



Customer Collaborative Meeting

Financial Overview through October 31, 2004

- Based on our analysis of October 2004 actuals, we are on course with expectations presented in the FY '05 Start of Year (SOY) budget. SOY represents PBL power rate decisions made in September 2004 for FY '05, and consistent with FY '05 information presented in the TBL Programs in Review process, with perhaps some optimism regarding hydro conditions and secondary sales prices.
- FCRPS Net Revenues are currently \$72.8 million, compared to \$51.1 million at this time in FY '04, primarily due to lower costs and somewhat higher secondary sales.
- FCRPS Revenues are currently \$267.9 million, compared to \$248.7 million at this time in FY '04. Revenues are currently on track, however secondary sales are at risk should lower stream-flow conditions develop.
- FCRPS Operating Expenses and Interest are \$195.1 million, compared to \$197.6 million at this time in FY '04. Current actual expenditures compared to forecasted expenditures do not indicate a substantial difference in expected year end results.



Customer Collaborative Meeting

Financial Overview through October 31, 2004

- It is too early in the year to have a steadfast forecast of stream-flows. Uncertainties include:
 - Stream-Flow
 - Highly unpredictable. In the 1929 to 2002 history, the smallest stream-flow was 79 maf and the largest stream-flow was 194 maf.
 - Drives the power output of the system.
 - Prices
 - Risk level varies with market price assumptions.
 - Temperatures
 - Load increases and stream flow availability.
 - Can affect loads and resource availability.
- Other factors that may impact the year:
 - Judge Redden's decision on the Biological Opinion could have significant impact on our river operation.
 - Columbia Generating Station operations.

	A	B <Note 3	C <Note 4	C	D
	Actuals: FY 2004	Target SOY: FY 2005	Forecast: Qtr 1 FY 2005	Actuals: FYTD 2005	Actuals: FYTD 2004
Operating Revenues					
1 Sales <Note 1	2,973,496	3,099,412		209,324	231,048
2 Miscellaneous Revenues	53,364	58,620		3,138	4,379
3 Derivatives - Mark to Market Gain (Loss) <Note 2	89,452			49,082	6,035
4 U.S. Treasury Credits	81,600	83,655		6,365	7,217
5 Total Operating Revenues	3,197,911	3,241,687		267,910	248,679
Operating Expenses					
Power System Generation Resources					
Operating Generation Resources					
6 Columbia Generating Station	222,115	243,835		21,416	16,815
7 Bureau of Reclamation	59,599	63,700		5,000	5,000
8 Corps of Engineers	137,139	144,500		11,400	10,800
9 Long-term Contract Generating Projects	24,560	29,580		933	(712)
10 Operating Generation Settlement Payment	16,838	17,000		1,271	1,271
11 Non-Operating Generation	4,578	8,000		982	1,014
12 Contracted Power Purchases and Augmentation Power Purchases <Note 1	546,008	609,261		37,472	67,873
13 Residential Exchange/IOU Settlement Benefits	125,915	144,418		11,964	10,502
14 Renewable and Conservation Generation, including C&RD	82,551	92,307		3,367	6,956
15 Subtotal Power System Generation Resources	1,219,303	1,352,602		93,804	119,519
16 PBL Transmission Acquisition and Ancillary Services	43,624	51,600		(2,841)	(4,924)
17 PBL Non-Generation Operations	57,418	52,048		3,123	1,944
18 Transmission Operations	83,945	77,893		5,515	5,612
19 Transmission Maintenance	77,475	83,218		4,908	6,512
20 Transmission Engineering	19,271	9,099		(444)	(681)
21 TBL Transmission Acquisition and Ancillary Services <Note 5	3,895	7,057		1,077	859
22 Transmission Reimbursables	8,352	9,645		1,247	703
23 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements General and Administrative/Shared Services	170,320	172,649		756	(18,019)
24 CSRS	30,900	26,500		2,208	2,575
25 Corporate Support (G&A and Shared Services) / TBL Supply Chain	84,158	118,207		4,195	5,545
26 Other Income, Expenses & Adjustments	(4,731)	(980)		121	(1,175)
27 Non-Federal Debt Service <Note 5	248,475	393,479		27,538	21,307
28 Depreciation & Amortization <Note 5	366,239	368,400		29,978	32,643
29 Total Operating Expenses	2,408,646	2,721,417		171,186	172,420
30 Net Operating Revenues (Expenses)	789,266	520,270		96,724	76,258
Interest Expense					
31 Interest on Federal Investment <Note 5	323,291	320,371		26,082	27,668
32 AFUDC	(38,441)	(26,855)		(2,187)	(2,498)
33 Net Interest Expense	284,850	293,516		23,895	25,170
34 Net Revenues (Expenses) from Continuing Operations	504,415	226,754		72,829	51,089
35 Net Revenues (Expenses)	\$504,415	\$226,754		\$72,829	\$51,089

<1 Beginning in FY 2004, Actuals for Power Sales & 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. The change in accounting for power "bookout" transactions was not applied to the Rate Case, and the Forecast.

<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 The Start-of-Year (SOY) budget reflects the power rates decisions made in September 2004 for FY05 and includes transmission data that is consistent with the data presented in the Programs-in-Review (PIR) process.

<4 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.

<5 Beginning in FY 2004, consolidated actuals reflect the inclusion of transactions associated with a Variable Interest Entity (VIES), which is in accordance with the FASB Interpretation No. 46 (FIN 46) that is effective as of December, 2003. BPA does not budget for Variable Interest Entities and VIES information is not included in rate case, budget and forecast data presented herein.

Power Business Line

Report ID: CC_0021

Statement of Revenues and Expenses - Customer Collaborative

Data Source: EPM Data Warehouse

Requesting BL: POWER

Through the Month Ended October 31, 2004 as of October 31, 2004

Run Date/Time: November 29, 2004 16:47

Unit of measure: \$ Thousands

Preliminary/ Unaudited

% of Year Lapsed = 8%

	A	B <Note 3	B <Note 4	C	D
	Actuals: FY 2004	Target SOY: FY 2005	Forecast: Qtr 1 FY 2005	Actuals: FYTD 2005	Actuals: FYTD 2004
Operating Revenues					
1 Sales <Note 1	2,470,428	2,597,951		168,403	188,892
2 Miscellaneous Revenues	20,495	15,768		2,167	2,246
3 Inter-Business Unit	76,923	69,648		7,465	6,447
4 Derivatives - Mark to Market Gain (Loss) <Note 2	89,452			49,082	6,035
5 U.S. Treasury Credits	81,600	83,655		6,365	7,217
6 Total Operating Revenues	2,738,898	2,767,023		233,483	210,836
Operating Expenses					
Power System Generation Resources					
Operating Generation Resources					
7 Columbia Generating Station	222,115	243,835		21,416	16,815
8 Bureau of Reclamation	59,599	63,700		5,000	5,000
9 Corps of Engineers	137,139	144,500		11,400	10,800
10 Long-term Contract Generating Projects	24,560	29,580		933	(712)
11 Operating Generation Settlement Payment	16,838	17,000		1,271	1,271
12 Non-Operating Generation	4,579	8,000		982	1,014
13 Contracted Power Purchases and Augmentation Power Purchases <Note 1	546,008	609,261		37,472	67,873
14 Residential Exchange/IOU Settlement Benefits	125,915	144,418		11,964	10,502
15 Renewable and Conservation Generation, including C&RD	82,599	92,307		3,367	6,956
16 Subtotal Power System Generation Resources	1,219,353	1,352,602		93,804	119,519
17 PBL Transmission Acquisition and Ancillary Services	149,986	171,400		6,059	4,084
18 Power Non-Generation Operations	58,579	52,519		3,123	1,944
19 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	170,569	173,036		756	(18,019)
General and Administrative/Shared Services					
20 CSRS	15,450	13,250		1,104	1,288
21 Corporate Support - G&A and Shared Services; TBL Support - Supply Chain	37,365	53,679		1,771	2,579
22 Other Income, Expenses & Adjustments	(629)			23	(1)
23 Non-Federal Debt Service	429,142	512,503		41,593	39,640
24 Depreciation & Amortization	177,297	179,201		14,396	17,661
25 Total Operating Expenses	2,257,111	2,508,190		162,629	168,694
26 Net Operating Revenues (Expenses)	481,787	258,832		70,854	42,142
Interest Expense					
27 Interest	180,444	186,999		15,342	15,705
28 AFUDC	(17,913)	(9,320)		(733)	(959)
29 Net Interest Expense	162,531	177,679		14,610	14,746
30 Net Revenues (Expenses) from Continuing Operations	319,256	81,153		56,244	27,395
31 Net Revenues (Expenses)	\$319,256	\$81,153		\$56,244	\$27,395

<1 Beginning in FY 2004, Actuals for Power Sales & 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. The change in accounting for power "bookout" transactions was not applied to the Rate Case, and the Forecast.

<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 The Start-of-Year (SOY) budget reflects the power rates decisions made in September 2004 for FY05.

<4 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.

Federal Columbia River Power System
Schedule of Net Revenue (Expense) to Modified Net Revenue - Customer Collaborative
 Through the Month Ended October 31, 2004
 Preliminary/ Unaudited

	A	B	C	D	E	F <Note 9	G <Note 7
	Actuals: FY 2000	Actuals: FY 2001	Actuals: FY 2002	Actuals: FY 2003	Actuals: FY 2004	Target SOY: FY 2005	Forecast: QTR FY 2005
Power Business Line (PBL)							
1 PBL Net Revenue (Expense) <Note 1	252,130	(380,538)	(87,421)	242,996	319,256	81,153	
PBL Modified Net Revenue Adjustments:							
2 SFAS 133 Adjustments (MTM) <Notes 1, 2		(120,614)	38,354	55,265	89,452		
3 ENW Debt Adjustments	(81,677)	(157,853)	(264,697)	(148,085)	(151,275)	(18,950)	
4 PBL Modified Net Revenue Adjustments <Note 3	(81,677)	(37,239)	(303,051)	(203,350)	(240,727)	(18,950)	
5 PBL Modified Net Revenue <Note 4	170,453	(417,778)	(390,472)	39,646	78,529	62,203	
6 PBL Accumulated Net Revenue (GRSP Defined) <Note 5	170,453	(247,325)	(637,797)	(598,151)	(519,622)	(457,419)	
7 FBCRAC Threshold Amount <Note 6	--	(386,000)	(408,000)	(378,000)	(264,000)	(252,000)	
8		MNR Improvements Required to not trigger FBCRAC					
9 FCRPS Modified Net Revenue <Note 8	159,300	(374,640)	(346,387)	36,874	66,327	63,129	

- <1 Includes \$168,491k unrealized loss due to the Cumulative Effect of Change in Accounting Principle for SFAS 133, which was posted to FY 2001. This amount is excluded when calculating the MNR. Prior report releases and presentations reported the net effect of this change, resulting in previously reported amounts of \$(212,043.18)k for PBL Net Revenue (Expense), and \$(205,730.03) for PBL MNR Adjustment.
- <2 Revenue Adjustments reflect impacts from SFAS 133 that are subtracted from net revenue, while ENW Debt Service adjustments reduce MNR if rate case amounts exceed actual ENW Debt Services expenses.
- <3 Consistent with the GRSP's, the Modified Net Revenue (MNR) is an adjustment to Net Revenues for the purpose of calculating the rate case Financial and Safety-net Cost Recovery Adjustment Clause. The MNR excludes the impact of SFAS 133 transactions (Accounting for Derivative Instruments and Hedging Activities); for Debt Service, the MNR excludes actual ENW debt service and substitutes the Energy Northwest debt service expenses as forecasted in the WP-02 Final Studies.
- <4 FYTD PBL MNR equals \$5 million and FYTD FCRPS MNR equals \$6 million .
- <5 The GRSP's definition of the Accumulated Net Revenue (ANR) differs from the accounting standard definition of ANR. The GRSP's defined ANR is used in determining the FBCRAC rates; the GRSP's ANR represents the accounting standard Accumulated Net Revenue (starting 09/30/99) less the accumulated effects of FAS 133 and ENW debt refinancing activities (see note 1.)
- <6 In accordance with the GRSP's, the FBCRAC thresholds were established to provide an upward adjustment to rates to address declining financial circumstances. The thresholds are established as a benchmark in which to evaluate the financial condition. The FBCRAC thresholds for the ends of FY 2003 - 2005 are reset to equal the SNCRAC thresholds each time the SNCRAC thresholds are recalculated. [SN-03-A-02]
- <7 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. This report is not an absolute prediction of future revenues or costs, nor does it reflect the actual ANR for the end of the fiscal year, (unless otherwise indicated.) This report should not be used for investment purposes, nor is it a guarantee that the actual ANR will be achieved as forecasted.
- <8 Because the FCRPS MNR excludes actual ENW debt service amounts and substitutes the Energy Northwest debt service expenses as forecasted in the WP-02 Final Studies, the FCRPS MNR removes the effect of debt refinancing from BPA's annual financial activities.
- <9 The Start-of-Year (SOY) budget reflects the power rates decisions made in September 2004 for FY05 and includes transmission data that is consistent with the data presented in the Programs-in-Review (PIR) process.

Transmission Business Line

Report ID: CC_0023

Statement of Revenues and Expenses - Customer Collaborative

Data Source: EPM Data Warehouse

Requesting BL: TRANS

Through the Month Ended October 31, 2004 as of October 31, 2004

Run Date/Time: November 29, 2004/ 16:48

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Lapsed = 8%

	A	B <Note 1	C <Note 2	D <Note 3	E	F
	Actuals: FY 2004	Rate Case Forecast: FY 2005	Target: SOY FY 2005	Forecast: Quarter1 FY 2005	Actuals: FYTD 2005	Actuals: FYTD 2004
Operating Revenues						
1 Sales	503,068	599,661	501,461		40,921	42,157
2 Miscellaneous Revenues	32,868	13,404	42,852		971	2,133
3 Inter-Business Unit Revenues	108,123	132,077	95,493		8,900	9,007
4 Total Operating Revenues	644,059	745,142	639,806		50,792	53,297
Operating Expenses						
5 Transmission Operations	83,998	98,811	77,893		5,515	5,612
6 Transmission Maintenance	77,475	86,511	83,218		4,908	6,512
7 Transmission Engineering	19,893	10,768	9,099		(444)	(681)
8 TBL Transmission Acquisition and Ancillary Services <Note 4	79,977	88,860	86,292		8,542	7,306
9 Transmission Reimbursables	8,352	10,000	10,000		1,247	703
General and Administrative/Shared Services						
10 CSRS	15,450	13,250	13,250		1,104	1,288
11 Corporate Support - G&A and Shared Services/TBL Support - Supply Chain	47,166	63,978	64,528		2,424	2,966
12 Other Income, Expenses & Adjustments	(4,008)		(980)		98	(39)
13 Non-Federal Debt Service <Note 4	1,191		(6,432)		(536)	
14 Depreciation & Amortization <Note 4	188,942	190,746	189,150		15,582	14,981
15 Total Operating Expenses	518,438	562,924	526,017		38,441	38,648
Net Operating Revenues (Expenses)	125,620	182,217	113,789		12,351	14,649
Interest Expense						
17 Interest on Federal Investment <Note 4	158,350	176,289	159,072		12,876	13,331
18 AFUDC	(20,528)		(17,535)		(1,436)	(1,531)
19 Net Interest Expense	137,822	176,289	141,537		11,440	11,800
Net Revenues (Expenses) from Continuing Operations	(12,202)	5,928	(27,748)		912	2,848
Net Revenues (Expenses)	(\$12,202)	\$5,928	(\$27,748)		\$912	\$2,848

<1 The TBL groupings of expenses by programs and sub-programs for FY 2005 estimates, developed as part of the 2005 Rate Case, are reconstituted to match the programs and sub-programs groupings shown on this report.

<2 The Start-of-Year (SOY) budget for FY 2005 is consistent with the data presented in the Programs-in-Review (PIR) process.

<3 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties, among other factors, may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

<4 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. BPA does not budget for Variable Interest Entities and VIES information is not included in rate case, budget and forecast data presented herein.

	A	B <Note 4	C	D	E
	Actuals: FY 2004	Target SOY: FY 2005	Forecast: Qtr 1 FY 2005	Actuals: FYTD 2005	Actuals: FYTD 2004
Operating Revenues					
1 Sales					
2 Miscellaneous Revenues					
3 Derivatives - Mark to Market Gain (Loss)					
4 U.S. Treasury Credits					
5 Total Operating Revenues					
Operating Expenses					
Power System Generation Resources					
Operating Generation Resources					
6 Columbia Generating Station					
7 Bureau of Reclamation					
8 Corps of Engineers					
9 Long-term Contract Generating Projects					
10 Operating Generation Settlement Payment					
11 Non-Operating Generation					
12 Contracted Power Purchases and Augmentation Power Purchases					
13 Residential Exchange/IOU Settlement Benefits					
14 Renewable and Conservation Generation, including C&RD					
15 Subtotal Power System Generation Resources					
16 PBL Transmission Acquisition and Ancillary Services					
17 PBL Non-Generation Operations					
18 Transmission Operations					
19 Transmission Maintenance					
20 Transmission Engineering					
21 TBL Transmission Acquisition and Ancillary Services					
22 Transmission Reimbursables					
23 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements					
General and Administrative/Shared Services					
24 CSRS					
25 Corporate Support (G&A and Shared Services) / TBL Supply Chain					
26 Other Income, Expenses & Adjustments <Note 1					(1,134)
27 Non-Federal Debt Service <Note 2	(181,858)	(119,024)		(13,519)	(18,333)
28 Depreciation & Amortization					
29 Total Operating Expenses	(181,858)	(119,024)		(13,519)	(19,468)
30 Net Operating Revenues (Expenses)	181,858	119,024		13,519	19,468
Interest Expense					
31 Interest on Federal Investment <Note 3	(15,503)	(25,700)		(2,136)	(1,368)
32 AFUDC				(19)	(9)
33 Net Interest Expense	(15,503)	(25,700)		(2,155)	(1,377)
34 Net Revenues (Expenses) from Continuing Operations	197,361	144,724		15,674	20,845
35 Net Revenues (Expenses)	\$197,361	\$144,724		\$15,674	\$20,845

<1 Balances may be due to under/(over) clearing of Corporate expenses.

<2 Corporate Non-Federal Debt Service represents transactions related to Energy Northwest Debt Reassignment.

<3 Corporate Interest reflects the reassignment of Energy Northwest Debt transactions for interest paid by the Transmission business line for use of Debt Reassignment proceeds.

<4 The Start-of-Year (SOY) budget reflects the power rates decisions made in September 2004 for FY05.