

# Quarterly Business Review

FY 2009 3rd Quarter Financial Results

August 11, 2009



**Agenda**  
**August 11, 2009**  
**1:00-3:40 pm**

<b>Time</b>	<b>Min</b>	<b>Agenda Topic</b>	<b>Slide #</b>	<b>Presenter</b>
1:00	10	Introduction and Background	3	Brenda Weller
1:10	45	Financial Highlights - Review of FY 2009 3 <sup>rd</sup> Quarter Financial Results - Review of FY 2009 3 <sup>rd</sup> Quarter Forecast	4-15	Brian McConnell & Cheryl Hargin
1:55	10	Transmission Revenue Reporting	-	Rebecca Fredrickson
2:05	20	Update on Sustain Program	-	Kevin Carman
2:25	5	Break	-	
2:30	30	Transmission Contract Strategy Overview	16-27	Larry Bekkedahl & Dean Freel
3:00	15	New Capital Project Report and Asset Management Website	28-34	Dennis Naef
3:15	20	Asset Management Strategy	35-38	Mike DeWolf
3:35	5	Questions, Comments, Future Meeting Topics	39	Brenda Weller
3:40		Adjourn		
		<b>Appendix</b> –Power and Transmission Services Detailed Statements of Revenues and Expenses	40-48	



## Background of QBR

- In the Regional Dialogue Policy, BPA committed to a model which provides extensive opportunity for stakeholders as well as customers to review and give input to our forecasts of spending levels prior to finalizing them. The Integrated Program Review process we just completed is one part of the overall Integrated Business Review structure. It is designed to allow persons interested in BPA's program levels an opportunity to review and comment on all of BPA's expense and capital spending level estimates in the same forum prior to their use in setting rates. BPA intends to hold an IPR every two years, just prior to each rate case.
- The Quarterly Business Review (QBR) is the second part of the Integrated Business Review structure BPA committed to in the Regional Dialogue, and it is intended to be a forum to provide financial forecasts, current financial results compared to forecasts, periodic updates to capital plans as they change, and information on upcoming issues that could have an impact on future financial results.
- More information can be found at <http://www.bpa.gov/corporate/Finance/ibr/>



# *Financial Highlights*



# AUGUST 2009 QUARTERLY BUSINESS REVIEW

## FY 2009 EXECUTIVE HIGHLIGHTS August 6, 2009

(\$ in Millions)

	A	B	FY 2009 Current Forecast	
			C	D
	<i>FY 2008 Audited Actuals without FAS 133 &amp; Bookouts <sup>1/</sup></i>	<i>FY 2009 SOY without FAS 133 &amp; Bookouts <sup>2/</sup></i>	<i>without FAS 133 &amp; Bookouts <sup>2/</sup></i>	<i>with FAS 133 &amp; Bookouts <sup>3/</sup></i>
1. REVENUES	3,176.9	3,299.1	2,970.4	2,909.0
2. EXPENSES	2,881.5	3,034.6	3,005.0	2,975.6
3. NET REVENUES <sup>4/</sup>	295.4	264.5	(34.6) <sup>7/</sup>	(66.6) <sup>7/</sup>
4. MODIFIED NET REVENUES <sup>4/</sup>	157.4	157.5	(151.7) <sup>7/</sup>	(151.7) <sup>7/</sup>
5. END OF YEAR FINANCIAL RESERVES <sup>5/</sup>	1,646.4	1,572.0	1,374.0 <sup>7/</sup>	1,374.0 <sup>7/</sup>
6. BPA ACCRUED CAPITAL EXPENDITURES <sup>6/</sup>	290.3	497.5	417.6	417.6

### Footnotes

- <sup>1/</sup> Does not include mark-to-market adjustments required by SFAS 133 or reflect the change in accounting for power "bookout" transactions made after adoption of new accounting guidance, EITF 03-11, which was effective as of Oct 1, 2003. Actual Net Revenues for FY 2008 with the mark-to-market adjustments were \$264.8 million.
- <sup>2/</sup> Columns B and C do not reflect the change in accounting for power "bookout" transactions made after adoption of new accounting guidance, EITF 03-11, which was effective as of Oct 1, 2003.
- <sup>3/</sup> Includes an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by SFAS 133 for identified derivative instruments.
- <sup>4/</sup> Net revenues include the effects of non-federal debt management and SFAS 133. Modified net revenues were developed without these line items. An example of non-federal debt management is the refinancing of ENW debt.
- <sup>5/</sup> Financial reserves equal total cash plus deferred borrowing and investments in non-marketable U.S. Treasury securities.
- <sup>6/</sup> Funded by borrowing from the U.S. Treasury.
- <sup>7/</sup> There is uncertainty regarding the potential financial results that could occur by the end of the year, mainly a result of water conditions, which may affect net secondary sales, and short-term market prices, which also can affect net secondary sales.



# AUGUST 2009 QUARTERLY BUSINESS REVIEW

Report ID: 0070FY09  
 Requesting BL: CORPT  
 Unit of measure: \$ Thousands

## Federal Columbia River Power System Statement of Revenues and Expenses Quarterly Review at June 30, 2009 Preliminary/ Unaudited

Data Source: EPM Data Warehouse  
 Run Date/Time: August 10, 2009 09:29  
 % of Year Lapsed = 75%

		A	B	C	D	E	F
		Actuals: FY 2008	FY 2009 Budget (SOY)	FY 2009 Current EOY Forecast	Current Forecast as a % of Budget	Actuals: FYTD 2009	Actuals as a % of Budget
<b>Operating Revenues</b>							
1	Gross Sales (excluding bookout adjustment) <Note 1	\$3,007,051	\$3,140,496	\$2,815,521	90%	\$2,170,468	69%
2	Bookout adjustment to Sales <Note 1	(109,704)		(29,297)		(29,297)	
3	Miscellaneous Revenues	64,843	63,421	61,685	97%	44,387	70%
4	Derivative Instruments <Note 2	(30,564)		(32,066)		(32,066)	
5	U.S. Treasury Credits	104,992	95,171	93,172	98%	65,792	69%
6	<b>Total Operating Revenues</b>	<b>3,036,618</b>	<b>3,299,088</b>	<b>2,909,015</b>	<b>88%</b>	<b>2,219,284</b>	<b>67%</b>
<b>Operating Expenses</b>							
Power System Generation Resources							
Operating Generation Resources							
7	Columbia Generating Station	236,736	293,450	288,300	98%	230,943	79%
8	Bureau of Reclamation	72,110	82,100	81,300	99%	58,223	71%
9	Corps of Engineers	178,442	179,500	176,900	99%	115,655	64%
10	Long-term Generating Projects	27,080	31,613	31,961	101%	19,361	61%
11	Operating Generation Settlement Payment	20,499	20,909	18,170	87%	16,498	79%
12	Non-Operating Generation	1,428	2,904	(890)	-131%	(1,169)	-140%
13	Gross Contracted & Augmentation Power Purchases (excluding bookout adjustment) <Note 1	529,433	189,618	288,285	152%	226,134	119%
14	Bookout Adjustment to Contracted & Augmentation Power Purchases <Note 1	(109,704)		(29,297)		(29,297)	
15	Exchanges and Settlements	329	251,416	203,300	81%	166,383	66%
16	Renewable and Conservation Generation	94,954	124,214	107,271	86%	70,149	56%
17	Subtotal Power System Generation Resources	1,051,305	1,175,725	1,165,300	99%	872,879	74%
18	Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 4	44,652	51,250	48,370	94%	32,081	63%
19	Power Services Non-Generation Operations	66,851	76,421	73,177	96%	53,363	70%
20	Transmission Operations	96,817	115,544	103,179	89%	74,752	65%
21	Transmission Maintenance	115,183	109,395	126,506	116%	95,448	87%
22	Transmission Engineering	21,157	24,505	21,915	89%	15,812	65%
23	Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 3, 4	6,190	17,844	6,693	38%	4,933	28%
24	Transmission Reimbursables	11,964	10,000	10,046	100%	6,553	66%
25	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	176,405	230,546	215,566	94%	137,891	60%
BPA Internal Support							
26	Additional Post-Retirement Contribution	18,000	30,554	30,554	100%	22,916	75%
27	Agency Services G&A	103,526	90,951	92,023	101%	71,148	78%
28	Other Income, Expenses & Adjustments	(5,802)	1,600	(2,545)	-259%	(3,998)	-350%
29	Non-Federal Debt Service <Note 3	479,493	519,583	503,921	97%	350,594	67%
30	Depreciation & Amortization <Note 3	358,064	379,227	357,035	94%	264,499	70%
31	<b>Total Operating Expenses</b>	<b>2,543,805</b>	<b>2,833,144</b>	<b>2,751,742</b>	<b>97%</b>	<b>1,998,868</b>	<b>71%</b>
32	<b>Net Operating Revenues (Expenses)</b>	<b>492,813</b>	<b>465,944</b>	<b>157,273</b>	<b>34%</b>	<b>220,415</b>	<b>47%</b>
<b>Interest Expense and (Income)</b>							
33	Interest Expense	340,658	308,669	328,139	106%	245,849	80%
34	AFUDC	(32,057)	(24,300)	(28,179)	116%	(18,954)	78%
35	Interest Income	(80,633)	(82,908)	(76,045)	92%	(58,831)	71%
36	<b>Net Interest Expense (Income)</b>	<b>227,968</b>	<b>201,461</b>	<b>223,915</b>	<b>111%</b>	<b>168,064</b>	<b>83%</b>
37	<b>Net Revenues (Expenses) from Continuing Operations</b>	<b>264,845</b>	<b>264,483</b>	<b>(66,642)</b>	<b>-125%</b>	<b>52,352</b>	<b>20%</b>
38	<b>Net Revenues (Expenses)</b>	<b>\$264,845</b>	<b>\$264,483</b>	<b>(\$66,642)</b>	<b>-125%</b>	<b>\$52,352</b>	<b>20%</b>

<1 Beginning in FY 2004, actuals for Power Sales and Contracted Power Purchases are affected by the change in accounting for power "bookout" transactions after adoption of new accounting guidance, EITF 03-11, effective as of Oct 1, 2003. Bookout transactions are not included in the SOY budget or forecasted through the remaining year. Bookouts included in the Forecast column reflect actuals recorded to date.

<2 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by SFAS 133, as amended, for identified derivative instruments. The MTM adjustment is excluded in calculating Modified Net Revenues for rate setting purposes.

<3 Beginning in FY 2004, the consolidated actuals reflect the inclusion of transactions associated with a Variable Interest Entity (VIES), which is in accordance with the FASB Interpretation No. 46 (FIN 46) that is effective as of December, 2003. The SOY Budget and Current Forecast are for the Bonneville Power Administration only.

<4 The consolidated FCRPS Statement reduces reported Revenues and Expenses where between business line transactions occur, the most significant of which are for Transmission Acquisition and Ancillary Services.



# *Monthly Financial Reports*



# AUGUST 2009 QUARTERLY BUSINESS REVIEW

Report ID: 0020FY09

## FCRPS Summary Statement of Revenues and Expenses

Run Date/Run Time: August 10, 2009/ 07:19

Requesting BL: CORPORATE BUSINESS UNIT

Through the Month Ended June 30, 2009

Data Source: EPM Data Warehouse

Unit of measure: \$ Thousands

Preliminary/ Unaudited

% of Year Lapsed = 75%

	FY 2008		FY 2009		FY 2009	
	A	B	C	D <Note 3	E	
	Actuals: FYTD	Actuals	SOY Budget	Current EOY Forecast	Actuals: FYTD	
<b>Operating Revenues</b>						
1	Gross Sales (excluding bookout adjustment) <Note 1	\$2,496,530	\$3,007,051	\$3,140,496	\$2,815,521	\$2,170,468
2	Bookout adjustment to Sales <Note 1	(69,261)	(109,704)		(29,297)	(29,297)
3	Miscellaneous Revenues	45,092	64,843	63,421	61,685	44,387
4	Derivative Instruments <Note 2	(26,608)	(30,564)		(32,066)	(32,066)
5	U.S. Treasury Credits	77,461	104,992	95,171	93,172	65,792
6	<b>Total Operating Revenues</b>	<b>\$2,523,215</b>	<b>\$3,036,618</b>	<b>\$3,299,088</b>	<b>\$2,909,015</b>	<b>\$2,219,284</b>
<b>Operating Expenses</b>						
Power System Generation Resources						
Operating Generation Resources						
7	Columbia Generating Station	158,288	236,736	293,450	288,300	230,943
8	Bureau of Reclamation	46,928	72,110	82,100	81,300	58,223
9	Corps of Engineers	111,320	178,442	179,500	176,900	115,655
10	Long-term Contract Generating Projects	19,467	27,080	31,613	31,961	19,361
11	Operating Generation Settlement Payment	13,015	20,499	20,909	18,170	16,498
12	Non-Operating Generation	985	1,428	2,904	(890)	(1,169)
13	Gross Contracted Power Purchases and Augmentation Power Purch <Note 1	395,138	529,433	189,618	288,285	226,134
14	Bookout Adjustment to Power Purchases <Note 1	(69,261)	(109,704)		(29,297)	(29,297)
15	Exchanges & Settlements	227,913	329	251,416	203,300	166,383
16	Renewable and Conservation Generation	73,448	94,954	124,214	107,271	70,149
17	<b>Subtotal Power System Generation Resources</b>	<b>\$977,241</b>	<b>\$1,051,305</b>	<b>\$1,175,725</b>	<b>\$1,165,300</b>	<b>\$872,879</b>
18	Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 4	32,437	44,652	51,250	48,370	32,081
19	Power Services Non-Generation Operations	49,851	66,851	76,421	73,177	53,363
20	Transmission Operations	69,826	96,817	115,544	103,179	74,752
21	Transmission Maintenance	77,038	115,183	109,395	126,506	95,448
22	Transmission Engineering	13,622	21,157	24,505	21,915	15,812
23	Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 4, 5	4,610	6,190	17,844	6,693	4,933
24	Transmission Reimbursables	6,916	11,964	10,000	10,046	6,553
25	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	116,412	176,405	230,546	215,566	137,891
BPA Internal Support						
26	Additional Post-Retirement Contribution	13,500	18,000	30,554	30,554	22,916
27	Agency Services G&A	74,702	103,526	90,951	92,023	71,148
28	Other Income, Expenses & Adjustments	(2,714)	(5,802)	1,600	(2,545)	(3,998)
29	Non-Federal Debt Service <Note 5	367,090	479,493	519,583	503,921	350,594
30	Depreciation & Amortization <Note 5	265,572	358,064	379,227	357,035	264,499
31	<b>Total Operating Expenses</b>	<b>\$2,066,103</b>	<b>\$2,543,805</b>	<b>\$2,833,144</b>	<b>\$2,751,742</b>	<b>\$1,998,868</b>
32	<b>Net Operating Revenues (Expenses)</b>	<b>\$457,112</b>	<b>\$492,813</b>	<b>\$465,944</b>	<b>\$157,273</b>	<b>\$220,415</b>
<b>Interest Expense and (Income)</b>						
33	Interest Expense	238,758	340,658	308,669	328,139	245,849
34	AFUDC	(16,853)	(32,057)	(24,300)	(28,179)	(18,954)
35	Interest Income	(56,268)	(80,633)	(82,908)	(76,045)	(58,831)
36	<b>Net Interest Expense (Income)</b>	<b>\$165,637</b>	<b>\$227,968</b>	<b>\$201,461</b>	<b>\$223,915</b>	<b>\$168,064</b>
37	<b>Net Revenues (Expenses)</b>	<b>\$291,475</b>	<b>\$264,845</b>	<b>\$264,483</b>	<b>(\$66,642)</b>	<b>\$52,352</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 purch-
- <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 and budget data.



# AUGUST 2009 QUARTERLY BUSINESS REVIEW

Report ID: 0021FY09	<b>Power Services Summary Statement of Revenues and Expenses</b>	Run Date/Time: August 10, 2009 07:19
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended June 30, 2009	Data Source: EPM Data Warehouse
Unit of measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 75%

	FY 2008		FY 2009			FY 2009	
	A	B	C	D	E <Note 3	F	
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD	
<b>Operating Revenues</b>							
1	Gross Sales (excluding bookout adjustment) <Note 1	\$1,994,025	\$2,323,087	\$2,533,991	\$2,458,640	\$2,128,313	\$1,652,351
2	Bookout Adjustment to Sales <Note 1	(69,261)	(109,704)			(29,297)	(29,297)
3	Miscellaneous Revenues	18,451	27,295	30,921	30,921	27,894	25,004
4	Inter-Business Unit	48,238	68,582	79,306	79,306	76,134	58,182
5	Derivative Instruments <Note 2	(26,608)	(30,564)			(32,066)	(32,066)
6	U.S. Treasury Credits	77,461	104,992	93,080	95,171	93,172	65,792
7	<b>Total Operating Revenues</b>	<b>\$2,042,306</b>	<b>\$2,383,688</b>	<b>\$2,737,298</b>	<b>\$2,664,037</b>	<b>\$2,264,150</b>	<b>\$1,739,967</b>
<b>Operating Expenses</b>							
8	Power System Generation Resources						
	Operating Generation Resources						
	Columbia Generating Station	158,288	236,736	293,700	293,450	288,300	230,943
9	Bureau of Reclamation	46,928	72,110	82,100	82,100	81,300	58,223
10	Corps of Engineers	111,320	178,442	179,500	179,500	176,900	115,655
11	Long-term Contract Generating Projects	19,467	27,080	31,613	31,613	31,961	19,361
12	Operating Generation Settlement Payment	13,015	20,499	20,909	20,909	18,170	16,498
13	Non-Operating Generation	985	1,428	2,904	2,904	(890)	(1,169)
14	Gross Contracted Power Purchases and Aug Power Purchases <Note 1	395,138	529,433	292,669	189,618	288,285	226,134
15	Bookout Adjustment to Power Purchases <Note 1	(69,261)	(109,704)			(29,297)	(29,297)
16	Residential Exchange/IOU Settlement Benefits	227,913	329	251,416	251,416	203,300	166,383
17	Renewable and Conservation Generation	73,461	95,070	124,481	124,214	107,272	70,171
18	<b>Subtotal Power System Generation Resources</b>	<b>\$977,254</b>	<b>\$1,051,421</b>	<b>\$1,279,292</b>	<b>\$1,175,725</b>	<b>\$1,165,300</b>	<b>\$872,901</b>
19	Power Services Transmission Acquisition and Ancillary Services	118,045	165,861	175,098	175,098	161,854	119,700
20	Power Non-Generation Operations	49,851	66,899	76,024	76,421	73,177	53,380
21	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	116,466	176,594	229,439	230,866	215,566	137,973
	BPA Internal Support						
22	Additional Post-Retirement Contribution	6,750	9,000	15,277	15,277	15,277	11,458
23	Agency Services G&A	34,996	48,160	44,994	46,503	46,617	35,861
24	Other Income, Expenses & Adjustments	363	(3,283)	3,600	3,600	(2,335)	(2,334)
25	Non-Federal Debt Service	393,566	512,918	563,720	494,726	459,598	324,226
26	Depreciation & Amortization	134,254	183,466	188,580	188,579	180,135	134,158
27	<b>Total Operating Expenses</b>	<b>\$1,831,545</b>	<b>\$2,211,037</b>	<b>\$2,576,023</b>	<b>\$2,406,794</b>	<b>\$2,315,190</b>	<b>\$1,687,322</b>
28	<b>Net Operating Revenues (Expenses)</b>	<b>\$210,761</b>	<b>\$172,651</b>	<b>\$161,275</b>	<b>\$257,244</b>	<b>(\$51,041)</b>	<b>\$52,645</b>
<b>Interest Expense and (Income)</b>							
29	Interest Expense	161,449	216,464	227,443	211,713	207,724	156,460
30	AFUDC	(9,358)	(15,160)	(11,400)	(14,800)	(7,700)	(2,794)
31	Interest Income	(42,625)	(58,558)	(57,967)	(64,163)	(45,299)	(36,110)
32	<b>Net Interest Expense (Income)</b>	<b>\$109,465</b>	<b>\$142,746</b>	<b>\$158,076</b>	<b>\$132,750</b>	<b>\$154,725</b>	<b>\$117,557</b>
33	<b>Net Revenues (Expenses)</b>	<b>\$101,296</b>	<b>\$29,905</b>	<b>\$3,198</b>	<b>\$124,494</b>	<b>(\$205,766)</b>	<b>(\$64,912)</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.



# AUGUST 2009 QUARTERLY BUSINESS REVIEW

Report ID: 0022FY09	Schedule of Net Revenue (Expense) to Modified Net Revenue	Run Date/Time: August 10, 2009 07:19
Requesting BL: CORPORATE BUSINESS UNIT	Through the Month Ended June 30, 2009	Data Source: EPM Data Warehouse
Unit of measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 75%

	A	B	C	D
	Actuals: FY 2000 to FY 2008	Forecast: Current Qtr FY 2009	Forecast: Accumulated MNR FY 2000 to FY 2009 (A) + (B)	Actuals: FYTD 2009
<b>Power Services</b>				
1 Power Net Revenue (Expense)	\$1,165,349	(\$205,766)	\$959,584	(\$64,912)
Power Modified Net Revenue Adjustments:				
2 Derivative Instruments	19,877	(32,066)	(12,189)	(32,066)
3 EN Debt Adjustments	(1,069,396)	(105,434)	(1,174,830)	(101,061)
4 Power Modified Net Revenue Adjustments <Note 1	(1,089,273)	(73,368)	(1,162,641)	(68,995)
5 Power Modified Net Revenue	\$76,076	(\$279,134)	(\$203,057)	(\$133,906)
6 FCRPS Modified Net Revenue <Note 1	\$487,266	(\$151,658)	\$335,609	(\$32,254)

<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. The rate case amounts for EN debt service for 2008 may be updated based on the results of the WP-07 Supplemental Power Rate Case.

**The thresholds for triggering a CRAC or DDC for FY 2010 rates as determined in the WP-10 Final Rate Proposal are \$-876.5 million and \$-126.5 million.**

**The AMNR as determined by the 3<sup>rd</sup> Quarter Review is \$-203 million.**



# AUGUST 2009 QUARTERLY BUSINESS REVIEW

Report ID: 0023FY09

Requesting BL: TRANSMISSION BUSINESS UNIT

Unit of Measure: \$ Thousands

## Transmission Services Summary Statement of Revenues and Expenses

Through the Month Ended June 30, 2009

Preliminary/ Unaudited

Run Date/Time: August 10, 2009/ 07:19

Data Source: EPM Data Warehouse

% of Year Lapsed = 75%

	FY 2008		FY 2009			FY 2009
	A	B	C	D	E <Note 1>	F
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
<b>Operating Revenues</b>						
1 Sales	\$502,505	\$683,964	\$647,263	\$681,857	\$687,208	\$518,116
2 Miscellaneous Revenues	26,642	37,548	32,605	32,500	33,791	19,383
3 Inter-Business Unit Revenues	85,675	122,703	107,951	117,453	116,232	88,863
4 <b>Total Operating Revenues</b>	<b>\$614,821</b>	<b>\$844,215</b>	<b>\$787,819</b>	<b>\$831,809</b>	<b>\$837,231</b>	<b>\$626,362</b>
<b>Operating Expenses</b>						
5 Transmission Operations	69,826	96,891	88,288	115,544	103,179	74,752
6 Transmission Maintenance	77,038	115,183	97,481	109,395	126,506	95,448
7 Transmission Engineering	13,622	21,157	17,557	24,505	21,915	15,812
8 Trans Services Transmission Acquisition and Ancillary Services <Note 2	52,848	74,698	76,605	97,149	86,793	63,115
9 Transmission Reimbursables	6,916	11,964	10,000	10,000	10,046	6,553
10 BPA Internal Support						
Additional Post-Retirement Contribution	6,750	9,000	15,277	15,277	15,277	11,458
11 Agency Services G&A	39,706	55,366	68,524	44,448	45,406	35,287
12 Other Income, Expenses & Adjustments	(2,775)	(1,379)	(2,000)	(2,000)	(210)	(210)
13 Non-Federal Debt Service <Note 2	9,978		11,544	6,886		
14 Depreciation & Amortization <Note 2	131,318	174,599	198,535	190,648	176,900	130,341
15 <b>Total Operating Expenses</b>	<b>\$405,227</b>	<b>\$557,478</b>	<b>\$581,811</b>	<b>\$611,853</b>	<b>\$585,813</b>	<b>\$432,555</b>
16 <b>Net Operating Revenues (Expenses)</b>	<b>\$209,595</b>	<b>\$286,737</b>	<b>\$206,008</b>	<b>\$219,956</b>	<b>\$251,418</b>	<b>\$193,807</b>
<b>Interest Expense and (Income)</b>						
17 Interest Expense	115,662	175,331	185,616	152,927	176,386	131,368
18 AFUDC	(6,257)	(16,897)	(10,798)	(9,500)	(20,479)	(14,401)
19 Interest Income	(13,643)	(22,075)	(9,876)	(18,745)	(30,746)	(22,722)
20 <b>Net Interest Expense (Income)</b>	<b>\$95,762</b>	<b>\$136,360</b>	<b>\$164,942</b>	<b>\$124,682</b>	<b>\$125,161</b>	<b>\$94,245</b>
21 <b>Net Revenues (Expenses)</b>	<b>\$113,833</b>	<b>\$150,378</b>	<b>\$41,066</b>	<b>\$95,274</b>	<b>\$126,257</b>	<b>\$99,562</b>

<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 and budget data.



# AUGUST 2009 QUARTERLY BUSINESS REVIEW

Report ID: 0027FY09  
 Requesting BL: CORPORATE BUSINESS UNIT  
 Unit of Measure: \$Thousands

## BPA Statement of Capital Expenditures

FYTD Through the Month Ended June 30, 2009  
 Preliminary Unaudited

Run Date/Run Time: August 10, 2009/ 07:36  
 Data Source: EPM Data Warehouse  
 75%

A	B	C	D	E
FY 2009		FY 2009		FY 2009
SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / Forecast

Transmission Business Unit					
<b>CAPITAL DIRECT</b>					
UNCOMMITTED FUNDS	()				
<b>MAIN GRID</b>					
OLYMPIC PENINSULA PROJECT	34,632	33,963	4,030	19,961	59%
WEST OF MCNARY INTEGRATION PRO	22,495	24,477	5,904	7,592	31%
I-5 CORRIDOR UPGRADE PROJECT	437	748	118	628	84%
LIBBY-TROY LINE REBUILD	16,578	10,582	1,174	5,753	54%
MISC. MAIN GRID PROJECTS	9,481	5,586	1,975	3,240	58%
<b>TOTAL MAIN GRID</b>	<b>83,623</b>	<b>75,355</b>	<b>13,201</b>	<b>37,174</b>	<b>49%</b>
<b>AREA &amp; CUSTOMER SERVICE</b>					
CITY OF CENTRALIA PROJECT	4,911	5,344	774	3,351	63%
LOWER VALLEY (CARIBOU) PROJECT	8,071	3,977	417	1,244	31%
MISC. AREA & CUSTOMER SERVICE	5,215	9,500	1,496	7,044	74%
<b>TOTAL AREA &amp; CUSTOMER SERVICE</b>	<b>18,197</b>	<b>18,821</b>	<b>2,687</b>	<b>11,640</b>	<b>62%</b>
<b>SYSTEM REPLACEMENTS</b>					
TL WOOD POLE REPLACEMENTS	7,860	8,552	1,268	4,254	50%
TL SPACER DAMPER REPLACEMENT	15,528	12,425	24	3,190	26%
TL INSULATORS	1,889	2,056	187	364	18%
TOOLS & WORK EQUIPMENT	11,838	16,512	1,119	5,042	31%
SPC REPLACEMENTS	3,269	3,557	267	1,911	54%
PSC REPLACEMENTS	8,978	10,358	1,033	8,453	82%
SUB SWITCHGEAR	6,375	4,281	713	1,971	46%
SUB CAPACITORS					
SUB CIRCUIT BREAKER REPLACEMENT	1,435	4,704	1,070	4,161	88%
SUB MISC. SUBSTATION EQUIPMENT	1,056	3,351	261	2,599	78%
SUB CVT/PT/CT REPLACEMENT	187	432	58	402	93%
SUB TRANSFORMER	38,917	41,068	944	37,786	92%
CELILO REPLACEMENTS	26,424	22,303	(365)	9,698	43%
MISC. REPLACEMENT PROJECTS	23,249	21,345	1,691	15,279	72%
MISC FACILITIES- NON-ELECTRIC	12,910	6,270	45	904	14%
<b>TOTAL SYSTEM REPLACEMENTS</b>	<b>159,915</b>	<b>157,214</b>	<b>8,317</b>	<b>96,013</b>	<b>61%</b>



# AUGUST 2009 QUARTERLY BUSINESS REVIEW

Report ID: 0027FY09

Requesting BL: CORPORATE BUSINESS UNIT

Unit of Measure: \$Thousands

## BPA Statement of Capital Expenditures

FYTD Through the Month Ended June 30, 2009

Preliminary Unaudited

Run Date/Run Time: August 10, 2009/ 07:36

Data Source: EPM Data Warehouse

75%

A	B	C	D	E
FY 2009		FY 2009		FY 2009
SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / Forecast

### Transmission Business Unit (Continued)

	UPGRADES & ADDITIONS				
28	SECURITY ENHANCEMENTS	8,573	7,640	1,122	5,779 76%
29	ACCESS ROADS PROGRAM	15,428	16,566	250	2,797 17%
30	CELILO UPGRADES PROJECT		204	47	(142) -69%
31	CONTROL CENTERS	7,210	5,188	186	2,941 57%
32	FIBER OPTICS AND TERMINALS	1,986	6,038	88	2,987 49%
33	MISC. UPGRADES AND ADDITIONS	29,159	41,890	3,024	36,221 86%
34	<b>TOTAL UPGRADES &amp; ADDITIONS</b>	<b>62,356</b>	<b>77,526</b>	<b>4,717</b>	<b>50,584 65%</b>
	ENVIRONMENT CAPITAL				
35	MISC. ENVIRONMENT PROJECTS	5,323	6,164	983	3,321 54%
36	<b>TOTAL ENVIRONMENT CAPITAL</b>	<b>5,323</b>	<b>6,164</b>	<b>983</b>	<b>3,321 54%</b>
37	<b>CAPITAL DIRECT</b>	<b>329,413</b>	<b>335,080</b>	<b>29,904</b>	<b>198,732 59%</b>
	PFIA				
38	MISC. PFIA PROJECTS	6,246	8,245	306	7,097 86%
39	GENERATOR INTERCONNECTION	70,160	18,759	2,756	10,251 55%
40	SPECTRUM RELOCATION	11,468	11,729	594	5,669 48%
41	COI ADDITION PROJECT	20,621	16,628	1,349	2,741 16%
42	REVENUE FINANCED PROJECTS				
43	<b>TOTAL PFIA</b>	<b>108,494</b>	<b>55,361</b>	<b>5,006</b>	<b>25,759 47%</b>
44	AFUDC				0%
45	CAPITAL INDIRECT	()	()	807	11,237
46	LAPSE FACTOR	(64,021)			
47	<b>TOTAL Transmission Business Unit</b>	<b>\$373,886</b>	<b>\$390,441</b>	<b>\$35,718</b>	<b>\$235,728 60%</b>



# AUGUST 2009 QUARTERLY BUSINESS REVIEW

Report ID: 0027FY09

Requesting BL: CORPORATE BUSINESS UNIT

Unit of Measure: \$Thousands

## BPA Statement of Capital Expenditures

FYTD Through the Month Ended June 30, 2009

Preliminary Unaudited

Run Date/Run Time: August 10, 2009/ 07:36

Data Source: EPM Data Warehouse

75%

	FY 2009		FY 2009		FY 2009	
	SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / Forecast	
<b>Power Business Unit</b>						
48	BUREAU OF RECLAMATION-CAPITAL	38,924	33,900	2,620	16,356	48%
49	CORPS OF ENGINEERS-CAPITAL	136,232	117,000	(4,409)	46,608	40%
50	CONSERVATION ACQUISITION	32,000	20,000	3,405	12,122	61%
51	NON-GENERATION OPERATIONS			3	275	
52	FISH&WILDLIFE&PLANNING COUNCIL	50,000	30,000	3,858	13,150	44%
53	LAPSE FACTOR	(28,043)				
54	<b>TOTAL Power Business Unit</b>	<b>\$229,114</b>	<b>\$200,900</b>	<b>\$5,477</b>	<b>\$88,510</b>	<b>44%</b>
<b>Corporate Business Unit</b>						
55	CORPORATE BUSINESS UNIT	25,227	36,691	3,448	15,861	43%
56	LAPSE FACTOR	(4,487)				
57	<b>TOTAL Corporate Business Unit</b>	<b>\$20,740</b>	<b>\$36,691</b>	<b>\$3,448</b>	<b>\$15,861</b>	<b>43%</b>
58	<b>TOTAL BPA Capital Expenditures</b>	<b>\$623,740</b>	<b>\$628,032</b>	<b>\$44,643</b>	<b>\$340,099</b>	<b>54%</b>



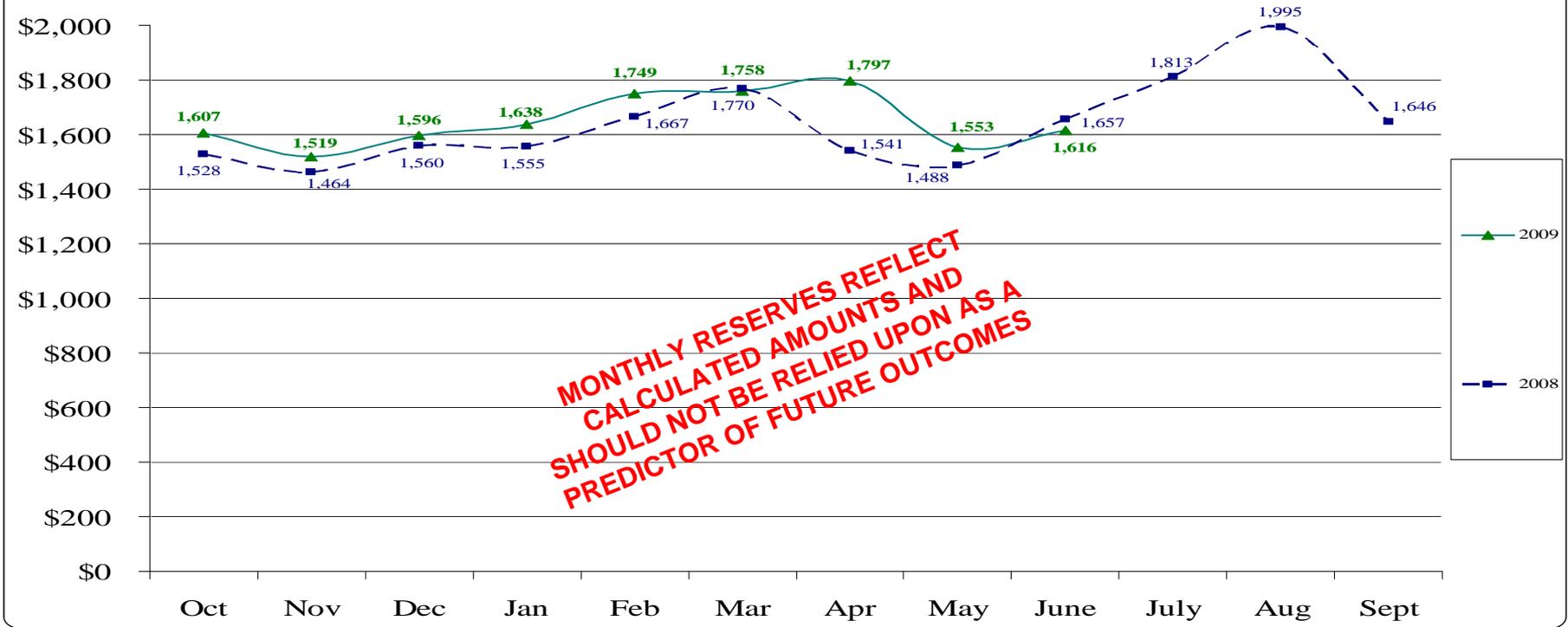
# AUGUST 2009 QUARTERLY BUSINESS REVIEW

## Financial Reserves

**Reserves as of the end of June are \$1.616 billion**

### BPA - Reserves

As of June 30, 2009 (in millions)



**End of Year Reserves Forecast: \$1.374 billion**

**Estimated Split Between Business Units:**

**Power: \$820 million    Transmission: \$554 million**

\* Forecasts of EOY reserves are based on statistical modeling of potential outcomes subject to a wide variety of inputs.

Funds held for others balance, estimate: \$205 million

*Unaudited*



# Transmission Contract Strategy Overview



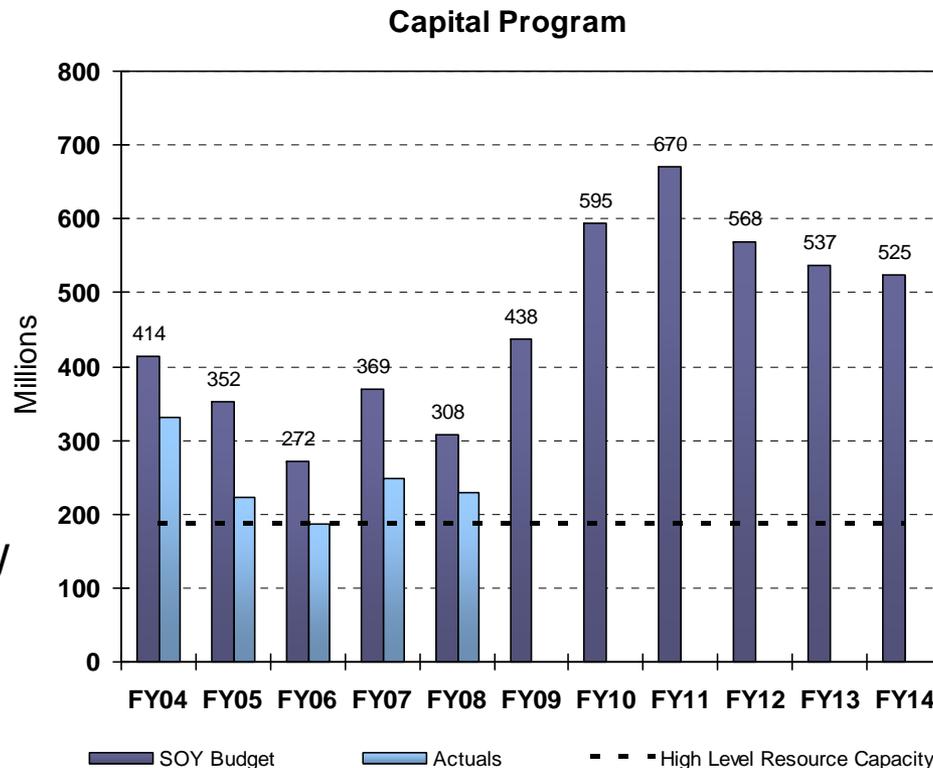
## Contract Strategy - Objective

- Transmission Services has developed a contracting strategy to help us deliver our capital program within budget, scope and schedule for fiscal years 2010-2014 and beyond if necessary. The contract strategy allows us to deliver work beyond our internal workforce capacity.
- Measures of Success:
  - KPI's – schedule, cost & quality. Measure both our internal & contractor performance.



## Contract Strategy - Major Drivers

- Rapidly increasing capital program due to major infrastructure projects and large replacement programs to take care of aging assets.
- History of not completing budgeted capital program and customer concerns heard during the IPR that this trend will continue.
- Shifting work priorities of internal forces for WECC/NERC mandatory standards.



## Contract Strategy - Major Drivers

External, Interrelated Forces:

- State Renewable Portfolio Legislation drives the demand for renewable energy projects, resulting in cycles of increased volume of Large and Small Generation Interconnection Requests.
  - Delayed by the recession and credit restrictions, some energization dates have moved from FY 2009 to FY 2010/2011.
  - But some developers will choose to advance schedules to qualify for incentives under the federal Reinvestment and Recovery Act.
  - Therefore, BPA must respond quickly and adapt design and construction methods to the ebb and flow of interconnection workload.
- The American Reinvestment and Recovery Act itself and DOE are encouraging BPA to accelerate capital program spending.



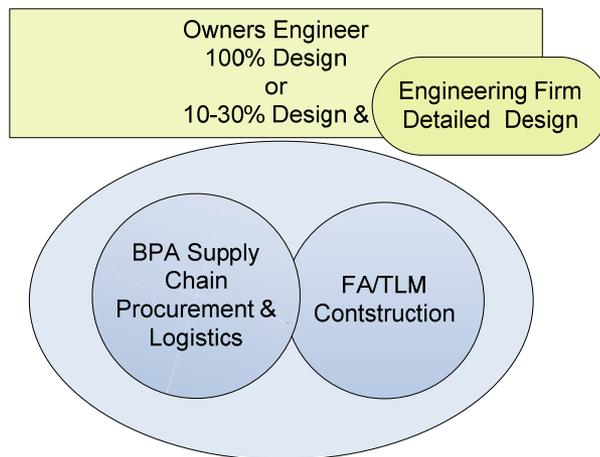
## How did BPA determine our Contract Strategy?

- A small team was tasked with recommending a contract strategy and a contract management structure. To make a recommendation the team:
  - Conducted benchmarking with private and public utilities from various parts of the country.
  - Conducted a market analysis.
    - Met with six EPC firms
    - Met with four Engineering firm
    - Met with one Procurement Analysis firm
    - Analyzed market using DenaliIntelligence market reports, market research, benchmarking and experience.
  - Conducted focus groups with our internal workforce.

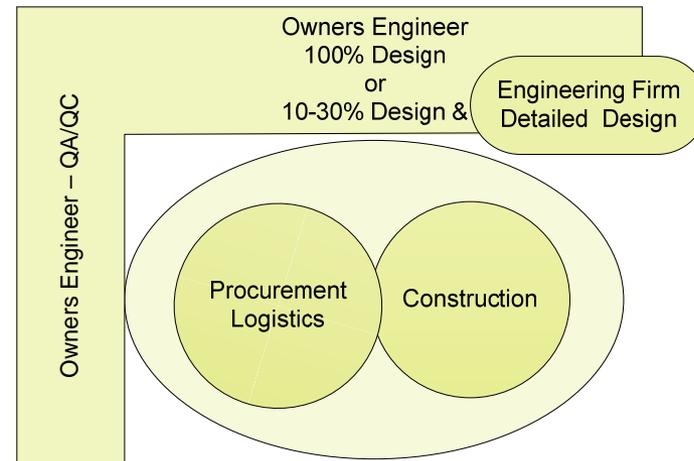


## Contract Strategy – E+

- BPA contracts with an Owner’s Engineer (OE) and E+ firm to design the project and prepare the construction packages which BPA will issue. Construction may be completed by in-house construction workforce or by contract. If completed by contract, the construction firm will procure and receive equipment and materials. The OE provides QA of materials, design and construction. BPA audits QA and accepts final products. OE and E+ contracts are time and material. Construction contracts are firm fixed price. BPA does final test, energization and acceptance.



**E+**  
with In-House Construction

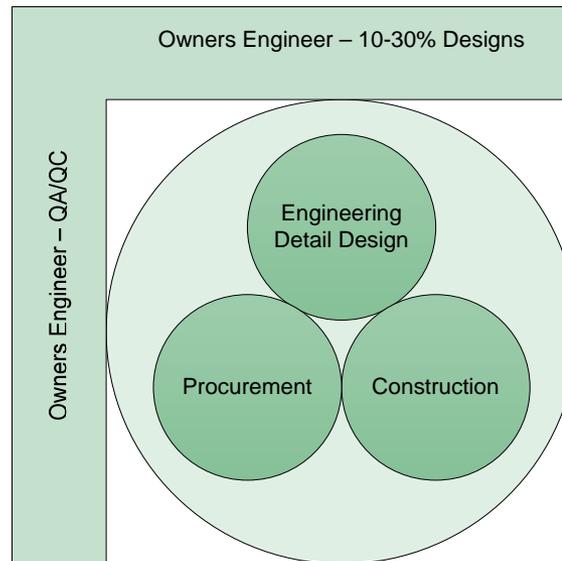


**E+**  
with Contract Construction



## Contract Strategy - EPC

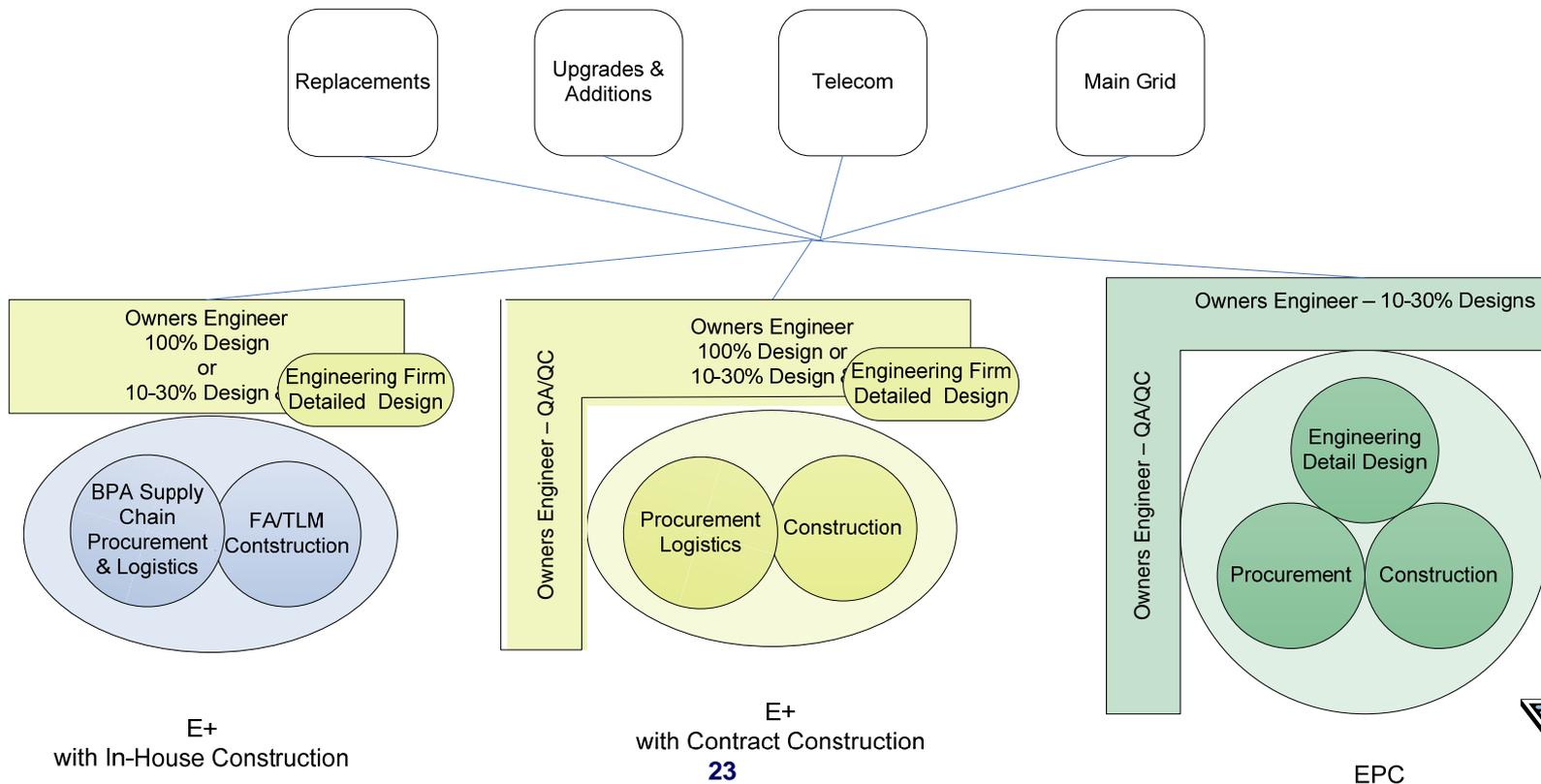
- BPA contracts with an Owner's Engineer (OE) to complete 10%-30% of the design and prepare the engineer/procure/construct (EPC) bid package which BPA will issue. The EPC firm completes the design, procures the materials and equipment, and constructs the project. The OE provides QA of materials, design and construction. BPA audits QA and accepts final products. OE contract is time and material. EPC contracts are firm fixed price or open book depending on project requirements. BPA does final test, energization and acceptance.



EPC



- Transmission Services' contract strategy is to use a combination of E+ and EPC contracts. Both E+ and EPC contracts have advantages to optimize either schedule and cost depending upon the project requirements.
- BPA will contract with a single engineering firm to act as our Owner's Engineer.



## E+ and EPC Trade-offs

- E+ contracts allow BPA to use our internal construction forces and keep them busy by alleviating design bottlenecks. Provides capability to put designs on the shelf or delay projects by having a staged off ramp. Controls cost by having a complete construction scope before bid. However, this process takes more time.
- EPC allows for schedule acceleration because design, material procurement and construction can overlap. Contractors carry more risk because scope is not as well defined so costs may be higher than E+/Construction strategy. There may be fewer potential conflicts between design and construction since one contractor is responsible for both.

## Why a single Owner's Engineer?

- Contracting with a single OE will provide continuity regardless of whether we use an E+ or EPC contract. We want to establish a long term partnership with an OE so that they can learn BPA's standards and processes.



## How will BPA Manage these Contracts? – Contract Management Team

A contract management team has been established to reduce the BPA resources required to administer the contracted work and to mitigate the program and contract risks. The objective of the team is to:

- Ensure acceptable, efficient performance by the contractor
- Establish performance targets (scope, cost, timeline)
- Effectively perform CO and COTR duties and plan contractors' work assignments
  - Ensure quality by performance of technical, financial and contract audits
- Provide a clearinghouse for engineering issues and reduce potential bottlenecks
- Develop and monitor risk mitigation plans for contracting strategy execution risks.



## **How will BPA decide what projects or programs are contracted?**

- A team has been formed to determine which FY10 projects will be contracted. This team will consider:
  - Project/Program Scope
  - Project/Program Cost & Schedule
  - Internal workforce capacity
  - Ease of contracting



## **Next Steps**

- Award OE contract– August 30, 2009
- Award EPC contracts – FY2010 or FY2011 depending on construction schedules.
- Complete identifying projects/programs to be contracted out in FY10.



# **New Capital Project Report and Asset Management Website**



# AUGUST 2009 QUARTERLY BUSINESS REVIEW

Major Capital Projects <sup>1</sup> - End-of-Project Target Performance						Q2 2009	
Ref	Project	Description	Direct <sup>2</sup> Capital \$M		In-Service Date		
			Target	Forecast	Target	Forecast	
<b>Transmission</b>							
3	Olympic Peninsula Reinforcement Project	Replace 14.5 miles of 115 kV line with a double circuit 230 kV line.	\$ 27.3	\$ 27.3	12/1/09	12/1/09	
6	Spacer Damper Replacement Program	Replace all spring type triple bundle spacer-dampers on the 500 kV system.	\$ 65.2	\$ 65.2	9/30/12	9/30/12	
4	Wood Pole Replacement Program	Implement a stable, sustained and funded wood pole replacement program.	\$ 5.6	\$ 6.2	Replace 250 poles in Q2	Replaced 286 in Q2	
5	Libby (FEC)-Troy 115 kV Rebuild	Rebuild the Libby-Troy line segment as a 115kV single circuit (in-kind rebuild).	\$ 14.3	\$ 14.3	11/30/09	11/30/09	
10	Big Eddy Tx Bank No. 5 Replacement	Replace 3 single-phase transformers due to age and to gain a 35 MVA capacity increase.	\$ 12.6	\$ 12.6	9/15/09	9/15/09	
13	COI 4800 Project	Upgrade California-Oregon intertie to improve transfer capability, decrease congestion and improve stability.	\$ 47.7	\$ 47.7	5/31/11	5/31/11	
20	3G 1710-1755 MHz Relocation Project	Vacate radio frequencies as required by P.L. 108-494.	\$ 48.6	\$ 48.6	3/31/13	3/31/13	
28	Access Roads	Includes 19 to 23 projects for road improvements in or near transmission corridors.	\$ 15.5	\$ 15.5	9/30/10	9/30/10	
39	500 kV Spare Transformer Project	Acquire 5 spares and relocate 2 existing transformers that will be used as spares. The spares will be placed strategically across the system.	\$ 33.6	\$ 33.6	9/30/11	9/30/11	
48	FY09 TEAP - Fleet Equipment	Purchase vehicles, test equipment and other tools with procurement activities complete by 5/31/09.	\$ 9.3	\$ 9.3	5/31/09	5/31/09	
51	West of McNary Reinforcement Group 1	West of McNary reinforcement project - group 1	\$ 246.5	\$ 246.5	12/31/12	12/1/12	
50	NEPA - I-5 Corridor Reinforcement	Conduct NEPA study, preliminary engineering and design.	\$ 14.0	\$ 14.0	9/30/12	9/30/12	
<b>Federal Hydro</b>							
1	Grand Coulee and Hungry Horse SCADA Replacement	Replace SCADA systems at Grand Coulee and Hungry Horse.	*	*	9/30/12	9/30/12	
2	Chief Joseph Turbine Replacements	Replace turbine runners on units 5 - 14 and study the replacement of runners on units 1 - 4, 15 and 16. Costs and dates here are for phase I - total costs will be \$111m with final completion in 2015.	\$ 61.3	\$ 56.9	9/30/11	9/30/11	
16	The Dalles Station Service Improvements	Install 2 new station service transformers and reconfigure existing units to a "base load" standby source.	*	*	9/30/11	6/30/11	
18	McNary Transformer Installation Banks T1-T2,T4-T5	Replace remaining original (50 year old) transformer banks.	\$ 27.2	\$ 27.2	9/30/11	9/30/10	
21	Grand Coulee Replace Transformer Bank K10A	Replace all 3 phases of the G10 generator step-up transformer bank K10.	*	*	4/30/11	12/31/10	
37	Grand Coulee Excitation Replacement	Replace 6 original excitation units in Powerhouse 3.	*	*	11/30/13	11/30/13	
38	Grand Coulee G19 - G20 Transformer Replacement	Replace 2 banks (6 single phase transformers) in the third powerhouse, units G19 and G20.	*	*	11/30/13	11/30/13	
<b>IT</b>							
45	RODS Replacement Project	Develop, build and deploy hardware and software to replace the current RODS functionality.	\$ 20.1	\$ 20.1	9/30/12	9/30/12	
<b>Facilities</b>							
24	Tri-Cities Consolidated Maintenance Headquarters	Acquire land and construct a consolidated maintenance HQ in the Tri Cities area. Transmission crews from Pasco, Franklin, Walla Walla, and McNary would be relocated.	*	*	9/30/10	2/28/11	

<sup>1</sup> Includes capital projects authorized at the agency level since August 2007

<sup>2</sup> Direct capital costs exclude AFUDC and overheads

\* Contracts have not been awarded - cost estimates are confidential



# AUGUST 2009 QUARTERLY BUSINESS REVIEW

The screenshot shows a web browser window titled "BPA - Asset Management - Windows Internet Explorer". The address bar shows the URL "http://www.bpa.gov/corporate/finance/assetmanagement/". The browser's menu bar includes "File", "Edit", "View", "Favorites", "Tools", and "Help". The page content features a navigation menu with links for "Agency Topics", "Finance & Rates", "Jobs", "Public Involvement", and "Contact". The main header includes the BPA logo and a search bar. The left sidebar contains a "Financial Information" menu with sub-items like "Annual Reports", "Quarterly Reports", "Financial Overview", "Budget Submission to Congress", "Debt Management", "Financial Plan", "Integrated Business Review", "Surplus Power Sales Report", "Resource Program", "Rate Information", "Asset Management", and "Adjust your View" options. The main content area is titled "Asset Management" and contains several sections: "The Asset Management site provides customers with a repository of information related to BPA's capital investment program...", "Major Capital Project Status Report", "Public Materials for FY 2009" (with a link to "2nd Quarter Project Status Report"), "Capital Projects Anticipated to be Submitted for Approval", "Public Materials for FY 2009" (with a link to "June Future Capital Project Status Report"), "Major Project Synopses", and another "Public Materials for FY 2009" section (with links to "Grand Coulee SCADA", "Chief Joseph Turbine Replacements", and "Olympic Peninsula Reinforcement Project"). The browser's status bar at the bottom shows "Done", "Local intranet", and "100%".



**BPA - Asset Management - Windows Internet Explorer**

http://www.bpa.gov/corporate/finance/assetmanagement/

File Edit View Favorites Tools Help

BPA - Asset Management

**USA.gov**

- ▶ Wood Pole Replacement Program
- ▶ Libby (FEC) - Troy 115kV Rebuild
- ▶ Spacer Damper Replacement Program
- ▶ Big Eddy Transmission Bank #5 Replacement
- ▶ COI 4800 Project
- ▶ The Dalles Service Station Improvements
- ▶ McNary Transformer Installation Banks T1, T2, T4, T5
- ▶ 3G 1710-1755 MHz Relocation Transformer Bank K10
- ▶ Grand Coulee Replacement of Transformers Bank K10
- ▶ Customer Billing and Contract System (CBC)
- ▶ Tri-Cities Consolodated Maintenance Headquarters
- ▶ Access Roads
- ▶ Transmission Asset System (TAS) Project
- ▶ Grand Coulee Excitation System Replacement
- ▶ Grand Coulee G19, G20 Transformer Replacement
- ▶ 500kV Spare transformer Project
- ▶ RODS Replacement Project
- ▶ FY 2009 TEAP Equipment
- ▶ #KC SONET Phase II Spur Healing
- ▶ Network Open Season (NOS) ADF
- ▶ West of McNary Reinforcement Group 1
- ▶ Lower Mid-Columbia 230kV Project
- ▶ McNary Main Unit 1-4 Stator Winding Replacement
- ▶ Redmond 230-115kV Transformer Addition
- ▶ John Day Powerhouse Bridge Crane Rehabilitation

**Other Information**

This area will be used to make other asset management-related information available for customers. This information will include policies and other documents related to BPA's Asset Management program.

**Capital Investment Program Policies**

- ▶ [Asset Management Policy](#)
- ▶ [Capital Project Authorization Policy](#)
- ▶ [Asset Management Strategies Policy](#)

Frequency of Posting: Monthly  
POC: [Dennis Naef](#)  
File format: PDF

**About BPA   BPA News   Publications   Education   Doing Business**

Done   Local intranet   100%



# AUGUST 2009 QUARTERLY BUSINESS REVIEW

## Capital Projects Anticipated to be Submitted for Agency Approval

April 1 to September 30, 2009

Project Title	Business Unit	Total Cost \$Millions	Project Description
Load, Obligation and Resource Analyzer	Information Technology	\$ 5.5	Holds forecasts of loads and load categories, after-the-fact data, contracts and obligations and has the ability to manipulate data as needed so alternative scenarios can be evaluated.
Data Center Modernization	Information Technology	\$ 13.6	Upgrades data center resources to establish a highly available environment on modern operating systems and hardware while reducing power consumption, cooling needs, floor space and system footprint.
Data Storage Modernization	Information Technology	\$ 12.1	Architects and implements storage to support operations and business continuity. Introduces tiered storage, improved management practices, and improves backup and recovery. Implements storage architecture that serves the agency at least until FY2020.
#KC SONET Project Continuation : Phase II - Spur Healing	Transmission	\$ 18.0	Replaces analog connections from the Marion, Ponderosa, Sand Springs, Adel, and Santiam sites with digital connections to the main digital communication rings established in Phase I.
MW Analog Replacement (Puget, Capitol Peak, Rainier Area), #NC00	Transmission	\$ 14.5	This project is part of the continuing effort to replace the analog MW system with either fiber optic cable or digital radios. The analog radio system has reached its expected life and its associated spare parts are no longer available. This project covers the Puget Area, Capitol Peak Area and Rainier Area.
Walla Walla - Tucannon River No. 1, 115kV Line Rebuild	Transmission	\$ 10.9	Transmission Line Rebuild. The Walla Walla-Tucannon River No. 1, 115kV line is 47 miles long and contains 295 wood structures (642 poles). This line was built in 1941.
RAS DC Upgrade (CCGO)	Transmission	\$ 11.1	This project, the DC RAS (Remedial Action Schemes) upgrade, will replace DC RAS Controllers A & B, located at Celilo, with new individual controllers at Dittmer and Munro Control Centers. It will replace old DC RAS transfer trip (TT) equipment with new equipment, using digital communications and digital compatible TT equipment where possible.
DeMoss-Fossil 115 kV Line Upgrade	Transmission	\$ 8.1	Construct a 115 kV ring bus at DeMoss Substation. Install a new transformer bank and breaker along with a grounding bank at Fossil Substation. Install a microwave radio system at Fossil Substation as well as a SCADA RTU. Mitigates voltage problems due to the Condon Wind project
FY09 Large Generation Interconnection Agreement (LGIA) projects	Transmission	\$ 30.0	Various LGIA projects that will have signed agreements and will be started by 12/31/2009.
FY10 Large Generation Interconnection Agreement (LGIA) projects	Transmission	\$ 35.0	Various LGIA projects that will have signed agreements and that must be started in FY09 or FY10 and must get completed no later than 12/31/2010.
Chief Joseph Turbine Replacement (6 units)	Federal Hydro	\$ 79.0	Replaces the remaining 6 turbine runners in the family of 16 units at Chief Joseph Dam. The first 10 runner replacements are underway. The new design improves efficiency over the existing runners.
The Dalles Governor Replacement	Federal Hydro	*	Replaces the governor controls for all units at The Dalles Dam using state-of-the-art digital technology, thereby improving reliability and responsiveness.

\* Contract not awarded - cost estimate is confidential



## AUGUST 2009 QUARTERLY BUSINESS REVIEW

Capital Projects Anticipated to be Submitted for Agency Approval April 1 to September 30, 2009			
Fire Protection - John Day, Bonneville, The Dalles	Federal Hydro	*	Upgrades to the fire detection systems for the occupied spaces within the powerhouse, the HVAC system and the emergency egresses, with the final phase possibly refurbishing and/or upgrading fire suppression systems for main unit generators.
Ice Harbor Turbine Design	Federal Hydro	*	Demonstration of an innovative design process for turbine runner replacements that will attempt to maximize juvenile fish passage through turbines. Will result in the installation and testing of up to 2 new turbine runners at Ice Harbor Dam.
Hills Creek Runner Replacement	Federal Hydro	*	Replaces badly deteriorated/cracked turbine runners at Hills Creek to improve long-term reliability, reduce risk of catastrophic failure and simplify runner maintenance.
Grand Coulee TPP Governor Replacement	Federal Hydro	*	Replaces the governor controls for all units in Grand Coulee's Third Power Plant using state-of-the-art digital technology, thereby improving reliability and responsiveness.
Lower Snake River Plants Exciter Replacements	Federal Hydro	*	Replace 12 aging, main unit generation excitation systems at three Lower Snake River Dams, namely Lower Granite, Little Goose and Lower Monumental with state-of-the-art static technology, thereby improving reliability and responsiveness
Grand Coulee G1 - G9 Transformer Replacement	Federal Hydro	*	Purchase and delivery of some number of transformers and their installation spread over time to replace old transformers, up to 27 single phase tanks. Current transformers range in condition and age; this project will target replacement of those banks of transformers in the worst condition, based on FCRPS's equipment condition index using its assessment methodology.
Black Canyon - New Unit	Federal Hydro	*	Design and construction of a new single unit powerhouse next to the existing powerhouse at Black Canyon Dam, and purchase and install a new generating unit within the new powerhouse. Capacity of new unit not yet determined, but will be able to reduce "above turbine capacity" spills at the dam.

\* Contract not awarded - cost estimate is confidential



## Grand Coulee & Hungry Horse SCADA Replacement

This project involves replacing obsolete hardware and proprietary software that the currently installed SCADA system uses in operating both Grand Coulee and Hungry Horse facilities. The replacement system involves up-to-date modular hardware and non-proprietary software. This new system will be completely assembled, programmed and tested before installation begins at Grand Coulee. Installation will be incremental, gradually taking over functions from the current SCADA system until the new system is fully operational. The project scope includes disposing of the current system and its components.

SCADA systems are vitally important to BPA operations as they are used to collect real-time reservoir operations and water release data, provide operational tools for management of available water supplies, and provide cost-effective and efficient hydropower generation peaking. At Grand Coulee, the system also provides process control technology for river regulation, flood control, water deliveries for irrigation and domestic uses, as well as power, and environmental enhancement opportunities.

The Grand Coulee SCADA system is at the end of its useful life and requires replacement in order to maintain existing service and performance levels. In 1999, the Department of the Interior identified the Grand Coulee SCADA system as a critical infrastructure system as defined in the Presidential Decision Directive 63, and as such, its functionality must be maintained.

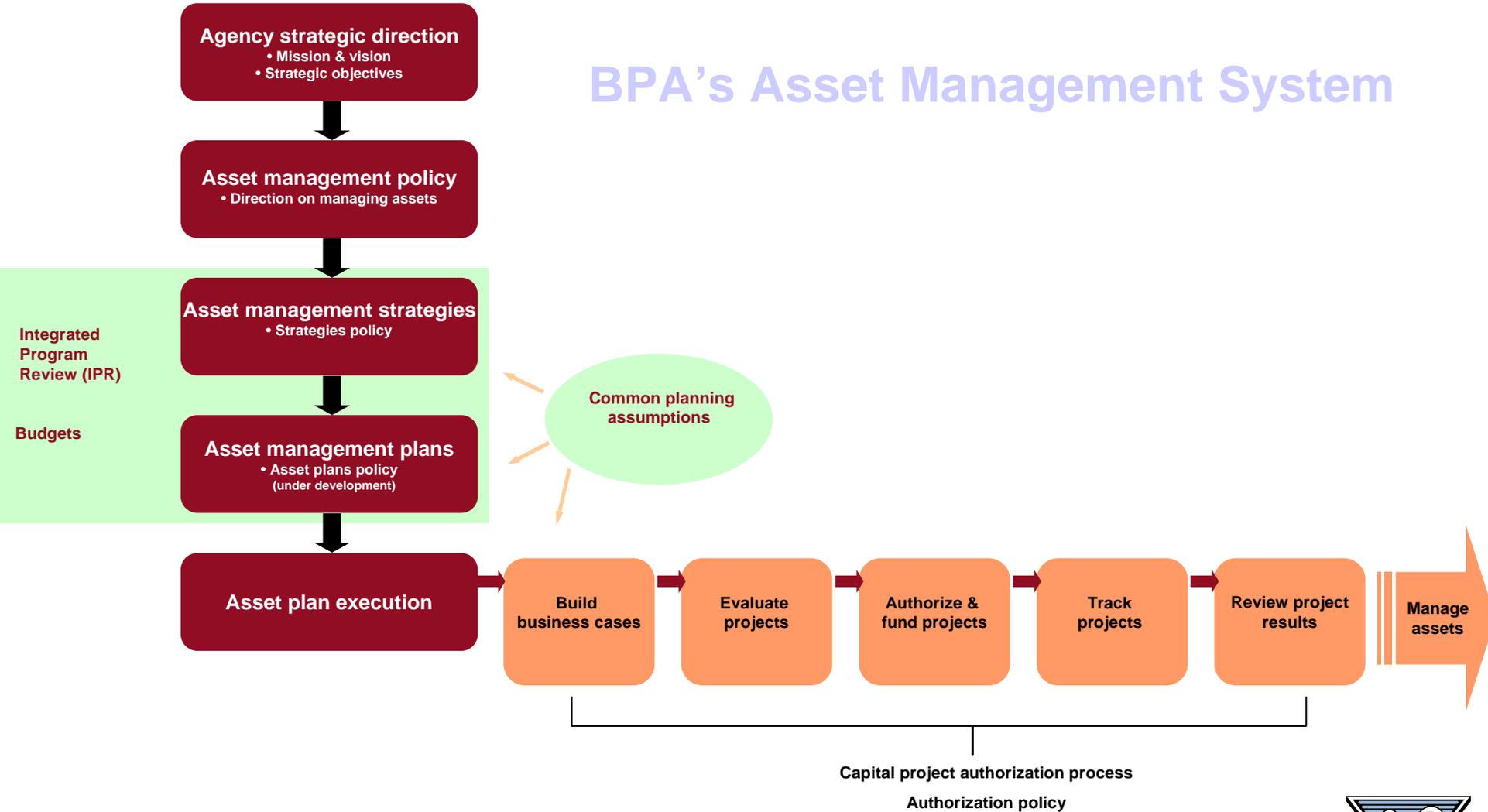
The new system is scheduled to be fully operational by the end of FY 2012. Project cost estimates are business sensitive information and cannot be disclosed until the competitive solicitation, evaluation, negotiation and award processes with vendors is completed.



# Asset Management Strategy



# BPA's Asset Management System



*New policy*

# ***Asset Management Strategies***

- Converts the agency's mission, vision, and strategic objectives into long-term investment and maintenance strategies
  
- Designed to answer these questions:
  - *Which assets are critical to achieving reliability, availability, adequacy and other long-term outcomes?*
  
  - *What performance objectives should we set for critical assets?*
  
  - *How are our critical assets performing today?*
  
  - *What are the performance gaps to meeting the performance objectives, and which gaps should we close?*
  
  - *What are the risks to closing the gaps, and which risks should we manage?*
  
  - *What should our investment and maintenance strategies be?*
  
  - *What are the anticipated costs?*



*New policy*

# ***Asset Management Strategies***

- Assigns priority to the most critical assets at greatest risk
- Driven by asset performance objectives
- Spans a 10-year planning horizon
- Covers all four phases of asset life
  - Invest, operate, maintain, and renew/dispose
  - May take a couple of planning cycles to get there
- Strategies will drive the development of:
  - Planning levels for capital investment and maintenance
  - Detailed asset plans
- Applies to transmission, federal hydro, facilities and IT assets this cycle



## Comments

Comments and feedback can be submitted one of three ways:

1. Submit comments via e-mail to: [comment@bpa.gov](mailto:comment@bpa.gov)
2. Submit written comments to:  
Bonneville Power Administration  
P.O. Box 14428  
Portland, OR 97293-4428
3. Submit comments via fax to: (503) 230-3285.



# Appendix

*Power and Transmission Services  
Detailed Statement of Revenues and Expenses*



# Power Services



# AUGUST 2009 QUARTERLY BUSINESS REVIEW

Report ID: 0060FY09	<b>Power Services Detailed Statement of Revenues and Expenses</b>	Run Date/Time: August 10, 2009 07:20
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended June 30, 2009	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 75%

	A	B	C	D	E	F
	FY 2008	FY 2009			FY 2009	FY 2009
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>Operating Revenues</b>						
1 <b>Gross Sales (excluding bookout adjustment) &lt;Note 1</b>	\$2,323,087	\$2,533,991	\$2,458,640	\$2,128,313	\$1,652,351	78%
2 <b>Bookout Adjustment to Sales &lt;Note 1</b>	(109,704)			(29,297)	(29,297)	100%
3 <b>Miscellaneous Revenues</b>	27,295	30,921	30,921	27,894	25,004	90%
4 <b>Inter-Business Unit</b>	68,582	79,306	79,306	76,134	58,182	76%
5 <b>Derivative Instruments &lt;Note 2</b>	(30,564)			(32,066)	(32,066)	100%
6 <b>U.S. Treasury Credits</b>	104,992	93,080	95,171	93,172	65,792	71%
7 <b>Total Operating Revenues</b>	<b>\$2,383,688</b>	<b>\$2,737,298</b>	<b>\$2,664,037</b>	<b>\$2,264,150</b>	<b>\$1,739,967</b>	<b>77%</b>
<b>Operating Expenses</b>						
<b>Power System Generation Resources</b>						
<b>Operating Generation</b>						
8 COLUMBIA GENERATING STATION	236,736	293,700	293,450	288,300	230,943	80%
9 BUREAU OF RECLAMATION	72,110	82,100	82,100	81,300	58,223	72%
10 CORPS OF ENGINEERS	178,442	179,500	179,500	176,900	115,655	65%
11 LONG-TERM CONTRACT GENERATING PROJECTS	27,080	31,613	31,613	31,961	19,361	61%
12 <b>Sub-Total</b>	514,367	586,913	586,663	578,461	424,182	73%
<b>Operating Generation Settlement Payment</b>						
13 COLVILLE GENERATION SETTLEMENT	20,499	20,909	20,909	18,170	16,498	91%
14 SPOKANE GENERATION SETTLEMENT						
15 <b>Sub-Total</b>	20,499	20,909	20,909	18,170	16,498	91%
<b>Non-Operating Generation</b>						
16 TROJAN DECOMMISSIONING	1,448	2,500	2,500	(1,390)	(1,635)	118%
17 WNP-1&3 DECOMMISSIONING	(20)	404	404	500	465	93%
18 <b>Sub-Total</b>	1,428	2,904	2,904	(890)	(1,169)	131%
<b>Gross Contracted Power Purchases (excluding bookout adjustments) &lt;Note 1</b>						
19 DSI MONETIZED POWER SALES	55,149	54,999	54,999	45,680	35,984	79%
20 PNCA HEADWATER BENEFITS	1,652	1,714	1,714	1,714	1,021	60%
21 OTHER POWER PURCHASES - (e.g. Short-Term)	468,483	74,835	129,578	238,861	187,915	79%
22 <b>Sub-Total</b>	525,285	131,548	186,291	286,255	224,920	79%
23 <b>Bookout Adjustments to Contracted Power Purchases &lt;Note 1</b>	(109,704)			(29,297)	(29,297)	100%
<b>Augmentation Power Purchases (includes IOU Load Reduc. and Buy Backs)</b>						
24 AUGMENTATION POWER PURCHASES	4,148	161,121	3,328	2,030	1,214	60%
25 CONSERVATION AUGMENTATION						
26 <b>Sub-Total</b>	4,148	161,121	3,328	2,030	1,214	60%
<b>Exchanges &amp; Settlements</b>						
27 RESIDENTIAL EXCHANGE PROGRAM	(1,171)	251,416	251,416	203,300	166,383	82%
28 OTHER SETTLEMENTS	1,500					
29 <b>Sub-Total</b>	329	251,416	251,416	203,300	166,383	82%
<b>Renewable Generation</b>						
30 RENEWABLES R&D	1,207		1,359	1,396	520	37%
31 RENEWABLE CONSERVATION RATE CREDIT	3,830	6,000	6,000	6,000	4,823	80%
32 RENEWABLES	32,065	37,955	34,145	33,466	22,984	69%
33 <b>Sub-Total</b>	37,102	43,955	41,504	40,862	28,327	69%



# AUGUST 2009 QUARTERLY BUSINESS REVIEW

Report ID: 0060FY09	<b>Power Services Detailed Statement of Revenues and Expenses</b>	Run Date\Time: August 10, 2009 07:20
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended June 30, 2009	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 75%

	A	B			C	D	E	F
	FY 2008	FY 2009			SOY Budget	Current EOY Forecast	FY 2009	FY 2009
	Actuals	Rate Case					Actuals	Actuals per Forecast
<b>Generation Conservation</b>								
34	484			2,184		2,184	1,149	53%
35	261	1,600		1,600		700	211	30%
36	4,176	7,000		7,000		8,000	3,821	48%
37	4,135	5,812		5,812		6,526	3,269	50%
38	11,205	22,000		22,000		13,000	7,947	61%
39	1,666	2,114		2,114		1,300	463	36%
40	9,353	10,000		10,000		10,000	7,374	74%
41	<b>Sub-Total</b>			<b>48,526</b>		<b>50,710</b>	<b>24,234</b>	<b>58%</b>
42	<b>Conservation Rate Credit (CRC)</b>	<b>26,688</b>		<b>32,000</b>		<b>24,700</b>	<b>17,610</b>	<b>71%</b>
43	<b>Power System Generation Sub-Total</b>	<b>1,051,421</b>		<b>1,279,292</b>		<b>1,175,725</b>	<b>872,901</b>	<b>75%</b>
<b>Power Non-Generation Operations</b>								
<b>Power Services System Operations</b>								
44	137							
45	1			229		228	30	13%
46	5,286	5,423		5,411		5,932	4,305	73%
47	6,554	7,648		7,648		7,674	5,545	72%
48	1,754	2,486		2,486		1,828	1,388	76%
49	<b>Sub-Total</b>	<b>13,732</b>		<b>15,557</b>		<b>15,662</b>	<b>11,268</b>	<b>72%</b>
<b>Power Services Scheduling</b>								
50	7,985	9,571		9,571		8,198	6,151	75%
51	78			38		38		0%
52	5,783	5,969		5,969		6,027	4,515	75%
53	<b>Sub-Total</b>	<b>13,846</b>		<b>15,540</b>		<b>14,263</b>	<b>10,666</b>	<b>75%</b>
<b>Power Services Marketing and Business Support</b>								
54	16,735	18,988		19,726		17,761	13,250	75%
55	12,420	14,820		14,211		15,336	10,254	67%
56	2,264	3,123		3,125		2,104	1,611	77%
57	7,903	7,996		8,006		8,051	6,331	79%
58	<b>Sub-Total</b>	<b>39,321</b>		<b>44,927</b>		<b>43,252</b>	<b>31,446</b>	<b>73%</b>
59	<b>Power Non-Generation Operations Sub-Total</b>	<b>66,899</b>		<b>76,024</b>		<b>73,177</b>	<b>53,380</b>	<b>73%</b>
<b>Power Services Transmission Acquisition and Ancillary Services</b>								
<b>PBL Transmission Acquisition and Ancillary Services</b>								
60	113,816	116,878		116,878		106,634	81,956	77%
61	43,136	50,370		50,370		46,370	30,948	67%
62	1,591	1,000		1,000		2,000	1,565	78%
63	7,263	6,800		6,800		6,800	5,230	77%
64	54	50		50		50		0%
65	<b>Power Srvcs Trans Acquisition and Ancillary Services Sub-Total</b>	<b>165,861</b>		<b>175,098</b>		<b>161,854</b>	<b>119,700</b>	<b>74%</b>
<b>Fish and Wildlife/USF&amp;W/Planning Council/Environmental Req</b>								
<b>BPA Fish and Wildlife (includes F&amp;W Shared Services)</b>								
66	148,879	199,998		200,000		185,000	115,724	63%
67	19,403	19,690		21,116		21,116	14,809	70%
68	8,245	9,450		9,450		9,450	7,439	79%
69	68	300		300				
70	<b>Fish and Wildlife/USF&amp;W/Planning Council Sub-Total</b>	<b>176,594</b>		<b>229,439</b>		<b>230,866</b>	<b>137,973</b>	<b>64%</b>



# AUGUST 2009 QUARTERLY BUSINESS REVIEW

Report ID: 0060FY09	<b>Power Services Detailed Statement of Revenues and Expenses</b>	Run Date/Time: August 10, 2009 07:20
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended June 30, 2009	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 75%

	A	B			C	D	E	F
	FY 2008	FY 2009					FY 2009	FY 2009
	Actuals	Rate Case	SOY Budget	Current EOY Forecast			Actuals	Actuals per Forecast
<b>BPA Internal Support</b>								
71 Additional Post-Retirement Contribution	9,000	15,277	15,277	15,277			11,458	75%
72 Agency Services G&A (excludes direct project support)	48,160	44,994	46,503	46,617			35,861	77%
73 <b>BPA Internal Support Sub-Total</b>	<b>57,160</b>	<b>60,271</b>	<b>61,780</b>	<b>61,894</b>			<b>47,319</b>	<b>76%</b>
74 <b>Bad Debt Expense</b>	(42)			2			2	100%
75 <b>Other Income, Expenses, Adjustments</b>	(3,241)	3,600	3,600	(2,337)			(2,336)	100%
<b>Non-Federal Debt Service</b>								
<b>Energy Northwest Debt Service</b>								
76 COLUMBIA GENERATING STATION DEBT SVC	114,911	224,634	184,339	158,513			105,438	67%
77 WNP-1 DEBT SVC	130,258	169,342	126,570	117,786			78,700	67%
78 WNP-3 DEBT SVC	145,125	150,817	122,390	112,560			79,669	71%
79 EN RETIRED DEBT	95,000		37,500	27,500			27,500	100%
80 EN LIBOR INTEREST RATE SWAP	4,668		5,000	23,000			16,226	71%
81 <b>Sub-Total</b>	489,964	544,793	475,799	439,359			307,534	70%
<b>Non-Energy Northwest Debt Service</b>								
82 TROJAN DEBT SVC	5,976			1,314			1,314	100%
83 CONSERVATION DEBT SVC	5,268	5,188	5,188	5,188			3,931	76%
84 COWLITZ FALLS DEBT SVC	11,711	11,571	11,571	11,571			8,777	76%
85 NORTHERN WASCO DEBT SVC	2,168	2,168	2,168	2,166			2,671	123%
86 <b>Sub-Total</b>	22,954	18,927	18,927	20,239			16,692	82%
87 <b>Non-Federal Debt Service Sub-Total</b>	<b>512,918</b>	<b>563,720</b>	<b>494,726</b>	<b>459,598</b>			<b>324,226</b>	<b>71%</b>
88 <b>Depreciation</b>	113,374	113,877	113,877	108,800			81,376	75%
89 <b>Amortization</b>	70,092	74,703	74,702	71,335			52,782	74%
90 <b>Total Operating Expenses</b>	<b>\$2,211,037</b>	<b>\$2,576,023</b>	<b>\$2,406,794</b>	<b>\$2,315,190</b>			<b>\$1,687,322</b>	<b>73%</b>
91 <b>Net Operating Revenues (Expenses)</b>	<b>\$172,651</b>	<b>\$161,275</b>	<b>\$257,244</b>	<b>(\$51,041)</b>			<b>\$52,645</b>	<b>-203%</b>
<b>Interest Expense and (Income)</b>								
92 Federal Appropriation	221,268	221,992	219,556	217,842			163,305	75%
93 Capitalization Adjustment	(45,937)	(45,937)	(45,937)	(45,937)			(34,453)	75%
94 Borrowings from US Treasury	41,133	51,388	38,094	35,819			27,608	77%
95 AFUDC	(15,160)	(11,400)	(14,800)	(7,700)			(2,794)	36%
96 Interest Income	(58,558)	(57,967)	(64,163)	(45,299)			(36,110)	80%
97 <b>Net Interest Expense (Income)</b>	<b>142,746</b>	<b>158,076</b>	<b>132,750</b>	<b>154,725</b>			<b>117,557</b>	<b>76%</b>
98 <b>Total Expenses</b>	<b>\$2,353,782</b>	<b>\$2,734,100</b>	<b>\$2,539,544</b>	<b>\$2,469,915</b>			<b>\$1,804,879</b>	<b>73%</b>
99 <b>Net Revenues (Expenses)</b>	<b>\$29,905</b>	<b>\$3,198</b>	<b>\$124,494</b>	<b>(\$205,766)</b>			<b>(\$64,912)</b>	<b>32%</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.



# Transmission Services



# AUGUST 2009 QUARTERLY BUSINESS REVIEW

Report ID: 0061FY09

## Transmission Services Detailed Statement of Revenues and Expenses

Run Date/Time: August 10, 2009 07:21

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended June 30, 2009

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Lapsed = 75%

	A	B <sup>&lt;Note 1</sup>	C	D	E	F
	FY 2008	FY 2009			FY 2009	FY 2009
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>Operating Revenues</b>						
<b>Sales</b>						
<b>Network</b>						
Network Integration	\$120,964	\$118,454	\$122,326	\$116,322	\$90,777	78%
Other Network	352,138	338,729	345,080	352,000	258,322	73%
<b>Intertie</b>	68,721	66,892	66,652	67,849	50,660	75%
Other Direct Sales	142,141	123,189	147,798	151,038	118,357	78%
<b>Miscellaneous Revenues</b>	37,548	32,605	32,500	33,791	19,383	57%
<b>Inter-Business Unit Revenues</b>	122,703	107,951	117,453	116,232	88,863	76%
<b>Total Operating Revenues</b>	<b>\$844,215</b>	<b>\$787,819</b>	<b>\$831,809</b>	<b>\$837,231</b>	<b>\$626,362</b>	<b>75%</b>
<b>Operating Expenses</b>						
<b>Transmission Operations</b>						
<b>System Operations</b>						
INFORMATION TECHNOLOGY	4,465	681	6,081	6,700	3,711	55%
POWER SYSTEM DISPATCHING	10,268	10,332	11,021	11,386	8,245	72%
CONTROL CENTER SUPPORT	10,978	9,613	12,890	10,659	8,051	76%
TECHNICAL OPERATIONS	4,193	3,770	5,624	5,512	3,544	64%
SUBSTATION OPERATIONS	18,712	19,143	18,027	18,626	13,994	75%
<b>Sub-Total</b>	48,616	43,539	53,643	52,882	37,545	71%
<b>Scheduling</b>						
MANAGEMENT SUPERVISION & ADMINISTRATION	491	1,071	444	296	199	67%
RESERVATIONS	871	469	975	747	581	78%
PRE-SCHEDULING	360	771	427	360	199	55%
REAL-TIME SCHEDULING	3,815	4,039	4,599	3,181	2,497	78%
SCHEDULING TECHNICAL SUPPORT	1,540	2,738	2,217	1,329	1,145	86%
SCHEDULING AFTER-THE-FACT	1,243	680	385	338	242	71%
<b>Sub-Total</b>	8,320	9,768	9,046	6,252	4,862	78%
<b>Marketing and Business Support</b>						
TRANSMISSION SALES	2,055		2,985	2,546	1,955	77%
MKTG INTERNAL OPERATIONS	137	884		3	3	100%
MKTG TRANSMISSION FINANCE	392	832	377	350	309	88%
MKTG CONTRACT MANAGEMENT	3,530	1,498	3,841	3,987	2,704	68%
MKTG TRANSMISSION BILLING	2,027	1,962	2,920	2,801	2,038	73%
MKTG BUSINESS STRAT & ASSESS	3,982	2,496	6,298	4,762	3,970	83%
MARKETING IT SUPPORT	575	123		300	22	7%
MARKETING AND SALES		2,283				
METER DATA		1,385				
<b>Marketing Sub-Total</b>	12,698	11,463	18,337	14,750	11,002	75%
<b>EXECUTIVE AND ADMIN SERVICES</b>	8,594	8,191	7,419	12,040	7,442	62%
<b>LEGAL SUPPORT</b>	2,038		2,852	2,483	1,788	72%
<b>TRANS SERVICES INTERNAL GENERAL &amp; ADMINISTRATIVE</b>	10,679	7,733	15,737	4,424	5,930	134%
<b>AIRCRAFT SERVICES</b>	679	1,360	1,119	1,147	473	41%
<b>LOGISTICS SERVICES</b>	4,040	5,185	6,054	6,042	3,389	56%
<b>SECURITY ENHANCEMENTS</b>	1,226	1,049	1,336	3,159	2,321	73%
<b>Business Support Sub-Total</b>	27,256	23,518	34,518	29,294	21,343	73%
<b>Transmission Operations Sub-Total</b>	<b>96,891</b>	<b>88,288</b>	<b>115,544</b>	<b>103,179</b>	<b>74,752</b>	<b>72%</b>



# AUGUST 2009 QUARTERLY BUSINESS REVIEW

Report ID: 0061FY09

## Transmission Services Detailed Statement of Revenues and Expenses

Run Date/Time: August 10, 2009 07:21

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended June 30, 2009

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Lapsed = 75%

	A	B <sup>&lt;Note 1</sup>	C	D	E	F
	FY 2008	FY 2009			FY 2009	FY 2009
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>Transmission Maintenance</b>						
<b>System Maintenance</b>						
39	NON-ELECTRIC MAINTENANCE	9,340	11,229	11,796	11,154	7,343 66%
40	SUBSTATION MAINTENANCE	25,154	17,827	21,634	25,240	19,226 76%
41	TRANSMISSION LINE MAINTENANCE	20,182	19,191	26,596	21,001	16,828 80%
42	SYSTEM PROTECTION CONTROL MAINTENANCE	10,864	9,911	10,717	11,900	8,733 73%
43	POWER SYSTEM CONTROL MAINTENANCE	10,328	10,858	10,083	10,786	7,495 69%
44	JOINT COST MAINTENANCE	207		191	100	92 92%
45	SYSTEM MAINTENANCE MANAGEMENT	5,167	6,958	5,858	8,040	7,864 98%
46	ROW MAINTENANCE	28,302	13,088	16,330	32,407	23,529 73%
47	HEAVY MOBILE EQUIP MAINT	355	836		()	199
48	TECHNICAL TRAINING	2,149	4,092	2,592	2,375	1,889 80%
49	<b>Sub-Total</b>	<b>112,047</b>	<b>93,990</b>	<b>105,797</b>	<b>123,002</b>	<b>93,199 76%</b>
<b>Environmental Operations</b>						
50	ENVIRONMENTAL ANALYSIS	86		106	54	34 63%
51	POLLUTION PREVENTION AND ABATEMENT	3,050	3,491	3,491	3,450	2,215 64%
52	<b>Sub-Total</b>	<b>3,136</b>	<b>3,491</b>	<b>3,597</b>	<b>3,504</b>	<b>2,249 64%</b>
53	<b>Transmission Maintenance Sub-Total</b>	<b>115,183</b>	<b>97,481</b>	<b>109,395</b>	<b>126,506</b>	<b>95,448 75%</b>
<b>Transmission Engineering</b>						
<b>System Development</b>						
54	RESEARCH & DEVELOPMENT	3,417	3,466	5,266	4,981	3,910 79%
55	TSD PLANNING AND ANALYSIS	6,306	3,534	8,286	7,444	5,923 80%
56	CAPITAL TO EXPENSE TRANSFER	6,050	7,000	4,000	2,585	1,061 41%
57	REGULATORY & REGION ASSOC FEES	4,118	2,250	5,376	5,487	3,924 72%
58	ENVIRONMENTAL POLICY/PLANNING	1,266	1,307	1,578	1,418	993 70%
59	<b>Sub-Total</b>	<b>21,157</b>	<b>17,557</b>	<b>24,505</b>	<b>21,915</b>	<b>15,812 72%</b>
60	<b>Transmission Engineering Sub-Total</b>	<b>21,157</b>	<b>17,557</b>	<b>24,505</b>	<b>21,915</b>	<b>15,812 72%</b>
<b>Trans. Services Transmission Acquisition and Ancillary Services</b>						
<b>BBL Acquisition and Ancillary Products and Services</b>						
61	ANCILLARY SERVICES PAYMENTS	54,894	45,521	63,833	65,067	46,778 72%
62	OTHER PAYMENTS TO POWER SERVICES	10,799	7,397	11,884	11,884	8,913 75%
63	STATION SERVICES PAYMENTS	2,818	3,589	3,589	3,149	2,491 79%
64	<b>Sub-Total</b>	<b>68,511</b>	<b>56,507</b>	<b>79,306</b>	<b>80,100</b>	<b>58,182 73%</b>
<b>Non-BBL Acquisition and Ancillary Products and Services &lt;Note 2</b>						
65	LEASED FACILITIES	5,140	16,098	15,621	5,108	4,439 87%
66	GENERAL TRANSFER AGREEMENTS (settlement)		950	500	500	0 0%
67	NON-BBL ANCILLARY SERVICES	1,047	3,050	1,723	1,085	494 46%
68	<b>Sub-Total</b>	<b>6,188</b>	<b>20,098</b>	<b>17,844</b>	<b>6,693</b>	<b>4,933 74%</b>
69	<b>Trans. Svcs. Acquisition and Ancillary Services Sub-Total</b>	<b>74,698</b>	<b>76,605</b>	<b>97,149</b>	<b>86,793</b>	<b>63,115 73%</b>
<b>Transmission Reimbursables</b>						
<b>Reimbursables</b>						
70	EXTERNAL REIMBURSABLE SERVICES	10,021	10,000	8,618	5,400	4,352 81%
71	INTERNAL REIMBURSABLE SERVICES	1,943		1,382	4,646	2,201 47%
72	<b>Sub-Total</b>	<b>11,964</b>	<b>10,000</b>	<b>10,000</b>	<b>10,046</b>	<b>6,553 65%</b>
73	<b>Transmission Reimbursables Sub-Total</b>	<b>11,964</b>	<b>10,000</b>	<b>10,000</b>	<b>10,046</b>	<b>6,553 65%</b>



# AUGUST 2009 QUARTERLY BUSINESS REVIEW

Report ID: 0061FY09

## Transmission Services Detailed Statement of Revenues and Expenses

Run Date/Time: August 10, 2009 07:21

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended June 30, 2009

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Lapsed = 75%

	A	B <sup>&lt;Note 1</sup>	C	D	E	F
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	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>BPA Internal Support</b>						
74	Additional Post-Retirement Contribution	9,000	15,277	15,277	15,277	11,458 75%
75	Agency Services G & A (excludes direct project support)	55,366	68,524	44,448	45,406	35,287 78%
76	<b>BPA Internal Support Subtotal</b>	<b>64,366</b>	<b>83,801</b>	<b>59,725</b>	<b>60,683</b>	<b>46,744 77%</b>
<b>Other Income, Expenses, and Adjustments</b>						
77	Bad Debt Expense	(58)			12	12 100%
78	Other Income, Expenses, Adjustments	(1,321)			(222)	(222) 100%
79	Undistributed Reduction		(2,000)	(2,000)		
80	Non-Federal Debt Service <Note 2		11,544	6,886		
81	Depreciation	173,693	198,535	189,182	175,700	129,447 74%
82	Amortization <Note 2	906		1,466	1,200	894 75%
83	<b>Total Operating Expenses</b>	<b>\$557,478</b>	<b>\$581,811</b>	<b>\$611,853</b>	<b>\$585,813</b>	<b>\$432,555 74%</b>
84	<b>Net Operating Revenues (Expenses)</b>	<b>\$286,737</b>	<b>\$206,008</b>	<b>\$219,956</b>	<b>\$251,418</b>	<b>\$193,807 77%</b>
<b>Interest Expense and (Income)</b>						
85	Federal Appropriation	40,838	35,714	36,444	35,356	26,517 75%
86	Capitalization Adjustment	(18,968)	(18,968)	(18,968)	(18,968)	(14,226) 75%
87	Borrowings from US Treasury	80,346	126,523	79,480	77,230	58,690 76%
88	Debt Service Reassignment	51,137	42,347	55,971	55,971	41,978 75%
89	Customer Advances	10,915			8,824	6,204 70%
90	Lease Financing	11,063			17,973	12,205 68%
91	AFUDC	(16,897)	(10,798)	(9,500)	(20,479)	(14,401) 70%
92	Interest Income	(22,075)	(9,876)	(18,745)	(30,746)	(22,722) 74%
93	<b>Net Interest Expense (Income)</b>	<b>136,360</b>	<b>164,942</b>	<b>124,682</b>	<b>125,161</b>	<b>94,245 75%</b>
94	<b>Total Expenses</b>	<b>\$693,838</b>	<b>\$746,753</b>	<b>\$736,535</b>	<b>\$710,974</b>	<b>\$526,800 74%</b>
95	<b>Net Revenues (Expenses)</b>	<b>\$150,378</b>	<b>\$41,066</b>	<b>\$95,274</b>	<b>\$126,257</b>	<b>\$99,562 79%</b>

<1 The TBL groupings of expenses by programs and sub-programs for FY 2007 estimates, developed as part of the FY 2006 Rate Case, are reconstituted to match the programs and sub-programs groupings shown on this report.

<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 and budget data.

