

**Questions for BPA Regarding BPA's TBL Programs in Review for Program levels  
FY 2008 and 2009**

**Process Suggestions**

- We would like to propose one or two more technical meetings on PIR and a deeper discussion of capital programs.
- We suggest ending both the PIR and capital program comment period mid-August.

**Areas of Significant Program Growth**

Areas of significant program growth are listed below (the percentages are the amount by which the average of these costs for 2008 and 2009 exceed the average of these costs for 2006 and 2007). At this point no judgments are being made on the value of these programs or the need for increased funding, but it would be useful to understand why these costs are going up significantly, compared to BPA's other costs.

**Maintenance**

1. Right of Way maintenance (12%)
2. Technical training (36%)
3. Non-Electric plant maintenance (19%)

**Acquisition and Ancillary Services**

4. Corps and Bureau (45%)

**Business support**

5. Executive Management (20%)
6. Pay for performance/Awards (37%)
7. Expenses related to inventory management (350%)
8. Regulatory and regional association fees (50%)

**Questions on other areas**

- It would be good to be able to incorporate the savings from the Enterprise Process Improvement Program (EPIP) into transmission rates as soon as possible. (Pages 25 to 29 of the presentation). What is BPA's plan for incorporating these savings into TBL's program costs?
- Why is depreciation going down as plant investment going up (page 34)?
- What is the cost of, and the details related to the additional pressures related to "Accounting determination of cost previously capitalized transferred to expense." (Page 40).

- What are “Post Retirement Benefits” and why are they going up so much FY 2008 to 2009? (page 49)
- More detail on Corporate (pages 49 to 52) would be helpful.
- It would be good to know how much the Electric Reliability Organization Impacts is going to cost and where this will show up in BPA’s program costs, (page 57)  
Are there placeholder costs in the PIR program costs, if so where and how much?
- ColumbiaGrid is not mentioned in these documents, where are the costs and savings assumptions related to this contained? How are they allocated to TBL?
- On page 115 BPA lists a “non-Borrowing Authority item” revenue financed projects. Is BPA still planning to assume revenue financing in the rates in light of the fact that its transmission rates are generating significant revenues in excess of costs?
- How are BPA’s TBL revenues looking as we go into the next rate period?
- On the capital side, how much is third party financing costing as opposed to relying on the US Treasury for borrowing?
- More detail on the I-5 corridor upgrades (page 109) would be useful.
- What is the impact of DOP on all this?
- What is the effect on borrowing authority over time?