

Customer Collaborative Meeting March 5, 2009



Customer Collaborative

Financial Overview for FY 2009 through January 31, 2009

Agency

- **Agency Modified Net Revenue results through January are \$64 million.**
 - The First Quarter Review forecast for the year had a range of Agency MNR of negative \$306 million to positive \$66 million, with a point estimate of negative \$103 million.
 - While there is still a great deal of uncertainty, continuing dry conditions and low prices are putting end-of-year financial results at significant risk.
 - In response to this, BPA has recently begun an effort to review budgets, identifying ways to reduce costs while maintaining performance.

Power Services

- **FY 2009 Power Modified Net Revenues through January are \$6 million**
 - The Rate Case forecast for the year is \$4 million, and the 1st Quarter Review forecast is negative \$192 million.
 - Overall revenues as well as net secondary revenues are lower than expected due to lower streamflows and lower prices than originally forecast.
 - Power Services Total Operating Revenues to date are \$809 million.
 - Power Services Total Expenses (operating expenses and net interest) to date are \$807 million.



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Financial Overview for FY 2009 through January 31, 2009

Transmission Services

- **Net Revenues through January are \$47 million, tracking the 1st Quarter Review forecast of \$92 million.**
 - Transmission Services Revenues through January are \$272 million.
 - Transmission Services Total Expenses (operating expenses and net interest) through January are \$226 million, about 31 percent of the 1st Quarter forecast at 33 percent of the way through the year.



	A	B	C	D	E <Note 3
	Actuals: FY 2008	Actuals: FYTD 2008	Target SOY: FY 2009	Actuals: FYTD 2009	Forecast: Qtr 1 FY 2009
Operating Revenues					
1 Gross Sales (excluding bookout adjustment) <Note 1	3,007,051	1,069,942	3,140,496	1,030,582	2,876,298
2 Bookout adjustment to Sales <Note 1	(109,704)	(21,075)		(19,526)	(19,526)
3 Miscellaneous Revenues	64,843	20,323	63,421	16,703	57,356
4 Derivatives - Mark to Market Gain (Loss) <Note 2	(30,564)	(25,386)		(37,016)	(39,947)
5 U.S. Treasury Credits	104,992	33,274	95,171	30,152	89,451
6 Total Operating Revenues	3,036,618	1,077,078	3,299,088	1,020,895	2,963,631
Operating Expenses					
Power System Generation Resources					
Operating Generation Resources					
7 Columbia Generating Station	236,736	69,960	293,450	106,068	314,800
8 Bureau of Reclamation	72,110	19,670	82,100	22,340	82,100
9 Corps of Engineers	178,442	47,098	179,500	45,005	179,500
10 Long-term Contract Generating Projects	27,080	7,556	31,613	7,414	31,961
11 Operating Generation Settlement Payment	20,499	5,785	20,909	6,970	20,909
12 Non-Operating Generation	1,428	535	2,904	571	704
13 Gross Contracted Power Purchases and Augmentation Power Purch <Note 1	529,433	186,415	189,618	142,650	229,826
14 Bookout Adjustment to Power Purchases <Note 1	(109,704)	(21,075)		(19,526)	(19,526)
15 Exchanges & Settlements	329	102,107	251,416	62,789	179,513
16 Renewable and Conservation Generation	94,954	28,016	124,214	25,111	117,714
17 Subtotal Power System Generation Resources	1,051,305	446,067	1,175,725	399,392	1,137,501
Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 4	44,652	13,667	51,250	17,111	51,370
19 Power Services Non-Generation Operations	66,851	20,845	76,421	21,339	77,568
20 Transmission Operations	96,817	28,915	115,544	29,984	116,434
21 Transmission Maintenance	115,183	29,601	109,395	36,062	125,656
22 Transmission Engineering	21,157	6,225	24,505	7,745	24,933
23 Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 4, 5	6,190	1,928	17,844	2,206	6,675
24 Transmission Reimbursables	11,964	3,055	10,000	2,516	10,000
25 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	176,405	49,372	230,546	49,645	230,866
BPA Internal Support					
26 Additional Post-Retirement Contribution	18,000	6,000	30,554	10,185	30,554
27 Agency Services G&A	103,526	31,414	90,951	29,482	90,925
28 Other Income, Expenses & Adjustments	(5,802)	20	1,600	(134)	620
29 Non-Federal Debt Service <Note 5	479,493	161,527	519,583	165,062	523,391
30 Depreciation & Amortization <Note 5	358,064	118,046	379,227	117,315	369,579
31 Total Operating Expenses	2,543,805	916,683	2,833,144	887,909	2,796,071
Net Operating Revenues (Expenses)	492,813	160,395	465,944	132,986	167,560
Interest Expense and (Income)					
33 Interest Expense	340,658	106,504	308,669	108,310	326,246
34 AFUDC	(32,057)	(7,665)	(24,300)	(10,938)	(33,604)
35 Interest Income	(80,633)	(24,575)	(82,908)	(25,244)	(80,079)
36 Net Interest Expense (Income)	227,968	74,265	201,461	72,128	212,563
Net Revenues (Expenses) from Continuing Operations	264,845	86,131	264,483	60,858	(45,003)
Net Revenues (Expenses)	\$264,845	\$86,131	\$264,483	\$60,858	(\$45,003)

<1 For BPA management reports, Gross Sales and Purchase Power are shown separated from the power bookout adjustment (EITF 03-11, effective as of Oct 1, 2003) to provide a better picture of our gross sales and purchase power.

<2 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.

<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.

<4 The consolidated FCRPS Statement reduces reported Revenues and Expenses where between business line transactions occur, the most significant of which are for Transmission Acquisition and Ancillary Services.

<5 Beginning in FY 2004, consolidated actuals reflect the inclusion of transactions associated with a Variable Interest Entity (VIES), which is in accordance with the FASB Interpretation No. 46 (FIN 46)

that is effective as of December, 2003. VIES information is not included in rate case and budget data.



	A	B	C	D	E <Note 3	
	Actuals: FY 2008	Actuals: FYTD 2008	Target SOY: FY 2009	Actuals: FYTD 2009	Forecast: Qtr 1 FY 2009	
Operating Revenues						
1	Gross Sales (excluding bookout adjustment) <Note 1	2,323,087	848,238	2,458,640	799,382	2,204,939
2	Bookout adjustment to Sales <Note 1	(109,704)	(21,075)		(19,526)	(19,526)
3	Miscellaneous Revenues	27,295	8,170	30,921	9,741	23,572
4	Inter-Business Unit	68,582	20,357	79,306	26,043	77,276
5	Derivative Instruments <Note 2	(30,564)	(25,386)		(37,016)	(39,947)
6	U.S. Treasury Credits	104,992	33,274	95,171	30,152	89,451
7	Total Operating Revenues	2,383,688	863,577	2,664,037	808,777	2,335,765
Operating Expenses						
Power System Generation Resources						
Operating Generation Resources						
8	Columbia Generating Station	236,736	69,960	293,450	106,068	314,800
9	Bureau of Reclamation	72,110	19,670	82,100	22,340	82,100
10	Corps of Engineers	178,442	47,098	179,500	45,005	179,500
11	Long-term Contract Generating Projects	27,080	7,556	31,613	7,414	31,961
12	Operating Generation Settlement Payment	20,499	5,785	20,909	6,970	20,909
13	Non-Operating Generation	1,428	535	2,904	571	704
14	Gross Contracted Power Purchases and Aug Power Purchases <Note 1	529,433	186,415	189,618	142,650	229,826
15	Bookout Adjustment to Power Purchases <Note 1	(109,704)	(21,075)		(19,526)	(19,526)
16	Residential Exchange/IOU Settlement Benefits	329	102,107	251,416	62,789	179,513
17	Renewable and Conservation Generation	95,070	28,016	124,214	25,117	117,714
18	Subtotal Power System Generation Resources	1,051,421	446,067	1,175,725	399,398	1,137,501
19	Power Services Transmission Acquisition and Ancillary Services	165,861	49,063	175,098	50,797	162,978
20	Power Non-Generation Operations	66,899	20,845	76,421	21,344	77,568
21	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	176,594	49,372	230,866	49,684	230,866
BPA Internal Support						
22	Additional Post-Retirement Contribution	9,000	3,000	15,277	5,092	15,277
23	Agency Services G&A	48,160	14,813	46,503	14,914	46,487
24	Other Income, Expenses & Adjustments	(3,283)	69	3,600	(336)	2,190
25	Non-Federal Debt Service	512,918	175,087	494,726	157,788	504,920
26	Depreciation & Amortization	183,466	59,496	188,579	59,496	188,579
27	Total Operating Expenses	2,211,037	817,812	2,406,794	758,178	2,366,366
28	Net Operating Revenues (Expenses)	172,651	45,765	257,244	50,598	(30,600)
Interest Expense and (Income)						
29	Interest Expense	216,464	71,776	211,713	69,627	208,560
30	AFUDC	(15,160)	(4,156)	(14,800)	(4,979)	(15,700)
31	Interest Income	(58,558)	(18,835)	(64,163)	(16,030)	(52,159)
32	Net Interest Expense (Income)	142,746	48,785	132,750	48,617	140,701
33	Net Revenues (Expenses) from Continuing Operations	29,905	(3,020)	124,494	1,981	(171,301)
34	Net Revenues (Expenses)	\$29,905	(\$3,020)	\$124,494	\$1,981	(\$171,301)

<1 For BPA management reports, Gross Sales and Purchase Power are shown separated from the power bookout adjustment (EITF 03-11, effective as of Oct 1, 2003) to provide a better picture of our gross sales and gross purchase power.

<2 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.

<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.



	A	B	C	D	E	F <Note 1>
	Actuals: FY 2008	Actuals: FYTD 2008	Rate Case: FY 2009	SOY Target: FY 2009	Actuals: FYTD 2009	Current EOY Forecast
Operating Revenues						
1 Sales	\$683,964	\$221,704	\$647,263	\$681,857	\$231,200	\$671,358
2 Miscellaneous Revenues	37,548	12,153	32,605	32,500	6,962	33,783
3 Inter-Business Unit Revenues	122,703	35,396	107,951	117,453	33,952	115,780
4 Total Operating Revenues	\$844,215	\$269,253	\$787,819	\$831,809	\$272,113	\$820,921
Operating Expenses						
5 Transmission Operations	96,891	28,915	88,288	115,544	29,984	116,434
6 Transmission Maintenance	115,183	29,601	97,481	109,395	36,062	125,656
7 Transmission Engineering	21,157	6,225	17,557	24,505	7,745	24,933
8 Trans Services Transmission Acquisition and Ancillary Services <Note 2	74,698	22,284	76,605	97,149	28,250	85,032
9 Transmission Reimbursables	11,964	3,055	10,000	10,000	2,516	10,000
BPA Internal Support						
10 Additional Post-Retirement Contribution	9,000	3,000	15,277	15,277	5,092	15,277
11 Agency Services G&A	55,366	16,601	68,524	44,448	14,568	44,438
12 Other Income, Expenses & Adjustments	(1,379)	34	(2,000)	(2,000)	597	(1,570)
13 Non-Federal Debt Service <Note 2		2,642	11,544	6,886		
14 Depreciation & Amortization <Note 2	174,599	58,550	198,535	190,648	57,819	181,000
15 Total Operating Expenses	\$557,478	\$170,907	\$581,811	\$611,853	\$182,633	\$601,199
16 Net Operating Revenues (Expenses)	\$286,737	\$98,346	\$206,008	\$219,956	\$89,481	\$219,722
Interest Expense and (Income)						
17 Interest Expense	175,331	51,774	185,616	152,927	57,340	173,657
18 AFUDC	(16,897)	(2,900)	(10,798)	(9,500)	(5,164)	(17,904)
19 Interest Income	(22,075)	(5,740)	(9,876)	(18,745)	(9,214)	(27,920)
20 Net Interest Expense (Income)	\$136,360	\$43,134	\$164,942	\$124,682	\$42,962	\$127,833
21 Net Revenues (Expenses) from Continuing Operations	\$150,378	\$55,212	\$41,066	\$95,274	\$46,519	\$91,889
22 Net Revenues (Expenses)	\$150,378	\$55,212	\$41,066	\$95,274	\$46,519	\$91,889

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- <2 Beginning in FY 2004, consolidated actuals reflect the inclusion of transactions associated with a Variable Interest Entity (VIES), which is in accordance with the FASB Interpretation No. 46 (FIN 46) that is effective as of December, 2003. VIES information is not included in rate case and budget data.



	A	B	C	D
	Actuals: FY 2000 to FY 2008	Forecast: Current Qtr FY 2009	Forecast: Accumulated MNR FY 2000 to FY 2009 (A) + (B)	Actuals: FYTD 2009
Power Services				
1 Power Net Revenue (Expense)	\$1,165,349	(\$171,301)	\$994,048	\$1,981
Power Modified Net Revenue Adjustments:				
2 Derivative Instruments	19,877	(39,947)	(20,070)	(37,016)
3 EN Debt Adjustments	(1,069,396)	(60,114)	(1,129,510)	(32,528)
4 Power Modified Net Revenue Adjustments <Note 1	(1,089,273)	(20,167)	(1,109,440)	4,487
5 Power Modified Net Revenue <Note 2	\$76,076	(\$191,468)	(\$115,392)	\$6,468
6 Threshold Amounts for FY 2010 Rates based on AMNR from FY 2000 through 2009: <Note 3				
			<p style="text-align: center;">- CRAC - Initial Proposal - DDC - THRESHOLDS \$14,300 \$314,300</p>	
7 FCRPS Modified Net Revenue <Note 1	\$487,266	(\$102,670)	\$384,597	\$53,963

<1 Consistent with the General Rate Schedule Provisions, the Modified Net Revenue (MNR) is an adjustment to Net Revenues for the purpose of calculating the rate case Cost Recovery Adjustment Clause (CRAC). The MNR excludes the impact of SFAS 133 transactions (Accounting for Derivative Instruments and Hedging Activities). The MNR also excludes the Energy Northwest (EN) debt service expenses actual (or forecasted) amounts and includes the rate case amounts for EN debt service, thus excluding the effect of debt refinancing from BPA's cost recovery clause. The rate case amounts for EN debt service for 2008 may be updated based on the results of the WP-07 Supplemental Power Rate Case.

<2 The final CRAC and DDC levels are set in August and are based on the 3rd Quarter forecast of PS MNR; however, the PS MNR forecast used in the August AMNR calculation may include adjustments to reflect events that occur subsequent to the 3rd Quarter forecast.

<3 The CRAC and DDC thresholds have been updated based on the WP-10 Initial Power Rate Proposal. The thresholds will change in the Final Proposal.
http://www.bpa.gov/corporate/ratecase/2008/2010_BPA_Rate_Case/docs/WP-10-E-BPA-04.pdf (pages 44 and 45)



	Project	Product	A	B	C	D	E	F	G	H	I	
			PRE-DISTRIBUTION			POST-DISTRIBUTION	AGENCY SERVICES DISTRIBUTED AND BUSINESS SUPPORT					
			TARGET: SOY	ACTUALS: FYTD	% FYTD / SOY (B/A)	ACTUALS: FYTD <Note 1	AGENCY SERVICES TO AGENCY SERVICES	FROM PRIOR FY AGENCY SERVICES RESERVES <Note 2	POWER SERVICES EXPENSE	TRANS SERVICES EXPENSE	TRANS SERVICES CAPITAL	
\$	\$		\$									
1	Operating Revenues											
	Operating Expenses											
2	Agency Services General and Administrative Executive		0001526	XXZA				\$	\$	\$1,721	\$946	\$774
3		Bonneville Enterprise System	0004658	XXZB						688	1,605	
4		Security	0004657	XXZC						508	915	749
5		Legal	0001528	XXZD						352	194	159
6		Human Resources	0005116	XXZE						838	1,508	1,234
7		Finance	0001527	XXZF						2,131	1,172	959
8		Safety	0004656	XXZG						71	317	260
9		IT Admin and System Policy	0004824	XXZJ						250	138	113
10		IT Infrastructure	0004807	XXZL						4,888	5,056	4,183
11		Cross Agency IT Projects	0004942	XXZM						99	55	45
12		Workplace Services	0005023	XXZN						2,125	1,588	1,299
13		Public Affairs Office	0005015	XXZP						994	547	447
14		Supply Chain Purchasing Services <Note 3	0005123	XXZQ						149	123	100
15		GSA Delegated Facilities Work <Note 2	0005028	XXZR				(296)		609	308	252
16		Workplace Services for Trans Services	0005024	XXZW							117	663
17		Workplace Services for Power Services	0005026	XXZW						69		
18	Total Agency Services G&A						\$	\$	(\$296)	\$15,492	\$14,588	\$11,236
19	Agency Services Business Support											
20		Industry Restructuring	0004676	XXZH						297	297	
21		Risk Management	0004729	XXZI						693	198	99
22		Agency IT Proj for Power Services	0004822	XXZK						1,463		
23		Agency IT Proj for Trans Services	0004823	XXZL							1,139	
24		Supply Chain Administration	0005122	XXZO						63	223	183
25		Supply Chain Purchasing Services <Note 3	0005123	XXZQ						211		
26		Technology Innovation Office	0005019	XXZT						260	260	
27		Billing and Metering	0005119	XXZX						767	767	
28		Contracting and Forecasting Services	0005120	XXZY						788	564	
29	Total Agency Services Business Support						\$	\$	\$	\$4,541	\$3,447	\$282
30	Undistributed Reduction		0005014	xxz1								
31	Total Agency Services Distributed Projects <Note 4						\$	\$	(\$296)	\$20,033	\$18,036	\$11,518
32	< NOTE 5									187	(187)	156
33	< NOTE 6										209	(186)
34	< NOTE 7									\$20,220	\$18,058	\$11,488
35	Agency Services Projects Prior to FY 2007 (Should be zero)											
36	Total Agency Services Projects						\$					
37		Shared Services <Note 2	0001530									
38		EBR Management and Policy	0005021									
39		Support Services to Corporate	0005017									
40		Bad Debt, Other Income, Expense, and Adjustments								(3,677)	(181)	5%
41		Non-Federal Debt Service								17,971	7,274	40%
42		Depreciation & Amortization										
43	Total Operating Expenses						\$			\$180,635	\$56,384	31%
44	Net Operating Revenues (Expenses)						\$			(\$180,635)	(\$56,384)	31%
45	Interest Expense									(55,971)	(18,657)	33%
46	AFUDC									(794)	(794)	
47	Net Interest Expense									(\$55,971)	(\$19,451)	35%
48	Undistributed Reduction											
49	Net Revenue (Expense)						\$			(\$124,664)	(\$36,933)	30%

<1 Any balance is due to (OVER)/UNDER-CLEARED Projects
 <2 GSA Delegated Facilities are posted as actually incurred (Column B), but distributed according to the projected budget (Column A). Over or underspending is carried over into future years.
 <3 Agency Services costs are shown in total on line 14, but the project is distributed to the business services as both G & A and direct project support.
 <4 Power Services allocates portions of Agency Services distributed costs to Fish and Wildlife programs; therefore the total on this line is shown in separate lines in the Service Segment reports.
 <5 Transmission Services manages Aircraft support services and distributes charges to the other services (product XXZU).
 <6 Transmission Services assigns Agency Services costs to other programs, mainly to Reimbursable programs (product XXKA).
 <7 Summary total of all distributions charged to Power Services and Transmission Services, which includes distributions from Agency Services and Transmission Aircraft support.



	CORPT FUNCTION POOL		DIRECT PROJECT SUPPORT			TOTAL DEPT CHARGES				
	FY 2009 SOY Budget	FY 2009 YTD ACTUALS	FY 2009 SOY Budget	PBL FY 2009 YTD ACTUALS	TBL FY 2009 YTD ACTUALS	FY 2009 SOY Budget	FY 2009 Jan ACTUALS	FY 2009 YTD ACTUALS	Column (H) Actuals to (F) SOY	
	TIER 1 Corporate Department Expenses									
1	A Executive Office	\$1,069	\$306	\$	\$	\$	\$1,069	\$54	\$306	29%
2	D Deputy Administrator	\$20,152	\$5,192	\$12,040	\$3,741	\$5	\$32,193	\$1,859	\$8,938	28%
3	F Finance Office	\$13,531	\$4,106	\$1,439	\$114	\$282	\$14,970	\$569	\$4,501	30%
4	- Power Purchases, Adjustments, Debt Service, Depreciation & Amortization, Interest	(\$38,000)	(\$12,176)	\$655,199	\$111,590	\$101,120	\$617,199	\$49,843	\$200,534	32%
5	N Internal Business Services	\$42,999	\$12,081	\$24,641	(\$)	\$6,090	\$67,641	\$4,261	\$18,171	27%
6	J Information Technology	\$58,182	\$19,733	\$	\$	\$5	\$58,182	\$5,029	\$19,737	34%
7	K Chief Operating Officer <Note 1	\$18,845	\$5,898	\$59,004	\$9,544	\$6	\$77,849	\$2,271	\$15,447	20%
8	- Power Purchases, Debt Service - KL	\$	\$	\$37,188	\$9,368	\$	\$37,188	\$2,422	\$9,368	25%
9	- Environment Fish and Wildlife - KE	\$	\$55	\$223,866	\$45,571	\$1,343	\$223,866	\$15,848	\$46,970	21%
10	L General Counsel	\$2,743	\$776	\$6,772	\$1,143	\$735	\$9,514	\$504	\$2,654	28%
11	S Corporate Strategy	\$8,819	\$1,084	\$	\$45	\$	\$8,819	\$250	\$1,129	13%
12	Total Corporate Departments	\$128,341	\$37,055	\$1,020,149	\$181,116	\$109,585	\$1,148,490	\$82,909	\$327,756	29%
Total Agency Services Dept. Cross-walked to Functional Distributions <Note 2										
13	LESS: Debt Service, Depreciation, Amortization, Interest charged to F	(\$38,000)	(\$12,176)							
14	LESS: Accounting Adjustments charged to All Agency Services Depts		\$							
15	Total Corprt Department Expenses in Corprt Function Distribution Pool	\$166,341	\$49,231							
16	ADD: Dept X Accounting Adjustments included in Agency Services Distributions		(\$55)							
17	ADD: Dept. P & T Charges included in Agency Services Distributions		\$81							
18	Total Agency Services Distributions	\$166,341	\$49,257							

<1 K Budget includes KE (Environ F&W) support for Generation and Trans functions. F Budget includes Depreciation, Interest and Debt Service. These KE and F activities are shown separately.

<2 Agency Services Dept expenses that are not distributed as G & A are subtracted; Non-Corprt Depts expenses (such as Dept P, T and X) are added because they are part of the Agency Services function distributions.

Agency Services distributes G & A from cost pools, which are collections of project expenses. Agency Services Dept expenses are charged to Agency Services projects and to non-Agency Services projects; thus total Agency Services Dept expenses do not equate to total function distributions. Also, Agency Services function distributions include expenses from inter-business transactions.

