

**BONNEVILLE POWER ADMINISTRATION
TOTAL OBLIGATIONS/OUTLAYS**

(in millions of dollars)

KFF 23-Jan-04

FISCAL YEAR

BP-1 SUMMARY	2003		2004		2005		2006	2007	2008	2009
1,3/										
1 Residential Exchange	144	144	144	144	144	144	144	165	165	165
2 Power Business Line 2/	1,794	1,794	1,969	1,969	2,013	2,013	1,985	1,714	1,708	1,774
3 Transmission Business Line	559	559	651	651	538	538	501	620	709	695
4 Conservation & Energy Efficiency	83	83	93	93	99	99	95	95	94	94
5 Fish & Wildlife	158	158	175	175	175	175	175	175	175	175
6 Interest/ Pension 4/	468	468	492	492	513	513	527	545	576	597
7 Associated Project Cost - Capital	99	99	111	111	116	116	119	133	145	137
8 Capital Equipment	19	19	31	31	27	27	22	23	23	23
9 Planning Council	8	8	9	9	9	9	9	9	9	9
10 Projects Funded in Advance	11	11	28	28	90	90	142	78	20	20
11 Capitalized Bond Premiums	0	0	3	3	3	3	3	3	3	3
12 TOTAL OBLIGATIONS/OUTLAYS 3/	3,344	3,344	3,706	3,706	3,726	3,726	3,722	3,559	3,627	3,692

REVENUES AND REIMBURSEMENTS

(in millions of dollars)

FISCAL YEAR

BP-1 SUMMARY	2003		2004		2005		2006	2007	2008	2009
	Oblig.	Outlays	Oblig.	Outlays	Oblig.	Outlays	Oblig.	Oblig.	Oblig.	Oblig.
13 Revenues 5/	3,795	3,795	3,728	3,728	3,647	3,647	3,590	3,491	3,617	3,682
14 Project Funded in Advance	11	11	28	28	90	90	142	78	20	20
15 TOTAL	3,806	3,806	3,756	3,756	3,737	3,737	3,732	3,569	3,637	3,702
BUDGET AUTHORITY (NET)	283		(30)		(10)		(10)	(9)	(10)	(10)
16 OUTLAYS (NET) 6/		(462)		(30)		(10)	(10)	(9)	(10)	(10)

The accompanying notes are an integral part of this table.

- 1/ This FY 2005 budget includes capital and expense estimates for the Power Business Line based on the SN CRAC rate proposal. The Transmission Business Line capital and expense estimates are based on the TBL rate Settlement Agreement and final 2004 transmission rate proposal. Capital investment levels also reflect management decisions from BPA's cross-agency Business Operations Board review process. Estimates included in this budget also reflect the significant changes affecting the West Coast power and transmission markets along with planned infrastructure investments designed to address the long-term needs of the region. FY 2003 costs are based on BPA's audited actual financial results. Budget estimates included in this budget are subject to change due to rapidly changing economic and institutional conditions in the evolving competitive electric utility industry in the Pacific Northwest.
- 2/ The Power Business Line includes Fish & Wildlife, Residential Exchange, Planning Council, Conservation & Energy Efficiency and Associated Project Costs which have been shown separately for display purposes.
- 3/ This budget has been prepared in accordance with the Budget Enforcement Act (BEA) of 1990. Under this Act all BPA budget estimates are treated as mandatory and are not subject to the discretionary caps included in the BEA. These estimates support activities which are legally separate from discretionary activities and accounts. Thus, any changes to BPA estimates cannot be used to affect any other budget categories which have their own legal dollar caps. Because BPA operates within existing legislative authority, BPA is not subject to a Budget Enforcement "pay-as-you-go" test regarding its revision of funding estimates.

The FY 2003 total obligation amount included in this FY 2005 Congressional budget is consistent with both the Facts 2 and Max data systems, and BPA audited actuals. The detailed breakout of this data from BPA's classifications for audited actuals has been refined in this budget submission, consistent with the BPA federal budget format.
- 4/ See Interest Expense, Pension & Post-retirement Benefits and Capital Transfers section of this budget for a complete discussion of Pension & Post-retirement Benefits cost estimates.
- 5/ Revenues are calculated consistent with cash management goals and assume a combination of adjustments. Assumed adjustments include the use of a combination of tools, including upcoming CRAC adjustments, reduced cost estimates, a net revenue risk adjustment, debt service refinancing strategies and/or short-term financial tools to manage net revenues and cash. Some of these potential tools will reduce costs rather than generate revenue, however causing the same net outlay result. Adjustments for depreciation and 4(h)(10)(C) are also assumed.
- 6/ Net Outlay estimates are based on current cost savings to date and anticipated cash management goals. They are expected to follow anticipated management decisions throughout the rate period that along with actual market conditions will impact revenues and expenses. Actual Net Outlays are volatile and are reported in SF-133. Estimated net outlay estimates could change due to changing market conditions, hydro conditions and continuing restructuring of the electric industry.

BP-2

EXPENSED OBLIGATIONS/OUTLAYS 1,4/

Current Services

(in millions of dollars)

FISCAL YEAR

	2003		2004		2005		2006	2007	2008	2009
	Oblig.	Outlays	Oblig.	Outlays	Oblig.	Outlays	Oblig.	Oblig.	Oblig.	Oblig.
1 Residential Exchange	144	144	144	144	144	144	144	165	165	165
2 Power Business Line 2/	1,794	1,794	1,969	1,969	2,013	2,013	1,985	1,714	1,708	1,774
3 Transmission Business Line	241	241	265	265	269	269	279	289	300	309
4 Conservation & Energy Efficiency	58	58	63	63	63	63	63	63	62	62
5 Fish & Wildlife	147	147	139	139	139	139	139	139	139	139
6 Interest/ Pension 3/	468	468	492	492	513	513	527	545	576	597
7 Planning Council	8	8	9	9	9	9	9	9	9	9
8 OBLIGATIONS/ OUTLAYS	2,860	2,860	3,081	3,081	3,149	3,149	3,145	2,923	2,958	3,055
9 Projects Funded in Advance	11	11	28	28	90	90	142	78	20	20

CAPITAL OBLIGATIONS/OUTLAYS

(in millions of dollars)

FISCAL YEAR

BP-2 continued	2003		2004		2005		2006	2007	2008	2009
	Oblig.	Outlays	Oblig.	Outlays	Oblig.	Outlays	Oblig.	Oblig.	Oblig.	Oblig.
10 Conservation & Energy Efficiency	25	25	30	30	36	36	32	32	32	32
11 Transmission Business Line	319	319	386	386	269	269	222	331	409	386
12 Associated Project Cost - Capital	99	99	111	111	116	116	119	133	145	137
13 Fish & Wildlife	12	12	36	36	36	36	36	36	36	36
14 Capital Equipment	19	19	31	31	27	27	22	23	23	23
15 Capitalized Bond Premiums	0	0	3	3	3	3	3	3	3	3
16 TOTAL CAPITAL INVESTMENTS 15	473	473	598	598	487	487	435	558	648	617
17 TREASURY BORROWING AUTHORITY TO FINANCE CAPITAL OBLIGATIONS 4,5/	473		598		487		435	558	648	617
18 TREASURY BORROWING AUTHORITY TO FINANCE OTHER OBLIGATIONS	1		(401)		(192)		(95)	(178)	(184)	(90)
19 TOTAL TREASURY BORROWING AUTHORITY	470		216		295		339	380	464	527

The accompanying notes are an integral part of this table.

1/ This FY 2005 budget includes capital and expense estimates for the Power Business Line based on the SN CRAC rate proposal. The Transmission Business Line capital and expense estimates are based on the TBL rate Settlement Agreement and final 2004 transmission rate proposal. Capital investment levels also reflect management decisions from BPA's cross-agency Business Operations Board review process. Estimates included in this budget also reflect the significant changes affecting the West Coast power and transmission markets along with planned infrastructure investments designed to address the long-term needs of the region. FY 2003 costs are based on BPA's audited actual financial results.

Budget estimates included in this budget are subject to change due to rapidly changing economic and institutional conditions in the evolving competitive electric utility industry in the Pacific Northwest.

2/ The Power Business Line includes Fish & Wildlife, Residential Exchange, Planning Council, Conservation & Energy Efficiency and Associated Project Costs which have been shown separately for display purposes.

3/ See Interest Expense, Pension & Post-retirement Benefits and Capital Transfers section of this budget for a complete discussion of Pension & Post-retirement Benefits cost estimates.

4/ This budget has been prepared in accordance with the Budget Enforcement Act (BEA) of 1990. Under this Act all BPA budget estimates are treated as mandatory and are not subject to the discretionary caps included in the BEA. These estimates support activities which are legally separate from discretionary activities and accounts. Thus, any changes to BPA estimates cannot be used to affect any other budget categories which have their own legal dollar caps. Because BPA operates within existing legislative authority, BPA is not subject to a Budget Enforcement "pay-as-you-go" test regarding its revision of funding estimates.

5/ Treasury Borrowing Authority to Finance Other Obligations represents the use of (positive), or building up of (negative), deferred borrowing. Deferred borrowing is created when Bonneville uses cash from revenues to liquidate capital obligations in lieu of Treasury borrowing. This creates the ability in future years to borrow money, when fiscally prudent, to liquidate revenue funded activities. The amount on this line, under the title "Treasury Borrowing Authority to Finance Other Obligations" represents the annual use, or creation of deferred borrowing. OMB has requested that Bonneville show this deferred borrowing as a resource carried forward from year-to-year in the manner displayed here.

BP-3

CURRENT SERVICES
(in millions of dollars)

CAPITAL TRANSFERS

	2003 Pymts
Amortization:	
20 BPA Bonds	483
21 Bureau Bonds	18
22 BPA Appropriations	39
23 Corps Appropriations	4
24 TOTAL CAPITAL TRANSFERS	544

FISCAL YEAR

2004 Pymts	2005 Pymts	2006 Pymts	2007 Pymts	2008 Pymts	2009 Pymts
119	204	130	111	245	150
0	0	1	0	1	0
66	2	110	73	90	130
61	98	108	205	138	257
247	303	348	389	473	537

25 FULL-TIME EQUIVALENT (FTE)	3,153
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STAFFING

3,205	3,166	3,143	3,204	3,204	3,204
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PROGRAM & FINANCING SUMMARY

Current Services
(in millions of dollars)

Identification Code: 89-4045-0-3-271

		est.						
		2003	2004	2005	2006	2007	2008	2009
Program by activities:								
Operating expenses:								
0.01	Power Business Line	1,594	1,733	1,771	1,736	1,447	1,435	1,493
0.02	Residential Exchange	144	144	144	144	165	165	165
Associated Project Costs:								
0.05	Bureau of Reclamation	54	61	63	65	69	71	73
0.06	Corps of Engineers	129	141	145	149	159	163	168
0.07	Colville Settlement	17	17	17	17	20	20	20
0.19	U.S. Fish & Wildlife Service	15	17	17	18	19	19	20
0.20	Planning Council	8	9	9	9	9	9	9
0.21	Fish & Wildlife	147	139	139	139	139	139	139
0.23	Transmission Business Line	241	265	269	279	289	300	309
0.24	Conservation & Energy Efficiency	58	63	63	63	63	62	62
0.25	Interest	384	461	486	504	524	558	579
0.26	Pension and Health Benefits 1/	18	31	27	23	21	18	18
0.91	Total operating expenses 2/	2,809	3,081	3,150	3,146	2,924	2,959	3,055
Capital investment:								
1.01	Power Business Line	99	111	116	119	133	145	137
1.02	Transmission Line	370	386	269	222	331	409	386
1.03	Conservation & Energy Efficiency	25	30	36	32	32	32	32
1.04	Fish & Wildlife	12	36	36	36	36	36	36
1.05	Capital Equipment	19	31	27	22	23	23	23
1.06	Capitalized Bond Premiums	0	3	3	3	3	3	3
1.07	Total Capital Investment 3/	525	597	487	434	558	648	617
2.01	Projects Funded in Advanced	11	28	90	142	78	20	20
10.00	Total obligations 4/	3,344	3,706	3,727	3,722	3,560	3,627	3,692

The accompanying notes are an integral part of this table.

- 1/ See interest Expense, Pension & Post-retirement Benefits and Capital Transfers section of this budget for a complete discussion of Pension & Post-retirement Benefits cost estimates.
- 2/ Reflects expense obligations, not accrued expenses.
The Power Business Line includes Fish & Wildlife, Residential Exchange, Planning Council, Conservation & Energy Efficiency and Associated Project Costs which have been shown separately for display purposes.
- 3/ Reflects capital obligations, not capital expenditures.
- 4/ This FY 2005 budget includes capital and expense estimates for the Power Business Line based on the SN CRAC rate proposal. The Transmission Business Line capital and expense estimates are based on the TBL rate Settlement Agreement and final 2004 transmission rate proposal. Capital investment levels also reflect management decisions from BPA's cross-agency Business Operations Board review process. Estimates included in this budget also reflect the significant changes affecting the West Coast power and transmission markets along with planned infrastructure investments designed to address the long-term needs of the region. FY 2003 costs are based on BPA's audited actual financial results.

Budget estimates included in this budget are subject to change due to rapidly changing economic and institutional conditions in the evolving competitive electric utility industry in the Pacific Northwest.

Refer to 16 USC Chapters 12B, 12G, 12H, and BPA's other organic laws, including P.L. 100-371, Title III, Sec. 300, 102 Stat. 869, July 18, 1988 regarding BPA's ability to obligate funds.

Program and Financing (continued)

Current Services
(in millions of dollars)

	est.						
	2003	2004	2005	2006	2007	2008	2009
Financing:							
21.90 Unobligated balance available, start of year. Treasury balance 3/	(121)	(240)	(240)	(240)	(240)	(240)	(240)
24.40 Unobligated balance available, end of year. Treasury balance 3/	(240)	(240)	(240)	(240)	(240)	(240)	(240)
25.00 Unobligated balance lapsing	0	0	0	0	0	0	0
39.00 Budget authority (gross)	3,822	3,706	3,727	3,722	3,560	3,627	3,692
Budget Authority:							
61.00 Transfer to other accounts	(138)						
66.10 Contract Authority	203						
67.10 Permanent Authority: Authority to borrow from Treasury (indefinite) 4/	470	216	295	339	380	464	527
69.00 Spending authority from off-setting collections	3,566	3,736	3,737	3,732	3,569	3,637	3,702
69.47 Portion applied to debt reduction 5/	(543)	(246)	(305)	(349)	(389)	(474)	(537)
69.90 Spending authority from offsetting collections (adjusted)	3,352	3,490	3,432	3,383	3,180	3,163	3,165
Relation of obligations to outlays:							
71.00 Total obligations	3,344	3,706	3,727	3,722	3,580	3,627	3,692
Obligated balance, start of year:							
72.47 Authority to borrow	414	617	617	617	617	617	617
74.47 Authority to borrow	(617)	(617)	(617)	(617)	(617)	(617)	(617)
87.00 Outlays (gross)	3,103	3,727	3,727	3,722	3,560	3,627	3,692
Adjustments to budget authority and outlays:							
Deductions for offsetting collections:							
88.00 Federal funds	(36)	(90)	(90)	(90)	(90)	(90)	(90)
88.40 Non-Federal sources	(3,530)	(3,646)	(3,647)	(3,642)	(3,479)	(3,547)	(3,612)
88.90 Total, offsetting collections	(3,566)	(3,736)	(3,737)	(3,732)	(3,569)	(3,637)	(3,702)
89.00 Budget authority (net)	283	(30)	(10)	(10)	(9)	(10)	(10)
90.00 Outlays (net) 6/	(462)	(30)	(10)	(10)	(9)	(10)	(10)

The accompanying notes are an integral part of this table.

3/ Treasury balance and unobligated balance estimates assume that BPA will borrow from Treasury the amount needed to finance the full capital program. Actual Treasury borrowing and cash balances will be different, depending on net revenues, Treasury interest rates, and other cash management factors. Borrowing could be higher such that cash balances at the end of each year could equal total reserves.

- 4/ The Permanent Authority: Authority to borrow (indefinite) from Treasury amounts reflect both BPA's capital program financing needs and either the use of, or creation of, deferred borrowing. Deferred borrowing is created when, as a cash and debt management decision, BPA uses cash from revenues to liquidate capital obligations in lieu of borrowing from Treasury. This temporary use of cash on hand instead of borrowed funds creates the ability in future years to borrow money, when fiscally prudent. Technical Executive Branch budget display and tracking requirements have modified the way BPA shows this deferred borrowing as a resource carried forward from year-to-year. This amount must therefore be added to, or subtracted from, BPA's current year Treasury borrowing authority amount, making this number a combination of capital program financing needs and the annual use, or creation of deferred borrowing. The FY 1989 Energy and Water Development Appropriations Act (P.L. 100-371 of 7/19/88) clarified that BPA has authority to incur obligations in excess of Treasury borrowing authority and cash in the BPA Fund. The two amounts which comprise the net amount of line 67.15 above are as follows:

	FISCAL YEAR						
	2003	2004	2005	2006	2007	2008	2009
Treasury Borrowing Authority:							
to finance capital obligations	469	617	487	434	558	648	617
to finance other obligations	1	(401)	(192)	(95)	(178)	(184)	(90)
Total Treasury Borrowing Authority (67.15)	470	216	295	339	380	464	527

- 5/ Includes amortization of BPA and Corps of Engineers appropriations and amortization of BPA bonds. Line 69.47 is referred to as capital transfers on BP-3.
- 6/ Net Outlay estimates are based on current cost savings to date and anticipated cash management goals. They are expected to follow anticipated management decisions throughout the rate period that along with actual market conditions will impact revenues and expenses. Actual Net Outlays are volatile and are reported in SF-133. Estimated net outlay estimates could change due to changing market conditions, hydro conditions and continuing restructuring of the electric industry.

Revenues, included in the Net Outlay formulation, are calculated consistent with cash management goals and assume a combination of adjustments. Assumed adjustments include the use of a combination of tools, including upcoming CRAC adjustments, reduced cost estimates, a net revenue risk adjustment, debt service refinancing strategies and/or short-term financial tools to manage net revenues and cash. Some of these potential tools will reduce costs rather than generate revenue, however causing the same net outlay result. Adjustments for depreciation and 4(h)(10)(C) are also assumed.