

# Transmission Services

## FY 2007 Financial Status and Reports

for the PPC Presentation

August 6, 2007



# Transmissions Financial Highlights

## FY 2007 Financial Performance

### as of June 30, 2007

Report ID: 0023FY07	<b>Transmission Services Summary Statement of Revenues and Expenses</b>	Run Date/Time: July 20, 2007/ 03:25
Requesting BL: TRANSMISSION BUSINESS UNIT	Through the Month Ended June 30, 2007 as of June 30, 2007	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 75%

	A	B	C	D	E	F <Note 1	G	H
	Actuals: FY 2006	Actuals: FYTD 2006	Rate Case Forecast: FY 2007	Target: SOY FY 2007	Actuals: FYTD 2007	Forecast: Quarter3 FY 2007	FYTD Actuals per SOY	Forecast per SOY
<b>Operating Revenues</b>								
1 Sales	605,324	448,289	598,433	594,393	486,875	642,513	82%	108%
2 Miscellaneous Revenues	35,808	27,612	28,795	30,765	23,376	34,328	76%	112%
3 Inter-Business Unit Revenues	143,207	106,579	109,773	126,201	92,079	120,056	73%	95%
4 <b>Total Operating Revenues</b>	<b>784,339</b>	<b>582,481</b>	<b>737,001</b>	<b>751,359</b>	<b>602,331</b>	<b>796,898</b>	<b>80%</b>	<b>106%</b>
<b>Operating Expenses</b>								
5 Transmission Operations	83,946	61,563	97,039	103,268	67,289	98,754	65%	96%
6 Transmission Maintenance	88,996	62,345	84,965	99,115	65,952	97,149	67%	98%
7 Transmission Engineering	13,719	10,699	9,549	15,923	9,816	18,219	62%	114%
8 Trans Services Transmission Acquisition and Ancillary Services <Note 2	88,584	65,587	93,457	93,221	67,565	96,775	72%	104%
9 Transmission Reimbursables	24,056	17,828	10,000	10,000	7,738	10,000	77%	100%
BPA Internal Support								
10 Additional Post-Retirement Contribution	11,600	8,700	10,550	10,550	7,912	10,550	75%	100%
11 Agency Services G&A	63,402	42,921	58,482	54,255	37,109	55,424	68%	102%
12 Other Income, Expenses & Adjustments	(1,201)	(781)			(2,837)	(2,023)		
13 Non-Federal Debt Service <Note 2	5,770	3,860		5,873	5,603	1,732	95%	29%
14 Depreciation & Amortization <Note 2	171,359	128,794	207,517	177,707	134,095	179,600	75%	101%
15 <b>Total Operating Expenses</b>	<b>550,231</b>	<b>401,514</b>	<b>571,559</b>	<b>569,912</b>	<b>400,243</b>	<b>566,180</b>	<b>70%</b>	<b>99%</b>
16 <b>Net Operating Revenues (Expenses)</b>	<b>234,108</b>	<b>180,966</b>	<b>165,442</b>	<b>181,447</b>	<b>202,088</b>	<b>230,717</b>	<b>111%</b>	<b>127%</b>
<b>Interest Expense</b>								
17 Interest	145,961	110,701	182,944	145,696	107,012	140,821	73%	97%
18 AFUDC	(9,201)	(6,618)	(11,516)	(8,767)	(5,282)	(8,200)	140%	106%
19 <b>Net Interest Expense</b>	<b>136,761</b>	<b>104,083</b>	<b>171,428</b>	<b>136,929</b>	<b>101,730</b>	<b>132,621</b>	<b>74%</b>	<b>97%</b>
20 <b>Net Revenues (Expenses) from Continuing Operations</b>	<b>97,347</b>	<b>76,884</b>	<b>(5,986)</b>	<b>44,518</b>	<b>100,358</b>	<b>98,096</b>	<b>225%</b>	<b>220%</b>
21 <b>Net Revenues (Expenses)</b>	<b>\$97,347</b>	<b>\$76,884</b>	<b>(\$5,986)</b>	<b>\$44,518</b>	<b>\$100,358</b>	<b>\$98,096</b>	<b>225%</b>	<b>220%</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, budget and forecast data.



# Financial Overview as of June 30, 2007

## FINANCIAL RESULTS

Financial results on an accounting basis are better than expected.

- a. **Net revenues** of \$100M.
- b. **Revenues** are \$602M.
- c. **Operating expenses** of \$266M, **depreciation** of \$134M and **net interest** of \$102M
- d. **Capital spending** at \$157M. 1/
- e. **All financial targets** are on track to be met or bettered.

1/ Excludes PFIA projects



## Financial Performance as of June 30, 2007

### ▪ **FINANCIAL OVERVIEW RESULTS**

- **Monthly** – June net revenue is \$9M. Revenues of \$68M are \$3M higher than the second quarter forecast of \$65M. Operating expenses of \$33M are \$4M lower than the second quarter forecast of \$37M. Depreciation and net interest expense are at expected levels of \$15M and \$11M, respectively.
- **FYTD or after nine months** – Transmission Services financial position of \$100M net revenue is tracking higher than the expected \$79M anticipated in the second quarter end-of-year forecast. Revenues of \$602M are \$11M higher than expected, operating expenses of \$266M are \$11M lower than expected, and depreciation and net interest expenses are tracking the second quarter forecast.
- **FYTD Capital Spending** – After nine months, \$157M spending is less than anticipated based on the project work authorized to date. End of year capital spending forecast of \$196M to \$216M is lower than previous forecasts and more accurately reflects actual spending for the year based on project manager estimates. 1/

1/ Excludes PFIA Projects



# Revenue Analysis as of June 30, 2007

## REVENUE ANALYSIS COMPARED TO START-OF-YEAR

- **From a performance view or billing records**, revenues are \$35.0M over forecast through June. Major variances from the start-of-year (SOY) forecast by product group are:
  - Network \$17.8M
  - Ancillary Services \$12.8M
  - Approximately \$7M of the positive ancillary service revenue variance is offset by expense due to higher purchases of ancillary services.



# Revenue Analysis as of June 30, 2007

## REVENUE ANALYSIS COMPARED TO START-OF-YEAR (Cont.)

- Network revenues are \$17.8M over forecast. About half of this favorable variance are from higher NT sales due to higher than expected coincidental peaks. The other half of this favorable variance is due to increasing sales of long-term PTP transmission.
  
- Ancillary Service revenues are \$12.8M over forecast. The major variances include:
  - Operating Reserves (OR, \$5.3M),
  - Scheduling, System Control and Dispatch Service (SCD, \$3.6M),
  - Regulation and Frequency Response (RFR, \$2.3M), and
  - Generation-Supplied Reactive (GSR, \$0.8M)

The OR variance is primarily due to the fact that fewer customers are self/third party supplying Operating Reserves than anticipated. The variances of GSR and SCD, required ancillary services, are proportional to the Network variance.



# Financial Performance as of June 30, 2007

## FINANCIAL OVERVIEW – ANALYSIS OF EXPENSES

- Transmission revenues of \$602M, through June, are \$34M higher than the \$568M expected in the start-of-year forecast. The year-end forecast of \$751M was increased by \$37M to \$788M with the second quarter end-of-year forecast. The end-of year forecast was increased an additional \$9M for the third quarter forecast, bringing the year-end forecast to \$797.
- Transmission program's operating expenses of \$266M are \$21M lower than the expectation of \$287M, in the start-of-year forecast. The year-end forecast of \$392M was decreased by \$2M to \$390M with the second quarter forecast. The third quarter forecast was decreased an additional \$3M, bringing the year-end forecast to \$387M.
- Corporate general and administrative (G&A) distributions of \$37M are \$4M lower than the start-of-year expectation of \$41M. The end-of-year forecast of \$54M was increased by \$1M to \$55M with the second quarter end-of-year forecast. The third quarter forecast remains unchanged at \$55M.
- Depreciation and amortization of \$134M is consistent with the \$135M forecasted at start-of-year. The end-of-year forecast of \$178M was increased by \$3M to \$181M with the second quarter forecast. The third quarter forecast includes a decrease of \$1M, bringing the end-of-year forecast to \$180M.



# Financial Performance as of June 30, 2007

## FINANCIAL OVERVIEW – ANALYSIS OF EXPENSES

- Net Interest of \$102M is slightly under-running the start-of-year forecast of \$103M. At first quarter, the end of year forecast was revised resulting in a decrease of about \$3M. The net interest forecast changed from \$137M to \$134M. The second quarter forecast decreased net interest by an additional \$1M, changing the end-of-year forecast to \$133M. The end-of-year forecast remains at \$133M with the third quarter forecast.
  
- Internal Operating Costs
  - Expense component – \$119M in costs have been incurred through June. This is \$11M less than the \$130M expected in the start-of-year forecast.
  - Capital component - \$68M in costs have been incurred, which is \$12M more than the \$56M expected in the start-of-year forecast.
  
- Financial targets will be met or bettered.



## Financial Overview as of June 30, 2007

### THIRD QUARTER END-OF-YEAR FORECAST

- **Net Revenue – Change upward by \$13.5M.** The net revenue forecast increases to \$98.1M. This is a \$53.6M increase over the SOY Target and \$104.1M increase over the rate case. The improvement is attributed to the changes as described below.
- **Revenues – Change upward by \$8.9M.** The revenue forecast increased from \$788.0M to \$796.9M. The following is a brief summary of the major factors influencing the change in forecast: Network revenues increased \$3.4M to account for robust hydro conditions in March and April and higher loads in the spring months than previously forecasted. There was also an additional PTP long-term contract signed in the spring. These increases were partially offset by a prior period correction of FPT revenues. Ancillary Services increased \$3.7M which can be attributed to the increase in Network and Intertie sales as well as increases in loads and generation in the Control Area; Short-term intertie sales increased by \$2.1M due to better hydro conditions and to better match power sales with transmission sales. This increase was partially offset by a \$0.4M decrease in a long-term intertie queue sale that did not materialize. In addition, there was a very small decrease in other miscellaneous revenues. This is a \$45.5M improvement from SOY and \$59.9M improvement from rate case.
- **Operating Expense – Change downward by \$3.2M.** Operating expenses are reduced from \$389.8M to \$386.6M. The improvement is the result of lower spending in non-electric plant and ROW maintenance and the settlement with Nisqually being lower than anticipated, adjusting the Non-BBL Ancillary Services down to the FERC approved rates for GSR payments and incorporating the reduction in bad debt expense. These decreased expenses were partially offset by minor increases related to Transmission reliability program, adding a data steward in Transmission Engineering, and incorporation of unexpected payments to DOE/NTIA for frequency management. This is a \$5.6M reduction from the SOY Target and a \$22.5M increase from the rate case.

(Continued on Next Page)



## Financial Overview as of June 30, 2007

### THIRD QUARTER END-OF-YEAR FORECAST (Continued)

- **Depreciation and Amortization – Change downward by \$1.3M.** With this adjustment, the forecast for depreciation and amortization changes from \$180.9M to \$179.6M. This increase is due primarily to the retirement of communications equipment. The 3rd quarter forecast is \$1.9M more than the SOY Target and \$27.9M less than rate case.
- **Net Interest – Change downward by \$.2M.** The forecast for net interest is adjusted from \$132.8M to \$132.6M for changes in the FY 07 borrowing plan; higher interest earnings partially offset by higher interest rates on bonds and lower AFUDC due to a lower capital expenditure forecast. The 3rd quarter forecast is \$4.3M less than the SOY Target and \$38.8M less than rate case.
- **Capital – Change downward of \$19.2M.** With this forecasted decrease, the range for capital spending is \$196M to \$216M. The end-of-year spending forecast is adjusted based on project manager's current estimates for direct costs and to reflect a lower capital expenditure forecast for Transmission capital non-direct costs and AFUDC.



## Financial Performance as of June 30, 2007

- **FINANCIAL OVERVIEW – ANALYSIS OF CAPITAL**
- Projects approved using Treasury borrowing and revenue financing total \$225M or 93% of Transmission's Cost Allocation Board's (CAB) allocation. Actual capital spending to date using Treasury borrowing is \$105M or 43% of our Cost Allocation Board's allocation.
- Capital expenditures for all costs including third-party, radio spectrum and customer-financed projects total \$157M. Note 1/
- Capital expenditures on projects (direct costs) including third-party, radio spectrum and customer-financed projects total \$110M. Note 1/
- Total spending authorized for customer financed projects is \$72M of which \$47M has been spent after nine months.

Note 1/ Excludes projects funded in advance (PFIA).



## Capital Summary as of June 30, 2007

<u>SOURCE</u>	<u>FUNDING 1/</u>	
Congressional Budget - FY 2007	\$342	Million
President's Budget- FY 2008 for FY 2007	\$361	Million
Rate Case		
- PIR Close Out	\$301	Million
- Set Rates	\$280	Million
BPA Capital Allocation Board (CAB) to TS	\$242	Million <u>2/</u>
Projects Authorized to date by TS	\$323	Million
Projects Approved for Funding	\$281	Million
Start-of-year Forecast	\$363	Million <u>3/</u>
June End-of-Year Expenditure Forecast	\$196-\$216	Million

1/ Note: Funding amounts are adjusted for start-of-year IT, traditional projects funded in advance, and includes spacer dampers and radio spectrum projects.

2/ = Borrowing Authority + Revenue Financing

3/ = Excludes \$5M traditional projects funded in advance.

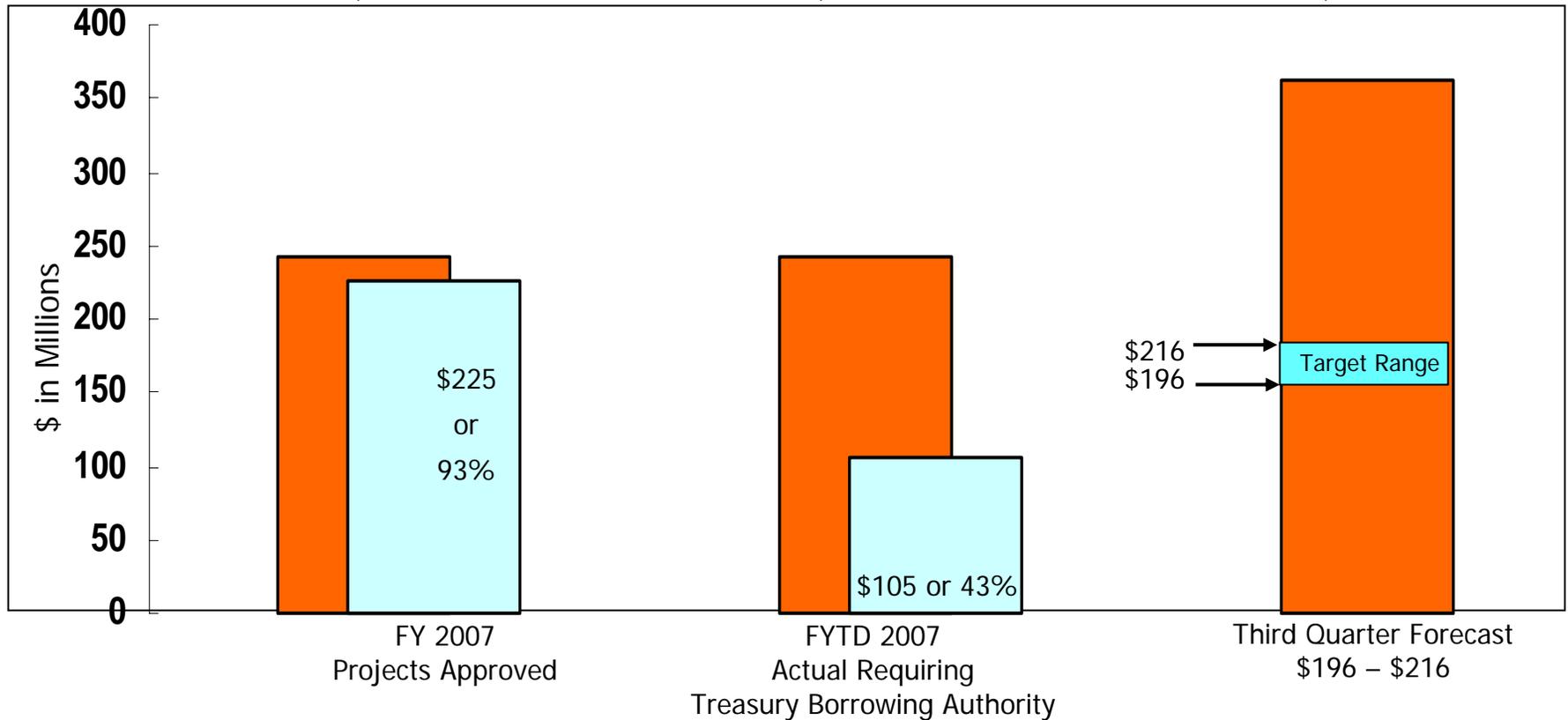


# Capital Program as of June 30, 2007

(A) <sup>1/</sup>  
CAB Allocation  
= \$242

(B) <sup>1/</sup>  
CAB Allocation  
= \$242

(C) <sup>2/</sup>  
FY 2007 SOY  
= \$363



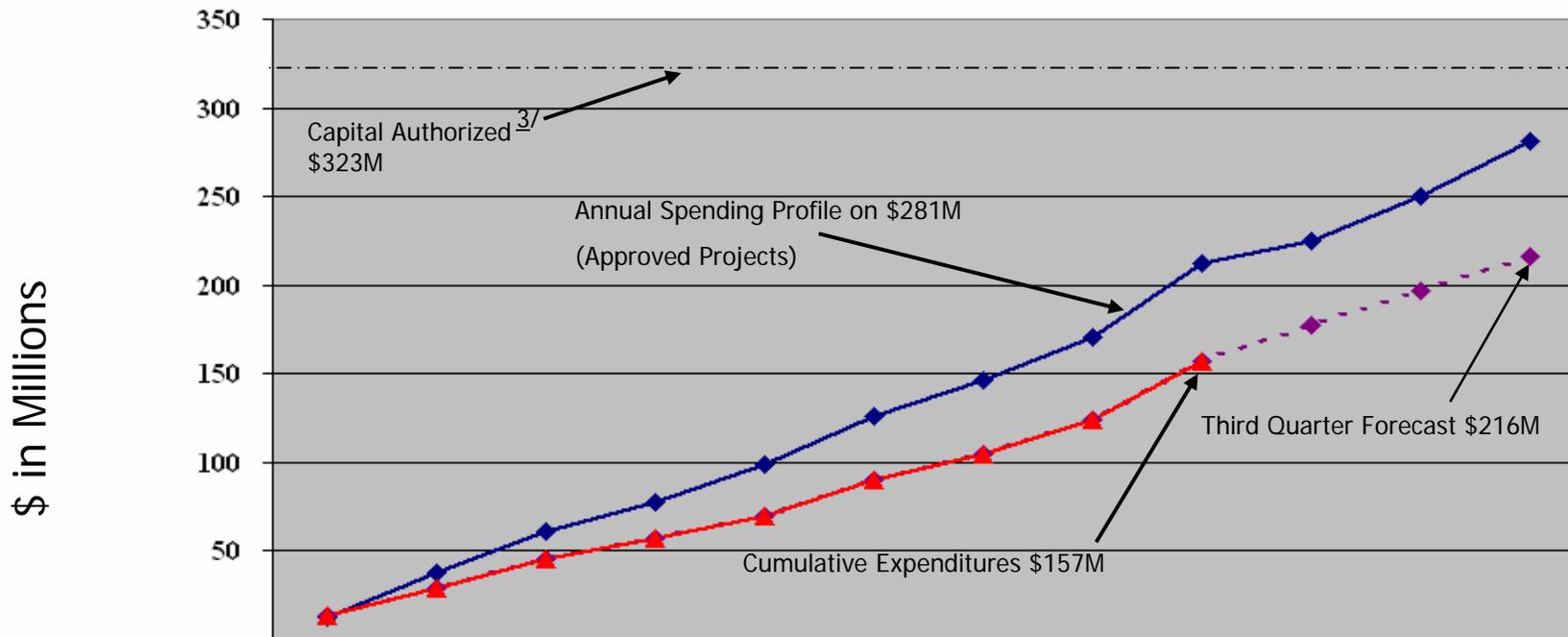
<sup>1/</sup> Borrowing Authority + Revenue Financing.

<sup>2/</sup> Capital scoring against borrowing authority plus revenue, 3rd party, customer financing and radio spectrum. Excludes PFIA projects.



# Capital Program <sup>1/</sup> Cumulative View as of June 30, 2007

## Capital Project Plan of \$281M & Expenditures



Cumulative Expenditures \$157M

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<sup>2/</sup> Spending Profile	13	38	61	78	99	126	146	171	212	225	250	281
EOY Forecast	14	29	46	57	70	90	105	124	157	177	197	216
FYTD Expenditures	14	29	46	57	70	90	105	124	157			
<sup>4/</sup> 3rd Party Fin. Exp.	-	(1)	(1)	(1)	(1)	-	-	-	-			

<sup>1/</sup> Capital including spacer dampers scoring against borrowing authority plus revenue, 3<sup>rd</sup> party, radio spectrum and customer financing (PF). Excludes PFIA projects.

<sup>2/</sup> Projects approved and funded by Matrix Team. Approved projects include customer-financed projects.

<sup>3/</sup> Management control amount that includes spacer-dampers and funding authorized for customer-financed and radio spectrum projects.

<sup>4/</sup> These 3rd PF amounts are included in the fiscal year-to-date actuals shown above.



## Transmission Services Income Statement as of June 30, 2007

Report ID: 0061FY07	<b>Transmission Services Detailed Statement of Revenues and Expenses</b>	Run Date/Time: July 20, 2007 03:26
Requesting BL: TRANSMISSION BUSINESS UNIT	Through the Month Ended June 30, 2007 as of June 30, 2007	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands (\$000)	Preliminary/ Unaudited	% of Year Lapsed = 75%

				A	B	C	D <sup>&lt;Note 1</sup>	E	F	G	H
				Actuals: FY 2005	Actuals: FY 2006	Actuals: FYTD 2006	Rate Case: FY 2007	Target SOY: FY 2007	Actuals: FYTD 2007	Forecast: Current EOY	FYTD Actuals per Forecast
<b>Operating Revenues</b>											
1	<b>Sales</b>			\$500,030	\$605,324	\$448,289	\$598,433	\$594,393	\$486,875	\$642,513	76%
2	<b>Miscellaneous Revenues</b>			27,353	35,808	27,612	28,795	30,765	23,376	34,328	68%
3	<b>Inter-Business Unit Revenues</b>			107,147	143,207	106,579	109,773	126,201	92,079	120,056	77%
4	<b>Total Operating Revenues</b>			634,530	784,339	582,481	737,001	751,359	602,331	796,898	76%
<b>Operating Expenses</b>											
<b>Transmission Operations</b>											
<b>System Operations</b>											
5	INFORMATION TECHNOLOGY			979	1,299	1,073	10,230	5,824	3,241	6,293	52%
6	POWER SYSTEM DISPATCHING			8,188	8,271	6,351	9,800	9,791	7,239	10,341	70%
7	CONTROL CENTER SUPPORT			8,431	9,265	6,851	7,770	11,399	7,267	10,738	68%
8	TECHNICAL OPERATIONS			2,769	3,204	2,344	3,620	3,380	2,509	3,650	69%
9	SUBSTATION OPERATIONS			17,265	18,193	13,507	18,193	17,042	13,024	18,019	72%
10	<b>Sub-Total</b>			37,631	40,232	30,126	49,613	47,436	33,280	49,039	68%
<b>Scheduling</b>											
11	MANAGEMENT SUPERVISION & ADMINISTRATION			617	845	630	356	2,332	398	563	71%
12	RESERVATIONS			263	394	269	300	743	455	666	68%
13	PRE-SCHEDULING			575	652	494	740	542	353	523	68%
14	REAL-TIME SCHEDULING			3,456	3,583	2,665	3,506	4,718	2,719	4,318	63%
15	SCHEDULING TECHNICAL SUPPORT			4,199	1,953	1,658	6,264	2,088	908	1,716	53%
16	SCHEDULING AFTER-THE-FACT			404	306	249	653	312	170	300	57%
17	<b>Sub-Total</b>			9,514	7,733	5,965	11,819	10,735	5,003	8,084	62%

Footnotes on last report page.

Transmission 08/06/07



## Transmission Services Income Statement as of June 30, 2007

			A	B	C	D <sup>&lt;Note 1</sup>	E	F	G	H
			Actuals: FY 2005	Actuals: FY 2006	Actuals: FYTD 2006	Rate Case: FY 2007	Target SOY: FY 2007	Actuals: FYTD 2007	Forecast: Current EOY	FYTD Actuals per Forecast
		<b>Marketing and Business Support</b>								
18		TRANSMISSION SALES	2,085	2,371	1,760		3,752	1,956	3,254	60%
19		MKTG EXECUTIVE OFFICE								
20		MKTG INTERNAL OPERATIONS	540	572	433	1,060	275	158	208	76%
21		MKTG TRANSMISSION FINANCE	663	668	499	760	299	295	397	74%
22		MKTG CONTRACT MANAGEMENT	1,842	1,776	1,281	2,007	3,062	2,084	3,012	69%
23		MKTG TRANSMISSION BILLING	1,552	1,577	1,159	2,106	3,208	2,067	3,186	65%
24		MKTG BUSINESS STRAT & ASSESS	2,575	2,835	2,023	2,192	4,442	2,565	4,069	63%
25		MARKETING IT SUPPORT	98	433	150	2,585		917	1,308	70%
26		MARKETING AND SALES	745	503	402	2,243		198	227	87%
27		METER DATA	919	618	469	1,972				60%
28		<b>Marketing Sub-Total</b>	11,019	11,352	8,175	14,925	15,038	10,241	15,661	65%
29		EXECUTIVE AND ADMIN SERVICES	5,578	5,354	4,180	11,718	6,734	5,252	6,997	75%
30		STAFF MANAGEMENT (HR)	483	(431)	(431)	416				
31		LEGAL SUPPORT	1,632	1,629	1,203		2,141	1,376	2,285	60%
32		RANS SERVICES INTERNAL GENERAL & ADMINISTRATIVE	8,851	12,717	7,958	3,098	11,403	7,359	9,536	77%
33		SUPPORT FOR SHARED SERVICES PRODUCTS	1							
34		AIRCRAFT SERVICES	736	723	813	743	1,206	473	762	62%
35		LOGISTICS SERVICES	4,054	3,685	3,005	3,700	7,682	3,456	5,075	68%
36		SECURITY ENHANCEMENTS	401	950	570	1,007	892	850	1,316	65%
37		<b>Business Support Sub-Total</b>	21,734	24,628	17,297	20,682	30,059	18,766	25,970	72%
38		<b>Transmission Operations Sub-Total</b>	79,898	83,946	61,563	97,039	103,268	67,289	98,754	68%

Footnotes on last report page.



## Transmission Services Income Statement as of June 30, 2007

				A	B	C	D <sup>&lt;Note 1</sup>	E	F	G	H
				Actuals: FY 2005	Actuals: FY 2006	Actuals: FYTD 2006	Rate Case: FY 2007	Target SOY: FY 2007	Actuals: FYTD 2007	Forecast: Current EOY	FYTD Actuals per Forecast
<b>Transmission Maintenance</b>											
<b>System Maintenance</b>											
39			NON-ELECTRIC MAINTENANCE	7,321	9,587	6,127	8,344	10,202	6,435	8,992	72%
40			SUBSTATION MAINTENANCE	16,249	19,903	13,859	15,590	18,676	14,597	20,132	73%
41			TRANSMISSION LINE MAINTENANCE	15,731	18,989	13,365	17,140	18,129	13,419	20,151	67%
42			SYSTEM PROTECTION CONTROL MAINTENANCE	8,621	10,460	7,142	8,500	9,704	7,187	10,156	71%
43			POWER SYSTEM CONTROL MAINTENANCE	7,791	8,682	6,575	8,540	10,058	6,096	8,958	68%
44			JOINT COST MAINTENANCE	208	111	92		333	139	225	62%
45			SYSTEM MAINTENANCE MANAGEMENT	6,427	3,533	3,212	6,440	7,254	5,202	6,962	75%
46			ROW MAINTENANCE	8,758	11,377	5,501	11,565	16,431	8,194	15,052	54%
47			HEAVY MOBILE EQUIP MAINT	1,927	135	1,824	1,278	1,329	(58)	(213)	173%
48			TECHNICAL TRAINING	2,462	2,319	1,683	2,969	2,441	1,739	2,204	79%
49			<b>Sub-Total</b>	<b>75,496</b>	<b>85,096</b>	<b>59,381</b>	<b>80,366</b>	<b>94,556</b>	<b>62,951</b>	<b>92,620</b>	<b>68%</b>
<b>Environmental Operations</b>											
50			ENVIRONMENTAL POLICY/PLANNING	1,028	1,056	787	1,309	1,304	745	1,362	55%
51			ENVIRONMENTAL ANALYSIS	26	45	29			32		
52			POLLUTION PREVENTION AND ABATEMENT	3,008	2,799	2,148	3,290	3,255	2,225	3,167	70%
53			<b>Sub-Total</b>	<b>4,062</b>	<b>3,900</b>	<b>2,964</b>	<b>4,599</b>	<b>4,559</b>	<b>3,002</b>	<b>4,529</b>	<b>66%</b>
54			<b>Transmission Maintenance Sub-Total</b>	<b>79,557</b>	<b>88,996</b>	<b>62,345</b>	<b>84,965</b>	<b>99,115</b>	<b>65,952</b>	<b>97,149</b>	<b>68%</b>

Footnotes on last report page.

Transmission 08/06/07



## Transmission Services Income Statement as of June 30, 2007

		A	B	C	D <sup>&lt;Note 1</sup>	E	F	G	H
		Actuals: FY 2005	Actuals: FY 2006	Actuals: FYTD 2006	Rate Case: FY 2007	Target SOY: FY 2007	Actuals: FYTD 2007	Forecast: Current EOY	FYTD Actuals per Forecast
	<b>Transmission Engineering</b>								
	<b>System Development</b>								
55	RESEARCH & DEVELOPMENT	2,362	2,997	1,561	3,328	3,940	1,681	4,116	41%
56	TSD PLANNING AND ANALYSIS	2,770	3,743	2,412	1,521	4,226	3,224	5,728	56%
57	CAPITAL TO EXPENSE TRANSFER	4,490	6,625	6,370	4,000	4,000	1,779	4,166	43%
58	REGULATORY & REGION ASSOC FEES	850	354	354	700	3,758	3,132	4,208	74%
59	<b>Sub-Total</b>	10,472	13,719	10,699	9,549	15,923	9,816	18,219	54%
60	<b>Transmission Engineering Sub-Total</b>	10,472	13,719	10,699	9,549	15,923	9,816	18,219	54%
	<b>Trans. Services Transmission Acquisition and Ancillary Services</b>								
	<b>BBL Acquisition and Ancillary Products and Services</b>								
61	ANCILLARY SERVICES PAYMENTS	64,341	67,980	50,013	64,485	63,412	50,832	67,745	75%
62	OTHER PAYMENTS TO POWER SERVICES	3,848	3,775	2,831	3,920	6,131	4,895	6,527	75%
63	STATION SERVICES PAYMENTS	4,700	3,202	2,402	3,816	3,589	2,689	3,589	75%
64	<b>Sub-Total</b>	72,889	74,957	55,246	72,221	73,132	58,417	77,861	75%
	<b>Non-BBL Acquisition and Ancillary Products and Services <sup>&lt;Note 2</sup></b>								
65	LEASED FACILITIES	4,418	5,115	3,719	12,614	11,689	3,738	11,590	32%
66	GENERAL TRANSFER AGREEMENTS (settlement)	624	648	415	912		439	720	61%
67	NON-BBL ANCILLARY SERVICES	1,379	7,864	6,206	7,710	8,400	4,972	6,604	75%
68	<b>Sub-Total</b>	6,420	13,627	10,341	21,236	20,089	9,149	18,914	48%
69	<b>Trans. Svcs. Acquisition and Ancillary Services Sub-Total</b>	79,310	88,584	65,587	93,457	93,221	67,565	96,775	70%
	<b>Transmission Reimbursables</b>								
	<b>Reimbursables</b>								
70	EXTERNAL REIMBURSABLE SERVICES	10,717	23,050	17,251	10,000	8,564	7,440	9,596	78%
71	INTERNAL REIMBURSABLE SERVICES	749	1,006	577		1,436	298	404	74%
72	<b>Sub-Total</b>	11,467	24,056	17,828	10,000	10,000	7,738	10,000	77%
73	<b>Transmission Reimbursables Sub-Total</b>	11,467	24,056	17,828	10,000	10,000	7,738	10,000	77%
	<b>BPA Internal Support</b>								
74	Additional Post-Retirement Contribution	13,250	11,600	8,700	10,550	10,550	7,912	10,550	75%
75	Agency Services G & A (excludes direct project support)	50,682	63,401	42,920	31,125	54,255	37,109	55,424	67%
76	Shared Services (excludes direct proj sup)	7,484	1	1	27,357				
77	<b>BPA Internal Support Subtotal</b>	71,416	75,002	51,621	69,032	64,805	45,021	65,974	68%

Footnotes on last report page.

Transmission 08/06/07



## Transmission Services Income Statement as of June 30, 2007

	A	B	C	D <Note 1	E	F	G	H
	Actuals: FY 2005	Actuals: FY 2006	Actuals: FYTD 2006	Rate Case: FY 2007	Target SOY: FY 2007	Actuals: FYTD 2007	Forecast: Current EOY	FYTD Actuals per Forecast
<b>Other Income, Expenses, and Adjustments</b>								
78 <b>Bad Debt Expense</b>	487	903	886			(1,220)	(1,220)	100%
79 <b>Other Income, Expenses, Adjustments</b>	(578)	(2,104)	(1,667)			(1,617)	(803)	-1%
80 <b>Capital Projects with Expense Accounts</b>								
81 <b>Undistributed Reduction</b>								
82 <b>Non-Federal Debt Service &lt;Note 2</b>	1,555	5,770	3,860		5,873	5,603	1,732	323%
83 <b>Depreciation</b>	189,452	171,264	128,735	207,517	177,707	133,967	179,600	75%
84 <b>Amortization &lt;Note 2</b>	49	94	59			128		
85 <b>Total Operating Expenses</b>	523,085	550,231	401,514	571,559	569,912	400,243	566,180	71%
<b>Net Operating Revenues (Expenses)</b>	111,445	234,108	180,966	165,442	181,447	202,088	230,717	88%
<b>Interest Expense</b>								
<b>Interest on Federal Investment</b>								
87 <b>Appropriated</b>	48,150	46,435	34,821	44,449	44,614	33,499	44,665	75%
88 <b>Capitalization Adjustment</b>	(18,968)	(18,968)	(14,226)	(18,968)	(18,968)	(14,226)	(18,968)	75%
89 <b>Gross Bonds Interest Expense</b>	103,318	99,184	74,101	142,625	91,725	68,450	90,425	76%
90 <b>Interest Earned on BPA Fund</b>	(8,890)	(13,517)	(8,615)	(10,818)	(14,500)	(12,294)	(17,875)	69%
91 <b>Debt Service Reassignment Interest</b>	25,080	32,827	24,620	25,656	42,825	31,583	42,574	74%
92 <b>AFUDC</b>	(12,936)	(9,201)	(6,618)	(11,516)	(8,767)	(5,282)	(8,200)	64%
93 <b>Net Interest Expense</b>	135,754	136,761	104,083	171,428	136,929	101,730	132,621	77%
94 <b>Total Expenses</b>	658,838	686,992	505,597	742,987	706,841	501,973	698,801	72%
95 <b>Net Revenues (Expenses) from Continuing Operations</b>	(24,309)	97,347	76,884	(5,986)	44,518	100,358	98,096	102%
96 <b>Net Revenues (Expenses)</b>	<b>(\$24,309)</b>	<b>\$97,347</b>	<b>\$76,884</b>	<b>(\$5,986)</b>	<b>\$44,518</b>	<b>\$100,358</b>	<b>\$98,096</b>	<b>102%</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, budget and forecast data.



## Financial Disclosure

This information has been made publicly available by BPA on August 6, 2007 and is consistent with BPA-approved Agency Financial Information.

