

# **Transmission Business Line**

## **EOY**

### **FY 2006 Financial Status and Reports**

#### **for the**

### **PPC Presentation**

## **November 14, 2006**



## Financial Overview as of September 30, 2006

### **FISCAL END-OF-YEAR FINANCIAL THEMES**

- Outstanding Financial performance based on net revenues.
- Excellent revenues due to good water and strong short-term sales.
- Good cost management.
- Some cost challenges.
  - Expensing some replacements.
- Much larger reimbursable program than anticipated at the start-of-year with offsetting revenues.
- Capital spending was less than anticipated based on work authorized. This year's capital program consisted of a larger number of smaller sized projects.



## Financial Performance as of September 30, 2006

### **FISCAL END-OF-YEAR FINANCIAL RESULTS SUMMARY** (Cont.)

- Net income of \$97 million exceeded expectations by \$13M versus the 3<sup>rd</sup> quarter forecast of \$84M. The key contributor was higher short term revenues.
- **Revenues** on an accounting basis are \$56M higher than start-of-year plan and \$15M better than 3<sup>rd</sup> quarter forecast. On a billing or performance basis, revenues are slightly higher than the accounting records. Short term sales on the network, southern intertie and their related ancillary products, and reimbursables were major contributors.
- **Operating expenses** are \$20M higher than forecasted for start-of-year and \$6M more than the 3<sup>rd</sup> quarter forecast. Reimbursable and capital to expense costs/affects were the primary elements.
- **Net interest and depreciation** were reduced from start-of-year \$9.4M and \$12.0M, respectively.



## Financial Performance as of September 30, 2006

### **FISCAL END-OF-YEAR FINANCIAL RESULTS SUMMARY** (Cont.)

- **Capital spending** – Fiscal year-to-date capital spending of \$184.5M (75%) was less than anticipated based on the funding authorized to date excluding capital to expense transfers made for HVAC, roof, and spacer damper replacements.
  - Actual spending was slightly below the lower end of the BSC target, but was within the end-of-year forecast range.
  - During the 4<sup>th</sup> quarter a total of \$15.9M (direct costs) of authorized spending was reprogrammed to FY07 or defunded based on project managers' assessment of spending forecast for the end of FY06.
  - Total spending authorized for wind project integration totals \$27.6M of which 89% has been completed this year.



# TBL Financial Highlights

## FY 2006 Financial Performance

### as of September 30, 2006

Report ID: 0023FY06	<b>TBL Summary Statement of Revenues and Expenses</b>	Run Date/Time: November 09, 2006/ 02:40
Requesting BL: TRANSMISSION BUSINESS UNIT	Through the Month Ended September 30, 2006 as of September 30, 2006	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 100%

	A	B	C	D	E	F <Note 1	G	H
	Actuals: FY 2005	Actuals: FYTD 2005	Rate Case Forecast: FY 2006	Target: SOY FY 2006	Actuals: FYTD 2006	Forecast: Quarter3 FY 2006	FYTD Actuals per SOY	Forecast per SOY
<b>Operating Revenues</b>								
Sales	500,030	500,030	595,190	590,222	605,324	594,926	103%	101%
Miscellaneous Revenues	27,353	27,353	30,302	24,953	35,808	34,267	144%	137%
Inter-Business Unit Revenues	107,147	107,147	102,870	112,916	143,207	139,828	127%	124%
<b>Total Operating Revenues</b>	<b>634,530</b>	<b>634,530</b>	<b>728,361</b>	<b>728,092</b>	<b>784,339</b>	<b>769,021</b>	<b>108%</b>	<b>106%</b>
<b>Operating Expenses</b>								
Transmission Operations	76,480	76,480	94,666	78,870	80,552	79,438	102%	101%
Transmission Maintenance	79,557	79,755	84,942	87,991	88,996	90,844	101%	103%
Transmission Engineering	10,472	10,472	9,555	10,985	13,719	12,830	125%	117%
TBL Transmission Acquisition and Ancillary Services <Note 2	79,310	79,315	93,415	93,210	88,584	92,635	95%	99%
Transmission Reimbursables	11,466	11,466	10,000	10,000	24,056	18,800	241%	188%
BPA Internal Support								
Additional Post-Retirement Contribution	13,250	13,250	11,550	11,550	11,600	11,550	100%	100%
Corporate G&A and Shared Services (includes Supply Chain)	61,584	66,663	53,780	68,654	66,797	67,300	97%	98%
Other Income, Expenses & Adjustments	(90)	(83)			(1,201)	789		
Non-Federal Debt Service <Note 2	1,555		(2,680)	(2,680)	5,770	(1,033)	415%	161%
Depreciation & Amortization <Note 2	189,501	189,501	195,884	183,396	171,359	173,968	93%	95%
<b>Total Operating Expenses</b>	<b>523,085</b>	<b>526,820</b>	<b>551,112</b>	<b>541,977</b>	<b>550,231</b>	<b>547,121</b>	<b>102%</b>	<b>101%</b>
<b>Net Operating Revenues (Expenses)</b>	<b>111,445</b>	<b>107,710</b>	<b>177,249</b>	<b>186,114</b>	<b>234,108</b>	<b>221,900</b>	<b>126%</b>	<b>119%</b>
<b>Interest Expense</b>								
Interest	148,690	149,127	166,461	156,420	145,961	147,116	93%	94%
AFUDC	(12,936)	(12,936)	(14,753)	(10,219)	(9,201)	(9,000)	110%	112%
<b>Net Interest Expense</b>	<b>135,754</b>	<b>136,191</b>	<b>151,708</b>	<b>146,201</b>	<b>136,761</b>	<b>138,116</b>	<b>94%</b>	<b>94%</b>
<b>Net Revenues (Expenses) from Continuing Operations</b>	<b>(24,309)</b>	<b>(28,481)</b>	<b>25,541</b>	<b>39,913</b>	<b>97,347</b>	<b>83,784</b>	<b>244%</b>	<b>210%</b>
<b>Net Revenues (Expenses)</b>	<b>(\$24,309)</b>	<b>(\$28,481)</b>	<b>\$25,541</b>	<b>\$39,913</b>	<b>\$97,347</b>	<b>\$83,784</b>	<b>244%</b>	<b>210%</b>



## Revenue Analysis as of September 30, 2006

### **FISCAL END-OF-YEAR COMPARISON TO START-OF-YEAR (Cont.)**

- **From a performance view or billing records**, revenues were over the start-of-year by about \$59.8M. Variances from the start-of-year forecast from a performance view by product group are:
  - Network \$24.8M
  - Southern Intertie \$6.4M
  - Ancillary Services \$10.4M
    - Ancillary (Tx) \$7.3M
    - Ancillary (Control Area) \$3.1M
  - Other Revenues \$6.0M
  - Fiber/PCS \$1.7M
  - Reimbursable \$10.1M



## Revenue Analysis as of September 30, 2006

### **FISCAL END-OF-YEAR COMPARISON TO START-OF-YEAR** (Cont.)

- Short-term Network sales ended \$23.6M above the start-of-year forecast. The high short-term sales are due to favorable hydro conditions in December, January and April through July.
  - The majority of short-term Network revenues are from PBL, who purchased \$24.8M in short-term point-to-point (PTP) services.
- Ancillary Services are \$10.4M above forecast. Ancillary Service revenues closely track the direction of Network and Intertie transmission sales.
- Network Integration (NT) revenues are down (\$3.7M) from start of year estimates due to lower than anticipated loads during the winter and spring.



## Revenue Analysis as of September 30, 2006

### **FISCAL END-OF-YEAR COMPARISON TO START-OF-YEAR (Cont.)**

- Favorable hydro conditions resulted in increased short-term Intertie sales. Short-term Intertie revenues ended \$3.7M above the start-of-year forecast.
- Other revenues are \$6.0M above forecast This was largely due to reservation fee revenues of \$2.8M and unauthorized increase charge revenues of \$0.8M, neither of which were factored into the start-of-year forecast, and \$1.2M of known forecast error.
- Reimbursable revenues ended \$10.1M above the start-of-year forecast because there are more reimbursable projects than anticipated at the beginning of the year<sup>1/</sup>.
  - TBL collected \$8.4M in reimbursable revenue in September. This is because final payment for many of the reimbursable projects was not received until the end of the year.

<sup>1/</sup> There is an offsetting cost associated with reimbursable revenues



# TBL Income Statement in Standardized Report Format as of September 30, 2006

Report ID: 0061FY06		<b>TBL Detailed Statement of Revenues and Expenses</b>				Run Date/Time: November 09, 2006 02:50				
Requesting BL: TRANSMISSION BUSINESS UNIT		Through the Month Ended September 30, 2006 as of September 30, 2006				Data Source: EPM Data Warehouse				
Unit of Measure: \$ Thousands (\$000)		Preliminary/ Unaudited				% of Year Lapsed = 100%				
		A	B	C	D	E <Note 1	F	G	H	I
		Actuals: FY 2003	Actuals: FY 2004	Actuals: FY 2005	Actuals: FYTD 2005	Rate Case: FY 2006	Target SOY: FY 2006	Actuals: FYTD 2006	Forecast: Current EOY	FYTD Actuals per Forecast
<b>Operating Revenues</b>										
1	Sales	\$521,496	\$503,068	\$500,030	\$500,030	\$595,190	\$590,222	\$605,324	\$594,926	102%
2	Miscellaneous Revenues	31,221	32,868	27,353	27,353	30,302	24,953	35,808	34,267	104%
3	Inter-Business Unit Revenues	110,884	108,123	107,147	107,147	102,870	112,916	143,207	139,828	102%
4	<b>Total Operating Revenues</b>	<b>663,601</b>	<b>644,059</b>	<b>634,530</b>	<b>634,530</b>	<b>728,361</b>	<b>728,092</b>	<b>784,339</b>	<b>769,021</b>	<b>102%</b>
<b>Operating Expenses</b>										
<b>Transmission Operations</b>										
<b>TBL System Operations</b>										
5	INFORMATION TECHNOLOGY	6,100	5,758	977	977	10,130	23	1,298	1,552	84%
6	POWER SYSTEM DISPATCHING	8,222	8,364	8,188	8,188	9,800	9,342	8,271	8,318	99%
7	CONTROL CENTER SUPPORT	6,263	7,859	8,431	8,431	7,770	9,237	9,265	8,916	104%
8	TECHNICAL OPERATIONS	2,720	3,020	2,769	2,769	3,620	3,365	3,204	3,154	102%
9	SUBSTATION OPERATIONS	17,661	17,793	17,265	17,265	18,193	16,561	18,193	18,113	100%
10	<b>Sub-Total</b>	<b>40,966</b>	<b>42,795</b>	<b>37,629</b>	<b>37,629</b>	<b>49,513</b>	<b>38,528</b>	<b>40,232</b>	<b>40,053</b>	<b>100%</b>
<b>TBL Scheduling</b>										
11	MANAGEMENT SUPERVISION & ADMINISTRATION	1,567	1,043	617	617	356	600	845	796	106%
12	RESERVATIONS	267	273	263	263	300	321	394	350	113%
13	PRE-SCHEDULING	531	509	575	575	740	629	652	657	99%
14	REAL-TIME SCHEDULING	2,903	3,114	3,456	3,456	3,206	4,024	3,583	3,540	101%
15	SCHEDULING TECHNICAL SUPPORT	2,472	8,078	4,199	4,199	6,215	4,977	1,953	2,331	84%
16	SCHEDULING AFTER-THE-FACT	513	568	404	404	653	332	306	334	91%
17	<b>Sub-Total</b>	<b>8,253</b>	<b>13,585</b>	<b>9,514</b>	<b>9,514</b>	<b>11,470</b>	<b>10,882</b>	<b>7,733</b>	<b>8,007</b>	<b>97%</b>

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

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<b>TBL Marketing and Business Support</b>									
18 TRANSMISSION SALES	2,037	1,849	2,085	2,085		2,500	2,371	2,235	106%
19 MKTG EXECUTIVE OFFICE									
20 MKTG INTERNAL OPERATIONS	398	310	540	540	1,060	966	572	560	102%
21 MKTG TRANSMISSION FINANCE	670	399	663	663	760	874	668	653	102%
22 MKTG CONTRACT MANAGEMENT	3,578	1,667	1,842	1,842	2,007	2,205	1,776	1,677	106%
23 MKTG TRANSMISSION BILLING	1,515	1,451	1,552	1,552	2,006	1,913	1,577	1,460	108%
24 MKTG BUSINESS STRAT & ASSESS	353	2,274	2,575	2,575	2,192	2,787	2,835	2,658	107%
25 MARKETING IT SUPPORT	5,443	2,214	98	98	2,585	1	433	117	369%
26 MARKETING AND SALES		102	745	745	2,243	5	503	516	98%
27 METER DATA	1,800	1,353	919	919	1,922	1,252	618	614	101%
28 <b>Marketing Sub-Total</b>	<b>15,793</b>	<b>11,619</b>	<b>11,019</b>	<b>11,019</b>	<b>14,775</b>	<b>12,502</b>	<b>11,352</b>	<b>10,490</b>	<b>108%</b>
29 EXECUTIVE AND ADMIN SERVICES	4,939	6,609	5,578	5,578	9,944	4,561	5,354	5,529	97%
30 STAFF MANAGEMENT (HR)	504	268	483	483	416		(431)	(431)	100%
31 LEGAL SUPPORT	1,606	1,501	1,632	1,632		2,013	1,629	2,013	81%
32 TBL INTERNAL GENERAL & ADMINISTRATIVE	1,208	2,389	5,435	5,435	3,098	5,688	9,323	8,308	112%
33 SUPPORT FOR SHARED SERVICES PRODUCTS	14	4	1	1					
34 AIRCRAFT SERVICES	611	797	736	736	743	1,059	723	1,101	66%
35 LOGISTICS SERVICES	2,224	3,539	4,054	4,054	3,700	3,254	3,685	3,686	100%
36 SECURITY ENHANCEMENTS	722	894	401	401	1,007	382	950	682	139%
37 <b>Business Support Sub-Total</b>	<b>11,829</b>	<b>16,000</b>	<b>18,318</b>	<b>18,318</b>	<b>18,908</b>	<b>16,958</b>	<b>21,234</b>	<b>20,887</b>	<b>102%</b>
38 <b>Transmission Operations Sub-Total</b>	<b>76,840</b>	<b>83,998</b>	<b>76,480</b>	<b>76,480</b>	<b>94,666</b>	<b>78,870</b>	<b>80,552</b>	<b>79,438</b>	<b>101%</b>

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		Actuals: FY 2003	Actuals: FY 2004	Actuals: FY 2005	Actuals: FYTD 2005	Rate Case: FY 2006	Target SOY: FY 2006	Actuals: FYTD 2006	Forecast: Current EOY	FYTD Actuals per Forecast
<b>Transmission Maintenance</b>										
<b>TBL System Maintenance</b>										
39	NON-ELECTRIC MAINTENANCE	6,054	6,454	7,321	7,321	9,244	7,799	9,587	9,881	97%
40	SUBSTATION MAINTENANCE	16,511	16,413	16,249	16,249	14,810	16,202	19,903	18,410	108%
41	TRANSMISSION LINE MAINTENANCE	17,101	16,327	15,731	15,731	16,290	17,688	16,989	16,206	117%
42	SYSTEM PROTECTION CONTROL MAINTENANCE	7,524	8,056	8,621	8,621	8,080	8,987	10,460	9,429	111%
43	POWER SYSTEM CONTROL MAINTENANCE	7,358	7,845	7,791	7,791	8,110	8,177	8,682	8,920	97%
44	JOINT COST MAINTENANCE	95	121	208	208		196	111	107	103%
45	SYSTEM MAINTENANCE MANAGEMENT	7,472	6,196	6,427	6,427	6,120	7,141	3,533	4,294	82%
46	ROW MAINTENANCE	8,220	8,120	8,758	8,758	13,465	12,369	11,377	14,054	81%
47	HEAVY MOBILE EQUIP MAINT	1,072	1,277	1,927	1,927	1,278	2,141	135	2,806	5%
48	TECHNICAL TRAINING	2,782	2,639	2,462	2,462	2,969	2,578	2,319	2,519	92%
49	<b>Sub-Total</b>	<b>74,189</b>	<b>73,447</b>	<b>75,496</b>	<b>75,496</b>	<b>80,366</b>	<b>83,277</b>	<b>85,096</b>	<b>86,627</b>	<b>98%</b>
<b>TBL Environmental Operations</b>										
50	ENVIRONMENTAL POLICY/PLANNING	1,092	1,129	1,028	1,028	1,286	1,250	1,056	1,250	84%
51	ENVIRONMENTAL ANALYSIS	163	33	26	26			45	38	118%
52	POLLUTION PREVENTION AND ABATEMENT	2,813	2,867	3,008	3,206	3,290	3,465	2,799	2,929	96%
53	<b>Sub-Total</b>	<b>4,068</b>	<b>4,029</b>	<b>4,062</b>	<b>4,259</b>	<b>4,576</b>	<b>4,714</b>	<b>3,900</b>	<b>4,217</b>	<b>92%</b>
54	<b>Transmission Maintenance Sub-Total</b>	<b>78,257</b>	<b>77,475</b>	<b>79,557</b>	<b>79,755</b>	<b>84,942</b>	<b>87,991</b>	<b>88,996</b>	<b>90,844</b>	<b>98%</b>
<b>Transmission Engineering</b>										
<b>TBL System Development</b>										
55	RESEARCH & DEVELOPMENT	1,860	1,887	2,362	2,362	3,331	3,330	2,997	1,900	158%
56	TSD PLANNING AND ANALYSIS	2,299	2,401	2,770	2,770	1,524	2,555	3,743	3,323	113%
57	CAPITAL TO EXPENSE TRANSFER	1,146	14,902	4,490	4,490	4,000	4,000	6,625	7,076	94%
58	REGULATORY & REGION ASSOC FEES		703	850	850	700	1,100	354	530	67%
59	<b>Sub-Total</b>	<b>5,305</b>	<b>19,893</b>	<b>10,472</b>	<b>10,472</b>	<b>9,555</b>	<b>10,985</b>	<b>13,719</b>	<b>12,830</b>	<b>107%</b>
60	<b>Transmission Engineering Sub-Total</b>	<b>5,305</b>	<b>19,893</b>	<b>10,472</b>	<b>10,472</b>	<b>9,555</b>	<b>10,985</b>	<b>13,719</b>	<b>12,830</b>	<b>107%</b>

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# TBL Income Statement in Standardized Report Format as of September 30, 2006

Report ID: 0061FY06

Requesting BL: TRANSMISSION BUSINESS UNIT

Unit of Measure: \$ Thousands (\$000)

## TBL Detailed Statement of Revenues and Expenses

Through the Month Ended September 30, 2006 as of September 30, 2006

Preliminary/ Unaudited

Run Date/Time: November 05

Data Source: EPM Dat

% of Year Lapsed =

	A	B	C	D	E <Note 1	F	G	H	
	Actuals: FY 2003	Actuals: FY 2004	Actuals: FY 2005	Actuals: FYTD 2005	Rate Case: FY 2006	Target SOY: FY 2006	Actuals: FYTD 2006	Forecast: Current EOY	
<b>TBL Transmission Acquisition and Ancillary Services</b>									
<b>TBL BBL Acquisition and Ancillary Products and Services</b>									
61	ANCILLARY SERVICES PAYMENTS	79,781	67,505	64,341	64,341	64,485	65,228	67,980	65,950
62	OTHER PAYMENTS TO PBL	3,915	3,877	3,848	3,848	3,544	3,554	3,775	3,775
63	STATION SERVICES PAYMENTS	1,700	4,701	4,700	4,700	3,200	3,200	3,202	3,203
64	<b>Sub-Total</b>	<b>85,396</b>	<b>76,084</b>	<b>72,889</b>	<b>72,889</b>	<b>71,229</b>	<b>71,982</b>	<b>74,957</b>	<b>72,928</b>
<b>TBL Non-BBL Acquisition and Ancillary Products and Services &lt;Note 2</b>									
65	LEASED FACILITIES	5,097	3,105	4,418	4,423	12,614	11,656	5,115	11,662
66	GENERAL TRANSFER AGREEMENTS (settlement)	397	722	624	624	912	912	648	597
67	NON-BBL ANCILLARY SERVICES	123	67	1,379	1,379	8,660	8,660	7,864	7,448
68	<b>Sub-Total</b>	<b>5,617</b>	<b>3,894</b>	<b>6,420</b>	<b>6,426</b>	<b>22,186</b>	<b>21,228</b>	<b>13,627</b>	<b>19,707</b>
69	<b>TBL Trans. Acquisition and Ancillary Services Sub-Total</b>	<b>91,013</b>	<b>79,977</b>	<b>79,310</b>	<b>79,315</b>	<b>93,415</b>	<b>93,210</b>	<b>88,584</b>	<b>92,635</b>
<b>Transmission Reimbursables</b>									
<b>TBL Reimbursables</b>									
70	EXTERNAL REIMBURSABLE SERVICES	7,299	6,375	10,717	10,717	10,000	8,265	23,050	17,667
71	INTERNAL REIMBURSABLE SERVICES	890	1,977	749	749		1,735	1,006	1,133
72	<b>Sub-Total</b>	<b>8,190</b>	<b>8,352</b>	<b>11,466</b>	<b>11,466</b>	<b>10,000</b>	<b>10,000</b>	<b>24,056</b>	<b>18,800</b>
73	<b>Transmission Reimbursables Sub-Total</b>	<b>8,190</b>	<b>8,352</b>	<b>11,466</b>	<b>11,466</b>	<b>10,000</b>	<b>10,000</b>	<b>24,056</b>	<b>18,800</b>

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

This information has been made publicly available by BPA on November 14, 2006 and is consistent with TBL Statement of Revenues and Expenses - Customer Collaborative, Report ID: CC\_0023 and contains BPA-approved Agency Financial Information.



# TBL Income Statement in Standardized Report Format as of September 30, 2006

Report ID: 0061FY06 Requesting BL: TRANSMISSION BUSINESS UNIT Unit of Measure: \$ Thousands (\$000)		<b>TBL Detailed Statement of Revenues and Expenses</b> Through the Month Ended September 30, 2006 as of September 30, 2006 Preliminary/ Unaudited					Run Date/Time: November 09, 2006 02:50 Data Source: EPM Data Warehouse % of Year Lapsed = 100%			
		A	B	C	D	E <Note 1	F	G	H	I
		Actuals: FY 2003	Actuals: FY 2004	Actuals: FY 2005	Actuals: FYTD 2005	Rate Case: FY 2006	Target SOY: FY 2006	Actuals: FYTD 2006	Forecast: Current EOY	FYTD Actuals per Forecast
<b>BPA Internal Support</b>										
74	Additional Post-Retirement Contribution	17,550	15,450	13,250	13,250	11,550	11,550	11,600	11,550	100%
75	Corporate G & A (excludes direct project support)	22,693	25,253	54,100	59,179	27,559	68,654	66,796	67,300	99%
76	Shared Services (excludes direct proj sup)	27,227	21,913	7,484	7,484	26,221		1		
77	<b>BPA Internal Support Subtotal</b>	<b>67,470</b>	<b>62,616</b>	<b>74,834</b>	<b>79,913</b>	<b>65,330</b>	<b>80,204</b>	<b>78,397</b>	<b>78,850</b>	<b>99%</b>
<b>Other Income, Expense, and Adjustments</b>										
78	Bad Debt Expense	3	531	487	487			903	886	102%
79	Other Income, Expenses, Adjustments	(830)	(4,539)	(578)	(571)			(2,104)	(97)	-1969%
80	Capital Projects with Expense Accounts									
81	Undistributed Reduction									
82	Non-Federal Debt Service <Note 2		1,191	1,555		(2,680)	(2,680)	5,770	(1,033)	759%
83	Depreciation	171,130	188,918	189,452	189,452	195,884	183,396	171,264	173,700	99%
84	Amortization <Note 2		24	49	49			94	268	35%
85	<b>Total Operating Expenses</b>	<b>497,378</b>	<b>518,438</b>	<b>523,085</b>	<b>526,820</b>	<b>551,112</b>	<b>541,977</b>	<b>550,231</b>	<b>547,121</b>	<b>101%</b>
86	<b>Net Operating Revenues (Expenses)</b>	<b>166,224</b>	<b>125,620</b>	<b>111,445</b>	<b>107,710</b>	<b>177,249</b>	<b>186,114</b>	<b>234,108</b>	<b>221,900</b>	<b>106%</b>
<b>Interest Expense</b>										
Interest on Federal Investment										
87	Appropriated	65,279	61,778	48,150	48,150	48,047	46,429	46,435	46,435	100%
88	Capitalization Adjustment	(19,786)	(20,444)	(18,968)	(18,968)	(18,968)	(18,968)	(18,968)	(18,968)	100%
89	Gross Bonds Interest Expense	155,282	112,101	103,318	102,967	122,862	106,924	99,184	99,224	100%
90	Interest Earned on BPA Fund	(14,307)	(10,587)	(8,890)	(8,102)	(11,136)	(11,044)	(13,517)	(12,375)	109%
91	Debt Service Reassignment Interest		15,503	25,080	25,080	25,656	33,079	32,827	32,800	100%
92	AFUDC	(17,472)	(20,528)	(12,936)	(12,936)	(14,753)	(10,219)	(9,201)	(9,000)	102%
93	<b>Net Interest Expense</b>	<b>168,996</b>	<b>137,822</b>	<b>135,754</b>	<b>136,191</b>	<b>151,708</b>	<b>146,201</b>	<b>136,761</b>	<b>138,116</b>	<b>99%</b>
94	<b>Total Expenses</b>	<b>666,373</b>	<b>656,261</b>	<b>658,838</b>	<b>663,011</b>	<b>702,820</b>	<b>688,178</b>	<b>686,992</b>	<b>685,237</b>	<b>100%</b>
95	<b>Net Revenues (Expenses) from Continuing Operations</b>	<b>(2,772)</b>	<b>(12,202)</b>	<b>(24,309)</b>	<b>(28,481)</b>	<b>25,541</b>	<b>39,913</b>	<b>97,347</b>	<b>83,784</b>	<b>116%</b>
96	<b>Net Revenues (Expenses)</b>	<b>(\$2,772)</b>	<b>(\$12,202)</b>	<b>(\$24,309)</b>	<b>(\$28,481)</b>	<b>\$25,541</b>	<b>\$39,913</b>	<b>\$97,347</b>	<b>\$83,784</b>	<b>116%</b>

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



## Capital Summary as of September 30, 2006

<u>SOURCE</u>	<u>FUNDING</u>
Congressional Budget - FY 2006	\$393.9 Million
OMB Budget- FY 2007 for FY 2006	\$267.6 Million
Rate Case	
- PIR Close Out	\$322.1 Million
- Set Rates	\$268.6 Million
BPA Allocation to TBL	\$267.4 Million
Projects Authorized to date by TBL	\$246.7 Million
Projects Approved for Funding	\$236.0 Million
Balanced Scorecard Target Range	\$202 - \$265 Million
July End-of-Year Expenditure Forecast	\$180 - \$195 Million

Note: Funding amounts are adjusted for start-of-year IT, traditional projects funded in advance, and includes Spacer Dampers.

*This information is being released externally by BPA on November 14, 2006 as an ad hoc report or analysis generated for a specific purpose. The information provided is based upon data found in Agency Financial Information but may not be found verbatim in an External Standard Financial Report or other Agency Financial Information release.*



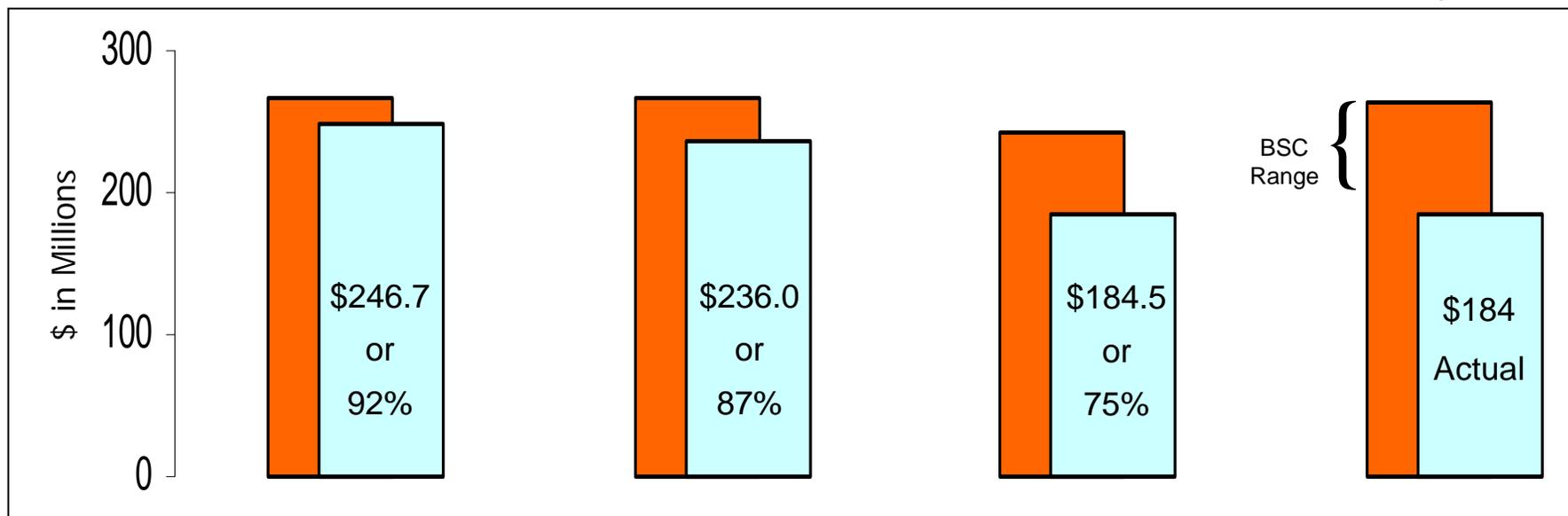
# Capital Program <sup>1/</sup> as of September 30, 2006

(A)  
BOB Allocation  
= \$267.4

(B) <sup>2/</sup> & <sup>3/</sup>  
Mgmt Control  
≅ \$271.6

(C) <sup>3/</sup>  
Authorized  
≅ \$246.7

(D)  
\$202 to \$265  
BSC Target



FY 06  
Spending Authorized

FYTD 06  
Projects Approved

FYTD 06  
Actuals

End-of-Year Forecast  
\$180 to \$195  
No Change

<sup>1/</sup> Capital Scoring Against Borrowing Authority Plus Revenue & 3rd Party Financing

<sup>2/</sup> Slippage Factor 15%

<sup>3/</sup> Includes Spacer Dampers and Funding Authorized for Customer Financed Projects

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