



Bonneville Power Administration

INTEGRATED PROGRAM REVIEW

Questions & Responses to Transmission Capital Budget

August 12, 2008



Capital Budget Line Items

1. Please provide more detail (historical spending, types of projects, and basis for the IPR budget) on the Transmission placeholder capital budget line items.

<i>Projects costs are direct costs only</i>		FUNDED PROJECT TOTALS			IPR FORECAST	
		FY 2006	FY 2007	FY 2008	FY 2010	FY 2011
		(Thousands)			(Thousands)	
1	NERC Criteria Compliance	\$9,032	\$800	\$1,295	\$9,000	\$9,000
2	Main Grid Reactive	\$0	\$2,192	\$0	\$4,000	\$4,000
3	Other Associated Interconnections	\$1,281	\$6,840	\$1,142	\$4,000	\$4,000
4	Main Grid Facilities/Various Additions	\$7,844	\$7,690	\$102	\$4,000	\$4,000
5	Network Open Season Additions *	\$0	\$0	\$0	\$4,250	\$4,340
		* This is a new category and did not exist for FY06, 07 or 08.				
6	Line Relocations on Tribal Land	\$0	\$0	\$0	\$3,722	\$3,799



Capital Budget Line Items (cont.)

PROJECTS THAT MAY BE INCLUDED IN FY 2010/FY 2011 BUDGET	
1 NERC Criteria Compliance	Includes Sectionalizing Breaker Additions, Line Reterminations, Shunt Capacitors, Bay Additions, and Line Swaps. <i>With the increasing mandatory reliability standards, it is expected that the funds will be spent either for NERC compliance or in another reliability category.</i>
2 Main Grid Reactive	Shunt Capacitors and Shunt Reactors to support Main Grid Infrastructure. <i>Although the average cost for the 3 year period is low, \$4M is the average cost over time. With the infrastructure expansion projects, it is expected that we will have to provide reactive support.</i>
3 Other Associated Interconnections	Generation. Line and Load Interconnections, related Remedial Action Schemes, Line Upgrades, Breaker Additions, and Tap Lines. <i>Budgeted amount is based on two year average capital spend in FY08 and FY09.</i>
4 Main Grid Facilities/Various Additions	Bay Developments, Line Upgrades, Breaker Additions, etc. <i>Budgeted amount is based on two year average capital spend in FY08 and FY09.</i>
5 Network Open Season Additions	Projects related to Network Open Season may include Line Upgrades, Breaker Additions, Line Swaps, etc. <i>Although a new category, it is very likely that these funds will be spent given existing FY09 new start project requests.</i>
6 Line relocations on tribal land	This line item relates to line relocation on tribal lands. In some cases line relocations occur if negotiation is not able to be reached on expired tribal easements. Easements are budgeted under System Replacements, Transmission Line Replacements- \$5.3M in 2010 and \$5.4M in 2011. Easements are not the only line replacement projects contained in that category and for 2010 & 2011 there are non-tribal line relocation projects that are planned. Four tribal easement agreements have expired and are under negotiation. <i>Agreement has been reached on only one of the 4 easements. The remaining three are under negotiation and expected to have payments in 2009-2011. It is difficult to forecast easements payments until an agreement has been reached and in many cases the settled amount has been higher than the budgeted amount. Given this, the "line relocations on tribal land" budget line item will either accommodate a line relocation if easements negotiation fail or cost increases during easement renewal negotiations.</i>
<i>In the future some of these items may be combined as they are addressing similar reliability problems.</i>	
<i>All FY 2006 - FY 2011 information provided on August 11, 2008 and cannot be found in BPA-approved Agency Financial Information, but is provided for discussion or exploratory purposes only as projections of program activity levels, etc. This information is a derived estimate for presentation purposes and cannot be found in BPA-approved Agency Financial information.</i>	



BPA's Financial Disclosure Information

1. All FY 2008-2013 information was provided in May 2008 and cannot be found in BPA-approved Agency Financial Information, but is provided for discussion or exploratory purposes only as projections of program activity levels, etc. This information is a derived estimate for presentation purposes and cannot be found in BPA-approved Agency Financial Information but is provided for discussion or exploratory purposes only as “*projections of program activity levels, etc.*”
2. All FY 2007 and earlier information was provided in May 2008 and is consistent with audited actuals that contain BPA-approved Agency Financial Information, with the exception of “Agency Services Rate Case Amounts”. The Agency Services information is a derived estimate for presentation purposes and cannot be found in BPA-approved Agency Financial Information