April 2004
Customer Collaborative
Discussion on BPA's Capital Investments

Capital Objectives

- BPA will strive to maintain its ability to borrow from the U.S. Treasury through at least 2018.

- After that date most of BPA's third party debt will be retired, and significant amounts of Federal debt will start to be paid off, probably providing more rapid replenishment of Treasury borrowing cap.

- BPA will use a combination of tools to achieve this objective, with reductions of capital spending and more reliance upon third party arrangements being preferred over revenue financing and increased amortization payments.

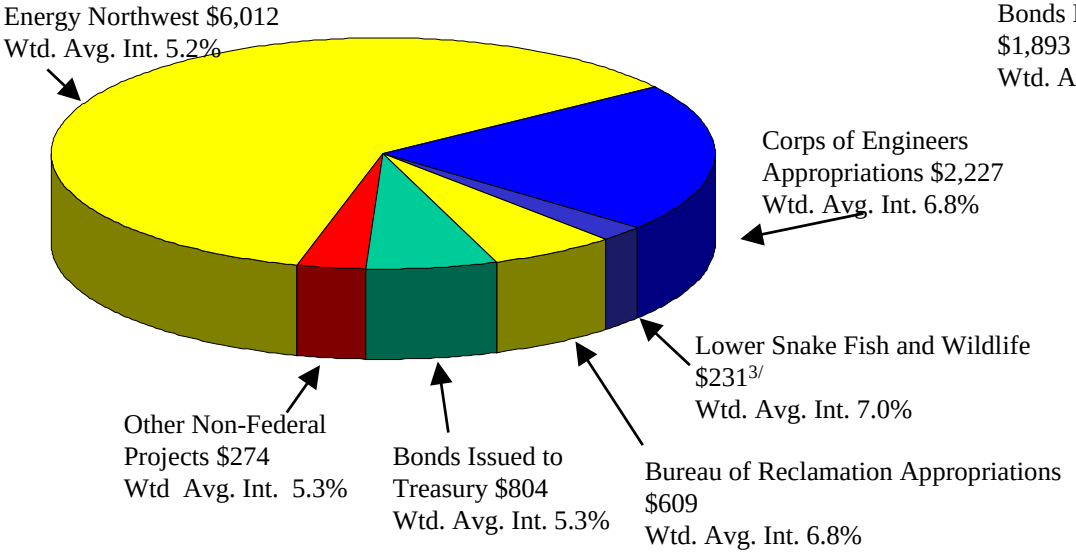
Treasury Relationship

- Exclusive & defined limits to BPA/Treasury relationship
- Funding role -- appropriations vs. bonds
- Oversight -- agreements consistent with law
- “Pots”, duration of bonds, revolving fund within caps

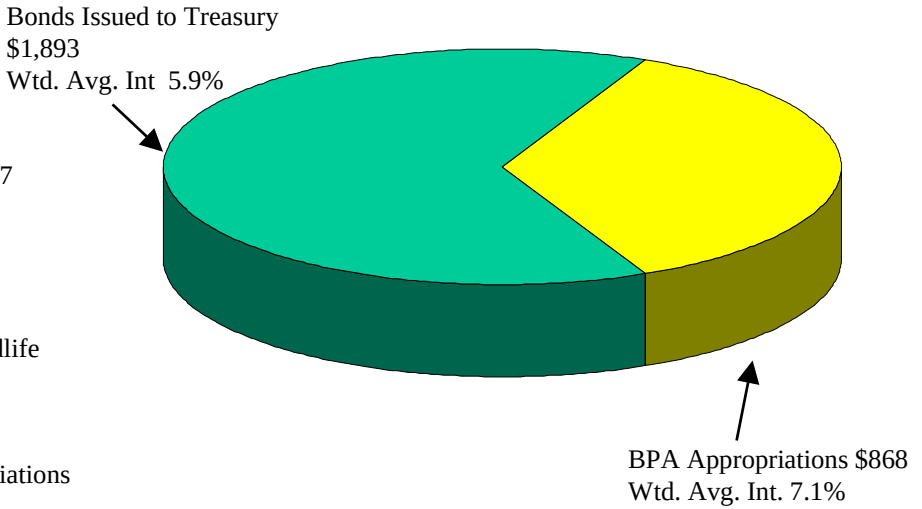
Federal Columbia River Power System (FCRPS)
Total Liabilities to Federal and Non Federal Parties
FY 2003 [1/]

Generation

($ millions)



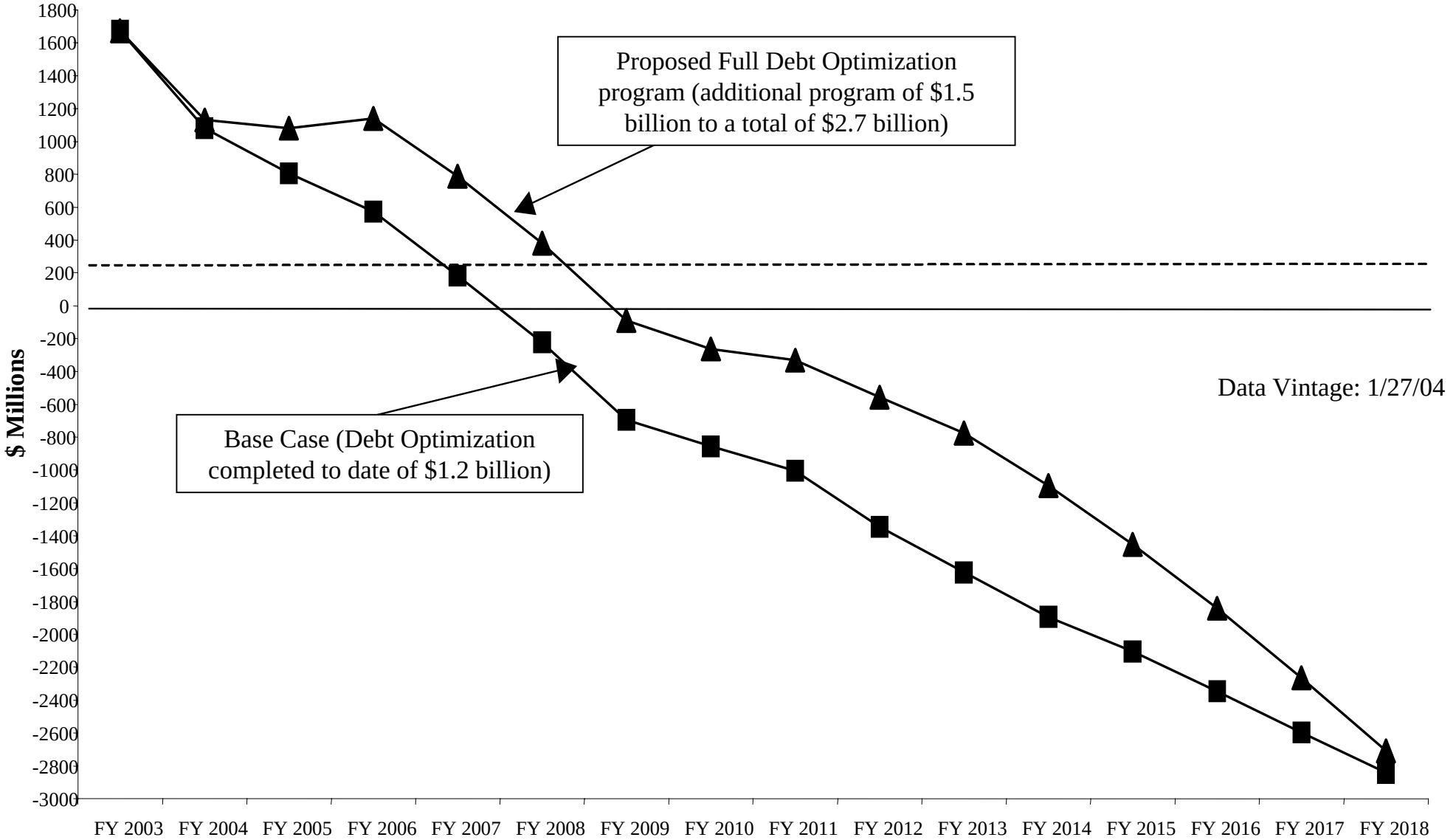
Transmission



	Power Marketing		Transmission		Total	
	Liabilities Outstanding ($millions)	WAI Rate	Liabilities Outstanding ($millions)	WAI Rate	Liabilities Outstanding ($millions)	WAI Rate
Total Appropriations [2/]	$3,066	6.9	$868	7.1	$3,934	7.0
Total Bonds Issued to Treasury	804	5.3	1,893	5.9	2,697	5.8
Total Federal Liabilities	3,870	6.6	2,761	6.3	6,631	6.5
BPA Liabilities to Non Federal Parties	6,286	5.2	0	0	6,286	5.2
Total FCRPS Liabilities	$10,156	5.7	$2,761	6.3	$12,917	5.9

1/ Irrigation assistance liability not included ($685 million at zero percent interest).
2/ Appropriation amounts exclude appropriations for work still in progress. 2003 CWIP was $674,432,593.
3/ Lower Snake Fish and Wildlife previously included in Corps of Engineers.

Access to Treasury Capital with and without Future Debt Optimization



BPA FY 2005 Congressional Budget
Capital Investments ($ in millions)

	ACTUALS			FISCAL YEAR					
	2000 1/	2001 2/	2003 3/	2004	2005	2006	2007	2008	2009
	Oblig.	Oblig.	Oblig.	Oblig.	Oblig.	Oblig.	Oblig.	Oblig.	Oblig.
Conservation & Energy Efficiency	0	0	25	30	36	32	32	32	32
Transmission Business Line	116	183	319	386	269	222	331	409	386
Associated Project Cost - Capital	33	65	99	111	116	119	133	145	137
Fish & Wildlife	14	17	12	36	36	36	36	36	36
Capital Equipment	26	17	19	31	27	22	23	23	23
Capitalized Bond Premiums	4	0	0	3	3	3	3	3	3
TOTAL CAPITAL INVESTMENTS	**193**	**282**	**473**	**598**	**487**	**435**	**558**	**648**	**617**

Source:

1/ Un-audited & based on FY 2002 Budget Submission for Congress

2/ Un-audited & based on FY 2003 Budget Submission for Congress

3/ Audited & based on FY 2005 Budget Submission for Congress

Federal Debt & Non-Federal Obligations
FYs 2003-2018

	Actual	Projected (as of Nov., 2003)		
	FY 2003	**FY 2006**	**FY 20011**	**FY 2018**
Bonds	Debt Outstanding ($ millions)			
Power				
Fish and Wildlife	105.0	234.0	394.0	561.0
Conservation	304.8	376.5	52.8	0.0
BPA program (IT, etc.)	69.6	72.5	141.1	210.3
Direct Funding (Corps/BOR)	325.0	585.4	1,194.0	2,054.3
Total Power Bonds	804.4	1,268.4	1,781.9	2,825.6
Transmission				
Construction	1,793.3	2,407.4	3,471.2	4,281.0
Environment	100.0	120.1	120.5	105.7
Total Transmission Bonds	1,893.3	2,527.5	3,591.7	4,386.7
Total Bonds	**2,697.7**	**3,795.9**	**5,373.6**	**7,212.3**
Appropriations				
Power				
Fish (Columbia River Fish Mitigation)	186.2	424.2	1,465.0	1,902.4
Other (Corps/BOR)	2,882.4	2,552.9	2,311.6	1,496.2
Total Power Appropriations	3,068.6	2,977.1	3,776.6	3,398.6
Transmission				
Total Transmission Appropriations	867.5	744.3	356.4	0.0
Total Appropriations	**3,936.1**	**3,721.4**	**4,133.0**	**3,398.6**
Total Federal Debt	**6,633.8**	**7,517.3**	**9,506.6**	**10,610.9**
Total Non-Federal Obligations	**6,286**	**5,523**	**3,862**	**70**
Total	**12,919.8**	**13,040.3**	**13,368.6**	**10,680.9**