Quarterly Business Review

August 2, 2011

10:00 am – 2:35 pm

Rates Hearing Room
911 N.E. 11th Ave
Portland OR

To participate via phone:
Please dial 503-230-5566. When prompted, enter access code 8993

August 2nd QBR Agenda
(10:00 am – 2:35 pm)

Time	Min	Agenda Topic	Slide #	Presenter
10:00	10	Review Agenda	2	Mary Hawken
Financial Highlights				
10:10	30	▪ Review of 3rd Quarter FY 2011 Financial Results ▪ Review of 3rd Quarter Forecast	3-19	Mary Hawken, Brian McConnell, Cheryl Hargin, Kathy Rehmer
10:40	15	Energy Northwest Bond Sale	20-21	Andre Hesser
10:55	20	CARES Update	22-27	Dylan Normington, Anita Mersching, Mike Rose
11:15	15	Slice Reporting	28-34	Carie Lee
Operational Excellence				
11:30	15	REV Program	35-40	Larry Buttress, Kesh McVey
11:45	15	IPR Process Improvement Update	41-47	Stephanie Adams
12:00	15	Aircraft Services	48-51	Randy Stewart
12:15	10	Access to Capital	52-53	Mary Hawken
12:25	60	Lunch		
Capital Updates				
1:25	25	Transmission Spacer Dampers	54-68	Larry Bekkedahl, Tom Olesen
1:50	45	Celilo Upgrade (Pacific DC Intertie Upgrade)	69-78	Larry Bekkedahl
2:35	~	Adjourn		

This information has been made publicly available by BPA on July 29, 2011 and contains BPA-Approved Agency Financial Information

Financial Highlights

Customer Collaborative

Financial Overview for FY 2011 through June 30, 2011

- **Power Services**
  - Net Revenues through June are $82 million.
    - Net revenues through the fiscal year to date are running ahead of Start-of-Year expectations.
      - Power Services Total Operating Revenues to date are $2,020 million.
      - Power Services Total Expenses (operating expenses and net interest) through June are $1,937 million.
  - The rate case forecast from WP-10 was negative $4 million for the end of FY 2011. The 3rd Quarter Review forecast is $10 million. This is a decrease of $15 million from the 2nd Quarter Review forecast.
    - The latest Jan-July volume forecast for the Columbia system remains above that assumed in the 2nd Quarter Forecast. Unfortunately, any positive impact on the future end-of-year net revenue forecast is likely to be mitigated by continuing low market prices.
    - The Northwest River Forecasting Center forecast suggests 2011 will be the 4th wettest year since 1928. In fact, it is possible that some of this year's snowpack may not melt before the end of the fiscal year and will carry over into next year.
    - The 3rd Quarter net revenue forecast is lower than it would have been due to the extended outage at CGS for the condenser replacement as well as the unexpected generator outage at Grand Coulee.
    - Based on Energy Northwest's original estimated return-to-service date of June 23, the net revenue impact of the extended CGS outage is estimated to be approximately $40 million if the plant returns to service on August 31, or over $60 million if it remains out through the end of September.

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Customer Collaborative

Financial Overview for FY 2011 through June 30, 2011

- **Transmission Services**
  - Net Revenues through June are $89 million.
    - Based on nine months of activity, Transmission Services net revenue continues to track higher than its Start-of-Year target.
      - Transmission Services Revenues through June are $676 million.
      - Transmission Services Total Expenses (operating expenses and net interest) through June are $587 million.
  - The Rate Case forecast from TR-10 was $51 million for the end of fiscal year 2011. The 3rd Quarter Review forecast is $86 million. This is a decrease of less than $1 million from the 2nd Quarter Review forecast.
  - The increase in Transmission's net revenue is being driven by higher than expected revenues and a decrease in expenses, primarily interest expense.
  - Transmission's net revenue 3rd Quarter forecast increased slightly from the 2nd Quarter forecast, with the expectation that net revenues will exceed its Start-of-Year target.

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Customer Collaborative

Financial Overview for FY 2011 through June 30, 2011

- **Agency**
  - Net Revenues through June are $169 million.
    - End-of-Year net revenues were estimated in the Start-of-Year budget at $32 million and the Rate Case forecast was $59 million. The 3rd Quarter Review forecast is $88 million. The 3rd Quarter forecast is $15 million lower than the 2nd Quarter Review forecast.
    - After nine months of activity, Agency net revenues are higher than expected in the Start-of-Year (SOY) forecast.
    - Forecasts of net revenue are still being impacted by lower than expected power prices.

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Federal Columbia River Power System (FCRPS)

FY 2011 THIRD QUARTER REVIEW

Net Revenues and Reserves

Projection for FY 2011

This information has been made publicly available by BPA on July 29, 2011 and contains BPA-Approved Agency Financial Information

3rd Quarter Review – Executive Highlights

($ in Millions)

	A	B	FY 2011 Current Expectation C	FY 2011 Current Expectation D
	FY 2010 Audited Actuals without Derivative Effects & Bookouts [1/]	*FY 2011 SOY without Bookouts* [2/]	*without Bookouts* [2/]	*with Bookouts* [3/]
1. REVENUES	3,161.1	3,307.9	3,385.4	3,322.6
2. EXPENSES	3,303.5	3,275	3,297.5	3,234.6
3. NET REVENUES [4/]	(142.4)	32.4	87.9 [7/]	87.9 [7/]
4. END OF YEAR FINANCIAL RESERVES [5/]	1,113.6	829	1,019 [7/]	1,019 [7/]
5. BPA ACCRUED CAPITAL EXPENDITURES [6/]	762.3	696.7	787.6	787.6

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 2010 with the mark-to-market adjustments were $(127.6) million and Modified Net Revenues were $(164.4).

2/ Columns B and C do not reflect the change in accounting for power "bookout" transactions made after adoption of new accounting guidance, effective as of Oct 1, 2003.

3/ Includes an "accounting only" (no cash impact) adjustment representing the mark-to-market 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 developed without these 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 and short-term market prices, both of which can affect net secondary sales.

This information has been made publicly available by BPA on July 29, 2011 and contains BPA-Approved Agency Financial Information

Monthly Financial Reports

Report ID: 0020FY11
Requesting BL: CORPORATE BUSINESS UNIT
Unit of measure: $ Thousands

FCRPS Summary Statement of Revenues and Expenses

Through the Month Ended June 30, 2011
Preliminary/ Unaudited

Run Date/Run Time: July 19,2011/ 11:02
Data Source: EPM Data Warehouse
% of Year Lapsed = 75%

		A	B	C	D	E <Note 2	F
		FY 2010		FY 2011			FY 2011
		Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
	Operating Revenues						
1	Gross Sales (excluding bookout adjustment) <Notes 1 and 5	$ 2,278,363	$ 2,971,900	$ 3,484,315	$ 3,131,938	$ 3,238,482	$ 2,461,874
2	Bookout adjustment to Sales <Note 1	(88,713)	(120,803)	-	-	(62,811)	(62,811)
3	Miscellaneous Revenues	43,509	61,544	61,610	58,385	55,702	42,435
4	Derivative Instruments <Note 6	14,800	14,800	-	-	-	-
5	U.S. Treasury Credits	102,547	127,690	106,569	117,541	91,185	72,036
6	**Total Operating Revenues**	**2,350,506**	**3,055,131**	**3,652,494**	**3,307,864**	**3,322,558**	**2,513,533**
	Operating Expenses						
	Power System Generation Resources						
	Operating Generation Resources						
7	Columbia Generating Station	172,411	256,940	324,882	323,082	321,683	252,024
8	Bureau of Reclamation	58,606	82,125	96,110	96,110	96,110	60,757
9	Corps of Engineers	132,287	192,279	192,433	192,433	192,433	139,108
10	Long-term Contract Generating Projects	21,558	28,769	30,767	31,266	30,246	19,110
11	Operating Generation Settlement Payment	11,798	16,712	21,754	21,754	17,570	12,557
12	Non-Operating Generation	2,255	2,673	2,728	2,128	2,740	2,147
13	Gross Contracted Power Purchases and Augmentation Power Purch <Note 1	353,455	472,526	347,770	162,715	217,962	187,263
14	Bookout Adjustment to Power Purchases <Note 1	(88,713)	(120,803)	-	-	(62,811)	(62,811)
15	Exchanges & Settlements <Note 5	143,071	180,453	268,647	188,987	182,260	143,045
16	Renewables	25,247	34,296	38,505	39,578	39,635	28,364
17	Generation Conservation	44,364	66,870	85,122	76,200	68,000	43,678
18	**Subtotal Power System Generation Resources**	**876,339**	**1,212,839**	**1,408,720**	**1,134,254**	**1,105,827**	**825,242**
19	Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 3	35,951	47,352	52,220	56,677	52,797	37,083
20	Power Services Non-Generation Operations	55,079	75,576	89,240	86,811	81,007	53,954
21	Transmission Operations	75,925	103,625	122,722	128,088	119,593	81,575
22	Transmission Maintenance	86,894	125,431	130,573	142,151	141,511	89,778
23	Transmission Engineering	16,337	24,221	25,448	32,033	30,337	20,405
24	Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 3, 4	5,793	8,801	13,692	7,531	11,155	5,129
25	Transmission Reimbursables	7,295	9,100	10,000	9,920	10,070	7,974
26	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	157,760	231,528	270,394	259,212	259,607	170,636
	BPA Internal Support						
27	Additional Post-Retirement Contribution	26,426	30,894	31,157	31,157	31,157	23,368
28	Agency Services G&A	73,178	102,299	99,174	104,195	109,447	80,413
29	Other Income, Expenses & Adjustments	(4,116)	(1,026)	(2,000)	-	4,079	3,482
30	Non-Federal Debt Service <Note 4	452,341	600,360	643,105	623,147	625,013	461,143
31	Depreciation & Amortization <Note 4	272,260	368,371	408,470	393,465	391,065	292,839
32	**Total Operating Expenses**	**2,137,462**	**2,939,370**	**3,302,914**	**3,008,642**	**2,972,665**	**2,153,022**
33	**Net Operating Revenues (Expenses)**	**213,044**	**115,761**	**349,580**	**299,222**	**349,893**	**360,511**
	Interest Expense and (Income)						
34	Interest Expense	248,052	331,255	389,018	346,359	340,837	248,665
35	AFUDC	(29,217)	(32,867)	(32,848)	(36,875)	(38,700)	(28,974)
36	Interest Income	(41,919)	(55,047)	(65,527)	(42,666)	(40,186)	(28,661)
37	**Net Interest Expense (Income)**	**176,916**	**243,342**	**290,643**	**266,818**	**261,951**	**191,030**
38	**Net Revenues (Expenses)**	**$ 36,128**	**$ (127,581)**	**$ 58,938**	**$ 32,404**	**$ 87,941**	**$ 169,482**

<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 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.
<3 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.
<4 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.
<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. Rate case estimates 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 rate case estimates.
<6 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by ASC 815, Derivatives and Hedging (formerly SFAS 133), for identified derivative instruments. In FY2010, BPA began applying ASC 980, Regulated Operations, treating the unrealized gains and losses on derivative instruments as Regulatory Assets and Liabilities.

This information has been made publicly available by BPA on July 29, 2011 and contains BPA-Approved Agency Financial Information

Report ID: 0021FY11
Requesting BL: POWER BUSINESS UNIT
Unit of measure: $ Thousands

Power Services Summary Statement of Revenues and Expenses

Through the Month Ended June 30, 2011
Preliminary/ Unaudited

Run Date/Time: July 19, 2011 11:02
Data Source: EPM Data Warehouse
% of Year Lapsed = 75%

		A	B	C	D	E <Note 2	F
		FY 2010		FY 2011			FY 2011
		Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
	Operating Revenues						
1	Gross Sales (excluding bookout adjustment) <Notes 1 and 3	$ 1,725,765	$ 2,233,570	$ 2,731,880	$ 2,382,317	$ 2,498,334	$ 1,908,667
2	Bookout Adjustment to Sales <Note 1	(88,713)	(120,803)	-	-	(62,811)	(62,811)
3	Miscellaneous Revenues	21,759	29,370	29,421	25,315	21,280	19,519
4	Inter-Business Unit	74,553	100,981	102,735	97,842	107,245	82,211
5	Derivative Instruments <Note 4	14,800	14,800	-	-	-	-
6	U.S. Treasury Credits	102,547	127,690	106,569	117,541	91,185	72,036
7	**Total Operating Revenues**	**1,850,711**	**2,385,607**	**2,970,605**	**2,623,015**	**2,655,232**	**2,019,622**
	Operating Expenses						
	Power System Generation Resources						
	Operating Generation Resources						
8	Columbia Generating Station	172,411	256,940	324,882	323,082	321,683	252,024
9	Bureau of Reclamation	58,606	82,125	96,110	96,110	96,110	60,757
10	Corps of Engineers	132,287	192,279	192,433	192,433	192,433	139,108
11	Long-term Contract Generating Projects	21,558	28,769	30,767	31,266	30,246	19,110
12	Operating Generation Settlement Payment	11,798	16,712	21,754	21,754	17,570	12,557
13	Non-Operating Generation	2,255	2,673	2,728	2,128	2,740	2,147
14	Gross Contracted Power Purchases and Aug Power Purchases <Note 1	353,455	472,526	347,770	162,715	217,962	187,263
15	Bookout Adjustment to Power Purchases <Note 1	(88,713)	(120,803)	-	-	(62,811)	(62,811)
16	Residential Exchange/IOU Settlement Benefits <Note 3	143,071	180,453	268,647	188,987	182,260	143,045
17	Renewables	26,131	35,408	38,505	39,758	39,635	28,803
18	Generation Conservation	44,364	66,870	85,122	76,200	68,000	43,679
19	**Subtotal Power System Generation Resources**	**877,223**	**1,213,951**	**1,408,720**	**1,134,434**	**1,105,827**	**825,682**
20	Power Services Transmission Acquisition and Ancillary Services	115,808	157,603	176,591	168,065	182,619	135,401
21	Power Non-Generation Operations	55,111	75,623	89,240	86,901	81,007	53,985
22	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	158,191	232,395	270,714	259,714	259,607	171,560
	BPA Internal Support						
23	Additional Post-Retirement Contribution	13,213	15,447	15,578	15,579	15,579	11,684
24	Agency Services G&A	37,162	51,937	50,064	47,886	50,384	36,640
25	Other Income, Expenses & Adjustments	(4,850)	(7,449)	-	-	298	298
26	Non-Federal Debt Service	405,444	537,830	581,494	561,536	563,248	414,935
27	Depreciation & Amortization	137,012	184,989	206,934	200,565	198,665	148,861
28	**Total Operating Expenses**	**1,794,314**	**2,462,325**	**2,799,335**	**2,474,679**	**2,457,234**	**1,799,046**
29	**Net Operating Revenues (Expenses)**	**56,397**	**(76,718)**	**171,270**	**148,336**	**197,998**	**220,576**
	Interest Expense and (Income)						
30	Interest Expense	158,490	211,064	226,370	215,340	213,444	156,092
31	AFUDC	(9,301)	(9,662)	(10,200)	(11,325)	(12,200)	(8,307)
32	Interest Income	(20,215)	(24,474)	(40,854)	(13,606)	(12,852)	(9,408)
33	**Net Interest Expense (Income)**	**128,973**	**176,928**	**175,316**	**190,409**	**188,392**	**138,378**
34	Net Revenues (Expenses)	**$ (72,576)**	**$ (253,645)**	**$ (4,046)**	**$ (42,073)**	**$ 9,607**	**$ 82,198**

<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

<2 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties, among other factors, may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

<3 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. Rate case estimates 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 rate case estimates.

<4 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by ASC 815, Derivatives and Hedging (formerly SFAS 133), for identified derivative instruments. In FY2010, BPA began applying ASC 980, Regulated Operations, treating the unrealized gains and losses on derivative instruments as Regulatory Assets and Liabilities.

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Report ID: 0023FY11
Requesting BL: TRANSMISSION BUSINESS UNIT
Unit of Measure: $ Thousands

Transmission Services Summary Statement of Revenues and Expenses

Through the Month Ended June 30, 2011
Preliminary/ Unaudited

Run Date/Time: July 27, 2011/ 05:58
Data Source: EPM Data Warehouse
% of Year Lapsed = 75%

		A	B	C	D	E <Note 1>	F
		FY 2010		FY 2011			FY 2011
		Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
	Operating Revenues						
1	Sales	$ 552,599	$ 738,330	$ 752,435	$ 749,621	$ 740,148	$ 553,207
2	Miscellaneous Revenues	21,750	32,175	32,189	33,070	34,422	22,916
3	Inter-Business Unit Revenues	81,842	113,576	107,737	115,950	130,594	99,961
4	**Total Operating Revenues**	**656,190**	**884,080**	**892,361**	**898,641**	**905,164**	**676,083**
	Operating Expenses						
5	Transmission Operations	75,925	103,625	122,722	128,088	119,593	81,575
6	Transmission Maintenance	86,894	125,431	130,573	142,151	141,511	89,778
7	Transmission Engineering	16,337	24,221	25,448	32,033	30,337	20,405
8	Trans Services Transmission Acquisition and Ancillary Services <Note 2	80,346	109,782	116,422	106,887	118,586	87,340
9	Transmission Reimbursables	7,295	9,100	10,000	9,920	10,070	7,974
	BPA Internal Support						
10	Additional Post-Retirement Contribution	13,213	15,447	15,579	15,579	15,579	11,684
11	Agency Services G&A	36,015	50,362	49,110	56,309	59,062	43,773
12	Other Income, Expenses & Adjustments	1,857	7,722	(2,000)	-	3,781	3,883
13	Depreciation & Amortization <Note 2	135,248	183,382	201,536	192,900	192,400	143,978
14	**Total Operating Expenses**	**453,131**	**629,072**	**669,389**	**683,868**	**690,919**	**490,390**
15	**Net Operating Revenues (Expenses)**	**203,059**	**255,008**	**222,971**	**214,774**	**214,246**	**185,693**
	Interest Expense and (Income)						
16	Interest Expense	132,350	177,042	219,428	187,799	181,752	135,191
17	AFUDC	(18,094)	(23,204)	(22,648)	(25,550)	(26,500)	(18,841)
18	Interest Income	(21,905)	(30,644)	(24,673)	(29,060)	(27,334)	(19,286)
19	**Net Interest Expense (Income)**	**92,350**	**123,195**	**172,107**	**133,189**	**127,918**	**97,064**
20	**Net Revenues (Expenses)**	**$ 110,709**	**$ 131,814**	**$ 50,864**	**$ 81,585**	**$ 86,328**	**$ 88,629**

<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.

This information has been made publicly available by BPA on July 29, 2011 and contains BPA-Approved Agency Financial Information

Report ID: 0063FY11 | **Transmission Services Revenue Detail by Product** | Run Date/Time: July 19, 2011 11:17
Requesting BL: TRANSMISSION BUSINESS UNIT | Through the Month Ended June 30, 2011 | Data Source: EPM Data Warehouse
Unit of Measure: $ Thousands | Preliminary/ Unaudited | % of Year Lapsed = 75%

		A	B	C	D
		FY 2011			FY 2011
		Rate Case	SOY Budget	Current EOY Forecast	Actuals
	Transmission Services Operating Revenues				
	NETWORK				
1	PTP - LONG TERM	$358,823	$382,385	$354,084	$265,028
2	NETWORK INTEGRATION	126,531	125,927	121,773	92,906
3	INTEGRATION OF RESOURCES	26,171	8,779	28,798	21,639
4	FORMULA POWER TRANSMISSION	24,157	25,629	25,427	19,120
5	PTP - SHORT TERM	21,181	27,367	31,491	22,239
6	ACCRUAL_NETWORK				
7	**TOTAL: NETWORK**	**556,863**	**570,087**	**561,574**	**420,932**
	ANCILLARY SERVICES				
8	SCHEDULING, SYSTEM CONT & DISP	90,082	94,485	89,950	67,019
9	WITHIN_HOUR_BALANCE_FOR_RSRCS	56,063	35,838	38,479	26,804
10	OPERATING RESERVES-SPIN & SUPP	26,345	35,243	38,323	29,120
11	REGULATION & FREQ RESPONSE	7,943	7,517	7,506	5,730
12	ENERGY & GENERATION IMBALANCE			6,764	7,243
13	REACTIVE SUPPLY & VOLTAGE				
14	ACCRUAL_ANCILLARY_SERVICES				
15	**TOTAL: ANCILLARY SERVICES**	**180,434**	**173,083**	**181,023**	**135,916**
	INTERTIE				
16	SOUTHERN INTERTIE LONG TERM	83,479	83,811	84,146	62,593
17	SOUTHERN INTERTIE SHORT TERM	4,438	3,890	7,407	4,674
18	MONTANNA INTERTIE LONG TERM	252	252	252	189
19	ACCRUAL_INTERTIE				
20	**TOTAL: INTERTIE**	**88,168**	**87,953**	**91,804**	**67,455**

This information has been made publicly available by BPA on July 29, 2011 and contains BPA-Approved Agency Financial Information

Report ID: 0063FY11 | **Transmission Services Revenue Detail by Product** | Run Date/Time: July 19, 2011 11:17
Requesting BL: TRANSMISSION BUSINESS UNIT | Through the Month Ended June 30, 2011 | Data Source: EPM Data Warehouse
Unit of Measure: $ Thousands | Preliminary/ Unaudited | % of Year Lapsed = 75%

		A	B	C	D
		FY 2011			FY 2011
		Rate Case	SOY Budget	Current EOY Forecast	Actuals
	OTHER REVENUES & CREDITS				
21	TOWNSEND-GARRISION TRANS	9,796	9,796	9,796	7,347
22	GEN INTEGRATION - OTHER REV	8,296	8,296	8,296	6,222
23	USE OF FACILITIES	5,402	5,199	5,484	4,122
24	POWER FACTOR PENALTY	4,402	4,402	4,144	2,866
25	NFP - DEPR PNW PSW INTERTIE	3,065	3,065	3,084	2,283
26	AC-PNW PSW INTERTIE - OTH REV	1,891	1,891	1,762	1,088
27	OPERATIONS & MAINT - OTHER REV	1,145	1,145	1,144	833
28	COE_BOR_PROJECT_REV	954	954	954	716
29	RESERVATION FEE - OTHER REV	1,666	1,368	1,994	1,916
30	TRANSMISSION SHARE IRRIGATION	382	382	404	178
31	LAND LEASES AND SALES	301	301	202	266
32	OTHER LEASES REVENUE	160	160	120	78
33	REMEDIAL ACTION - OTHER REV	51	51	50	38
34	OTHER REVENUE SOURCES	2			
35	MISC SERVICES-LOSS-EXCH-AIR			82	(87)
36	FAILURE TO COMPLY - OTHER REV			1,386	1,924
37	UNAUTORIZED INCREASE - OTH REV				9
38	ACCRUAL_OTHER_REVENUES&CREDITS				
39	**TOTAL: OTHER REVENUES & CREDITS**	**37,514**	**37,010**	**38,902**	**29,797**
	FIBER & PCS				
40	FIBER OTHER REVENUE	7,090	7,255	7,434	6,355
41	WIRELESS/PCS - OTHER REVENUE	4,524	5,001	5,186	2,355
42	WIRELESS/PCS_REIMBURSABLE REV	671	1,225	1,017	437
43	FIBER OTHER REIMBURSABLE REV	909	977	1,543	404
44	ACCRUAL_FIBER&PCS				
45	**TOTAL: FIBER & PCS**	**13,194**	**14,458**	**15,180**	**9,551**
	REIMBURSABLE				
46	REIMBURSABLE-OTHER REVENUE	12,000	11,616	12,389	9,417
47	ACCRUAL REIMBURSABLE				62
48	**TOTAL: REIMBURSABLE**	**12,000**	**11,616**	**12,389**	**9,479**
	DELIVERY				
49	UTILITY DELIVERY CHARGES	2,424	2,649	2,507	1,614
50	DSI DELIVERY	1,765	1,785	1,785	1,339
51	ACCRUAL_DELIVERY				
52	**TOTAL: DELIVERY**	**4,189**	**4,434**	**4,292**	**2,952**
53	**TOTAL: Transmission Services Operating Revenues**	**$892,361**	**$898,641**	**$905,164**	**$676,083**

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Report ID: 0027FY11
Requesting BL: CORPORATE BUSINESS UNIT
Unit of Measure: $Thousands

BPA Statement of Capital Expenditures
FYTD Through the Month Ended June 30, 2011
Preliminary Unaudited

Run Date/Run Time:July 19, 2011/ 11:17
Data Source: EPM Data Warehouse
% of Year Lapsed = 75%

		A	B	C	D	E
		FY 2011		FY 2011		FY 2011
		SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / Forecast
	Transmission Business Unit					
	CAPITAL DIRECT					
	MAIN GRID					
1	MID-COLUMBIA REINFORCEMENT	13,636	9,810	103	9,638	98%
2	CENTRAL OREGON REINFORCEMENT	10,099	10,003	1,028	8,678	87%
3	BIG EDDY-KNIGHT 500kv PROJECT	2,576	12,805	2,691	11,546	90%
4	OLYMPIC PENINSULA REINFORCEMNT	-	23	-	207	909%
5	WEST OF MCNARY INTEGRATION PRO	77,768	67,696	7,113	55,618	82%
6	I-5 CORRIDOR UPGRADE PROJECT	5,483	12,885	1,882	7,506	58%
7	LIBBY-TROY LINE REBUILD	-	383		414	108%
8	CENTRAL FERRY- LOWER MONUMNTAL	3,136	5,529	664	3,236	59%
9	PORTLAND-VANCOUVER	25,233	28,764	5,462	10,105	35%
10	SALEM- ALBANY-EUGENE AREA	13,100	3,838	36	469	12%
11	TRI-CITIES AREA	1,073	9	1	30	352%
12	MONTANA-WEST OF HATWAI	-	-	-	(130)	0%
13	MISC. MAIN GRID PROJECTS	-	759	572	1,321	174%
14	TOTAL MAIN GRID	152,105	152,503	19,552	108,639	71%
	AREA & CUSTOMER SERVICE					
15	ROGUE SVC ADDITION	2,104	2,796	426	2,041	73%
16	CITY OF CENTRALIA PROJECT	302	89	32	269	301%
17	SOUTHERN IDAHO - LOWER VALLEY	1,625	6,698	339	2,788	42%
18	LONGVIEW AREA REINFORCEMENT	199	1,636	139	1,495	91%
19	KALISPELL-FLATHEAD VALLEY	407	362	5	283	78%
20	MISC. AREA & CUSTOMER SERVICE	8,526	5,950	646	3,124	53%
21	TOTAL AREA & CUSTOMER SERVICE	13,163	17,532	1,587	10,000	57%

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		A	B	C	D	E
		FY 2011		FY 2011		FY 2011
		SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / Forecast
	Transmission Business Unit (Continued)					
	SYSTEM REPLACEMENTS					
22	TEAP - TOOLS	1,052	791	(6)	297	37%
23	TEAP - EQUIPMENT	14,434	11,000	494	5,367	49%
24	SPC - SER	611	399	77	299	75%
25	SPC - DFRS	4,491	1,705	552	1,442	85%
26	SPC - METERING	313	116	14	44	38%
27	SPC - CONTROL AND INDICATION	-	136	-	182	134%
28	SPC - RELAYS	4,126	3,417	303	1,959	57%
29	PSC - TELEPHONE SYSTEMS	704	594	8	613	103%
30	PSC - TRANSFER TRIP	10,740	7,949	268	4,104	52%
31	PSC - TLECOM TRANSPORT	2,714	1,094	77	561	51%
32	PSC - SCADA/TELEMTRY/SUP CNTRL	1,223	652	199	491	75%
33	PSC- TELECOM SUPPORT EQUIPMENT	979	422	15	451	107%
34	SUB DC- PWR ELCTRNC & SRS CAPS	4,256	5,146	166	4,877	95%
35	SUB AC- BUS & STRUCTURES	626	384	23	251	65%
36	SUB AC - LOW VOLTAGE AUX.	2,808	3,603	379	2,084	58%
37	SUB AC- SHUNT CAPACITORS	609	295	8	308	105%
38	SUB AC-CIRCUIT BRKR & SWTCH GR	9,919	8,536	881	5,329	62%
39	SUB AC - CVT/PT/CT & ARRESTERS	2,305	1,519	127	809	53%
40	SUB AC-TRANSFORMERS & REACTORS	913	1,053	15	569	54%
41	LINES - STEEL HARDWARE REPLCMT	23,402	21,213	1,158	9,224	43%
42	LINES - WOOD POLE LN REBUILDS	44,036	44,378	13,026	24,153	54%
43	MISC. REPLACEMENT PROJECTS		6	-	46	774%
44	MISC FACILITIES- NON-ELECTRIC	15,977	9,384	2,748	7,429	79%
45	TOTAL SYSTEM REPLACEMENTS	146,237	123,792	20,534	70,889	57%

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		A	B	C	D	E
		FY 2011		FY 2011		FY 2011
		SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / Forecast
	Transmission Business Unit (Continued)					
	UPGRADES & ADDITIONS					
46	IT PROJECTS	7,829	7,732	515	5,825	75%
47	SECURITY ENHANCEMENTS	6,259	776	5	662	85%
48	LAND RIGHTS - ACCESS ROADS	3,000	3,000	152	2,695	90%
49	LAND RIGHTS- VEG MITIGATION	407	308	49	81	26%
50	LAND RIGHTS - TRIBAL RENEWALS	-	1,337	90	1,119	84%
51	ACCESS ROADS	8,953	12,336	1,210	6,691	54%
52	SUBSTATION UPGRADES	47,234	42,868	3,221	16,700	39%
53	LINE SWITCH UPGRADES	-	77	25	110	144%
54	LINE CAPACITY UPGRADES	-	25	()	1	4%
55	CELILO UPGRADES PROJECT	478	564	54	719	127%
56	CONTROL CENTERS	1,281	883	50	872	99%
57	CC SYSTEM & APPLICATION	1,337	807	42	484	60%
58	CC INFASTRUCTURE COMPONENTS	4,153	4,443	508	3,516	79%
59	SYSTEM TELECOMMUNICATION	10,640	16,668	971	12,892	77%
60	MISC. UPGRADES AND ADDITIONS	30,896	28,502	2,606	22,515	79%
61	TOTAL UPGRADES & ADDITIONS	122,467	120,327	9,498	74,884	62%
	ENVIRONMENT CAPITAL					
62	MISC. ENVIRONMENT PROJECTS	6,546	6,121	446	2,186	36%
63	TOTAL ENVIRONMENT CAPITAL	6,546	6,121	446	2,186	36%
64	CAPITAL DIRECT	440,519	420,276	51,617	266,598	63%

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% of Year Lapsed = 75%

		A	B	C	D	E
		FY 2011		FY 2011		FY 2011
		SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / Forecast
	Transmission Business Unit (Continued)					
	PFIA					
65	MISC. PFIA PROJECTS	11,436	5,572	737	3,525	63%
66	GENERATOR INTERCONNECTION	74,065	91,159	5,704	61,054	67%
67	SPECTRUM RELOCATION	4,909	6,758	501	5,237	77%
68	COI ADDITION PROJECT	14,068	10,487	210	11,631	111%
69	TOTAL PFIA	104,478	113,976	7,152	81,446	71%
70	CAPITAL INDIRECT	-	-	(1,307)	(2,784)	0%
71	LAPSE FACTOR	(80,648)	-	-	-	0%
72	**TOTAL Transmission Business Unit**	464,349	534,252	57,462	345,260	65%
	Power Business Unit					
73	BUREAU OF RECLAMATION-CAPITAL	83,744	68,537	4,151	40,562	59%
74	CORPS OF ENGINEERS-CAPITAL	115,381	133,974	11,742	85,039	63%
75	CONSERVATION ACQUISITION	80,000	143,000	17,024	94,245	66%
76	NON-GENERATION OPERATIONS	8,325	8,283	1,300	7,899	95%
77	FISH&WILDLIFE&PLANNING COUNCIL	90,500	90,500	4,824	71,659	79%
78	LAPSE FACTOR	(37,200)	-	-	-	0%
79	**TOTAL Power Business Unit**	340,750	444,294	39,040	299,405	67%
	Corporate Business Unit					
80	CORPORATE BUSINESS UNIT	45,684	41,337	1,674	17,402	42%
81	LAPSE FACTOR	(5,012)	-	-	-	0%
82	**TOTAL Corporate Business Unit**	40,672	41,337	1,674	17,402	42%
83	**TOTAL BPA Capital Expenditures**	$ 845,772	$ 1,019,883	$ 98,177	$ 662,067	65%

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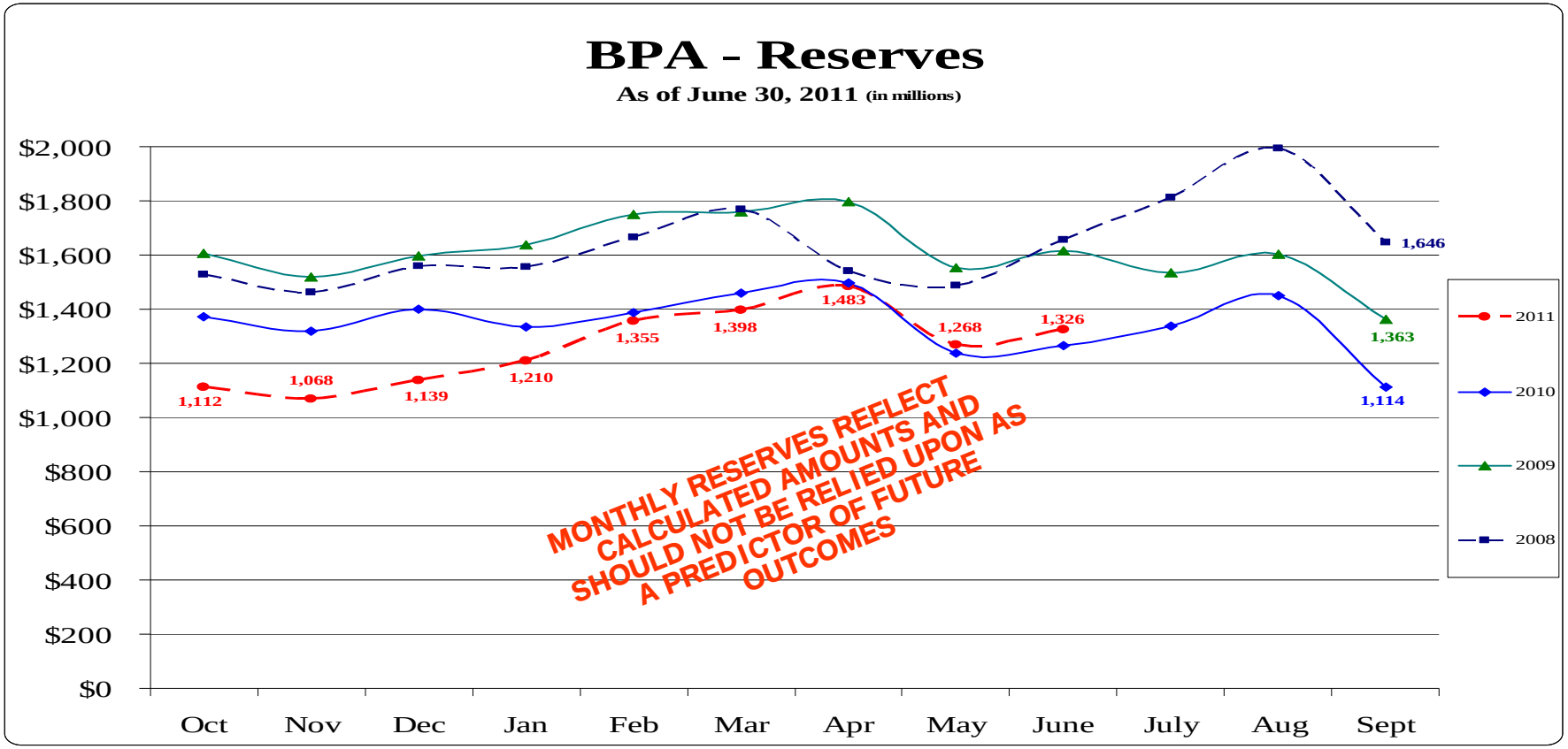
Financial Reserves

Reserves as of the end of June 2011 are $1.326 billion



End of Fiscal Year 2011 Reserves forecast: $1,019 million

Split Between Business Units:

Power: $302 million Transmission: $717 million

Funds held for others current balance, estimate: $258 million (Power $118 million ; Trans $139 million)

Unaudited

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Energy Northwest Bond Sale

Energy Northwest Bond Sale

- **$669 million bond transaction:** EN/BPA Priced bonds on June 8 with a 3.41% all-in true interest cost for the primary purpose of refunding bonds for savings and completing debt restructuring.
- **Delayed Delivery:** EN/BPA used a delayed delivery to accelerate this particular transaction and lock in interest rates in accordance with BPA's traditional and long-standing savings target and an interest rate threshold.
  - **Savings Target: Refinance for savings bonds that become callable in 2012 and are not targeted for debt restructuring.**
    - Target: Generate 5% net present value savings of bonds refunded for overall transaction
    - June 8 Result: 9% or $21.9 million present value savings
  - **Interest Rate Threshold: Refinance bonds for debt restructuring that mature or become callable in 2012.**
    - Interest Rate Threshold: Refinance early, bonds that can be refinanced at rates that have only been at those levels less than 25% of the time in the past 15 years.
    - June 8 Result: Bonds were refinanced at all-in rates that have only been at those levels 16% of the time
- **The June 8 pricing of the EN bond transaction included refinancing for savings that were reflected in the Final Rate Proposal.**

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CARES Update

Dylan Normington, CFA

Risk Analyst – Enterprise Risk Management

Anita Mertsching

Senior Financial Analyst – Debt & Investment Management

Mike Rose

Supervisory Public Utilities Specialist – Energy Efficiency

CARES UPDATE

- **Overview:**
  - Introduction – Dylan Normington
  - Summary of Findings – Dylan Normington
  - Changes Made – Anita Mertsching and Mike Rose

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CARES UPDATE

- **Introduction**
  - 1994 - CARES Implementation Fund Started
  - 1999 - CARES Implementation Period Ended
  - 2010 - BPA discovers $9 million still in Implementation Fund
  - Increase in Net Revenue:

FY 2011	FY 2012	FY 2013	FY 2014
$1.6 mil	$2.3 mil	$2.4 mil	$2.5 mil

  - Root Cause Analysis (RCA) conducted
    - Determine why money remained in Implementation Fund
    - Prevent future occurrence

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CARES UPDATE

- **RCA Findings and Recommendations**
  - **Finding:** No BPA organization was assigned to monitor closure of implementation fund
  - **Recommendation:** BPA's Finance organization monitors third-party implementation funds

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CARES UPDATE

- **RCA Findings and Recommendations (Cont'd)**
  - **Finding:** Inadequate communication between Finance and Energy Efficiency
  - **Recommendation:** Continuous communication between Finance and Energy Efficiency during life of program and financing payments

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CARES UPDATE

- **Changes Made**
  - Tighter controls and processes for Finance and Energy Efficiency (EE) for third party financing arrangements
  - Finance and EE have increased communication
  - Finance and EE are implementing changes:
    - Third party issuers must have long-term relationship with BPA
    - BPA will use outside tax counsel for bond financings
    - Finance and EE have forged a stronger internal partnership for ongoing management of the overall conservation program

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Slice Reporting

Carie Lee, Slice- Public Utilities Specialist

Janice Johnson, Accountant

Cost Verification Process Summary

- Quarterly reporting of Slice True-Up Adjustment Charge forecast will occur at QBRs.
- Customers can inquire about specific costs at the QBRs.
- Cost Verification Process for the Slice True-Up Adjustment Charge commences after the Slice customers have been notified of their Slice True-Up Adjustment Charge.
- TRM Attachment A describes the Cost Verification Process. See attached Timeline for the Cost Verification Process.
- The Cost Verification Process involves all customers and interested parties.
- There will be a comment period for customers and interested parties.
- There could be a third party non-binding review if BPA determines issues are appropriate for such review.
- BPA's final decisions could result in adjustments in bills or BPA could address issue in the next rate case.

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FY 2012 SLICE TRUE-UP ADJUSTMENT

	FY 2012	FY 2013
January First Quarter Review		
April Second Quarter Review		
August Third Quarter Review		
Actual Slice True-Up Adjustment Charge/Credit (negative amt. = credit)		

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SUMMARY OF CHANGES
FROM RATE CASE TO SECOND QUARTER REVIEW FORECAST

Changes	#	Delta Q2 – rate case	Delta Q1 – rate case
Change in expenses relative to FY 2012 rate case forecast	1		
Minimum Required Net Revenue change	2		
Change in revenue credits (overall decrease results in increase in Composite cost pool)	3		
TOTAL CHANGE (sum of amounts in lines 1- 3)	4		
TOTAL CHANGE divided by Actual sum of TOCAs (e,g., amount in line 4 divided by sum of TOCAs expressed in decimal form)	5		
True-Up Adjustment 26.85407 percent of Total Change/Actual sum of TOCAs (.2685407 * amount in line 5)	6		

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SUMMARY OF CHANGES

FROM RATE CASE TO SECOND QUARTER REVIEW FORECAST

	Sum of displayed items may not exactly equal total changes	Delta (Q2 - RC)	Delta (Q1 – RC)
1	**Decrease in expenses relative to BP-12 rate case forecast for**		
2	**FY 2012**		
3	Power R&D		
4	Renewables R&D		
5	EN Debt Service		
6	CGS Debt Service		
7	WNP-1 Debt Service		
8	WNP-3 Debt Service		
9	Fish & Wildlife		
10	Generation Conservation		
11	Depreciation/Amortization		
12	Minimum Required Net Revenue (MRNR)		
13	Colville Generation Settlement		
14	Columbia Generating Station		
15	Net Interest expense		

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Proposed Schedule for Slice Composite Cost Pool True-Up and Cost Verification Process

Dates	Agenda
August 2011	Third Quarter Business Review Meeting with customers Go Over Tentative Timeline Provide a blank template of Slice True-Up variances to show customers what we use today
November 2011	Fourth Quarter Business Review Meeting with customers Ask customers if they have any questions about the Cost Verification Process in FY 2012 or about our reporting proposal
February 2012	First Quarter Business Review Meeting with customers Slice True-Up estimate review with customers High Level explanation of variances between rate case forecast and Q1 forecast Q&A customers for any additional information of line items in the Slice True-Up
May 2012	Second Quarter Business Review Meeting with customers Slice True-Up estimate review with customers High Level explanation of variances between rate case forecast and Q2 forecast Q&A customers for any additional information of line items in the Slice True-Up Revisit any questions and data requests that were asked during Q1 as needed
August 2012	Third Quarter Business Review Meeting with customers Slice True-Up estimate review with customers High Level explanation of variances between rate case forecast and Q3 forecast Q&A customers for any additional information of line items in the Slice True-Up Revisit any questions and data requests that were asked during Q2 as needed
October – November 2012	BPA External CPA firm conducting audit for fiscal year end
Mid-October 2012	Recording the End of Fiscal Year Slice True-Up Accrual in the financial system

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Proposed Schedule for Slice Composite Cost Pool True-Up and Cost Verification Process

Early November	Final audited actual financial data is expected to be available
November 2012	Fourth Quarter Business Review Meeting with customers External audit should be complete When external audit is complete, provide Composite Cost Pool True-Up to all customers
November 21, 2012 or earlier	Notification to Slice Customers of the Slice True-Up Adjustment
November 21, 2012	BPA to post Composite Cost Pool True-Up Table containing actual values
December 14, 2012	Deadline for customers to submit questions about actual line items from Composite Cost Pool True-Up Table for Agreed Upon Procedures (AUPs) Performed by BPA external CPA firm (customers have 15 business days following the posting of Cost Allocation Tables
December 31, 2012	BPA posts a draft list of AUP tasks to be performed (Attachment A does not specify an exact date)
January 11, 2013	Customer comments are due on the list of tasks (The deadline can not exceed 10 days from BPA posting)
January 18, 2013	BPA finalizes list of questions about actual lines items from the Composite Cost Pool True-Up Table for the AUPs
January 21, 2013	External auditor to begin the work on the AUPs
March 21, 2013	External auditor to complete the AUPs (may have up to 120 calendar days)
March 24, 2013	Initial Cost Verification Workshop
April 17, 2013	Customer comment period deadline
April 24, 2013	Follow-up Cost Verification Workshop
May 15, 2013	BPA Draft Response on AUP Report and questions/items raised during workshops
End of May 2013	If customers do not deliver any notice of grievances that are vetted with a third party Neutral, BPA will issue a Final Response on the AUP Report

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REV: Regional Enterprise Value Program

Larry Buttress
Chief Information Officer
and
Keshmira McVey
REV Program Manager, Customer Support Services

Overview

- **REV program background**
  - Began in 2008 to effectively deliver power under the Regional Dialogue Contracts starting October 1, 2011
  - Ensures appropriate and consistent integration across business units by identifying, assessing and coordinating from a single program approach
  - Identifies issues and modifies designs across the business functions prior to development of new systems and processes
  - Ensures coordination so that IT solutions meet business needs
  - The Program will coordinate integrated testing, training, and model work place for new systems and processes to ensure the Agency as a whole is ready to deliver power consistent with the Long Term Regional Dialogue Policy on October 1, 2011

- **Key Agency Target for fiscal year 2011:**
  - Training required for LORA Phase I, Slice, RDSS, Contract Management, and CBC-Billing Phase 2 to go-live is complete consistent with individual project plans
  - The following Projects Go Live: LORA Phase I, Slice, RDSS, Contract Management, and CBC-Billing Phase 2
  - The total capital actuals for REV Projects does not exceed the budget, as approved by the APSC, by more than 10%

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TRM and RD Enhanced Functionality

Project	Regional Dialogue Service/Capability	Go-Live Date & Status
Revenue Forecasting Application (RFA)	The ability to forecast revenue for tiered rates and the RD contracts based on a stable, replicable environment for calculating and storing revenue projections	9/11
Rates Analysis Model (RAM)	The ability to generate high water marks and establish tiered rates	9/11
Customer Portal (CP)*	The ability to manage customer information by interacting and collaborating with customers via the web portal	10/11
Customer Data Management (CDM)	Manage customer information internally in one central system	8/11
Customer Contract Management (CCM)	Administer and manage customer agreements and their associated data in one central system	10/11
Customer Billing Center (Billing)	The ability to bill tiered rates	10/11
Regional Dialogue Scheduling System (RDSS)*	The ability to schedule and support nonfederal resources	8/11
Slice Computing Application*	The ability for Slice customers to manage their operations by simulating the federal system	TBD
Loads-Obligations-Resource-Analyzer (LORA)	The ability to consistently represent and plan for load, obligation, and resource data across multiple time horizons	10/11
Residential Purchase & Sale Agreement (RPSA)*	The ability to manage the monthly and annual aspects of the Residential Exchange Program	Completed 5/10
Agency Load Forecasting (ALF)	The ability to forecast loads and resources with increased functionality required under tiered rates	Completed 2/10

* Customer Facing Applications

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Regional Benefits

- REV sought to provide added value to customers by pursuing the development of tools and systems that better meet customer needs while minimizing agency resource requirements
  - Establishing agency-wide automated sources of record
  - Customer Data Management
  - Customer Contract Management
  - Customer Portal
  - Versioned Billing Determinants and Rates System
- These new systems and tools will increase operational automation and efficiency, enabling the agency to better serve the region by:
  - More effectively and accurately managing contracts
  - Minimizing data quality issues
  - Maximizing FTE utilization by increasing staff allocation to higher and better uses and analytics
  - Enhancing the ability of BPA's IT systems to meet business needs

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Factors contributing to REV success:

- **Developed an integrated approach**
  - A single integrated approach and collaboration across the corporate and power business lines drove system development
- **Developed extensive management collaboration**
  - Active and engaged Steering Committee and Executive Sponsors generated significant and sustained management coordination and communication
- **Provided Projects with qualified staff resources early and throughout the program. Most project team members have been on the team for over two years**
  - Developed Project team members who are fully knowledgeable of all phases of their projects so that they could:
    - Easily handle the significant workload involved with high levels of integration
    - Effectively and quickly respond to inter-project dependencies as they emerged
- **Developed a culture of "all for one"**
  - Effectively delivered the business case for a collaborative development structure that encouraged the projects to leverage each other's work
  - Did not give systems the opportunity to develop in isolation

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Post Investment Review

- As part of the BPA system development, a cost-benefit analysis was conducted as part of the business case for each system
- Following the implementation of REV, a post investment review will be conducted to determine if business case benefits were valid and were delivered
- We will follow up with you on this effort at the next scheduled QBR

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IPR Process Improvement Update

Stephanie Adams, Financial Analyst

IPR Lessons Learned

Lessons Learned Project:

- BPA Finance along with Public Affairs and the Office of Operational Excellence chartered the IPR Lessons Learned Project with the primary objective being to provide recommendations that improve the quality of information and streamline the IPR process.
- Information and feedback was collected from the following sources:
  - 10 Formal 2010 IPR written external comments on the process,
  - 2 External Surveys,
  - 1 Focus Group consisting of 12 external stakeholders,
  - 9 BPA Executive Interviews, and
  - 1 Brainstorm session with the IPR internal core team.
- Benchmarking with other public agencies looked at best practices and innovative ideas.
- A Lessons Learned Team consisting of 13 members collected and reviewed over 200 comments. Based on comments received the following slides summarize the Lessons Learned.

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IPR Lessons Learned

The 2010 IPR Process:

- Lasted 12 months (Oct-Oct).
- 27 workshops averaged 17 participants. The GM and Overview workshop were the most heavily attended.
- 74 external publications were developed and released.
- BPA received 26 written comments from IPR Participants.
- The process involved over 125 employees.
- 11 IPR Executive Meetings were held lasting approximately 2-4 hours, not including discussions at monthly management meetings averaging an hour.
- In summary, the IPR process provides value by offering a critical opportunity to review and discuss proposed spending levels; however the process is labor and resource intensive, long in cycle time and wrought with frustration due to inefficiencies when handling complex cross-agency issues and large amounts of changing data.

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OPERATIONAL EXCELLENCE

Lessons Learned – External Process

- Customers overwhelmingly requested a pre-IPR meeting to discuss expectations and strategy prior to the start of the upcoming IPR process.
- BPA hosted 24 technical workshops and 2 general manager meetings, yet only 4 were attended by more than 20 participants suggesting a lack of interest in some areas.
- Customers have different opinions regarding involvement in the decision making process: some wish to participate in the decision making process, while others simply want to see evidence of a well scrutinized decision making process.
- Continued benchmarking of best practices for external budget process is needed.

Recommendations:

- Provide an opportunity for earlier collaboration with external IPR participants, specifically General Managers by hosting a pre-IPR kick-off workshop with BPA executives to discuss major cost drivers, current economic conditions and long term strategy.
- Consistent with benchmarking, develop a system to assess customers' needs for workshops, and then focus the number of workshops and their duration to programs with heightened public interest, significant spending increases and/or program levels making up a large portion of total spending.
- Satisfy customer requests to seek reductions in the time and resource commitments required by the IPR process by;
  - decreasing the quantity of external publications, which are often duplicative,
  - producing a robust, thorough initial IPR Publication and Close-Out Report,
  - organizing workshops based on the level of interest exhibited by participants.

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OPERATIONAL EXCELLENCE

Lessons Learned – External Process

- The spending level reduction scenarios were not viewed as useful, nor were across the board cuts. Customers wanted reduction scenarios that were well thought out, demonstrating long term strategy and prioritization of key program outputs.
- Customers consistently requested BPA focus on programs with the greatest impact on rates and overall spending, less discussion and information was needed on other programs.
- Standardization was needed for financial reports and all presentations.
- Material was viewed as failing to clearly link program spending levels with long-term agency strategy.
- The majority of customers found the Asset Strategy approach beneficial to understanding long term capital spending and agency strategy.
- Cost assessments of cross agency initiatives, such as wind, were difficult to track in a timely manner to meet customers' requests.

Recommendations

- Pursue development of publications that link strategy, drivers and program levels with identified risks, using standardized reports.
- Reduce labor costs and stakeholder time commitments by developing criteria that focuses external publications to program areas with the greatest impact on rates, heightened public interest or significant spending increases.
- Eliminate duplication and confusion by combining IPR Overview package and Draft Close-Out report into one initial IPR publication. The initial publication would be provided at the onset of the public process and would consist of spending levels, cost drivers, long term strategy, performance measures and other key criteria. This report would be the primary source of information for participants and offer flexibility to review on individual schedules.
- Reduce labor costs by seeking the prioritization or responses to data request from participants during the IPR process.

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Lessons Learned – External Communication

- Several Customers commented on poor and inconsistent notification of IPR meetings and available materials, they requested BPA use the Tech Forum to notify customers or explore other means for providing consistent notification pertaining to the IPR.
- Effective and timely communications were a challenge because of the number of people and organizations involved, both internally and externally.

Recommendations

- BPA Finance now offers electronic notification to subscribers for scheduled meetings and publications for upcoming Finance related public activities. External stakeholders can request enrollment by emailing BPAFinance@bpa.gov.
- The BPA Finance & Rates website is being redesigned to improve navigation and ease of use.

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OPERATIONAL EXCELLENCE

Lessons Learned – Internal Process

- The IPR Process was labor intensive, but no system exists to calculate the internal labor costs for the Process.
- Roles, responsibilities and accountability needed clarity in order to reduce costs and improve customer satisfaction.
- Internal data collection and material production proved time consuming, inflexible and insufficient at accurately portraying program strategy and drivers.
- The data and qualitative information collection process (templates) needed standardization with room for customization.
- The process failed to incorporate performance measures showing evidence of past, present and future cost benefits.

Recommendations

- Develop, approve and implement written IPR Work Plan to improve accountability and communication across the agency for all deliverables.
- Develop, approve and implement written IPR policies and procedures to clarify internal roles and responsibilities, clearly articulate expectations, and improve efficiency of the process.
- Develop a system to track and account for all labor devoted to the IPR Process. Implement this system beginning with the 2012 IPR.
- Improve consistency and quality of financial data by improving the data reporting system with assistance from IT.
- Reduce labor costs by prioritizing information collected for program areas based on greatest impact on rates, total spending and customer interest.

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Bonneville Aircraft Services

Randy Stewart, Manager of Aircraft Services

Excellence in Operations:

- **Bonneville Aircraft Services (BAS) reviewed airplane flight scheduling procedures and found efficiencies by; revising BPA forms, implementing standardized procedures, and subsequently eliminating unwarranted overnight dispatches.**

- **BAS also achieved further efficiencies by combining flight requests.**
  - These efforts led to a 5% increase in airplane utilization for 2009, a 17% increase in 2010 and a predicted increase in 2011 of 34% over previous years.
  - All flights were cost justified and are estimated to have saved BPA in excess of $1.3 million in employee travel costs in 2010.

- **A revised helicopter aerial patrol schedule was implemented in 2010, resulting in cost savings for two full time employees (FTE) or roughly $174,000.**

- **Aerial patrol staff teamed up with BPA's IT reporting team to develop and implement an automated process for generating and updating Aerial Patrol worksheets. Historically, patrol worksheets were manually developed and updated, resulting in a time consuming process. Now patrol sheets update automatically with previous findings and corrective actions, and improve accessibility for lineman.**
  - This new reporting tool saves an estimated 800 labor hours per year.

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Excellence in Safety:

- **Superior safety program performance is directly attributable to the establishment and implementation of the BAS Safety Management System that is integrated throughout missions and programs.**
- **Aircraft Services had no National Transportation Safety Board (NTSB), Department of Energy (DOE) or General Service Administration (GSA) reportable accidents or incidents in 2010.**
- **BAS has achieved an outstanding 1.05 accident rate per 100,000 flight hours and 1.24 accident rate per 100,000 departures in program history entirety. This statistic is well below on-demand civil operations and government agency flight department accident rates.**
- **The Federal Aviation Administration conducted four on-site audits with no findings, and only two recommendations in the area of operations.**
- **Aircraft Services' 2010 DOE Annual Aviation Program audit resulted in no new findings and management and team members had effectively resolved 25 previously open items.**

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Excellence in Safety, Continued:

- **In FY 2010, Aircraft Services completed the first utility industry comprehensive Aviation Safety Review (ASR) for Aerial Line Patrol.**
  - The ASR defines the mission, identifies known hazards and postulated hazards, establishes criteria for rating severity, probability and exposure for each hazard.
  - The ASR establishes administrative and engineering controls to mitigate risk to acceptable levels, if possible.
  - The ASR is used to raise awareness and communicate the risk associated with the operations to management and crews.
- **In addition, two other ASRs were completed and reviewed for short-haul/long line rescue and Class B rotorcraft load combinations for conducting vertical reference, external load operations in the wire environment.**

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Access to Capital

Mary Hawken, Finance Analysis & Requirements Manager

2011 Strategic Capital Discussion

- **BPA currently anticipates the potential for exhausting its access to borrowing from the U.S. Treasury, which is the primary source of capital funding, as early as FY 2016 if no further actions are taken.**
- **As a result, BPA will be hosting a set of strategic discussions with external stakeholders during September.**
- **The purpose of these meetings include:**
  - Review of BPA's long-term capital programs at a strategic level,
  - Analyze the availability of borrowing authority with current assumptions, and
  - Discuss options to maintain available Treasury borrowing authority through FY 2022, including a discussion of potential rate impacts.
- **Additional details including invitation letter to the region can be accessed at http://www.bpa.gov/corporate/Finance/Debt_Management/presentations/access-to-capital.cfm**
- **Meetings are currently scheduled for September 19, 20, 21 and 22 in the Rates Hearing Room at Portland Headquarters.**

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Transmission Spacer Dampers

Larry Bekkedahl, Vice President of Transmission Engineering & Technical Services

Spacer Damper Replacement Program

- Spacer dampers installed on all major 500kV lines.
- In the 1970's through the 1980's original spacer dampers installed.
- Late in 1990's finding spacer damper failures.
- In 2000 a 2nd Vendor was approved to supply spacer dampers.

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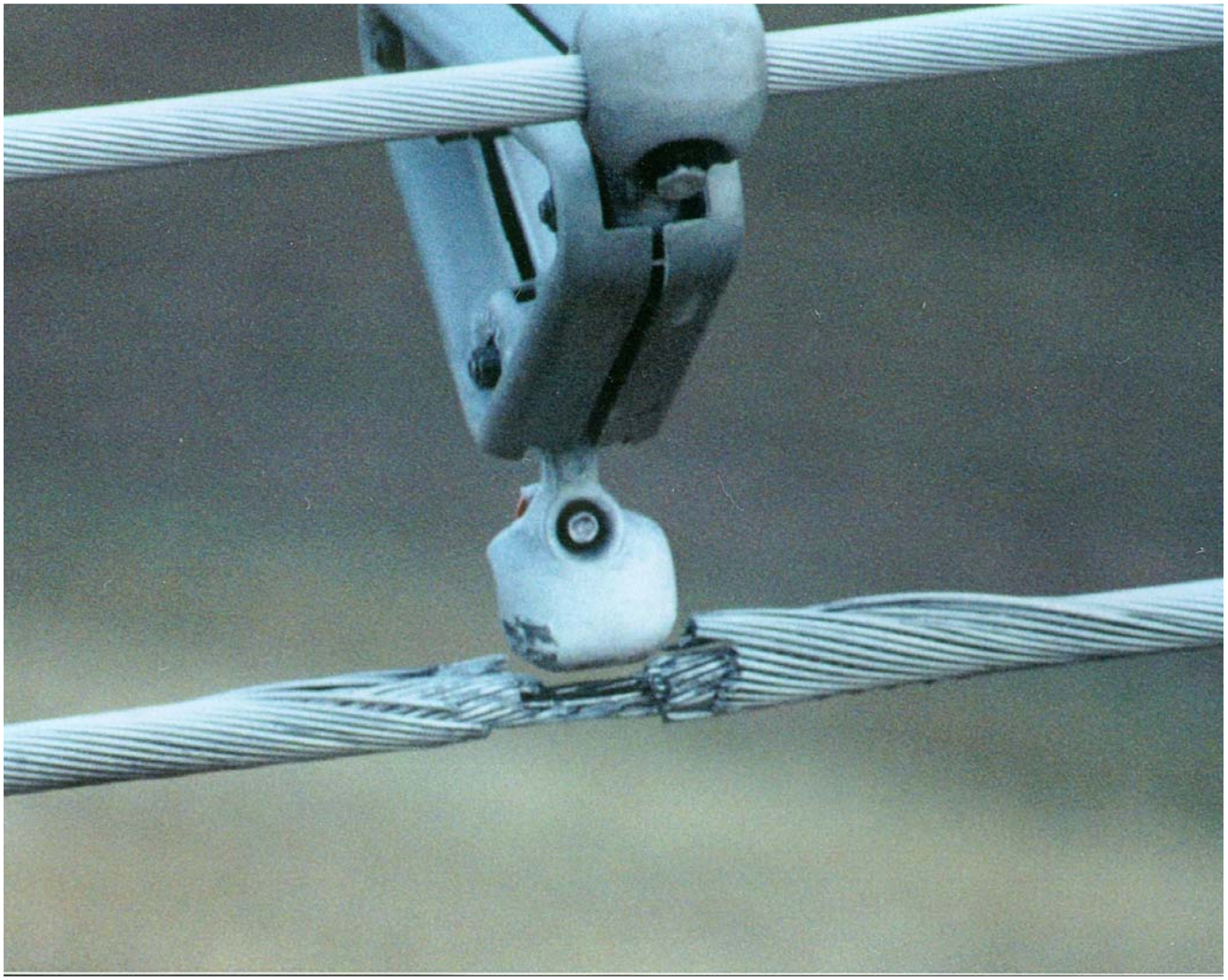
Spacer Damper Replacement Program



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Spacer Damper Replacement Program

The purpose of a spacer damper is to maintain the conductor bundle spacing and to damp vibration. BPA uses them on triple bundle wire configurations.

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Spacer Damper Replacement Program

History with 2nd Vendor

1999 2000	2nd Vendor approved
2000	Purchase begin
2001 2002	Orders ongoing
2003 2004 2005	Orders ongoing
2006	Additional qualification testing In-service failures found
2007	12,000 units rejected due to clamp design change

2008	Orders ongoing
2009	
January	QA staff visits manufacturer
February	In-service failures found
April	Purchase order material fails specification tests
	Discover design change occurred in 2000
May	QA staff visits manufacturer
	Discover material from 2009 and 2006 fails specification test
June	Discover material fails corona test

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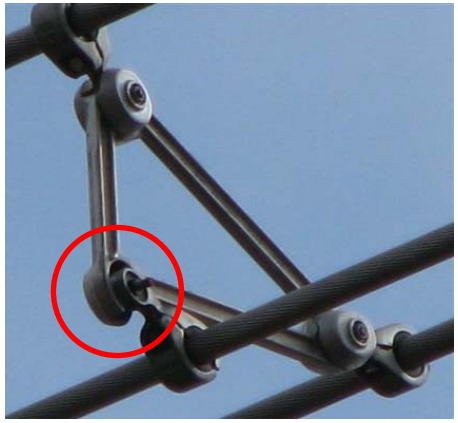
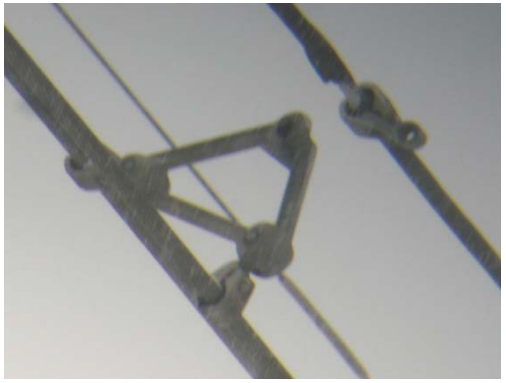
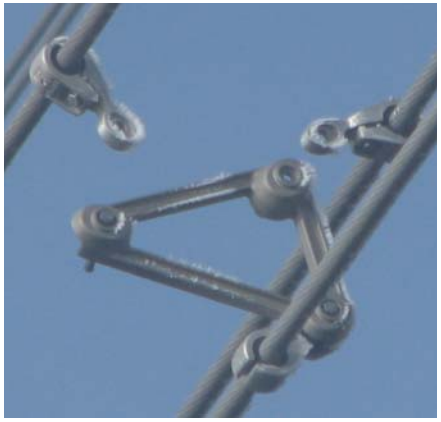
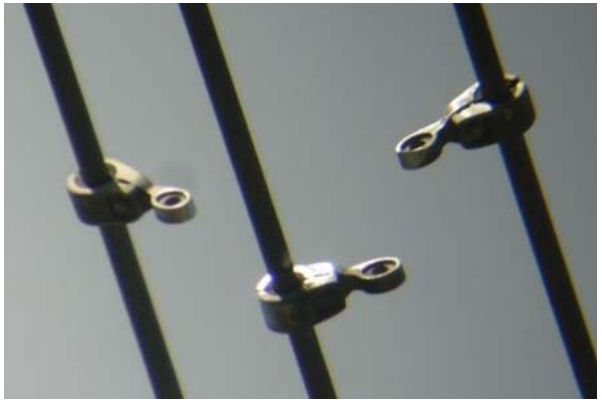
Spacer Damper Replacement Program

2nd Vendor In-service failures identified



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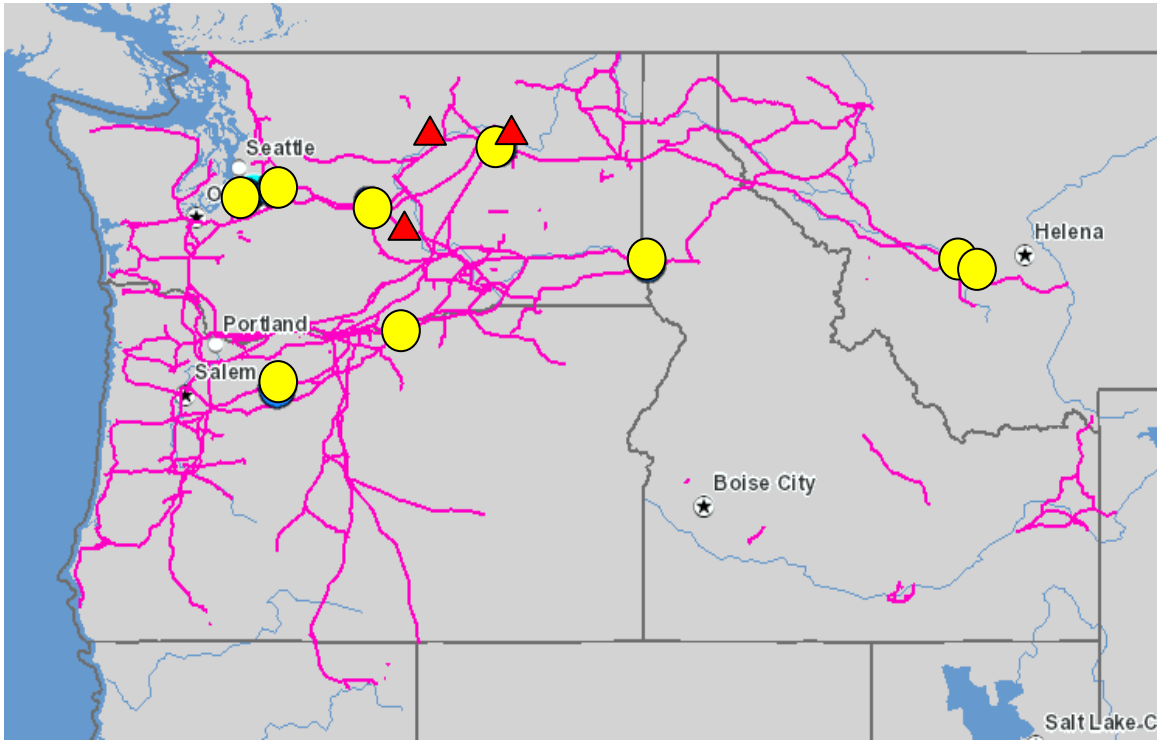
Spacer Damper Replacement Program

Life Cycle Assessment project began to determine if the spacer dampers will have a reduced service life.



Spacer Damper Samples

- 135 samples for the LCA project
- 280 samples from failure areas

Spacer dampers were removed from in-service for inspection and testing.

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Spacer Damper Replacement Program

Life Cycle Assessment exposed additional concerns

Some clamp liners fail the resistance requirement and caused BPA conductor damage.

Discoloration and material deterioration from electrical effects (corona).

Poor quality of castings and liners.

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Spacer Damper Replacement Program

Legal Proceedings

- April 22, 2010 Vendor filed complaint with Civil Board of Contract Appeals ($805,154).
- May 20, 2010 BPA Counter filed ($1,821,960).
- BPA's investigation determined that the vendor had not been conducting performance tests for the past 5 years even though test reports were submitted. BPA referred the matter to the Department of Energy Inspector General, who in turn has involved the US Department of Justice.
- In 2010, the vendor sold its few remaining assets to a competitor at a "fire sale" rate and is no longer in business. Since BPA was the vendor's sole remaining contract there does not appear to be any assets from which BPA can recover on its monetary claim.

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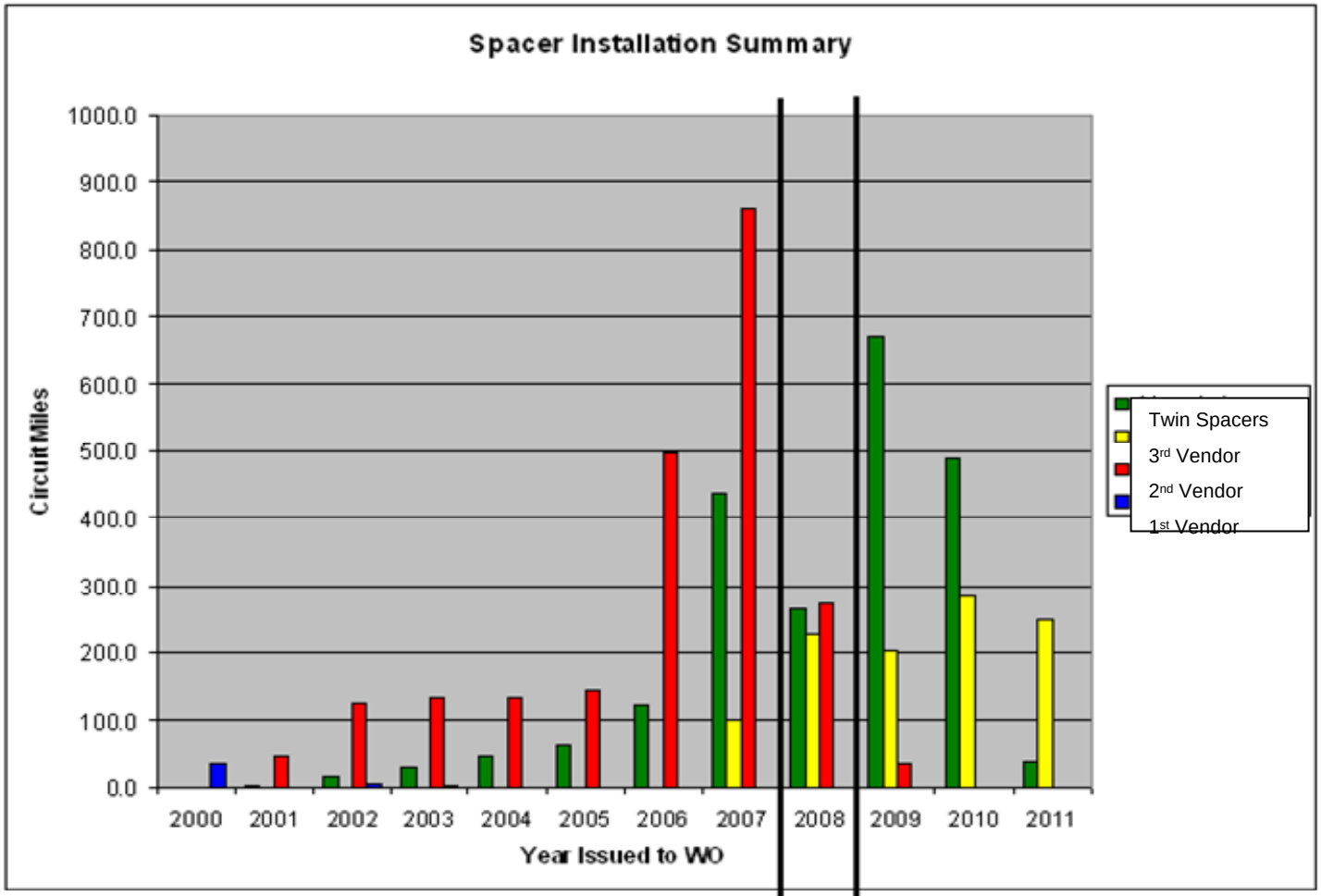

Capital Replacement Mileage through FY12	4080
Capital Replacement Cost through FY12	$81,600,000
2nd Vendor Mileage	1700

lease finance option began

FAS71 began

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Spacer Damper Replacement Program

Proposed 2nd Vendor Spacer Replacement			
	FY 2012	FY 2013	FY 2014
Target Mileage	700	700	300

- Circuit miles for proposed replacement: 1,700
- Write-off costs estimated at $22 million.
- Currently assessing financial approach for replacement costs.

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Spacer Damper Replacement Program

- In 2008, due to concerns about vendor quality assurance (QA), BPA benchmarked QA programs from Electric Utility industry leaders.
- The benchmark activities identify gaps in BPA's QA process.
- BPA strengthened QA program to close gaps.

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Spacer Damper Replacement Program

Strengthened QA Program

- QA Program Manager - 1 BPA FTE engineer (Contracting Officer Technical Representative (COTR)). 2 – QA staff members to assist.
- Witnessing qualification and production ordering testing.
- Contracts with QA vendors to augment staff.
- Clearly defined Roles and Responsibilities between the Subject Matter Expert (SME) and the COTR for QA activities. These include:
    a. Qualification of new product design
    b. Auditing new and/or existing manufacturers
    c. Defined process for handling product design changes
    d. Actively seeking additional qualified suppliers

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Spacer Damper Replacement Program

Strengthened QA Program

- Material technical specification review facilitated by BPA Standards Group
  - a. evaluates and benchmarks design and test requirements
  - b. occurs on a 5-year cycle
- Transmission Engineering participation in Electric Utility Quality Commission (EUQC)
  - a. collection of utilities discussing supplier issues
  - b. meetings bi-annually
  - c. only US member
- Transmission Engineering continued participation in IEEE, CIGRE, CEATI, ASTM, ANSI
  - a. stay current about new products, manufacturers, technical issues
  - b. participation in utility industry standards development

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Spacer Damper Replacement Program

Supply Chain

1. Supply Chain leading practices initiative conducted by KEMA in 2006
   a. Improved sourcing process
   b. Risk sensitivity built into assessment for large procurements
   c. Cross functional sourcing teams provide higher quality decision making
2. Purchasing Operating Procedures instituted
   a. Purchasing strategy panels formally assess sourcing strategy and risk
   b. Purchasing action quality reviews
   c. Supplier Evaluation Guide for supplier reviews
3. Continuous improvement of leading practices
   a. Developing risk assessment criteria specifically for single/sole source
   b. Increasing market knowledge for alternative sources
   c. Improving supplier performance metrics relative to risk

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Pacific DC Intertie Upgrade (Celilo Upgrade)

Larry Bekkedahl
VP Engineering and Technical Services

Celilo Converter Station

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Celilo History

- 1970 Commercial service at ±400kV and1440MW
- 1977 Thermal rerate to 1600MW
- 1984 Voltage Upgrade to ±500kV and 2000MW
- 1987 Expansion Project added parallel 1100MW converters increasing Pacific Direct Current Intertie (PDCI) to 3100MW
- 2002-2004 Original mercury arc valves replaced with solid state valves

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Present Condition

- Aging control systems becoming unmaintainable and degrading reliability
- Original GE transformers over 40 years old and gassing
- Expansion transformer and smoothing reactor design defect
- Celilo-NOB dc transmission line vibration dampers and compression fittings nearing end of life

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Investments to Sustain 3100MW

- Program of Celilo capital replacements over 15 years totaling $282 million (direct nominal $$)
- Transmission line replacements $13 million
- Net Present Value (NPV) for sustain -$262 million
- Construction complete 2026

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Upgrade Option

- Replace Celilo 4 converter terminal with new 2 converter terminal rated ±560kV and 3410A and upgrade Celilo-NOB line insulators
- Nominal direct cost $326 million NPV -$285 million includes possible new John Day-Big Eddy 500kV ac line
- Opportunity to increase PDCI to 3800MW N-S

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Upgrade Option

- Joint PDCI upgrade study with Los Angeles Department of Water and Power (LADWP) and Southern California Edison (SCE)
- Sylmar terminal operating at 3800MW ok with minor upgrades
- NOB-Sylmar line and ac system upgrade cost over $300 million for 3800MW
- LADWP and S. Partners unable to commit to full 3800MW at this time

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Upgrade Option

- Letter of Intent (LOI) signed by LADWP and S. Partners to support 3220MW upgrade and will continue to study full 3800MW with BPA
- Upgrade would be completed January 2015 and operate initially at 3220MW
- PDCI curtailment to 2000MW April to December 2014 and 0MW December to January (2015) for construction

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Upgrade Option

- BPA business case to Capital Allocation Board (CAB) in October for decision on sustain vs upgrade

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Questions?

Appendix 1

Report ID: 0060FY11	Power Services Detailed Statement of Revenues and Expenses	Run Date\Time: July 19, 2011 11:02
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended June 30, 2011	Data Source: EPM Data Warehouse
Unit of Measure: $ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 75%

		A	B	C	D <Note 2	E	F
		FY 2010	FY 2011			FY 2011	FY 2011
		Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
	Operating Revenues						
1	**Gross Sales (excluding bookout adjustment)** <Notes 1 and 3	$ 2,233,570	$ 2,731,880	$ 2,382,317	$ 2,498,334	$ 1,908,667	76%
2	**Bookout Adjustment to Sales** <Note 1	(120,803)	-	-	(62,811)	(62,811)	100%
3	**Miscellaneous Revenues**	29,370	29,421	25,315	21,280	19,519	92%
4	**Inter-Business Unit**	100,981	102,735	97,842	107,245	82,211	77%
5	**Derivative Instruments** <Note 4	14,800	-	-	-	-	0%
6	**U.S. Treasury Credits**	127,690	106,569	117,541	91,185	72,036	79%
7	**Total Operating Revenues**	**2,385,607**	**2,970,605**	**2,623,015**	**2,655,232**	**2,019,622**	**76%**
	Operating Expenses						
	Power System Generation Resources						
	Operating Generation						
8	COLUMBIA GENERATING STATION	256,940	324,882	323,082	321,683	252,024	78%
9	BUREAU OF RECLAMATION	82,125	96,110	96,110	96,110	60,757	63%
10	CORPS OF ENGINEERS	192,279	192,433	192,433	192,433	139,108	72%
11	LONG-TERM CONTRACT GENERATING PROJECTS	28,769	30,767	31,266	30,246	19,110	63%
12	**Sub-Total**	560,113	644,192	642,891	640,472	470,999	74%
	Operating Generation Settlements and Other Payments						
13	COLVILLE GENERATION SETTLEMENT	16,712	21,754	21,754	17,570	12,557	71%
14	**Sub-Total**	16,712	21,754	21,754	17,570	12,557	71%
	Non-Operating Generation						
15	TROJAN DECOMMISSIONING	2,318	2,300	1,700	1,700	1,284	76%
16	WNP-1&3 DECOMMISSIONING	355	428	428	1,040	863	83%
17	**Sub-Total**	2,673	2,728	2,128	2,740	2,147	78%
	Gross Contracted Power Purchases (excluding bookout adjustments) <Note 1						
18	PNCA HEADWATER BENEFITS	1,948	2,620	2,201	2,201	1,515	69%
19	OTHER POWER PURCHASES - (e.g. Short-Term)	467,850	72,107	158,520	212,931	183,593	86%
20	**Sub-Total**	469,797	74,727	160,721	215,132	185,109	86%
21	**Bookout Adjustments to Contracted Power Purchases** <Note 1	(120,803)	-	-	(62,811)	(62,811)	100%
	Augmentation Power Purchases						
22	AUGMENTATION POWER PURCHASES	2,728	273,043	1,994	2,829	2,154	76%
23	**Sub-Total**	2,728	273,043	1,994	2,829	2,154	76%
	Exchanges & Settlements						
24	RESIDENTIAL EXCHANGE PROGRAM <Note 3	180,453	268,647	188,987	182,260	143,045	78%
25	OTHER SETTLEMENTS	-	-	-	-	-	0%
26	**Sub-Total**	180,453	268,647	188,987	182,260	143,045	78%
	Renewable Generation						
27	RENEWABLE CONSERVATION RATE CREDIT	4,147	2,500	2,500	2,500	1,943	78%
28	RENEWABLES	31,261	36,005	37,258	37,135	26,860	72%
29	**Sub-Total**	$ 35,408	$ 38,505	$ 39,758	$ 39,635	$ 28,803	73%

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Report ID: 0060FY11 | Power Services Detailed Statement of Revenues and Expenses | Run Date\Time: July 19, 2011 11:02
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Unit of Measure: $ Thousands | Preliminary/ Unaudited | % of Year Lapsed = 75%

		A	B	C	D <Note 2	E	F
		FY 2010	FY 2011			FY 2011	FY 2011
		Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
	Generation Conservation						
30	DSM TECHNOLOGY	$ 1,772	$ -	$ -	$ -	$ (77)	0%
31	CONSERVATION ACQUISITION	8,617	14,000	16,200	14,000	6,714	48%
32	LOW INCOME WEATHERIZATION & TRIBAL	4,735	5,000	5,000	5,000	2,337	47%
33	ENERGY EFFICIENCY DEVELOPMENT	15,130	20,500	11,500	6,500	5,885	91%
34	LEGACY	1,005	1,622	1,000	1,000	255	25%
35	MARKET TRANSFORMATION	9,831	14,500	13,000	12,000	8,048	67%
36	CONSERVATION RATE CREDIT (CRC)	25,781	29,500	29,500	29,500	20,518	70%
37	**Sub-Total**	66,870	85,122	76,200	68,000	43,679	64%
38	**Power System Generation Sub-Total**	**1,213,951**	**1,408,720**	**1,134,434**	**1,105,827**	**825,682**	**75%**
	Power Non-Generation Operations						
	Power Services System Operations						
39	INFORMATION TECHNOLOGY	5,525	6,282	7,148	5,899	2,344	40%
40	GENERATION PROJECT COORDINATION	5,243	7,542	5,413	5,468	4,032	74%
41	SLICE IMPLEMENTATION	2,065	2,448	1,778	1,743	1,438	83%
42	**Sub-Total**	12,832	16,272	14,340	13,109	7,813	60%
	Power Services Scheduling						
43	OPERATIONS SCHEDULING	7,963	9,564	9,805	8,799	5,959	68%
44	OPERATIONS PLANNING	5,934	5,874	6,249	5,877	4,266	73%
45	**Sub-Total**	13,897	15,438	16,055	14,676	10,225	70%
	Power Services Marketing and Business Support						
46	POWER R&D	5,429	6,133	5,030	5,030	3,256	65%
47	SALES & SUPPORT	17,399	19,325	20,005	19,320	13,392	69%
48	STRATEGY, FINANCE & RISK MGMT	15,141	17,343	18,373	16,340	10,541	65%
49	EXECUTIVE AND ADMINISTRATIVE SERVICES	2,450	2,727	3,529	3,183	1,969	62%
50	CONSERVATION SUPPORT	8,474	12,003	9,569	9,347	6,788	73%
51	**Sub-Total**	48,894	57,530	56,507	53,222	35,947	68%
52	**Power Non-Generation Operations Sub-Total**	**75,623**	**89,240**	**86,901**	**81,007**	**53,985**	**67%**
	Power Services Transmission Acquisition and Ancillary Services						
	PBL Transmission Acquisition and Ancillary Services						
53	POWER SERVICES TRANSMISSION & ANCILLARY SERVICES	101,416	117,401	102,922	121,476	92,726	76%
54	3RD PARTY GTA WHEELING	45,541	51,340	54,780	50,780	35,561	70%
55	POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS	1,811	1,000	2,017	2,017	1,522	75%
56	GENERATION INTEGRATION	8,707	6,800	8,296	8,296	5,556	67%
57	TELEMETERING/EQUIP REPLACEMT	127	50	50	50	35	71%
58	**Power Srvcs Trans Acquisition and Ancillary Services Sub-Total**	**157,603**	**176,591**	**168,065**	**182,619**	**135,401**	**74%**
	Fish and Wildlife/USF&W/Planning Council/Environmental Req						
	BPA Fish and Wildlife (includes F&W Shared Services)						
59	**Fish & Wildlife**	199,590	236,000	225,000	224,993	148,867	66%
60	**USF&W Lower Snake Hatcheries**	23,301	24,480	24,480	24,480	15,893	65%
61	**Planning Council**	9,305	9,934	9,934	9,934	6,755	68%
62	**Environmental Requirements**	200	300	300	200	45	23%
63	**Fish and Wildlife/USF&W/Planning Council Sub-Total**	**$ 232,395**	**$ 270,714**	**$ 259,714**	**$ 259,607**	**$ 171,560**	**66%**

This information has been made publicly available by BPA on July 29, 2011 and contains BPA-Approved Agency Financial Information

Report ID: 0060FY11	**Power Services Detailed Statement of Revenues and Expenses**	Run Date\Time: July 19, 2011 11:02
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended June 30, 2011	Data Source: EPM Data Warehouse
Unit of Measure: $ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 75%

		A	B	C	D <Note 2	E	F
		FY 2010	FY 2011			FY 2011	FY 2011
		Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
	BPA Internal Support						
64	**Additional Post-Retirement Contribution**	$ 15,447	$ 15,578	$ 15,579	$ 15,579	$ 11,684	75%
65	**Agency Services G&A (excludes direct project support)**	51,937	50,064	47,886	50,384	36,640	73%
66	**BPA Internal Support Sub-Total**	**67,383**	**65,643**	**63,464**	**65,963**	**48,324**	**73%**
67	**Bad Debt Expense**	**45**	**-**	**-**	**()**	**()**	**100%**
68	**Other Income, Expenses, Adjustments**	**(7,494)**	**-**	**-**	**298**	**298**	**100%**
	Non-Federal Debt Service						
	Energy Northwest Debt Service						
69	COLUMBIA GENERATING STATION DEBT SVC	223,641	226,169	130,584	81,051	51,762	64%
70	WNP-1 DEBT SVC	150,896	167,549	174,095	275,523	199,151	72%
71	WNP-3 DEBT SVC	109,920	169,093	238,175	189,897	151,421	80%
72	EN RETIRED DEBT	-	-	-	-	-	0%
73	EN LIBOR INTEREST RATE SWAP	34,405	-	-	-	-	0%
74	**Sub-Total**	518,862	562,811	542,854	546,471	402,333	74%
	Non-Energy Northwest Debt Service						
75	TROJAN DEBT SVC	-	-	-	-	-	0%
76	CONSERVATION DEBT SVC	5,032	4,924	4,924	2,842	2,151	76%
77	COWLITZ FALLS DEBT SVC	11,707	11,563	11,563	11,711	8,783	75%
78	NORTHERN WASCO DEBT SVC	2,229	2,196	2,196	2,224	1,668	75%
79	**Sub-Total**	18,968	18,683	18,682	16,777	12,602	75%
80	**Non-Federal Debt Service Sub-Total**	**537,830**	**581,494**	**561,536**	**563,248**	**414,935**	**74%**
81	**Depreciation**	**109,168**	**121,235**	**116,000**	**110,500**	**82,104**	**74%**
82	**Amortization**	**75,821**	**85,699**	**84,565**	**88,165**	**66,757**	**76%**
83	**Total Operating Expenses**	**2,462,325**	**2,799,335**	**2,474,679**	**2,457,234**	**1,799,046**	**73%**
84	**Net Operating Revenues (Expenses)**	**(76,718)**	**171,270**	**148,336**	**197,998**	**220,576**	**111%**
	Interest Expense and (Income)						
85	**Federal Appropriation**	222,847	213,982	215,735	215,858	161,816	75%
86	**Capitalization Adjustment**	(45,937)	(45,937)	(45,937)	(45,937)	(34,453)	75%
87	**Borrowings from US Treasury**	34,154	58,325	45,542	43,523	28,729	66%
88	**AFUDC**	(9,662)	(10,200)	(11,325)	(12,200)	(8,307)	68%
89	**Interest Income**	(24,474)	(40,854)	(13,606)	(12,852)	(9,408)	73%
90	**Net Interest Expense (Income)**	**176,928**	**175,316**	**190,409**	**188,392**	**138,378**	**73%**
91	**Total Expenses**	**2,639,253**	**2,974,650**	**2,665,088**	**2,645,626**	**1,937,424**	**73%**
92	**Net Revenues (Expenses)**	**$ (253,645)**	**$ (4,046)**	**$ (42,073)**	**$ 9,607**	**$ 82,198**	**856%**

<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 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.

<3 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. Rate case estimates 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 rate case estimates.

<4 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by ASC 815, Derivatives and Hedging (formerly SFAS 133), for identified derivative instruments. In FY2010, BPA began applying ASC 980, Regulated Operations, treating the unrealized gains and losses on derivative instruments as Regulatory Assets and Liabilities.

This information has been made publicly available by BPA on July 29, 2011 and contains BPA-Approved Agency Financial Information

Report ID: 0061FY11
Requesting BL: TRANSMISSION BUSINESS UNIT
Unit of Measure: $ Thousands

Transmission Services Detailed Statement of Revenues and Expenses

Through the Month Ended June 30, 2011
Preliminary/ Unaudited

Run Date/Time: July 19, 2011 11:03
Data Source: EPM Data Warehouse
% of Year Lapsed = 75%

		A	B	C	D <Note 1	E	F
		FY 2010	FY 2011			FY 2011	FY 2011
		Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
	Operating Revenues						
	Sales						
	Network						
1	**Network Integration**	$ 92,099	$ 126,531	$ 125,927	$ 121,773	$ 92,906	76%
2	**Other Network**	389,403	365,203	378,448	364,769	271,093	74%
3	**Intertie**	67,068	69,009	68,408	71,661	52,364	73%
4	**Other Direct Sales**	189,760	191,692	176,838	181,945	136,844	75%
5	**Miscellaneous Revenues**	32,175	32,189	33,070	34,422	22,916	67%
6	**Inter-Business Unit Revenues**	113,576	107,737	115,950	130,594	99,961	77%
7	**Total Operating Revenues**	**884,080**	**892,361**	**898,641**	**905,164**	**676,083**	**75%**
	Operating Expenses						
	Transmission Operations						
	System Operations						
8	INFORMATION TECHNOLOGY	5,334	6,761	7,468	6,216	5,335	86%
9	POWER SYSTEM DISPATCHING	11,724	11,864	12,285	13,209	8,654	66%
10	CONTROL CENTER SUPPORT	11,088	13,541	15,399	13,533	10,014	74%
11	TECHNICAL OPERATIONS	6,668	6,096	7,092	5,760	3,666	64%
12	SUBSTATION OPERATIONS	20,239	19,206	21,269	21,114	15,537	74%
13	**Sub-Total**	55,052	57,468	63,513	59,831	43,207	72%
	Scheduling						
14	MANAGEMENT SUPERVISION & ADMINISTRATION	-	734	-	-	(11)	0%
15	RESERVATIONS	2,241	1,074	5,586	3,954	2,801	71%
16	PRE-SCHEDULING	188	470	229	227	177	78%
17	REAL-TIME SCHEDULING	3,677	5,028	4,208	4,168	2,904	70%
18	SCHEDULING TECHNICAL SUPPORT	1,807	2,369	2,531	2,092	1,068	51%
19	SCHEDULING AFTER-THE-FACT	218	447	293	215	126	59%
20	**Sub-Total**	8,130	10,122	12,847	10,655	7,065	66%
	Marketing and Business Support						
21	TRANSMISSION SALES	2,356	3,261	2,467	2,445	1,678	69%
22	MKTG TRANSMISSION FINANCE	305	302	296	268	201	75%
23	MKTG CONTRACT MANAGEMENT	3,880	4,905	4,623	4,558	3,048	67%
24	MKTG TRANSMISSION BILLING	2,048	2,309	2,424	2,358	1,591	67%
25	MKTG BUSINESS STRAT & ASSESS	6,005	7,007	6,170	6,437	4,757	74%
26	MARKETING IT SUPPORT	-	2,112	-	-	-	0%
27	**Marketing Sub-Total**	14,594	19,896	15,980	16,065	11,274	70%
28	EXECUTIVE AND ADMIN SERVICES	12,407	7,871	13,983	12,204	8,489	70%
29	LEGAL SUPPORT	2,305	3,027	3,269	2,721	1,717	63%
30	TRANS SERVICES INTERNAL GENERAL & ADMINISTRATIVE	5,339	14,865	10,213	10,979	5,918	54%
31	AIRCRAFT SERVICES	1,135	1,203	2,147	1,371	818	60%
32	LOGISTICS SERVICES	4,120	6,841	5,490	5,122	2,836	55%
33	SECURITY ENHANCEMENTS	542	1,429	645	645	250	39%
34	**Business Support Sub-Total**	25,848	35,236	35,747	33,041	20,028	61%
35	**Transmission Operations Sub-Total**	**$ 103,625**	**$ 122,722**	**$ 128,088**	**$ 119,593**	**$ 81,575**	**68%**

This information has been made publicly available by BPA on July 29, 2011 and contains BPA-Approved Agency Financial Information

Report ID: 0061FY11 | Requesting BL: TRANSMISSION BUSINESS UNIT | Unit of Measure: $ Thousands

Transmission Services Detailed Statement of Revenues and Expenses

Through the Month Ended June 30, 2011
Preliminary/ Unaudited

Run Date/Time: July 19, 2011 11:03
Data Source: EPM Data Warehouse
% of Year Lapsed = 75%

		A	B	C	D <Note 1	E	F
		FY 2010	FY 2011			FY 2011	FY 2011
		Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actals per Forecast
	Transmission Maintenance						
	System Maintenance						
36	NON-ELECTRIC MAINTENANCE	$ 18,241	$ 28,055	$ 24,935	$ 24,916	$ 12,750	51%
37	SUBSTATION MAINTENANCE	23,809	22,784	26,665	26,640	18,740	70%
38	TRANSMISSION LINE MAINTENANCE	21,076	26,179	24,629	24,188	17,591	73%
39	SYSTEM PROTECTION CONTROL MAINTENANCE	11,377	11,317	13,278	13,214	8,607	65%
40	POWER SYSTEM CONTROL MAINTENANCE	11,579	10,659	13,497	13,448	8,600	64%
41	JOINT COST MAINTENANCE	97	200	155	155	49	32%
42	SYSTEM MAINTENANCE MANAGEMENT	5,277	6,151	8,126	7,939	4,452	56%
43	ROW MAINTENANCE	28,548	18,508	23,824	23,785	15,189	64%
44	HEAVY MOBILE EQUIP MAINT	(79)	()	()	-	(13)	0%
45	TECHNICAL TRAINING	2,588	2,723	2,830	2,810	1,825	65%
46	**Sub-Total**	122,513	126,578	137,939	137,094	87,791	64%
	Environmental Operations						
47	ENVIRONMENTAL ANALYSIS	48	80	80	23	16	71%
48	POLLUTION PREVENTION AND ABATEMENT	2,870	3,915	4,133	4,394	1,971	45%
49	**Sub-Total**	2,918	3,996	4,213	4,417	1,987	45%
50	**Transmission Maintenance Sub-Total**	**125,431**	**130,573**	**142,151**	**141,511**	**89,778**	**63%**
	Transmission Engineering						
	System Development						
51	RESEARCH & DEVELOPMENT	6,558	5,701	6,604	6,501	3,710	57%
52	TSD PLANNING AND ANALYSIS	7,968	8,811	12,110	10,251	7,952	78%
53	CAPITAL TO EXPENSE TRANSFER	1,505	4,000	4,000	4,000	2,103	53%
54	REGULATORY & REGION ASSOC FEES	6,875	5,083	7,551	7,795	5,755	74%
55	ENVIRONMENTAL POLICY/PLANNING	1,315	1,853	1,768	1,790	886	49%
56	**Sub-Total**	24,221	25,448	32,033	30,337	20,405	67%
57	**Transmission Engineering Sub-Total**	**24,221**	**25,448**	**32,033**	**30,337**	**20,405**	**67%**
	Trans. Services Transmission Acquisition and Ancillary Services						
	BBL Acquisition and Ancillary Products and Services						
58	ANCILLARY SERVICES PAYMENTS	88,868	87,217	86,799	94,671	72,439	77%
59	OTHER PAYMENTS TO POWER SERVICES	8,798	11,884	8,928	8,928	6,862	77%
60	STATION SERVICES PAYMENTS	3,315	3,629	3,629	3,832	2,912	76%
61	**Sub-Total**	100,981	102,730	99,356	107,431	82,213	77%
	Non-BBL Acquisition and Ancillary Products and Services <Note 2						
62	LEASED FACILITIES	7,501	6,457	1,489	4,200	3,421	81%
63	GENERAL TRANSFER AGREEMENTS (settlement)	762	500	356	1,534	1,377	90%
64	NON-BBL ANCILLARY SERVICES	539	6,735	5,686	5,421	329	6%
65	**Sub-Total**	8,801	13,692	7,531	11,155	5,127	46%
66	**Trans. Srvcs. Acquisition and Ancillary Services Sub-Total**	**109,782**	**116,422**	**106,887**	**118,586**	**87,340**	**74%**
	Transmission Reimbursables						
	Reimbursables						
67	EXTERNAL REIMBURSABLE SERVICES	5,279	8,681	7,690	7,822	6,563	84%
68	INTERNAL REIMBURSABLE SERVICES	3,822	1,319	2,231	2,247	1,411	63%
69	**Sub-Total**	9,100	10,000	9,920	10,070	7,974	79%
70	**Transmission Reimbursables Sub-Total**	**$ 9,100**	**$ 10,000**	**$ 9,920**	**$ 10,070**	**$ 7,974**	**79%**

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Report ID: 0061FY11 | Requesting BL: TRANSMISSION BUSINESS UNIT | Unit of Measure: $ Thousands

Transmission Services Detailed Statement of Revenues and Expenses

Through the Month Ended June 30, 2011

Preliminary/ Unaudited

Run Date/Time: July 19, 2011 11:03 | Data Source: EPM Data Warehouse | % of Year Lapsed = 75%

		A	B	C	D <Note 1	E	F
		FY 2010	FY 2011			FY 2011	FY 2011
		Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
	BPA Internal Support						
71	Additional Post-Retirement Contribution	$ 15,447	$ 15,579	$ 15,579	$ 15,579	$ 11,684	75%
72	Agency Services G & A (excludes direct project support)	50,362	49,110	56,309	59,062	43,773	74%
73	**BPA Internal Support Subtotal**	65,809	64,688	71,888	74,641	55,457	74%
	Other Income, Expenses, and Adjustments						
74	Bad Debt Expense	567	-	-	-	75	0%
75	Other Income, Expenses, Adjustments	7,155	-	-	3,781	3,808	101%
76	Undistributed Reduction	-	(2,000)	-	-	-	0%
77	**Non-Federal Debt Service** <Note 2	-	-	-	-	-	0%
78	**Depreciation**	182,054	199,313	191,500	191,000	142,547	75%
79	**Amortization** <Note 2	1,328	2,223	1,400	1,400	1,431	102%
80	**Total Operating Expenses**	629,072	669,389	683,868	690,919	490,390	71%
81	**Net Operating Revenues (Expenses)**	255,008	222,971	214,774	214,246	185,693	87%
	Interest Expense and (Income)						
82	Federal Appropriation	34,658	27,538	29,485	29,217	21,913	75%
83	Capitalization Adjustment	(18,968)	(18,968)	(18,968)	(18,968)	(14,226)	75%
84	Borrowings from US Treasury	75,720	113,200	87,191	84,462	60,840	72%
85	Debt Service Reassignment	56,781	56,780	56,780	54,358	42,585	78%
86	Customer Advances	8,135	-	9,300	9,500	7,319	77%
87	Lease Financing	20,718	40,878	24,011	23,183	16,760	72%
88	AFUDC	(23,204)	(22,648)	(25,550)	(26,500)	(18,841)	71%
89	Interest Income	(30,644)	(24,673)	(29,060)	(27,334)	(19,286)	71%
90	**Net Interest Expense (Income)**	123,195	172,107	133,189	127,918	97,064	76%
91	**Total Expenses**	752,266	841,496	817,057	818,837	587,454	72%
92	**Net Revenues (Expenses)**	$ 131,814	$ 50,864	$ 81,585	$ 86,328	$ 88,629	103%

<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.

This information has been made publicly available by BPA on July 29, 2011 and contains BPA-Approved Agency Financial Information