

# Customer Collaborative Meeting January 2006



# Customer Collaborative Meeting

## Financial Overview through November 30, 2005

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- Based on results through November 30, 2005, there are no significant, unplanned events that would alter our SOY forecasts for agency Net Revenue or MNR.
  - Several uncertainties may influence the PBL Revenue forecast, including the impact of Biological Opinion decisions on river operations and Columbia Generating Station operations, as well as Stream Flow, Market Prices, and Temperatures. It is still too early in the year to have a steadfast forecast of stream-flows.
  - PBL actual expenses through November 30, 2005 are tracking with the total SOY budget.
  - TBL actual revenues through November 30, 2005 are tracking with the total SOY budget.
  - TBL actual expenses through November 30, 2005 are tracking with the total SOY budget.



# Customer Collaborative Meeting

## Financial Overview through November 30, 2005

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- FCRPS Statement of Revenue and Expenses
- PBL Statement of Revenue and Expenses
- PBL/FCRPS Statement of Modified Net Revenue
- TBL Statement of Revenue and Expenses
- Corporate Statement of Revenue and Expenses



# Customer Collaborative Meeting

## Financial Overview through November 30, 2005

Report ID: CC_0020		<b>Federal Columbia River Power System</b>			Data Source: EPM Data Warehouse	
Requesting BL: CORPT		<b>Statement of Revenues and Expenses - Customer Collaborative</b>			Run Date: December 08, 2005	
Unit of measure: \$ Thousands		Through the Month Ended November 30, 2005 as of November 30, 2005			Run Time: 15:35	
		Preliminary/ Unaudited			% of Year Lapsed = 16%	
		A	B <Note 3	C <Note 4	D	E
		Actuals: FY 2005	Target SOY: FY 2006	Forecast: Qtr 1 FY 2006	Actuals: FYTD 2006	Actuals: FYTD 2005
<b>Operating Revenues</b>						
1	Gross Sales (excluding bookout adjustment) <Note 1	3,290,822	3,195,132		574,412	523,390
2	Bookout adjustment to Sales <Note 1	(238,847)			(24,876)	(34,841)
3	Miscellaneous Revenues	59,211	48,753		7,196	6,986
4	Derivatives - Mark to Market Gain (Loss) <Note 2	94,596			(24,447)	23,493
5	U.S. Treasury Credits	62,300	93,320		14,677	12,427
6	<b>Total Operating Revenues</b>	<b>3,268,083</b>	<b>3,337,205</b>		<b>546,963</b>	<b>531,455</b>
<b>Operating Expenses</b>						
Power System Generation Resources						
Operating Generation Resources						
7	Columbia Generating Station	243,297	228,100		33,767	42,373
8	Bureau of Reclamation	55,736	65,400		7,078	6,942
9	Corps of Engineers	142,554	148,700		14,725	14,352
10	Long-term Contract Generating Projects	26,348	29,850		3,181	3,067
11	Operating Generation Settlement Payment	17,798	17,510		2,667	2,542
12	Non-Operating Generation	3,959	7,200		286	1,963
13	Gross Contracted Power Purchases and Augmentation Power Purchases (excluding bookout adj.) <Note 1	783,231	544,308		110,515	111,064
14	Bookout Adjustment to Power Purchases <Note 1	(238,847)			(24,876)	(34,841)
15	Residential Exchange/OU Settlement Benefits	144,073	140,271		23,536	24,255
16	Renewable and Conservation Generation, including C&RD	82,841	94,210		14,670	11,752
17	Subtotal Power System Generation Resources	1,260,989	1,275,549		185,549	183,470
18	PBL Transmission Acquisition and Ancillary Services - (3rd Party) <Note 6	40,321	46,210		6,120	312
19	PBL Non-Generation Operations	50,226	53,355		7,712	7,260
20	Transmission Operations	76,365	78,870		11,687	10,825
21	Transmission Maintenance	79,537	87,990		11,530	11,233
22	Transmission Engineering	9,972	10,485		319	(128)
23	TBL Transmission Acquisition and Ancillary Services - (3rd Party) <Note 5, 6	6,421	21,228		1,356	1,840
24	Transmission Reimbursables	11,467	9,700		2,728	2,152
25	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	161,512	166,227		8,666	7,591
BPA Internal Support						
26	Additional Post-Retirement Contribution	26,500	23,150		3,867	4,417
27	Corporate O&A and Shared Services (includes Supply Chain)	117,597	125,562		13,080	11,995
28	Other Income, Expenses & Adjustments	(4,118)			(75)	206
29	Non-Federal Debt Service <Note 5	291,540	406,539		55,227	55,010
30	Depreciation & Amortization <Note 5	375,600	357,607		57,717	60,250
31	<b>Total Operating Expenses</b>	<b>2,503,929</b>	<b>2,662,472</b>		<b>365,481</b>	<b>356,433</b>
32	<b>Net Operating Revenues (Expenses)</b>	<b>764,154</b>	<b>674,733</b>		<b>181,483</b>	<b>175,022</b>
<b>Interest Expense</b>						
33	Interest	294,187	311,745		50,260	52,308
34	AFUDC	(16,903)	(18,219)		(3,164)	(4,387)
35	<b>Net Interest Expense</b>	<b>277,284</b>	<b>293,526</b>		<b>47,096</b>	<b>47,921</b>
36	<b>Net Revenues (Expenses) from Continuing Operations</b>	<b>486,870</b>	<b>381,207</b>		<b>134,387</b>	<b>127,101</b>
37	<b>Net Revenues (Expenses)</b>	<b>\$486,870</b>	<b>\$381,207</b>	\$	<b>\$134,387</b>	<b>\$127,101</b>

- <1 For BPA management reports, Gross Sales and Purchase Power are shown separated from the power bookout adjustment (EITF 03-11, effective as of Oct 1, 2003) to provide a better picture of our gross sales and gross purchase power.
- <2 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by SFAS 133, as amended, for identified derivative instruments
- The MTM adjustment is excluded in calculating Modified Net Revenues for rate setting purposes.
- <3 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. VIES information is not included in rate case, budget and forecast data.
- <6 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.



# Customer Collaborative Meeting

## Financial Overview through November 30, 2005

Report ID: CC_0021 Requesting BL: POWER Unit of measure: \$ Thousands		<b>Power Business Line</b> <b>Statement of Revenues and Expenses - Customer Collaborative</b> <b>Through the Month Ended November 30, 2005 as of November 30, 2005</b>			Data Source: EPM Data Warehouse Run Date/Time: December 08, 2005 15:40	
		Preliminary/ Unaudited			% of Year Lapsed = 16%	
		A	B <Note 3	C <Note 4	D	E
		Actuals: FY 2005	Target SOY: FY 2006	Forecast: Qtr 1 FY 2006	Actuals: FYTD 2006	Actuals: FYTD 2005
<b>Operating Revenues</b>						
1	Gross Sales (excluding bookout adjustment) <Note 1	2,790,793	2,604,910		480,885	441,827
2	Bookout adjustment to Sales <Note 1	(238,847)			(24,876)	(34,841)
3	Miscellaneous Revenues	31,859	23,800		3,742	3,853
4	Inter-Business Unit	73,524	69,675		11,933	13,437
5	Derivatives - Mark to Market Gain (Loss) <Note 2	94,596			(24,447)	23,493
6	U.S. Treasury Credits	62,300	93,320		14,677	12,427
7	<b>Total Operating Revenues</b>	<b>2,814,224</b>	<b>2,791,705</b>		<b>461,914</b>	<b>460,195</b>
<b>Operating Expenses</b>						
Power System Generation Resources						
Operating Generation Resources						
8	Columbia Generating Station	243,297	228,100		33,767	42,373
9	Bureau of Reclamation	55,736	65,400		7,078	6,942
10	Corps of Engineers	142,554	148,700		14,725	14,352
11	Long-term Contract Generating Projects	26,348	29,850		3,181	3,067
12	Operating Generation Settlement Payment	17,798	17,510		2,667	2,542
13	Non-Operating Generation	3,959	7,200		286	1,963
14	Gross Contracted Power Purchases and Aug Power Purchases (excluding bookout adj.) <Note 1	783,231	544,308		110,515	111,064
15	Bookout Adjustment to Power Purchases <Note 1	(238,847)			(24,876)	(34,841)
16	Residential Exchange/IOU Settlement Benefits	144,073	140,271		23,536	24,255
17	Renewable and Conservation Generation, including C&RD	82,910	94,265		14,670	11,752
18	<b>Subtotal Power System Generation Resources</b>	<b>1,261,059</b>	<b>1,275,604</b>		<b>185,549</b>	<b>183,470</b>
17	PBL Transmission Acquisition and Ancillary Services	145,980	170,037		24,311	16,236
18	Power Non-Generation Operations	50,413	53,568		7,712	7,260
19	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	161,746	166,578		8,666	7,591
BPA Internal Support						
20	Additional Post-Retirement Contribution	13,250	11,600		1,933	2,208
21	Corporate G&A and Shared Services (includes Supply Chain)	56,374	56,907		5,652	5,254
22	Other Income, Expenses & Adjustments	(3,391)			(5)	17
23	Non-Federal Debt Service	447,018	504,952		77,358	83,121
24	Depreciation & Amortization	186,099	174,211		29,207	28,966
25	<b>Total Operating Expenses</b>	<b>2,318,547</b>	<b>2,413,456</b>		<b>340,384</b>	<b>334,123</b>
26	<b>Net Operating Revenues (Expenses)</b>	<b>495,677</b>	<b>378,249</b>		<b>121,530</b>	<b>126,072</b>
<b>Interest Expense</b>						
27	Interest	170,578	188,404		30,961	30,579
28	AFUDC	(3,967)	(8,000)		(1,333)	(1,465)
29	<b>Net Interest Expense</b>	<b>166,610</b>	<b>180,404</b>		<b>29,627</b>	<b>29,113</b>
30	<b>Net Revenues (Expenses) from Continuing Operations</b>	<b>329,067</b>	<b>197,845</b>		<b>91,903</b>	<b>96,958</b>
31	<b>Net Revenues (Expenses)</b>	<b>\$329,067</b>	<b>\$197,845</b>	\$	<b>\$91,903</b>	<b>\$96,958</b>

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.

! 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.

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

! 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.



# Customer Collaborative Meeting

## Financial Overview through November 30, 2005

Report ID: CC_0022 Requesting BL: CORPT Unit of measure: \$ Thousands	<b>Federal Columbia River Power System</b> <b>Schedule of Net Revenue (Expense) to Modified Net Revenue - Customer Collaborative</b> Through the Month Ended November 30, 2005 as of November 30, 2005 Preliminary/ Unaudited	Data Source: EPM Data Warehouse Run Date: December 08, 2005 Run Time: 15:11
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	A	B	C	D	E	F	G <Note 9	H <Note 7
	Actuals: FY 2000	Actuals: FY 2001	Actuals: FY 2002	Actuals: FY 2003	Actuals: FY 2004	Actuals: FY 2005	Target SOY: FY 2006	Forecast: QTR FY 2006
<b>Power Business Line (PBL)</b>								
1 <b>PBL Net Revenue (Expense) &lt;Note 1</b>	252,130	(380,538)	(87,421)	242,996	319,256	329,067	197,845	
<b>PBL Modified Net Revenue Adjustments:</b>								
2 <b>SFAS 133 Adjustments (MTM) &lt;Notes 1, 2</b>		(120,614)	38,354	55,265	89,452	94,596		
3 <b>ENW Debt Adjustments &lt;Note 2</b>	(81,677)	(157,853)	(264,697)	(148,085)	(151,275)	(84,027)	(60,265)	
4 <b>PBL Modified Net Revenue Adjustments &lt;Note 3</b>	(81,677)	(37,239)	(303,051)	(203,350)	(240,727)	(178,623)	(60,265)	
5 <b>PBL Modified Net Revenue &lt;Note 4</b>	170,453	(417,778)	(390,472)	39,646	78,529	150,444	137,579	
6 <b>PBL Accumulated Net Revenue (GRSP Defined) &lt;Note 5</b>	170,453	(247,325)	(637,797)	(598,151)	(519,622)	(369,178)	(231,599)	
7 <b>FBCRAC Threshold Amount &lt;Note 6</b>	--	(386,000)	(408,000)	(378,000)	(264,000)	(334,000)	NA	NA
8	<b>MNR Improvements Required to not trigger FBCRAC</b>							<b>TBD</b>
9 <b>FCRPS Modified Net Revenue &lt;Note 8</b>	159,300	(374,640)	(346,387)	36,874	66,327	126,135	192,129	

- <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 EN Debt Service adjustments reduce MNR if rate case amounts exceed actual EN 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 EN debt service and substitutes the Energy Northwest debt service expenses as forecasted in the WP-02 Final Studies.
- <4 FYTD PBL MNR equals \$99 million and FYTD FCRPS MNR equals \$114 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 FB CRAC rates; the GRSP's ANR represents the accounting standard Accumulated Net Revenue (starting 09/30/99) less the accumulated effects of FAS 133 and EN debt refinancing activities (see note 1.)
- <6 In accordance with the GRSP's, the FB CRAC 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 FB CRAC thresholds for the ends of FY 2003 - 2005 are reset to equal the SN CRAC thresholds each time the SN CRAC 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 EN 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.



# Customer Collaborative Meeting

## Financial Overview through November 30, 2005

Report ID: CC_0023 Requesting BL: TRANS Unit of Measure: \$ Thousands	<b>Transmission Business Line</b> <b>Statement of Revenues and Expenses - Customer Collaborative</b> <b>Through the Month Ended November 30, 2005 as of November 30, 2005</b> Preliminary/ Unaudited	Data Source: EPM Data Warehouse Run Date/Time: December 08, 2005/ 16:13 % of Year Lapsed = 16%
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	A	B <Note 1	C <Note 2	D <Note 3	E	F
	Actuals: FY 2005	Rate Case Forecast: FY 2006	Target: SOY FY 2006	Forecast: Quarter1 FY 2006	Actuals: FYTD 2006	Actuals: FYTD 2005
<b>Operating Revenues</b>						
1 Sales	500,030	595,190	590,222		93,528	81,563
2 Miscellaneous Revenues	27,353	30,302	24,953		3,454	3,134
3 Inter-Business Unit Revenues	107,147	102,870	112,916		18,192	15,923
4 <b>Total Operating Revenues</b>	<b>634,530</b>	<b>728,361</b>	<b>728,092</b>		<b>115,173</b>	<b>100,621</b>
<b>Operating Expenses</b>						
5 Transmission Operations	76,480	94,666	78,870		11,687	10,825
6 Transmission Maintenance	79,557	84,942	87,991		11,530	11,233
7 Transmission Engineering	10,472	9,555	10,985		319	(128)
8 TBL Transmission Acquisition and Ancillary Services <Note 4	79,310	93,415	93,210		13,289	15,277
9 Transmission Reimbursables	11,467	10,000	10,000		2,726	2,152
BPA Internal Support						
10 Additional Post-Retirement Contribution	13,250	11,550	11,550		1,933	2,208
11 Corporate G&A and Shared Services (includes Supply Chain)	61,581	53,780	68,651		7,127	6,710
12 Other Income, Expenses & Adjustments	(91)				42	240
13 Non-Federal Debt Service <Note 4	1,555	(2,680)	(2,680)		132	(1,072)
14 Depreciation & Amortization <Note 4	189,501	195,884	183,396		28,509	31,284
15 <b>Total Operating Expenses</b>	<b>523,085</b>	<b>551,112</b>	<b>541,977</b>		<b>77,595</b>	<b>78,760</b>
16 <b>Net Operating Revenues (Expenses)</b>	<b>111,445</b>	<b>177,249</b>	<b>186,114</b>		<b>37,579</b>	<b>21,861</b>
<b>Interest Expense</b>						
17 Interest	148,690	166,461	156,420		24,771	26,001
18 AFUDC	(12,936)	(14,753)	(10,219)		(1,736)	(2,884)
19 <b>Net Interest Expense</b>	<b>135,754</b>	<b>151,708</b>	<b>146,201</b>		<b>23,035</b>	<b>23,117</b>
20 <b>Net Revenues (Expenses) from Continuing Operations</b>	<b>(24,309)</b>	<b>25,541</b>	<b>39,913</b>		<b>14,544</b>	<b>(1,256)</b>
21 <b>Net Revenues (Expenses)</b>	<b>(\$24,309)</b>	<b>\$25,541</b>	<b>\$39,913</b>	<b>\$</b>	<b>\$14,544</b>	<b>(\$1,256)</b>

<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. VIES information is not included in rate case, budget and forecast data.



# Customer Collaborative Meeting

## Financial Overview through November 30, 2005

Report ID: CC_0024 Requesting BL: CORPT Unit of measure: \$ Thousands		<b>Corporate Business Unit</b> <b>Statement of Revenues and Expenses - Customer Collaborative</b> Through the Month Ended November 30, 2005 as of November 30, 2005 Preliminary/ Unaudited			Data Source: EPM Data Warehouse Run Date: December 08,2005 Run Time: 15:06 % of Year Lapsed = 16%	
		A	B <Note 4	C	D	E
		Actuals: FY 2005	Target SOY: FY 2006	Forecast: Qtr 1 FY 2006	Actuals: FYTD 2006	Actuals: FYTD 2005
<b>Operating Revenues</b>						
1	Sales					
2	Miscellaneous Revenues					
3	Derivatives - Mark to Market Gain (Loss)					
4	U.S. Treasury Credits					
5	<b>Total Operating Revenues</b>					
<b>Operating Expenses</b>						
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					
24	BPA Internal Support					
25	Additional Post-Retirement Contribution					
26	Corporate G&A and Shared Services (includes Supply Chain)					
27	Other Income, Expenses & Adjustments <Note 1				(111)	(51)
28	Non-Federal Debt Service <Note 2	(157,032)	(95,733)		(22,262)	(27,039)
29	Depreciation & Amortization					
30	<b>Total Operating Expenses</b>	(157,032)	(95,733)		(22,374)	(27,089)
<b>Net Operating Revenues (Expenses)</b>		157,032	95,733		22,374	27,089
<b>Interest Expense</b>						
31	Interest <Note 3	(25,080)	(33,079)		(5,471)	(4,272)
32	AFUDC				(95)	(38)
33	<b>Net Interest Expense</b>	(25,080)	(33,079)		(5,566)	(4,310)
34	<b>Net Revenues (Expenses) from Continuing Operations</b>	182,112	128,812		27,940	31,399
35	<b>Net Revenues (Expenses)</b>	\$182,112	\$128,812	\$	\$27,940	\$31,399

<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.

