This reduction could adversely impact BPA’s preparation for that review since an independent assessment will help identify the holes in BPA’s compliance activities.



OATT – For FY 2012 & 2013 the average per year of \$100,000 reduction, we will need to slow the pace of OATT implementation which potentially may impact BPA’s ability to meet FERC’s Order 888 requirements for Open Access Transmission Tariffs. At risk is assuring reciprocity and potentially, depending on the issue at hand, an adverse ruling by FERC that BPA is not meeting FERC’s requirements.



Internal Business Services

Internal Business Services (IBS)

INTERNAL BUSINESS SERVICES	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
Total	473,547	1,084,333	786,997	874,451	892,621	908,258

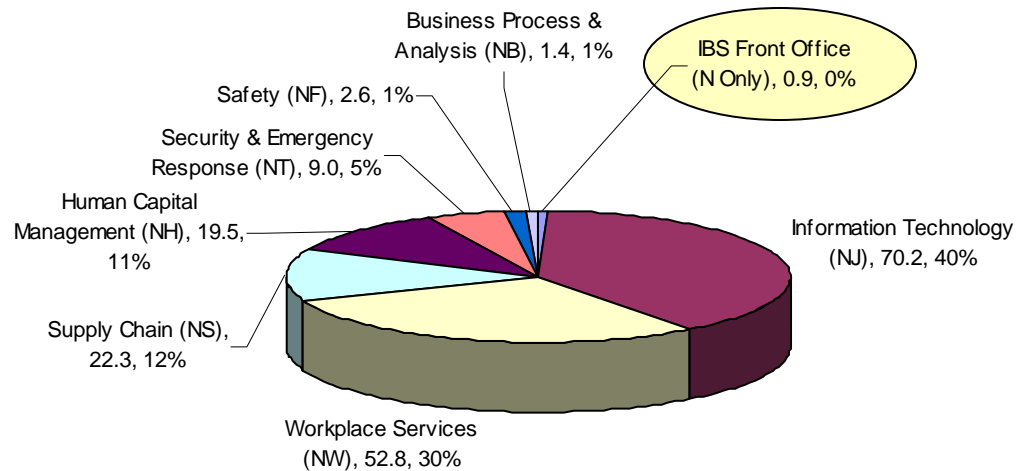
Program Description

- Internal Business Services is responsible for providing policy and strategic guidance covering a significant part of BPA’s internal operations. This program area covers the executive vice-president and staff that provides the executive oversight function and integration of the 800+ person organization. BPA’s internal operations sustainability strategy is also led out of this program.

Key Products and Outputs

- Key outputs include strategic oversight and integration of the IT, Supply Chain, Workplace Services, Human Capital Management, Security, Safety and Business Process & Analysis functions. It establishes executive-level key performance indicators for IBS functions and assures performance. It also implements the Agency’s sustainability strategy and integrates business continuity efforts for IBS functions.

Internal Business Services – Total Program (\$ in millions)



Internal Business Services

AGENCY STRATEGIC OBJECTIVES:

Stakeholder Perspective

S2 FCRPS Operations & Expansion

S8 Climate Change

Internal Operations Perspective

I1 Systems & Processes

I4 Asset Management

I7 Collaboration

People & Culture Perspective

Performance (P1), Talent & Development (P2), Engagement (P3) & Work Environment/Safety (P4)

INTERNAL BUSINESS SERVICES ALIGNMENT:

- IBS core functions (IT, Supply Chain, HCM, Workplace Services, Security & Safety) provide the critical internal infrastructure and services support to enable BPA to deliver on its critical Transmission and Power mission.
- IBS leads the Agency's strategy to support and encourage innovative, cost-effective business practices to shrink BPA's carbon footprint and conserve resources.
- IBS delivers Agency-wide operational excellence and business process management support through the application of standard methods and technology, and builds capacity through training and consulting.
- IBS integrates and optimizes its approach to planning and implementing capital investments and to operating and maintaining IT, Non-electric Facilities & Security assets
- IBS sustains partnerships with internal business units to ensure effective delivery of Agency-wide programs.
- IBS leads BPA's People & Culture strategy through the development and deployment of BPA's Talent Management Strategy and Agency Safety Program.



Internal Business Services

FY 2012-13 Program Spending Drivers

- **The program drivers are:**
 1. Operational integration of a large subset of core Agency support services that enable the BPA's business to deliver on its core function – operational integration includes effectively integrating both systems and processes at least cost to deliver needed Agency support services.
 2. Integration of business continuity planning & implementation for IBS functions.
 3. Development and implementation of BPA's sustainability strategy for internal operations.

Potential Risk

- **Increased need for additional focus on sustainability and/or business continuity.**
- **Increased audit findings or operational requirements within IBS requiring additional support or executive engagement.**



Internal Business Services – Reduction Scenario

INTERNAL BUSINESS SERVICES	2012 IPR	2012 IPR Reduction Scenario	Delta	2013 IPR	2013 IPR Reduction Scenario	Delta
Total	892,621	830,137	62,484	908,258	844,681	63,578

FY 2012-13 Impact Resulting from Reduction Scenario:



- This program assures that the 6 core operations functions within IBS are integrated, produce results consistent with established KPIs, and are aligned with BPA’s business objectives. Reduction in this executive-level function would reduce the level of IBS functional integration and Agency-level alignment thereby increasing operational delivery costs within the functions.



- Reductions would impact the program’s ability to research best practices in internal operations functions thereby curtailing IBS operational excellence and business process improvement efforts.



- Reductions would impact BPA’s ability to secure operational cost savings (energy costs, water costs, fleet/fuel etc.) due to a reduced effort to coordinate, integrate & operationalize BPA’s sustainability strategy. Additionally, a reduction in this area could result in BPA’s failure to meet and comply with sustainability goals directed in Presidential Executive Orders 13432 and 13514.



Business & Process Analysis

BUSINESS & PROCESS ANALYSIS	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
Total	-	257,015	-	1,241,793	1,442,467	1,468,290

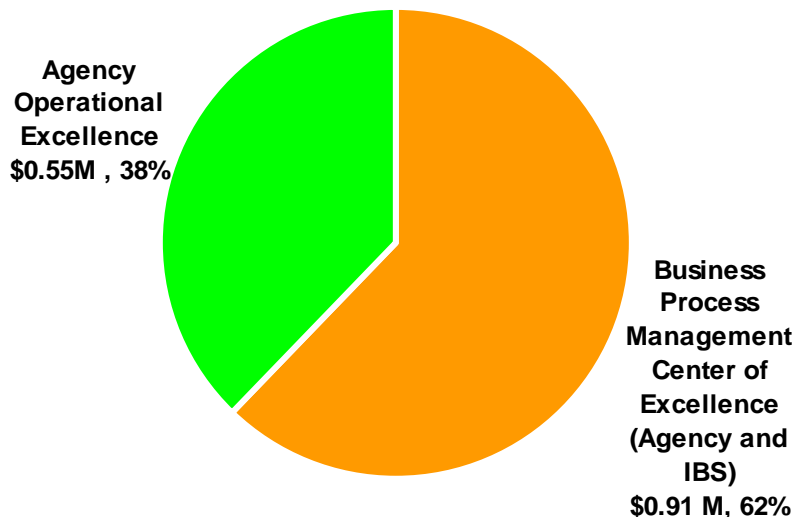
Program Description:

- The Business & Process Analysis group includes operational excellence consultants, process managers and business analysts to deploy business process tools, architectures work flow technology, and other continuous improvement methodologies to advance operational excellence throughout the Agency.

Strategic Objectives:

- The Business & Process Analysis group carries on EPIP-like continuous improvement initiatives. It deploys the Agency's operational excellence and business process management methods, standards and technology to enable BPA to meet business operations efficiently and effectively through standardize continuously improved systems and processes (I1).

Business & Process Analysis Group



Business & Process Analysis

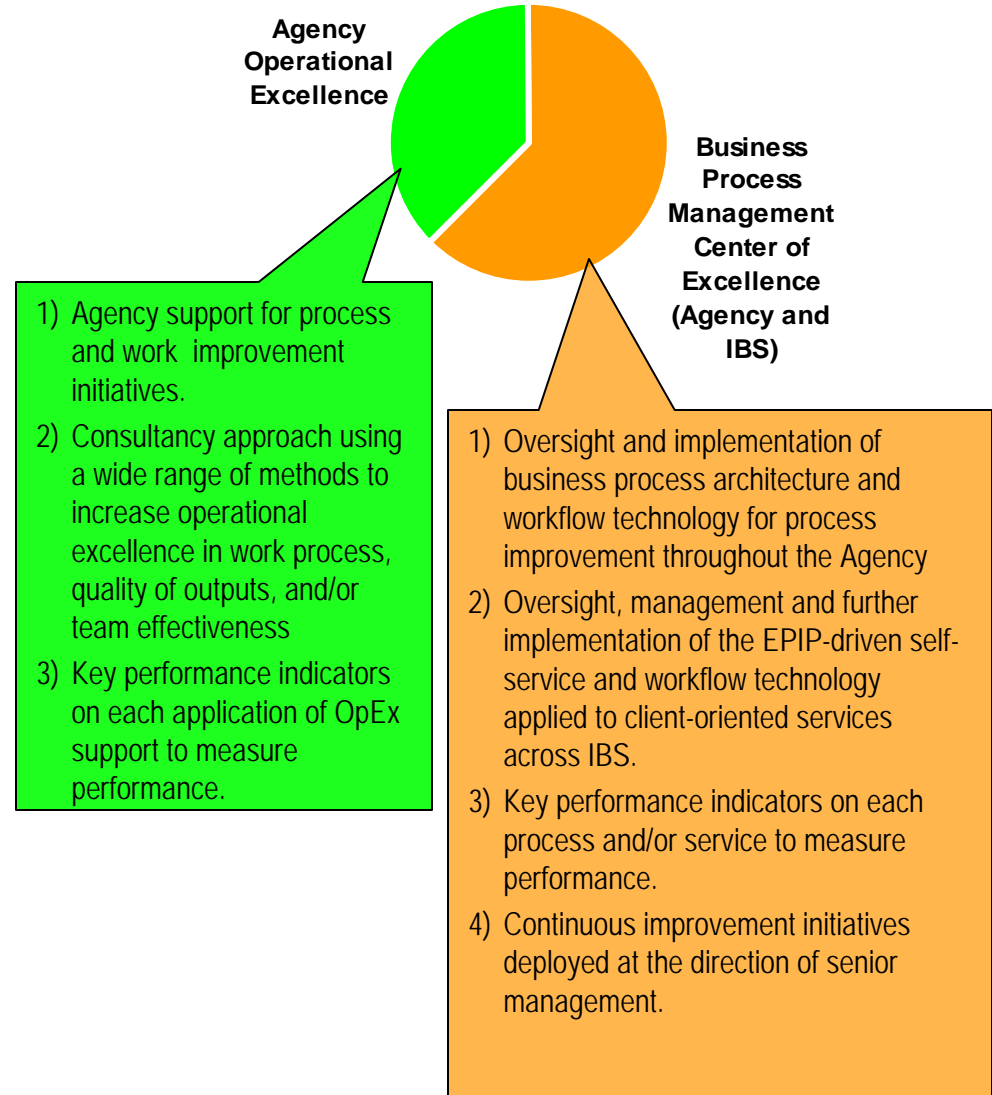
FY 2012-13 Program Spending Drivers

- The program is expected to meet the increased need to address process management issues and operational excellence within the Agency in order to achieve the less than inflation and other efficiency related program assumptions throughout the Agency. This program carries on Agency operational excellence and business process architecture/management expertise and supports initiation of any new process improvement projects in 2012-13 (similar to launching new EPIP program reviews).

Potential Risk

- Because Agency-wide organizations have efficiency assumptions built into IPR proposed spending levels and this program will be the Agency's central support resource for continuous improvement, there is a high probability that Agency demand for this program will be greater than it was set up to meet. Therefore, only a sub-set of the Agency's continuous improvement needs are likely to be supported by this program.

Key Products & Outputs



Business & Process Analysis – Reduction Scenario

BUSINESS & PROCESS ANALYSIS	2012 IPR	2012 IPR Reduction Scenario	Delta	2013 IPR	2013 IPR Reduction Scenario	Delta
Total	1,442,467	1,342,178	100,289	1,468,290	1,365,654	102,635

Impact Resulting from Reduction Scenario:



- The program is set up as a collection of resources to be deployed Agency-wide. A reduction in the program would limit the scope (size, number etc.) of the initiatives that could be benefited from the operational excellence and business process management methods and tools as a follow on from the Agency learning from the EPIP projects. This increases the risk that the Agency will not achieve the less than inflation and other efficiency-related spending level assumptions already embedded in the IPR spending levels across the Agency.



Safety

SAFETY	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
Total	2,214,061	2,497,335	2,478,586	2,577,130	2,647,346	2,701,779

Program Description

- The Safety Office provides advice, information and support to all employees to enable BPA, as an employer, to fulfill its primary safety responsibility of providing a workplace that is free from all recognizable safety and health hazards.

Strategic Objectives

- BPA's Safety program objective is to provide a system-wide environment free from recognized hazards which might cause serious physical harm, death, or system property damages. This program supports the agency's work environment (P4) goal of having a safe and positive work environment.

Key Products and Outputs

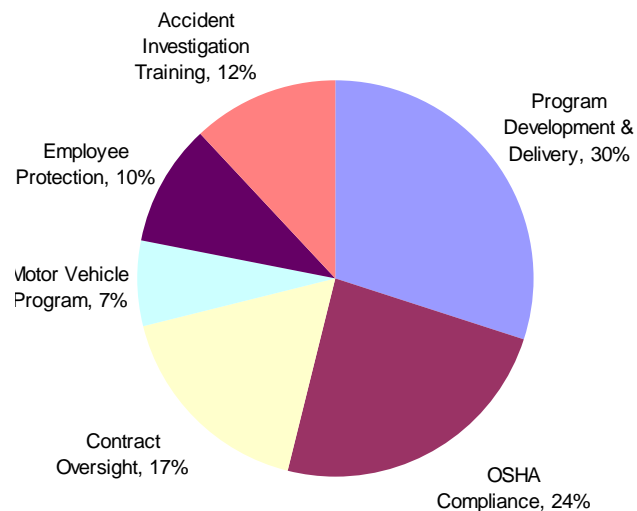
- Successful implementation of the following elements of BPA's Safety Program will be demonstrated by obtaining an Accident Frequency rate of 1.5 or less Agency-wide, program development and delivery, OSHA compliance, contract oversight, motor vehicle safety program, employee protection and accident investigation training.

Potential Risk

- Potential increased workload above our current capabilities due to Transmission Services future capital program.

FY 2012-13 Program Spending Drivers

Safety



Safety – Reduction Scenario

SAFETY	2012 IPR	2012 IPR Reduction Scenario	Delta	2013 IPR	2013 IPR Reduction Scenario	Delta
Total	2,647,346	2,462,032	185,314	2,701,779	2,512,654	189,125

FY 2012-13 Impact Resulting from Reduction Scenario:



- A program reduction will result in reduced contract oversight of Sight Specific Safety plans. This will reduce BPA’s ability to ensure contractors meet all Safety requirements and will result in fewer field visits.



- A program reduction will also reduce the field presence and support to field employees likely increasing BPA’s lost time accident frequency rate.



Human Capital Management (HCM)

HUMAN CAPITAL MANAGEMENT	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
Total	15,004,532	18,035,368	17,344,046	18,387,532	19,544,538	19,361,765

Program Description

- Human Capital Management plans, directs, and manages a comprehensive human capital management strategy and program aligned to meet agency mission and objectives. We do this through delivery in six major program areas: Integrated Strategy and Policy, Business Unit Strategic Partnering, Talent Acquisition, Talent Development and Organizational Effectiveness, Talent Sustainment, Performance Enhancement, Labor Relations, and Internal Operations.

Strategic Objectives

- HCM is aligning all of its processes, systems, and program initiatives to deliver improved outcomes under the entire BPA Strategy Map with special focus on:
 - P1 – Performance: *Leaders set clear expectations and all individuals accept accountability and are recognized for quality performance.*
 - P2 – Talent and Development: *BPA's workforce is highly skilled and talented to achieve agency objectives.*
 - P3 – Engagement: *BPA has a highly engaged workforce.*
 - P4 – Work Environment: *BPA has a safe and positive work environment.*
 - I1 – Systems and Processes: *BPA meets the demands of business operations efficiently and effectively through standardized, continuously improved systems and processes.*



Human Capital Management

Efficiencies Reflected in Current Proposed Spending Levels

- Since 2006 HCM has deployed more efficient processes and systems which allowed us to consolidate and reduce staff.
 - **Personnel Actions**
Activated the HCM call center which provides a centralized point for requestors to submit personnel action requests.
 - **Workplace Moves**
Centralized all workplace move service requests within Workplace Services.
 - **Training Self Service Administration**
Implemented centralized, streamlined and standardized training registration, tracking and reporting processes.
 - **Recognition Administration**
Deployed an on-line recognition system which provides more efficient, accurate tracking and reporting.
- Several additional efficiency efforts are underway and already embedded in the proposed spending levels:
 - **Leveraging of HRIS**
Implementing additional modules in BPA's HCM information system will lead to a better return on our enterprise investment and gain process efficiencies, and improving HCM service delivery.
 - **Electronic Personnel Folders**
Digitizing official personnel records ensures security of personal information for continuity of operations capabilities while streamlining recordkeeping and improving accessibility for employees.
 - **Process Redesign and Automation of Talent Acquisition**
Implementing new processes and tools that provide a standardized way to request, track, and deliver talent acquisition services (the "hire" process) while enabling data-driven process analysis for continuous improvement efforts.



Human Capital Management

Allocation of Program Across Key Products

- **HCM Front Office and Integrated Strategy and Policy – \$2.3 million, 12%**
 - Directs a comprehensive human capital management strategy and programs aligned to meet agency mission and objectives. Sets methodology, approach, and policy that ensures an effective Talent Management Strategy through human capital strategic planning, governance, compliance, and policy integration.
 - Human Capital Strategic Planning.
 - Governance, Compliance, and Policy Integration.

- **Performance Enhancement –\$2.1 million, 11%**
 - Provides performance enhancement programs that ensure an effective results-driven organization and improved individual performance through effective performance management, management and employee relations, and bonus, awards, and recognition programs.
 - Performance Management.
 - Management and Employee Relations.
 - Bonus, Awards, and Recognition Programs.

- **Labor Relations –\$0.7 million, 4%**
 - Represents management in all dealings with unions to optimize achievement of business objectives.
 - Negotiations.
 - Informal and Formal Dispute Resolution.
 - Contract Interpretation and Consulting Services.



Human Capital Management

Allocation of Program Across Key Products (cont.)

- **Internal Operations – \$1.4 million, 7%**
 - Designs easy-to-use automated and manual processes that provide operational support to strategic partnering, HCM staff offices, and transactional functions.
 - HR Operations.
 - Business Analysis.

- **Talent Acquisition – \$2.5 million, 13%**
 - Provides staffing and recruiting programs that are in alignment with the Agency Talent Management Strategy. Ensures proper application of Federal Classification standards.
 - Staffing and Position Management.
 - Acquisition Services.
 - Recruiting Services.

- **Talent Development and Organizational Effectiveness – \$4.2 million, 20%**
 - Provides processes and programs that effectively assess, develop and increase workforce bench strength capabilities through leadership and employee development programs, automated training self service, and organizational effectiveness programs.
 - Leadership and Employee Development.
 - Training Self Service.
 - Organizational Effectiveness.

- **Talent Sustainment – \$6.4 million, 33%**
 - Provides services to ensure our BPA workforce is working safe and well through workplace prevention and responsive programs that deliver occupational health, employee benefits programs, and Office of Workers Compensation Program (OWCP) with associated Return to Work Programs.
 - Employee Benefits Programs.
 - Occupational Health Program.
 - OWCP.

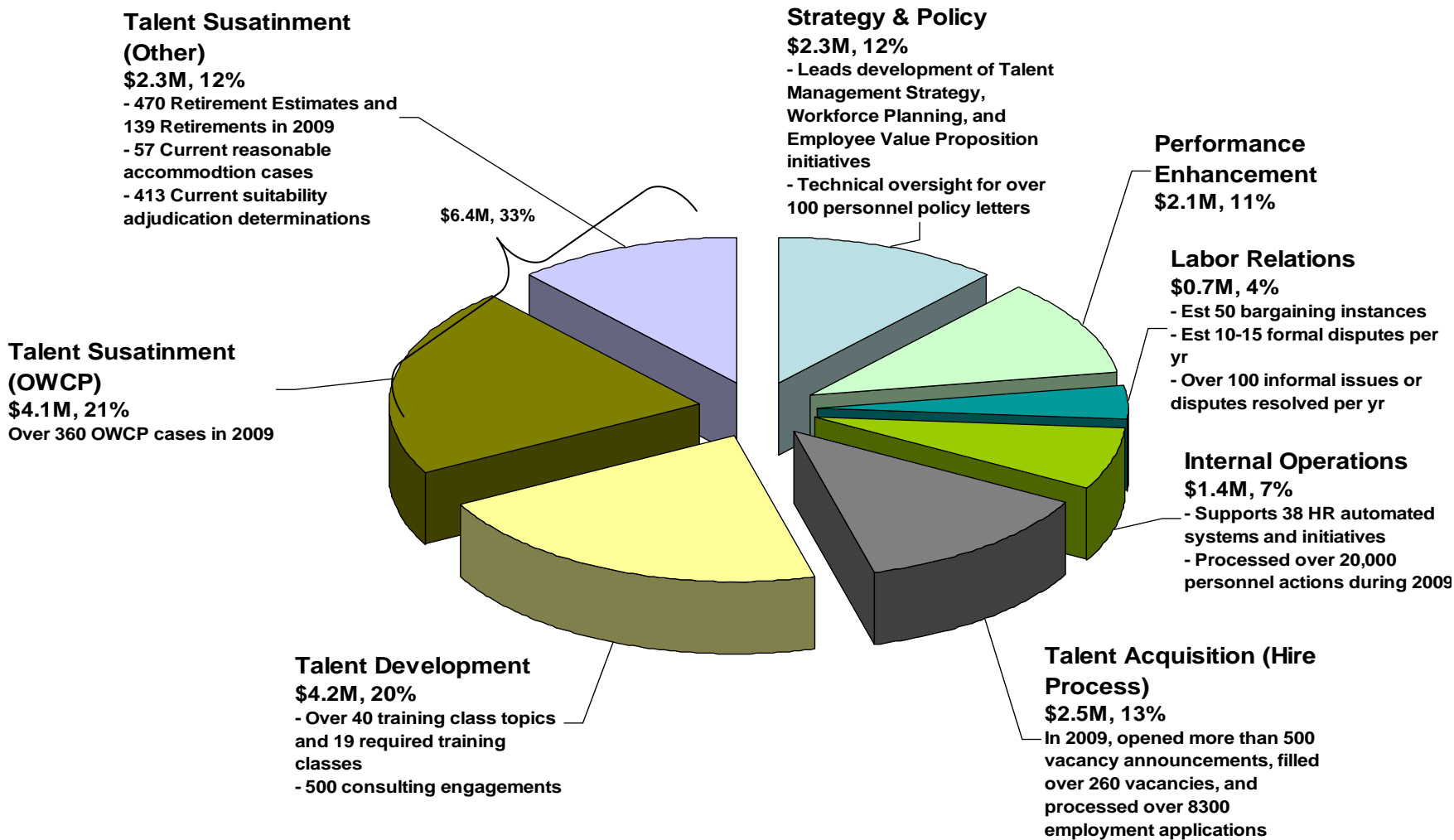
} \$2.3M (36% of Talent Sustainment program)

} \$4.1M (64% of Talent Sustainment program)



Human Capital Management

FY 2012-13 Proposed Costs for Human Capital Management Programs



Human Capital Management

Potential Risk

- **Staffing levels in HCM may be too low**

The FY 2011-17 proposed spending levels incorporate and embed the assumed staffing and related program efficiencies from the HCM/SM EPIP. However, some of the automation initiatives (electronic personnel files, electronic performance management, on-line applications) have been delayed or will come online fully after FY 2012 which could upward pressure on HCM staffing levels in the near-term.

- **Training spending levels may be too low**

BPA has invested in excess of \$125 million over the last few years in new IT systems in support of changing business models, processes and regulatory requirements. The effectiveness of these investments depends on maintaining and enhancing staff and organizational proficiency in use of these investments.

- **Demand growing for aligning organizations to new business requirements**

The changes that are driving our need for enhanced training are also creating an increasing misalignment of organizational talent, structure, processes, systems, policy and culture. This misalignment is resulting in increasing demands on the strategic partnering function and on organizational effectiveness consulting.



Human Capital Management – Reduction Scenario

HUMAN CAPITAL MANAGEMENT	2012 IPR	2012 IPR Reduction Scenario	Delta	2013 IPR	2013 IPR Reduction Scenario	Delta
Total	19,544,538	17,969,538	1,575,000	19,361,765	18,101,765	1,260,000

Impacts Across FY 2012-13 Resulting from Reduction Scenario

In order to maintain core HCM functions (such as hiring, benefits, training), a reduction of about \$1.6 million would be concentrated in areas affecting attraction and retention of employees:



- Employee wellness, recognition, and incentive programs that make BPA an attractive place to work could have an adverse impact on our ability to attract and retain high quality talent, thus affecting BPA's ability to meet it's business objectives.
- Workplace effectiveness programs that support management in addressing employee work and conduct issues, facilitate immediate crisis intervention, and provide confidential forums for employees to raise and resolve work-related concerns.
- Workplace performance consulting services that focus on how we manage the performance of employees, and support managers and workgroups as they work through issues that inhibit best performance.



Operations

- Reducing support to Human Resources management information system upgrades and initiatives puts BPA further behind in HR industry automation standards and inhibits our ability to efficiently attract, retain, and manage a world-class workforce.



OWCP

- The proposed spending levels reflects a rate of inflation less than that seen in health care costs. Further reducing the OWCP forecast will increase the risk that actual costs exceed budget.



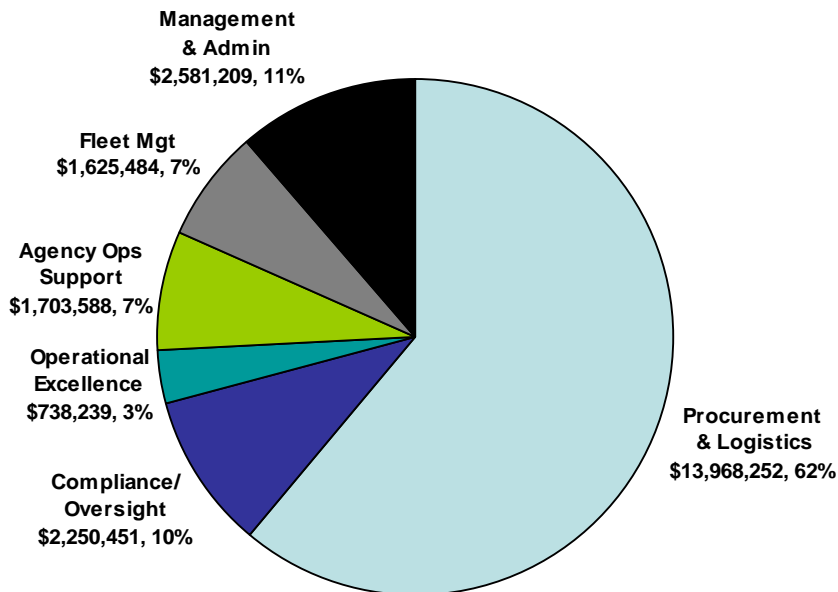
Supply Chain

SUPPLY CHAIN SERVICES	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
Total	17,851,814	23,000,000	20,719,854	21,468,414	22,272,482	22,867,222

Program Description

- Supply Chain Services is responsible for all BPA services and materials procurement, and for safe materials storage and transportation across the service territory. Supply Chain Services mitigates Agency risk by incorporating industry best practices and by strict adherence to internal and external compliance and controls.

FY 2012-13 Proposed Spending Levels by Program

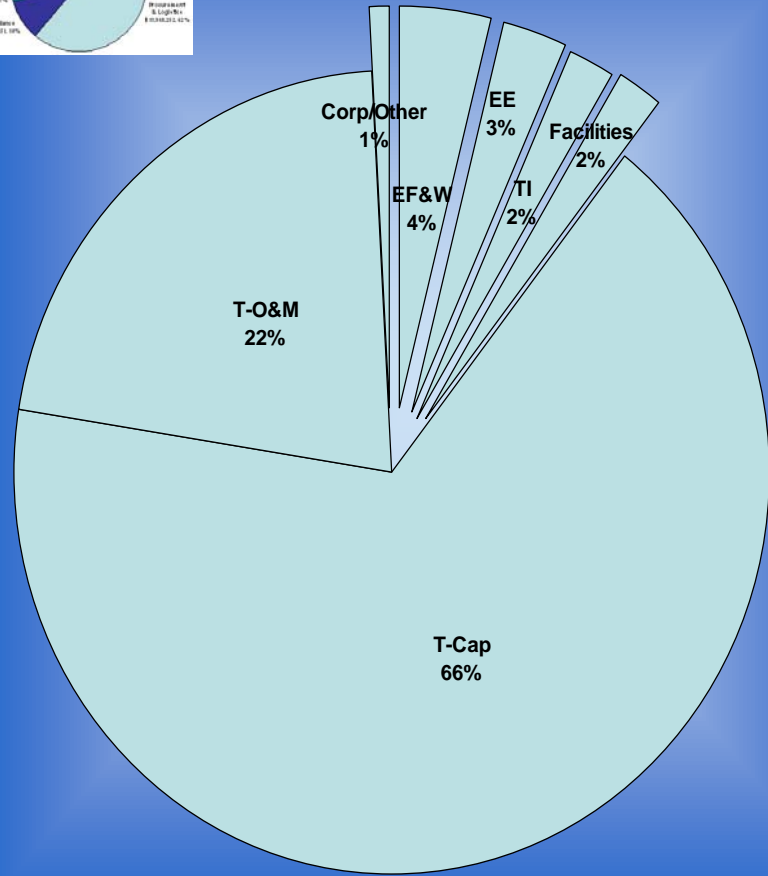
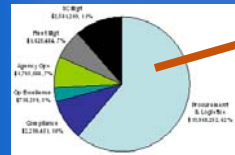


Supply Chain

Strategic Objectives

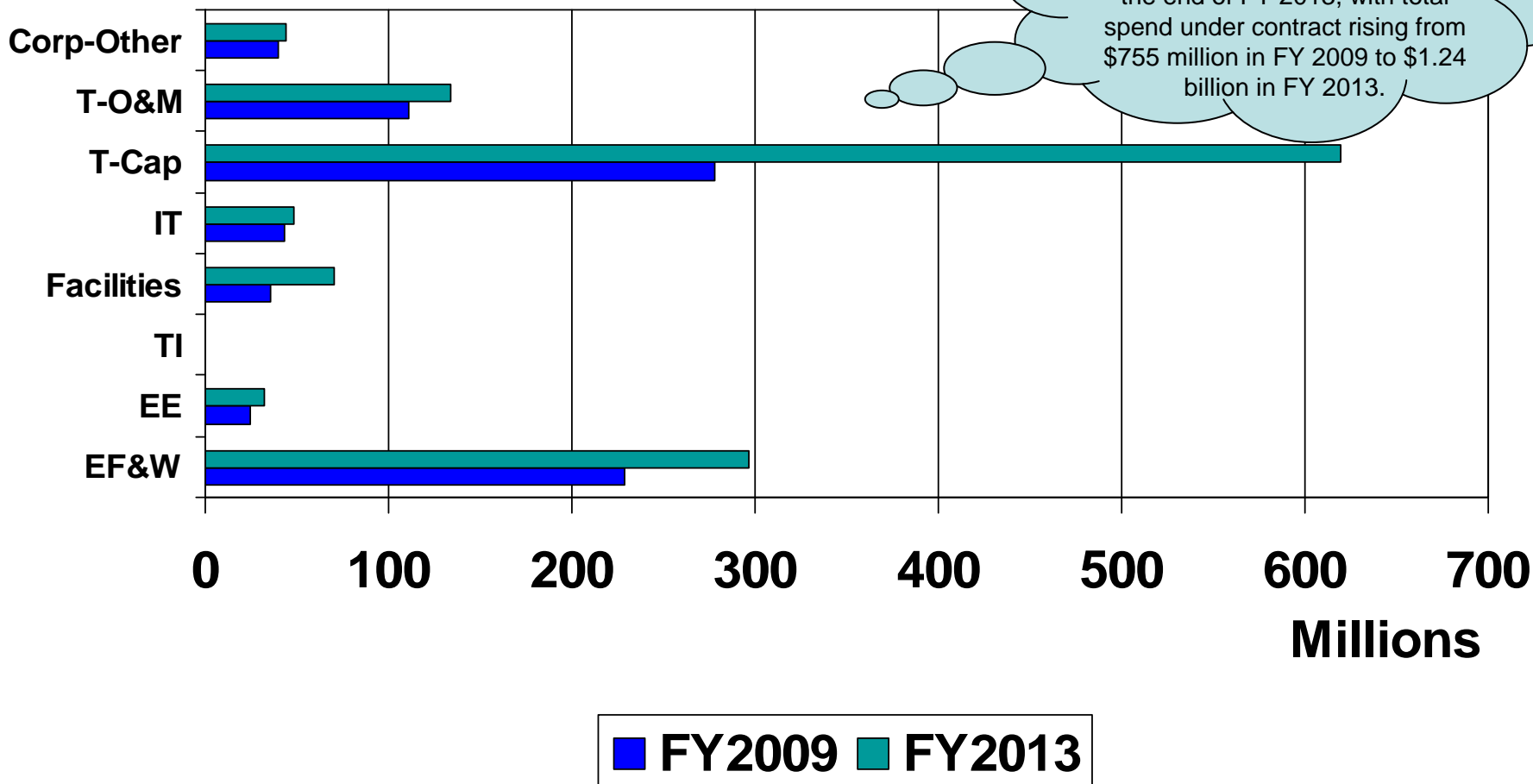
- Supply Chain Services supports all services and materials procurement for BPA to meet its FCRPS operations and expansion objectives (S-2). We incorporate market research and analysis, specialized experience, and software tools to collaboratively support our client's resource needs while remaining compliant with federal procurement guidelines. As our clients' programs expand, we need to flex our capability accordingly to provide the best value for rate payer dollars. Our approach supports BPA systems and processes (I-1) and governance and controls (I-3) objectives.
- Our clients are:
 - Transmission Capital (T-Cap)
 - Transmission Operations & Maintenance (T-O&M)
 - Environment Fish & Wildlife (EF&W)
 - Energy Efficiency (EE)
 - Technical Innovation (TI)
 - Facilities
 - All Other Agency Organizations (Power/Corp/Other)

Procurement Support by Client in FY 2013



Supply Chain

Client Program Increase

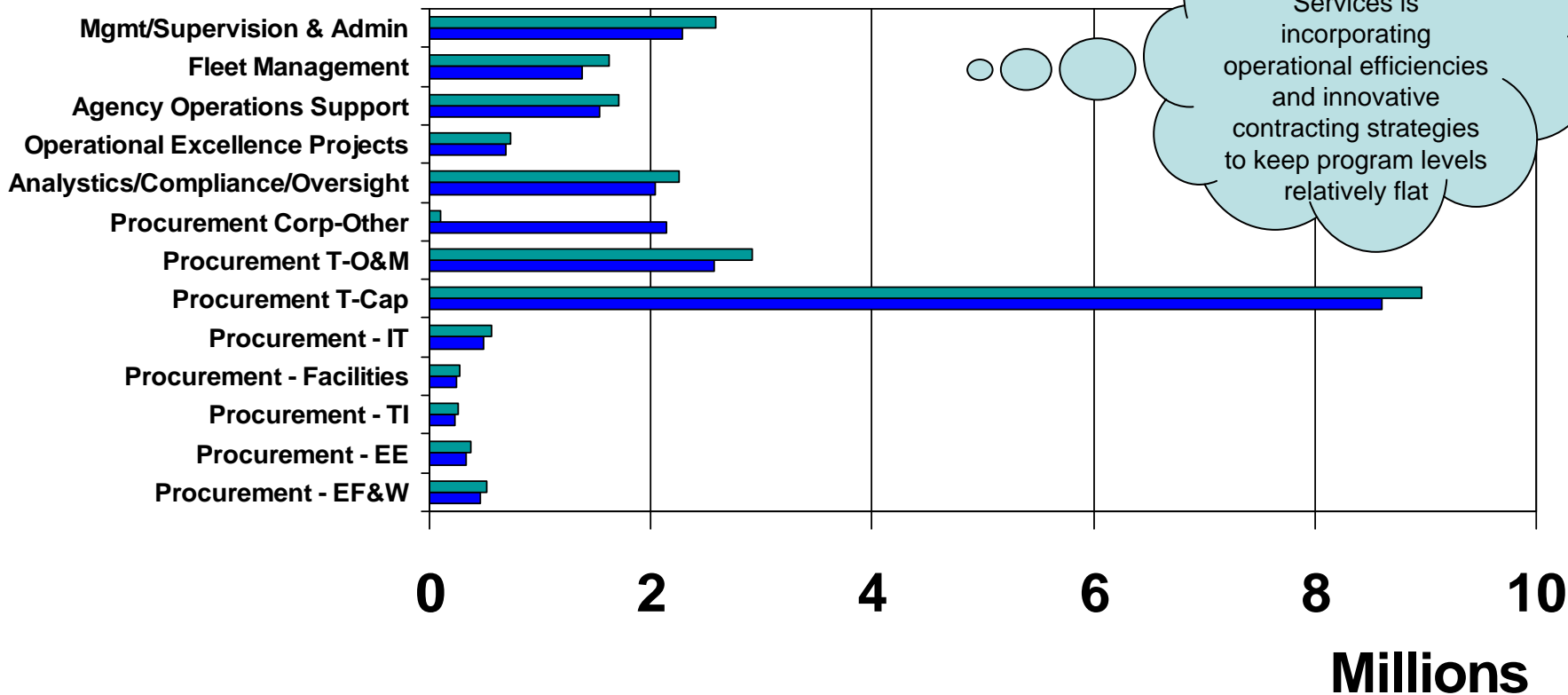


BPA's programs requiring Supply Chain support increase substantially between now and the end of FY 2013, with total spend under contract rising from \$755 million in FY 2009 to \$1.24 billion in FY 2013.



Supply Chain

Supply Chain Budget Increase by Program



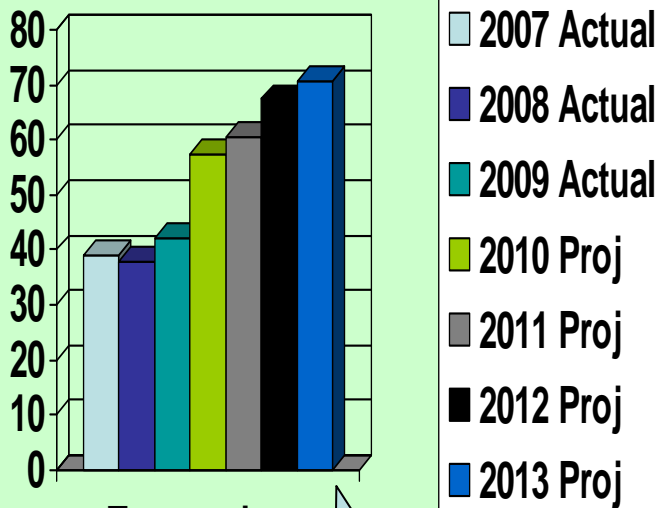
.....Supply Chain Services is incorporating operational efficiencies and innovative contracting strategies to keep program levels relatively flat

■ FY2010 ■ FY2013



Supply Chain

Thousands



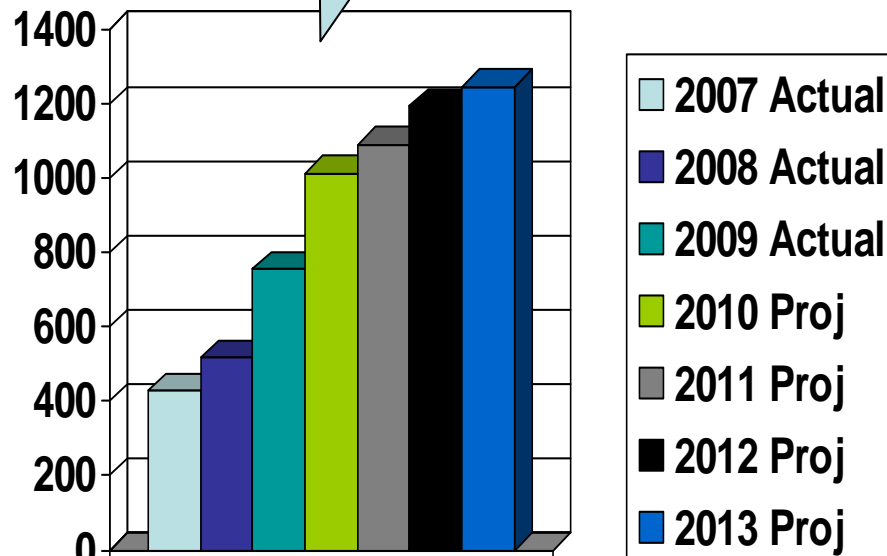
Transactions

PO Lines
Contracts
Receipts, QC,
Store, Pick, Pack,
Ship Actions

Transactions are projected to increase by 81% between FY 2007 and FY 2013

Total spend under contract is projected to increase by 191% between FY 2007 and FY 2013

Millions



Total Spend Under Contract



Supply Chain

Key Programs within Supply Chain Services

- **Risk appropriate and policy compliant contracts and purchase orders in support of Agency programs in EF&W, EE, TI, Facilities, IT, T-Cap, T-O&M and Corp/Other**
- **Analytics/Compliance/Oversight**
 - **Inventory Management**
 - Secured \$4m in targeted inventory reductions to clear excess over past 2 years.
 - On-going inventory optimization to ensure correct item availability for BPA crews.
 - **COTR program management.**
 - **Market Intelligence, Analysis & Reporting**
 - **Data Stewardship**
- **Operational Excellence Projects**
 - **E-Commerce implemented and expanding to reduce transaction costs. Automates RFO/Bid solicitation process, provides for electronic transmission of PO's and Invoices vs printing and faxing documents.**
 - **Implementing “Lean” warehousing to eliminate waste and streamline logistics processes. The focus is on value-added steps only.**
 - **On-going use of Strategic Sourcing methodology to provide cost savings, reduced risks and other value improvements. Examples:**
 - Line Construction - \$1.85 million Savings and improved project team efficiencies.
 - Transformers - \$1.3 million Savings and delivery lead time improvement of 25%.
 - Crafts – over \$1 million Savings and improvement in recruitment capacity.
 - Cell Phones – Consolidated resources and generated \$1.05 million in Savings
 - Current projects seeking over \$4 million in annual cost savings

Key Programs within Supply Chain Services (cont.)

- **Agency Operations Support**
 - **Purchase Card Management – lauded as one of the best in the federal system.**
 - **Property Management**
 - **Vendor File Maintenance**
 - **Materials Catalog Maintenance**
 - **Supplemental Labor Management Office**
 - Established in FY 2008-09 to better manage the costs and quality of the growing supplemental labor force.
 - Now managing BPA contract workforce.
 - Recognized immediate benefit in project cost analysis and opportunity to reduce labor costs.
 - Anticipate minimal \$500 thousand to \$1 million in annual savings.
- **Fleet Management**
 - **Reviewing major restructuring of Fleet to employ a centralized single responsibility model, that will:**
 - Significantly improve return on BPA Fleet investment dollars.
 - Reduce number of vehicles deployed.
 - Improve vehicle utilization rates.
 - Better support BPA greening and sustainability initiatives.
 - Establish key performance indicators to ensure progress and savings.
- **Management/Supervision & Accountability**
 - **Supply Chain management embraces an innovative strategic focus and commitment to delivering value to rate payers in all facets of the operation.**



Supply Chain

Potential Risk

- The highest risk area for Supply Chain Services is ensuring all workload above the base FY 2010 work gets completed through the Contract Management Office. Supply Chain is projecting the following workload needs to be processed outside of Supply Chain (FY 2010 \$60 million of work, FY 2011: \$100 million of work, FY 2012: \$200 million of work, FY 2013: \$247 million of work.
- Delays in implementation or utilization of new technology tools (related to TPIP) may cause additional workload for Supply Chain Services which may result in material shortages, a spending level shortfall, and delayed projects.
- An economic recovery may result in upward pressure on commodity prices thereby reducing the ability of Supply Chain Services to support the Agency's objectives without additional resources.
- Unplanned significant swings in programs other than Transmission Services could result in Supply Chain Services being unable to support those programs.




Supply Chain – Reduction Scenario


SUPPLY CHAIN SERVICES	2012 IPR	Reduction Scenario	Delta	2013 IPR	Reduction Scenario	Delta
Total	22,272,482	21,130,185	1,142,297	22,867,222	21,694,441	1,172,781


Impacts a cost reduction would have on our internal clients:


Impacts a cost reduction would have on Supply Chain Services programs:

 High Risk Supply Chain Services response to Client needs in a timely manner will be reduced.


 High Risk Fewer resources will likely either slow down the contracting process or hinder ability to meet HCA and DOE mandated document format and storage policies.

 High Risk Ramp up support for the Transmission Capital expansion will be hindered, lengthening time to create contracts.

 Med. Risk A reduction in subscriptions to services that supply strategic analytical information used in

 Med. Risk Requests for material handling services will be slowed down in the warehouse.

- Identifying current and future market trends and issues
- Monitoring commodity price fluctuations which influence strategic buying decisions
- Facilitating Supply Chain risk analysis of vendor quality
 - All allow for BPA to make best buys for ratepayers

 High Risk Ability to use third party transportation to deliver materials to the field when internal resources are exhausted will be reduced.



Security

SECURITY & EMERGENCY RESPONSE	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
Total	4,167,095	7,590,487	7,832,315	8,668,050	8,975,665	9,012,059

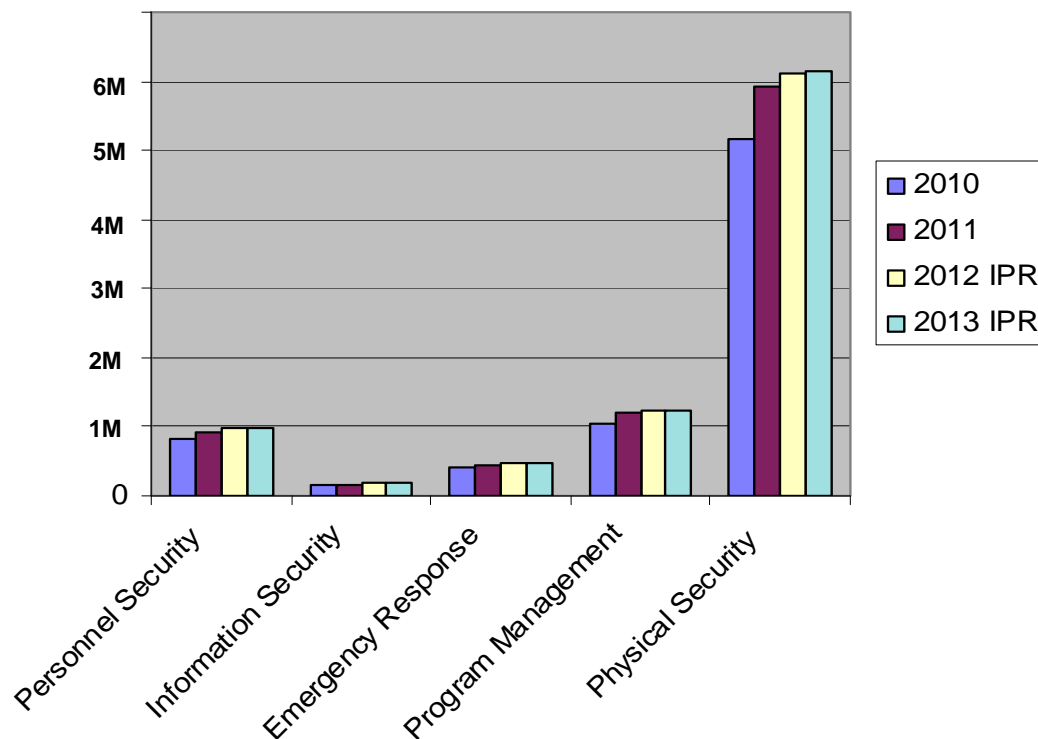
PROGRAM DESCRIPTION:

Security and Emergency Response provides an agency wide Safeguards and Security program that focuses on program planning and management; physical protection of assets and personnel; information protection; foreign visitor controls; and emergency response

PROGRAM AREAS:

- ✓ Program Management
- ✓ Physical Security
- ✓ Personnel Security
- ✓ Information Security
- ✓ Emergency Response

PROGRAM FUNDING DISTRIBUTION:



Security

STRATEGIC OBJECTIVES:

FCRPS/Operations

Operation of FCRPS power and transmission facilities meets availability standards in the most regionally cost-effective manner.

Systems & Processes

BPA meets the demands of business operations efficiently and effectively through standardized, continuously-improved systems and processes

Governance & Internal Controls

BPA's governance and internal controls are robust, balanced and adhered to across the organization

Risk-Informed Decision Making & Transparency

BPA's processes, decision making and performance are transparent, risk-informed and based on structured analysis

SECURITY SUPPORTS BPA'S STRATEGIC OBJECTIVES

- **Security & Emergency Response Mission**
Through professionalism and integrity, BPA's Security and Emergency Response develops safeguards and security strategies and policies that aid in the protection of people and infrastructure.
- **Effective, risk informed security measures help ensure the reliability of BPA's transmission system and protection for our people and assets.**
- **Compliance with governance and internal controls helps mitigate risk of monetary sanctions, helps ensure alignment with established security policies.**
- **BPA implements risk informed security measures including best practices that assure sustained effective and efficient business operations resulting in best value for our ratepayers at the most reasonable cost.**

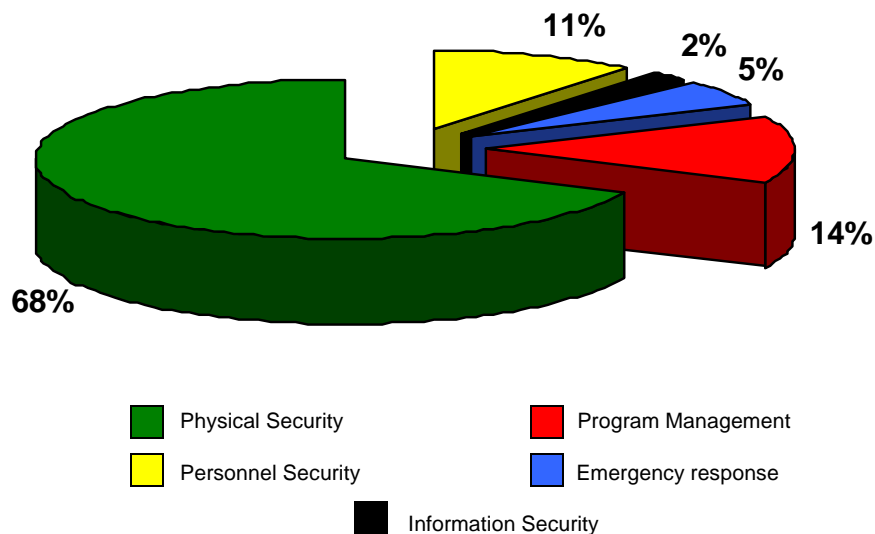


Security

KEY PRODUCTS AND OUTPUTS:

- Physical protection of personnel and property
 - Protection of sensitive BPA information
 - Security training and awareness
 - Compliance with Homeland Security;
 - North American Electric Reliability Corporation (NERC CIP); Department of
 - Energy; and Federal Emergency
 - Management Administration (FEMA) standards and requirements
 - Foreign Visits and Assignments
 - Personnel Access Processing
 - Operations Security
 - Emergency Response: Warden and Occupant Emergency Plan programs
-
- | | |
|--|---|
| Physical Security | Program Management |
| Personnel Security | Emergency response |
| Information Security | |

Proposed Program Funding Distribution by Program Area



Security

FY 2012-13

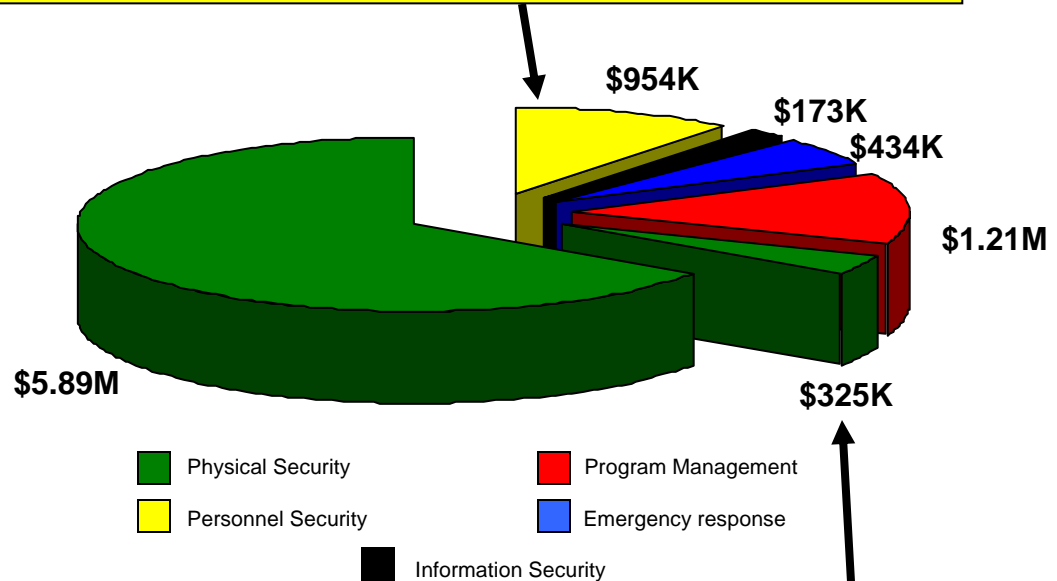
PROGRAM SPENDING DRIVERS :

- ✓ Personnel Security (NERC CIP, HSPD-12)
 - In FY 2010 DOE and NERC CIP requirements have increased the number of recurring background checks from 0 to more than 2,000.
 - BPA is required to conduct background checks on all newly hired employees, this number continues to increase in support of transmission upgrades.

- ✓ Physical Security (DOE, NERC CIP)
 - The number of security systems needing ongoing maintenance has increased by more than 70% in support of meeting NERC CIP requirements.
 - The number of critical site security plans requiring annual site reviews and updates have increased from 5 to approximately 70.
 - 24x7 monitoring of BPA critical assets; facilities requiring 24x7 monitoring have more than doubled over the last year.

Programmatic increases due to FY 2012-13 Drivers

No requested program increase for Personnel Security, increased workload due to background checks will be managed with existing resources.



All of security's proposed program increases for FY 2012-13 support the Physical Security program.



Security

EFFICIENCIES PUT IN PLACE TO KEEP COSTS WITHIN CURRENT PROGRAM LEVELS

- Moving resources from less critical programs to support programs that could have a monetary impact to the agency if the program was found non-compliant.
- Reduced the number of access servers from 12 to 2, saving the agency \$80,000 per year.
- Development of a strategy that integrates all security requirements so that dollars spent on one requirement would also support other like requirements.
- An alternate alarm monitoring station will be included within Power's alternate emergency scheduling center project.

ASSUMPTIONS MADE IN ORDER TO KEEP COSTS WITHIN FORECASTED LEVELS

- The number of current Personnel Security employees will not be increased to meet the increase of background investigations required to be processed in FY 2012-13.
- Installed security systems will pass a compliance audit.
- Employees working for transmission will be able to support the security office by regularly testing security systems, thus avoiding additional costs incurred by having this work performed externally.
- BPA's strategy for identifying critical assets will not be challenged by auditors. Therefore, the number of critical assets requiring physical protection remains unchanged in the near future.
- Maintaining security systems every two years is sufficient to ensure continued performance of the system.

POTENTIAL UNFORESEEN FUTURE COST IMPACTS

- A change in current NERC CIP standards greatly increases the number of BPA critical assets requiring physical protection.
- BPA's strategy for identifying critical assets is challenged by auditors. This may greatly increase the number of BPA critical assets requiring physical protection.
- Sanctions or fines associated with security systems found out of compliance.
- The length of time needed for processing background investigations increases to a point that adversely affects Transmission's ability to meet key agency goals.
- Future government legislation identifies additional assets requiring physical protection.



Security – Reduction Scenario

SECURITY & EMERGENCY RESPONSE	2012 IPR	2012 IPR Reduction Scenario	Delta	2013 IPR	2013 IPR Reduction Scenario	Delta
Total	8,975,665	8,208,665	767,000	9,012,059	8,642,059	370,000

DISTRIBUTION OF REDUCTIONS

- ✓ 23% of Security and Emergency Response’s costs are allocated to Power Services. Any impacts taken due to the reduction scenario would not likely have an impact on power because the primary drivers are in support of transmission
- ✓ 77% of Security and Emergency Response’s costs are allocated to Transmission due to the following:
 - Responsible for the majority of BPA’s Critical Assets
 - Largest employee population
 - Largest geographic area
 - Greatest propensity of new hires
- ✓ Reductions will likely impact Security and Emergency Response’s ability to protect critical transmission assets at an adequate level.

RISKS AS A RESULT OF REDUCTION SCENARIO:



- ✓ BPA will not be providing adequate protection for one of its most critical assets. This would increase its vulnerability as compared to similar critical facilities protected at a greater level.



- ✓ The Department of Energy (DOE) Safeguards and Security or the DOE Inspection General team writes up BPA for not adequately protecting one of its most critical assets .



- ✓ Inadequate staffing levels impedes Security’s ability to monitor critical assets in accordance with standards, which could result in sanctions or fines.



- ✓ Inability to monitor BPA critical assets whenever the alarm monitoring station is off-line for any reason, again this could result in sanctions or fines.



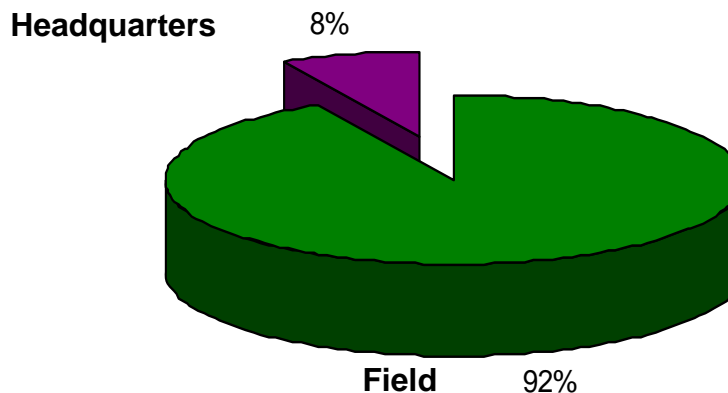
Physical Security - Capital

Capital - BPA Physical Security Program	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
Total	2,640,775	5,101,730	5,813,940	5,500,000	5,500,000	6,500,000

PROGRAM DESCRIPTION:

- Provide capital funding for physical security enhancements to protect BPA transmission facilities and the BPA Headquarters facility.
- Approximately 92% of security's capital program supports the physical protection of transmission's critical facility infrastructure through the installation of security enhancements.
- Approximately 8% of security's capital program supports the physical protection of the BPA Headquarters located in Portland, Oregon. The headquarters is a General Services Administration (GSA) leased facility that houses approximately 1500 employees that includes BPA's critical power scheduling function.

BPA CAPITAL PROGRAM SPENDING LEVELS (2012-13)



Physical Security - Capital

STRATEGIC OBJECTIVES:

■ POLICY & REGIONAL ACTIONS

BPA policies result in regional actions that ensure adequate, efficient and reliable regional transmission and power service

■ SYSTEMS & PROCESSES

BPA meets the demands of business operations efficiently and effectively through standardized, continuously-improved systems and processes

■ GOVERNANCE & INTERNAL CONTROLS

BPA's governance and internal controls are robust, balanced and adhered to across the organization

■ RISK-INFORMED DECISION MAKING & TRANSPARENCY

BPA's processes, decision making and performance are transparent, risk-informed and based on structured analysis

SECURITY SUPPORTS BPA'S STRATEGIC OBJECTIVES

■ Security & Emergency Response Mission

Through professionalism and integrity, BPA's Security and Emergency Response develops safeguards and security strategies and policies that aid in the protection of people and infrastructure.

- Effective, risk-informed security measures help ensure the reliability of BPA's transmission system and protection for our people and assets.
- Compliance with governance and internal controls helps mitigate risk of monetary sanctions, helps ensure alignment with established security policies.
- BPA implements risk informed security measures including best practices that assure sustained effective and efficient business operations that offer best value for our ratepayers at the lowest possible cost.



Physical Security - Capital

KEY PRODUCTS AND OUTPUTS:

■ HEADQUARTERS

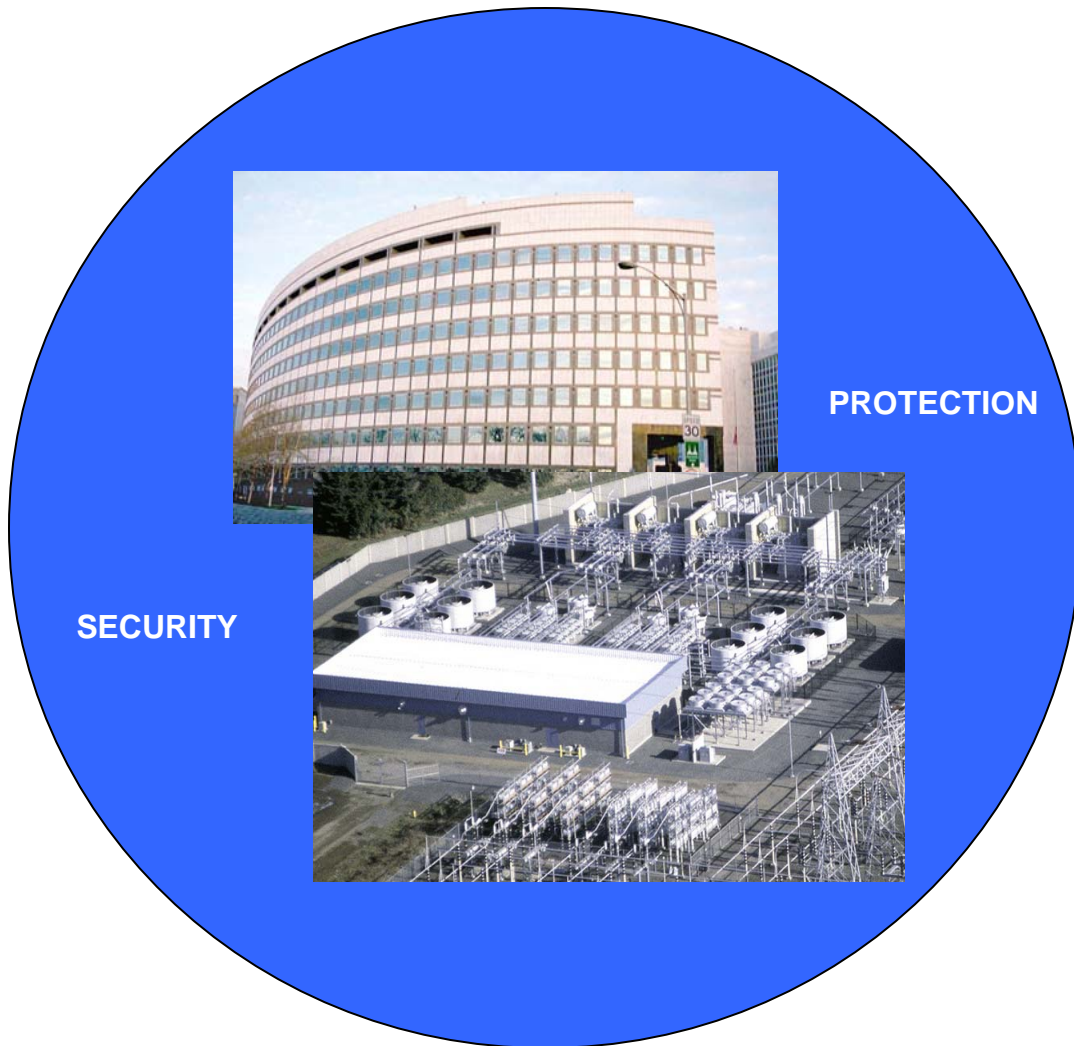
- Provide a safe and secure work environment.
- Deter criminal activity.
- Meet compliance requirements related to Homeland Security, Department of Energy (DOE) and NERC CIP.
- Minimize risks of potential attacks against the facility.

■ TRANSMISSION FACILITIES

- Protection of BPA's most critical transmission facilities.
- Provide the ability to mitigate consequences associated with an attack at a critical BPA transmission facility.
- Deter criminal activity.
- Meet security standards and requirements related to Department of Energy, Homeland Security and NERC CIP.

■ AGENCY BENEFITS

Security capital expenditures decreases the likelihood and risk that the headquarters facility or a critical transmission facility would be attacked. The security improvements proposed also help mitigate the consequences associated with such an attack, if it were to occur. A well planned attack against BPA's transmission system could severely impede the agency's ability to provide power to the region.



Physical Security - Capital

FY 2012-13

PROGRAM SPENDING DRIVERS:

■ **NO CHANGE in PLANNED CAPITAL**

■ **COMPLIANCE with SECURITY REQUIREMENTS**

- North American Electric Reliability Corporation (NERC)
- Homeland Security Presidential Directives (HSPD)
- Department of Energy (DOE)

■ **SOPHISTICATION of INTRUDERS**

- Terrorists
- Criminals
- Disgruntled Persons

■ **PROTECTION of CRITICAL ASSETS**

- Control Centers
- Government Facilities
- Substation Control Houses
- Substation Relay Houses
- Substation Energized Yards

- Previously, capital expenditures supported security enhancements at as many sites as possible.
- As a result of NERC requirements for Critical Infrastructure Protection (CIP), BPA focused security upgrades on sites containing or anticipated to contain Critical Cyber Assets in order to be compliant with NERC standards. .
- In 2010, BPA began the development of a graded strategy focused on the protection of BPA's most critical infrastructure. This strategy is based on the following:
 - Compliance in support of protecting the Bulk Electric System
 - A risk based protection strategy that focuses capital expenditures on BPA's most critical infrastructure.
 - The Transmission Business Line analysis of critical infrastructure
 - Protecting BPA facilities that support large population centers, the economy, large generation sites, Department of Defense, and grid reliability
 - Protecting facilities that have a pattern of criminal activity
 - Anticipation of future non-discretionary security enhancements in relation to protecting critical facilities
- Fewer sites will receive security upgrades in the same period of time as planned previously. However, these security upgrades will do a much better job at reducing risks and consequences associated with an attack.



Physical Security - Capital

EFFICIENCIES PUT IN PLACE TO KEEP CAPITAL WITHIN CURRENT PROGRAM LEVELS

- BPA utilizes Department of Energy (DOE) and Homeland Security resources to assist in the deployment of proven security technologies.
- The Security Office is working more closely with Information Technology, Facilities Management, Transmission, Power, Corporate and outside agencies to ensure efficiencies in facility planning (Alternate Scheduling Center), and internal IT Support (downsizing the number of Access Servers).
- BPA is benchmarking with other utilities and major industrial organizations to better align security enhancements with best practices and lessons learned.

ASSUMPTIONS MADE TO KEEP CAPITAL COSTS WITHIN FORECASTED LEVELS

- Capital expenditures will be prioritized based on facility importance level.
- The number of BPA compliance driven Critical Assets will not significantly increase in FY 2012-13.
- Installed security systems will pass a compliance audit and not require additional expenditures to achieve compliance.
- BPA's strategy for identifying critical assets will not be successfully challenged by auditors, leaving the number of critical assets requiring physical protection unchanged in the near future.

POTENTIAL UNFORESEEN CAPITAL COST IMPACTS

- Changes in current NERC CIP standards could greatly increase the number of critical assets requiring physical protection.
- Possible sanctions or fines associated with security systems found out of compliance could require significant upgrades to bring current security systems into compliance.
- Future government legislation identifies additional assets requiring physical protection within a short period of time.



Physical Security - Capital

FY 2014 – 2017 DRIVERS for CAPITAL FORECAST:

- **Essentially the same drivers used in FY 2012 and 2013**
- **NO SIGNIFICANT CHANGE in PLANNED CAPITAL**
- **COMPLIANCE with SECURITY REQUIREMENTS**
 - North American Electric Reliability Corporation (NERC)
 - Homeland Security Presidential Directives (HSPD)
 - Department of Energy (DOE)
- **SOPHISTICATION of INTRUDERS**
 - Terrorists
 - Criminals
 - Disgruntled Persons
- **PROTECTION of CRITICAL ASSETS**
 - Control Centers
 - Government Facilities
 - Substation Control Houses
 - Substation Relay Houses
 - Substation Energized Yards

Capital - BPA Physical Security Program	2013 IPR	2014 IPR	2015 IPR	2016 IPR	2017 IPR
Total	6,500,000	6,500,000	6,500,000	7,500,000	7,500,000

- For FY 2014-17 the amount of security capital used for protecting the Headquarters facility will be greatly reduced in order to increase the percentage available for protecting BPA’s critical field assets .
- The BPA Security Office will continue to work closely with our stakeholders to ensure capital expenditures are spent efficiently and effectively.
- BPA will continue to protect its most critical assets first.
- New legislation could mandate additional security enhancements that could greatly increase the amount of capital currently planned for in FY 2014-17.



Workplace Services

WORKPLACE SERVICES	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
Total	29,911,509	40,176,738	47,213,170	51,738,457	52,881,794	53,530,953

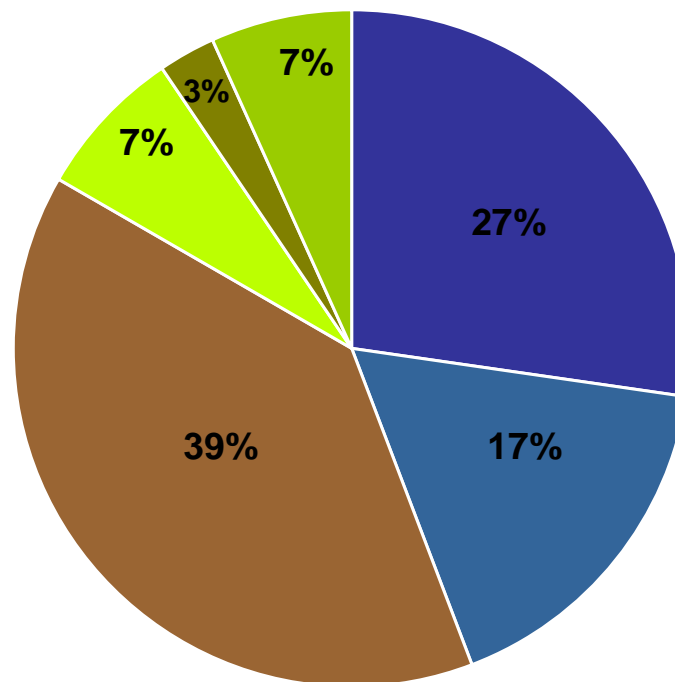
PROGRAM DESCRIPTION:

Workplace Services is an agency-wide workplace enabler, delivering a full range of sustainable support services necessary to house and equip the BPA workforce.

PROGRAM AREAS:

- Facilities Operations: Commercial Leases
- Facilities Operations: O&M
- Facilities Asset Management
- Support Services
- Employee Transportation
- Space Management

PROGRAM FUNDING DISTRIBUTION:



Workplace Services

AGENCY STRATEGIC OBJECTIVES:

Stakeholder Perspective

S8 Climate Change

BPA is prepared for the physical, economic and policy changes stemming from climate change developments, and promotes and implements cost-effective strategies to address these changes.

Internal Operations Perspective

I4 Asset Management

BPA maximizes the long-term value of FCRPS power and transmission assets through integrated asset management practices

People & Culture Perspective

P4 Work Environment

BPA has a safe and positive work environment

WORKPLACE SERVICES ALIGNMENT:

An effective facilities asset management strategy incorporates sustainability, energy intensity and carbon footprint reduction goals, which in turn drives successful performance in implementing cost effective climate change strategies, ultimately saving costs over the life-cycle of the asset category.

Work environment requirements, combined with operational needs and business processes, drives desired outcomes within a facilities asset management strategy.

The need for a high performing work force drives requirements in the work environment.



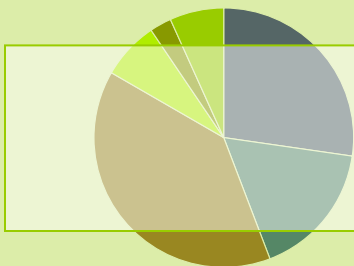
Workplace Services

NW PROGRAMS FOCUS ON:

- ✓ Sustainability
- ✓ Cost Effectiveness
- ✓ Operational Efficiency
- ✓ Customer Service

KEY PRODUCTS AND OUTPUTS:

- Lease Compliance Of 12 Commercial Office Leases
- Day-to-Day Facilities Management Of Over 80 Buildings And 260 Acres In The Portland / Vancouver Area
- Facilities Support Of Agency Business Continuity And Critical Business Systems
- Lifecycle Management Of 1013 Facilities
- Full Service Printing And Mail Support
- Alternative Employee Transportation Options
- Integrated Space Planning And Employee Moves



- Facilities Operations: Commercial Leases
- Facilities Operations: O&M
- Facilities Asset Management

- Support Services
- Employee Transportation
- Space Management



Workplace Services

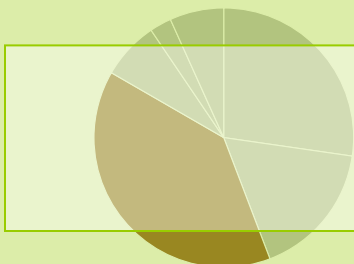
FACILITIES ASSET MANAGEMENT PROGRAM STATUS UPDATE :

- ✓ In FY 2009 96% Of Completed Work Addressed Life-safety and Reliability Issues
- ✓ \$69 million Of Facility Requirements Have Been Identified
- ✓ Requirements Continue to Be Prioritized and Addressed Based On Potential Operational Impacts
- ✓ Prioritization Methodology Considers The Likelihood Of Failure, Risks To Life Safety, and Input From Strategic Partners

KEY PRODUCTS AND OUTPUTS SUPPORTED :

- Lifecycle Management Of 1013 Facilities

PROGRAM FOCUS AREAS



- Facilities Operations: Commercial Leases
- Facilities Operations: O&M
- Facilities Asset Management**
- Support Services
- Employee Transportation
- Space Management



Workplace Services

FY 2012-13 PROGRAM SPENDING DRIVERS :

✓ All NW Programs: Agency Staffing Levels

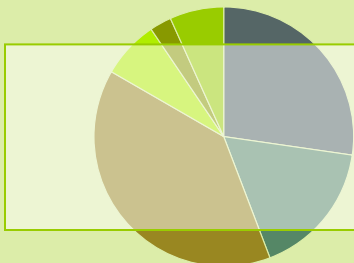
- Maintaining Workspace That Enables Optimum Productivity

✓ Facilities Asset Management: Backlog Of Maintenance And Repair →

- Reduce Backlog Over Time

✓ Facilities Operations: Commercial Leases →

- GSA Market-Rate Lease Increase Effective In FY 2011 And Continues Through FY 2015

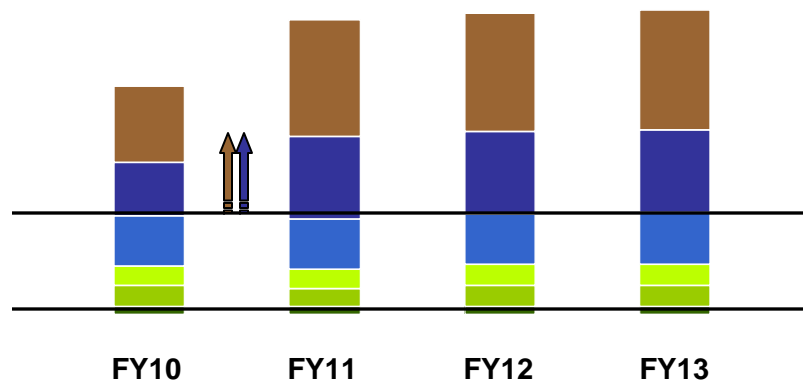


- Facilities Operations: Commercial Leases
- Facilities Operations: O&M
- Facilities Asset Management
- Support Services
- Employee Transportation
- Space Management

REDUCE FACILITIES REPAIR BACKLOG OVER TIME:



IMPACTS TO PROGRAM SPENDING LEVELS:



Workplace Services

FY 2012-13 RISKS

PROGRAMS AT HIGHEST RISK:

- ✓ Facilities Operations
- ✓ Facilities Asset Management
- ✓ Space Management

THE FOLLOWING EFFICIENCIES ARE ASSUMED IN OPERATING PROGRAMS:

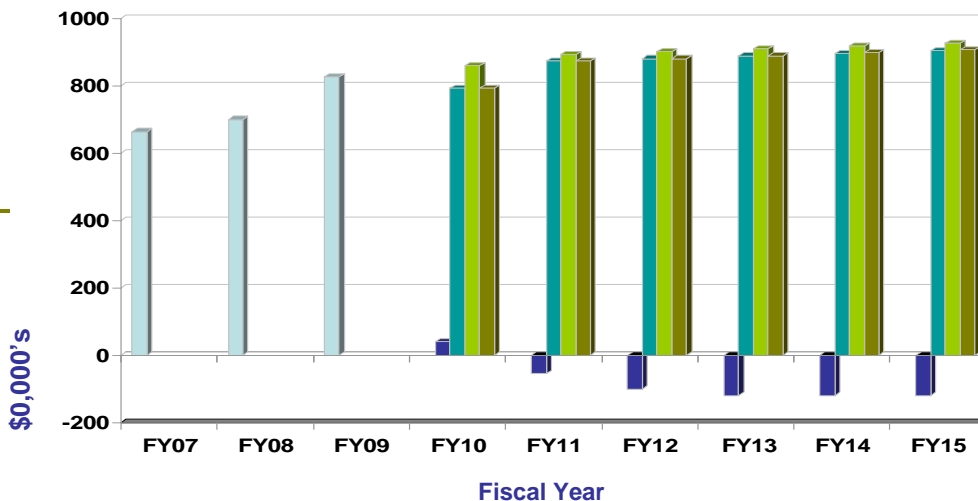
- ✓ Energy and water conservation projects.
- ✓ Backlog of critical facilities maintenance and repair work declines over time.
- ✓ Continued implementation of workstation standards.

PRUDENT INVESTING IN INFRASTRUCTURE, SUSTAINABILITY AND ENERGY INTENSITY PROGRAMS MITIGATE:

- ✓ Impacts from unplanned variations in utility costs outside of proposed spending levels.
- ✓ Inability to meet federal mandates for sustainability.
- ✓ Additional expenses for short-term repairs and prolonged and more costly emergency response to those systems beyond their economic life.
- ✓ Failures of building systems that protect critical assets.
- ✓ The inefficient use of space, increased number moves and increased day-to-day move costs over a longer period of time.

Portland HQ Utility Cost Projections

- Historical Utility Costs
- Sustainability Investments
- IPR Costs For Utilities
- Projected Utility Costs
- Utility Costs After Sustainability Projects



Workplace Services – Reduction Scenario

WORKPLACE SERVICES	2012 IPR	2012 IPR Reduction Scenario	Delta	2013 IPR	2013 IPR Reduction Scenario	Delta
Total	52,881,794	48,728,323	4,153,471	53,530,953	49,215,787	4,315,166

FY 2012-2013 FACTORS CONSIDERED

- ✓ \$14 million of the Workplace Services costs are contributed to fixed commercial leases.
- ✓ Leases are fixed based on negotiated contracts and are susceptible to market rate fluctuations upon expiration / re-negotiation.
- ✓ The remainder of the Workplace Services budget consists of variable costs.
- ✓ All proposed reductions would be taken from the variable portion of the budget.
- ✓ Only \$10 million of the total Workplace Services budget is allocated to Power Services, due to the distribution of agency staff and the fact that the largest allocation of the Workplace Services Program (Facilities Asset Management) is in direct support of Transmission Services.

NW AGENCY ALLOCATION MODEL

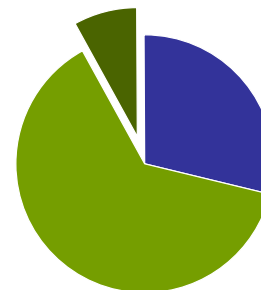


IDENTIFIED REDUCTIONS:

Identified Reductions \$4M
Details Listed Below

Variable Costs \$32M
Facilities Operations: O&M
Support Services
Space Management
Asset Management
Transportation

Fixed Costs \$14M
Facilities Operations:
Commercial Leases



Constrained Workforce Effectiveness (\$700K)

- Space Management:** Institute A Move Moratorium
- Support Services:** Centralize Some Administrative Responsibilities
- Transportation:** Restructure HQ Transportation And Parking Program



Reduced Support To Power And Transmission Services (\$3.3M)

- Facilities Operations:** Defer Maintenance At Portland HQ
- Facilities Asset Management:** Defer Maintenance And Repair At Transmission Support Facilities



Workplace Services Capital

Capital-Workplace Services	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
Total	4,205,312	38,150,775	23,741,449	19,202,871	30,396,804	26,371,245

PROGRAM DESCRIPTION:

Workplace Services is an agency-wide workplace enabler, delivering a full range of sustainable support services necessary to house and equip the BPA workforce.

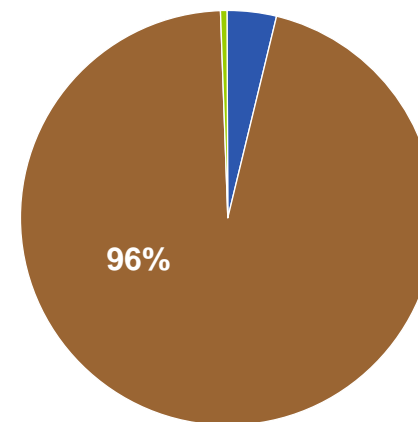
FY 2012-13

PROGRAM SPENDING DRIVERS :

- ✓ Age and Condition of Facilities
- ✓ Transmission Business Requirements
- ✓ Sustainability Initiatives

PROGRAM FUNDING DISTRIBUTION BY PROGRAM AREA:

- Facilities Operations
- Facilities Asset Management
- Support Services



Workplace Services Capital

AGENCY STRATEGIC OBJECTIVES:

Internal Operations Perspective

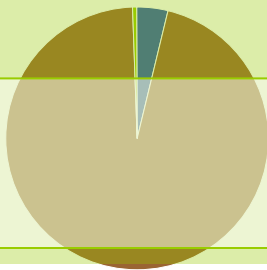
I4 Asset Management

BPA maximizes the long-term value of FCRPS power and transmission assets through integrated asset management practices

People & Culture Perspective

P4 Work Environment

BPA has a safe and positive work environment



- Facilities Operations: O&M
- Facilities Asset Management
- Support Services

KEY PRODUCTS AND OUTPUTS:

- **Leasehold Improvements at HQ**
 - ✓ Upgrade Critical Power and Mechanical Systems
- **Facilities to Enable Improved Transmission Field Maintenance Operations**
 - ✓ Consolidate Crews and Staff in Tri-Cities
- **Facility Asset Sustainment**
 - ✓ Incorporate Sustainable Practices in new and existing facilities
 - ✓ Invest in Low-Water Landscaping Practices
- **Life, Safety and Work Environment**
 - ✓ Remove Hazardous Building Materials in Workspaces
 - ✓ Bring Workspace up to Current Standards/Codes
- **Continuity of Critical Business Operations**
 - ✓ Build Capability on East-side of Cascades
 - ✓ Establish Alternate Work-Site Capabilities
- **Management of Transmission Services Project Drawings**



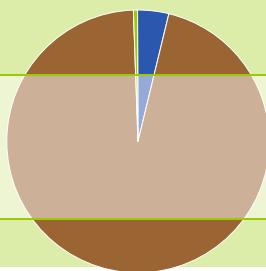
Workplace Services Capital

PROGRAM STATUS:

- ✓ A maintenance headquarters strategy has been initiated and is expected to be complete by the end of the year.
- ✓ Work has been initiated to develop a feasibility study and environmental assessment for the potential Transmission Services Facility.

KEY PRODUCTS AND OUTPUTS SUPPORTED :

- Construction of New Facilities
- Critical Upgrades Accomplished Through Lease-Hold Improvements at Portland Headquarters Building



- Facilities Operations: O&M
- Facilities Asset Management
- Support Services

PROGRAM ACCOMPLISHMENTS

- ✓ Constructed Building To Protect Critical Equipment Used by BPA's bare handing crew.
- ✓ Purchased Idaho Falls Maintenance Headquarters and Constructed New Maintenance Shop - Meeting The Increasing Business Need In The Idaho Falls District
- ✓ New Snohomish Warehouse - Replaced Deteriorating Building That Was Unsafe
- ✓ Completed significant critical power upgrade at Portland Headquarters building



Workplace Services Capital

FY 2012-13

PORTLAND/VANCOUVER OFFICE STRATEGY:

- ✓ Development of a strategy began back in 2002, however it was not until the last IPR that a new office building was under serious consideration.
- ✓ Initial business case indicated a possible rate neutral project, however there were still some uncertainties with the lease vs. buy decision.
- ✓ To address those uncertainties, BPA commissioned an environmental assessment and feasibility study and design process that began last fall.
- ✓ Currently the Environmental Assessment is 50% complete and the feasibility study is approximately 35% complete.



WHAT WE KNOW:

- Approximately 600 Transmission Services employees and contractors would come out of commercial lease space.
- Productivity gains can be made by co-locating transmission work teams
- We expect cost estimates for build and lease options to be available this Fall.

WHAT WE DON'T KNOW:

- The outcome of the study/design process and the corresponding results of the business case.
- The impacts of the current economy on the actual cost of construction.
- Future rate impacts, however there is likely no impact to 2012-2013 rates.

OUR APPROACH:

- Do not include capital costs of a new facility in the current rate case
- Continue to include lease space costs (expense)
- Upon completion of the environmental assessment and feasibility study/design later this fall, we will schedule time in January 2011 for a customer and stakeholder engagement process on our findings and possible approaches.



Workplace Services Capital

Capital-Workplace Services	2013 IPR	2014 IPR	2015 IPR	2016 IPR	2017 IPR
Total	26,371,245	33,006,906	25,272,114	23,025,921	23,236,921

FY 2014-17 DRIVERS OF PROPOSED SPENDING FORECAST:

Program areas are anticipated to remain relatively consistent with FY 2012-13 levels, with the exception of; a possible increase resulting from a decision to construct a new transmission services facility, deferred projects from prior years or any delays associated with major proposed construction projects.





Information Technology (IT)

IT	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
Total	60,574,453	69,036,394	67,547,071	68,831,671	70,224,503	71,902,311

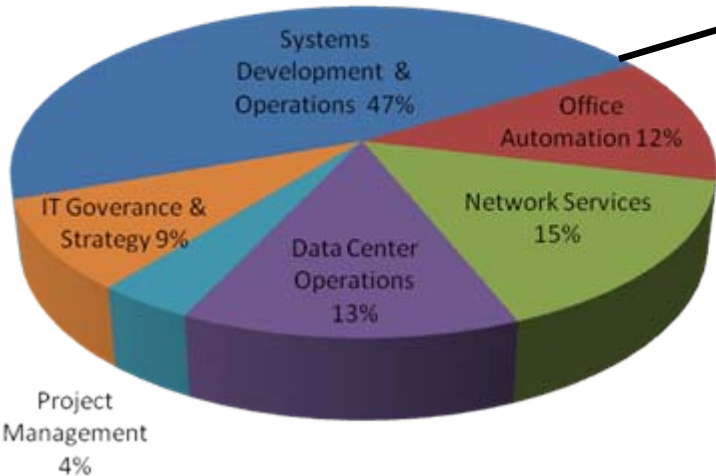
Program Description:

- Systems Development & Operations
- Office Automation
- Network Services
- Data Center Operations
- Project Management
- IT Governance & Strategy

Information Technology (IT)

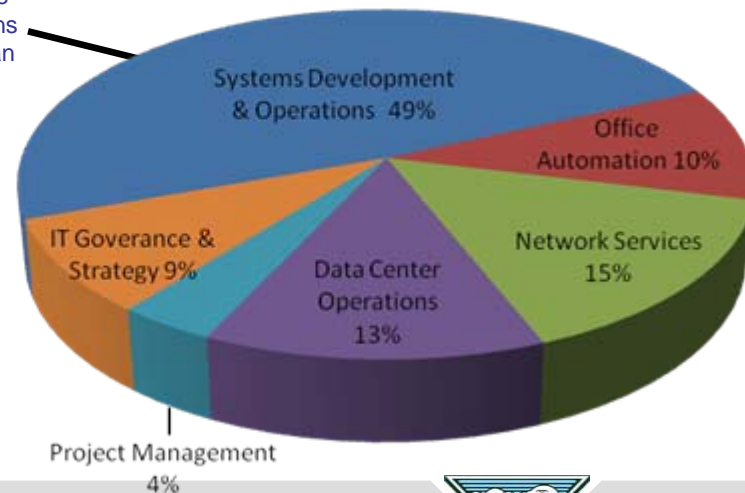
Develops and supports agency-wide business automation systems and provides information technology governance, planning, and standards for the agency's general business activities. IT has overall responsibility and accountability for all BPA information technology-related (non-Grid Ops) programs. This includes establishing IT strategies, objectives, and performance standards in alignment with financial targets and agency direction.

FY2012
Expense \$70,200k



As new systems are delivered under the Capital Program, Operation and Maintenance costs will increase the Systems Development & Operations Program costs, which will require an offset by decreasing the Office Automation Program.

FY2013
Expense \$71,900





Information Technology - Key Products and Outputs

Strategic Objectives:

→S2 – FCRPS Operations & Expansion.

Operation and expansion of FCRPS power and transmission facilities meet availability and reliability standards in the most regionally cost-effective manner.

→I1 – **Systems & Processes.** BPA meets the demands of business operations efficiently and effectively through standardized, continuously-improved systems and processes.

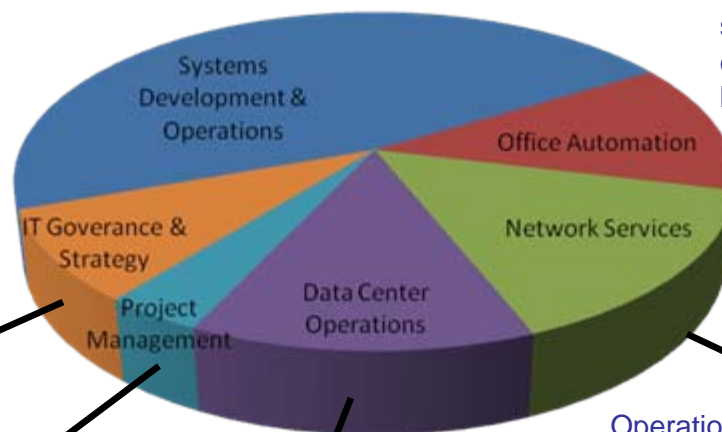
→I4 – **Asset Management.** BPA maximizes the long-term value of FCRPS power and transmission assets through integrated asset management practices.

Provides Agency-wide IT governance and Information Assurance, incident response, standards, and IT strategic planning.

Management of the planning and execution of the \$49.5 m capital portfolio, delivering 18 projects including 5 new automation systems.

Covers the operations and maintenance of 42 Critical Business Systems and 71 General Support Systems.

Operation and support of 4,500 desktop systems, software, network printers, copiers, cell phones, and help desk support services.



Operation and maintenance of data and voice networks (including user access, remote access, video conferencing).

Management of 1100 servers, 400TB of data, across 2 data centers, an alternate data center, as well as field offices.



Information Technology - Agency Strategic Objectives



Strategic Objectives:

→S2 – FCRPS Operations & Expansion.

Operation and expansion of FCRPS power and transmission facilities meet availability and reliability standards in the most regionally cost-effective manner.

→I1 – **Systems & Processes.** BPA meets the demands of business operations efficiently and effectively through standardized, continuously-improved systems and processes.

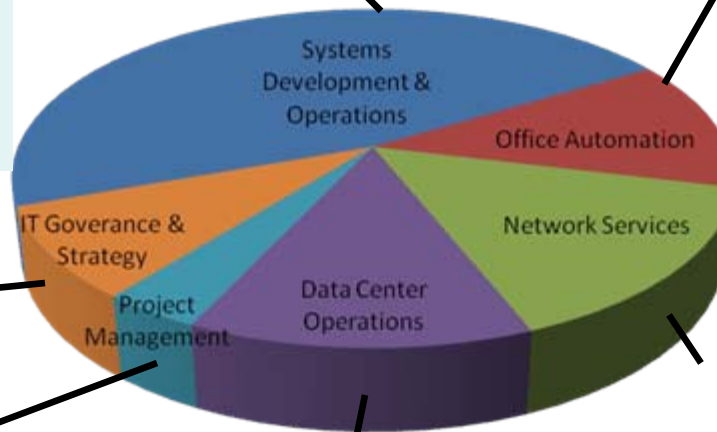
→I4 – **Asset Management.** BPA maximizes the long-term value of FCRPS power and transmission assets through integrated asset management practices.

- **S2:** Maintaining and operating forecasting and scheduling systems
- **I1:** Achieving efficiencies through standardized software development and operation methods and practices
- **I4:** Adoption of technology and methodologies such as Service Oriented Architecture to reduce time to meet emerging business requirements while providing reliable solutions

- **I1:** Exploring and implementing energy efficient solutions for desktops, including thin clients and network printers.
- **I1:** Implementing ITIL base maturity model to improve service delivery and control growth in operations and maintenance costs.
- **I4:** Leveraging technology to provide diverse from mobile solution for GIS systems to help with vegetation management to collaboration.

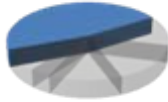
- **S2:** Plans and set standards for achieving IT energy efficiencies .
- **I1:** Plans and measures effectiveness of continuous improvement efforts such as implementing ITIL model.
- **I4 :**Plans, sets standards and timelines for adopting technology.
- **I1:** Deliver technology innovation.
- **I1:** Improve system processes .
- **S2:**Deliver new systems support transmission and power forecasting, marketing, and scheduling services.

- **I1:** Consolidating and virtualization to reduce number of physical servers to save energy and reduce O&M costs.
- **I4:**Leveraging technology to improve service and reduce costs. Examples include examining blade servers, tiered storage, and implementing improved monitoring and management tools.



- **S2:** Provides reliable and secure connectivity to ensure regional transmission and power marketing and scheduling services.
- **I1:** Implementing ITIL base maturity model to improve service delivery and control growth I operations and maintenance costs.





IT - Systems Development & Operations

FY2012
FY2013

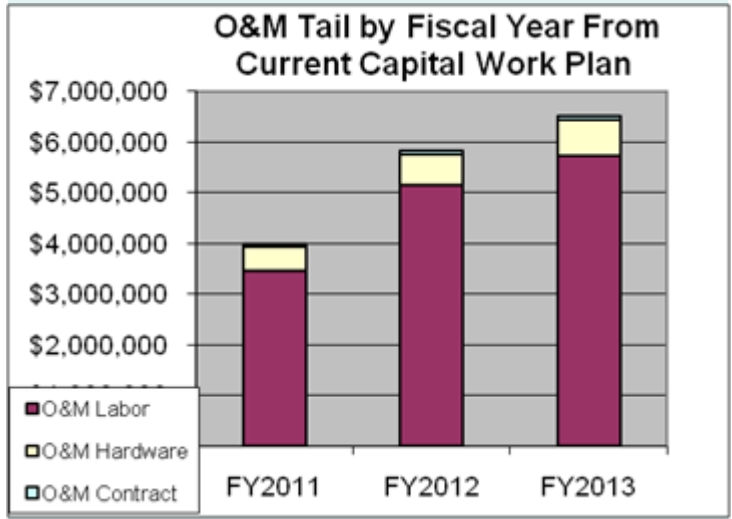
Expense: \$33.4m
Expense: \$35.6m

Program Areas:

- Critical Business Systems
- General Support Systems
- Quality Assurance

Systems Development & Operations covers the operations and maintenance of 42 critical business systems and 71 general support systems.

- Critical Business Systems supports 24x7 Power Marketing, Energy and River Forecasting, Power and Transmission scheduling services.
- General Support Systems supports Financial services, Human Capital services, Corporate services, Agency Commercial services, Intra and Internet services, Engineering support, and all other general support systems and applications.
- Quality Assurance supports change management for application systems.



Efficiencies

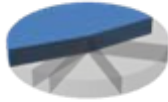
- Adopt Software Development maturity model to control operations and maintenance costs
- Proactive Monitoring to improve reliability and reduce operations and maintenance costs
- Maturing of Asset Plans/Strategy to forecast and prioritize business system enhancements

Spending Drivers

- New Operations & Maintenance costs from delivering new systems under the current Capital Work Plan
- Increasing use of Software as a Service
- New compliance requirements such as NERC CIP
- Emerging business requirements resulting in higher than expected resources for system enhancement



IT - System Development & Operations



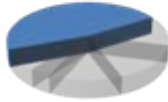
Critical Business Systems

Program Areas:

- Power Scheduling
- Transmission Scheduling
- Load Forecasting
- Deal Capture/Marketing
- High Availability (24x7 Support)
- Metering

- **Power Scheduling** includes: Real-time Trading, Pre-scheduling Real-time Scheduling, Slice Scheduling, GTA scheduling, and After-the-Fact processing.
- **Transmission Scheduling** includes Pre-Scheduling, Real-Time scheduling (which includes hourly checkout with adjacent balancing authority, hourly energy and transmission levels balancing, operation in the hourly transmission market, providing operation for capacities, curtailments, OASIS, and issue resolution, and congestion relief), and the After-the-Fact function.
- **Load Forecasting** produces short and mid-term load forecasts for TBL/TS Dispatch, PBL/PS Scheduling/Pre-scheduling and PBL Operations.
- **Deal Capture/Marketing** manages trading, bidding, settlement, and invoicing with the California Independent System Operator (CAISO); manages the Agency's Power Services Secondary Revenue; supports the Front Office, Middle Office, and Back Office; includes the following key functions: Origination, position management, delivery functions, market, operational, credit risk, contract administration, billing, and accounting functions.
- **High Availability** provides 24x7 operations, monitoring, support and trouble-shooting of Bonneville's identified CBS portfolio and the design, development, and enhancement of Critical Business Systems.
- **Metering** collects, validates, estimates, stores, and distributes meter profile and usage data.





IT - System Development & Operations

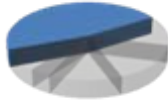
General Support Systems

Program Areas:

- Agency Commercial Systems
- Enterprise Applications
- Business Applications
- Data Integration & Reporting
- Asset Management & Engineering Applications
- Software Development

- **Agency Commercial Systems** includes Commercial Billing System (CBC), Commercial Contracts, and related support for Critical Business Systems.
- **Enterprise Applications** includes Financial Management Human Resource (including Time & Payroll), Supply Chain, and Property Management.
- **Business Applications** provides development, operations, and maintenance for Public Affairs, Records Management, Agency Intranet and Extranet, Agency Portal and Agency Rates.
- **Data Integration & Reporting** provides development, operations, and maintenance for integration, architecture, modeling, warehousing and reporting of Agency-wide data.
- **Asset Management & Engineering Applications** provides IT system support for development , operation, and maintenance for Transmission Field Service, Geospatial and Engineering Service.
- **Software Development** supports the management of the Software Development for various agency systems such as Prowatch, enterprise software requirements and Agency software development strategy.





IT - Quality Assurance

Quality Assurance

Program Areas:

- Version Control
- Migration Control
- Change Management
- Project QA Support

- **Version Control** - This is the management of changes made to application software. This provides for the ability to revert to an earlier revision of software.
- **Migration Control** - Implementation of new application updates, upgrades, new application modules, and the application of fixes from development or test to production.
- **Change Management** - Provides for an orderly methodology for scrutinizing and assessing the potential impacts of proposed changes to the IT infrastructure.
- **Project QA Support** - Perform test case development, defect tracking, test coordination, test installation and execution of applications.



IT - Office Automation

FY2012

Expense: \$8.9m

FY2013

Expense: \$7.8m



Program Areas:

→Front-Office Services

→Back-Office Services

Office Automation supports operation and maintenance of 4,500 desktop systems, network printers, copiers, cell phones, and Help Desk services.

- **Front-Office Services** - Provide those client-facing services that are key to employee productivity: Help Desk services to resolve and/or dispatch for client service problems and disruptions, inventory and track equipment, meet client requests for hardware and software, consult with clients for IT solutions, facilitate employee moves and new-hires, coordinate service disruption information.
- **Back-Office Services** - Provide and maintain the every-day services used by employees in the regular execution of their duties: production services batch processing, print/plot services, web/SharePoint services, email, webmail, Blackberry, and Citrix access to shared applications.

Efficiencies

- Introduce Virtual Desktop Infrastructure (thin client, application streaming, etc.) during normal refresh schedules.
- Advancing Continuous Process Improvement through leveraging automated management and monitoring and ITIL maturity model.
- Implementing proactive monitoring and management tools.
- Leveraging new capabilities of Windows 7 (e.g. MDOP, Forefront etc.) to reduce licensing costs.
- Implementing self service through System Center Service Manager.

Spending Drivers

- Reducing refresh of desks systems (\$600 thousand in FY 2012) will result in an increased break fix costs in the out-years (FY 2013 and beyond).
- Reducing refresh of desks systems (\$600 thousand in FY 2013) will result in an increased break fix costs in the out-years (FY 2014 and beyond).



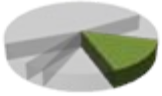
IT - Network Services

FY2012

Expense: \$10.8m

FY2013

Expense: \$11.1m



Program Areas:

→Data Network Services

→Voice & Video Services

Network Services covers the operations and maintenance of voice and data networks) including user access, remote access, video conferencing, ...)

- Data Network Services - Provide highly available and reliable local-area and wide-area networks to support electronic data interconnection for BPA computing devices, and connectivity to remote business partners, delivering application access to end users. Support connectivity for mobile employees through Internet, VPN, Citrix, and RAS.
- Voice & Video Services - Provide reliable telephone services throughout the Agency facilities, conference bridges, video conferencing, voice recording, circuit management, and operator assistance.

Efficiencies

- Advancing continuous improvement through implementing ITIL base maturity mode (Microsoft Operations Framework - MOF) to improve service delivery and control growth in operations and maintenance costs.
- Extending PBX and switches life to maximize value and reduce total cost of ownership.

Spending Drivers

- Enhancing network segregation to meet evolving security requirements.
- Implementing HSPD-12 mandated smart card for network access.



IT - Data Center Operations

FY2012

Expense: \$9.3m

FY2013

Expense: \$9.5m



Program Areas:

→ **System Reliability**

→ **System Security**

→ **Infrastructure Solution Design**

Data Center Operations manages data center operations, including 400TB of data, 1000 servers across 2 data centers and an alternate data center, as well as multiple field offices.

- **System Reliability** - Provide reliable IT infrastructure through proactive fault monitoring, repair, capacity planning, performance analysis and tuning, and asset configuration management.
- **System Security** - Maintain a secure computing environment; providing virus protection, anti-spam filtering, intrusion detection, access control, software patching, disaster recovery backups, event log management, firewall management, and business continuity.
- **Infrastructure Solution Design** - Provide analysis and infrastructure design for IT projects, technologies, and applications. Establish baselines and standards for the infrastructure and methods to ensure compliance.

Efficiencies

- Physical server reduction through consolidation and virtualization; resulting in power savings and licensing costs.
- Advancing Continuous Process Improvement through leveraging automated management and monitoring and ITIL maturity model.
- Implementing proactive monitoring and management tools (e.g. System Center) to reduce system administrator overhead.

Spending Drivers

- Increase in server and storage resource demand from new systems being delivered under the Capital Work Plan.



IT - Project Management

FY2012 Expense: \$ 2.7m Capital: \$39.0m
 FY2013 Expense: \$ 2.7m Capital: \$40.0m



Major Projects:

- REV
- TPIP
- RODS Replacement
- Data Center Modernization
- Other Projects



Project Management covers management of the planning and execution of the ~\$50 million IT Capital portfolios (Capital Work Plan).

- **REV** – The Regional-Enterprise-Value (REV) Program is organized to implement and support BPA's new Regional Dialogue contracts establishing a tiered rate methodology, and offering new long-term power sales agreements. Completion FY 2012
- **TPIP** – TPIP is the coordination of oversight for the IT projects and processes they support that were spawned from the O&M, PDB, Asset Management, and Supply Chain EIPs. Completion FY 2011
- **RODS Replacement** – The RODS Replacement Program (RRP) is a multi-year project with the purpose of developing and deploying high availability IT systems to replace the functionality that currently resides on BPA's legacy RODS (Real-time Operations, Dispatch, and Scheduling) system. Completion FY 2012
- **Data Center Modernization** – The purpose of this project is to modernize the Agency's data center, increase the efficiency of the delivery and reliability of all of the Agency's information systems, improve the internal application development and support process and, generally, reduce the total cost of ownership of all internal IT systems and services. Completion FY2012

Efficiencies

- Maturing of PMO processes;
- Enable delivering projects at lower costs.
- Providing solutions with lower Total Cost of Ownership.
- Improved and lower cost system through common architecture.

Spending Drivers

- Increase demand for automation.



IT Governance & Strategy

FY2012

Expense: \$6,2m

FY2013

Expense: \$6.4m



Program Areas:

- Cyber Security
- Asset Management and Contract Support
- Service Delivery
- Governance and Strategy

IT Governance and Strategy provides overall guidance and direction for **Cyber Security, IT Asset Management, Contract Support, Service Delivery (Customer Delivery), IT technology strategy and planning, Architectural Standards, and the Office of the CIO.**

- Cyber Security provides security program management, policies, standards and guidelines; manages a Risk Management Framework (Security Authorization Process); Subject matter expertise, security control & business objective alignment, critical infrastructure protection strategy, security architecture; Internal & external reporting and liaising; Risk Assessment and Incident Management.
- Asset Management and Contract Support provides contract management for capital and expense projects, hardware and software procurement, software licensing, subscription management, service contract tracking; Agency cell phone procurement, asset tracking, cost optimization, and auditing; supplemental labor acquisition and administration for the NJ org including SLIM liaison and security sponsorship.
- Service Delivery provides IT communications; client outreach programs and SharePoint presence/branding for IT. The team seeks to understand business needs; monitor and report on the delivery of IT services; assist in the resolution of delivery problems; responsible for preparing and negotiating Operational Agreements between business line clients and IT.
- Governance and Strategy provides Architectural standards for systems development, enterprise architecture, technology standards, strategy, and planning for data center, desktop, and network infrastructure.



Information Technology

Efficiencies and Spending Drivers

FY2012

Expense: \$33.4m

FY2013

Expense: \$35.6m



IT Program Area	Efficiencies	Spending Drivers
Systems Development & Operations	<ul style="list-style-type: none"> • Adopt Software Development maturity model to control operations and maintenance costs • Proactive Monitoring to improve reliability and reduce operations and maintenance costs • Maturing of Asset Plans/Strategy to forecast and prioritize business driven system enhancements 	<ul style="list-style-type: none"> • New Operations & Maintenance costs from delivering new systems under the current Capital Work Plan • Increasing use of Software as a Service • New compliance requirements such as NERC CIP • Emerging business requirements resulting in higher than expected resources for system enhancement
Office Automation	<ul style="list-style-type: none"> • Introduce Virtual Desktop Infrastructure (thin client, application streaming, etc.) during normal refresh schedules • Advancing Continuous Process Improvement through leveraging automated management and monitoring and ITIL maturity model • Implementing proactive monitoring and management tools • Leveraging new capabilities of Windows 7 (e.g. MDOP, Forefront etc.) to reduces licensing costs. • Implementing self service through System Center Service Manager 	<ul style="list-style-type: none"> • Reducing refresh of desks top systems (\$600k in FY2012) will result in an increased break fix costs in the out-years (FY2013 and beyond) • Reducing refresh of desks top systems (\$600k in FY2013) will result in an increased break fix costs in the out-years (FY2014 and beyond)
Network Operations	<ul style="list-style-type: none"> • Advancing continuous improvement through implementing ITIL base maturity mode (Microsoft Operations Framework - MOF) to improve service delivery and control growth in operations and maintenance costs • Extending PBX and switches life to maximize value and reduce total cost of ownership 	<ul style="list-style-type: none"> • Enhancing network segregation to meet evolving security requirements • Implementing HSPD-12 mandated smart card for network access
Data Center Operations	<ul style="list-style-type: none"> • Physical server reduction through consolidation and virtualization; resulting in power savings and licensing costs • Advancing Continuous Process Improvement through leveraging automated management and monitoring and ITIL maturity model • Implementing proactive monitoring and management tools (e.g. System Center) to reduce system administrator overhead 	<ul style="list-style-type: none"> • Increase in server and storage resource demand from new systems being delivered under the Capital Work Plan
Project Management	<ul style="list-style-type: none"> • Maturing of PMO processes; <ul style="list-style-type: none"> • Enable delivering projects at lower costs • Providing solutions with lower Total Cost of Ownership (BPAM Chapter 660) 	<ul style="list-style-type: none"> • Increase in number of projects
IT Governance & Strategy		
FY2012 Efficiencies/Increases	\$1.1 million	\$2.5 million
FY2013 Efficiencies/Increases	\$1.1 million	\$2.8 million

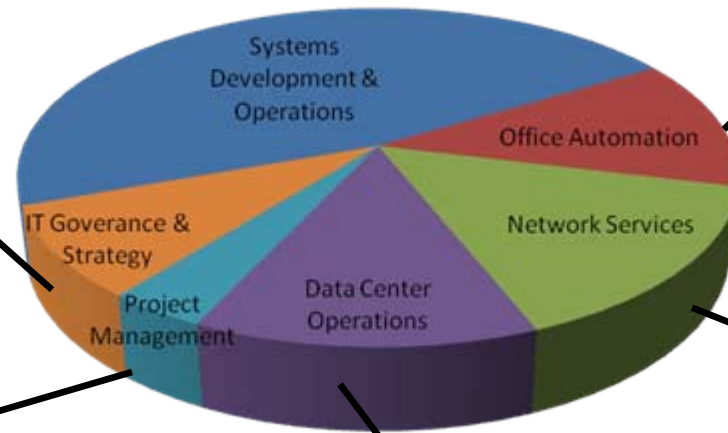


Information Technology – Potential Risks

- A larger than expected capital work plan will result in a higher than anticipated operations and maintenance tail.
- Rapidly emerging business and/or compliance requirements may require higher levels of system enhancements than anticipated.

- Emerging compliance requirements or threats may require an increase in security monitoring, management, and response capabilities.
- Implementing physical and network access from HSPD12 mandated smart card may have unanticipated expense costs.

- Rapidly emerging business needs (such as supporting green legislation, dynamic transfer, sub hourly scheduling, smart grid, wind integration, or other initiatives, may result in a higher capital work program with associated planning and execution expenses.



- Should the FY 2012-13 spending levels not be increased, IT will not be able to resume the refresh of aging systems creating reliability issues and negatively impacting staff productivity .
- Virtual Desktops Infrastructure may not prove to be a good fit for the agency resulting in IT failing to reduce desktop operations.
- Extending refresh of PBX until FY 2014-15 may result in unexpected maintenance costs.

- Data Center Modernization may either be delayed or not fully deliver anticipated operational efficiencies.
- Advancing along maturity model may not deliver efficiencies and associated savings as rapidly as expected.



Information Technology (IT) – Reduction Scenario



IT	2012 IPR	2012 IPR Reduction Scenario	Delta	2013 IPR	2013 IPR Reduction Scenario	Delta
Total	70,224,503	65,415,503	4,809,000	71,902,311	68,057,310	3,845,001

FY 2012-2013 Impact Resulting from Reduction Scenario:

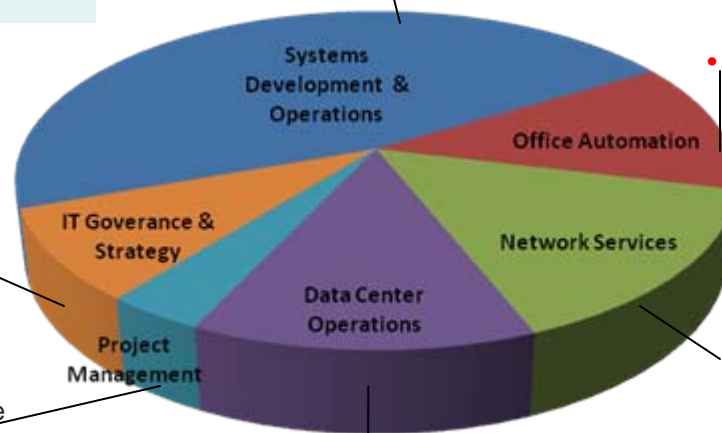
→Reduction scenario for FY 2012 and FY 2013 \$4million - \$5 million each year.

→The most effective way to reduce O&M costs in FY 2012 and FY 2013 is to reduce/defer project delivery in FY 2010 and FY 2011.

- Security initiatives may be slowed, delayed, or curtailed due to availability of funding
- Continuous improvement initiatives may be delayed or suspended
- Training may be slowed down or suspended

May impact the availability of resources for the planning of new capital projects, resulting in reducing the number projects in the FY 2012-2013 Capital Work Plan

- Upgrades and changes to system to meet evolving and emerging business needs drops from \$4.9 million to \$0 a year
- Re-evaluate the ability to provide 24x7 monitoring of Critical Business Systems



- Desktop system refreshes would be suspended pending availability of funding. If the FY 2010 VDI pilot is successful with roll out of thin clients in both FY 2010 and FY 2011, this issue can be mitigated and managed until FY 2015.
- Network Printer refresh would be suspended pending availability of funding

Limited impacted to network services as voice and data network upgrades are planned for the FY 2014-2015 time frame

Limited impact to Data Center services as the capital modernization project is scheduled to be completed in FY 2012, leaving the Data Center in a robust and sustainable operations mode with reduced operating costs.






Information Technology (IT) – Reduction Scenario



FY 2012-2013 Impact Resulting from Reduction Scenario of \$4-5 million per year:

Reducing spending between \$4-5 million per year in FY 2012-2013 will require a combination of deferring projects in the current capital work to avoid out-year Operation and Maintenance costs, reducing planned infrastructure improvements, and reducing system enhancements. Below is a list of FY 2010-2011 projects that if deferred will enable the reduction scenario.




Business Improvement

-  • TCSR – Delay until FY 2014. Impact would be that Transmission would delay revamping its commercial systems, likely limiting the speed of participating in sub-hourly markets. A potential loss of revenue optimization opportunities may also occur.
-  • HiDMS (High Density Modem Solution) – Provides failover capability for metering data at the Alternate Data Center by implementing a modem bank. Without this project, metering data would not be readily available in the event of a Portland area outage.
-  • Digital Signatures – Enables non-repudiation of electronically signed documents. Impact of delaying this capability beyond FY 2013 would be that Transmission and other groups would need to continue with manual print/sign/scan process for drawings and other signed documents.



Customer Interaction


-  • Agency Portal – Modernizes BPA's external facing web presence. Deferral is largely an issue of image with customers and stakeholders.
-  • Customer Data Management – Provides data architecture design for the REV program. Deferring would result in loss of design optimization across REV.

Corporate Improvements

-  • PeopleSoft Optimization – Provides a series of improvements in support of HCM and Finance. Impact would be HCM continuing with manual processes resulting in retaining 2 FTE above planned levels.
-  • Dynamic Modeling – Provides Finance modeling for debt repayment scenarios. Deferring incurs the risk of missing portfolio optimization opportunities
-  • Electronic Personnel Files (E-OPF) – Deferring would result in BPA continuing to lag the rest of DOE in implementing this capability and would require HCM to retain an FTE above planned levels.

Infrastructure Improvement

-  • NOC Staffing – Proposal would reduce network operations center (NOC) staffing from 24x7 to 12x7 incurring the risk that critical business systems may experience outages in excess of mandated recovery times.
-  • Desktop Refresh – Slows the replacement of aging desktop /laptops across the Agency, moving from a 4 year to a 6 year refresh cycle, incurring the risk of higher break/fix activity with associated work disruption and loss of productivity.

 **Reduce System Refreshes** - Reduce and delay planned system upgrades and enhancements for Agency's systems (Asset Suite, OATI, MCG, Endur, Teramark, etc) resulting in the inability to take advantage of newly available functionality and not meeting business units evolving and emerging needs.



Information Technology (IT) - Capital



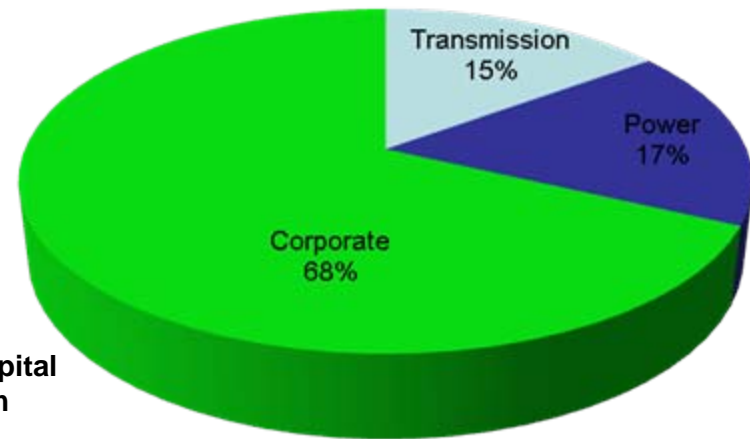
Capital-Information Technology	2009 Actuals	2010 SOY	2011 Rate Case	2011 IPR	2012 IPR	2013 IPR
Total	33,257,630	40,000,000	21,375,000	49,000,030	39,000,000	40,000,000

Strategic Objectives:

- **S2 – FCRPS Operations & Expansion.** Operation and expansion of FCRPS power and transmission facilities meet availability and reliability standards in the most regionally cost-effective manner.
- **I1 – Systems & Processes.** BPA meets the demands of business operations efficiently and effectively through standardized, continuously-improved systems and processes.
- **I4 – Asset Management.** BPA maximizes the long-term value of FCRPS power and transmission assets through integrated asset management practices.

Information Technology (IT)

Develops and supports agency-wide business automation systems and provides information technology governance, planning, and standards for the agency’s general business activities. IT has overall responsibility and accountability for all BPA information technology-related (non-Grid Ops) programs. This includes the infrastructure to run and operate these systems. The current Capital Work Plan allocation is 15% Transmission, 17% Power, 68% Corporate and consists of 48 projects.



FY 2012 Capital Program (\$39m)

Corporate projects include systems and assets that benefit more than one business unit; examples include: RODS Replacement, Customer Billing, HQ Cable Plant Upgrade, Data Center Modernization, Voice Recording Replacement, E-Discovery, etc.



Information Technology

FY 2012 Expense: \$70,200k Capital: \$39,000k

FY 2013 Expense: \$71,900k Capital: \$40,000k



Historical Capital Spending

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
IT Capital Spending (\$m)	11.1	17.2	16.8	18.7	35.4	49.6	49.0	39.02	40.0
Agency Capital Spending (\$m)	350.1	380.1	419.3	389.0	593.2	593.2	996.8	1,116.5	1,161.6
IT as a % of Total Agency Spending	3.2%	4.5%	4.0%	4.8%	5.9%	5.2%	4.9%	3.5%	3.4%
Numbers of IT Projects Delivered	9	11	10	13	18	21	18	6+	TBD
FY 2008 IPR Forecasts for IT Capital (\$m)	29.3	17.5	20.0	19.0	20.0	22.5	22.5	22.5	22.5

After ramping up in FY 2008 through FY 2011 to support RODS Upgrade, the REV program and TPIP program, IT capital spending is expected to return to the pre ramp up spending levels of approximately 3.5% of Agency Capital spending.



Project Management

FY 2012 Expense: \$ 2.7m Capital: \$39.0m

FY 2013 Expense: \$ 2.7m Capital: \$40.0.

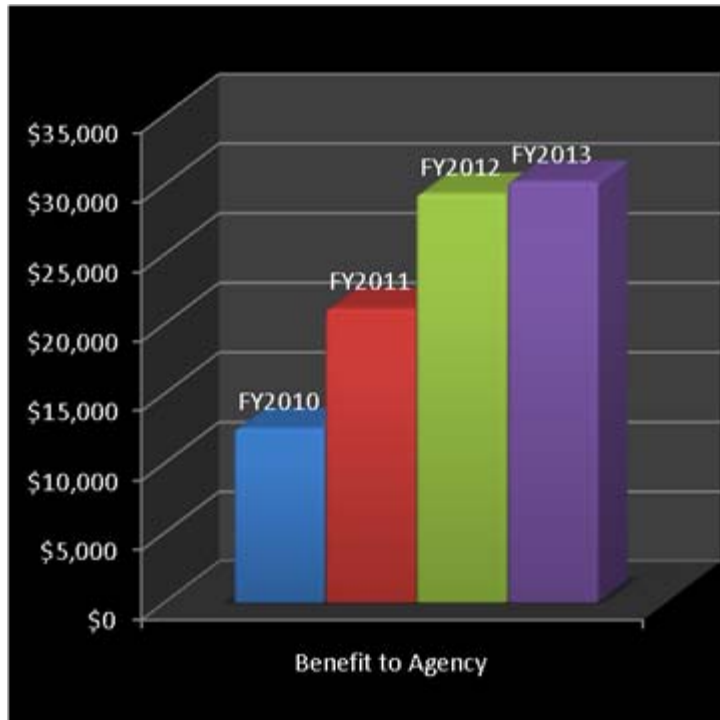


Project Areas:

- REV
- TPIP
- RODS Replacement
- Data Center Modernization
- Other Projects

Project Management covers management of the planning and execution of the ~\$50 million FY 2010 IT Capital portfolios (Capital Work Plan).

- **REV** – The Regional-Enterprise-Value (REV) Program is organized to implement and support BPA's new Regional Dialogue contracts establishing a tiered rate methodology, and offering new long-term power sales agreements. Completion FY 2012
- **TPIP** – TPIP is the coordination of oversight for the IT projects and processes they support that were spawned from the O&M, PDB, Asset Management, and Supply Chain EIPs. Completion FY 2011
- **RODS Replacement** – The RODS Replacement Program (RRP) is a multi-year project with the purpose of developing and deploying high availability IT systems to replace the functionality that currently resides on BPA's legacy RODS (Real-time Operations, Dispatch, and Scheduling) system. Completion FY 2012
- **Data Center Modernization** – The purpose of this project is to modernize the Agency's data center, increase the efficiency of the delivery and reliability of all of the Agency's information systems, improve the internal application development and support process and, generally, reduce the total cost of ownership of all internal IT systems and services. Completion FY 2012



	FY2009 (\$m)	FY2010 (\$m)	FY2011 (\$m)	FY2012 (\$m)
REV Implementation	\$3.2	\$14.3	\$11.3	\$1.9
TPIP Implementation	\$9.5	\$9.2	\$0.8	\$0.0
RODS Retirement	\$1.6	\$4.4	\$3.8	\$3.2
Data Center Modernization	\$3.0	\$10.5	\$9.9	\$1.8
Other Projects	\$18.1	\$11.1	\$23.2	\$32.1
Total	\$35.4	\$49.6	\$49.0	\$39.0



Information Technology (IT) - Capital



Capital-Information Technology	2013 IPR	2014 IPR	2015 IPR	2016 IPR	2017 IPR
Total	40,000,000	41,000,000	41,999,998	43,000,000	43,999,999

FY 2012-13 Spending Drivers:

- TPIP- complete FY 2012
- Regional Dialogue - complete FY 2012
- Transmission Commercial System Reinforcement – complete FY 2012+
- Dynamic Transfer - complete FY 2012+
- Wind Integration - complete FY 2012+
- Data Center Modernization - complete FY 2012
- Smart Grid Phase I – complete FY 2015
- Emerging Compliance Requirements

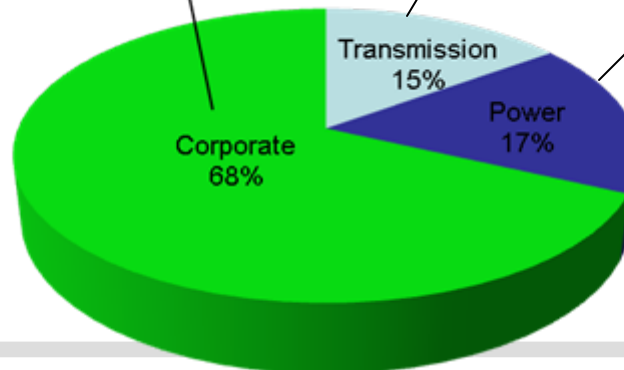
FY 2014-17 Spending Drivers:

- Alternative Scheduling Center
- Transmission Commercial System Reinforcement
- Dynamic Transfer
- Smart Grid Phase I - complete FY 2015
- Smart Grid Phase II – start FY 2015-16+
- Emerging Compliance Requirements
- Move ERP system to Oracle Fusion – start FY 2016-17 move
- Upgrade PBX – start FY 2014-15
- Storage Modernization – start FY 2014-15
- Network Upgrade to include move to IPv6 - start FY 2014-16
- Data Center Modernization – start FY 2016-17

Key Products and Outputs.

The FY 2010 Capital Work Plan includes 48 projects with scheduled completion of 20 projects in FY 2010, 17 in FY 2011, 11 projects in FY 2012. A sampling of the key product and outs produced by this work plan include:

- Dynamic Modeling – Provides Finance modeling for debt repayment scenarios, allowing optimization of opportunities.
- Electronic Personnel Files – implementing this capability enables BPA to align with DOE practices and allows HCM to reduce a FTE.
- RODS Replacement provides Power and Transmission a modern distribution automation system
- Data Center Modernization
- Pisces BIOP Accords
- Transmission Commercial System Reinforcement revamps Transmission’s systems to support sub-hourly markets.
- HiDMS (High Density Modem Solution) – Provides failover capability for metering data at the Alternate Data Center by implementing a modem bank.
- Digital Signatures – Enables non-repudiation of electronically signed CAD drawing and other documents.
- Rev Program – nine projects ensuring BPA can 20-year power projects. Includes scheduling system, loads obligation, resource analyzer, load forecasting, revenue forecasting, and contracts management.
- Stream Flow Model Replacement
- Trade Management System (Gateway)



Next Steps

Detailed Workshop Schedule

2010 Integrated Program Review (IPR) Workshop Schedule

All workshops are subject to change as necessary

	Workshop Topic	Date	Time
-	Asset Management Overview <i>Pre-IPR meeting held at the Quarterly Business Review</i>	May 3, 2010	3:00-4:00 PM
1	Executive Welcome and Overview <i>Executive Welcome, Introductions, Process Overview Power, Transmission, Corporate overview</i>	May 10, 2010	9:00-1:00 PM
2	Federal Hydro Asset Strategy & Capital Discussion <i>FCRPS Hydro Asset Strategy Federal Hydro Capital Program for FY 2012-17</i>	May 13, 2010	9:00-12:00 PM
3	Transmission Asset Strategies & Capital Discussion <i>Transmission Asset Strategies Transmission Capital Programs for FY 2012-17</i>	May 17, 2010	9:00-4:00 PM
4	Transmission Expense <i>Transmission Expense Programs for FY 2012-13</i>	May 18, 2010	9:00-12:00 PM
5	Transmission Overflow <i>Discuss Remaining Topics, Follow Ups, Etc.</i>		1:00-4:00 PM
6	Power Internal Operating Costs, Acquisition/Ancillary Services & Residential Exchange <i>Power Internal Operating Cost for FY 2012-13 Power Acquisition and Ancillary Services for FY 2012-13 Residential Exchange Program for FY 2012-13</i>	May 19, 2010	9:00-12:00 PM
7	Columbia Generating Station (CGS) <i>CGS Expense and Capital Program for FY 2012-17</i>		1:00-4:00 PM



Detailed Workshop Schedule

2010 Integrated Program Review (IPR) Workshop Schedule

All workshops are subject to change as necessary

	Workshop Topic	Date	Time
8	FCRPS Hydro Operation & Maintenance Program and Cultural Resources <i>FCRPS Hydro O&M Program for FY 2012-13</i> <i>Cultural Resources Program</i>	May 20, 2010	9:00-12:00 PM
9	Fish & Wildlife, Lower Snake River Comp (LSRC) and Northwest Power Planning Council (NWPPC) <i>F&W Expense & Capital Program for FY 2012-17</i> <i>LSRC Program for FY 2012-13</i> <i>NWPPC Expense Program for FY 2012-13</i> <i>Columbia River Fish Mitigation (CRFM) FY 2012-17</i>		1:00-4:00 PM
10	Power Overflow <i>Discuss Remaining Topics, Follow Ups, Etc.</i>	May 24, 2010	9:00-12:00 PM
11	Energy Efficiency & Renewable Resources <i>Energy Efficiency Expense & Capital Program for FY 2012-17</i> <i>Renewable Resources for FY 2012-13</i>		1:00-4:00 PM
12	Facilities Asset Strategy <i>Facilities Asset Strategy</i>	May 25, 2010	9:00-10:30 AM
13	Information Technology (IT) Asset Strategy <i>IT Asset Strategy</i>		10:30-12:00 PM
14	Agency Services <i>Agency Services Expense & Capital Programs for FY 2012-2017</i>		1:00-4:00 PM
15	General Manager Meeting	June 8, 2010	9:00-12:00 PM
16	General Manager Meeting	July 13, 2010	9:00-12:00 PM



Ways to Participate

- All forums are open to the public and will be noticed on the Integrated Program Review (IPR) external website at: <http://www.bpa.gov/corporate/Finance/IBR/IPR/>.
- Representatives from the Corps of Engineers, Bureau of Reclamation and Energy Northwest will be participating in the IPR process including presentations.
- All technical and managerial workshops will be held at BPA Headquarters.
- If participating by phone please dial into the bridge at 503-230-5566, then any time during or after the message and the double beep, enter 3981#. Presentation material will be posted on the IPR external website prior to the workshop taking place.
- The IPR process will include a public comment period for proposed program spending levels. The comment period opens May 10, 2010 and will close on July 29, 2010.
- Comments can be submitted at any of the scheduled workshops or submitted in writing to:
 - Bonneville Power Administration, P.O. Box 14428, Portland, OR 97293-4428,
 - Email to comment@bpa.gov,
 - Faxed to (503) 230-3285



BPA's Financial Disclosure Information

- All FY 2010-2017 information has been made publicly available by BPA on May 21, 2010 and does not contain Agency-approved Financial Information.
- All FY 2009 information has been made publicly available by BPA and contains Agency-approved Financial Information.
- All FY 2011 Rate Case data has been developed for publication in rates proceeding documents and is being provided by BPA.

