

Report ID: 1001C304

Run Date/Time: February 20, 2004/ 11:08

Data Source: PS Production

Unit of measure: \$ Thousands

**Federal Columbia River Power System**  
**Statement of Revenues and Expenses - Customer Collaborative**  
 Through the Month Ended January 31, 2004  
 Preliminary/ Unaudited

% of Year Lapsed = 33%

	A	B <Note 2	C <Note 3	D	E
	Actuals: FY 2003	PBL & TBL Rate Cases: FY 2004	Forecast: QTR 1 FY 2004	Actuals: FYTD 2004	Actuals: FYTD 2003
<b>Operating Revenues</b>					
1 Sales	3,328,277	3,365,554	3,214,322	1,125,032	\$1,162,648
2 Miscellaneous Revenues	49,077	47,983	51,239	16,445	11,461
4 Derivatives - Mark to Market Gain (Loss) <Note 1	55,265		(1,210)	(2,275)	63,639
5 U.S. Treasury Credits	179,484	81,675	70,851	26,365	26,085
6 <b>Total Operating Revenues</b>	<b>3,612,104</b>	<b>3,495,212</b>	<b>3,335,201</b>	<b>1,165,567</b>	<b>1,263,833</b>
<b>Operating Expenses</b>					
Power System Generation Resources					
Operating Generation Resources					
7 Columbia Generating Station	205,153	216,900	221,665	66,011	87,244
8 Bureau of Reclamation	54,041	61,300	61,300	19,324	19,254
9 Corps of Engineers	129,383	140,500	140,500	36,583	40,422
10 Long-term Generating Projects	26,105	31,346	28,355	5,410	5,998
11 Operating Generation Settlement Payment	16,709	17,000	16,838	5,084	5,084
12 Non-Operating Generation	9,136	12,200	1,442	(2,877)	1,026
13 Contracted Power Purchases and Augmentation Power Purchases	1,007,997	692,886	660,012	265,122	389,214
14 Residential Exchange/IOU Settlement Benefits	143,967	143,802	143,802	42,182	46,730
15 Renewable and Conservation Generation, including C&RD	83,059	89,724	91,199	28,184	21,290
16 <b>Subtotal Power System Generation Resources</b>	<b>1,675,550</b>	<b>1,405,658</b>	<b>1,365,113</b>	<b>465,023</b>	<b>616,262</b>
17 PBL Transmission Acquisition and Ancillary Services	47,648	49,000	48,499	7,149	12,203
18 PBL Non-Generation Operations	62,649	66,629	64,421	15,535	19,250
19 TBL Transmission Acquisition and Ancillary Services	5,617	8,321	7,108	2,278	2,057
20 Transmission Operations	76,519	96,312	85,682	24,468	24,088
21 Transmission Engineering	13,424	20,533	17,026	2,176	2,956
22 Transmission Maintenance	78,257	84,491	83,189	22,858	23,833
23 Fish and Wildlife/USF&W/Planning Council	169,918	163,445	165,526	20,244	37,744
General and Administrative/Shared Services					
24 CSRS	35,100	30,950	30,950	10,300	11,700
25 Corporate Support (G&A and Shared Services) / TBL Supply Chain	83,987	100,728	89,232	27,064	25,147
26 Other Expense Adjustments	(7,140)		(7,038)	(3,511)	263
27 Non-Federal Debt Service	119,534	584,819	349,765	85,311	74,482
28 Depreciation & Amortization	350,025	355,655	357,389	118,763	113,840
29 <b>Total Operating Expenses</b>	<b>2,711,089</b>	<b>2,966,540</b>	<b>2,656,863</b>	<b>797,658</b>	<b>963,824</b>
30 <b>Net Operating Revenues (Expenses)</b>	<b>901,015</b>	<b>528,672</b>	<b>678,338</b>	<b>367,910</b>	<b>300,009</b>
<b>Interest Expense</b>					
31 Interest	378,989	383,945	363,328	113,604	125,790
32 AFUDC	(33,398)		(34,600)	(10,652)	(9,497)
33 <b>Net Interest Expense</b>	<b>345,591</b>	<b>383,945</b>	<b>328,728</b>	<b>102,952</b>	<b>116,293</b>
34 <b>Net Revenues (Expenses) from Continuing Operations</b>	<b>555,424</b>	<b>144,727</b>	<b>349,610</b>	<b>264,958</b>	<b>183,716</b>
35 <b>Net Revenues (Expenses)</b>	<b>\$555,424</b>	<b>\$144,727</b>	<b>\$349,610</b>	<b>\$264,958</b>	<b>\$183,716</b>

&lt;1 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by SFAS 133, as amended, for identified derivative instruments

&lt;2 PBL Rate Case amounts are from the final SNCRAC ROD data that was presented at the August 28th, 2003 Customer Workshop, which did not include any results from debt refinancing.

The TBL groupings of expenses by programs and sub-programs for FY 2004 estimates, developed as part of the 2004 Rate Case, have been reconstituted to match the groupings shown on this report.

&lt;3 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices.

These uncertainties among other factors may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

## PBL Statement of Revenues and Expenses - Customer Collaborative

Run Date/Time: February 20, 2004 12:01

Through the Month Ended January 31, 2004

Data Source: PS Production

Preliminary Unaudited

Unit of measure: \$ Thousands

% of Year Lapsed = 33%

	A	B	C	D	E
	Actuals: FY 2003	SNCRAC Aug 2003 Forecast: FY 2004<Note 2	Forecast: First Quarter FY 2004 <Note 3	Actuals: FYTD 2004	Actuals: FYTD 2003
<b>Operating Revenues</b>					
1 Sales	2,806,781	2,812,175	2,711,269	949,932	982,264
2 Miscellaneous Revenues	17,856	15,670	19,284	6,969	4,688
3 Inter-Business Unit	85,425	80,326	73,895	26,005	26,164
4 Derivatives - Mark to Market Gain (Loss) <Note 1	55,265		(1,210)	(2,275)	63,639
5 U.S. Treasury Credits	179,484	81,675	70,851	26,365	26,085
6 <b>Total Operating Revenues</b>	<b>3,144,811</b>	<b>2,989,847</b>	<b>2,874,089</b>	<b>1,006,997</b>	<b>1,102,840</b>
<b>Operating Expenses</b>					
Power System Generation Resources					
Operating Generation Resources					
7 Columbia Generating Station	205,153	216,900	221,665	66,011	87,244
8 Bureau of Reclamation	54,041	61,300	61,300	19,324	19,254
9 Corps of Engineers	129,383	140,500	140,500	36,583	40,422
10 Long-term Generating Projects	26,105	31,346	28,355	5,410	5,998
11 Operating Generation Settlement Payment	16,709	17,000	16,838	5,084	5,084
12 Non-Operating Generation	9,136	12,200	1,442	(2,877)	1,026
13 Contracted Power Purchases and Augmentation Power Purchases	1,007,997	692,886	660,012	265,122	389,214
14 Residential Exchange/IOU Settlement Benefits	143,967	143,802	143,802	42,182	46,730
15 Renewable and Conservation Generation, including C&RD	83,171	89,724	91,199	28,184	21,291
16 <b>Subtotal Power System Generation Resources</b>	<b>1,675,661</b>	<b>1,405,658</b>	<b>1,365,113</b>	<b>465,023</b>	<b>616,264</b>
17 PBL Transmission Acquisition and Ancillary Services	156,882	190,000	166,749	40,657	49,793
18 Power Non-Generation Operations	63,035	67,268	64,421	15,553	19,288
19 Fish and Wildlife/USF&W/Planning Council	170,289	163,700	165,526	20,254	37,773
General and Administrative/Shared Services					
20 CSRS	17,550	15,500	15,500	5,150	5,850
21 Corporate Support - G&A and Shared Services; TBL Support - Supply Chain	34,365	39,230	39,104	11,780	11,422
22 Other Expense Adjustments	(6,192)		(38)	(38)	(5)
23 Non-Federal Debt Service	434,734	584,819	483,119	144,171	147,482
24 Depreciation & Amortization	178,896	176,842	181,235	58,102	58,331
25 <b>Total Operating Expenses</b>	<b>2,725,220</b>	<b>2,643,017</b>	<b>2,480,729</b>	<b>760,652</b>	<b>946,197</b>
26 <b>Net Operating Revenues (Expenses)</b>	<b>419,591</b>	<b>346,830</b>	<b>393,359</b>	<b>246,344</b>	<b>156,643</b>
<b>Interest Expense</b>					
27 Interest	192,521	217,785	193,560	61,553	66,922
28 AFUDC	(15,926)		(11,500)	(3,852)	(4,160)
29 <b>Net Interest Expense</b>	<b>176,595</b>	<b>217,785</b>	<b>182,059</b>	<b>57,701</b>	<b>62,762</b>
30 <b>Net Revenues (Expenses) from Continuing Operations</b>	<b>242,996</b>	<b>129,045</b>	<b>211,300</b>	<b>188,644</b>	<b>93,881</b>
31 <b>Net Revenues (Expenses)</b>	<b>\$242,996</b>	<b>\$129,045</b>	<b>\$211,300</b>	<b>\$188,644</b>	<b>\$93,881</b>

&lt;1 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by SFAS 133, as amended, for identified derivative instruments

&lt;2 PBL Rate Case amounts are from the final SNCRAC ROD data that was presented at the August 28th, 2003 Customer Workshop, which did not include any results from debt refinancing.

&lt;3 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices.

These uncertainties among other factors may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

**Modified Net Revenue - Customer Collaborative**

Through the Month Ended January 31, 2004

Preliminary Unaudited

	A	B	C	D	E	F
	Actuals: FY 2000	Actuals: FY 2001	Actuals: FY 2002	Actuals: FY 2003	Rate Case: FY 2004	Forecast: FY 2004 First Quarter <Note 5
1 PBL Net Revenue (Expense)	252,130	(212,043)	(87,421)	242,996	129,045	211,300
2 PBL Modified Net Revenue Adjustments <Note 1	(81,677)	(205,730)	(303,051)	(203,350)		(94,613)
3 PBL Modified Net Revenue <Note 2	170,453	(417,773)	(390,472)	39,646	129,045	116,687
4 PBL Accumulated Net Revenue <GSRP Defined, see Note 3	170,453	(247,321)	(637,793)	(598,147)	(469,102)	(481,460)
5 FBCRAC Threshold Amount <Note 4	--	(386,000)	(408,000)	(378,000)	(264,000)	(264,000)
6 MNR Improvements Required for Zero Percent FBCRAC						217,460
7 FCRPS MNR <Note 6	159,300	(374,625)	(346,387)	36,874	144,726	106,143

<1 Consistent with the GRSP's, the Modified Net Revenue (MNR) is an adjustment to Net Revenues for the purpose of calculating the rate case Financial and Safety-net Cost Recovery Adjustment Clause.

The MNR excludes the impact of SFAS 133 transactions (Accounting for Derivative Instruments and Hedging Activities); for Debt Service, the MNR excludes actual ENW debt service and substitutes the Energy Northwest debt service expenses as forecasted in the WP-02 Final Studies.

<2 FYTD PBL MNR equals \$141,618,000 and FYTD FCRPS MNR equals \$159,072,000 .

<3 The GRSP's definition of the Accumulated Net Revenue (ANR) differs from the accounting standard definition of ANR. The GRSP's defined ANR is used in determining the FBCRAC rates; the GRSP's ANR represents the accounting standard Accumulated Net Revenue (starting 09/30/99) less the accumulated effects of FAS 133 and ENW debt refinancing activities (see note 1.)

<4 In accordance with the GRSP's, the FBCRAC thresholds were established to provide an upward adjustment to rates to address declining financial circumstances.

The thresholds are established as a benchmark in which to evaluate the financial condition. The FBCRAC thresholds for the ends of FY 2003 - 2005 are reset to equal the SNCRAC thresholds each time the SNCRAC thresholds are recalculated. [SN-03-A-02]

<5 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices.

This report is not an absolute prediction of future revenues or costs, nor does it reflect the actual ANR for the end of the fiscal year, (unless otherwise indicated.)

This report should not be used for investment purposes, nor is it a guarantee that the actual ANR will be achieved as forecasted.

<6 The FCRPS MNR uses the same components and methodology as defined in footnote 1 above, but applied to agency financial results instead of just the PBL component. This calculation simulates the actual financial performance for the agency exclusive of the FAS 133 and ENW Debt Optimization program impacts on Net Revenue.

	A	B	C <Note 1	D	E
	Actuals: FY 2003	Rate Case: FY 2004	Forecast: First Quarter FY 2004	Actuals: FYTD 2004	Actuals: FYTD 2003
<b>Operating Revenues</b>					
1 Sales	521,496	553,379	503,052	175,100	180,384
2 Miscellaneous Revenues	31,221	32,313	31,954	9,476	6,773
3 Inter-Business Unit Revenues	110,884	138,324	118,126	33,548	37,682
4 <b>Total Operating Revenues</b>	663,601	724,016	653,133	218,124	224,838
<b>Operating Expenses</b>					
5 TBL Transmission Acquisition and Ancillary Services	91,013	88,623	84,416	27,884	28,167
6 Transmission Operations	76,840	96,312	85,682	24,468	24,141
7 Transmission Engineering	13,495	20,533	17,026	2,576	2,956
8 Transmission Maintenance	78,257	84,491	83,189	22,858	23,833
General and Administrative/Shared Services					
9 CSRS	17,550	15,450	15,450	5,150	5,850
10 Corporate Support - G&A and Shared Services/TBL Support - Supply Chain	49,920	61,498	50,128	15,284	13,724
11 Other Expense Adjustments	(828)		(7,000)	(70)	243
12 Depreciation & Amortization	171,130	178,813	176,154	60,661	55,509
13 <b>Total Operating Expenses</b>	497,378	545,720	505,045	158,812	154,425
14 <b>Net Operating Revenues (Expenses)</b>	166,224	178,296	148,088	59,312	70,414
<b>Interest Expense</b>					
15 Interest	186,468	190,653	185,268	57,219	58,868
16 AFUDC	(17,472)	(24,493)	(23,100)	(6,762)	(5,282)
17 <b>Net Interest Expense</b>	168,996	166,160	162,168	50,457	53,586
18 <b>Net Revenues (Expenses) from Continuing Operations</b>	(2,772)	12,136	(14,080)	8,855	16,828
19 <b>Net Revenues (Expenses)</b>	(\$2,772)	\$12,136	(\$14,080)	\$8,855	\$16,828

<1 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties, among other factors, may result in large range swings +/-, which impact the final results in revenues, expenses, and cash reserves.