

Questions for BPA Regarding BPA's - 2006 Capital Planning Review
FY 2007 to FY 2012

Process Suggestions

- We would like to propose one or two more technical meetings on PIR and a deeper discussion of Capital Programs.
- The Capital Program Review will cover capital issues relevant to the PIR process and vice versa. As a result, the information presented in one forum will be needed in order to make informed comments in the other.
 - We suggest that we take steps needed to ensure that the Capital Program and PIR together cover all the issues regarding the TBL capital program
 - We suggest ending both the PIR and Capital Program comment period on the same day in mid-August.
- BPA needs to update the customers on its development of a Sustainable Capital Program and explain how customers will be informed of decisions before they are made regarding capital additions to the power and transmission systems.

Questions

- The present time frame for comment established by BPA is too short for BPA stakeholders to provide meaningful input into this initial capital planning process. Is it possible to extend the comment period to mid-August?
- BPA's business units developed the Capital Planning Review information to be consistent with BPA's balanced scorecard (Slide 19 of the presentation). Would BPA please explain in detail its balanced scorecard and the process?
- BPA uses a Least Cost principle in its selection of capital projects (Slide 21). Would BPA please explain this principle and how it is applied to capital programs?
- Through the Capital Planning Review, BPA is involving stakeholders in capital management and giving stakeholders the opportunity to influence how the agency makes capital investments that affect future power and transmission rates (Slide 22). Going forward could BPA please explain how and when the stakeholders will be involved?
- Why are BPA's forecasted capital expenditures materially higher than its historical actual capital expenditures (Slides 23 and 24)?
- Why do the amounts for projected transmission capital investments (Slide 27) FY 2007 to FY 2012 differ from the amounts on Slide 28?
- What will be the future effects on depreciation based on the Transmission Plant-in-Service forecasts (Slide 29)?
- On Slide 35 BPA / TBL states "Transition of BPA approach from a reactive to proactively manage network congestion solution." Could BPA please provide detailed examples of how BPA / TBL proposes to accomplish this?
- What is the difference between Projects approved and underway and New Starts as they relate to Transmission (Slide 37)?

- Is it possible to have a detailed discussion of the Transmission capital planning process as it relates to the matrix team reviews of all proposals? In particular the ranking of projects according to strategies, necessity, consequences and business analysis (Slide 38).
- How does BPA calculate the probability of occurrence in TBL decision factors (Slide 39)?
- Could BPA provide a reconciling crosswalk between the categories listed on Slide 48 and the actual capital projects to be undertaken?
- How was the lost revenue effect calculated without the hydro investment program (Slide 63)?
- What is included in the 25% burden added on Slide 64?
- For the Columbia Generating Station capital investment what is the depreciation / amortization period – 2018? -2024? Or 2024+?
- Are there any surprises left in the CRFM program?
- What is the accumulated capitalized interest on the CRFM program to date and the total forecasted capitalized interest at completion of the program?
- Details of capital expenditures are required for Corporate Facilities Management – security (\$57 million) (Slide 81) – new starts (\$19 million).
- How much is third party financing costing as opposed to relying on the US Treasury for borrowing?
- What is the impact of DOP on all this?
- What is the effect on borrowing authority over time?