

Customer Collaborative Meeting November 2006



Customer Collaborative November Meeting

Financial Overview through September 30, 2006



“Fiscal Year 2006 was a remarkable year. We met our our revenue targets, earning \$444.9 million in agency agency modified net revenues, paid Treasury in full and and on-time, lowered wholesale power rates and returned Bonneville’s financial health to the levels that that existed before the West Coast energy crisis.”

- After six consecutive below-average water years we experienced the 13th highest winter and spring Columbia River runoff during the last 45 years (as measured at The Dalles Dam). BPA managed this supply of water and its internal operations to achieve Net Revenues of \$611.1 million, exceeding our SOY target of \$381.2 million.
- We exceeded our target for Modified Net Revenues with actual agency MNR results of \$444.9 million compared to the target of \$192.1 million, eliminating the need for a CRAC for next fiscal year.
- Wholesale power rates decreased for the fourth consecutive year.
- BPA and its customers worked collaboratively and successfully to develop the Flexible PF Rate Program
- We ended the year, after making our Treasury payment, with our highest level of financial reserves ever at \$1.193 billion. We made a new arrangement for directly paying Energy Northwest costs that increases our end-of-year reserves by roughly \$250 million, and allowed BPA to meet its high TPP standard with lower rates.
- We continue to maintain our high bond ratings from all three rating agencies (S&P, Moody’s, and Fitch).
- We completed an implementation of the federal government’s version of Sarbanes Oxley assuring the effectiveness of our internal controls. BPA completed a review of internal controls based on the revised OMB Circular A-123 while also progressing on an agency-wide efficiency project designed to further lower costs and to maximize our efficiency.



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“Fiscal Year 2006 was a remarkable year. We met our our revenue targets, earning \$444.9 million in agency agency modified net revenues, paid Treasury in full and and on-time, lowered wholesale power rates and returned Bonneville’s financial health to the levels that that existed before the West Coast energy crisis.”

- We expect to receive a clean Audit Opinion from our independent auditors, PricewaterhouseCoopers.

Year-end Treasury Payment:

- We met our obligation to taxpayers by making our U.S. Treasury payment on time and in full for the 23rd year in a row.
- The annual Treasury payment included \$646.2 million in principal and \$390.6 million in interest. BPA also paid \$76.1 million in other obligations.
- The \$646.2 million principal payment included \$337.1 million in early retirement of Treasury debt as part of BPA’s debt optimization program. Of the \$337.1 million prepayment, \$132.8 million was applied to power-related debt and \$204.3 million to transmission-related debt.
- In addition to the Treasury payment, BPA paid direct funded O&M expenses for Corps, Reclamation and USFWS projects totaling \$217.2 million.



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The Federal Columbia River Power System (FCRPS) Modified Net Revenue (MNR) for FY 2006 is \$445 million. This is significantly higher than the SOY forecast of \$192 million, primarily due to better-than-average runoff, higher-than-expected power prices, and more short-term transmission sales than forecast.

- Operating revenues net of bookouts and mark-to-market adjustments are \$403 million higher than SOY. Operating revenues net of net secondary sales are on target with SOY (around \$3,330 million)
- Total Operating Expenses, adjusted for bookouts, are \$106 higher than SOY. Adjusting for the effect of increased power purchases due to trading floor operations, and changes in EN debt service, operating expenses are slightly below SOY. Interest expense is \$32 million lower than SOY.



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Power Business Line FY 2006 MNR is \$348 million, which exceeds the SOY Target of \$138 million by \$210 million, but is lower than 3rd Quarter forecast of \$363 million.

- Gross Power Sales Revenue for the year is \$2,986 million. This is higher than the SOY estimate by \$381 million, largely due to better-than-average runoff and prices higher than projected. The gross revenues are \$19 million lower than the 3rd Quarter estimate of \$3,005 million. This decrease is caused primarily by revised estimates for the LB CRAC True-up for LB CRAC 10, and the Slice True-up. At the 3rd Quarter the LB CRAC 10 True-up was not forecast. BPA now estimates that the agency will pay out \$14.5 million to customers for the LB CRAC 10 True-up. The estimate of the Slice True-up has also decreased by \$6 million due to decreases in Power Services expenses.
- Power Expenses (modified – adjusted by removing mark-to-market adjustments and bookouts, and replacing actual EN debt service with rate case debt service) are higher than the SOY forecast by about \$173 million. Taking out power purchases, these expenses are lower than SOY by \$3 million. Power Expenses as modified are higher than the 3rd Quarter estimate by roughly \$4 million. A decrease in expense areas such as Corps and Bureau O&M, Transmission Acquisition, and others of about \$20 million was offset by an increase in Gross Power Purchases of \$24 million which was caused primarily by a drier than expected summer.



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Financial Overview through September 30, 2006

Transmission Business Line FY 2006 net revenues of \$97 million exceed the SOY forecast of \$40 million, and the 3rd Quarter forecast of \$84 million.

- TBL total operating revenues of \$784 million through end of 2006 are higher than SOY by \$56 million, and are higher by \$15 million than the 3rd Quarter forecast due primarily to higher short-term sales arising from strong demand and a good water year. Also, reimbursable revenues are higher than anticipated. Revenues net of reimbursable revenues are \$765 million.
- TBL total expenses of \$687 million through September 30, 2006, are slightly (\$1 million) under the SOY forecast of \$688 million and slightly over the 3rd Quarter forecast of \$686 million. Reimbursable services expenses were higher than anticipated.



Customer Collaborative November Meeting Financial Overview through September 30, 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
- Corporate Internal Support by Department



Customer Collaborative November Meeting

Financial Overview through September 30, 2006

| Report ID: 0020FY06 Requesting BL: CORPORATE BUSINESS UNIT Unit of measure: \$ Thousands | | FCRPS Summary Statement of Revenues and Expenses Through the Month Ended September 30, 2006 as of September 30, 2006 Preliminary/ Unaudited | | | Run Date/Run Time: October 20, 2006/ 02:32 Data Source: EPM Data Warehouse % of Year Lapsed = 100% | |
|--|---|---|--------------------|---------------------|--|-------------------------|
| | | A | B | C | D | E <Note 3 |
| | | Actuals: FY 2005 | Actuals: FYTD 2005 | Target SOY: FY 2006 | Actuals: FYTD 2006 | Forecast: Qtr 3 FY 2006 |
| Operating Revenues | | | | | | |
| 1 | Gross Sales (excluding bookout adjustment) <Note 1 | 3,290,822 | 3,290,822 | 3,195,132 | 3,591,343 | 3,599,956 |
| 2 | Bookout adjustment to Sales <Note 1 | (238,847) | (238,847) | | (220,911) | (164,375) |
| 3 | Miscellaneous Revenues | 59,211 | 59,211 | 48,753 | 68,076 | 64,614 |
| 4 | Derivatives - Mark to Market Gain (Loss) <Note 2 | 94,596 | 94,596 | | (100,093) | (75,690) |
| 5 | U.S. Treasury Credits | 62,300 | 62,300 | 93,320 | 80,953 | 77,700 |
| 6 | Total Operating Revenues | 3,268,083 | 3,268,083 | 3,337,205 | 3,419,368 | 3,502,204 |
| Operating Expenses | | | | | | |
| Power System Generation Resources | | | | | | |
| Operating Generation Resources | | | | | | |
| 7 | Columbia Generating Station | 243,297 | 243,297 | 228,100 | 228,317 | 228,628 |
| 8 | Bureau of Reclamation | 55,736 | 55,736 | 65,400 | 62,570 | 65,400 |
| 9 | Corps of Engineers | 142,554 | 142,554 | 148,700 | 146,683 | 148,700 |
| 10 | Long-term Contract Generating Projects | 26,348 | 26,348 | 29,850 | 26,395 | 29,850 |
| 11 | Operating Generation Settlement Payment | 17,798 | 17,798 | 17,510 | 17,220 | 17,220 |
| 12 | Non-Operating Generation | 3,959 | 3,959 | 7,200 | 4,092 | 3,900 |
| 13 | Gross Contracted Power Purchases and Augmentation Power Purch <Note 1 | 783,231 | 783,231 | 544,308 | 719,968 | 696,090 |
| 14 | Bookout Adjustment to Power Purchases <Note 1 | (238,847) | (238,847) | | (220,911) | (164,375) |
| 15 | Exchanges & Settlements | 144,073 | 144,073 | 140,271 | 156,167 | 156,308 |
| 16 | Renewable and Conservation Generation | 82,841 | 82,841 | 94,210 | 93,637 | 99,810 |
| 17 | Subtotal Power System Generation Resources | 1,260,989 | 1,260,989 | 1,275,549 | 1,234,138 | 1,281,530 |
| 18 | Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 4 | 40,321 | 40,321 | 46,210 | 43,131 | 46,200 |
| 19 | Power Services Non-Generation Operations | 50,226 | 50,226 | 53,355 | 50,151 | 53,337 |
| 20 | Transmission Operations | 76,365 | 76,365 | 78,870 | 80,552 | 79,438 |
| 21 | Transmission Maintenance | 79,537 | 79,537 | 87,990 | 88,996 | 90,844 |
| 22 | Transmission Engineering | 9,972 | 9,972 | 10,485 | 13,253 | 12,830 |
| 23 | Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 4, 5 | 6,421 | 6,421 | 21,228 | 13,627 | 19,707 |
| 24 | Transmission Reimbursables | 11,466 | 11,466 | 9,700 | 24,056 | 18,800 |
| 25 | Fish and Wildlife/USF&W/Planning Council/Environmental Requirements | 161,512 | 161,512 | 166,227 | 165,939 | 166,589 |
| BPA Internal Support | | | | | | |
| 26 | Additional Post-Retirement Contribution | 26,500 | 26,500 | 23,150 | 23,200 | 23,150 |
| 27 | Agency Services G&A | 117,597 | 117,597 | 125,562 | 123,914 | 122,576 |
| 28 | Other Income, Expenses & Adjustments | (4,118) | (4,118) | | (5,056) | 705 |
| 29 | Non-Federal Debt Service <Note 5 | 291,540 | 291,540 | 406,539 | 337,627 | 328,459 |
| 30 | Depreciation & Amortization <Note 5 | 375,600 | 375,600 | 357,607 | 353,236 | 351,451 |
| 31 | Total Operating Expenses | 2,503,929 | 2,503,929 | 2,662,472 | 2,546,763 | 2,595,615 |
| 32 | Net Operating Revenues (Expenses) | 764,154 | 764,154 | 674,733 | 872,605 | 906,589 |
| Interest Expense | | | | | | |
| 33 | Interest | 294,187 | 294,187 | 311,745 | 290,057 | 278,631 |
| 34 | AFUDC | (16,903) | (16,903) | (18,219) | (28,514) | (16,025) |
| 35 | Net Interest Expense | 277,284 | 277,284 | 293,526 | 261,543 | 262,606 |
| 36 | Net Revenues (Expenses) from Continuing Operations | 486,870 | 486,870 | 381,207 | 611,062 | 643,983 |
| 37 | Net Revenues (Expenses) | \$486,870 | \$486,870 | \$381,207 | \$611,062 | \$643,983 |

<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 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 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.

<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.



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Financial Overview through September 30, 2006

Report ID: 0021FY06 Power Services Summary Statement of Revenues and Expenses Run Date/Time: October 18, 2006 13:23
 Requesting BL: POWER BUSINESS UNIT Through the Month Ended September 30, 2006 as of September 30, 2006 Data Source: EPM Data Warehouse
 Unit of measure: \$ Thousands Preliminary/ Unaudited % of Year Lapsed = 100%

| | A | B | C | D | E <Note 3 | |
|-----------------------------------|---|--------------------|---------------------|--------------------|-------------------------|------------------|
| | Actuals: FY 2005 | Actuals: FYTD 2005 | Target SOY: FY 2006 | Actuals: FYTD 2006 | Forecast: Qtr 3 FY 2006 | |
| Operating Revenues | | | | | | |
| 1 | Gross Sales (excluding bookout adjustment) <Note 1 | 2,790,793 | 2,790,793 | 2,604,910 | 2,986,019 | 3,005,030 |
| 2 | Bookout adjustment to Sales <Note 1 | (238,847) | (238,847) | | (220,911) | (164,375) |
| 3 | Miscellaneous Revenues | 31,859 | 31,859 | 23,800 | 32,269 | 30,347 |
| 4 | Inter-Business Unit | 73,524 | 73,524 | 69,675 | 75,423 | 72,415 |
| 5 | Derivatives - Mark to Market Gain (Loss) <Note 2 | 94,596 | 94,596 | | (100,093) | (75,690) |
| 6 | U.S. Treasury Credits | 62,300 | 62,300 | 93,320 | 80,953 | 77,700 |
| 7 | Total Operating Revenues | 2,814,224 | 2,814,224 | 2,791,705 | 2,853,659 | 2,945,426 |
| Operating Expenses | | | | | | |
| Power System Generation Resources | | | | | | |
| Operating Generation Resources | | | | | | |
| 8 | Columbia Generating Station | 243,297 | 243,297 | 228,100 | 228,317 | 228,628 |
| 9 | Bureau of Reclamation | 55,736 | 55,736 | 65,400 | 62,570 | 65,400 |
| 10 | Corps of Engineers | 142,554 | 142,554 | 148,700 | 146,683 | 148,700 |
| 11 | Long-term Contract Generating Projects | 26,348 | 26,348 | 29,850 | 26,395 | 29,850 |
| 12 | Operating Generation Settlement Payment | 17,798 | 17,798 | 17,510 | 17,220 | 17,220 |
| 13 | Non-Operating Generation | 3,959 | 3,959 | 7,200 | 4,092 | 3,900 |
| 14 | Gross Contracted Power Purchases and Aug Power Purchases <Note 1 | 783,231 | 783,231 | 544,308 | 719,968 | 696,090 |
| 15 | Bookout Adjustment to Power Purchases <Note 1 | (238,847) | (238,847) | | (220,911) | (164,375) |
| 16 | Residential Exchange/IOU Settlement Benefits | 141,073 | 141,073 | 140,271 | 156,167 | 156,308 |
| 17 | Renewable and Conservation Generation | 82,910 | 82,910 | 94,265 | 93,672 | 99,810 |
| 18 | Subtotal Power System Generation Resources | 1,261,059 | 1,261,059 | 1,275,604 | 1,234,173 | 1,281,530 |
| 19 | Power Services Transmission Acquisition and Ancillary Services | 145,980 | 145,980 | 170,037 | 184,783 | 190,037 |
| 20 | Power Non-Generation Operations | 50,413 | 50,413 | 53,568 | 50,309 | 53,337 |
| 21 | Fish and Wildlife/USF&W/Planning Council/Environmental Requirements | 161,746 | 161,746 | 166,578 | 166,496 | 166,589 |
| BPA Internal Support | | | | | | |
| 22 | Additional Post-Retirement Contribution | 13,250 | 13,250 | 11,600 | 11,600 | 11,600 |
| 23 | Agency Services G&A | 56,374 | 56,374 | 56,907 | 57,276 | 55,276 |
| 24 | Other Income, Expenses & Adjustments | (3,391) | (3,391) | | (3,210) | (84) |
| 25 | Non-Federal Debt Service | 447,018 | 447,018 | 504,952 | 508,632 | 504,112 |
| 26 | Depreciation & Amortization | 186,099 | 186,099 | 174,211 | 181,878 | 177,483 |
| 27 | Total Operating Expenses | 2,318,547 | 2,318,547 | 2,413,456 | 2,391,937 | 2,439,880 |
| 28 | Net Operating Revenues (Expenses) | 495,677 | 495,677 | 378,249 | 461,722 | 505,546 |
| Interest Expense | | | | | | |
| 29 | Interest | 170,578 | 170,578 | 188,404 | 176,923 | 164,315 |
| 30 | AFUDC | (3,967) | (3,967) | (8,000) | (19,313) | (7,025) |
| 31 | Net Interest Expense | 166,610 | 166,610 | 180,404 | 157,609 | 157,290 |
| 32 | Net Revenues (Expenses) from Continuing Operations | 329,067 | 329,067 | 197,845 | 304,113 | 348,256 |
| 33 | Net Revenues (Expenses) | \$329,067 | \$329,067 | \$197,845 | \$304,113 | \$348,256 |

<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.



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Financial Overview through September 30, 2006

Report ID: 0022FY06

Requesting BL: CORPORATE BUSINESS UNIT

Unit of measure: \$ Thousands

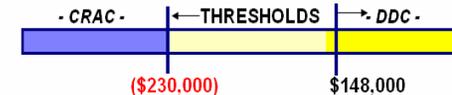
Schedule of Net Revenue (Expense) to Modified Net Revenue
Through the Month Ended September 30, 2006 as of September 30, 2006
Preliminary/ Unaudited

Run Date/Time: October 18, 2006 13:24

Data Source: EPM Data Warehouse

% of Year Lapsed = 100%

| | A | B | C |
|--|--------------------------------|-----------------------|---|
| | Actuals: FY 2000 to FY 2005 | Actuals: FYTD 2006 | Actuals: Accumulated MNR FY 2000 to FY 2006 (A) + (B) |
| Power Business Line (PBL) | | | |
| 1 Power Net Revenue (Expense) | \$675,490 | \$304,113 | \$979,603 |
| Power Modified Net Revenue Adjustments: | | | |
| 2 SFAS 133 Adjustments (MTM) | 157,053 | (100,093) | 56,960 |
| 3 EN Debt Adjustments | (887,615) | (56,648) | (944,263) |
| 4 Power Modified Net Revenue Adjustments <Note 1 | (1,044,668) | 43,445 | (1,001,222) |
| 5 Power Modified Net Revenue <Note 2 | (\$369,178) | \$347,558 | (\$21,620) |
| 6 Threshold Amounts for FY 2007 Rates based on AMNR from FY 2000 through 2006: <Note 3 | | | |
| | | | |
| 7 FCRPS Modified Net Revenue <Note 1 | (\$332,391) | \$444,906 | \$112,515 |



<1 Consistent with the General Rate Schedule Provisions, the Modified Net Revenue (MNR) is an adjustment to Net Revenues for the purpose of calculating the rate case Cost Recovery Adjustment Clause (CRAC). The MNR excludes the impact of SFAS 133 transactions (Accounting for Derivative Instruments and Hedging Activities). The MNR also excludes the Energy Northwest (EN) debt service expenses actual (or forecasted) amounts and includes the rate case amounts for EN debt service, thus excluding the effect of debt refinancing from BPA's cost recovery clause.

<2 The final CRAC and DDC levels are set in August and are based on the 3rd Quarter forecast of PBL MNR; however, the PBL MNR forecast used in the August AMNR calculation may include adjustments to reflect events that occurred subsequent to the 3rd Quarter forecast.

<3 Initial Threshold amounts are established in the 2007 Final Power Rate Proposal General Rate Schedule Provisions and finalized in August after determining the actual level of customer participation in the Flexible PF program.



Customer Collaborative November Meeting

Financial Overview through September 30, 2006

Report ID: 0023FY06 **TBL Summary Statement of Revenues and Expenses** Run Date/Time: October 20, 2006/ 02:35
 Requesting BL: TRANSMISSION BUSINESS UNIT Through the Month Ended September 30, 2006 as of September 30, 2006 Data Source: EPM Data Warehouse
 Unit of Measure: \$ Thousands Preliminary/ Unaudited % of Year Lapsed = 100%

| | A | B | C | D | E | F <Note 1 |
|---|-------------------|--------------------|-----------------------------|---------------------|--------------------|----------------------------|
| | Actuals: FY 2005 | Actuals: FYTD 2005 | Rate Case Forecast: FY 2006 | Target: SOY FY 2006 | Actuals: FYTD 2006 | Forecast: Quarter3 FY 2006 |
| Operating Revenues | | | | | | |
| 1 Sales | 500,030 | 500,030 | 595,190 | 590,222 | 605,324 | 594,926 |
| 2 Miscellaneous Revenues | 27,353 | 27,353 | 30,302 | 24,953 | 35,808 | 34,267 |
| 3 Inter-Business Unit Revenues | 107,147 | 107,147 | 102,870 | 112,916 | 143,207 | 139,828 |
| 4 Total Operating Revenues | 634,530 | 634,530 | 728,361 | 728,092 | 784,339 | 769,021 |
| Operating Expenses | | | | | | |
| 5 Transmission Operations | 76,480 | 76,480 | 94,666 | 78,870 | 80,552 | 79,438 |
| 6 Transmission Maintenance | 79,557 | 79,557 | 84,942 | 87,991 | 88,996 | 90,844 |
| 7 Transmission Engineering | 10,472 | 10,472 | 9,555 | 10,985 | 13,719 | 12,830 |
| 8 TBL Transmission Acquisition and Ancillary Services <Note 2 | 79,310 | 79,310 | 93,415 | 93,210 | 88,584 | 92,635 |
| 9 Transmission Reimbursables | 11,466 | 11,466 | 10,000 | 10,000 | 24,056 | 18,800 |
| BPA Internal Support | | | | | | |
| 10 Additional Post-Retirement Contribution | 13,250 | 13,250 | 11,550 | 11,550 | 11,600 | 11,550 |
| 11 Corporate G&A and Shared Services (includes Supply Chain) | 61,584 | 61,584 | 53,780 | 68,654 | 66,797 | 67,300 |
| 12 Other Income, Expenses & Adjustments | (90) | (90) | | | (1,201) | 789 |
| 13 Non-Federal Debt Service <Note 2 | 1,555 | 1,555 | (2,680) | (2,680) | 5,770 | (1,033) |
| 14 Depreciation & Amortization <Note 2 | 189,501 | 189,501 | 195,884 | 183,396 | 171,359 | 173,968 |
| 15 Total Operating Expenses | 523,085 | 523,085 | 551,112 | 541,977 | 550,231 | 547,121 |
| 16 Net Operating Revenues (Expenses) | 111,445 | 111,445 | 177,249 | 186,114 | 234,108 | 221,900 |
| Interest Expense | | | | | | |
| 17 Interest | 148,690 | 148,690 | 166,461 | 156,420 | 145,961 | 147,116 |
| 18 AFUDC | (12,936) | (12,936) | (14,753) | (10,219) | (9,201) | (9,000) |
| 19 Net Interest Expense | 135,754 | 135,754 | 151,708 | 146,201 | 136,761 | 138,116 |
| 20 Net Revenues (Expenses) from Continuing Operations | (24,309) | (24,309) | 25,541 | 39,913 | 97,347 | 83,784 |
| 21 Net Revenues (Expenses) | (\$24,309) | (\$24,309) | \$25,541 | \$39,913 | \$97,347 | \$83,784 |

- <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, budget and forecast data.



Customer Collaborative November Meeting

Financial Overview through September 30, 2006

| Report ID: 0024FY06 | | Corporate Detailed Statement of Revenues and Expenses | | | | | Run Date/Time: October 18, 2006 14:55 | | | | |
|---|------------|---|-----------------|-----------------------------|---------------------|--------------------|---------------------------------------|---------|----------------|---------------|-----------------------------|
| Requesting BL: CORPORATE BUSINESS UNIT | | Through the Month Ended September 30, 2006 | | | | | Data Source: EPM Data Warehouse | | | | |
| UOM: \$ Thousands (\$ 000) | | Preliminary / Unaudited | | | | | % of Year Lapsed = 100% | | | | |
| | | Pre-Distribution | | | | | Distribution of Actuals | | | | Post-Distribution |
| | | TARGET: SOY | ACTUALS: FYTD | ACTUALS: FYTD CORPT SUPPORT | ACTUALS: FYTD (B-C) | % FYTD / SOY (B/A) | CHARGES TO PBL | | CHARGES TO TBL | | ACTUALS: FYTD CORPT BALANCE |
| | | | | | | | EXPENSE | CAPITAL | EXPENSE | CAPITAL | |
| Operating Revenues | | \$ | \$ | \$ | \$ | | | | | | \$ |
| Operating Expenses | Project ID | | | | | | | | | | |
| Corporate Projects | | | | | | | | | | | |
| Industry Restructuring | 0004676 | 5,258 | 5,039 | () | 5,039 | 96% | 2,016 | | 3,023 | | |
| Corporate Resources | | | | | | | | | | | |
| Executive | 0001526 | 9,041 | 8,693 | | 8,693 | 96% | 4,346 | | 2,887 | 1,459 | () |
| Finance | 0001527 | 10,435 | 11,395 | | 11,395 | 109% | 5,697 | | 3,761 | 1,937 | |
| Legal | 0001528 | 1,984 | 2,169 | | 2,169 | 109% | 1,084 | | 716 | 369 | () |
| Risk Management | 0004729 | 3,414 | 2,770 | | 2,770 | 81% | 2,022 | | 494 | 254 | () |
| Public Affairs Office | 0005015 | 9,547 | 7,999 | () | 7,999 | 83% | 3,950 | | 2,607 | 1,343 | () |
| Support Services to Corporate | 0005017 | | (11) | (23,613) | 23,602 | | 9,441 | | 9,417 | 4,744 | |
| Technology Innovation Office | 0005019 | 647 | 548 | () | 548 | 85% | 274 | | 274 | | |
| Employee and Business Resources | | | | | | | | | | | |
| EBR Management and Policy | 0005021 | 16,173 | 14,901 | 3,333 | 11,568 | 92% | 2,280 | | 6,106 | 3,182 | () |
| Safety | 0004656 | 1,799 | 1,861 | 130 | 1,731 | 103% | 93 | | 1,081 | 557 | () |
| Security | 0004657 | 6,525 | 6,069 | 1,299 | 4,770 | 93% | 1,032 | | 2,468 | 1,271 | () |
| Workplace Services | 0005023 | 17,868 | 16,740 | 6,964 | 9,776 | 94% | 4,295 | | 3,542 | 1,939 | () |
| Workplace Services for Transmission | 0005024 | 3,967 | 3,809 | | 3,809 | 96% | | | 1,637 | 2,173 | |
| Workplace Services for Generation | 0005026 | 287 | 272 | () | 272 | 95% | 272 | | | | |
| GSA Delegated Facilities Work <Note 4 | 0005028 | 4,669 | 3,290 | 1,740 | 1,245 | 70% | 984 | | 173 | 89 | |
| Maintenance from Reserves held at Corporate < No | 0005028 | | | 305 | | | | | | | |
| OWCP Administration | 0005040 | | | | | | | | | | |
| Information Technology | | | | | | | | | | | |
| Corporate IT Programs | 0004807 | 35,114 | 40,588 | 10,147 | 30,441 | 116% | 10,147 | | 13,394 | 6,900 | |
| Corporate IT Proj for PBL | 0004822 | 6,253 | 6,357 | | 6,357 | 102% | 6,357 | | | | |
| Corporate IT Proj for TBL | 0004823 | 6,253 | 3,247 | | 3,247 | 52% | | | 3,247 | | |
| IT Admin and System Policy | 0004824 | 1,949 | 1,878 | | 1,878 | 96% | 939 | | 620 | 319 | () |
| Cross Agency IT Projects | 0004942 | | 1,217 | | 1,217 | | 609 | | 402 | 207 | |
| Bonneville Enterprise System | 0004658 | 11,067 | 5,820 | () | 5,820 | 53% | 1,746 | | 4,074 | | |
| Shared Services <Note 2 | 0001530 | | | | | | | | | | |
| Total Corporate Projects <Note 1 - Balance Column | | 152,248 | 144,552 | 305 | 144,247 | 95% | 57,584 | | 59,921 | 26,742 | |
| Bad Debt Expense | | | | | | | | | | | |
| Other Income, Expense, and Adjustments | | | | | | #DIV/0! | | | | | |
| Non-Federal Debt Service | | (95,733) | (176,775) | | | 185% | | | | | (176,775) |
| Depreciation & Amortization | | | | | | | | | | | |
| Total Operating Expenses | | 56,515 | (32,223) | 305 | 144,247 | -57% | | | | | (176,775) |
| Net Operating Revenues (Expenses) | | (56,515) | 32,223 | (305) | (144,247) | 257% | | | | | 176,775 |
| Interest Expense | | | | | | | | | | | |
| Interest | | | | | | | | | | | |
| Appropriated | | | | | | | | | | | |
| Capitalization Adjustment | | | | | | | | | | | |
| Gross Bond Interest Expense | | | | | | | | | | | |
| Interest Earned on BPA Fund | | | | | | | | | | | |
| Debt Reassignment Interest | | (33,079) | (32,827) | | | 99% | | | | | (32,827) |
| AFUDC | | | | | | | | | | | |
| Net Interest Expense | | (33,079) | (32,827) | | | 101% | | | | | (32,827) |
| Net Revenue (Expense) | | (23,436) | \$65,049 | (\$305) | (\$144,247) | 478% | | | | | \$209,601 |

<1 Any balance is due to (Over)/Under-Cleared Projects.

<2 Shared Services should be zero dollars beginning FY 2006.

<3 Support Services to Corporate records charges originating from Corpt activities in support of the other Corporate pools, which are then distributed as a distinct pool entitled "Support Services to Corpt".

<4 GSA Delegated Facilities are posted as actually incurred (Column B), but distributed according to the projected budget (Column D). GSA delegates the building maintenance to BPA.

Unspent maintenance amounts are held in reserve by Corpt for maint. In future Fiscal Years.



Customer Collaborative November Meeting

Financial Overview through September 30, 2006

Report ID: 0025FY06

Requesting BL: CORPORATE BUSINESS UNIT

UOM: In Thousands (\$000)

Corporate Internal Support - Expense Budget Summary

Through the Month Ended September 30, 2006

Preliminary/Unaudited

Run Date/Time: October 18, 2006 13:27

Data Source: EPM Data Warehouse

% of Year Lapsed = 100%

| | CORPT FUNCTION POOL | | | DIRECT PROJECT SUPPORT | | | TOTAL DEPT CHARGES | | | | | |
|--|---------------------|-------------------|---------------------|------------------------|-------------------------|-------------------------|--------------------|-------------------|---------------------|---------------------|----------------------------------|--|
| | 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 Sep ACTUALS | FY 2006 YTD ACTUALS | Column (J) FYTD to (H) OY Budget | |
| TIER 1 Corporate Department Expenses | | | | | | | | | | | | |
| 1 A Executive Office | \$703 | \$703 | \$882 | \$ | \$2 | \$ | \$703 | \$703 | \$94 | \$884 | 126% | |
| 2 R Industry Restructuring | \$5,007 | \$3,874 | \$3,192 | \$ | \$ | \$ | \$5,007 | \$3,874 | \$1,277 | \$3,192 | 82% | |
| 3 D Deputy Administrator | \$16,636 | \$16,885 | \$14,609 | \$10,404 | \$9,797 | \$9 | \$27,040 | \$27,289 | \$2,749 | \$24,414 | 89% | |
| 4 C Employee and Business Resources | \$51,287 | \$51,435 | \$46,299 | \$3,502 | \$ | \$3,404 | \$54,789 | \$54,937 | \$7,317 | \$49,703 | 90% | |
| 5 J Information Technology | \$60,636 | \$60,466 | \$58,591 | \$ | \$ | (\$) | \$60,636 | \$60,466 | \$7,870 | \$58,591 | 97% | |
| 6 K Chief Operating Officer <Note 1 | \$15,745 | \$15,766 | \$16,609 | \$ | \$1,457 | \$3,774 | \$15,745 | \$15,766 | \$7,226 | \$21,841 | 139% | |
| 7 - Power Purch, Debt Service, Depreciation & Amortization, Interest | (\$128,812) | (\$128,812) | (\$209,494) | \$689,674 | \$339,487 | \$308,070 | \$560,862 | \$552,858 | \$37,274 | \$438,063 | 79% | |
| 8 - Environment Fish and Wildlife - KE | \$ | \$ | \$79 | \$161,089 | \$156,231 | \$4,203 | \$161,089 | \$161,101 | \$34,504 | \$160,513 | 100% | |
| 9 L General Counsel | \$2,234 | \$2,234 | \$2,393 | \$6,171 | \$3,428 | \$1,714 | \$8,406 | \$8,406 | \$1,122 | \$7,535 | 90% | |
| 10 Total Corporate Departments | \$23,436 | \$22,551 | (\$66,840) | \$870,840 | \$510,402 | \$321,174 | \$894,277 | \$885,399 | \$99,433 | \$764,735 | 86% | |
| Total Corpt Dept. Cross-walked to Corpt Function Distributions <Note 2 | | | | | | | | | | | | |
| 11 LESS: Debt Service, Depreciation, Amortization, Interest charged to KF | (\$128,812) | (\$128,812) | (\$209,494) | | | | | | | | | |
| 12 LESS: Accounting Adjustments charged to All Corpt Depts | | | (\$295) | | | | | | | | | |
| 13 Total Corpt Department Expenses in Corpt Function Distribution Pool | \$152,248 | \$151,363 | \$142,949 | | | | | | | | | |
| 14 ADD: Dept X Accounting Adjustments included in Corpt Distributions | | | \$1,601 | | | | | | | | | |
| 15 ADD: Dept. P & T Charges included in Corpt Distributions | | | \$2 | | | | | | | | | |
| 16 Total Corporate Function Distributions | \$152,248 | \$151,363 | \$144,552 | | | | | | | | | |

<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.



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Corporate Internal Support - Expense Budget Summary

Through the Month Ended September 30, 2006
 Preliminary/Unaudited

Run Date/Time: October 18, 2006 13:27
 Data Source: EPM Data Warehouse
 % of Year Lapsed = 100%

| | A | B | C | D | E | F | G | H | I | J | K |
|---|---------------------|-------------------|---------------------|------------------------|-------------------------|-------------------------|--------------------|-------------------|---------------------|---------------------|----------------------------------|
| | CORPT FUNCTION POOL | | | DIRECT PROJECT SUPPORT | | | TOTAL DEPT CHARGES | | | | |
| | 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 Sep ACTUALS | FY 2006 YTD ACTUALS | Column (J) FYTD to (H) OY Budget |
| TIER II | | | | | | | | | | | |
| Executive Office Tier II | | | | | | | | | | | |
| A EXECUTIVE OFFICE | \$703 | \$703 | \$882 | \$ | \$2 | \$ | \$703 | \$703 | \$94 | \$884 | 126% |
| Executive Office Total Tier II | \$703 | \$703 | \$882 | \$ | \$2 | \$ | \$703 | \$703 | \$94 | \$884 | 126% |
| Industry Restructuring Tier II | | | | | | | | | | | |
| R INDUSTRY RESTRUCTURING | \$5,007 | \$3,874 | \$3,192 | \$ | \$ | \$ | \$5,007 | \$3,874 | \$1,277 | \$3,192 | 82% |
| Industry Restructuring Total Tier II | \$5,007 | \$3,874 | \$3,192 | \$ | \$ | \$ | \$5,007 | \$3,874 | \$1,277 | \$3,192 | 82% |
| Deputy Administrator Tier II | | | | | | | | | | | |
| D DEPUTY ADMINISTRATOR | \$1,213 | \$639 | \$806 | \$ | \$ | \$ | \$1,213 | \$639 | \$86 | \$806 | 126% |
| DB CHIEF RISK OFFICER | \$3,414 | \$3,414 | \$2,884 | \$1,704 | \$1,285 | \$2 | \$5,118 | \$5,118 | \$377 | \$4,170 | 81% |
| DE TECHNOLOGY INNOVATION OFFICE | \$ | \$574 | \$462 | \$ | \$ | \$ | \$ | \$574 | \$125 | \$462 | 81% |
| DK PUBLIC AFFAIRS | \$9,547 | \$9,547 | \$7,849 | \$8,700 | \$8,512 | \$7 | \$18,247 | \$18,247 | \$1,796 | \$16,369 | 90% |
| DN INTERNAL AUDIT | \$1,453 | \$1,453 | \$1,629 | \$ | \$ | \$ | \$1,453 | \$1,453 | \$177 | \$1,629 | 112% |
| DP STRATEGIC PLANNING | \$1,009 | \$1,257 | \$978 | \$ | \$ | \$ | \$1,009 | \$1,257 | \$187 | \$978 | 78% |
| Dep Admin Total Tier II | \$16,636 | \$16,885 | \$14,609 | \$10,404 | \$9,797 | \$9 | \$27,040 | \$27,289 | \$2,749 | \$24,414 | 89% |
| Employee and Business Resources Tier II | | | | | | | | | | | |
| C EMPLOYEE AND BUSINESS RESOURCES | \$1,219 | \$1,269 | \$1,122 | \$ | \$ | \$ | \$1,219 | \$1,269 | \$7 | \$1,122 | 88% |
| CD ADMINISTRATIVE SERVICES | \$2,219 | \$2,219 | \$1,858 | \$ | \$ | \$ | \$2,219 | \$2,219 | \$198 | \$1,858 | 84% |
| CE CIVIL RIGHTS, DIVERSITY, CONFLICT RESOLUTION | \$771 | \$771 | \$739 | \$ | \$ | \$ | \$771 | \$771 | \$114 | \$739 | 96% |
| CF SAFETY | \$1,799 | \$1,829 | \$1,780 | \$ | \$ | \$9 | \$1,799 | \$1,829 | \$180 | \$1,789 | 98% |
| CG WORKPLACE SERVICES | \$26,791 | \$26,905 | \$24,006 | \$ | \$ | \$ | \$26,791 | \$26,905 | \$3,961 | \$24,006 | 89% |
| CH HUMAN RESOURCES | \$11,261 | \$11,249 | \$10,124 | \$3,502 | \$ | \$3,395 | \$14,763 | \$14,751 | \$1,838 | \$13,519 | 92% |
| CI INFORMATION SYSTEMS | \$ | \$ | \$2 | \$ | \$ | \$ | \$ | \$ | \$1 | \$2 | -- |
| CK SUPPLY CHAIN POLICY AND GOVERNANCE | \$703 | \$703 | \$639 | \$ | \$ | \$ | \$703 | \$703 | \$57 | \$639 | 91% |
| CT SECURITY AND EMERGENCY SERVICES | \$6,525 | \$6,491 | \$6,028 | \$ | \$ | \$ | \$6,525 | \$6,491 | \$962 | \$6,028 | 93% |
| Employee and Business Res Total Tier II | \$51,287 | \$51,435 | \$46,299 | \$3,502 | \$ | \$3,404 | \$54,789 | \$54,937 | \$7,317 | \$49,703 | 90% |



Customer Collaborative November Meeting

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 Through the Month Ended September 30, 2006
 Preliminary/Unaudited

Run Date/Time: October 18, 2006 13:27
 Data Source: EPM Data Warehouse
 % of Year Lapsed = 100%

| | A | B | C | D | E | F | G | H | I | J | K |
|--|---------------------|--------------------|---------------------|------------------------|-------------------------|-------------------------|--------------------|-------------------|---------------------|---------------------|----------------------------------|
| | CORPT FUNCTION POOL | | | DIRECT PROJECT SUPPORT | | | TOTAL DEPT CHARGES | | | | |
| | 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 Sep ACTUALS | FY 2006 YTD ACTUALS | Column (J) FYTD to (H) OY Budget |
| Information Technology Tier II | | | | | | | | | | | |
| J INFORMATION TECHNOLOGY | \$576 | \$576 | \$3,667 | \$ | \$ | \$ | \$576 | \$576 | \$690 | \$3,667 | 637% |
| JB CYBER SECURITY | \$1,373 | \$1,373 | \$1,110 | \$ | \$ | \$ | \$1,373 | \$1,373 | \$167 | \$1,110 | 81% |
| JD DATA MANAGEMENT & INTEGRATION | \$10,587 | \$7,737 | \$7,228 | \$ | \$ | \$ | \$10,587 | \$7,737 | \$1,069 | \$7,228 | 93% |
| JH HARDWARE OPERATIONS | \$20,303 | \$20,303 | \$17,530 | \$ | \$ | (\$) | \$20,303 | \$20,303 | \$2,124 | \$17,530 | 86% |
| JM IT PROGRAM MANAGEMENT | \$5,912 | \$5,912 | \$9,308 | \$ | \$ | \$ | \$5,912 | \$5,912 | \$1,106 | \$9,308 | 157% |
| JP PROJECT MANAGEMENT OFFICE | \$1,817 | \$1,817 | \$2,156 | \$ | \$ | \$ | \$1,817 | \$1,817 | \$599 | \$2,156 | 119% |
| JQ QUALITY CONTROL | \$1,662 | \$1,662 | \$1,018 | \$ | \$ | \$ | \$1,662 | \$1,662 | \$112 | \$1,018 | 61% |
| JS SOFTWARE DEVELOPMENT & INTEGRATION | \$18,405 | \$21,086 | \$16,573 | \$ | \$ | \$ | \$18,405 | \$21,086 | \$2,002 | \$16,573 | 79% |
| Information Technology Total Tier II | \$60,636 | \$60,466 | \$58,591 | \$ | \$ | (\$) | \$60,636 | \$60,466 | \$7,870 | \$58,591 | 97% |
| Chief Operating Officer Tier II | | | | | | | | | | | |
| K CHIEF OPERATING OFFICER | \$4,524 | \$4,524 | \$5,473 | \$ | \$1,202 | \$3,628 | \$4,524 | \$4,524 | \$5,938 | \$10,303 | 228% |
| KD CORPT & EXECUTIVE OPERATIONS | \$786 | \$807 | \$769 | \$ | \$ | \$ | \$786 | \$807 | \$68 | \$769 | 95% |
| KE ENVIRONMENT, FISH AND WILDLIFE | \$ | \$ | \$79 | \$161,089 | \$156,231 | \$4,203 | \$161,089 | \$161,101 | \$34,504 | \$160,513 | 100% |
| KF CHIEF FINANCIAL OFFICER - Expenses excluding PP, DBS, Depr/Amor, Interest | \$10,435 | \$10,435 | \$10,367 | \$ | \$255 | \$147 | \$10,435 | \$10,435 | \$1,220 | \$10,769 | 103% |
| KF Power Purchases, Debt Service, Depreciation & Amortization, Interest | (\$128,812) | (\$128,812) | (\$209,494) | \$689,674 | \$339,487 | \$308,070 | \$560,862 | \$552,858 | \$37,274 | \$438,063 | 79% |
| Chief Operating Officer Total Tier II | (\$113,067) | (\$113,046) | (\$192,806) | \$850,763 | \$497,176 | \$316,047 | \$737,696 | \$729,725 | \$79,003 | \$620,417 | 85% |
| General Counsel Tier II | | | | | | | | | | | |
| L GENERAL COUNSEL | \$2,234 | \$2,234 | \$1,067 | \$6,171 | \$797 | \$456 | \$8,406 | \$8,406 | \$666 | \$2,320 | 28% |
| LC GENERAL COUNSEL CORPORATE/FISH & WILDLIFE | \$ | \$ | \$889 | \$ | \$1,021 | \$622 | \$ | \$ | \$222 | \$2,532 | -- |
| LP GENERAL COUNSEL POWER GENERATION | \$ | \$ | \$239 | \$ | \$1,597 | \$36 | \$ | \$ | \$164 | \$1,871 | -- |
| LT GENERAL COUNSEL TRANSMISSION | \$ | \$ | \$198 | \$ | \$13 | \$600 | \$ | \$ | \$70 | \$812 | -- |
| General Counsel Total Tier II | \$2,234 | \$2,234 | \$2,393 | \$6,171 | \$3,428 | \$1,714 | \$8,406 | \$8,406 | \$1,122 | \$7,535 | 90% |
| TOTAL TIER II CORPT DEPT - balance should foot to Total Tier I | \$23,436 | \$22,551 | (\$66,840) | \$870,840 | \$510,402 | \$321,174 | \$894,277 | \$885,399 | \$99,433 | \$764,735 | 86% |

