

**Revised 2.18.2010 to
Reflect change to
Quarterly Review Material**

(Slide 33 & 34)

Quarterly Business Review

FY 2010 1st Quarter Financial Results

February 2, 2010



FEBRUARY 2010 QUARTERLY BUSINESS REVIEW

Agenda February 2, 2010 1:00-4:00 pm

Time	Min	Agenda Topic	Slide #	Presenter
1:00	10	Introduction and Background	3	Brenda Weller
1:10	20	Smart Grid	4-19	Mike Weedall and Lee Hall
1:30	15	IT Capital Requirements	20-28	Larry Buttress
1:45	30	Financial Highlights - Review of FY 2010 Financial Status - Review First Quarter Forecast Changes	29-44	Brian McConnell, Cheryl Hargin, & Kelly Miller
2:15	5	2010 IPR Schedule (for FY2012-2013 rate period)	45-47	Stephanie Adams/Brenda Weller
2:20	15	Break		
2:35	10	Seasonality of Financial Reserves	48-49	Ken Marks
2:45	15	Update on Transmission Reserves Issue	50-51	Alex Lennox
3:00	15	Transmission Revenue Detail	52-53	Rebecca Fredrickson
3:15	20	FY 2010 Transmission Capital Program - Expansion	54-57	Lorie Hoffman
3:35	20	Transmission Asset Management Sustain Strategies	58-59	Kevin Carmen
3:55	5	Questions, Comments, Future Meeting Topics	60	Brenda Weller
4:00		Adjourn		
		Appendix –Power and Transmission Services Detailed - Statements of Revenues and Expenses - 4th Quarter Capital Report	61-72	



Background of QBR

- In the Regional Dialogue Policy, BPA committed to a model which provides extensive opportunity for stakeholders as well as customers to review and give input to our forecasts of spending levels prior to finalizing them. The Integrated Program Review process we just completed is one part of the overall Integrated Business Review structure. It is designed to allow persons interested in BPA's program levels an opportunity to review and comment on all of BPA's expense and capital spending level estimates in the same forum prior to their use in setting rates. BPA intends to hold an IPR every two years, just prior to each rate case.
- The Quarterly Business Review (QBR) is the second part of the Integrated Business Review structure BPA committed to in the Regional Dialogue, and it is intended to be a forum to provide financial forecasts, current financial results compared to forecasts, periodic updates to capital plans as they change, and information on upcoming issues that could have an impact on future financial results.
- More information can be found at <http://www.bpa.gov/corporate/Finance/ibr/>



Pacific Northwest Smart Grid Demonstration Project

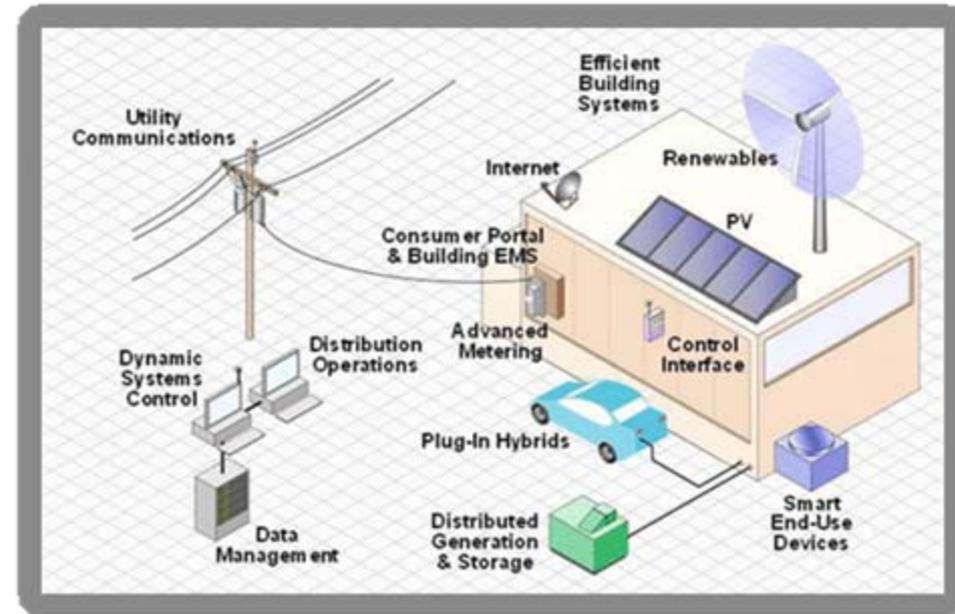
Lee Hall

BPA Smart Grid Program Manager



What is Meant by “Smart Grid”?

- Smart Grid is a system that uses various technologies to enhance power delivery and use **through intelligent two-way communication**.
- **Power generators, suppliers and end-users** are all part of the equation.
- With increased communication and information, Smart Grid can monitor activities in **real time**, exchange data about **supply and demand** and adjust power use to changing load requirements.
- **Empowers customers** to choose to control their energy usage
 - Smart meters
 - Home/building/industrial energy management/control systems
 - User information interfaces and support tools



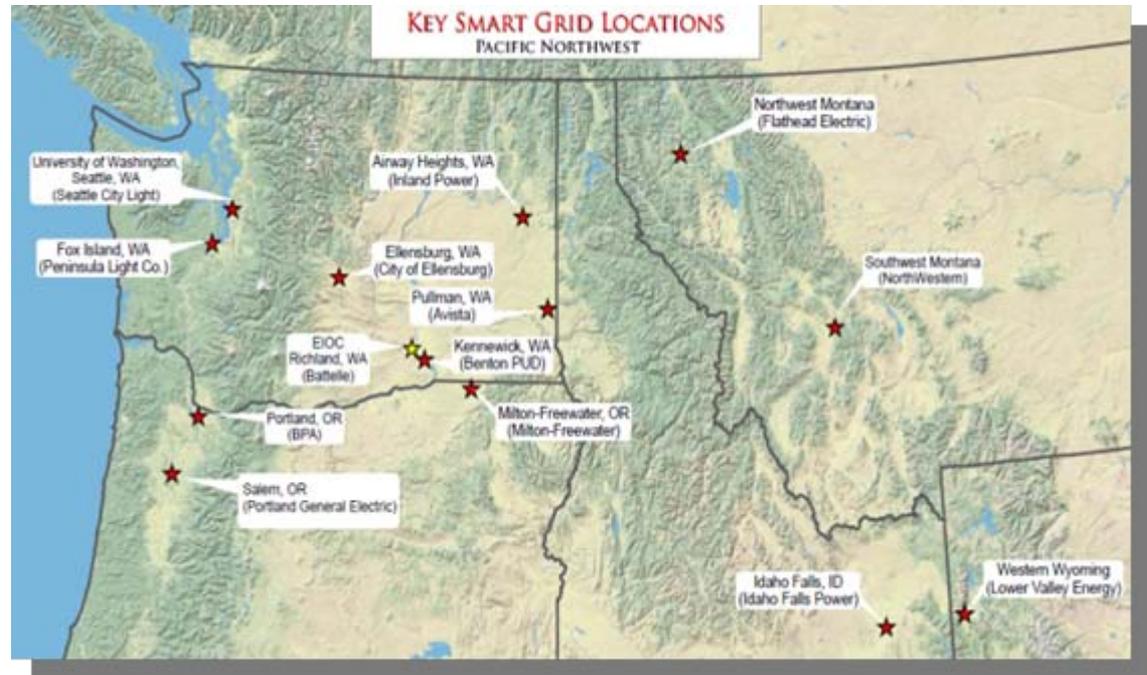
Pacific Northwest Smart Grid Demonstration Project

- American Recovery and Reinvestment Act (ARRA) award to demonstrate how smart grid technology can enhance the safety, reliability and efficiency of energy delivery
- Substantially increases smart grid asset installation in the region by purchasing and installing smart grid technology
 - \$178 million project led by Battelle Memorial Institute; with BPA (\$10 million), 12 utilities (\$52 million), 5 project-level vendors (\$27 million). Dollars excludes 50% DOE match.
 - Over 60,000 metered customers directly affected
 - 112 MW of responsive resources (loads and generation) engaged
- Demonstrates coordination of smart grid assets locally and across the region using innovative communication and control system
 - Hierarchical communication—from generation through transmission and distribution, and then onward to the end users
 - Transactive control—innovative incentive signal that coordinates smart grid resources to support regional needs for transmission, reliability, renewables, etc.



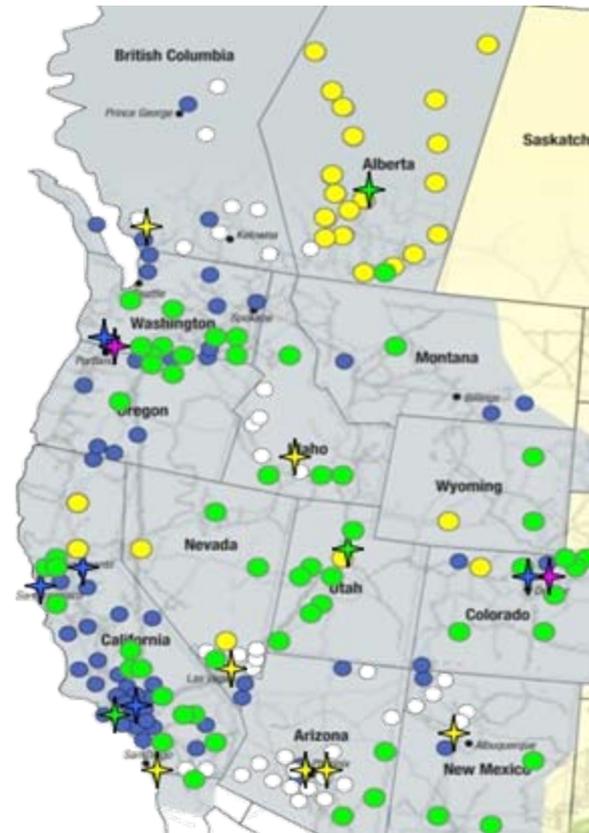
Regional Smart Grid Outlook

- Unique in geographic scale and scope of grid engagement
- Seek to validate both local and regional grid benefits of smart grid
- Touches on key regional/national energy agenda for renewables, efficiency, reliability, consumer engagement and choice
- Linked to other smart grid and energy activities
 - Western system smart grid phasor build-out
 - Renewables integration
 - Efficiency and carbon benefits of smart grid
- Positions the region for leadership overall grid and energy agenda

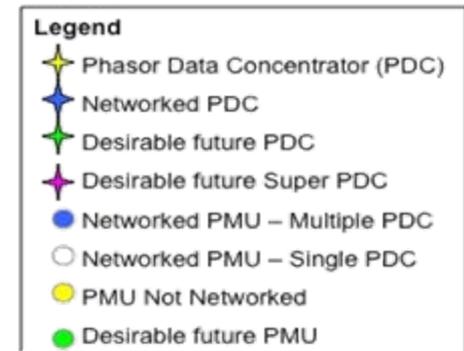


Other Regional Smart Grid Activities

- Opportunity to include other regional smart grid deployments
- Consideration of transmission, renewable integration strategies, energy storage will be informed by smart grid demonstration
- Western Interconnection Phasor Network smart grid investment grant award (\$108 million)
 - Wide area monitoring and control
 - Aid renewable integration, unlock transmission
 - BPA, PacifiCorp, Idaho Power represent region



Phasor Measurement Units (PMU) in the Western Interconnection



This project is a cornerstone of the Pacific Northwest regional electric agenda. Coordination with other activities positions the region for continued leadership in transforming our electric power system.



Goals and Objectives

Goals:

- Validate new smart grid technologies and inform business cases
- Provide two-way communication between distributed generation, storage, and demand assets and the existing grid infrastructure
- Quantify smart grid costs and benefits
- Advance interoperability standards and cyber security approaches



Objectives:

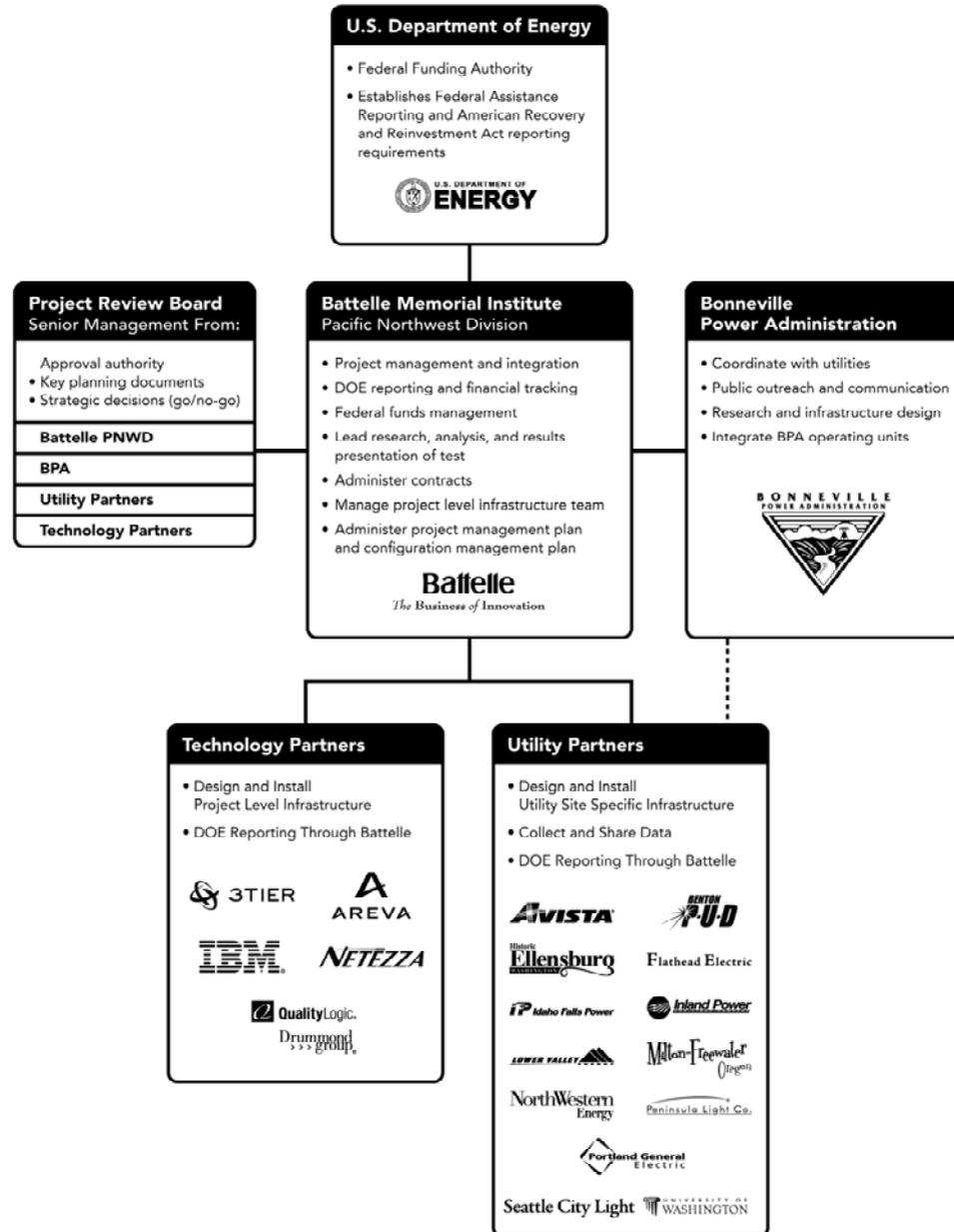
- Manage peak demand
- Facilitate integration of wind and other renewables
- Address constrained resources
- Select economical resources
- Improve system efficiency
- Improve system reliability
 - Load Management
 - Conservation Voltage Reduction
 - Distributed generation

Regional effort extensible
to large portions of the
United States



Project Structure / Roles

- Battelle Memorial Institute, Pacific Northwest Division
- Bonneville Power Administration
- 12 utilities and their vendors
- 5 technology infrastructure partners



Demonstration Project: BPA's Role

▪ **Coordinate with Utilities**

- BPA policies in the region
- Utility advocate

▪ **Public Outreach and Communication**

- Governments (states, Northwest delegation, Tribes, regulatory bodies)
- Non-partner utilities, educational institutions
- Energy organizations (WECC, NERC, Council, NWPPA)
- Stakeholders, special interest groups
- Other regional demonstration projects
- General public

▪ **Support of Research and Infrastructure Design**

- Support design of system
- Integrate BPA data streams to system

▪ **Integration of BPA Operating Units**

- Policy and standards development
- Resource planning, wind integration

Role as defined
in DOE
Proposal



Demonstration Participant Site Locations



- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> 1 Portland General Electric – Salem, Oregon 2 Bonneville Power Administration – Portland, Oregon 3 Peninsula Light Co. – Fox Island, Puget Sound, Washington 4 University of Washington/Seattle City Light – Seattle, Washington 5 City of Ellensburg – Ellensburg Renewable Energy Park, Ellensburg, Washington 6 EIOC: Electricity Infrastructure Operations Center, Battelle Memorial Institute, Pacific Northwest Division – Richland, Washington 7 Benton PUD – Kennewick, Washington | <ul style="list-style-type: none"> 8 Milton-Freewater City Light & Power – City of Milton-Freewater, Oregon 9 Inland Power & Light Co. – City of Airway Heights, Washington 10 Avista Utilities – Port of Whitman Business Park; Washington State University; City of Pullman (three sites), Pullman, Washington 11 Flathead Electric Cooperative, Inc. – Libby and Kalispell area, Northwest Montana 12 NorthWestern Energy – Helena and Phillipsburg area, Southwest Montana 13 Idaho Falls Power – Idaho Falls loop microgrid; City of Idaho Falls (two sites), Idaho 14 Lower Valley Energy – Lincoln, Sublette, and Teton counties, Western Wyoming |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



Demonstration Project Timeline

	2010	2011	2012	2013	2014
Phase 1 - Concept Design	6 months				
Phase 2 - Build Out		24 months			
Phase 3 - Data Collection & Analysis				24 months	
Phase 4 - Cost Benefit Analysis & Reporting					6 months

- Complete contracts
- Design “system of systems” to connect subprojects to EIOC

- Install equipment at subproject
- Build ‘system of systems’

- Sites up and running
- Gather two years of data
- Perform data analysis

- Finalize cost/benefit
- Draft transition plan

Periodic progress reports are required:

- Monthly financial reports to DOE
- Semi-annual program review meetings
- Technical reports
- Up to five presentations/meetings to DOE on final reports



Project Basics

- ➔ Install and implement a unique distributed communication, control and incentive system
- ➔ Use a combination of devices, software and advanced analytical tools to enable consumers to manage their electric energy use
- ➔ Collect data over a 24-month consecutive period to provide insights into consumers' behavior while testing new technologies

Key attributes:

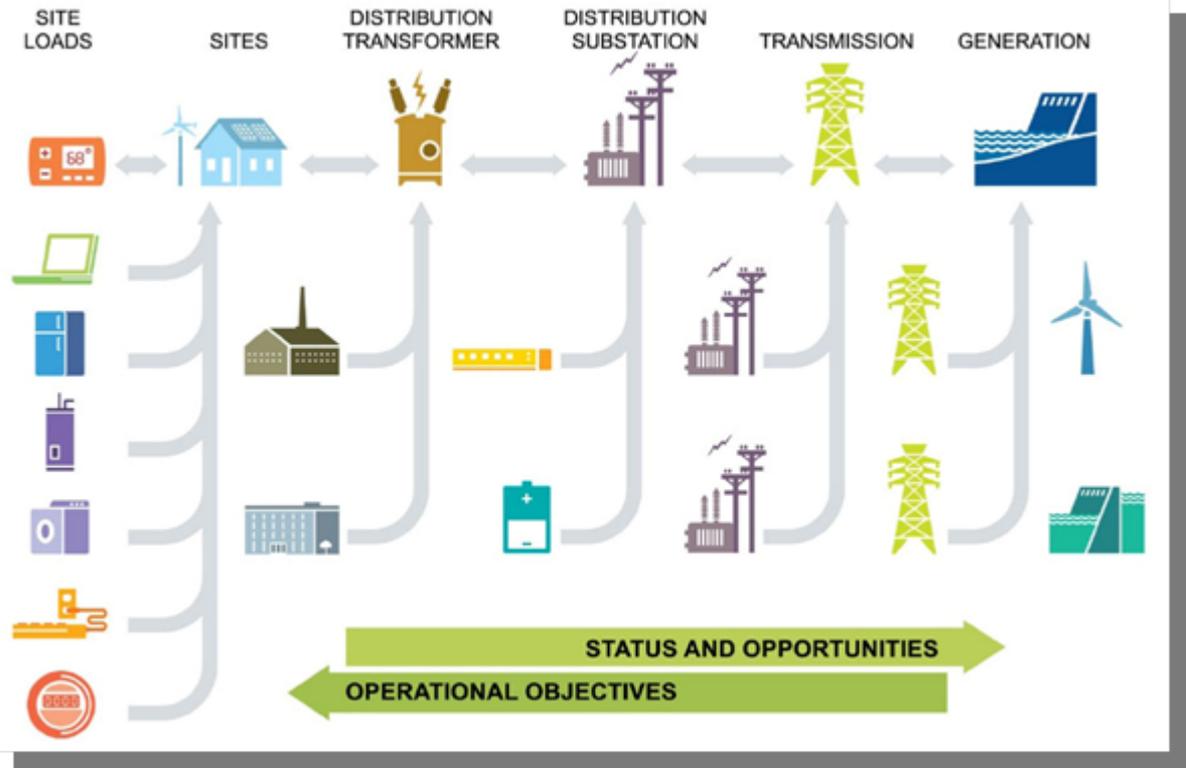
- Leave an installed operational base of smart grid assets and successful operational strategies for the region
- Stimulate the regional and national economy by creating approximately 1,500 jobs and a vibrant smart grid industry



Project Basics (cont'd)

Operational objectives:

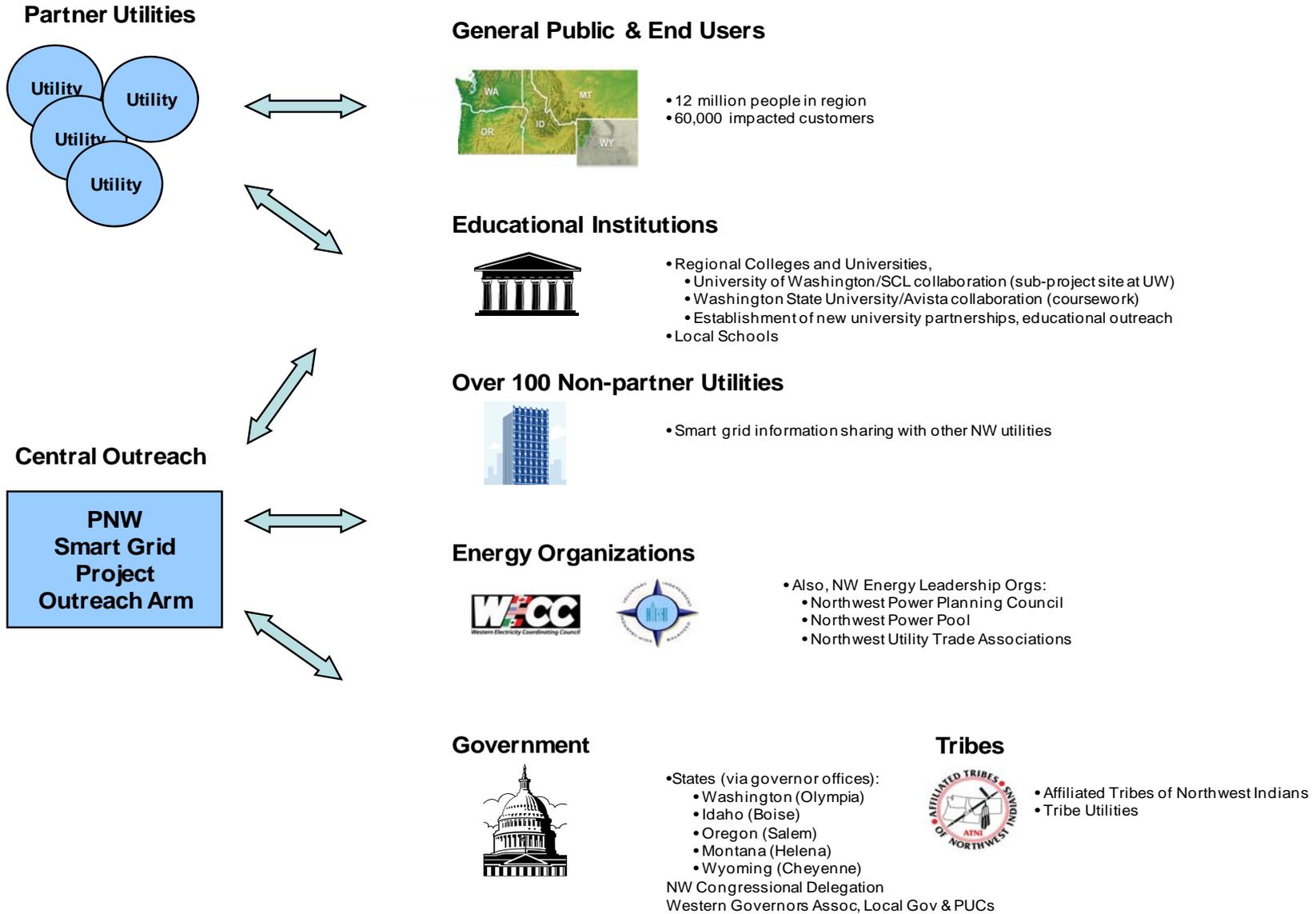
- Manage peak demand
- Facilitate renewable resources
- Address constrained resources
- Improve system reliability and efficiency
- Select economical resources (optimize the system)



Aggregation of Power and Signals Occurs Through a Hierarchy of Interfaces

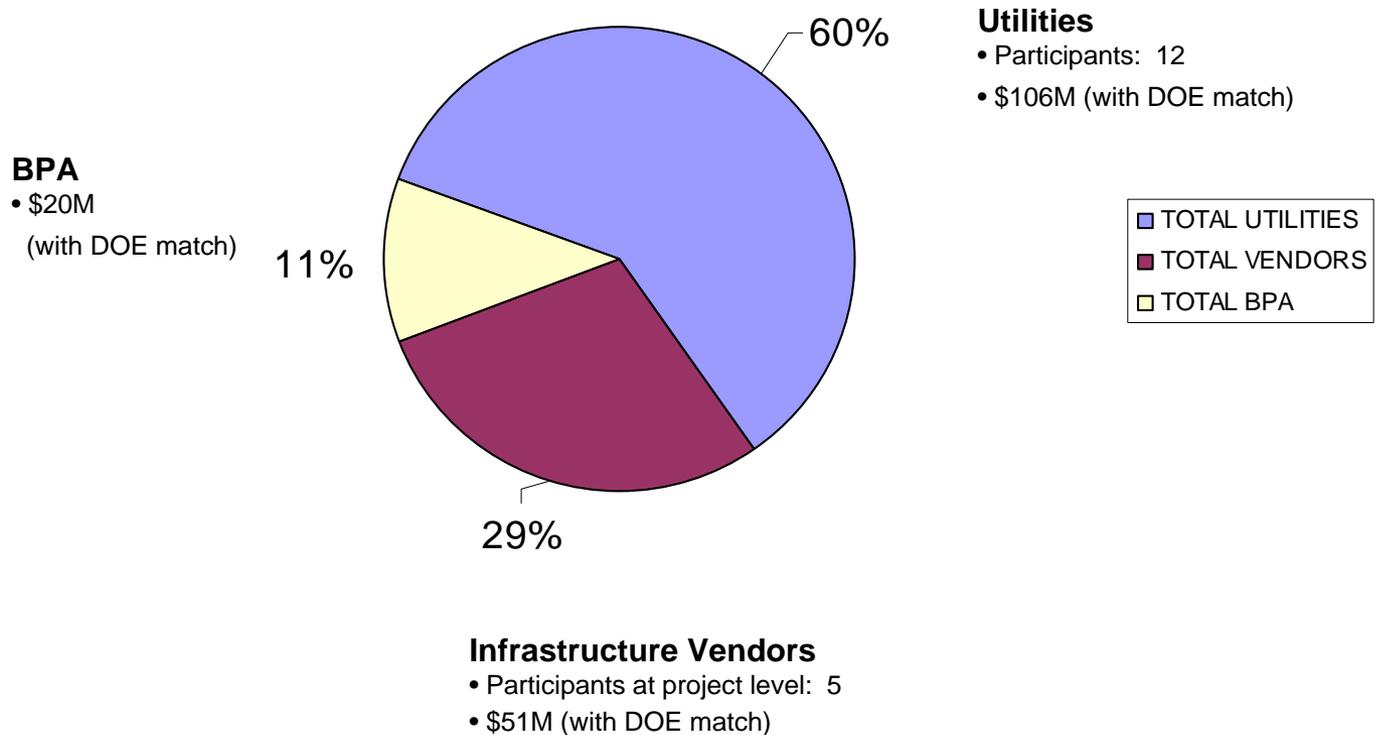


Outreach and Education



Summary Level: Funding by Participant Category

Percentage of Smart Grid Funding by Category



Direct PNW-SGDP Value

- **Economic stimulus - \$178 million over five years**
 - 1,500 jobs at peak
 - Spur adoption of new technology
 - Updated infrastructure and improved reliability
- **Cost-benefit analysis to guide utilities in making future technology investments**
- **Increased automation for utilities to deliver improved services and value**
- **System optimization through two-way communication from electricity generation to the consumer**
- **Potential reduction in greenhouse gases and carbon footprints through better integration of renewable resources**



Enduring smart grid infrastructure lays the foundation for future smart grid deployment in the Pacific Northwest



Questions?



IT Capital Requirements

Larry Buttress
Chief Information Officer



Discussion Topics

- IT Program Description
- IT Historical Spending
- New Agency-critical Project Demands Since IPR08
- Future Capital Spending Requirements



Program Description

Information Technology (IT)

Develops, implements, and supports agency-wide business automation systems and provides information technology governance, planning, and standards for the Agency's general business activities. IT has overall responsibility and accountability for all BPA information technology-related (non-Grid Ops) programs.

IT program areas include:

- ✓ Systems Development and Operations
- ✓ Network Services
- ✓ Data Center Operations
- ✓ Office Automation
- ✓ IT Governance and Strategy
- ✓ Project Management



IT Historical Capital Spending

	FY05	FY06	FY07	FY08	FY09	FY10	FY11
IT Capital Spending – Act (\$m)	11.1	17.2	16.8	18.7	35.4	49.6	49.0
Agency Capital Spending - Act (\$m)	350.1	380.1	419.3	389.0	593.2	952.7	996.8
IT as a % of Total Agency Spending	3.2%	4.5%	4.0%	4.8%	5.9%	5.2%	4.9%
Number of IT Projects Delivered	9	11	10	13	18	21	18
IPR Forecasts for IT Capital	29.3	17.5	20.0	19.0	20.0	22.5	22.5

- IT's historical capital spending has been in the 3-6% range of BPA's total capital spending. Capital spending forecasts for FY10 and FY11 and beyond continue to fall within that range.
- Several new agency initiatives, requiring IT support, emerged after the FY09-FY11 forecasts were already made.



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Recent IT Accomplishments

Eighteen (18) projects were successfully completed in FY09, some of which include:

- **Alternate Data Center.** This backup/recovery site is up and running at Spokane, WA. The ADC is exercised 3-times per year where it operates the CBS applications continuously for one week.
- **Agency Metering Project (AMP).** AMP is a comprehensive meter data management system. New system features include improved meter data validation and internal controls.
- **Customer Billing.** Our new customer billing system will go-live on Feb 1, 2010. The system consolidates and replaces the Agency's two separate billing systems into one, and incorporates internal controls for A-123 compliance.
- **Supplemental Labor Management (SLIM).** SLIM allows for the efficient tracking and consolidated reporting of contract labor hours.
- **E-GIS (Geospatial Information System).** EGIS is widely used in the field to display/mark-up drawings, maps, and easement/ownership records related to Transmission assets.



What's Changed Since IPR 2008?

- **Regional Dialogue (REV).** Program includes nine (9) projects to ensure BPA can support the new 20-year power contracts. Projects include a scheduling system, loads obligations and resource analyzer, load forecasting system, revenue forecasting system, Slice computing system, and a contracts management system (\$31m).
- **TPIP.** Program includes six (6) projects to support efficiencies in Transmission's Process Improvement Initiatives. Projects include Work Planning and Scheduling, Transmission Asset system, E-Commerce, E-GIS , and Field Connectivity improvements (\$20m).
- **RODS Replacement.** Program mitigates a substantial current risk to the agency by replacing the legacy RODS system with a modern, distributed automation system, serving Transmission, Power, and other business line groups across BPA (\$13m).
- **Data Center Modernization.** Modernization effort to consolidate datacenters and retire legacy storage and computing devices in favor of modern, efficient platforms, reducing physicals servers by 20%. Project will also drive for standardization and separation of development, test, pre-production, and production environments. This is a foundational infrastructure improvement initiative, necessary to enable the delivery of other key agency work (\$25m).



- Backup Slides -



Leveraging IT EPIP Improvements

One of the successes of the IT EPIP effort was the strengthening of the IT PMO. The maturing of the PMO gives IT improved capabilities to deliver on capital projects.

- The PMO is responsible for resourcing (budget and staff), managing, executing, and delivering IT capital projects across BPA.
- Projects are approved, prioritized, and recommended for funding by the Agency Prioritization Steering Committee (APSC). The APSC is comprised of senior managers representing the various business lines within the Agency.
- Projects over \$3m, must be referred by the APSC to the Agency Capital Planning Review Team (ACPRT).
- Projects over \$7m, must also be approved through the Capital Allocation Board (CAB), a committee of BPA executives.
- PMO has improved project management policies and processes. A PMO Handbook has been developed to lead the Project Manager through the Systems Development Life Cycle (SDLC).



Financial Highlights



Financial Overview for FY 2010 through January 31, 2009

Power Services

- Power Services Modified Net Revenues through December are \$15 million.
- The 1st Quarter forecast for end of year Modified Net Revenue is negative (\$105) million, a decrease of \$247 million from the Start-of-Year forecast.
 - The Start-of-Year forecast for the year was \$142 million and the Rate Case forecast was \$114 million.
 - After three months of operations in FY2010, the Net /revenue outlook has eroded considerably from the Start-of-Year expectations. The First quarter review relies on the mid-December volume forecast of 89 MAF. For the tenth out of the last eleven years, the volume forecast is below normal. However, there is still a large amount of uncertainty for the remainder of the year in the hydro conditions, system operations, and Columbia Generating Station operations, as well as natural gas and electricity prices that will influence the end-of-year Modified Net Revenue results for Power.
 - Power Services Total Operating Revenues to date are \$631 million against an end-of-year target of \$2,880 million.
 - Power Services Total Expenses (operating expenses and net interest) through December are \$619 million against an end-of-year target of \$2,752 million.
 - Rate Case/Start of Year water supply assumptions are for an average volume runoff 104 maf Jan - July, 135 maf annual average at The Dalles. As we move into the operating year, those assumptions continue to be used until the first water supply forecast is made in mid December. This year's December midmonth water supply was for 89.3 Jan-July runoff at TDA. A 16.5 percent reduction from what was in the Rate Case.

Transmission Services

- Net Revenues through December are \$44 million.
- The 1st Quarter forecast for end of year Net Revenue is \$102 million, an increase of \$17 million from the Start-of-Year forecast.
 - The Start-of-Year forecast for the year was \$85 million and the Rate Case forecast was \$82 million.
 - Transmission Services Revenues through December are \$214 million against an end-of-year target of \$867 million.
 - Transmission Services Total Expenses (operating expenses and net interest) through December are \$170 million against an end-of-year target of \$782 million .



Financial Overview for FY 2010 through January 31, 2009

Agency

- Modified Net Revenues through December are \$60 million.
- The 1st Quarter forecast for end of year Modified Net Revenue is negative (\$6) million, a decrease of \$238 million from the Start-of-Year forecast.
 - The Start-of-Year forecast was \$232 million and the Rate Case forecast was \$204 million.
 - Spending on BPA operating programs are forecasted to come in about where anticipated or slightly lower.
 - The First Quarter Review includes a \$15 million increase in net interest expense. This is driven primarily due to a change in interest income, as a result of reduced forecasted Modified Net Revenue, which is forecasted at \$18 million below the start-of-year forecast.
 - After three months Modified Net Revenues are \$40 million below expectations from the Start-of-Year forecast.



Federal Columbia River Power System (FCRPS)
FY 2010 FIRST QUARTER REVIEW

Net Revenues and Reserves

Projection for FY 2010



FEBRUARY 2010 QUARTERLY BUSINESS REVIEW

1st Quarter Review – Executive Highlights

FY 2010
EXECUTIVE HIGHLIGHTS
January 29, 2010

	A	B	FY 2010 Current Expectation	
			C	D
	FY 2009 Audited Actuals without Derivative Effects & Bookouts ^{1/}	FY 2010 SOY without Derivative Effects & Bookouts ^{2/}	without Derivative Effects & Bookouts ^{2/}	with Derivative Effects & Bookouts ^{3/}
1. REVENUES	2,941.8	3,535.1	3,237	3,221
2. EXPENSES	3,008.1	3,322.9	3,241	3,235
3. NET REVENUES ^{4/}	(66.3)	212.2	(4.8) ^{7/}	(13.4) ^{7/}
4. MODIFIED NET REVENUES ^{4/}	(187.2)	232.0	(5.9) ^{7/}	(5.9) ^{7/}
5. END OF YEAR FINANCIAL RESERVES ^{5/}	1,363.0	1,291.0	1,089 ^{7/}	1,089 ^{7/}
6. BPA ACCRUED CAPITAL EXPENDITURES ^{6/}	409.2	647.9	743	743

Footnotes

- 1/ Does not include mark-to-market adjustments required by derivative accounting guidance as amended or reflect the change in accounting for power "bookout" transactions made after adoption of new accounting guidance as of Oct 1, 2003. Actual Net Revenues for FY 2009 with the mark-to-market adjustments were \$(101.1) million.
- 2/ Columns B and C do not reflect the change in accounting for power "bookout" transactions made after adoption of new accounting guidance, was effective as of Oct 1, 2003.
- 3/ Includes an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by derivative accounting guidance as amended for identified derivative instruments.
- 4/ Net revenues include the effects of non-federal debt management and derivative accounting guidance as amended. Modified net revenues were line items. An example of non-federal debt management is the refinancing of ENW debt.
- 5/ Financial reserves equal total cash plus deferred borrowing and investments in non-marketable U.S. Treasury securities.
- 6/ Funded by borrowing from the U.S. Treasury.
- 7/ There is significant uncertainty regarding the potential financial results that could occur by the end of the year, mainly a result of water conditions, which may affect net secondary sales, and short-term market prices, which also can affect net secondary sales.



FEBRUARY 2010 QUARTERLY BUSINESS REVIEW

Report ID: 0070FY10	Federal Columbia River Power System Statement of Revenues and Expenses	Data Source: EPM Data Warehouse
Requesting BL: CORPT	Quarterly Review at December 31, 2009	Run Date/Time: January 22, 2010 11:10
Unit of measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 25%

	A	B	C	D	E	F
	FY 2009 Actuals	FY 2010 Budget (SOY)	FY 2010 Current EOY Forecast	Current Forecast as a % of Budget	FY 2010 Actuals	Actuals as a % of Budget
Operating Revenues						
1 Gross Sales (excluding bookout adjustment) <Notes 1 and 6	\$2,779,584	\$3,370,363	\$3,062,991	91%	\$773,763	23%
2 Bookout adjustment to Sales <Note 1	(36,814)		(6,727)		(6,727)	
3 Miscellaneous Revenues	58,093	63,402	65,013	103%	14,144	22%
4 Derivative Instruments <Note 2	(34,677)		(8,599)		(8,599)	
5 U.S. Treasury Credits	104,099	101,289	108,517	107%	24,893	25%
6 Total Operating Revenues	2,870,285	3,535,054	3,221,194	91%	797,473	23%
Operating Expenses						
Power System Generation Resources						
Operating Generation Resources						
7 Columbia Generating Station	288,208	257,811	257,811	100%	57,357	22%
8 Bureau of Reclamation	78,228	87,318	87,318	100%	19,600	22%
9 Corps of Engineers	178,407	191,060	191,060	100%	35,402	19%
10 Long-term Generating Projects	28,783	30,455	32,755	108%	6,800	22%
11 Operating Generation Settlement Payment	18,170	21,328	21,328	100%	5,332	25%
12 Non-Operating Generation	(754)	2,618	2,618	100%	1,465	56%
13 Gross Contracted & Augmentation Power Purchases (excluding bookout adjustment) <Note 1	324,359	270,689	286,879	106%	88,986	33%
14 Bookout Adjustment to Contracted & Augmentation Power Purchases <Note 1	(36,814)		(6,727)		(6,727)	
15 Exchanges and Settlements <Note 6	205,171	264,528	180,600	68%	46,027	17%
16 Renewable and Conservation Generation	98,709	128,903	120,358	93%	21,818	17%
17 Subtotal Power System Generation Resources	1,182,467	1,254,711	1,174,000	94%	276,059	22%
18 Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 4	42,756	51,570	51,570	100%	11,408	22%
19 Power Services Non-Generation Operations	69,409	81,465	78,623	97%	15,551	19%
20 Transmission Operations	98,521	125,377	126,108	101%	23,167	18%
21 Transmission Maintenance	128,284	135,202	135,202	100%	26,405	20%
22 Transmission Engineering	27,605	28,483	28,520	100%	4,478	16%
23 Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Notes 4 and 5	6,923	13,248	12,103	91%	1,827	14%
24 Transmission Reimbursables	8,733	9,727	8,640	89%	2,194	23%
25 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	207,569	248,126	248,126	100%	51,063	21%
BPA Internal Support						
26 Additional Post-Retirement Contribution	32,706	33,435	33,435	100%	8,359	25%
27 Agency Services G&A	94,969	98,351	98,157	100%	22,498	23%
28 Other Income, Expenses & Adjustments	(3,978)	(3,428)	(2,006)	59%	(447)	13%
29 Non-Federal Debt Service <Note 5	501,367	642,136	621,053	97%	150,852	23%
30 Depreciation & Amortization <Note 5	355,574	371,585	372,685	100%	89,859	24%
31 Total Operating Expenses	2,752,905	3,089,988	2,986,217	97%	683,274	22%
32 Net Operating Revenues (Expenses)	117,379	445,066	234,978	53%	114,199	26%
Interest Expense and (Income)						
33 Interest Expense	326,494	335,958	335,577	100%	81,771	24%
34 AFUDC	(30,710)	(34,300)	(35,912)	105%	(10,141)	30%
35 Interest Income	(77,355)	(68,697)	(51,287)	75%	(13,655)	20%
36 Net Interest Expense (Income)	218,430	232,961	248,377	107%	57,975	25%
37 Net Revenues (Expenses) from Continuing Operations	(101,050)	212,105	(13,400)	-106%	56,225	27%
38 Net Revenues (Expenses)	(\$101,050)	\$212,105	(\$13,400)	-106%	\$56,225	27%

- <1 Beginning in FY 2004, actuals for Power Sales and Contracted Power Purchases are affected by the change in accounting for power "bookout" transactions after adoption of new accounting guidance as of Oct 1, 2003. Bookout transactions are not included in the SOY budget or forecasted through the remaining year. Bookouts included in the Forecast column reflect actuals recorded to date.
- <2 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by derivative accounting guidance as amended, for identified derivative instruments. The MTM adjustment is excluded in calculating Modified Net Revenues for rate setting purposes.
- <3 Beginning in FY 2004, the consolidated actuals reflect the inclusion of transactions associated with a Variable Interest Entity (VIES), which is in accordance with accounting guidance for special purpose entities that is effective as of December, 2003. The SOY Budget and Current Forecast are for the Bonneville Power Administration only.
- <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 The Residential Exchange Program Lookback Amount applied is returned to the Consumer Owned Utilities (COUs) and recovered from the Investor Owned Utilities. Throughout the year actual revenue will be reduced by this amount to reflect the Lookback Amount refunds returned to COUs and actual REP expense will be reduced to reflect the Lookback Amount returned by the IOUs. Budgets were developed with the Lookback Amount applied as an increase to the REP expense, without adjustment to revenue. These circumstances will present actual revenue and REP expense running under budget.



Monthly Financial Reports



FEBRUARY 2010 QUARTERLY BUSINESS REVIEW

Report ID: 0020FY10

Requesting BL: CORPORATE BUSINESS UNIT

Unit of measure: \$ Thousands

FCRPS Summary Statement of Revenues and Expenses

Through the Month Ended December 31, 2009

Preliminary/ Unaudited

Run Date/Run Time: January 22,2010/ 13:57

Data Source: EPM Data Warehouse

% of Year Lapsed = 25%

	FY 2009		FY 2010		FY 2010
	Actuals: FYTD	Actuals	SOY Budget	Current EOY Forecast	Actuals: FYTD
Operating Revenues					
1 Gross Sales (excluding bookout adjustment) <Notes 1 and 6	\$746,045	\$2,779,584	\$3,370,363	\$3,062,991	\$773,763
2 Bookout adjustment to Sales <Note 1	(19,526)	(36,814)		(6,727)	(6,727)
3 Miscellaneous Revenues	13,782	58,093	63,402	65,013	14,144
4 Derivative Instruments <Note 2	(39,947)	(34,677)		(8,599)	(8,599)
5 U.S. Treasury Credits	22,739	104,099	101,289	108,517	24,893
6 Total Operating Revenues	\$723,093	\$2,870,285	\$3,535,054	\$3,221,194	\$797,473
Operating Expenses					
Power System Generation Resources					
Operating Generation Resources					
Columbia Generating Station	79,714	288,208	257,811	257,811	57,357
Bureau of Reclamation	16,252	78,228	87,318	87,318	19,600
Corps of Engineers	32,977	178,407	191,060	191,060	35,402
Long-term Contract Generating Projects	6,244	28,783	30,455	32,755	6,800
Operating Generation Settlement Payment	5,227	18,170	21,328	21,328	5,332
Non-Operating Generation	442	(754)	2,618	2,618	1,465
Gross Contracted Power Purchases and Augmentation Power Purch <Note 1	135,515	324,359	270,689	286,879	88,986
Bookout Adjustment to Power Purchases <Note 1	(19,526)	(36,814)		(6,727)	(6,727)
Exchanges & Settlements <Note 6	43,372	205,171	264,528	180,600	46,027
Renewable and Conservation Generation	19,264	98,709	128,903	120,358	21,818
Subtotal Power System Generation Resources	\$319,480	\$1,182,467	\$1,254,711	\$1,174,000	\$276,059
Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 4	12,452	42,756	51,570	51,570	11,408
Power Services Non-Generation Operations	16,266	69,409	81,465	78,623	15,551
Transmission Operations	23,435	98,521	125,377	126,108	23,167
Transmission Maintenance	28,237	128,284	135,202	135,202	26,405
Transmission Engineering	6,352	27,605	28,483	28,520	4,478
Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 4, 5	1,610	6,923	13,248	12,103	1,827
Transmission Reimbursables	1,844	8,733	9,727	8,640	2,194
Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	33,244	207,569	248,126	248,126	51,063
BPA Internal Support					
Additional Post-Retirement Contribution	7,639	32,706	33,435	33,435	8,359
Agency Services G&A	23,141	94,969	98,351	98,157	22,498
Other Income, Expenses & Adjustments	(118)	(3,978)	(3,428)	(2,006)	(447)
Non-Federal Debt Service <Note 5	123,952	501,367	642,136	621,053	150,852
Depreciation & Amortization <Note 5	88,001	355,574	371,585	372,685	89,859
Total Operating Expenses	\$685,532	\$2,752,905	\$3,089,988	\$2,986,217	\$683,274
Net Operating Revenues (Expenses)	\$37,561	\$117,379	\$445,066	\$234,978	\$114,199
Interest Expense and (Income)					
Interest Expense	81,312	326,494	335,958	335,577	81,771
AFUDC	(8,142)	(30,710)	(34,300)	(35,912)	(10,141)
Interest Income	(18,962)	(77,355)	(68,697)	(51,287)	(13,655)
Net Interest Expense (Income)	\$54,208	\$218,430	\$232,961	\$248,377	\$57,975
Net Revenues (Expenses)	(\$16,646)	(\$101,050)	\$212,105	(\$13,400)	\$56,225

- <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 Derivatives and Hedging Accounting guidance 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.
- <6 The Residential Exchange Program Lookback Amount applied is returned to the Consumer Owned Utilities (COUs) and recovered from the Investor Owned Utilities. Throughout the year actual revenue will be reduced by this amount to reflect the Lookback Amount refunds returned to COUs and actual REP expense will be reduced to reflect the Lookback Amount returned by the IOUs. Budgets were developed with the Lookback Amount applied as an increase to the REP expense, without adjustment to revenue. These circumstances will present actual revenue and REP expense running under budget.



FEBRUARY 2010 QUARTERLY BUSINESS REVIEW

Report ID: 0021FY10 **Power Services Summary Statement of Revenues and Expenses** Run Date/Time: January 22, 2010 13:57
 Requesting BL: POWER BUSINESS UNIT Through the Month Ended December 31, 2009 Data Source: EPM Data Warehouse
 Unit of measure: \$ Thousands Preliminary/ Unaudited % of Year Lapsed = 25%

	FY 2009		FY 2010			FY 2010
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
			E <Note 3			
Operating Revenues						
1 Gross Sales (excluding bookout adjustment) <Notes 1 and 4	\$578,383	\$2,090,387	\$2,658,676	\$2,658,694	\$2,329,069	\$592,584
2 Bookout Adjustment to Sales <Note 1	(19,526)	(36,814)			(6,727)	(6,727)
3 Miscellaneous Revenues	7,514	33,383	29,421	29,421	31,926	6,513
4 Inter-Business Unit	18,508	78,318	90,171	90,171	90,950	22,710
5 Derivative Instruments <Note 2	(39,947)	(34,677)			(8,599)	(8,599)
6 U.S. Treasury Credits	22,739	104,099	101,289	101,289	108,517	24,893
7 Total Operating Revenues	\$567,671	\$2,234,695	\$2,879,557	\$2,879,575	\$2,545,137	\$631,374
Operating Expenses						
Power System Generation Resources						
Operating Generation Resources						
Columbia Generating Station	79,714	288,208	257,811	257,811	257,811	57,357
Bureau of Reclamation	16,252	78,228	87,318	87,318	87,318	19,600
Corps of Engineers	32,977	178,407	191,060	191,060	191,060	35,402
Long-term Contract Generating Projects	6,244	28,783	30,455	30,455	32,755	6,800
Operating Generation Settlement Payment	5,227	18,170	21,328	21,328	21,328	5,332
Non-Operating Generation	442	(754)	2,618	2,618	2,618	1,465
Gross Contracted Power Purchases and Aug Power Purchases <Note 1	135,515	324,359	270,438	270,689	286,879	88,986
Bookout Adjustment to Power Purchases <Note 1	(19,526)	(36,814)			(6,727)	(6,727)
Residential Exchange/IOU Settlement Benefits <Note 4	43,372	205,171	263,137	264,528	180,600	46,027
Renewable and Conservation Generation	99,269	99,444	129,576	128,903	120,358	22,084
Subtotal Power System Generation Resources	\$319,485	\$1,183,202	\$1,253,742	\$1,254,711	\$1,174,000	\$276,325
Power Services Transmission Acquisition and Ancillary Services	37,239	157,802	187,217	177,717	160,807	36,398
Power Non-Generation Operations	16,271	69,479	81,022	81,490	78,648	15,555
Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	33,283	208,059	248,583	248,583	248,583	51,109
BPA Internal Support						
Additional Post-Retirement Contribution	3,819	16,353	15,447	16,717	16,717	4,179
Agency Services G&A	11,670	48,216	49,961	49,335	49,335	11,480
Other Income, Expenses & Adjustments	(288)	(2,454)	(1,428)	(1,428)	(6)	(6)
Non-Federal Debt Service	118,496	457,044	565,486	579,606	558,523	135,219
Depreciation & Amortization	44,655	180,788	197,839	187,435	188,535	45,348
Total Operating Expenses	\$584,631	\$2,318,490	\$2,599,296	\$2,594,166	\$2,475,142	\$575,606
Net Operating Revenues (Expenses)	(\$16,960)	(\$83,795)	\$280,261	\$285,409	\$69,995	\$55,768
Interest Expense and (Income)						
29 Interest Expense	52,224	207,661	219,587	212,069	213,087	52,704
30 AFUDC	(3,734)	(9,336)	(10,800)	(13,000)	(13,900)	(3,184)
31 Interest Income	(12,515)	(46,817)	(42,404)	(41,471)	(22,080)	(6,288)
32 Net Interest Expense (Income)	\$35,975	\$151,508	\$166,383	\$157,598	\$177,107	\$43,232
33 Net Revenues (Expenses)	(\$52,935)	(\$235,303)	\$113,878	\$127,811	(\$107,112)	\$12,536

- <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 Derivatives and Hedging Accounting guidance 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 Residential Exchange Program Lookback Amount applied is returned to the Consumer Owned Utilities (COUs) and recovered from the Investor Owned Utilities. Throughout the year actual revenue will be reduced by this amount to reflect the Lookback Amount refunds returned to COUs and actual REP expense will be reduced to reflect the Lookback Amount returned by the IOUs. Budgets were developed with the Lookback Amount applied as an increase to the REP expense, without adjustment to revenue. These circumstances will present actual revenue and REP expense running under budget.



FEBRUARY 2010 QUARTERLY BUSINESS REVIEW

Report ID: 0023FY10

Transmission Services Summary Statement of Revenues and Expenses

Run Date/Time: January 22, 2010/ 13:57

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended December 31, 2009

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Lapsed = 25%

	FY 2009		FY 2010			FY 2010
	A	B	C	D	E <Note 1>	F
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
Operating Revenues						
1 Sales	\$167,662	\$689,197	\$713,981	\$711,669	\$733,921	\$181,179
2 Miscellaneous Revenues	6,268	24,710	32,378	33,981	33,087	7,630
3 Inter-Business Unit Revenues	25,052	117,932	117,381	121,415	120,398	25,421
4 Total Operating Revenues	\$198,982	\$831,840	\$863,739	\$867,065	\$887,406	\$214,230
Operating Expenses						
5 Transmission Operations	23,435	98,521	120,400	125,377	126,108	23,167
6 Transmission Maintenance	28,237	128,284	125,607	135,202	135,202	26,405
7 Transmission Engineering	6,352	27,605	25,240	28,483	28,520	4,478
8 Trans Services Transmission Acquisition and Ancillary Services <Note 2	20,117	85,241	103,328	103,085	111,002	24,537
9 Transmission Reimbursables	1,844	8,733	9,142	9,727	8,640	2,194
10 BPA Internal Support						
Additional Post-Retirement Contribution	3,819	16,353	15,447	16,717	16,717	4,179
11 Agency Services G&A	11,471	46,753	48,937	49,017	48,822	11,019
12 Other Income, Expenses & Adjustments	510	67	(10,000)	(2,000)	(2,000)	(199)
13 Non-Federal Debt Service <Note 2						
14 Depreciation & Amortization <Note 2	43,345	174,786	189,702	184,150	184,150	44,511
15 Total Operating Expenses	\$139,131	\$586,343	\$627,802	\$649,758	\$657,163	\$140,292
16 Net Operating Revenues (Expenses)	\$59,852	\$245,497	\$235,937	\$217,307	\$230,244	\$73,938
Interest Expense and (Income)						
17 Interest Expense	43,081	174,947	195,176	180,670	179,271	43,262
18 AFUDC	(3,817)	(21,373)	(16,501)	(21,300)	(22,012)	(6,334)
19 Interest Income	(7,142)	(30,681)	(24,655)	(27,226)	(29,207)	(7,367)
20 Net Interest Expense (Income)	\$32,122	\$122,892	\$154,020	\$132,144	\$128,051	\$29,560
21 Net Revenues (Expenses)	\$27,729	\$122,605	\$81,917	\$85,163	\$102,192	\$44,378

- <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 +/- impacting the final results in revenues, expenses, and cash reserves.
- <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.



FEBRUARY 2010 QUARTERLY BUSINESS REVIEW

Report ID: 0022FY10

Requesting BL: CORPORATE BUSINESS UNIT

Unit of measure: \$ Thousands

Schedule of Net Revenue (Expense) to Modified Net Revenue

Through the Month Ended December 31, 2009

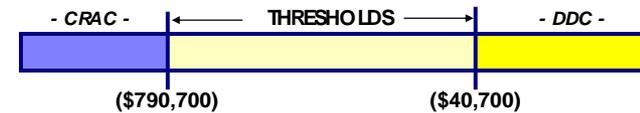
Preliminary/ Unaudited

Run Date/Time: January 22, 2010 13:57

Data Source: EPM Data Warehouse

% of Year Lapsed = 25%

	A	B	C	D
	Actuals: FY 2000 to FY 2009	Forecast: Current Qtr FY 2010	Forecast: Accumulated MNR FY 2000 to FY 2010 (A) + (B)	Actuals: FYTD 2010
Power Services				
1 Power Net Revenue (Expense)	\$930,046	(\$107,112)	\$822,934	\$12,536
Power Modified Net Revenue Adjustments:				
2 Derivative Instruments	(14,800)	(8,599)	(23,399)	(8,599)
3 EN Debt Adjustments	(1,178,600)	(6,824)	(1,185,424)	(6,182)
4 Power Modified Net Revenue Adjustments <Note 1	(1,163,800)	1,775	(1,162,025)	2,417
5 Power Modified Net Revenue <Note 2	(\$233,754)	(\$105,337)	(\$339,091)	\$14,953
6 Threshold Amounts for FY 2011 Rates based on AMNR from FY 2000 through 2010: <Note 3				



6 FCRPS Modified Net Revenue <Note 1	\$300,041	(\$5,876)	\$294,165	\$60,079
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<1 Consistent with the General Rate Schedule Provisions, Modified Net Revenue (MNR) is an adjustment to Net Revenues for the purpose of calculating the rate case Cost Recovery Adjustment Clause (CRAC) or Dividend Distribution Clause (DDC). MNR excludes the impact of Derivative Instruments transactions. Derivative Instruments is a "no cash impact" adjustment representing the mark-to-market (MTM) valuation required by Derivatives and Hedging Accounting guidance for identified derivative instruments. In addition, MNR excludes the Energy Northwest (EN) debt service expense amounts (actual or forecasted) and includes the rate case amounts for EN debt service. This results in the exclusion of the effect of debt refinancing from BPA's cost recovery adjustment clause.

<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 are defined in the WP-10 Final Power Rate Proposal.



FEBRUARY 2010 QUARTERLY BUSINESS REVIEW

Report ID: 0027FY10
 Requesting BL: CORPORATE BUSINESS UNIT
 Unit of Measure: \$Thousands

BPA Statement of Capital Expenditures
 FYTD Through the Month Ended December 31, 2009
 Preliminary Unaudited

Run Date/Run Time: January 22, 2010/ 14:07
 Data Source: EPM Data Warehouse
 25%

A	B	C	D	E
FY 2010		FY 2010		FY 2010
SOY Budget	Current EOY Forecast	Actuals: Dec	Actuals: FYTD	Actuals / Forecast

Transmission Business Unit

CAPITAL DIRECT						
1	UNCOMMITTED FUNDS					
MAIN GRID						
2	MIDWAY-VANTAGE LINE UPGRADE	3,845	4,167	33	103	2%
3	REDMOND TRANSFORMER ADDITION	4,576	3,808	82	114	3%
4	BIG EDDY-KNIGHT 500kv PROJECT	4,359	3,627	448	1,031	28%
5	OLYMPIC PENINSULA PROJECT	2,542	2,115	1,660	2,768	131%
6	WEST OF MCNARY INTEGRATION PRO	94,904	75,249	4,154	14,695	20%
7	I-5 CORRIDOR UPGRADE PROJECT	7,210	6,000	708	1,293	22%
8	LIBBY-TROY LINE REBUILD	5,875	2,659	185	1,861	70%
9	CENTRAL FERRY- LOWER MONUMNTAL	4,052	3,372	449	811	24%
10	MISC. MAIN GRID PROJECTS	26,543	22,088	1,392	1,478	7%
11	TOTAL MAIN GRID	153,906	123,085	9,111	24,153	20%
AREA & CUSTOMER SERVICE						
12	ROGUE SVC ADDITION	7,695	6,403	86	326	5%
13	CITY OF CENTRALIA PROJECT	2,435	2,026	99	214	11%
14	LOWER VALLEY (CARIBOU) PROJECT	22,986	7,791	53	729	9%
15	MISC. AREA & CUSTOMER SERVICE	11,471	9,576	343	1,405	15%
16	TOTAL AREA & CUSTOMER SERVICE	44,587	25,797	580	2,674	10%



FEBRUARY 2010 QUARTERLY BUSINESS REVIEW

Report ID: 0027FY10

Requesting BL: CORPORATE BUSINESS UNIT

Unit of Measure: \$Thousands

BPA Statement of Capital Expenditures

FYTD Through the Month Ended December 31, 2009

Preliminary Unaudited

Run Date/Run Time: January 22, 2010/ 14:07

Data Source: EPM Data Warehouse

25%

A	B	C	D	E
FY 2010		FY 2010		FY 2010
SOY Budget	Current EOY Forecast	Actuals: Dec	Actuals: FYTD	Actuals / Forecast

Transmission Business Unit (Continued)

	SYSTEM REPLACEMENTS	A	B	C	D	E
17	TEAP - TOOLS	1,142	950	(26)	285	30%
18	TEAP - EQUIPMENT	14,493	12,060	(387)	(193)	-2%
19	SPC - SER	895	744	88	319	43%
20	SPC - DFRS	3,578	2,978	306	695	23%
21	SPC - METERING	447	372			0%
22	SPC - RAS					
23	SPC - RELAYS	5,357	4,458	208	611	14%
24	PSC - TELEPHONE SYSTEMS	1,136	945			0%
25	PSC - TRANSFER TRIP	7,190	6,069	5	10	0%
26	PSC - FIN/OP NETWORKS	361	300			0%
27	PSC - TLECOM TRANSPORT	1,783	1,484	16	67	5%
28	PSC - SCADA/TELEMTRY/SUP CNTRL	940	782	12	121	15%
29	PSC- TELECOM SUPPORT EQUIPMENT	1,274	1,060	55	130	12%
30	PSC - VHF					
31	SUB DC	6,987	9,497	180	966	10%
32	SUB NON-ELECTRIC PLANT	678	564	48	77	14%
33	SUB LOW VOLTAGE AUX.	3,501	4,507	268	832	18%
34	LINES - STEEL HARDWARE REPLCMT	23,936	19,919	(198)	3,974	20%
35	LINES - WOOD POLE LN REBUILDS	23,310	15,000	797	3,471	23%
36	SUB CAPACITORS	1,107	921		2	0%
37	SUB CIRCUIT BREAKER REPLACMENT	13,368	6,301	845	2,508	40%
38	SUB CVT/PT/CT REPLACEMENT	1,400	1,165	37	69	6%
39	SUB TRANSFORMERS & REACTORS	4,457	3,709	207	1,658	45%
40	MISC. REPLACEMENT PROJECTS	20,028	16,666	305	1,395	8%
41	MISC FACILITIES- NON-ELECTRIC	27,339	10,200	305	495	5%
42	TOTAL SYSTEM REPLACEMENTS	164,706	120,652	3,071	17,492	14%



FEBRUARY 2010 QUARTERLY BUSINESS REVIEW

Report ID: 0027FY10
 Requesting BL: CORPORATE BUSINESS UNIT
 Unit of Measure: \$Thousands

BPA Statement of Capital Expenditures
 FYTD Through the Month Ended December 31, 2009
 Preliminary Unaudited

Run Date/Run Time: January 22, 2010/ 14:07
 Data Source: EPM Data Warehouse
 25%

A	B	C	D	E
FY 2010		FY 2010		FY 2010
SOY Budget	Current EOY Forecast	Actuals: Dec	Actuals: FYTD	Actuals / Forecast

Transmission Business Unit (Continued)						
	UPGRADES & ADDITIONS					
43	IT PROJECTS	6,009	5,000	3	11	0%
44	SECURITY ENHANCEMENTS	5,530	4,602	286	762	17%
45	LAND RIGHTS - ACCESS ROADS	565	470	6	21	4%
46	LAND RIGHTS- VEG MITIGATION	601	500			0%
47	LAND RIGHTS - TRIBAL RENEWALS	30,439	23,330	16,312	16,383	70%
48	LAND ACQUISITION & REBUILDS	12,141	10,103	538	1,867	18%
49	SUBSTATION UPGRADES		6,650	21	33	0%
50	LINE SWITCH UPGRADES			2	19	
51	LINE CAPACITY UPGRADES					
52	CELILO UPGRADES PROJECT	7,451	6,200	22	180	3%
53	CONTROL CENTERS	3,055	2,542	347	695	27%
54	CC SYSTEM & APPLICATION	1,959	1,630	102	313	19%
55	CC INFRASTRUCTURE COMPONENTS	2,779	2,312	25	31	1%
56	SYSTEM TELECOMMUNICATION	15,336	12,762	301	1,788	14%
57	MISC. UPGRADES AND ADDITIONS	38,419	31,870	2,046	6,057	19%
58	TOTAL UPGRADES & ADDITIONS	124,284	107,972	20,010	28,159	26%
59	ENVIRONMENT CAPITAL					
60	MISC. ENVIRONMENT PROJECTS	6,627	5,530	86	699	13%
60	TOTAL ENVIRONMENT CAPITAL	6,627	5,530	86	699	13%
61	CAPITAL DIRECT	494,110	383,036	32,859	73,177	19%
62	PFIA					
62	MISC. PFIA PROJECTS	7,925	6,500	1,342	2,211	34%
63	GENERATOR INTERCONNECTION	75,648	50,000	2,134	8,160	16%
64	SPECTRUM RELOCATION	10,813	7,157	642	2,019	28%
65	COI ADDITION PROJECT	31,070	25,483	2,210	10,155	40%
66	TOTAL PFIA	125,456	89,140	6,329	22,545	25%
67	AFUDC		22,012			0%
68	CAPITAL INDIRECT		80,467	2,800	4,332	5%
69	LAPSE FACTOR	(105,118)				
70	TOTAL Transmission Business Unit	\$514,449	\$574,655	\$41,988	\$100,054	17%



FEBRUARY 2010 QUARTERLY BUSINESS REVIEW

Report ID: 0027FY10
 Requesting BL: CORPORATE BUSINESS UNIT
 Unit of Measure: \$Thousands

BPA Statement of Capital Expenditures
 FYTD Through the Month Ended December 31, 2009
 Preliminary Unaudited

Run Date/Run Time: January 22, 2010/ 14:07
 Data Source: EPM Data Warehouse
 25%

A	B	C	D	E
FY 2010		FY 2010		FY 2010
SOY Budget	Current EOY Forecast	Actuals: Dec	Actuals: FYTD	Actuals / Forecast

Power Business Unit						
71	BUREAU OF RECLAMATION-CAPITAL	78,653	51,608	4,394	12,396	24%
72	CORPS OF ENGINEERS-CAPITAL	106,347	145,892	6,388	18,423	13%
73	CONSERVATION ACQUISITION	15,000	20,000	6,470	10,259	51%
74	NON-GENERATION OPERATIONS	3,000	3,000	686	1,472	49%
75	FISH&WILDLIFE&PLANNING COUNCIL	70,000	70,000	1,622	8,266	12%
76	LAPSE FACTOR	(33,600)				
77	TOTAL Power Business Unit	\$239,400	\$290,500	\$19,560	\$50,816	17%
Corporate Business Unit						
78	CORPORATE BUSINESS UNIT	47,705	37,105	3,348	10,340	28%
79	LAPSE FACTOR	(3,896)				
80	TOTAL Corporate Business Unit	\$43,809	\$37,105	\$3,348	\$10,340	28%
81	TOTAL BPA Capital Expenditures	\$797,658	\$902,260	\$64,896	\$161,210	18%



2010 IPR Schedule

Brenda Weller
Manager, Finance

Stephanie Adams
Analyst, Finance



2010 Integrated Program Review (IPR)

- The 2010 IPR will begin in early to mid-May.
- Customers and constituents will have an opportunity to review and comment on proposed agency expense and capital spending level estimates for FY 2012-2017, with an emphasis on the FY 2012-2013 rate period.
- Interested parties will also have an opportunity to review any essential changes for FY 2011 programs from what was discussed at last year's IPR and included in rates.
- The 2010 IPR process will attempt to incorporate comments and suggestions received during the 2008-2009 IPR process.
 - For example:
 - BPA will attempt to provide detailed program reduction scenarios similar to the 10% scenario report in the 2010 IPR process.
 - FY 2012-2017 spending estimates will be developed with cross-agency prioritization in mind.
 - 2010 IPR publications and workshops will attempt to provide additional detail with an emphasis on clear cost-benefit analysis.
 - The 2010 IPR process will include an initial kickoff workshop, management level meetings as well as technical workshops.



2010 IPR Draft Schedule

- Early to Mid-May – Begin workshops, customer meetings and comment period
- Example of workshop topics include:
 - Power Services Programs
 - Corp/Reclamation (Capital/Expense)
 - Columbia Generating Station
 - Fish & Wildlife (Capital/Expense)
 - Power Internal Costs
 - Conservation & Energy Efficiency (Capital/Expense)
 - Transmission Services Programs
 - Expense Programs
 - Capital Programs
 - Corporate Internal Costs (Capital/Expense)
 - Depreciation, Amortization, Interest and Debt Management
- May-July – Comment Period
- July – Draft Decisions Report
- September – Final IPR Close-Out Letter and Report



Seasonality of Financial Reserves

Ken Marks
Analyst, Finance

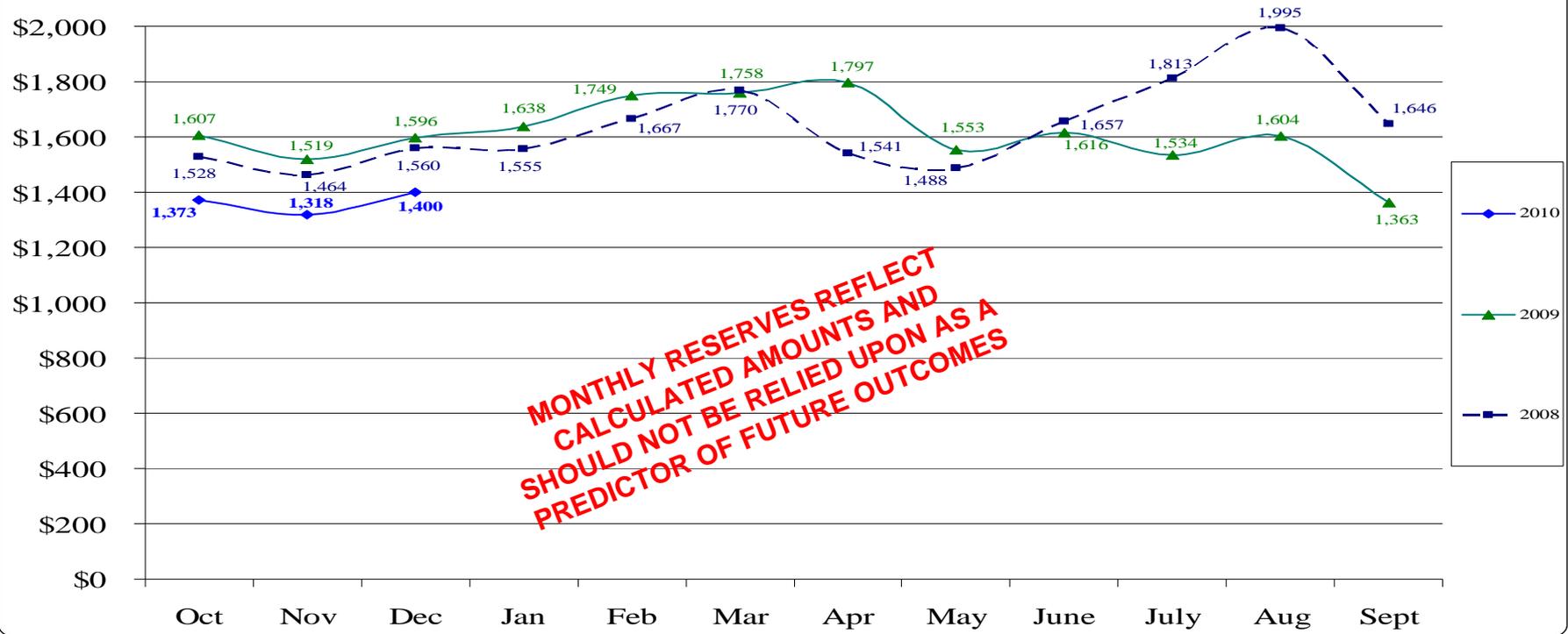


Financial Reserves

Reserves as of the end of December are \$1.400 billion

BPA - Reserves

As of December 31, 2009 (in millions)



MONTHLY RESERVES REFLECT CALCULATED AMOUNTS AND SHOULD NOT BE RELIED UPON AS A PREDICTOR OF FUTURE OUTCOMES

End of Fiscal Year 2009 Reserves: \$1.363 billion
 Split Between Business Units:
 Power: \$670 million Transmission: \$693 million

Unaudited

Funds held for others balance, estimate: \$220 million
 (Power \$50 million ; Transmission \$170 million)



Update on Transmission Reserves Issue

Alex Lennox
Analyst, Finance



Update on Transmission Financial Reserves

- Discussions about financial reserves often revolve around “reserves available for risk,” which is the reserve balance left after excluding reserves that are associated with specific purposes such as customer deposits for construction projects.
- End of FY 2009 financial reserves for Transmission were:
 - Total = \$693 million
 - Reserves available for risk = \$516 million
- Note that TR-10 transmission rates were based on a revenue requirement that assumed \$30 million of reserve financing of capital investments and a \$40 million drawdown of reserves to cover expenses that were not subject to recovery through rates. The TR-10 risk analysis projected reserves available for risk that declined from \$421 million in FY 2009 to \$289 million in FY 2011.
- BPA anticipates discussions about the use of Transmission financial reserves in late spring. The discussions will be separate from the Integrated Program Review (IPR) process.



Transmission Revenue Detail

Rebecca Fredrickson

Specialist, Transmission Policy & Strategy



FEBRUARY 2010 QUARTERLY BUSINESS REVIEW

Report ID: N/A	Transmission Services Revenue Detail by Product	Run Date/Time: January 22, 2010
Requesting BL: Transmission Business Unit	Through the Month Ended December 31, 2009	Data Source: EPM Data Warehouse
Unit of Measure: \$ Dollars	Preliminary/ Unaudited	% of Year Lapsed = 25%

	A Rate Case	B SOY Budget	C QTR1 Forecast	D Actuals: FYTD	
TRANSMISSION NETWORK					
1	PTP - LONG TERM	\$ 337,672,069	\$ 334,612,967	\$ 338,739,036	\$ 75,987,060
2	NETWORK INTEGRATION	122,265,985	120,203,007	126,517,672	27,936,678
3	INTEGRATION OF RESOURCES	38,967,019	38,967,018	37,560,778	17,971,282
4	FORMULA POWER TRANSMISSION	24,527,033	25,999,233	26,166,454	7,437,063
5	PTP - SHORT TERM	21,180,621	25,219,122	25,646,752	1,597,868
6	ACCRUAL_NETWORK	-	-	-	4,002,964
7	Total	544,612,726	545,001,347	554,630,692	134,932,915
ANCILLARY SERVICES					
8	SCHEDULING, SYSTEM CONT & DISP	86,116,046	86,163,067	87,465,005	19,012,361
9	WITHIN_HOUR_BALANCE_FOR_RSRCs	38,447,160	38,559,003	41,477,552	7,361,746
10	OPERATING RESERVES-SPIN & SUPP	31,441,578	31,441,578	33,105,016	8,722,467
11	ENERGY & GENERATION IMBALANCE	-	-	6,607,076	1,417,807
12	REACTIVE SUPPLY & VOLTAGE	-	-	-	(302)
13	REGULATION & FREQ RESPONSE	7,731,983	7,875,865	7,427,546	2,205,797
14	ACCRUAL ANCILLARY SERVICES	-	-	-	2,095,163
15	Total	163,736,767	164,039,513	176,082,196	40,815,039
PNW-PSW INTERTIE					
16	SOUTHERN INTERTIE LONG TERM	83,959,964	83,914,407	83,917,941	21,026,766
17	SOUTHERN INTERTIE SHORT TERM	4,437,870	4,713,532	3,949,195	239,786
18	MONTANNA INTERTIE LONG TERM	251,904	251,904	251,904	62,976
19	ACCRUAL INTERTIE	-	-	-	(291,213)
20	Total	88,649,738	88,879,843	88,119,041	21,038,315
OTHER					
21	TOWNSEND-GARRISON TRANS	9,796,284	9,796,284	9,796,284	2,449,071
22	GEN INTEGRATION - OTHER REV	8,462,477	8,462,477	8,325,771	1,705,500
23	USE OF FACILITIES	5,522,235	5,522,235	5,493,638	1,400,891
24	POWER FACTOR PENALTY	4,401,951	4,401,951	4,436,989	1,107,002
25	NFP - DEPR PNW PSW INTERTIE	3,065,304	3,065,304	3,068,734	776,616
26	AC-PNW PSW INTERTIE - OTH REV	1,890,984	1,890,984	1,449,403	377,346
27	RESERVATION FEE - OTHER REV	791,996	1,500,000	1,170,430	957,149
28	OPERATIONS & MAINT - OTHER REV	1,121,112	1,121,112	1,120,442	280,583
29	COE_BOR_PROJECT_REV	954,000	954,000	954,000	238,500
30	TRANSMISSION SHARE IRRIGATION	381,997	381,997	342,622	21,928
31	LAND LEASES AND SALES	300,586	300,586	295,653	27,833
32	OTHER LEASES REVENUE	163,818	163,818	157,288	11,073
33	REMEDIAL ACTION - OTHER REV	51,360	51,360	51,360	12,840
34	MISC SERVICES-LOSS-EXCH-AIR	-	-	5,344	61,810
35	OTHER REVENUE SOURCES	4,717	-	-	-
36	FAILURE TO COMPLY - OTHER REV	-	-	-	17,007
37	UNAUTHORIZED INCREASE - OTH REV	-	-	-	2,799
38	ACCRUAL_OTHER_REVENUES&CREDITS	-	-	-	201,272
39	Total	36,908,821	37,612,108	36,667,958	9,649,221
FIBER AND PCS					
40	FIBER OTHER REVENUE	7,286,721	7,523,880	7,392,891	2,187,960
41	WIRELESS/PCS - OTHER REVENUE	4,543,810	5,491,684	5,690,105	1,512,055
42	WIRELESS/PCS_REIMBURSABLE REV	671,030	1,021,030	1,042,496	109,367
43	FIBER OTHER REIMBURSABLE REV	900,794	969,544	996,890	432,937
44	ACCRUAL_FIBER&PCS	-	-	-	193,544
45	Total	13,402,355	15,006,138	15,122,381	4,435,864
REIMBURSABLE					
46	REIMBURSABLE-OTHER REVENUE	12,000,000	12,000,000	11,473,547	3,223,434
47	ACCRUAL REIMBURSABLE	-	-	-	(1,145,085)
48	Total	12,000,000	12,000,000	11,473,547	2,078,350
DELIVERY SEGMENT					
49	UTILITY DELIVERY CHARGES	2,663,933	2,864,192	2,936,971	596,630
50	DSI DELIVERY	1,764,660	1,662,312	2,373,456	593,364
51	ACCRUAL_DELIVERY	-	-	-	90,490
52	Total	4,428,593	4,526,504	5,310,427	1,280,484
53	Total	\$ 863,739,000	\$ 867,065,454	\$ 887,406,242	\$ 214,230,187

Note

EI/GI revenue forecast is an output from a EI/GI model and the corresponding expenses have also increased due to the model output, because EI/GI revenues and costs are passed through to Power Services. This forecast is only a representation of our best projections of the EI/GI outcomes for EOY based on current information. This is subject to change as we see actuals and there are updates throughout the year.



FY 2010 Transmission Capital Program - Expansion

Lorie Hoffman

Manager, Asset and Workload Planning



Highlights for FY 2010-2013

Ongoing projects

- NOS projects (Peaking in FY 2012 and FY 2013)
 - West of McNary Reinforcement 1
 - Contractor ahead of schedule, 60 miles of towers erected
 - West of McNary Reinforcement 2
 - Completed first round of public scoping meetings, published notice of intent, target to have draft EIS by end of Q3.
 - I-5 corridor
 - Start the Environmental Survey in Q3, published the notice of intent.
 - Little Goose Reinforcement
 - Complete Draft EIS by end of Q3

- COI addition project
 - Target to energize coyote springs breaker at Slatt Substation by end of Q3



Highlights for FY 2010-2013

Ongoing Projects

- Midway Vantage line upgrade –
 - Project is on schedule
- Redmond 230/115 kv transformer addition-
 - Design is complete and project on schedule
- Condon wind Voltage control-
 - project on schedule
- Naselle Tap Modification - Loop into Driscoll substation
 - Construction to start in Q4, project on schedule
- Albeni Falls –Sand Creek Repole –
 - Q3 construction contract to be awarded. Project on schedule
- RAS DC Upgrade –
 - target to have all the customer agreements signed by Q4.



Highlights for FY 2010-2013

New Projects

- Celilo Upgrades in FY 2011 through FY 2015, peaking in FY2013 and FY2014.
- System Telecommunications (includes fiber) FY 2011 through FY 2015.
 - Conversion from Analog to Digital.
- Synchrophaser project added \$9 million in FY 2011 and \$10 million in FY 2012.
 - WECC driven to monitor/analyze/ operate the network.
- FY 2011-2013 New Ross Annex and Maintenance Facility

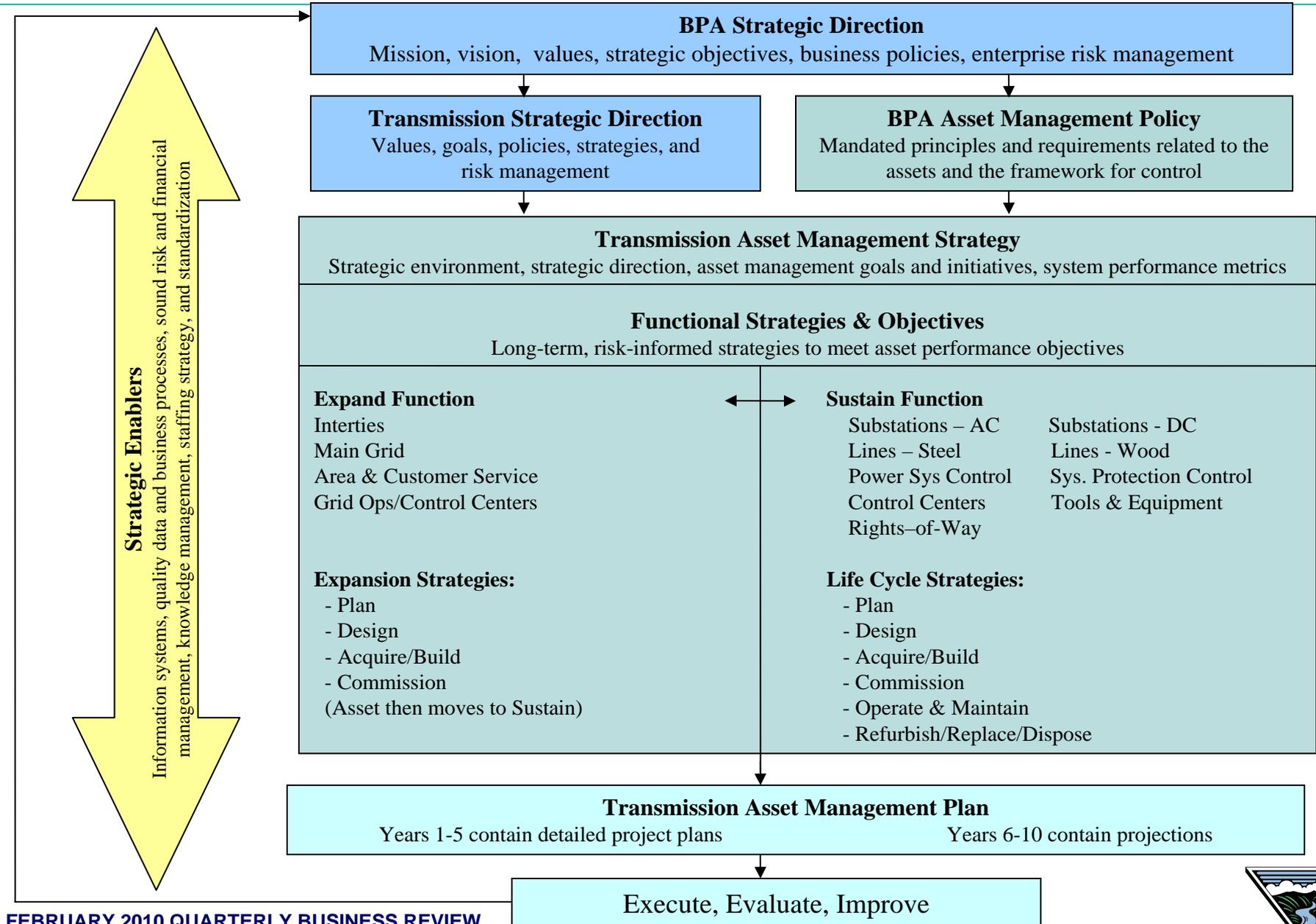


Transmission Asset Management Sustain Strategies

Kevin Carmen

Manager, Transmission Sustain Program





- Questions
- Comments
- Future Meeting Topics



Appendix

*Power and Transmission Services
Detailed Statement of Revenues and Expenses
4th Quarter Capital Report*



Power Services



FEBRUARY 2010 QUARTERLY BUSINESS REVIEW

Report ID: 0060FY10

Power Services Detailed Statement of Revenues and Expenses

Run Date/Time: January 22, 2010 13:58

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended December 31, 2009

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Lapsed = 25%

	A	B	C	D	E	F
	FY 2009	FY 2010			FY 2010	FY 2010
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
Operating Revenues						
1 Gross Sales (excluding bookout adjustment) <Notes 1 and 4	\$2,090,387	\$2,658,676	\$2,658,694	\$2,329,069	\$592,584	25%
2 Bookout Adjustment to Sales <Note 1	(36,814)			(6,727)	(6,727)	100%
3 Miscellaneous Revenues	33,383	29,421	29,421	31,926	6,513	20%
4 Inter-Business Unit	78,318	90,171	90,171	90,950	22,710	25%
5 Derivative Instruments <Note 2	(34,677)			(8,599)	(8,599)	100%
6 U.S. Treasury Credits	104,099	101,289	101,289	108,517	24,893	23%
7 Total Operating Revenues	\$2,234,695	\$2,879,557	\$2,879,575	\$2,545,137	\$631,374	25%
Operating Expenses						
Power System Generation Resources						
Operating Generation						
8 COLUMBIA GENERATING STATION	288,208	257,811	257,811	257,811	57,357	22%
9 BUREAU OF RECLAMATION	78,228	87,318	87,318	87,318	19,600	22%
10 CORPS OF ENGINEERS	178,407	191,060	191,060	191,060	35,402	19%
11 LONG-TERM CONTRACT GENERATING PROJECTS	28,783	30,455	30,455	32,755	6,800	21%
12 Sub-Total	573,626	566,644	566,644	568,944	119,159	21%
Operating Generation Settlements and Other Payments						
13 COLVILLE GENERATION SETTLEMENT	18,170	21,328	21,328	21,328	5,332	25%
14 SPOKANE LEGISLATION PAYMENT						
15 Sub-Total	18,170	21,328	21,328	21,328	5,332	25%
Non-Operating Generation						
16 TROJAN DECOMMISSIONING	(1,304)	2,200	2,200	2,200	1,382	63%
17 WNP-1&3 DECOMMISSIONING	550	418	418	418	83	20%
18 Sub-Total	(754)	2,618	2,618	2,618	1,465	56%
Gross Contracted Power Purchases (excluding bookout adjustments) <Note 1						
19 DSI MONETIZED POWER SALES	40,394					
20 PNCA HEADWATER BENEFITS	1,427	2,042	2,042	2,042	658	32%
21 OTHER POWER PURCHASES - (e.g. Short-Term)	280,487	87,631	87,881	238,005	87,482	37%
22 Sub-Total	322,308	89,673	89,923	240,047	88,140	37%
23 Bookout Adjustments to Contracted Power Purchases <Note 1	(36,814)			(6,727)	(6,727)	100%
Augmentation Power Purchases (includes IOU Load Reduc. and Buy Backs)						
24 AUGMENTATION POWER PURCHASES	2,051	180,765	180,766	46,832	846	2%
25 CONSERVATION AUGMENTATION						
26 Sub-Total	2,051	180,765	180,766	46,832	846	2%
Exchanges & Settlements						
27 RESIDENTIAL EXCHANGE PROGRAM <Note 4	205,171	263,137	264,528	180,600	46,027	25%
28 OTHER SETTLEMENTS						
29 Sub-Total	205,171	263,137	264,528	180,600	46,027	25%
Renewable Generation						
30 RENEWABLES R&D	840	6,174	1,665	1,665	53	3%
31 RENEWABLE CONSERVATION RATE CREDIT	6,323	4,000	4,000	4,000	1,038	26%
32 RENEWABLES	31,080	35,414	35,413	35,413	7,034	20%
33 Sub-Total	38,243	45,588	41,078	41,078	8,125	20%



FEBRUARY 2010 QUARTERLY BUSINESS REVIEW

Report ID: 0060FY10	Power Services Detailed Statement of Revenues and Expenses	Run Date\Time: January 22, 2010 13:58
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended December 31, 2009	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 25%

	A	B		C		D		E	F
	FY 2009	FY 2010		FY 2010		FY 2010		FY 2010	FY 2010
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals	Actuals	Actuals	per Forecast
Generation Conservation									
34	GENERATION CONSERVATION R&D	2,338		3,200	3,200	189		6%	
35	DSM TECHNOLOGY	686		1,600	1,600	60		4%	
36	CONSERVATION ACQUISITION	6,475	14,000	14,000	14,000	1,886		13%	
37	LOW INCOME WEATHERIZATION & TRIBAL	6,569	5,000	5,000	5,000	520		10%	
38	ENERGY EFFICIENCY DEVELOPMENT	10,212	20,500	20,500	18,000	2,180		12%	
39	LEGACY	1,421	1,988	1,025	1,018	139		14%	
40	MARKET TRANSFORMATION	9,631	14,500	14,500	10,462	2,559		24%	
41	Sub-Total	37,333		55,988	59,825	7,533		14%	
42	Conservation Rate Credit (CRC)	23,869		28,000	26,000	6,426		25%	
43	Power System Generation Sub-Total	1,183,202		1,253,742	1,254,711	1,174,000		24%	
Power Non-Generation Operations									
Power Services System Operations									
44	EFFICIENCIES PROGRAM				()	6		0%	
45	PBL SYSTEM OPERATIONS R&D	172				1,229		20%	
46	INFORMATION TECHNOLOGY	4,834	6,318	6,297	6,297	946		19%	
47	GENERATION PROJECT COORDINATION	5,761	7,290	8,760	5,032	469		25%	
48	SLICE IMPLEMENTATION	1,872	2,396	1,859	1,859	2,649		20%	
49	Sub-Total	12,640	16,004	16,915	13,187	1,914		21%	
Power Services Scheduling									
50	OPERATIONS SCHEDULING	8,196	9,317	9,168	9,168	1,357		22%	
51	PBL SCHEDULING R&D					3,271		21%	
52	OPERATIONS PLANNING	6,160	5,808	6,066	6,076	4,031		17%	
53	Sub-Total	14,357	15,125	15,234	15,244	3,108		17%	
Power Services Marketing and Business Support									
54	SALES & SUPPORT	17,453	19,120	19,461	19,461	222		24%	
55	STRATEGY, FINANCE & RISK MGMT	14,248	16,972	17,892	18,632	1,606		12%	
56	EXECUTIVE AND ADMINISTRATIVE SERVICES	2,134	2,546	3,139	3,141	6		12%	
57	CONSERVATION SUPPORT	8,647	11,254	8,849	8,983	9,634		19%	
58	Sub-Total	42,482	49,893	49,341	50,217	15,555		20%	
59	Power Non-Generation Operations Sub-Total	69,479	81,022	81,490	78,648				
Power Services Transmission Acquisition and Ancillary Services									
PBL Transmission Acquisition and Ancillary Services									
60	POWER SERVICES TRANSMISSION & ANCILLARY SERVICES	108,074	128,677	119,177	102,267	23,377		23%	
61	3RD PARTY GTA WHEELING	41,341	50,690	50,690	50,690	11,186		22%	
62	POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS	1,846	1,000	1,000	1,000	222		22%	
63	GENERATION INTEGRATION	6,528	6,800	6,800	6,800	1,606		24%	
64	TELEMETERING/EQUIP REPLACEMENT	13	50	50	50	6		12%	
65	Power Svcs Trans Acquisition and Ancillary Services Sub-Total	157,802	187,217	177,717	160,807	36,398		23%	
Fish and Wildlife/USF&W/Planning Council/Environmental Req									
BPA Fish and Wildlife (includes F&W Shared Services)									
66	Fish & Wildlife	177,859	215,000	215,000	215,000	43,748		20%	
67	USF&W Lower Snake Hatcheries	20,774	23,600	23,600	23,600	4,871		21%	
68	Planning Council	9,424	9,683	9,683	9,683	2,490		26%	
69	Environmental Requirements	1	300	300	300	51,109		21%	
70	Fish and Wildlife/USF&W/Planning Council Sub-Total	208,059	248,583	248,583	248,583				



FEBRUARY 2010 QUARTERLY BUSINESS REVIEW

Report ID: 0060FY10	Power Services Detailed Statement of Revenues and Expenses	Run Date\Time: January 22, 2010 13:58
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended December 31, 2009	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 25%

	A	B		C		D	E	F
	FY 2009	FY 2010		FY 2010		FY 2010	FY 2010	FY 2010
	Actuals	Rate Case	SOY Budget	Current EOY Forecast		Actuals	Actuals per Forecast	
BPA Internal Support								
71 Additional Post-Retirement Contribution	16,353	15,447	16,717	16,717		4,179	25%	
72 Agency Services G&A (excludes direct project support)	48,216	49,961	49,335	49,335		11,480	23%	
73 BPA Internal Support Sub-Total	64,569	65,408	66,052	66,052		15,659	24%	
74 Bad Debt Expense	2			5		5	100%	
75 Other Income, Expenses, Adjustments	(2,456)		(1,428)	(12)		(12)	100%	
Non-Federal Debt Service								
Energy Northwest Debt Service								
76 COLUMBIA GENERATING STATION DEBT SVC	160,501	235,736	235,618	233,161		55,137	24%	
77 WNP-1 DEBT SVC	118,068	166,013	164,957	161,234		39,860	25%	
78 WNP-3 DEBT SVC	110,182	144,892	149,486	134,722		32,353	24%	
79 EN RETIRED DEBT	27,500							
80 EN LIBOR INTEREST RATE SWAP	19,337		10,700	10,700		3,129	29%	
81 Sub-Total	435,588	546,641	560,761	539,817		130,478	24%	
Non-Energy Northwest Debt Service								
82 TROJAN DEBT SVC	1,314			4,940		1,257	25%	
83 CONSERVATION DEBT SVC	5,211	5,079	5,079	5,079		5,079	25%	
84 COWLITZ FALLS DEBT SVC	11,703	11,566	11,566	11,566		11,566	25%	
85 NORTHERN WASCO DEBT SVC	3,227	2,200	2,200	2,200		2,200	25%	
86 Sub-Total	21,456	18,845	18,845	18,706		4,741	25%	
87 Non-Federal Debt Service Sub-Total	457,044	565,486	579,606	558,523		135,219	24%	
88 Depreciation	110,532	120,111	113,300	113,300		27,127	24%	
89 Amortization	70,256	77,728	74,135	75,235		18,221	24%	
90 Total Operating Expenses	\$2,318,490	\$2,599,296	\$2,594,166	\$2,475,142		\$575,606	23%	
91 Net Operating Revenues (Expenses)	(\$83,795)	\$280,261	\$285,409	\$69,995		\$55,768	80%	
Interest Expense and (Income)								
92 Federal Appropriation	217,780	223,278	222,490	223,880		55,921	25%	
93 Capitalization Adjustment	(45,937)	(45,937)	(45,937)	(45,937)		(11,484)	25%	
94 Borrowings from US Treasury	35,818	42,246	35,516	35,144		8,267	24%	
95 AFUDC	(9,336)	(10,800)	(13,000)	(13,900)		(3,184)	23%	
96 Interest Income	(46,817)	(42,404)	(41,471)	(22,080)		(6,288)	28%	
97 Net Interest Expense (Income)	151,508	166,383	157,598	177,107		43,232	24%	
98 Total Expenses	\$2,469,998	\$2,765,679	\$2,751,764	\$2,652,249		\$618,838	23%	
99 Net Revenues (Expenses)	(\$235,303)	\$113,878	\$127,811	(\$107,112)		\$12,536	-112%	

- <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.
- <4 The Residential Exchange Program Lookback Amount applied is returned to the Consumer Owned Utilities (COUs) and recovered from the Investor Owned Utilities. Throughout the year actual revenue will be reduced by this amount to reflect the Lookback Amount refunds returned to COUs and actual REP expense will be reduced to reflect the Lookback Amount returned by the IOUs. Budgets were developed with the Lookback Amount applied as an increase to the REP expense, without adjustment to revenue. These circumstances will present actual revenue and REP expense running under budget.



Transmission Services



FEBRUARY 2010 QUARTERLY BUSINESS REVIEW

Report ID: 0061FY10

Transmission Services Detailed Statement of Revenues and Expenses

Run Date/Time: January 22, 2010 13:58

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended December 31, 2009

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Lapsed = 25%

	A	B		C	D	E	F
	FY 2009	FY 2010			FY 2010	FY 2010	
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast	
Operating Revenues							
Sales							
Network							
1 Network Integration	\$115,120	122,266	120,203	\$126,518	\$31,526	25%	
2 Other Network	351,122	355,195	354,489	358,490	89,194	25%	
3 Intertie	67,172	68,836	68,820	67,299	16,133	24%	
4 Other Direct Sales	155,783	167,685	168,157	181,615	44,326	24%	
5 Miscellaneous Revenues	24,710	32,378	33,981	33,087	7,630	23%	
6 Inter-Business Unit Revenues	117,932	117,381	121,415	120,398	25,421	21%	
7 Total Operating Revenues	\$831,840	\$863,739	\$867,065	\$887,406	\$214,230	24%	
Operating Expenses							
Transmission Operations							
System Operations							
8 INFORMATION TECHNOLOGY	4,572	7,005	7,933	7,935	893	11%	
9 POWER SYSTEM DISPATCHING	11,138	11,461	11,434	11,434	2,890	25%	
10 CONTROL CENTER SUPPORT	11,400	13,172	12,020	12,020	2,619	22%	
11 TECHNICAL OPERATIONS	5,242	5,882	10,975	10,939	1,387	13%	
12 SUBSTATION OPERATIONS	19,168	19,024	19,905	19,905	4,710	24%	
13 Sub-Total	51,520	56,544	62,267	62,233	12,499	20%	
Scheduling							
14 MANAGEMENT SUPERVISION & ADMINISTRATION	237	703		()	33	0%	
15 RESERVATIONS	790	1,023	1,268	1,268	187	15%	
16 PRE-SCHEDULING	261	448	105	105	49	47%	
17 REAL-TIME SCHEDULING	3,492	4,808	5,219	5,219	790	15%	
18 SCHEDULING TECHNICAL SUPPORT	1,564	2,271	2,501	2,501	332	13%	
19 SCHEDULING AFTER-THE-FACT	310	415	48	48	61	126%	
20 Sub-Total	6,655	9,668	9,141	9,141	1,452	16%	
Marketing and Business Support							
21 TRANSMISSION SALES	2,298	3,120	3,055	3,055	711	23%	
22 MKTG INTERNAL OPERATIONS					2	0%	
23 MKTG TRANSMISSION FINANCE	398	291	289	289	84	29%	
24 MKTG CONTRACT MANAGEMENT	3,556	4,706	4,964	4,964	864	17%	
25 MKTG TRANSMISSION BILLING	2,698	2,224	2,592	2,592	451	17%	
26 MKTG BUSINESS STRAT & ASSESS	5,346	6,732	6,640	6,640	1,204	18%	
27 MARKETING IT SUPPORT	22	2,012					
28 MARKETING AND SALES							
29 METER DATA							
30 Marketing Sub-Total	14,318	19,086	17,539	17,539	3,316	19%	
31 EXECUTIVE AND ADMIN SERVICES	9,311	7,618	11,691	12,790	2,371	19%	
32 LEGAL SUPPORT	2,401	2,928	3,117	3,117	490	16%	
33 TRANS SERVICES INTERNAL GENERAL & ADMINISTRATIVE	6,453	14,447	9,114	8,906	1,583	18%	
34 AIRCRAFT SERVICES	921	1,160	2,102	1,977	217	11%	
35 LOGISTICS SERVICES	3,756	7,566	9,883	9,883	855	9%	
36 SECURITY ENHANCEMENTS	3,186	1,383	522	522	385	74%	
37 Business Support Sub-Total	26,028	35,102	36,429	37,195	5,901	16%	
38 Transmission Operations Sub-Total	98,521	120,400	125,377	126,108	23,167	18%	



FEBRUARY 2010 QUARTERLY BUSINESS REVIEW

Report ID: 0061FY10	Transmission Services Detailed Statement of Revenues and Expenses	Run Date/Time: January 22, 2010 13:58
Requesting BL: TRANSMISSION BUSINESS UNIT	Through the Month Ended December 31, 2009	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 25%

	A	B	C	D	E	F
	FY 2009	FY 2010			FY 2010	FY 2010
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
Transmission Maintenance						
System Maintenance						
39	11,280	26,046	21,672	21,672	2,058	9%
40	25,522	22,243	23,364	23,364	5,572	24%
41	21,983	25,540	23,475	23,475	5,402	23%
42	11,419	10,798	13,059	13,059	2,534	19%
43	10,271	10,147	11,258	11,258	2,478	22%
44	142	196	157	157	24	15%
45	7,753	6,001	5,968	5,968	1,902	32%
46	34,417	18,181	30,017	30,017	5,362	18%
47	58		(53)	(53)	(209)	392%
48	2,466	2,657	2,571	2,571	524	20%
49	Sub-Total	125,311	121,810	131,489	25,646	20%
Environmental Operations						
50	67	78	78	78	21	27%
51	2,907	3,719	3,636	3,636	737	20%
52	Sub-Total	2,973	3,797	3,714	758	20%
53	Transmission Maintenance Sub-Total	128,284	125,607	135,202	26,405	20%
Transmission Engineering						
System Development						
54	6,994	6,117	6,663	6,701	1,018	15%
55	8,029	8,539	8,483	8,483	1,981	23%
56	6,101	4,000	3,695	3,695	235	6%
57	5,149	4,807	7,864	7,864	932	12%
58	1,333	1,778	1,778	1,778	312	18%
59	Sub-Total	27,605	25,240	28,520	4,478	16%
60	Transmission Engineering Sub-Total	27,605	25,240	28,520	4,478	16%
Trans. Services Transmission Acquisition and Ancillary Services						
BBL Acquisition and Ancillary Products and Services						
61	63,418	64,485	77,588	86,583	19,560	23%
62	11,884	11,884	8,719	8,719	2,332	27%
63	3,016	3,589	3,629	3,597	818	23%
64	Sub-Total	78,318	79,957	89,936	22,710	23%
Non-BBL Acquisition and Ancillary Products and Services <Note 1						
65	6,284	16,136	5,914	5,914	1,729	29%
66		500	500	500		0%
67	639	6,735	6,735	5,689	98	2%
68	Sub-Total	6,923	23,371	13,149	1,827	15%
69	Trans. Svcs. Acquisition and Ancillary Services Sub-Total	85,241	103,328	103,085	24,537	22%
Transmission Reimbursables						
Reimbursables						
70	5,543	7,022	7,054	5,967	1,241	21%
71	3,189	2,119	2,673	2,673	953	36%
72	Sub-Total	8,733	9,142	9,727	2,194	25%
73	Transmission Reimbursables Sub-Total	8,733	9,142	9,727	2,194	25%



FEBRUARY 2010 QUARTERLY BUSINESS REVIEW

Report ID: 0061FY10	Transmission Services Detailed Statement of Revenues and Expenses	Run Date/Time: January 22, 2010 13:58
Requesting BL: TRANSMISSION BUSINESS UNIT	Through the Month Ended December 31, 2009	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 25%

	A	B	C	D	E	F
	FY 2009	FY 2010			FY 2010	FY 2010
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
BPA Internal Support						
74	16,353	15,447	16,717	16,717	4,179	25%
75	46,753	48,937	49,017	48,822	11,019	23%
76	63,106	64,384	65,734	65,539	15,198	23%
Other Income, Expenses, and Adjustments						
77	580			()	36	0%
78	(513)			()	(235)	0%
79		(10,000)	(2,000)	(2,000)		0%
80	Non-Federal Debt Service <Note 1					
81	173,582	187,987	183,050	183,050	44,192	24%
82	1,204	1,715	1,100	1,100	319	29%
83	\$586,343	\$627,802	\$649,758	\$657,163	\$140,292	21%
84	\$245,497	\$235,937	\$217,307	\$230,244	\$73,938	32%
Interest Expense and (Income)						
85	35,356	32,979	34,658	34,658	8,664	25%
86	(18,968)	(18,968)	(18,968)	(18,968)	(4,742)	25%
87	77,134	91,570	78,599	78,331	19,171	24%
88	55,971	56,781	56,781	56,781	14,195	25%
89	8,085	16,100	8,000	7,100	808	11%
90	17,369	16,714	21,600	21,369	5,164	24%
91	(21,373)	(16,501)	(21,300)	(22,012)	(6,334)	29%
92	(30,681)	(24,655)	(27,226)	(29,207)	(7,367)	25%
93	122,892	154,020	132,144	128,051	29,560	23%
94	\$709,235	\$781,822	\$781,902	\$785,214	\$169,853	22%
95	\$122,605	\$81,917	\$85,163	\$102,192	\$44,378	43%

<1 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.



4th Quarter Capital Report



FEBRUARY 2010 QUARTERLY BUSINESS REVIEW

Major Capital Projects ¹ - Quarterly Status Report					Q4 2009	
Project	Description	Direct Capital \$M ²			In-Service Date	
		Target	Forecast	Actual ³	Target	Forecast
Transmission						
Olympic Peninsula Reinforcement Project	Replace 14.5 miles of 115 kV line with a double circuit 230 kV line.	\$ 27.3	\$ 30.2	\$ 25.6	12/1/09	12/1/09
Spacer Damper Replacement Program (FY08-12)	Replace all spring type double and triple bundle spacer-dampers on the 500 kV system.	\$ 65.2	\$ 65.2	\$ 20.2	9/30/12	9/30/12
Wood Pole Replacement Program (FY08-09)	Implement a stable, sustained wood pole replacement program.	\$ 5.6	\$ 5.9	\$ 5.9	Replace >1,100 by Q4	Replaced 1,194 poles thru Q4
Libby -Troy 115 kV Rebuild	Rebuild the Libby-Troy line segment as a 115kV single circuit (in-kind rebuild).	\$ 14.3	\$ 18.9	\$ 14.2	11/30/09	11/30/09
Big Eddy 500/230 Transformer Bank No. 5	Replace 3 single-phase transformers due to age and gain a 35 MVA capacity increase.	\$ 12.6	\$ 12.2	\$ 11.3	9/15/09	6/5/09
California - Oregon AC Intertie 4800 Project	Upgrade California-Oregon AC Intertie to improve transfer capability, decrease congestion and improve stability.	\$ 47.7	\$ 47.7	\$ 11.2	5/31/11	5/31/11
3G 1710-1755 MHz Relocation Project	Vacate radio frequencies as required by P.L. 108-494.	\$ 48.6	\$ 43.8	\$ 13.0	3/31/13	3/31/13
Access Roads	Includes 19 to 23 projects for road improvements in or near transmission corridors.	\$ 15.5	\$ 15.5	\$ 7.7	9/30/10	9/30/10
500 kV Spare Transformer Project	Acquire 5 spares and relocate 2 existing transformers that will be used as spares. The spares will be placed strategically across the system.	\$ 33.6	\$ 33.6	\$ 0.5	9/30/11	9/30/11
Tools & Equipment Acquisition Program	Purchase vehicles, test equipment and other tools with procurement activities complete by 5/31/09.	\$ 9.3	\$ 9.9	\$ 9.9	5/31/09 for procure. activities	8/10/09
Lower Mid-Columbia 230 kV Project	Increase capacity between Vantage/Wanapum and Midway.	\$ 11.5	\$ 11.5	\$ 0.0	5/1/11	5/1/11
Redmond 230 - 115 kV Transformer Addition	Install an additional transformer at the Redmond substation.	\$ 12.0	\$ 12.0	\$ 0.1	11/1/11	11/1/11
#KC SONET Phase II Spur Healing	Complete the digital microwave and radio conversion in Oregon.	\$ 18.0	\$ 18.0	\$ 0.4	10/1/12	10/1/12
West of McNary Reinforcement - Group 1	West of McNary reinforcement project - group 1	\$ 246.5	\$ 158.8	\$ 25.3	12/31/12	2/1/12
NEPA - I-5 Corridor Reinforcement	Conduct NEPA study, preliminary engineering and design.	\$ 14.0	\$ 14.0	\$ 0.1	9/30/12	9/30/12
Condon Wind Voltage Control	Install ring bus, transformer bank and breaker to control voltage fluctuations on the DeMoss-Fossil-Maupin 69kV line.	\$ 9.4	\$ 9.4	\$ 0.0	5/31/11	5/31/11
DC RAS Upgrade	Replace the DC RAS controllers at Celilo with upgraded units at the Ross and Munro control centers.	\$ 11.8	\$ 11.8	\$ 0.0	11/30/12	11/30/12

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FEBRUARY 2010 QUARTERLY BUSINESS REVIEW

Major Capital Projects ¹ - Quarterly Status Report				Q4 2009		
Project	Description	Direct Capital \$M ²			In-Service Date	
		Target	Forecast	Actual ³	Target	Forecast
Federal Hydro						
Grand Coulee and Hungry Horse SCADA Replacement	Replace SCADA systems at Grand Coulee and Hungry Horse.	\$ 27.0	\$ 27.0	\$ 4.5	9/30/2012 for HGH 9/30/2011 for GCL	9/30/15
Grand Coulee Replace Transformer Bank K10A	Replace all 3 phases of the G10 generator step-up transformer bank K10.	\$ 9.6	\$ 9.6	\$ 0.7	4/30/11	12/31/10
Grand Coulee Exciter Replacement	Replace 6 original excitation units in Powerhouse 3.	NA ⁴	NA ⁴	\$ 0.3	11/30/13	11/30/13
Grand Coulee Transformer Replacement (G19, G20)	Replace 2 banks (6 single phase transformers) in the third powerhouse, units G19 and G20.	\$ 54.1	\$ 54.1	\$ 0.3	11/30/13	11/30/13
Chief Joseph Turbine Runner Replacement	Replace turbine runners on units 5 - 14 and study the replacement of runners on units 1 - 4, 15 and 16.	\$ 61.3	\$ 56.3	\$ 6.4	9/30/11	9/30/11
The Dalles Station Service Improvements	Install 2 new station service transformers and reconfigure existing units to a "base load" standby source.	\$ 21.1	\$ 21.1	\$ 11.5	9/30/11	6/30/11
McNary Installation Banks T1-T2,T4-T5	Replace the four remaining original (50 year old) transformer banks.	\$ 27.2	\$ 27.2	\$ 14.2	9/30/11	9/30/11
McNary Main Unit 1-4, 7-12 Stator Winding Replacement	Replace stator windings that are over 50 years old.	NA ⁴	NA ⁴	\$ 0.9	12/31/14	12/31/14
John Day Powerhouse Bridge Crane Rehabilitation	Replace obsolete equipment on and provide improvements to the two 375 ton Ederer bridge cranes.	\$ 8.9	\$ 8.9	\$ 1.0	9/30/11	9/30/11
Hills Creek Powerhouse Turbine and Unit Rehabilitation	Replace turbine runners and generator windings on units 1 and 2 at Hills Creek.	NA ⁴	NA ⁴	\$ 0.8	8/12/14	8/12/14
IT						
RODS Replacement Project	Develop, build and deploy hardware and software to replace the current RODS functionality.	\$ 20.1	\$ 20.1	\$ 1.7	9/30/12	9/30/12
Data Center Modernization	Modernize system hardware, software, and support tools for the data centers at Headquarters, Ross and Munro	\$ 13.4	\$ 13.4	\$ 3.0	4/28/12	4/30/12
Data Storage Modernization	Implement a new data storage architecture and replace existing storage hardware components, while adding software applications for system monitoring, alerting and capacity planning.	\$ 13.4	\$ 13.4	\$ 1.8	9/30/12	8/30/12

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¹ Includes capital projects authorized at the agency level since August 2007

² Direct capital costs exclude AFUDC and overheads

³ Actual costs are project costs to date.

⁴ Contracts have not been awarded - cost estimates are confidential

