

Federal Columbia River Power System (FCRPS)
FY 2001 FOURTH QUARTER REVIEW
Net Revenues and Reserves

**Unaudited Actuals for FY 2001
as of 11/06/2001**



November 14, 2001

FY 2001
EXECUTIVE HIGHLIGHTS
November 2001

(\$ in Millions)

	FY 2000 <i>Actuals</i>	FY 2001			
		<i>1996 Final Rate Proposal</i>	<i>Agency Target 1/</i>	<i>Unadited Actual Results without with FAS 133 1/ FAS 133 2/</i>	
1. REVENUES	3,040.2	2,342.5 ^{3/}	2,924.2	4,207.2	4,255.1
2. EXPENSES	2,799.2	2,332.0 ^{3/}	2,871.8	4,461.7	4,461.7
3. NET REVENUES FROM CONTINUING OPERATIONS	241.0	10.5	52.4 ^{4/}	(254.5) ^{6/}	(206.6) ^{6/}
4. FINANCIAL RESERVES ^{5/}	810.6	602.6	927.9	636.7	636.7
5. BPA ACCRUED CAPITAL EXPENDITURES	192.8	310.0	324.9	283.9	283.9

Footnotes

- 1/ Does not include mark to market adjustments required by SFAS 133.
- 2/ Includes a increase of \$47.9 million as an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by SFAS 133 at June 30, 2001, for identified derivative instruments. The amount represents the net change in the MTM from BPA's transition adjustment at October 1, 2000 and the quarter ending June 30, 2001. The amount is composed of transactions BPA enters into known as "bookouts". SFAS 133, as amended by SFAS 138, specifically defines "bookout" transactions as derivatives and does not allow normal/accrual accounting to be applied to such transactions.
- 3/ Revenues and expenses do not include \$16 million of reimbursable items.
- 4/ Agency FY 2001 target for net revenue ranges between \$11 million to \$103 million.
- 5/ Financial reserves equal total cash plus deferred borrowing.
- 6/ Subject to change as a result of the financial audit and a true-up of the FY 2001 fish credits. The final audit should be available in January 2002.

FCRPS FY 2001 Quarterly Review
Net Revenue Target Report
Reporting Period: Through September 30, 2001
Preliminary Unaudited - \$ in Thousands

% of Year Lapsed = 100%

	<u>Target</u>	<u>FYTD</u>	<u>% to Date</u>
Operating Revenues:			
1. Revenue	2,842,842	3,595,980	126.49%
2. MTM Gain/(Loss) Derivative Instrument <Note 1		47,877	
3. Other	81,403	611,240	750.88%
4. Total Operating Revenues	2,924,245	4,255,097	145.51%
Operating Expenses:			
5. PBL Operations & Maint. (NOM and Non-NOM)	336,644	297,332	88.32%
6. TBL Operations and Maintenance	248,857	216,902	87.16%
7. Undistributed Corporate Overhead		(110)	
8. Other Entities Operations & Maintenance	463,116	434,952	93.92%
9. Power Acquisitions	424,485	2,314,342	545.21%
10. Non-Federal Debt Service	627,791	477,215	76.01%
11. Residential Exchange	68,954	68,067	98.71%
12. Depreciation	265,615	243,191	91.56%
13. Conservation and Fish and Wildlife Amortization	78,709	76,067	96.64%
14. Total Operating Expenses	2,514,170	4,127,957	164.19%
15. Net Operating Revenue	410,075	127,139	31.00%
Interest Expense:			
16. Interest	367,294	351,838	95.79%
17. AFUDC	(9,490)	(18,118)	190.91%
18. Total Interest Expenses	357,804	333,721	93.27%
19. Net Income from Continuing Operations	52,271	(206,581)	-395.21%
20. Cumulative Effect of Change in Accounting Principle for Derivatives/Hedging Activities (SFAS 133) <Note 2 Cumulative Effect of Change in Accounting Principle		(168,491)	
21. Net Revenues (Expenses)	52,271	(375,072)	-717.55%
22. Accumulated net revenues (expenses), Oct. 1	132,810	132,810	100.00%
23. Irrigation Assistance	(16,560)	(16,560)	100.00%
24. Accumulated net revenues (expenses), Sept. 30	168,520	(258,822)	-153.59%

1) 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 amount includes transactions Bonneville enters into known as "bookouts" and represents the change from the SFAS 133 transition below. While authoritative accounting guidance related to bookouts continued to emerge during fiscal year 2001, Bonneville management elected to apply the most recent available guidance. The FASB reversed its position requiring "bookouts" to be MTM effective as of July 1, 2001.

2) Represents the MTM required transition adjustment at October 1, 2000, the date of adoption of SFAS 133, as amended, for identified derivative instruments.