

**Federal Columbia River Power System (FCRPS)
FY 2008 FOURTH QUARTER REVIEW**

Net Revenues and Reserves

Based on Audited Actual Results for FY 2008



October 30, 2008

FY 2008
EXECUTIVE HIGHLIGHTS
October 30, 2008

(\$ in Millions)

	A	B	FY 2008 Audited Actuals	
			C	D
	<i>FY 2007 Audited Actuals without FAS 133 & Bookouts ^{1/}</i>	<i>FY 2008 SOY without FAS 133 & Bookouts ^{2/}</i>	<i>without FAS 133 & Bookouts ^{2/}</i>	<i>with FAS 133 & Bookouts ^{3/}</i>
1. REVENUES	3,369.9	3,236.7	3,176.9	3,036.6
2. EXPENSES	2,906.1	2,932.3	2,881.5	2,771.8
3. NET REVENUES ^{4/}	463.8	304.4	295.4	264.8
4. MODIFIED NET REVENUES ^{4/}	217.3	191.7	157.4	157.4
5. END OF YEAR FINANCIAL RESERVES ^{5/}	1,462.7	1,569.0	1,646.4	1,646.4
6. BPA ACCRUED CAPITAL EXPENDITURES ^{6/}	312.4	462.6	290.3	290.3

Footnotes

- 1/ Does not include mark-to-market adjustments required by SFAS 133 or reflect the change in accounting for power "bookout" transactions made after adoption of new accounting guidance, EITF 03-11, which was effective as of Oct 1, 2003. Actual Net Revenues for FY 2007 with the mark-to-market adjustments were \$457.2 million.
- 2/ Columns B and C do not reflect the change in accounting for power "bookout" transactions made after adoption of new accounting guidance, EITF 03-11, which 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 SFAS 133 for identified derivative instruments.
- 4/ Net revenues include the effects of non-federal debt management and SFAS 133. 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.
- 6/ Funded by borrowing from the U.S. Treasury.

		A	B	C	D
		Actuals: FY 2007	FY 2008 Target (SOY)	Audited Actuals FY 2008	Actuals as a % of Target
Operating Revenues					
1	Gross Sales (excluding bookout adjustment) <Note 1	\$3,230,921	\$3,079,810	\$3,007,051	98%
2	Bookout adjustment to Sales <Note 1	(94,705)		(109,704)	
3	Miscellaneous Revenues	68,246	62,513	64,843	104%
4	Derivatives - Mark to Market Gain (Loss) <Note 2	(6,519)		(30,564)	
5	U.S. Treasury Credits	70,697	94,329	104,992	111%
6	Total Operating Revenues	3,268,641	3,236,652	3,036,618	94%
Operating Expenses					
Power System Generation Resources					
Operating Generation Resources					
7	Columbia Generating Station	276,409	231,431	236,736	102%
8	Bureau of Reclamation	67,332	74,760	72,110	96%
9	Corps of Engineers	158,410	165,742	178,442	108%
10	Long-term Generating Projects	28,247	31,858	27,080	85%
11	Operating Generation Settlement Payment	19,871	17,354	20,499	118%
12	Non-Operating Generation	2,108	5,300	1,428	27%
13	Gross Contracted & Augmentation Power Purchases (excluding bookout adjustment) <Note 1	367,119	215,811	529,433	245%
14	Bookout Adjustment to Contracted & Augmentation Power Purchases <Note 1	(94,705)		(109,704)	
15	Exchanges and Settlements	340,247	303,000	329	0%
16	Renewable and Conservation Generation	98,936	127,364	94,954	75%
17	Subtotal Power System Generation Resources	1,263,974	1,172,621	1,051,305	90%
18	Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 4	45,328	50,350	44,652	89%
19	Power Services Non-Generation Operations	61,831	69,537	66,851	96%
20	Transmission Operations	92,096	96,787	96,817	100%
21	Transmission Maintenance	90,905	95,136	115,183	121%
22	Transmission Engineering	15,017	24,720	21,157	86%
23	Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 3, 4	12,566	19,250	6,190	32%
24	Transmission Reimbursables	13,081	10,000	11,964	120%
25	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	166,920	171,746	176,405	103%
BPA Internal Support					
26	Additional Post-Retirement Contribution	21,100	18,000	18,000	100%
27	Agency Services G&A	100,202	95,957	103,526	108%
28	Other Income, Expenses & Adjustments	(3,443)	(200)	(5,802)	2901%
29	Non-Federal Debt Service <Note 3	343,321	511,658	479,493	94%
30	Depreciation & Amortization <Note 3	351,787	372,363	358,064	96%
31	Total Operating Expenses	2,574,685	2,707,926	2,543,805	94%
32	Net Operating Revenues (Expenses)	693,956	528,726	492,813	93%
Interest Expense					
33	Interest	269,919	245,891	260,025	106%
34	AFUDC	(33,172)	(21,530)	(32,057)	149%
35	Net Interest Expense	236,747	224,361	227,968	102%
36	Net Revenues (Expenses) from Continuing Operations	457,209	304,365	264,845	87%
37	Net Revenues (Expenses)	\$457,209	\$304,365	\$264,845	87%

<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, EITF 03-11, effective as of Oct 1, 2003. Bookout transactions are not included in the SOY budget.

<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 Beginning in FY 2004, the 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. The SOY Target is 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.