

Federal Columbia River Power System
Statement of Revenues and Expenses - Customer Collaborative
Through the Month Ended February 29, 2004

Preliminary/ Unaudited

% of Year Lapsed = 41%

	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
Operating Revenues					
1 Sales	3,328,277	3,365,554	3,214,322	1,371,346	1,414,924
2 Miscellaneous Revenues	49,077	47,983	51,239	20,581	14,092
3 Derivatives - Mark to Market Gain (Loss) <Note 1	55,265		(1,210)	6,446	46,090
4 U.S. Treasury Credits	179,484	81,675	70,851	32,212	36,024
5 Total Operating Revenues	3,612,104	3,495,212	3,335,201	1,430,584	1,511,130
Operating Expenses					
Power System Generation Resources					
Operating Generation Resources					
6 Columbia Generating Station	205,153	216,900	221,665	82,410	108,469
7 Bureau of Reclamation	54,041	61,300	61,300	22,566	18,832
8 Corps of Engineers	129,383	140,500	140,500	47,383	43,362
9 Long-term Generating Projects	26,105	31,346	28,355	7,451	8,539
10 Operating Generation Settlement Payment	16,709	17,000	16,838	6,355	7,812
11 Non-Operating Generation	9,136	12,200	1,442	(1,895)	2,040
12 Contracted Power Purchases and Augmentation Power Purchases	1,007,997	692,886	660,012	311,714	474,056
13 Residential Exchange/IOU Settlement Benefits	143,967	143,802	143,802	52,981	58,641
14 Renewable and Conservation Generation, including C&RD	83,059	89,724	91,199	35,533	25,963
15 Subtotal Power System Generation Resources	1,675,550	1,405,658	1,365,113	564,496	747,713
16 PBL Transmission Acquisition and Ancillary Services	47,648	49,000	48,499	10,614	15,400
17 PBL Non-Generation Operations	62,649	66,629	64,421	20,077	24,370
18 TBL Transmission Acquisition and Ancillary Services	5,617	8,321	7,108	2,713	2,556
19 Transmission Operations	76,519	96,312	85,682	30,916	30,112
20 Transmission Engineering	13,424	20,533	17,026	5,119	3,795
21 Transmission Maintenance	78,257	84,491	83,189	29,092	29,450
22 Fish and Wildlife/USF&W/Planning Council General and Administrative/Shared Services	169,918	163,445	165,526	28,689	49,578
23 CSRS	35,100	30,950	30,950	12,875	14,625
24 Corporate Support (G&A and Shared Services) / TBL Supply Chain	83,987	100,728	89,232	33,695	34,099
25 Other Expense Adjustments	(7,140)		(7,038)	(3,164)	(984)
26 Non-Federal Debt Service	119,534	584,819	349,765	106,682	93,737
27 Depreciation & Amortization	350,025	355,655	357,389	148,780	145,002
28 Total Operating Expenses	2,711,089	2,966,540	2,656,863	990,584	1,189,453
29 Net Operating Revenues (Expenses)	901,015	528,672	678,338	440,001	321,677
Interest Expense					
30 Interest	378,989	383,945	363,328	140,199	156,034
31 AFUDC	(33,398)		(34,600)	(13,526)	(12,057)
32 Net Interest Expense	345,591	383,945	328,728	126,673	143,977
33 Net Revenues (Expenses) from Continuing Operations	555,424	144,727	349,610	313,328	177,700
34 Net Revenues (Expenses)	\$555,424	\$144,727	\$349,610	\$313,328	\$177,700

<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

The MTM adjustment is excluded in calculating Modified Net Revenues for rate setting purposes.

<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.

<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: March 18,2004 13:17

Through the Month Ended February 29, 2004

Data Source: PS Production

Preliminary Unaudited

Unit of measure: \$ Thousands

% of Year Lapsed = 41%

	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
Operating Revenues					
1 Sales	2,806,781	2,812,175	2,711,269	1,149,676	1,194,746
2 Miscellaneous Revenues	17,856	15,670	19,284	7,868	5,653
3 Inter-Business Unit	85,425	80,326	73,895	32,876	32,772
4 Derivatives - Mark to Market Gain (Loss) <Note 1	55,265		(1,210)	6,446	46,090
5 U.S. Treasury Credits	179,484	81,675	70,851	32,212	36,024
6 Total Operating Revenues	3,144,811	2,989,847	2,874,089	1,229,077	1,315,285
Operating Expenses					
Power System Generation Resources					
Operating Generation Resources					
7 Columbia Generating Station	205,153	216,900	221,665	82,410	108,469
8 Bureau of Reclamation	54,041	61,300	61,300	22,566	18,832
9 Corps of Engineers	129,383	140,500	140,500	47,383	43,362
10 Long-term Generating Projects	26,105	31,346	28,355	7,451	8,539
11 Operating Generation Settlement Payment	16,709	17,000	16,838	6,355	7,812
12 Non-Operating Generation	9,136	12,200	1,442	(1,895)	2,040
13 Contracted Power Purchases and Augmentation Power Purchases	1,007,997	692,886	660,012	311,714	474,056
14 Residential Exchange/IOU Settlement Benefits	143,967	143,802	143,802	52,981	58,641
15 Renewable and Conservation Generation, including C&RD	83,171	89,724	91,199	35,535	25,973
16 Subtotal Power System Generation Resources	1,675,661	1,405,658	1,365,113	564,498	747,723
17 PBL Transmission Acquisition and Ancillary Services	156,882	190,000	166,749	51,539	60,455
18 Power Non-Generation Operations	63,035	67,268	64,421	20,103	24,430
19 Fish and Wildlife/USF&W/Planning Council	170,289	163,700	165,526	28,701	49,703
General and Administrative/Shared Services					
20 CSRS	17,550	15,500	15,500	6,438	7,313
21 Corporate Support - G&A and Shared Services; TBL Support - Supply Chain	34,365	39,230	39,104	14,588	14,450
22 Other Expense Adjustments	(6,192)		(38)	(168)	(5)
23 Non-Federal Debt Service	434,734	584,819	483,119	179,508	184,987
24 Depreciation & Amortization	178,896	176,842	181,235	72,854	75,547
25 Total Operating Expenses	2,725,220	2,643,017	2,480,729	938,060	1,164,603
26 Net Operating Revenues (Expenses)	419,591	346,830	393,359	291,017	150,682
Interest Expense					
27 Interest	192,521	217,785	193,560	76,123	83,267
28 AFUDC	(15,926)		(11,500)	(4,825)	(5,203)
29 Net Interest Expense	176,595	217,785	182,059	71,298	78,064
30 Net Revenues (Expenses) from Continuing Operations	242,996	129,045	211,300	219,719	72,618
31 Net Revenues (Expenses)	\$242,996	\$129,045	\$211,300	\$219,719	\$72,618

<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

The MTM adjustment is excluded in calculating Modified Net Revenues for rate setting purposes.

<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.

<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 February 29, 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 \$150.9 million and FYTD FCRPS MNR equals \$171.7 million.

<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 Because the FCRPS MNR excludes actual ENW debt service amounts and substitutes the Energy Northwest debt service expenses as forecasted in the WP-02 Final Studies, the FCRPS MNR removes the effect of debt refinancing from BPA's annual financial activities.

	A	B	C	D	E
	Actuals: FY 2003	Rate Case: FY 2004 <Note 1	Forecast: First Quarter FY 2004 <Note 2	Actuals: FYTD 2004	Actuals: FYTD 2003
Operating Revenues					
1 Sales	521,496	553,379	503,052	221,670	220,178
2 Miscellaneous Revenues	31,221	32,313	31,954	12,713	8,439
3 Inter-Business Unit Revenues	110,884	138,324	118,126	40,982	45,291
4 Total Operating Revenues	663,601	724,016	653,133	275,365	273,909
Operating Expenses					
5 TBL Transmission Acquisition and Ancillary Services	91,013	88,623	84,416	35,189	35,278
6 Transmission Operations	76,840	96,312	85,682	30,916	30,165
7 Transmission Engineering	13,495	20,533	17,026	5,519	3,806
8 Transmission Maintenance	78,257	84,491	83,189	29,092	29,450
General and Administrative/Shared Services					
9 CSRS	17,550	15,450	15,450	6,438	7,313
10 Corporate Support - G&A and Shared Services/TBL Support - Supply Chain	49,920	61,498	50,128	19,107	19,649
11 Other Expense Adjustments	(828)		(7,000)	350	143
12 Depreciation & Amortization	171,130	178,813	176,154	75,927	69,455
13 Total Operating Expenses	497,378	545,720	505,045	202,536	195,258
14 Net Operating Revenues (Expenses)	166,224	178,296	148,088	72,828	78,650
Interest Expense					
15 Interest	186,468	190,653	185,268	70,536	72,767
16 AFUDC	(17,472)	(24,493)	(23,100)	(8,649)	(6,785)
17 Net Interest Expense	168,996	166,160	162,168	61,886	65,983
18 Net Revenues (Expenses) from Continuing Operations	(2,772)	12,136	(14,080)	10,942	12,667
19 Net Revenues (Expenses)	(\$2,772)	\$12,136	(\$14,080)	\$10,942	\$12,667

<1 The TBL groupings of expenses by programs and sub-programs for FY 2004 estimates, developed as part of the 2004 Rate Case, are reconstituted to match the programs and sub-programs groupings shown on this report.

<2 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.



Customer Collaborative Meeting Financial Overview through February 29, 2004

- ✍ Based on our analysis of February 2004 actuals, we are on course with expectations presented in the First Quarter Review.
- ✍ Revenues are currently on track however secondary sales are at risk of following lower streamflows.
- ✍ Current actual expenditures compared to forecasted expenditures do not indicate a substantial difference in expected year end results.
- ✍ Average precipitation and below average snow water/content has decreased Columbia-Snake streamflows expectations, resulting in decreases in overall MAF expectations.