

# Customer Collaborative Meeting March 2006



# Customer Collaborative Meeting

## Financial Overview through January 31, 2006

- Based on a review of actual results through January 31, 2006, the FCRPS Modified Net Revenue (MNR) actuals to date of \$181.9 million remain on course with the 1<sup>st</sup> Quarter MNR forecast.
  
- Power Business Line MNR actuals totaling \$153.7 million through January 31, 2006, are tracking with the 1<sup>st</sup> Quarter MNR forecast:
  - Net trading floor secondary revenue projections were not adjusted from SOY to 1st Quarter Review due to the water and price uncertainties listed below. An updated net trading floor secondary revenue forecast will be presented at the 2nd Quarter Review.



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## Financial Overview through January 31, 2006

- Power Business Line (continued):
  - Since it is still early in the year, there remains a large amount of uncertainty in the hydro conditions, hydro operations, the natural gas market, and Columbia Generating Station operations, as well as electricity prices which can influence the PBL Modified Net Revenue forecast. The February Mid-Month NW River Forecast Center Water Supply Forecast for January-July water supply has increased to 106 Maf compared to 101 Maf for the Final January forecast and 103 Maf forecasted for SOY.
  - PBL net trading floor revenues are tracking slightly ahead of the 1<sup>st</sup> Quarter Review and SOY forecast. As noted above, an updated net trading floor revenue forecast will be presented at the 2nd Quarter Review. Total operating revenues through January 31, 2006, were \$941.4 million.
  - PBL total expenses through January 31, 2006, including net interest, were \$820.8 million and are tracking with the total expenses forecast in the 1<sup>st</sup> Quarter Review.



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## Financial Overview through January 31, 2006

- Transmission Business Line net revenues totaling \$27.6 million through January 31, 2006, remain on course with the 1st Quarter forecast:
  - TBL revenues of \$241.7 million through January 31, 2006, are tracking with the total revenue forecast in the 1<sup>st</sup> Quarter Review.
  - TBL total expenses of \$214.1 million through January 31, 2006, are tracking with the total expenses forecast in the 1<sup>st</sup> Quarter Review.



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## Financial Overview through January 31, 2006

- 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 by Project
- Corporate Statement of Revenue and Expenses by Department



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## Financial Overview through January 31, 2006

Federal Columbia River Power System					Data Source: EPM Data Warehouse	
Statement of Revenues and Expenses - Customer Collaborative					Run Date: February 16, 2006	
Through the Month Ended January 31, 2006 as of January 31, 2006					Run Time: 02:41	
Preliminary/ Unaudited					% of Year Lapsed = 33%	
Report ID: CC_0020					Requesting BL: CORPT	
Unit of measure: \$ Thousands						
	A	B	C <Note 3	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	3,178,153	1,201,191	1,114,469
2	Bookout adjustment to Sales <Note 1	(238,847)		(31,753)	(66,505)	(69,372)
3	Miscellaneous Revenues	59,211	48,753	53,448	14,628	14,568
4	Derivatives - Mark to Market Gain (Loss) <Note 2	94,596		(32,969)	(57,437)	(44,131)
5	U.S. Treasury Credits	62,300	93,320	93,320	30,153	26,365
6	<b>Total Operating Revenues</b>	<b>3,268,083</b>	<b>3,337,205</b>	<b>3,260,199</b>	<b>1,122,030</b>	<b>1,041,899</b>
<b>Operating Expenses</b>						
Power System Generation Resources						
Operating Generation Resources						
7	Columbia Generating Station	243,297	228,100	228,827	67,533	85,601
8	Bureau of Reclamation	55,736	65,400	65,400	17,666	18,416
9	Corps of Engineers	142,554	148,700	148,700	38,704	36,212
10	Long-term Contract Generating Projects	26,348	29,850	29,850	7,448	7,594
11	Operating Generation Settlement Payment	17,798	17,510	17,510	5,333	5,084
12	Non-Operating Generation	3,959	7,200	4,200	850	3,169
13	Gross Contracted Power Purchases and Augmentation Power Purchases (excluding bookout adj.) <Note 1	783,231	544,308	535,877	261,086	240,353
14	Bookout Adjustment to Power Purchases <Note 1	(238,847)		(31,753)	(66,505)	(69,372)
15	Residential Exchange/IOU Settlement Benefits	144,073	140,271	146,331	55,135	47,678
16	Renewable and Conservation Generation, including C&RD	82,841	94,210	100,810	29,047	24,076
17	<b>Subtotal Power System Generation Resources</b>	<b>1,260,989</b>	<b>1,275,549</b>	<b>1,245,751</b>	<b>416,296</b>	<b>398,810</b>
PBL Transmission Acquisition and Ancillary Services - (3rd Party) <Note 5						
18	PBL Non-Generation Operations	40,321	46,210	46,200	13,780	10,098
19	Transmission Operations	50,226	53,355	53,567	15,564	14,671
20	Transmission Maintenance	76,365	78,870	78,870	24,017	22,295
21	Transmission Engineering	79,537	87,990	87,991	24,167	24,076
22	TBL Transmission Acquisition and Ancillary Services - (3rd Party) <Note 4, 5	9,972	10,485	10,985	6,595	3,052
23	Transmission Reimbursables	6,421	21,228	21,228	4,518	2,384
24	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	11,467	9,700	10,000	4,833	3,649
25	BPA Internal Support	161,512	166,227	166,578	38,704	30,033
26	Additional Post-Retirement Contribution	26,500	23,150	23,150	7,733	8,833
27	Corporate G&A and Shared Services (includes Supply Chain)	117,597	125,562	127,461	33,112	32,751
28	Other Income, Expenses & Adjustments	(4,118)			(359)	(478)
29	Non-Federal Debt Service <Note 4	291,540	406,539	406,259	110,034	111,380
30	Depreciation & Amortization <Note 4	375,600	357,607	349,264	115,782	121,216
31	<b>Total Operating Expenses</b>	<b>2,503,929</b>	<b>2,662,472</b>	<b>2,627,304</b>	<b>814,776</b>	<b>782,770</b>
32	<b>Net Operating Revenues (Expenses)</b>	<b>764,154</b>	<b>674,733</b>	<b>632,895</b>	<b>307,254</b>	<b>259,129</b>
<b>Interest Expense</b>						
33	Interest	294,187	311,745	290,820	99,328	103,875
34	AFUDC	(16,903)	(18,219)	(19,750)	(6,287)	(8,368)
35	<b>Net Interest Expense</b>	<b>277,284</b>	<b>293,526</b>	<b>271,070</b>	<b>93,041</b>	<b>95,507</b>
36	<b>Net Revenues (Expenses) from Continuing Operations</b>	<b>486,870</b>	<b>381,207</b>	<b>361,825</b>	<b>214,213</b>	<b>163,622</b>
37	<b>Net Revenues (Expenses)</b>	<b>\$486,870</b>	<b>\$381,207</b>	<b>\$361,825</b>	<b>\$214,213</b>	<b>\$163,622</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 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.

<5 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.



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## Financial Overview through January 31, 2006

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 January 31, 2006 as of January 31, 2006			Run Date/Time: February 16, 2006 02:45	
Unit of measure: \$ Thousands		Preliminary/ Unaudited			% of Year Lapsed = 33%	
	A	B	C <Note 3	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	2,587,931	1,002,703	945,984
2	Bookout adjustment to Sales <Note 1	(238,847)		(31,753)	(66,505)	(69,372)
3	Miscellaneous Revenues	31,859	23,800	28,495	8,190	7,709
4	Inter-Business Unit	73,524	69,675	71,064	24,304	26,389
5	Derivatives - Mark to Market Gain (Loss) <Note 2	94,596		(32,969)	(57,437)	(44,131)
6	U.S. Treasury Credits	62,300	93,320	93,320	30,153	26,365
7	<b>Total Operating Revenues</b>	<b>2,814,224</b>	<b>2,791,705</b>	<b>2,716,088</b>	<b>941,409</b>	<b>892,945</b>
<b>Operating Expenses</b>						
Power System Generation Resources						
Operating Generation Resources						
8	Columbia Generating Station	243,297	228,100	228,827	67,533	85,601
9	Bureau of Reclamation	55,736	65,400	65,400	17,666	18,416
10	Corps of Engineers	142,554	148,700	148,700	38,704	36,212
11	Long-term Contract Generating Projects	26,348	29,850	29,850	7,448	7,594
12	Operating Generation Settlement Payment	17,798	17,510	17,510	5,333	5,084
13	Non-Operating Generation	3,959	7,200	4,200	850	3,169
14	Gross Contracted Power Purchases and Aug Power Purchases (excluding bookout adj.) <Note 1	783,231	544,308	535,877	261,086	240,353
15	Bookout Adjustment to Power Purchases <Note 1	(238,847)		(31,753)	(66,505)	(69,372)
16	Residential Exchange/OU Settlement Benefits	144,073	140,271	146,331	55,135	47,678
17	Renewable and Conservation Generation, including C&RD	82,910	94,265	100,810	29,047	24,078
18	<b>Subtotal Power System Generation Resources</b>	<b>1,261,059</b>	<b>1,275,604</b>	<b>1,245,751</b>	<b>416,296</b>	<b>398,812</b>
18	PBL Transmission Acquisition and Ancillary Services	145,980	170,037	170,037	50,550	42,304
19	Power Non-Generation Operations	50,413	53,568	53,567	15,564	14,688
20	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	161,746	166,578	166,578	38,704	30,039
BPA Internal Support						
21	Additional Post-Retirement Contribution	13,250	11,600	11,600	3,867	4,417
22	Corporate G&A and Shared Services (includes Supply Chain)	56,374	56,907	57,667	14,921	14,559
23	Other Income, Expenses & Adjustments	(3,391)			(14)	(62)
24	Non-Federal Debt Service	447,018	504,952	504,951	164,324	165,993
25	Depreciation & Amortization	186,099	174,211	175,264	58,927	58,417
26	<b>Total Operating Expenses</b>	<b>2,318,547</b>	<b>2,413,456</b>	<b>2,385,414</b>	<b>763,139</b>	<b>729,167</b>
27	<b>Net Operating Revenues (Expenses)</b>	<b>495,677</b>	<b>378,249</b>	<b>330,673</b>	<b>178,270</b>	<b>163,778</b>
<b>Interest Expense</b>						
28	Interest	170,578	188,404	172,869	60,336	61,737
29	AFUDC	(3,967)	(8,000)	(8,750)	(2,668)	(2,936)
30	<b>Net Interest Expense</b>	<b>166,610</b>	<b>180,404</b>	<b>164,119</b>	<b>57,668</b>	<b>58,801</b>
31	<b>Net Revenues (Expenses) from Continuing Operations</b>	<b>329,067</b>	<b>197,845</b>	<b>166,555</b>	<b>120,601</b>	<b>104,977</b>
32	<b>Net Revenues (Expenses)</b>	<b>\$329,067</b>	<b>\$197,845</b>	<b>\$166,555</b>	<b>\$120,601</b>	<b>\$104,977</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 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 January 31, 2006

<b>Federal Columbia River Power System</b> Report ID: CC_0022 Requesting BL: CORPT Unit of measure: \$ Thousands		<b>Schedule of Net Revenue (Expense) to Modified Net Revenue - Customer Collaborative</b> Through the Month Ended January 31, 2006 as of January 31, 2006 Preliminary/ Unaudited				Data Source: EPM Data Warehouse Run Date: February 16, 2006 Run Time: 02:55			
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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	166,555	
<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		(32,969)	
3 <b>ENW Debt Adjustments &lt;Note 2</b>	(81,677)	(157,853)	(264,697)	(148,085)	(151,275)	(84,027)	(60,265)	(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)	(27,297)	
5 <b>PBL Modified Net Revenue &lt;Note 4</b>	170,453	(417,778)	(390,472)	39,646	78,529	150,444	137,579	139,258	
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)	(229,920)	
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>							NA	NA
9 <b>FCRPS Modified Net Revenue &lt;Note 8</b>	159,300	(374,640)	(346,387)	36,874	66,327	126,135	192,129	205,716	

- <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 \$154 million and FYTD FCRPS MNR equals \$182 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 January 31, 2006

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 January 31, 2006 as of January 31, 2006				Run Date/Time: February 16, 2006/ 03:20	
Unit of Measure: \$ Thousands	Preliminary/ Unaudited				% of Year Lapsed = 33%	

	A	B <Note 1	C	D <Note 2	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	590,222	198,488	168,485
2 Miscellaneous Revenues	27,353	30,302	24,953	24,953	6,437	6,858
3 Inter-Business Unit Revenues	107,147	102,870	112,916	112,916	36,770	32,238
4 <b>Total Operating Revenues</b>	634,530	728,361	728,092	728,092	241,696	207,581
<b>Operating Expenses</b>						
5 Transmission Operations	76,480	94,666	78,870	78,870	24,017	22,295
6 Transmission Maintenance	79,557	84,942	87,991	87,991	24,167	24,076
7 Transmission Engineering	10,472	9,555	10,985	10,985	6,595	3,052
8 TBL Transmission Acquisition and Ancillary Services <Note 3	79,310	93,415	93,210	93,210	28,822	28,773
9 Transmission Reimbursables	11,467	10,000	10,000	10,000	4,833	3,649
BPA Internal Support						
10 Additional Post-Retirement Contribution	13,250	11,550	11,550	11,550	3,867	4,417
11 Corporate G&A and Shared Services (includes Supply Chain)	61,584	53,780	68,654	69,794	18,192	18,192
12 Other Income, Expenses & Adjustments	(91)				(33)	776
13 Non-Federal Debt Service <Note 3	1,555	(2,680)	(2,680)	(2,680)	263	(536)
14 Depreciation & Amortization <Note 3	189,501	195,884	183,396	174,000	56,856	62,799
15 <b>Total Operating Expenses</b>	523,085	551,112	541,977	533,721	167,577	167,493
16 <b>Net Operating Revenues (Expenses)</b>	111,445	177,249	186,114	194,371	74,118	40,088
<b>Interest Expense</b>						
17 Interest	148,690	166,461	156,420	150,751	49,933	50,621
18 AFUDC	(12,936)	(14,753)	(10,219)	(11,000)	(3,422)	(5,350)
19 <b>Net Interest Expense</b>	135,754	151,708	146,201	139,751	46,512	45,272
20 <b>Net Revenues (Expenses) from Continuing Operations</b>	(24,309)	25,541	39,913	54,620	27,607	(5,184)
21 <b>Net Revenues (Expenses)</b>	(\$24,309)	\$25,541	\$39,913	\$54,620	\$27,607	(\$5,184)





# Customer Collaborative Meeting

## Financial Overview through January 31, 2006

Report ID: 5015FY06 Corporate Internal Support - Expense Budget Summary  
 Data Source: PS Fin. Production Through the Month Ended January 31, 2006  
 Run Date/Time: February 14, 2006 05:10 UOM: In Thousands (\$000) % of Year Lapsed = 33%

	CORPT FUNCTION POOL			DIRECT PROJECT SUPPORT			TOTAL DEPT CHARGES				
	A	B	C	D	E	F	G	H	I	J	K
	FY 2006 SOY Budget	FY 2006 OY Budget	FY 2006 YTD ACTUALS	FY 2006 SOY Budget	PBL FY 2006 YTD ACTUALS	TBL FY 2006 YTD ACTUALS	FY 2006 SOY Budget	FY 2006 OY Budget	FY 2006 Jan ACTUALS	FY 2006 YTD ACTUALS	Column (J) FYTD to (H) OY Budget
<b>TIER 1 Corporate Department Expenses</b>											
1 A Executive Office	\$703	\$703	\$259	\$	\$	\$	\$703	\$703	\$59	\$259	37%
2 R Industry Restructuring	\$5,007	\$5,007	\$552	\$	\$	\$	\$5,007	\$5,007	\$133	\$552	11%
3 D Deputy Administrator	\$16,636	\$16,780	\$4,161	\$10,404	\$2,672	\$12	\$27,040	\$27,184	\$1,468	\$6,844	25%
4 C Employee and Business Resources	\$51,287	\$51,287	\$12,320	\$3,502	\$	\$1,163	\$54,789	\$54,789	\$1,147	\$13,484	25%
5 J Information Technology	\$60,636	\$60,636	\$15,240	\$	\$	(\$)	\$60,636	\$60,636	\$2,312	\$15,240	25%
6 K Chief Operating Officer <Note 1	\$15,745	\$15,745	\$5,090	\$5,462	\$43	\$8	\$21,207	\$21,934	\$1,541	\$5,142	23%
7 - Power Purch, Debt Service, Depreciation & Amortization, Interest	(\$128,812)	(\$128,812)	(\$65,693)	\$684,212	\$116,595	\$103,351	\$555,400	\$592,194	\$35,793	\$154,253	26%
8 - Environment Fish and Wildlife - KE	\$	\$	\$90	\$161,089	\$37,074	\$1,199	\$161,089	\$160,948	\$1,192	\$38,364	24%
9 L General Counsel	\$2,234	\$2,234	\$548	\$6,171	\$934	\$572	\$8,406	\$8,406	\$514	\$2,053	24%
10 <b>Total Corporate Departments</b>	<b>\$23,436</b>	<b>\$23,580</b>	<b>(\$27,432)</b>	<b>\$870,840</b>	<b>\$157,318</b>	<b>\$106,305</b>	<b>\$894,277</b>	<b>\$931,801</b>	<b>\$44,159</b>	<b>\$236,191</b>	<b>25%</b>
<b>Total Corpt Dept. Cross-walked to Corpt Function Distributions &lt;Note 2</b>											
11 LESS: Debt Service, Depreciation & Amortization, Interest charged to KF	(\$128,812)	(\$128,812)	(\$65,693)								
12 LESS: Accounting Adjustments charged to All Corpt Depts			(\$56)								
13 <b>Total Corpt Department Expenses in Corpt Function Distribution Pool</b>	<b>\$152,248</b>	<b>\$152,392</b>	<b>\$38,317</b>								
14 ADD: Dept X Accounting Adjustments included in Corpt Distributions			\$1,896								
15 ADD: Dept. P & T Charges included in Corpt Distributions			\$2								
16 <b>Total Corporate Function Distributions</b>	<b>\$152,248</b>	<b>\$152,392</b>	<b>\$40,215</b>								

<1 K Budget includes KE (Environ F&W) support for Generation and Trans functions, as well as Depreciation, Interest and Debt Service assigned to KF Target. These KE and KF activities are shown separately on lines 7 and 8.

<2 Corpt Depts expenses that are not distributed as G & A are subtracted; Non-Corpt Depts expenses (such as Dept P, T and X) are added because they are part of the Corpt function distributions.

Corporate distributes G & A from cost pools, which are collections of project expenses. Corpt Dept expenses are charged to Corpt projects and to non-Corpt projects; thus total Corpt Dept expenses do not equate to total Corpt function distributions. Also, Corpt function distributions include expenses from Transmission Supply Chain support, other Corpt Depts, and inter-business transactions.

