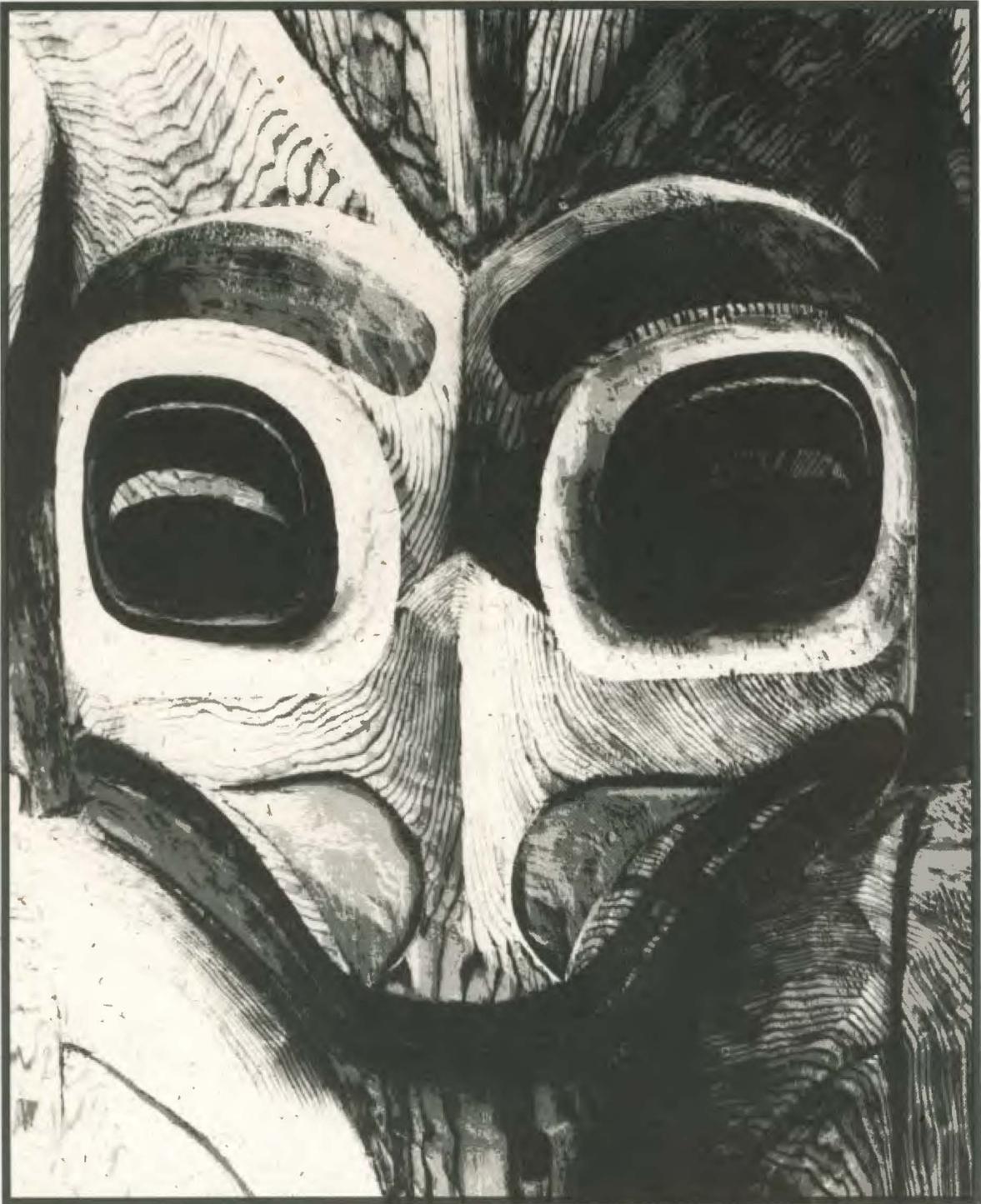
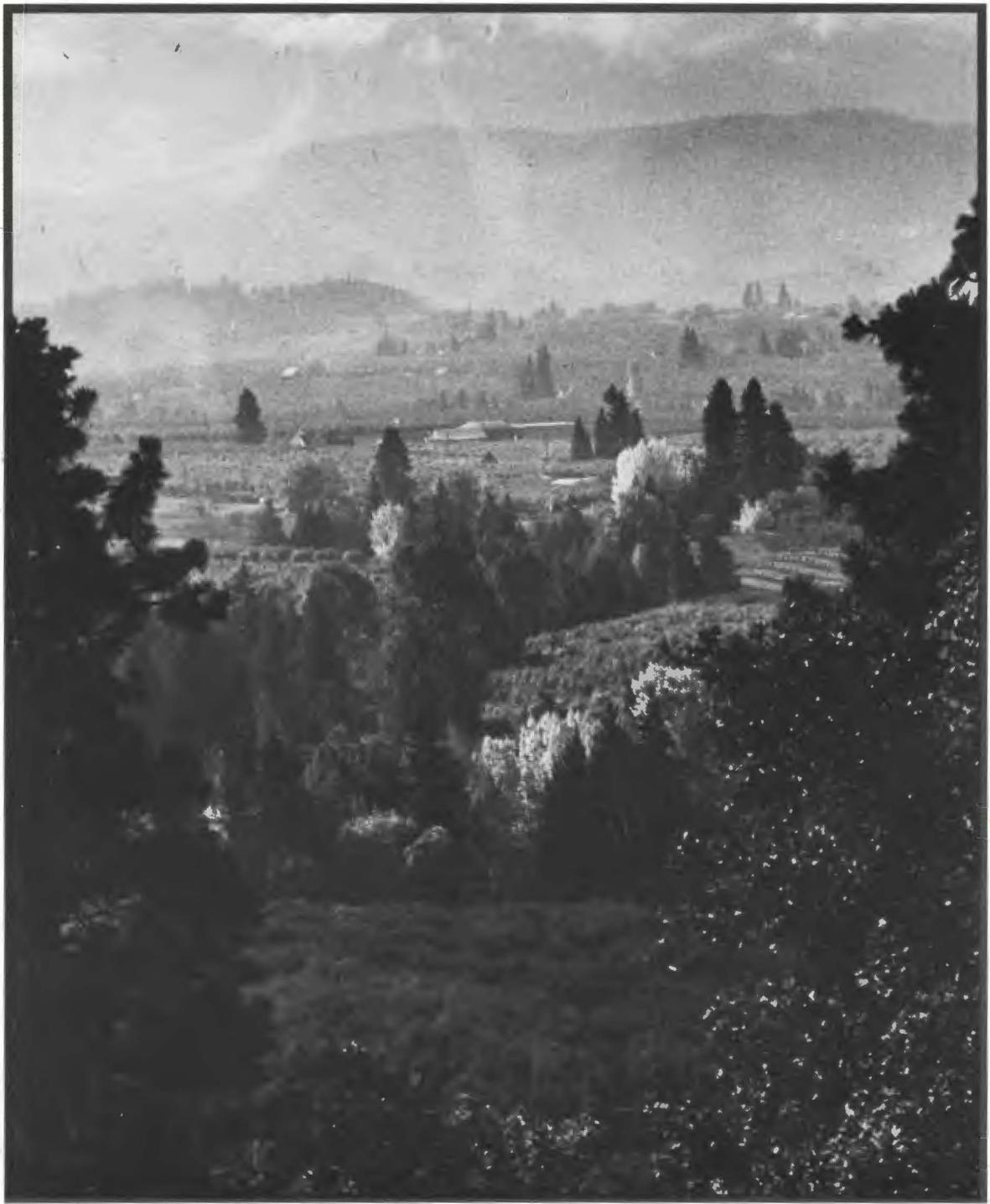


BONNEVILLE POWER ADMINISTRATION
ANNUAL REPORT 1992



KEEPERS OF THE EARTH
COMMEMORATING THE YEAR OF THE AMERICAN INDIAN



“IN 1992,
THE YEAR OF THE AMERICAN INDIAN,
WE DO WELL TO REMEMBER THE SPECIAL PLACE
NATIVE AMERICANS HOLD
IN OUR SOCIETY. THEIR ART AND
WORDS SHOW US THE WISDOM OF LIVING
AND WORKING IN HARMONY WITH NATURE.
IN THIS FAST-CHANGING WORLD,
WE ALL CAN LEARN FROM OUR LAND’S
FIRST KEEPERS.”

RANDALL W. HARDY

FINANCIAL HIGHLIGHTS



For the fiscal years ended September 30, 1992 and 1991

OPERATING RESULTS:	1992	1991
(Thousands of Dollars)		
OPERATING REVENUES:		
Sales of electric power-		
Sales within the Northwest region	\$ 1,731,209	\$ 1,897,561
Sales outside the Northwest region	60,025	196,225
Wheeling and other sales	137,569	126,445
Total operating revenues	1,928,803	2,220,231
Total operating expenses	1,888,896	1,488,147
Net operating revenues	39,907	732,084
Net interest expenses	313,500	307,017
NET REVENUES (EXPENSES)	\$ (273,593)	\$ 425,067

END OF YEAR:

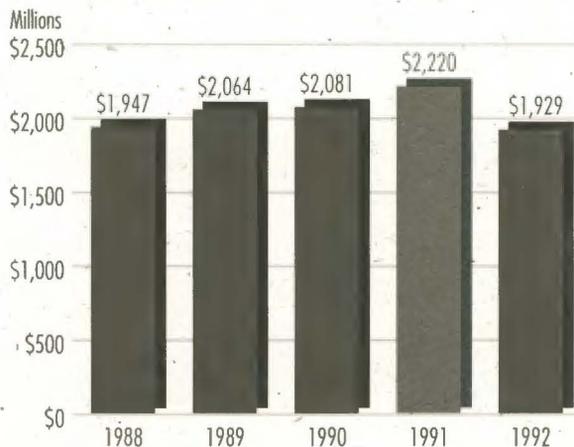
TOTAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	\$15,766,878	\$15,697,660
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TOTAL CAPITALIZATION AND LIABILITIES:

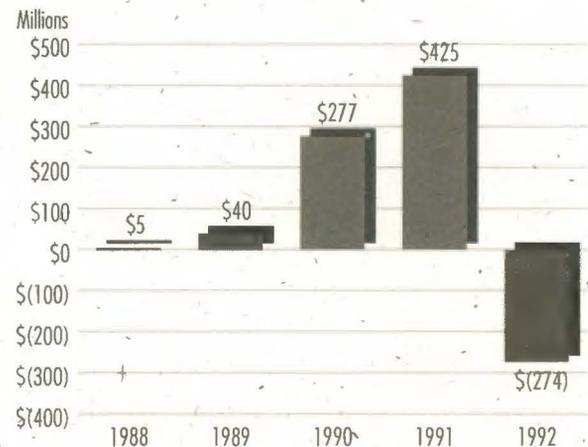
Accumulated net revenues (expenses)	\$ (112,676)	\$ 160,917
Federal appropriations	6,809,229	6,727,882
Treasury borrowings	1,905,573	1,671,573
Non-federal projects debt	6,875,786	6,894,285
Other	288,966	243,003
	\$15,766,878	\$15,697,660

EMPLOYEES (STAFF YEARS)	3,666	3,399
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TOTAL OPERATING REVENUES



NET REVENUES (EXPENSES)



The President
The White House
Washington, D.C. 20585

Dear Mr. President:

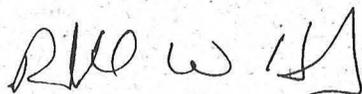
Fiscal year 1992 tested the financial flexibility of the Bonneville Power Administration. Many of the variables that contribute to BPA's income and expenses aligned themselves this year to lower our revenues and increase our costs. We had record low flows in the Columbia River Basin, a depressed aluminum market, new mandates to protect fish, and a need to buy new resources.

It's clear, looking ahead, that we will need higher rates. We see a growing demand in the Northwest for power and new constraints on what we can draw from the Federal Columbia River Power System. I am pleased to report that BPA customers and constituent groups are working closely with us as we move to acquire new resources, to improve our transmission ties to other regions, to protect wild salmon runs and to strengthen BPA's financial base.

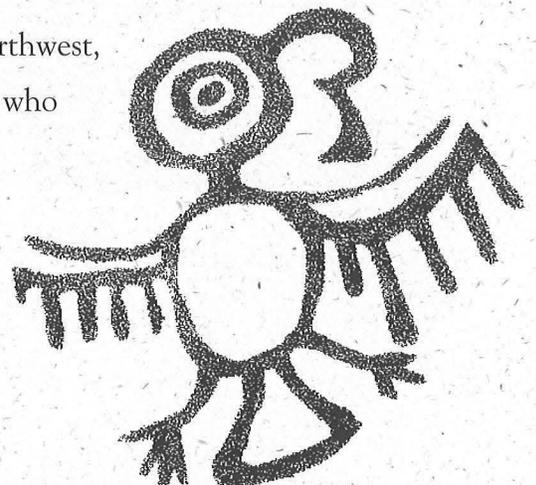
Congress proclaimed 1992 "The Year of the American Indian." Here in the Northwest, Bonneville is on the active end of Department of Energy policy that promises government-to-government relationships with Indian tribes and seeks greater understanding and trust. This annual report recognizes Northwest Native Americans as "Keepers of the Earth," and it affirms BPA's own commitment to wise stewardship of the environment. Not that we claim cultural kinship, but we at Bonneville do see the need for the long view, as expressed in Northwest Indian art and thought.

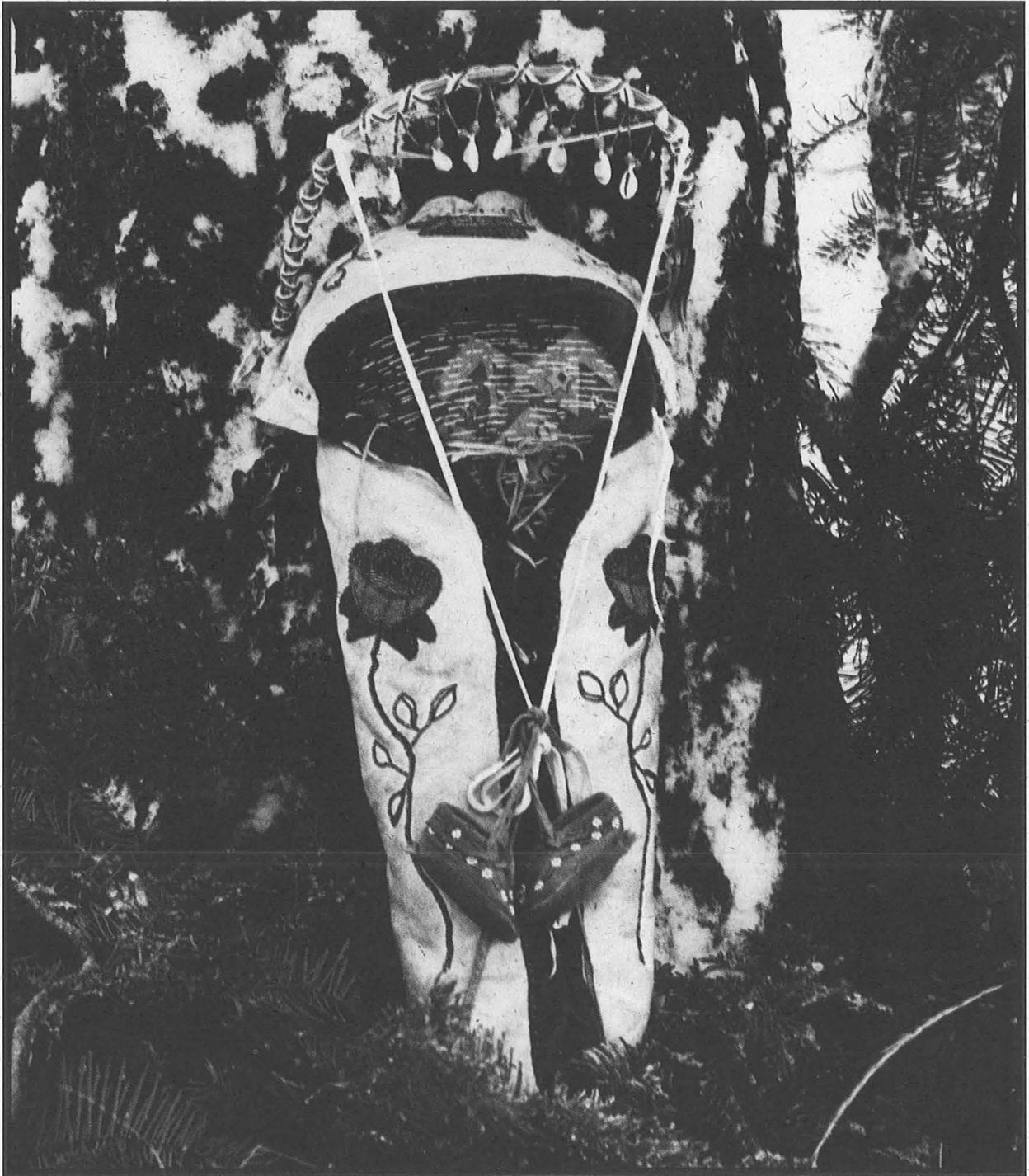
As BPA contributes to comfort and prosperity in the Pacific Northwest, we also have an obligation to preserve the rivers and the land for those who follow us. We all have a responsibility as keepers of the earth.

Respectfully,



Randall W. Hardy
Administrator





“WE DID NOT INHERIT THIS EARTH OR ITS NATURAL RESOURCES
FROM OUR ANCESTORS. WE ARE ONLY BORROWING THEM FROM
OUR CHILDREN’S CHILDREN AND THEIR CHILDREN.”

EUGENE GREENE, SR.

THE RIVER AND THE LAND BELONG TO ALL

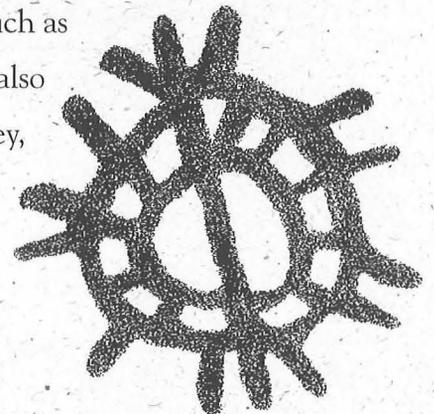
Bonneville has long been active in regionwide efforts to protect fish and wildlife that were affected by federal hydro projects. BPA has paid over \$700 million for hatcheries and fish ladders associated with the dams. Since 1980 and passage of the Northwest Power Act, BPA ratepayers have contributed an additional \$1.1 billion to the Northwest Power Planning Council's fish and wildlife program. Indian tribes, state and federal agencies and others planned and carried out most BPA-funded projects.

This year the National Marine Fisheries Service listed runs of Snake River sockeye and chinook salmon under the Endangered Species Act. Goals already established by the Council took on a new urgency and a new focus on wild fish. Dams share the blame with logging, farming, overharvesting and other causes of the wild fish decline. Now power producers, irrigators, river transporters, commercial and sport fishers and many others share the burden of finding a comprehensive solution based on sound science.

Before the Snake River salmon stocks were listed, BPA and others proposed new actions for wild fish to be included in the Council's program. While awaiting a formal recovery plan, BPA delivered to NMFS a biological assessment to make sure its water management actions for 1992 would not jeopardize the listed wild salmon stocks.

Following the guidance of the Council and NMFS, BPA adjusted its power operations to help wild fish. Bonneville almost doubled the water budget, sending more water down the Columbia to speed the out-migration of young salmon. On the Snake River, the highest priority at Dworshak Dam was to augment flows for fish. Lower Snake reservoirs dropped to near-minimum-pools. Actions related to the Endangered Species Act added about \$100 million to BPA's costs in 1992. These fish expenses are expected to recur and increase, which will add at least 4 percentage points to the rate increase in the next rate period.

Other steps to protect endangered fish included BPA-funded projects such as trapping sockeye — to establish a broodstock — at Idaho's Redfish Lake. BPA also helped buy the Busterback Ranch, near Alturas Lake in Idaho's Sawtooth Valley, to set aside habitat for sockeye and chinook.



Bonneville dedicated two new hatcheries and focused in 1992 on how hatchery fish can supplement, not compete with, wild fish runs. A \$10-million program boosted tribal and state law-enforcement efforts on the Columbia, and BPA continued its aggressive predator-control program with a \$3 bounty on squawfish.

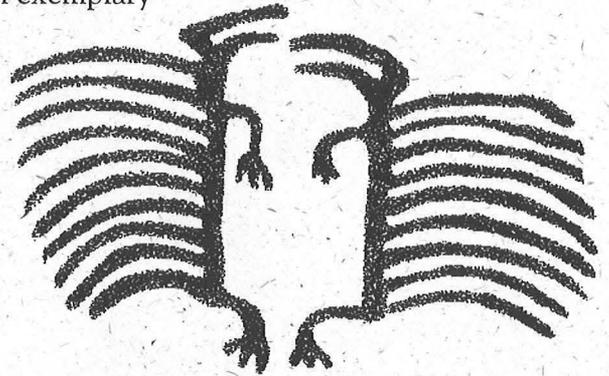
Ratepayers also helped wildlife. To make up for habitat lost to Dworshak Dam and its reservoir, for example, BPA in 1992 purchased a large tract of land south of Lewiston, Idaho. The Idaho Department of Fish and Game, the Nez Perce Tribe and BPA will administer wildlife trust funds totaling \$17.7 million for properties that provide habitat for elk, deer, bear, river otter and many species of wildfowl.

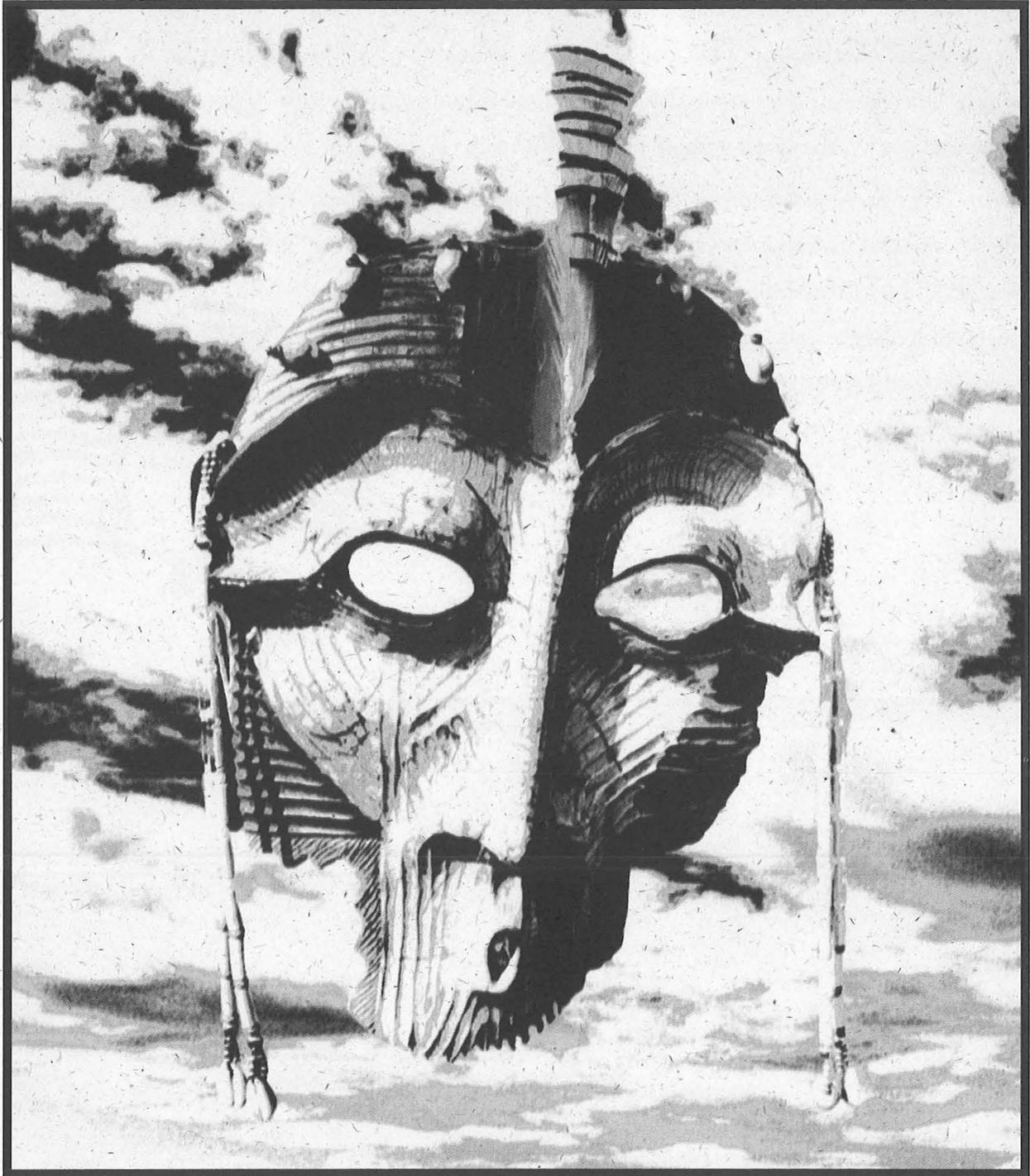
Beyond fish and wildlife, environmental concerns underlie nearly everything Bonneville does. In choosing new resources, siting new power lines or operating the existing system, BPA seeks to protect and conserve the Northwest's natural resources.



Bonneville is reducing hazardous wastes, cleaning up residues from past practices and preventing future contamination at transmission and other sites. BPA is supporting an active research program on whether or not electric and magnetic fields, or EMF, may be harmful to human health. Until the answers are in, BPA has revised its policy to limit use of power line rights-of-way and has led the effort to keep people informed.

In the long run, sound environmental practices make good business sense. In January, Bonneville summarized its "Business Goal for the Environment" as follows: "While maintaining its competitive ability to serve, BPA will become an exemplary steward of the rich and diverse environment it affects, so that future generations will enjoy greater environmental and economic opportunities."





"IT IS NOT FOR OURSELVES HERE THAT WE ARE SPEAKING.

IT IS FOR THOSE THAT COME."

WE-AT-TAN-AT-TEE-MINE

THE LONG VIEW

Smart and cooperative use of the federal transmission grid will help solve energy challenges of the future. By upgrading transmission links and building new ties to Canada and California, BPA helps the Northwest take advantage of seasonal power exchanges.

Some power exchanges save money at the same time they preserve air quality and help BPA meet its obligation to fish. In 1992, for example, BPA signed a power swap agreement totaling 725 average megawatts with four California utilities. Bonneville sends power south in late spring, when increased river flows help the fish and generate more power than the Northwest needs. That same power cuts down on air pollution from fossil fuel plants that run California's air-conditioners. BPA gets the power back in winter, when the Northwest needs it most for heating. These energy exchanges help lower fish-flow costs. They also enable BPA to defer new resources, and their cost is competitive with conservation.

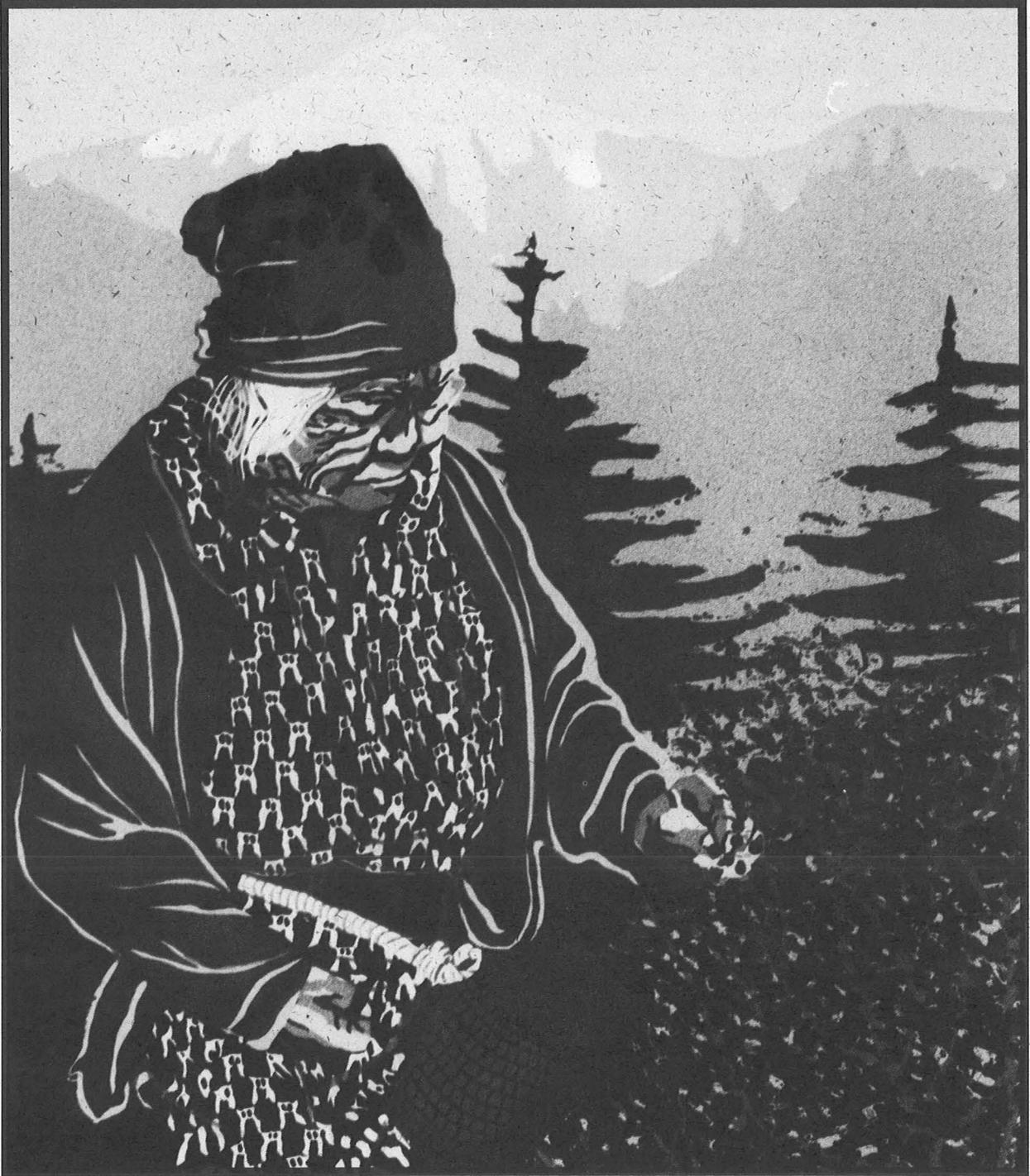
Work on the Third AC Intertie — expanding the ties to northern California — continued at a pace to meet its target completion date of November 1993. The Third AC will raise the capacity of the existing AC lines by 1,600 megawatts. BPA in 1992 signed a preliminary agreement on sharing the new line with non-federal parties. BPA also continued environmental work on its proposal to offer capacity ownership in the line.

In northwest Washington, BPA is planning a transmission project with Puget Sound Power and Light Co. that will improve the reliability of the area's power system and increase capacity on an intertie between the U.S. and Canada.

Population growth and increasing demand for power led to steps in 1992 to improve the reliability of the transmission system. BPA drew up a long-term plan with Puget Sound area utilities that will help keep voltages stable, even in an emergency power crunch. A similar plan is in the works for the Portland, Oregon area.

BPA engineers, in the meantime, keep improving the reliability and capacity of the power system. Researchers expect new thyristor-controlled capacitors — such as those installed this year at a substation near Arlington, Oregon — to significantly increase the power a line can carry. And BPA engineers designed a new and much cheaper device that protects electrical equipment from sudden voltage surges.





"THIS IS OUR MOTHER, THIS' COUNTRY."

STEACHUS

POWER FOR THE FUTURE

To meet its loads in 1992, Bonneville had to cut back one-fourth of the power it normally sells to direct service industries and buy power from outside the region. Facing projected load growth and other supply uncertainties, BPA in its 1992 Resource Program laid out plans to meet its share of the Northwest Power Planning Council's regional power plan over the next 10 years. And BPA began actively buying. The goal is to find new resources that are low-cost, low-risk, and can be captured with the least environmental impact.

Because saving energy is often cheaper and less damaging than generating more, conservation comes first. BPA plans to acquire an additional 660 average megawatts of conservation and another 120 amw in efficiency improvements at the dams through the year 2003. BPA's conservation program emphasizes partnership between Bonneville and its customers. Utilities use BPA programs or design their own local conservation programs to reward verifiable energy savings. Growing programs in residential, industrial, commercial and agricultural sectors help make conservation the key.

Conservation can't do it all. Generation, whether through energy exchanges or construction of new resources in the Northwest, makes up the difference. Cogeneration and renewable resources such as small hydro, geothermal, wind and solar energy will play a role. Combustion turbines will be part of the new resource mix. BPA intends to buy power from a 240-amw gas-fired combustion turbine near Tacoma, Washington. The Resource Program calls for an additional 400 amw from sources other than conservation and currently planned resources.

To hedge against unexpected load growth or severe cutbacks in existing resources, BPA has a Resource Contingency Program. BPA is pursuing 1,050 amw of power options.

BPA also joined with others in the region in 1992 to demonstrate new conservation and renewable energy technologies.

The search for low-cost and earth-friendly resources has sparked new ideas. When BPA solicited competitive bids and offered billing credits for fresh ways to boost the energy supply, the response exceeded expectations. With help like that from its customers and partners, BPA will meet its share of the region's power needs in ways that are cost-effective and will help protect the earth for generations to come. ❏



“YOUR GOOD BOOK TELLS US TO ‘LOVE THY NEIGHBOR.’

IT DOES NOT MEAN NEIGHBOR AS HUMAN.

I BELIEVE IT MEANS OUR NEIGHBORS THE LAND, THE WATER, THE FISH, THE BIRDS,
THE ANIMALS AND ALL LIFE FORMS.”

JERRY MENINICK

PROFILE

The Bonneville Power Administration markets and transmits electric power that is generated primarily at 30 federal dams and two non-federal nuclear plants in the Columbia River Basin. Bonneville sells power at wholesale, mainly to Northwest public and private utilities and to electricity-intensive industries such as aluminum companies. BPA also sells and exchanges power with utilities in California and Canada. To do this, BPA owns 14,800 miles of transmission lines and 388 substations.

In addition to its power marketing and transmission responsibilities, BPA has been directed by Congress to acquire energy resources sufficient to meet the needs of BPA's customer utilities. BPA also pays for fish and wildlife projects that offset damage caused by the federal power system.

MISSION STATEMENT

BPA will work in a regional partnership to define and achieve the electric power, conservation, and fish and wildlife objectives of the Pacific Northwest. We will provide our customers a low-cost, reliable, and environmentally sound power supply and transmission system. We will do so in an open and businesslike way, responsive to citizens' concerns and to our obligations as a federal agency. We will provide creative leadership and fulfill our responsibilities with professional excellence.



PHOTO CREDITS

COVER

Raven Totem by Don Lelooska. A member of the Cherokee Nation, Don was adopted into the Nez Perce Indian tribe at the age of 12 as "Lelooska" which means "he who cuts wood."

INSIDE COVER

According to Indian legend, volcanic Mt. Hood, or "Yi-east" is revered as the passionate warrior son of the Great Spirit. Photo by Wes Taft.

PAGE 4

Traditional corn husk baskets from the Yakima Nation Museum. Indian tradition is the symbiosis between man and nature. Native Americans say tradition ignores time in favor of continuity. Tradition is not about intellect, but heart. Photo by Ron Smith.

PAGE 6

Elk skin cradleboard by Priscilla Bettles. Priscilla says it's important for Native Americans today to live by both ancient and modern traditions. Photo by Ron Smith.

PAGES 7 & 8

Northwest tribes say the Columbia River, with its seasonal ups and downs, is the great provider whose lifeblood pulses through the Pacific Northwest.

Photo by Wes Taft.

PAGE 10

Raku mask, "Umpqua Red Hawk," by Lillian Pitt. Lillian says she uses her art to convey emotions as well as communicate her responses to social and political issues.

PAGE 12

"Huckleberry Picker," by Susana Santos. "I want to project the tragedy as well as the triumphs of our people and also to reflect the women's and children's struggles in my work."

PAGE 14

In all things, Native Americans return to their reverence for the land. Here, a windswept landscape in Idaho has been sacred to plateau Indians for thousands of years.

PAGES 3, 5, 7, 9 & 15

Reproductions of petroglyphs from the cliffs near The Dalles, Oregon. Ancient peoples portrayed their harmony and unity with nature through this art form. Used with permission by the Northwest Power Planning Council.

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PUBLIC-OWNED UTILITIES



ALUMINUM INDUSTRY



INVESTOR-OWNED UTILITIES



MANAGEMENT'S DISCUSSION & ANALYSIS

RESULTS OF OPERATIONS

Total Federal Columbia River Power System expenses exceeded revenues by \$274 million in 1992. Low streamflows, new measures to help weak salmon runs and a depressed aluminum market were major factors. This year's deficit ended a string of four straight years of surpluses.

REVENUES

Total FCRPS operating revenues decreased by \$291 million to \$1,929 million, down 13 percent from 1991.

Drought conditions, after an average water year in 1991, were the main reason for the drop in 1992 revenues. This was the Northwest's third-driest year in the past 55 years. The Columbia River and its tributaries ran low, and as a result of the Endangered Species Act, more water than in prior years was dedicated to flows for fish. So BPA had less power to sell.

Revenues from the sale of power within the Pacific Northwest decreased by \$166 million, or 9 percent. Sales of firm power to private and public utilities held steady, but revenues from sales to aluminum companies fell sharply. Revenues from power sales outside the region were down \$136 million from 1991 because BPA had little nonfirm energy available after Northwest markets were met. Trends in revenues vary by customer class, as indicated in the accompanying charts and in the following descriptions.

Northwest Public-owned Utilities

Revenues from power sales to public utilities rose \$17 million, or 2 percent, to \$966 million in 1992. The Northwest experienced a mild winter and slow economic growth, but BPA's power rates increased slightly from 1991. Also, because of dry weather in the region, public utilities who generate some of their own hydropower were not able to generate as much in 1992. So they bought more power from BPA.

Public-owned utilities are BPA's largest customer group. They include 39 municipalities, 28 public utility districts and 56 cooperatives. They serve residential, commercial and industrial customers. Loads have increased 11 percent over the last five years.

Aluminum Industry

BPA revenues from aluminum companies dropped by \$175 million, or 30 percent, to \$408 million in 1992. Normally the eight Northwest aluminum smelting companies that buy power directly from BPA account for about one-quarter of BPA's total revenues. But not this year.

Revenues fell mainly because BPA's power rates for the aluminum companies went down. In 1986 BPA established a variable industrial rate to help stabilize power sales to aluminum companies. When the aluminum market is soft, they can stay in production because they pay less for power. In 1992, a worldwide recession cut the demand for aluminum. At the same time, former republics of the Soviet Union exported large amounts of aluminum to earn hard currencies. The price of aluminum stayed low throughout the year, and BPA's variable rate was at the minimum most of

the year. The difference in the variable rate from 1991 to 1992 accounted for a drop of about \$120 million in BPA revenues.

A lesser factor was that BPA sold less power to aluminum companies than it had sold in 1991. One of the regional aluminum smelters closed early in the fiscal year. And in August, in order to meet firm loads of other customers, BPA exercised its contractual right to withhold the top quartile of energy it normally sells to aluminum companies.

Northwest Investor-Owned Utilities

Revenues from power sales to this group were \$292 million, down 4 percent from 1991. Eight Northwest investor-owned utilities buy power from BPA to supplement their own resources. New power sales contracts in 1992 helped raise loads in this category. But that was more than offset by this year's mild winter and the scarcity of nonfirm energy for spot-market sales.

Other Northwest Power Sales

This customer group includes seven federal agencies, such as the Department of Energy and the U.S. Navy, and seven direct service, non-aluminum companies. 1992 revenues were \$66 million, up 5 percent.

Sales Outside the Northwest

By law, BPA is required to serve the Northwest first. This year BPA seldom had excess energy to deliver over the federal intertie to California. BPA customers there include 12 public utilities, four investor-owned utilities and one federal agency. Revenues from power sales outside the region were \$60 million, less than one-third of the \$196 million in 1991.

At the start of the fiscal year, reservoirs were full and BPA did sell some power outside the region. But water conditions worsened. By springtime, the only energy BPA could sell outside the region was the energy generated by passing water through the dams to speed the out-migration of fish. Instead of accepting dollars in return for energy delivered south, BPA began converting those sales to exchanges. The energy will come back from California to the Northwest in the winter of 1992-93.

Wheeling and Other Sales

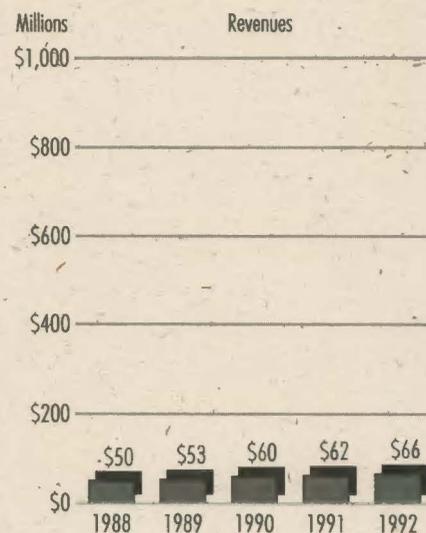
Revenues in 1992 were \$138 million, up 9 percent. A rate increase and greater use of the federal intertie for power sales from Canada to California pushed revenues higher than in 1991.

EXPENSES

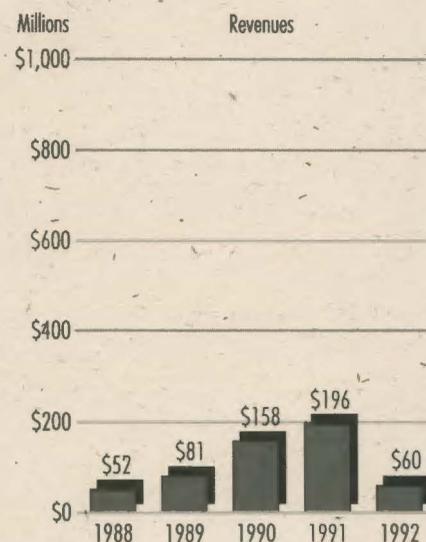
Total FCRPS operating and net interest expenses in 1992 were \$2,202 million, up \$407 million from the year before.

Of this total, operations and maintenance expenses rose by \$215 million, or 27 percent, to \$999 million. By far the largest contributing factor was that BPA spent \$146 million — almost five times what it had spent in 1991 — on power purchases. BPA had to buy more power this year to make up for low water conditions and unplanned outages at nuclear power plants, and to provide adequate flows for fish. Other expenses for fish and wildlife measures more than doubled in 1992, to \$66 million, mostly due to the Endangered Species Act. BPA also spent \$25 million more on its transmission system, catching up on deferred maintenance.

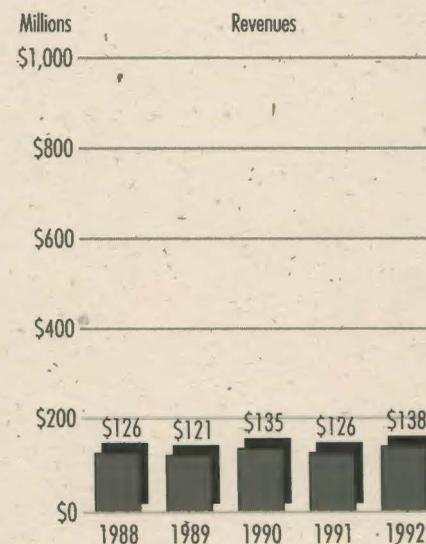
OTHER NORTHWEST POWER SALES



SALES OUTSIDE THE NORTHWEST



WHEELING & OTHER SALES



Debt service on non-federal projects increased by \$159 million, from \$317 million to \$476 million. The structure of advance refundings from refinancing Washington Public Power Supply System bonds resulted in greater savings to BPA in 1991 than in 1992. The \$476 million expense for 1992 continues to be less than pre-refinancing levels of expense, which were over \$600 million in years prior to 1990.

Residential energy exchange cost BPA \$202 million, an increase of \$16 million due to higher average system costs of participants. Depreciation on federal projects rose \$11 million, to \$212 million. Net interest expense on federal investment increased \$6 million to \$314 million.

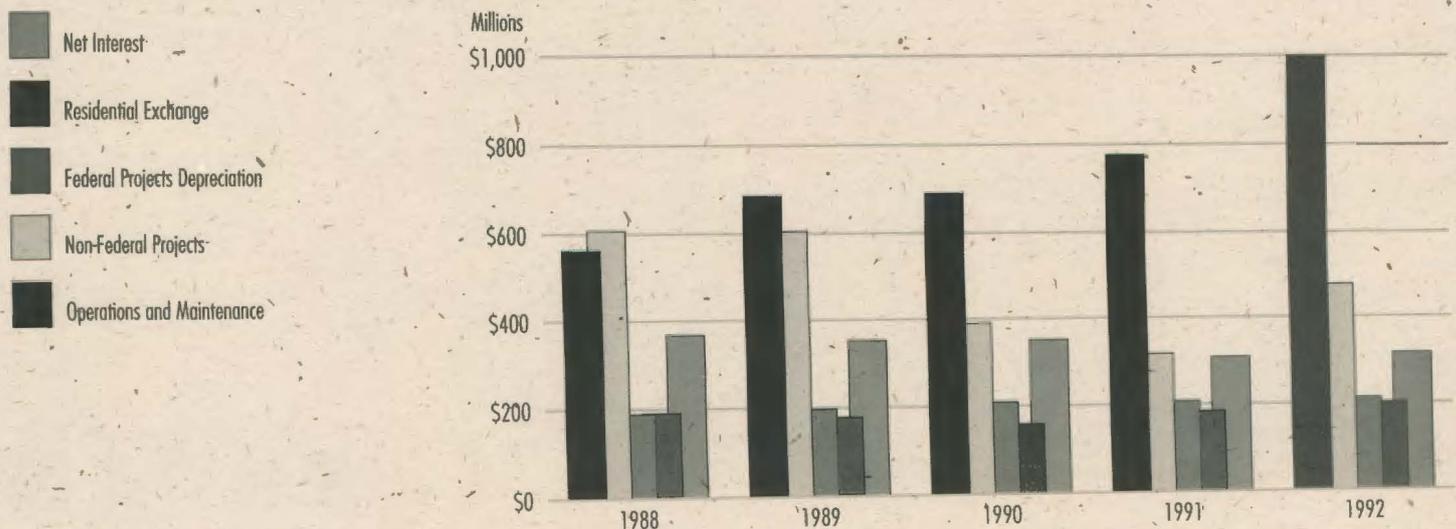
FINANCIAL CONDITION

FCRPS operating results in 1992 depleted a good share of the financial reserves BPA had built up. In each of the prior four years, BPA experienced positive and growing net revenues. BPA used the cash to build a reserve against bad times. The agency's reserves — cash and deferred borrowing authority — rose from \$211 million at the end of fiscal year 1989 to \$877 million at the end of 1991. At the end of 1992, the reserve balance stood at \$641 million.

BPA had raised its wholesale power rates an average 1.7 percent to start the 1992 fiscal year. This was the first increase in BPA rates since 1988. The current rates apply for two years, through fiscal year 1993.

The modest rate increase in 1992 was projected to yield annual net revenues of \$80 million. But revenue projections are always highly uncertain. The weather, the economy, power system adjustments for fish, and low aluminum prices combined in 1992 to depress revenues, as did unplanned outages at nuclear plants. The FCRPS's 30 percent share of Trojan, which usually contributes about 5 percent of total FCRPS capacity, was unavailable for most of the year. On January 4, 1993, the Portland General Electric Board of Directors recommended the permanent closure of the Trojan plant. BPA expects to make short-term power purchases to replace this resource. The extent to which short-term power purchase expenses exceed the cost savings accrued from plant closure is not expected to be significant and will be recovered through rates.

EXPENSE TRENDS



BPA will very likely need a double-digit increase in its wholesale power rates for the next rate period, 1994-95. Preserving endangered salmon runs, acquiring more power to meet the region's growing demand for electricity, and expanding and upgrading the federal transmission system will push rates higher. In preparation for the 1993 rate case, BPA began meeting with customers and other interested parties in 1992 to discuss program costs and revenue requirements.

Financing

Traditionally, BPA has financed all of its capital investments by borrowing. To finance capital programs such as transmission system development, conservation, and fish and wildlife programs, BPA exercises its authority to borrow from the U.S. Treasury. At the end of fiscal year 1992, BPA's debt in this category totaled \$1.9 billion. BPA's maximum borrowing authority is \$3.75 billion.

The Corps of Engineers and Bureau of Reclamation use federal appropriations for new construction and replacement investments, as well as for operation and maintenance expenses, at the dams they operate. These federal appropriations, like BPA's own, are to be repaid to the Treasury by BPA. The total remaining to be paid at the end of the year was \$6.8 billion.

Another \$6.9 billion is owed to non-federal sources for the financing of three Washington Public Power Supply System nuclear projects, the FCRPS share of Trojan, and several smaller generation and conservation investments. BPA backs the bonds issued by others on the private market to finance these projects.

A Proposed 10-Year Financial Plan

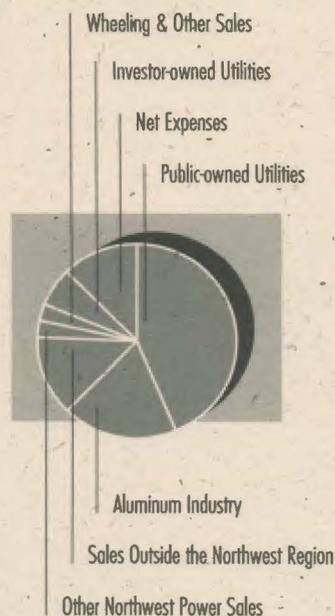
In July 1992, after thorough discussions with customers and the public, BPA proposed a 10-year financial plan for fiscal years 1992 through 2001. The proposed plan identifies long-term financial issues and examines ways to reduce BPA's traditional reliance on borrowing from the Treasury.

The first part of the proposed plan — risk mitigation — deals with the financial uncertainties facing BPA. It considers alternative tools BPA and the region can use to assure at least a 95 percent probability that BPA will meet its Treasury payments in full and on time in each two-year rate period. BPA's proposal would achieve that probability standard by setting rates at a level sufficient to maintain reserves of \$500 million to \$600 million. Program deferrals and one-year rate adjustments would be used, if necessary, to respond to poor results within a two-year rate period.

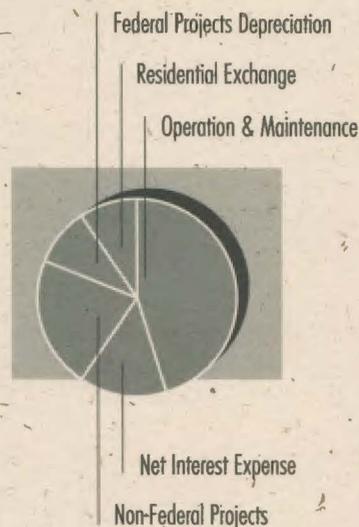
The second part of the proposed plan — capital funding — explores alternative sources of capital to finance FCRPS investments. It identifies capital requirements over the 10-year period, and it compares the availability, reliability and cost of various funding sources. The plan proposes that tax-exempt third-party sources be used as often as possible to finance BPA capital investments. Appropriations and bonds issued to the Treasury would be used for the remaining federal investments.

As fiscal year 1992 came to a close, BPA was again meeting with customers and others to discuss the policy implications of the proposed 10-year financial plan. BPA hopes to emerge from these discussions with a plan that will keep rates competitive and provide a solid financial framework for the decade.

1992 SOURCES OF REVENUE & NET EXPENSES



1992 DISPOSITION OF REVENUE



BALANCE SHEETS

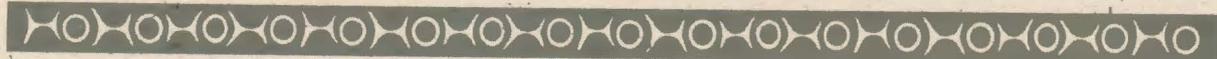
September 30, 1992 and 1991

ASSETS	1992	1991
	(Thousands of Dollars)	
UTILITY PLANT (Notes 1 and 3):		
Completed plant	\$ 9,327,346	\$ 9,134,024
Accumulated depreciation	(2,489,880)	(2,359,992)
	6,837,466	6,774,032
Construction work in progress	548,538	414,167
Net utility plant	7,386,004	7,188,199
NON-FEDERAL PROJECTS (Notes 1 and 4):		
Hanford	—	7,385
WNP No. 1	2,305,540	2,319,518
WNP No. 2	2,394,539	2,384,362
WNP No. 3	1,843,877	1,845,685
Trojan	111,625	115,465
Conservation	11,630	12,720
Idaho Falls	37,480	38,055
Cowlitz Falls	171,095	171,095
Total non-federal projects	6,875,786	6,894,285
CONSERVATION, net of accumulated amortization of \$265,499 in 1992 and \$225,927 in 1991 (Notes 1 and 2)	577,066	541,970
FISH AND WILDLIFE, net of accumulated amortization of \$14,905 in 1992 and \$10,296 in 1991 (Notes 1 and 2)	60,757	54,188
CURRENT ASSETS:		
Cash	485,881	636,613
Accounts receivable	48,011	7,478
Accrued unbilled revenues	68,758	76,537
Materials and supplies, at average cost	70,387	49,353
Prepaid expenses	139,058	209,986
Total current assets	812,095	979,967
OTHER ASSETS	55,170	39,051
	\$15,766,878	\$15,697,660

CAPITALIZATION AND LIABILITIES	1992	1991
	(Thousands of Dollars)	
ACCUMULATED NET REVENUES (Expenses) (Note 1)	\$ (112,676)	\$ 160,917
FEDERAL APPROPRIATIONS (Note 3)	6,809,229	6,727,882
LONG-TERM DEBT (Note 2)	1,905,573	1,521,573
NON-FEDERAL PROJECTS DEBT, net of current portion (Notes 1 and 4)	6,795,991	6,792,128
Total capitalization and long-term liabilities	15,398,117	15,202,500
COMMITMENTS AND CONTINGENCIES (Notes 6 and 7)		
CURRENT LIABILITIES:		
Current portion of long-term debt	—	150,000
Current portion of non-federal projects debt (Notes 1 and 4)	79,795	102,157
Accounts payable	247,472	160,627
Employees' accrued leave	15,438	15,572
Total current liabilities	342,705	428,356
DEFERRED CREDITS	26,056	66,804
	\$15,766,878	\$15,697,660

The accompanying notes are an integral part of these statements.

STATEMENTS OF REVENUES & EXPENSES



For the years ended September 30, 1992 and 1991

	1992	1991
	(Thousands of Dollars)	
OPERATING REVENUES:		
Sales of electric power-		
Sales within the Northwest region-		
Public-owned utilities	\$ 965,849	\$ 948,747
Aluminum industry	408,024	582,847
Investor-owned utilities	291,663	303,650
Other power sales	65,673	62,317
Sales outside the Northwest region	60,025	196,225
	1,791,234	2,093,786
Wheeling and other sales	137,569	126,445
Total operating revenues	1,928,803	2,220,231
OPERATING EXPENSES:		
Operations and maintenance	998,541	783,247
Non-federal projects (Note 4)	476,030	316,906
Federal projects depreciation	212,349	201,778
Residential exchange (Note 5)	201,976	186,216
Total operating expenses	1,888,896	1,488,147
Net operating revenues	39,907	732,084
INTEREST EXPENSE:		
Interest on federal investment		
Appropriated funds	231,579	228,196
Long-term debt	111,783	101,425
Allowance for funds used during construction (AFUDC)	(29,862)	(22,604)
Net interest expense	313,500	307,017
NET REVENUES (EXPENSES)	\$ (273,593)	\$ 425,067

The accompanying notes are an integral part of these statements.

STATEMENTS OF CHANGES IN CAPITALIZATION

For the years ended September 30, 1992 and 1991

	Accumulated Net Revenues (Expenses)	Federal Appropriations	Long-Term Debt	Non-federal Projects Debt	Total Capitalization
(Thousands of Dollars)					
BALANCE AT SEPTEMBER 30, 1990	\$(264,150)	\$6,697,535	\$1,694,499	\$6,708,549	\$14,836,433
Increase in federal appropriations:					
Operations and maintenance	—	109,841	—	—	109,841
Construction	—	82,934	—	—	82,934
Repayment of federal appropriations:					
Operations and maintenance	—	(109,841)	—	—	(109,841)
Construction	—	(52,587)	—	—	(52,587)
Increase in long-term debt:	—	—	110,000	—	110,000
Reduction of long-term debt:					
Repayment	—	—	(132,926)	—	(132,926)
Refinance	—	—	—	—	—
Net increase in non-federal projects debt	—	—	—	270,936	270,936
Payment of non-federal projects debt	—	—	—	(85,200)	(85,200)
Net revenues	425,067	—	—	—	425,067
BALANCE AT SEPTEMBER 30, 1991	\$ 160,917	\$6,727,882	\$1,671,573	\$6,894,285	\$15,454,657
Increase in federal appropriations:					
Operations and maintenance	—	119,245	—	—	119,245
Construction	—	84,753	—	—	84,753
Repayment of federal appropriations:					
Operations and maintenance	—	(119,245)	—	—	(119,245)
Construction	—	(3,406)	—	—	(3,406)
Increase in long-term debt:	—	—	854,000	—	854,000
Reduction of long-term debt:					
Repayment	—	—	(245,000)	—	(245,000)
Refinance	—	—	(375,000)	—	(375,000)
Net increase in non-federal projects debt	—	—	—	85,431	85,431
Payment of non-federal projects debt	—	—	—	(103,930)	(103,930)
Net expenses	(273,593)	—	—	—	(273,593)
BALANCE AT SEPTEMBER 30, 1992	\$(112,676)	\$6,809,229	\$1,905,573	\$6,875,786	\$15,477,912

The accompanying notes are an integral part of these statements.

STATEMENTS OF CASH FLOWS

For the years ended September 30, 1992 and 1991

	1992	1991
	(Thousands of Dollars)	
CASH FROM OPERATING ACTIVITIES:		
Net revenues	\$(273,593)	\$425,067
Expenses (Income) not requiring cash:		
Depreciation	168,168	161,262
Amortization	44,181	40,516
Amortization of non-federal projects	103,930	85,200
AFUDC	(29,862)	(22,604)
(Increase) decrease in:		
Receivables and unbilled revenues	(32,754)	19,935
Materials and supplies	(21,034)	(7,341)
Prepaid expenses	70,928	(27,736)
Increase (decrease) in:		
Accounts payable	86,845	23,655
Employees' accrued leave	(134)	1,289
Other	(56,867)	1,937
Cash provided by operating activities	59,808	701,180
CASH USED FOR INVESTMENT ACTIVITIES:		
Investment in:		
Utility plant	(336,111)	(246,529)
Conservation	(74,668)	(45,593)
Fish and Wildlife	(11,178)	(17,680)
Non-federal projects	(85,431)	(270,936)
Cash used for investment activities	(507,388)	(580,738)
CASH FROM BORROWING AND APPROPRIATIONS:		
Increase in federal appropriations:		
Operations and maintenance	119,245	109,841
Construction	84,753	82,934
Repayment of federal appropriations:		
Operations and maintenance	(119,245)	(109,841)
Construction	(3,406)	(52,587)
Increase in long-term debt	854,000	110,000
Repayment of long-term debt	(245,000)	(132,926)
Refinance of long-term debt	(375,000)	—
Net increase in non-federal projects debt	85,431	270,936
Payment of non-federal projects debt	(103,930)	(85,200)
Cash from borrowing and appropriations	296,848	193,157
Increase in cash	(150,732)	313,599
BEGINNING CASH BALANCE	636,613	323,014
ENDING CASH BALANCE	\$ 485,881	\$636,613

The accompanying notes are an integral part of these statements.

1. SUMMARY OF GENERAL ACCOUNTING POLICIES

The Federal Columbia River Power System (FCRPS) includes the accounts of the Bonneville Power Administration (BPA), which purchases, transmits, and markets power, and the accounts of the Pacific Northwest generating facilities of the U.S. Army Corps of Engineers (Corps) and the Bureau of Reclamation (Reclamation) for which BPA is the power marketing agency. Each entity is separately managed and financed, but the facilities are operated as an integrated power system with the financial results combined under the FCRPS title. Costs of multipurpose Corps and Reclamation projects are assigned to specific purposes through a cost allocation process. Only the portion of total project costs allocated to power is included in these statements.

FCRPS accounts are maintained in accordance with generally accepted accounting principles and the uniform system of accounts prescribed for electric utilities by the Federal Energy Regulatory Commission (Commission). FCRPS accounting policies also reflect specific legislation and executive directives issued by U.S. Government departments (BPA is a unit of the Department of Energy; Reclamation is part of the Department of Interior and the Corps is part of the Department of Defense). FCRPS properties and income are tax-exempt.

REGULATORY AUTHORITY

FCRPS power rates must be confirmed and approved by the Commission.

REVENUES AND NET REVENUES

Operating revenues are recorded on the basis of service rendered, which includes estimated unbilled revenues. Bonneville's rates are established in accordance with several statutory directives. Rates proposed by Bonneville are subjected to an extensive formal review process, after which they are established by Bonneville and reviewed by the Commission. The Commission's review is limited to three standards set out in the Northwest Power Act. The Commission reviews Bonneville's rates for all firm power, for nonfirm energy sold within the Region, and for transmission service under such statutory standards that include a requirement that these rates be sufficient to assure repayment of the federal investment in the FCRPS over a reasonable number of years after first meeting Bonneville's other costs.

After final Commission approval, Bonneville's rates may be reviewed by the United States Court of Appeals for the Ninth Circuit. Action seeking such review must be filed within 90 days of the final Commission decision. The Commission and the Court of Appeals may either confirm or reject a rate proposed by Bonneville. It is the opinion of Bonneville's General Counsel that, if a rate were rejected, it would be remanded to Bonneville for reformulation. By contract, Bonneville has agreed that rates for the sale of power pursuant to its present contracts may not be revised on less than nine month's notice and may not be increased more than once in a twelve month period.

In February 1992, the commission granted final approval of Bonneville's rates for fiscal years 1992 and 1993. The rates increased an average of 1.7% on October 1, 1991.

Because BPA is a U.S. Government power marketing agency, net revenues over time are committed to repayment of the U.S. Government investment in the FCRPS and the payment of certain irrigation costs as discussed in Note 6.

UTILITY PLANT

Utility plant is stated at original cost. Cost includes direct labor and materials, payments to contractors, indirect charges for engineering, supervision and similar overhead items, and an allowance for funds used during construction. The costs of additions, major replacements, and betterments are capitalized. Repairs and minor replacements are charged to operating expense. The cost of utility plant retired, together with removal costs and less salvage, is charged to accumulated depreciation when it is removed from service.

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION

The allowance for funds used during construction (AFUDC) constitutes interest on the funds used for utility plant under construction. AFUDC is capitalized as part of the cost of utility plant and results in a non-cash reduction of interest expense. While cash is not realized currently from this allowance, it is realized under the rate-making process over the service life of the related property through increased revenues resulting from higher plant in-service and higher depreciation expense.

AFUDC capitalization rates are stipulated in the Congressional Acts authorizing construction for certain generating projects (2.5 percent to 8.9 percent in 1992 and 2.5 percent to 9.0 percent in 1991). Capitalization rates for other construction approximate the cost of borrowing from the U.S. Treasury (8.5 percent in 1992 and 8.8 percent in 1991).

DEPRECIATION AND AMORTIZATION

Depreciation of utility plant is computed on the straight-line method based on estimated service lives of the various classes of property, which average 45 years for transmission and 85 years for generation. Amortization of conservation and fish and wildlife is computed on the straight-line method based on estimated service lives, which are 20 years for conservation and 15 years for fish and wildlife.

NON-FEDERAL PROJECTS AND NON-FEDERAL PROJECTS DEBT

BPA has agreed to acquire all or part of the generating capability of five nuclear power plants and two hydro projects. BPA has also agreed to fund debt service on Eugene Water & Electric Board (EWEB) bonds issued to finance conservation programs sponsored by BPA. The non-federal projects will be amortized as such costs are scheduled to be recovered in rates.

RETIREMENT BENEFITS

FCRPS employees belong to either the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). FCRPS and employees contribute to the systems. Both are contributory pension plans. Retirement benefit expense under CSRS is equivalent to 7 percent of eligible employee compensation and under FERS is variable based upon options chosen by the participant but does not exceed 24.2 percent of eligible employee compensation. Retirement benefits are payable by the U.S. Treasury and not by the FCRPS.

CASH

For purposes of reporting cash flows, cash includes cash in the BPA fund and unexpended appropriations of Reclamation and the Corps. Cash paid for interest was \$318 million in 1992 and \$306 million in 1991.

2. LONG-TERM DEBT

To finance its capital programs, BPA is authorized by the Federal Columbia River Transmission System Act to issue to the U.S. Treasury up to \$3.75 billion of interest-bearing debt with terms and conditions comparable to debt issued by U.S. Government corporations. A portion (\$1.25 billion) of the \$3.75 billion is reserved for conservation and renewable resource loans and grants. At September 30, 1992, \$492 million of this reserved amount and \$1,413 million of other borrowings were outstanding. The following table reflects the terms and amounts of long-term debt.

Long-Term Debt^(a)

Issue Date	First Call Date	Maturity Date	Interest Rate	Construction & Fish & Wildlife	Conservation	Cumulative Total
(Thousands of Dollars)						
Bonds:						
February 1991	none	1995	7.55%	\$ 60,000	\$ —	\$ 60,000
September 1989	none	1995	8.60%	—	66,000	126,000
April 1992	none	1995	6.20%	80,000	—	206,000
March 1986	none	1996	8.15%	100,000	—	306,000
March 1986	none	1996	8.15%	—	50,000	356,000
May 1991	none	1996	7.95%	50,000	—	406,000
April 1992	none	1997	7.00%	50,000	—	456,000
April 1992	none	1997	7.00%	28,300	—	484,300
July 1992	none	1997	5.80%	—	80,200	564,500
May 1989	none	1999	8.95%	25,000	—	589,500
May 1989	none	1999	8.95%	75,000	—	664,500
August 1992	none	2000	6.60%	107,800	—	772,300
September 1989	none	2002	8.65%	—	66,000	838,300
July 1992	1997	2007	7.14%	—	100,000	938,300
August 1992	1997	2007	7.25%	107,700	—	1,046,000
April 1988	1993	2008	9.90%	—	90,000	1,136,000
July 1989	none	2009	8.55%	—	40,000	1,176,000
February 1988	1993	2018	9.50%	43,700	—	1,219,700
January 1990	2000	2030	9.25%	50,000	—	1,269,700
June 1986	1991	2031	8.95%	95,873	—	1,365,573
July 1987	1992	2032	9.55%	50,000	—	1,415,573
April 1992	1997	2032	8.80%	150,000	—	1,565,573
July 1992	1997	2032	8.13%	150,000	—	1,715,573
February 1988	1993	2033	9.50%	150,000	—	1,865,573
June 1988	1993	2033	9.90%	40,000	—	1,905,573
				\$1,413,373	\$492,200	\$1,905,573
Less current portion						
						\$1,905,573

(a) The weighted average interest rate was 8.2% and 8.9% on outstanding long-term debt as of September 30, 1992 and 1991, respectively. All the construction, conservation, and fish and wildlife bonds are term bonds.

3. FEDERAL APPROPRIATIONS

All construction and replacement of Corps and Reclamation generating facilities are financed by annual federal appropriations. Annual appropriations are also made for their operation and maintenance costs, although these are repaid by BPA to the U.S. Treasury by the end of each fiscal year. BPA construction and operations and maintenance costs were also financed by appropriations before the Federal Columbia River Transmission System Act which was passed in 1974.

Interest rates on the appropriated funds range from 2.5 percent to 9.25 percent (the weighted average rate was 3.4 percent in 1992 and 1991). The rates have been set by law, administrative order pursuant to law, or administrative policies.

Federal appropriations relating to generating projects and the transmission system are to be repaid to the U.S. Treasury within 50 and 45 years, respectively, from the time each facility is placed in service. The cumulative amount of federal appropriations repaid through September 30, 1992, exceeded the amount required to be repaid.

If, in any given year, there are not enough revenues to cover all cash needs, including interest, any deficiency becomes unpaid annual expense. Interest is accrued on unpaid annual expense until paid. This must be paid from subsequent years' revenues before any repayment of federal appropriations can be made. The table below shows the term repayments of the remaining federal appropriations as of September 30, 1992.

Federal Appropriations

	Term Repayments (a)
<hr/>	
(Thousands of Dollars)	
1993	\$ 17,785
1994	10,203
1995	—
1996	—
1997	—
After 1997	6,781,241
	<hr/>
	\$6,809,229

(a) Excludes planned payments on future replacements.

4. NON-FEDERAL PROJECTS

BPA has acquired all or part of the generating capability of five nuclear power projects. The contracts to acquire the generating capability of the projects, referred to as "net-billing agreements," require BPA to pay all or part of the annual projects budgets, including debt service, whether or not the projects are completed. BPA has also acquired all of the output of the Idaho Falls and Cowlitz Falls projects and has agreed to fund debt service on EWEB bonds issued to finance conservation programs sponsored by BPA.

BPA recognizes expenses for these projects based upon total project cash funding requirements reflected in project budgets that are adopted by BPA and the Washington Public Power Supply System (Hanford Generating Project, WNP Nos. 1-3), Eugene Water and Electric Board (Trojan, EWEB conservation), City of Idaho Falls (Idaho Falls hydro), and PUD No. 1 of Lewis County (Cowlitz Falls hydro). Operating expense for the projects is included in operations and maintenance in the accompanying Statements of Revenues and Expenses.

Following restoration of the Supply System's bond rating in late 1988, BPA and the Supply System developed a refunding plan to refinance outstanding high-interest rate net-billed bonds. By the end of fiscal year 1992, six advance refunding sales were completed. A seventh refunding was completed in October 1992, refunding \$594 million of previously outstanding bonds with \$644 million of new bonds.

In total \$5.1 billion of refunding bonds were issued to refinance \$4.0 billion of previously outstanding bonds. These advance refundings reduced the cash requirements pursuant to the project budgets BPA is required to pay under the net-billing agreements by \$183 million in fiscal 1991 and \$131.6 million in 1992 from 1989 levels. Additionally the structure of the advance refundings allowed the use of cash reserves held by the bond trustee to further reduce the project budgets for fiscal 1991. In 1991 this resulted in \$107.1 million of lower project budgets for WNP Nos. 1 and 2. Cash reserves were not available to reduce project budgets in fiscal 1992.

In summary, non-federal project expense included in the Statement of Revenues and Expenses was reduced by \$290.1 million and \$131.6 million for fiscal 1991 and 1992, respectively, relating to the above factors. The table on the following page shows future principal and interest payments required for non-federal projects total \$13.4 billion, of which \$6.5 billion represents interest.

BPA's commitment under the net-billing agreements extends for the life of the projects. Construction on two projects, WNP No. 1 and WNP No. 3, has been delayed indefinitely. A construction restart of WNP No. 1 and WNP No. 3 and the need for additional financing will depend on factors such as the forecasted power needs in the Pacific Northwest and the cost effectiveness of these projects compared to other resources.

On January 4, 1993, the Portland General Electric Board of Directors recommended permanent closure of the Trojan Plant. This decision is not expected to result in the acceleration of debt service payments. BPA will continue to recover its share of Trojan's costs through rates.

Non-federal Projects Debt Service

Project and Percent CAPABILITY ACQUIRED		Actual		Forecasted Non-federal Debt Service (a)						Total	
		1991	1992	1993	1994	1995	1996	1997	1998+		
(Thousands of Dollars)											
Hanford Nuclear 72%	Principal	\$ 4,835	\$ 7,385	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
	Interest (b)	322	(2,159)	—	—	—	—	—	—	—	—
		5,157	5,226	—	—	—	—	—	—	—	
WNP No. 1 100%	Principal	24,455	28,165	34,520	36,325	38,280	41,740	46,035	2,108,640	2,305,540	
	Interest	83,542	151,667	151,566	147,260	140,809	145,662	142,324	1,589,090	2,316,711	
		107,997	179,832	186,086	183,585	179,089	187,402	188,359	3,697,730	4,622,251	
WNP No. 2 100%	Principal	32,800	37,160	8,185	32,476	49,795	36,685	52,320	2,215,078	2,394,539	
	Interest	48,397	105,279	165,464	162,347	151,385	154,608	150,592	1,191,652	1,976,048	
		81,197	142,439	173,649	194,823	201,180	191,293	202,912	3,406,730	4,370,587	
WNP No. 3 70%	Principal	17,995	25,715	31,245	33,245	35,430	41,090	30,015	1,672,852	1,843,877	
	Interest	89,723	107,403	106,707	104,778	103,544	96,800	94,295	1,433,819	1,939,943	
		107,718	133,118	137,952	138,023	138,974	137,890	124,310	3,106,671	3,783,820	
Trojan Nuclear 30%	Principal	3,660	3,840	4,055	4,275	4,500	4,755	5,030	89,010	111,625	
	Interest	5,773	6,077	4,987	4,771	4,539	4,283	4,012	19,055	41,647	
		9,433	9,917	9,042	9,046	9,039	9,038	9,042	108,065	153,272	
EWEB Conservation	Principal	915	1,090	1,155	1,230	1,305	1,390	1,485	5,065	11,630	
	Interest	992	808	741	672	597	516	429	796	3,751	
		1,907	1,898	1,896	1,902	1,902	1,906	1,914	5,861	15,381	
Idaho Falls Hydro 100%	Principal	540	575	635	685	755	815	890	33,700	37,480	
	Interest	2,957	3,025	3,238	3,182	3,119	3,050	2,973	27,305	42,867	
		3,497	3,600	3,873	3,867	3,874	3,865	3,863	61,005	80,347	
Cowlitz Falls Hydro 100%	Principal	—	—	—	—	1,960	2,070	2,190	164,875	171,095	
	Interest	—	—	—	—	10,626	10,517	10,397	175,015	206,555	
		—	—	—	—	12,586	12,587	12,587	339,890	377,650	
		\$316,906	\$476,030	\$512,498	\$531,246	\$546,644	\$543,981	\$542,987	\$10,725,952	\$13,403,308	

(a) Estimates in these columns are consistent with BPA's 1991 Rate Filing adjusted for Refunding Revenue Bonds, Series 1991A.

(b) When negative amount is shown, interest income on project funds exceeds interest expenses.

5. RESIDENTIAL EXCHANGE

As provided for in the Pacific Northwest Electric Power Planning and Conservation Act of 1980, Section 5(c), BPA entered into Residential Exchange contracts with several electric utilities. These contracts allow each utility to sell to BPA its qualified residential and irrigation load at the average system cost of the utility's resources. In exchange, BPA sells to the utilities electric power for their residential and irrigation loads at BPA's priority firm power rate. Purchases and sales of electric power by BPA during fiscal years 1992 and 1991 under these contracts are shown in the table below.

Residential Exchange

	1992	1991
(Thousands of Dollars)		
Expense	\$844,587	\$888,338
Revenue	(642,611)	(702,122)
Net Residential Exchange Expense	\$201,976	\$186,216

6. COMMITMENTS AND CONTINGENCIES

IRRIGATION ASSISTANCE

Legislation requires that FCRPS net revenues be used to pay the U.S. Treasury for costs allocated to irrigation of certain Pacific Northwest projects that are determined to be beyond the ability of the irrigation water users to repay. The first irrigation assistance payment from power net revenues is planned to be made in 1997, and cumulative payments could ultimately total \$820 million. Although such costs may be paid by power ratepayers, these costs are for the benefit of the water users and are not a regular operating cost of the power program. Accordingly, these costs will be reflected in the financial statements if paid.

NET-BILLING AGREEMENTS

BPA has agreed with the Supply System that, in the event any Participant shall be unable for any reason, or shall refuse, to pay to the Supply System any amount due from such Participant under its net-billing agreement for which a net-billing credit or cash payment to such Participant has been provided by the BPA, BPA will be obligated to pay the unpaid amount in cash directly to the Supply System, unless payment of such unpaid amount is made in a timely manner pursuant to the net-billing agreements.

NUCLEAR INSURANCE

BPA is a member of the Nuclear Electric Insurance Limited (NEIL) established to provide insurance coverage for replacement power costs resulting from an accidental outage at a member's nuclear site, and excess property damage and decontamination liability. Under its property and decontamination coverage, BPA could be subject to a maximum assessment of \$7.0 million in the event of a loss to any NEIL-insured nuclear plant. As a separate requirement, BPA is liable under the Nuclear Regulatory Commission's (NRC) indemnity for public liability coverage under the Price-Anderson Act. In the event of a nuclear incident, BPA could be subject to a retrospective assessment of \$63 million and \$18.9 million, limited to an annual maximum of \$10 million and \$3 million for WNP No. 2 and Trojan, respectively.

DECOMMISSIONING COSTS

Decommissioning costs are charged to operations over the operating life of each project. External sinking funds for these costs are being funded monthly or annually, as payments are made pursuant to the net-billing agreements, for WNP No. 2 and Trojan, respectively. The sinking funds are expected to provide for decommissioning at the end of each project's operating life in accordance with NRC requirements. Sinking fund requirements for WNP No. 2 and Trojan are based upon periodically updated estimates of decommissioning costs.

The estimated decommissioning costs for WNP No. 2 are \$403 million (in 1987 dollars). Total payments to the sinking fund for the years ended September 30, 1992 and 1991 were \$3.2 million and \$2.7 million, respectively.

The estimated decommissioning costs for Trojan are \$220 million (in 1989 dollars), 30% of which are BPA's responsibility. Portland General is presently reevaluating the decommissioning costs in light of the NRC's current assumptions regarding decommissioning technology, thus actual costs may exceed \$220 million. Total payments to the sinking fund for the years ended September 30, 1992 and 1991 were \$1.9 million each year. Portland General's recommendation to permanently close Trojan has not had any impact on payments to the sinking fund.

Decommissioning costs are included in operations and maintenance expense in the Statement of Revenues and Expenses.

ENVIRONMENTAL CLEANUP

The Ross Complex in Vancouver, Washington has been identified as a superfund site. In addition, there are other sites where BPA has been or may be identified as a potential responsible party. Costs associated with cleanup are not expected to be material to the FCRPS financial statements.

ENDANGERED SPECIES ACT

Actions related to the Endangered Species Act are adding to BPA's costs. These expenses are expected to recur and increase. These additional costs will be recovered through future rate increases.

7. LITIGATION

INVOLVING THE WASHINGTON PUBLIC POWER SUPPLY SYSTEM (SUPPLY SYSTEM)

On January 22, 1982, the Supply System stopped construction of two nuclear projects: WNP No. 4 at Hanford and WNP No. 5 at Satsop. WNP Nos. 1 and 4 and WNP Nos. 3 and 5 were to be built as two sets of twin plants, sharing many common elements, including design and some shared facilities. Costs of constructing the twin plants were to be shared on the basis of proportion of respective benefit to each project. Chemical Bank, the WNP Nos. 4 and 5 bond trustee, now seeks to have the terminated plants' portion of those shared costs retroactively reallocated to WNP Nos. 1 and 3. On October 5, 1990, the court ruled that principles of incremental cost sharing were required. The court stated that because such principles were not applied, WNP Nos. 4 and 5 apparently have paid more than their fair and equitable share of construction costs. BPA and several other parties appealed the District Court's October 1990 decision. On February 25, 1992, the United States Court of Appeals reversed the District Court's ruling that incremental cost sharing should have been applied and concluded that the cost sharing principles which the Supply System used were proper. The case was then remanded back to the District Court to determine whether the Supply System correctly applied proportional cost sharing. In August 1992, the parties filed status reports with the District Court and are awaiting communications from the Court.

If Chemical Bank is successful, this could result in WNP Nos. 1 and 3 assuming additional costs. Chemical Bank is claiming approximately \$1 billion, including interest through September 30, 1992. Because of the net-billing agreements discussed in Note 4, which require BPA to pay the participants' portion of the annual project costs for WNP Nos. 1, 2 and 3, BPA might be required to fund judgments against the Supply System affecting the net-billed projects. BPA General Counsel cannot predict the outcome of this matter.

In addition to the above litigation, there are lawsuits against the Supply System in which the plaintiffs assert a right to execute on all the assets of the Supply System, including WNP Nos. 1, 2 and 3, to satisfy judgments related to WNP Nos. 4 and 5. The Washington Supreme Court has ruled that the utilities who loaned money to the Supply System to pay for the mothballing and termination of WNP Nos. 4 and 5 were limited to satisfying their judgment from the funds of WNP Nos. 4 and 5. Three claims for goods and services provided for WNP Nos. 4 and 5 have resulted in money damages against the Supply System; however, a Washington State Court judge has ruled in one case that the judgment is only recoverable from WNP Nos. 4 and 5 funds. The Washington State Court of Appeals has affirmed this ruling.

In the second case the federal District Court ruled that a debt for work performed on WNP No. 5 was only payable from WNP Nos. 4 and 5 project funds. This was affirmed on appeal by the Ninth Circuit Court of Appeals. In the third case, the Superior Court of King County, Washington, allowed the plaintiff to deduct the amount it owed WNP No. 1 from an amount owed the plaintiff by WNP Nos. 4 and 5. Despite this, the Superior Court held that the net amount still owed by WNP Nos. 4 and 5 is payable only from funds of those projects. The Supply System has appealed the ruling. BPA will vigorously oppose any attempt of these litigants to satisfy their claims from the assets of WNP Nos. 1, 2 and 3, and in the opinion of BPA General Counsel, the likelihood of the litigants being able to satisfy their claims from the assets of WNP Nos. 1, 2 and 3 to the extent they are WNP Nos. 4 and 5 debts, is remote.

OTHER MATTERS

Certain other claims, suits and complaints have been filed or are pending against entities of FCRPS. In the opinion of BPA General Counsel and Management for those entities, the actions are either without merit or involve amounts which are not material to the FCRPS financial statements.

Selected Quarterly Information (Unaudited)^(a)

3 Months Ended	December 31	March 31	June 30	September 30
	(Thousands of Dollars)			
1992				
Operating Revenues	\$550,683	\$534,283	\$ 411,119	\$ 432,718
Operating Expenses	431,749	496,770	455,538	504,839
Net Interest Expenses	76,618	75,800	73,050	88,032
Net Revenues (Expenses)	\$42,316	\$(38,287)	\$(117,469)	\$(160,153)
1991				
Operating Revenues	\$617,878	\$659,582	\$ 499,813	\$ 442,958
Operating Expenses	263,389	382,765	404,099	437,894
Net Interest Expenses	85,933	80,622	70,404	70,058
Net Revenues (Expenses)	\$268,556	\$196,195	\$ 25,310	\$ (64,994)

^(a) BPA's net revenues are normally higher in the first and second quarters of the fiscal year than in the third and fourth. In fall and winter, loads grow to serve Northwest heating needs. In warmer weather, loads decline and BPA spends more on yearly maintenance.

SCHEDULE OF AMOUNT & ALLOCATION OF PLANT INVESTMENT

September 30, 1992

Schedule A	Total	Commercial Power			Irrigation			Non-reimbursable				Percent of Total Returnable from Commercial Power Revenues	
		Completed Plant	Construction Work in Progress	Total Commercial Power	Returnable from Commercial Power Revenues	Returnable from Other Sources	Total Irrigation	Navigation	Flood Control	Fish and Wildlife	Recreation		Other
(Thousands of Dollars)													
BONNEVILLE POWER ADMINISTRATION													
Transmission facilities	\$ 4,065,725	\$3,768,208	\$297,517	\$4,065,725	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	100.00%
BUREAU OF RECLAMATION													
Boise	103,340	10,704	1,064	11,768	22,014	40,875	62,889	—	28,683	—	—	—	32.69%
Columbia Basin	1,823,892	1,062,925	26,096	1,089,021	562,276	108,812	671,088	1,000	56,609	5,494	154	526	90.54%
Hungry Horse	116,795	77,183	14,600	91,783	—	—	—	—	25,012	—	—	—	78.58%
Minidoka-Palisades	301,969	14,435	18,012	32,447	10,090	62,656	72,746	—	64,409	1,698	7,875	122,794	14.09%
Yakima	188,642	6,562	258	6,820	11,777	122,904	134,681	—	933	45,970	238	—	9.86%
Total Bureau projects	2,534,638	1,171,809	60,030	1,231,839	606,157	335,247	941,404	1,000	175,646	53,162	8,267	123,320	72.52%
CORPS OF ENGINEERS													
Albeni Falls	38,170	34,752	1,007	35,759	—	—	—	164	208	—	2,039	—	93.68%
Bonneville	859,328	802,174	4,605	806,779	—	—	—	49,198	—	—	1,289	2,062	93.88%
Chief Joseph	583,319	553,078	712	553,790	230	—	230	—	—	—	4,035	25,264	94.98%
Cougar	62,505	19,810	528	20,338	—	3,286	3,286	547	38,334	—	—	—	32.54%
Detroit-Big Cliff	68,063	41,217	211	41,428	—	5,146	5,146	232	21,257	—	—	—	60.87%
Dworshak	363,489	302,434	3,500	305,934	—	—	—	9,652	34,415	—	13,488	—	84.17%
Green Peter-Foster	90,918	50,181	40	50,221	—	5,872	5,872	368	30,546	—	1,856	2,055	55.24%
Hills Creek	49,181	17,563	12	17,575	—	4,605	4,605	628	26,373	—	—	—	35.74%
Ice Harbor	188,084	133,963	4,911	138,874	—	—	—	46,304	—	—	2,906	—	73.84%
John Day	610,157	440,176	18,694	458,870	—	—	—	91,964	21,363	—	11,551	26,409	75.21%
Libby	609,549	473,466	603	474,069	—	—	—	—	97,802	870	6,171	30,637	77.77%
Little Goose	244,542	199,725	3,592	203,317	—	—	—	34,570	—	—	4,051	2,604	83.14%
Lookout Point-Dexter	100,248	47,439	231	47,670	—	1,509	1,509	754	49,793	—	522	—	47.55%
Lost Creek	150,566	27,056	14	27,070	—	2,206	2,206	—	53,542	24,560	29,480	13,708	17.98%
Lower Granite	400,173	323,981	3,299	327,280	—	—	—	52,410	—	—	12,641	7,842	81.78%
Lower Monumental	264,994	220,797	1,732	222,529	—	—	—	39,226	—	—	2,822	417	83.98%
McNary	350,003	277,292	1,409	278,701	—	—	—	68,022	—	—	3,280	—	79.63%
The Dalles	348,252	288,517	10,507	299,024	—	—	—	47,106	—	—	2,100	22	85.86%
Columbia River Fish Bypass	76,471	4,843	71,549	76,392	—	—	—	79	—	—	—	—	99.90%
Lower Snake	194,602	128,865	63,835	192,700	—	—	—	1,902	—	—	—	—	99.02%
Total Corps projects	5,652,614	4,387,329	190,991	4,578,320	230	22,624	22,854	443,126	373,633	25,430	98,231	111,020	81.00%
Irrigation assistance at 12 projects having no power generation	199,606	—	—	—	155,664	43,942	199,606	—	—	—	—	—	77.99%
Total plant investment	12,452,583	9,327,346	548,538	9,875,884	762,051	401,813	1,163,864	444,126	549,279	78,592	106,498	234,340	85.43%
Repayment obligation retained by													
Columbia Basin project	4,639	2,836 (a)	—	2,836	1,803	—	1,803	—	—	—	—	—	100.00%
Investment in Teton project (b)	79,107	—	7,269	7,269	56,573	3,681	60,254	—	9,151	—	2,433	—	80.70%
Total	\$12,536,329	\$9,330,182	\$555,807	\$9,885,989	\$820,427	\$405,494	\$1,225,921	\$444,126	\$558,430	\$78,592	\$108,931	\$234,340	85.40%

(a) Amount represents joint costs transferred to Bureau of Sports Fisheries and Wildlife. This is included in other assets in the accompanying balance sheets.

(b) The \$7,269,000 commercial power portion of the Teton project is included in other assets in the accompanying balance sheets. Teton amounts exclude interest totaling approximately \$2.2 million subsequent to June 1976 which was charged to expense.

REPORT OF INDEPENDENT ACCOUNTANTS



Price Waterhouse



To the Administrator of
Bonneville Power Administration,
United States Department of Energy:

In our opinion, the accompanying balance sheets and the related statements of revenues and expenses, changes in capitalization and cash flows present fairly, in all material respects, the financial position of the Federal Columbia River Power System (FCRPS) at September 30, 1992 and 1991, and the results of its operations, changes in capitalization and its cash flows for the years then ended in conformity with generally accepted accounting principles. These financial statements are the responsibility of FCRPS's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Note 7 to the financial statements, pending litigation related to the allocation of certain costs among Washington Public Power Supply System nuclear projects may have a significant impact on FCRPS. The ultimate outcome of the litigation cannot presently be determined. Accordingly, the accompanying financial statements do not include any adjustments which might result from the outcome of this litigation.

Our examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Amount and Allocation of Plant Investment as of September 30, 1992, (Schedule A) is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Price Waterhouse

Portland, Oregon
December 15, 1992,
except for the matters regarding the
Trojan Nuclear Plant discussed in
Notes 4 and 6, as to which the date
is January 5, 1993.

FEDERAL REPAYMENT



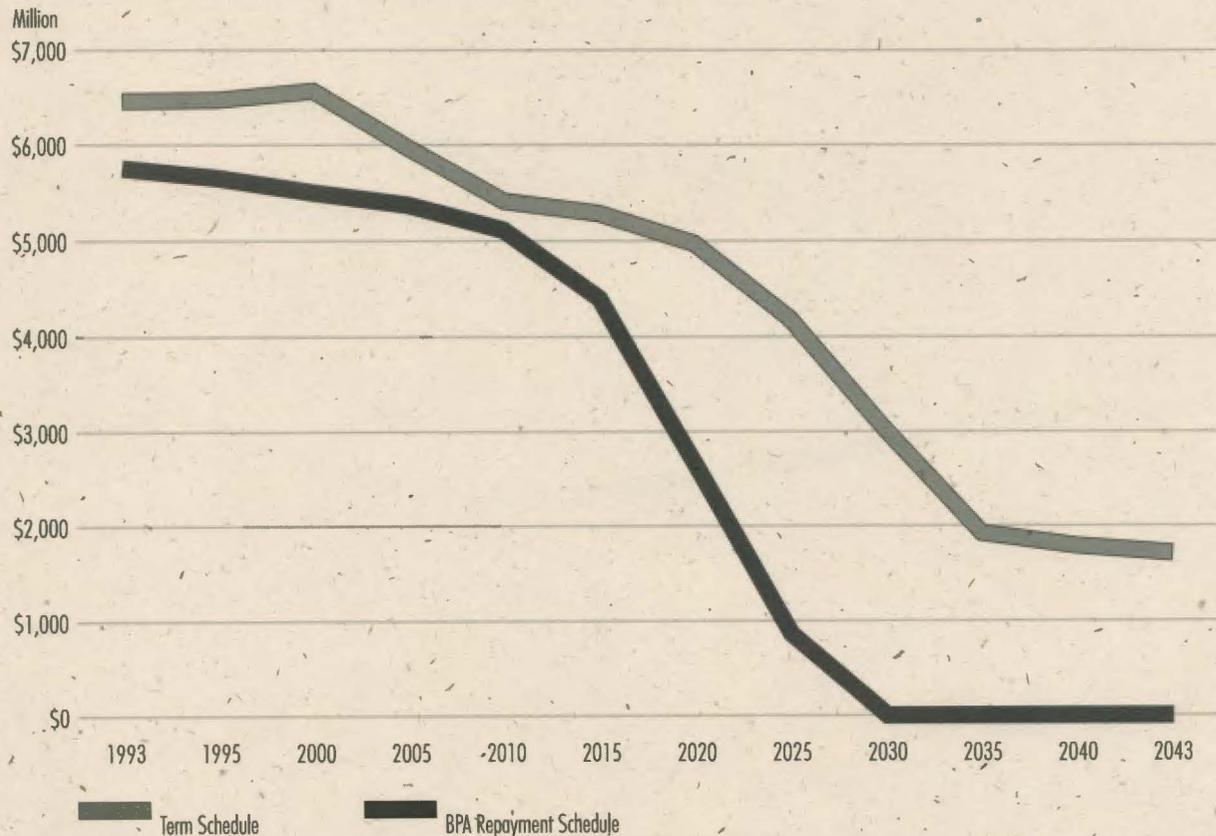
BASIS FOR FINANCIAL REPORTING

BPA prepares financial statements for the FCRPS to report its financial condition as if it were a public utility. The financial statements are independently audited by Price Waterhouse, independent accountants, in accordance with generally accepted auditing standards. Power rates are based on the FCRPS revenue requirement study. While the financial statements show historical results, the revenue requirement study shows projected costs to be recovered from rates. The revenue requirement study considers BPA's obligation to recover costs and sets a revenue level sufficient to meet those obligations. Costs include operation and maintenance; non-federal projects debt service; interest; and recovery of the FCRPS investment in power generation, conservation, fish and wildlife, and transmission facilities. The two sets of financial reports measure different things: Historical results in the financial statements and projected obligations in the revenue requirement study.

REVENUE REQUIREMENT STUDY

The revenue requirement study, demonstrates repayment of federal investment. It reflects revenues and costs from the 1991 Wholesale Power and Transmission Rate Proceedings. The Federal Energy Regulatory Commission granted final approval for proposed rates on February 3, 1992 for fiscal years 1992 and 1993 (58 FERC 62,101).

Unrepaid Federal Generation Investment^(a)



(a) Includes future replacements.

REPAYMENT DEMONSTRATION

BPA is required by P.L. 89-448 to demonstrate that the reimbursable costs of the FCRPS are scheduled to be returned to the U.S. Treasury from BPA net revenues within the period prescribed by law. BPA is required to make a similar demonstration for the costs of irrigation projects which are beyond the ability of the 22 irrigation water users to repay. These requirements are met by conducting power repayment studies which demonstrate repayment of principal within the allowable repayment period.

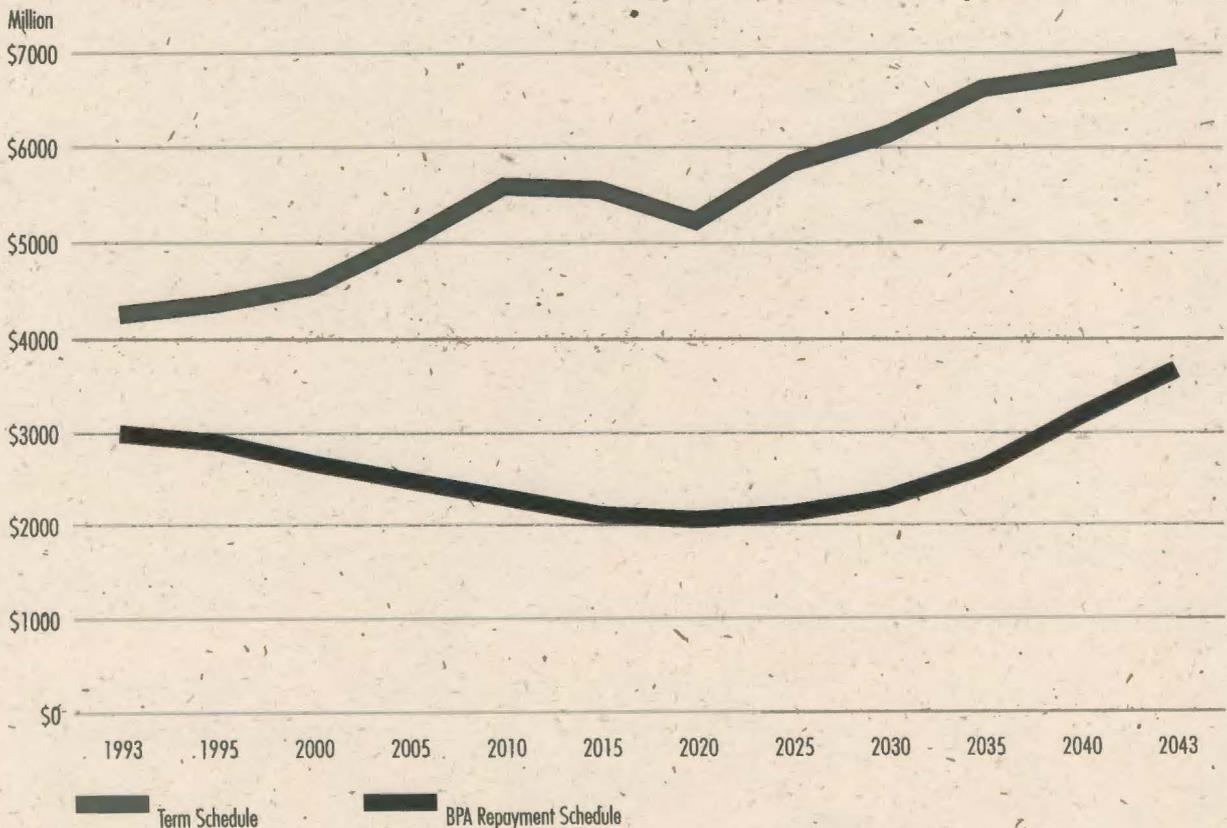
Since 1985, BPA has prepared separate repayment demonstrations for generation and transmission in accordance with an order issued by the Commission on January 27, 1984 (26 FERC 61,096).

REPAYMENT POLICY

BPA's repayment policy is considered in determining its revenue requirements and rate levels. This policy, based on BPA's interpretation of laws and Department of Energy directives, requires that FCRPS revenues be sufficient to:

1. Pay the cost of obtaining power through purchase and exchange agreements (non-federal projects).
2. Pay the cost of operating and maintaining the power system.
3. Pay interest on and repay the outstanding revenue bonds sold to the Treasury to finance transmission system construction, conservation, and fish and wildlife projects.

Unrepaid Federal Transmission Investment^(a)

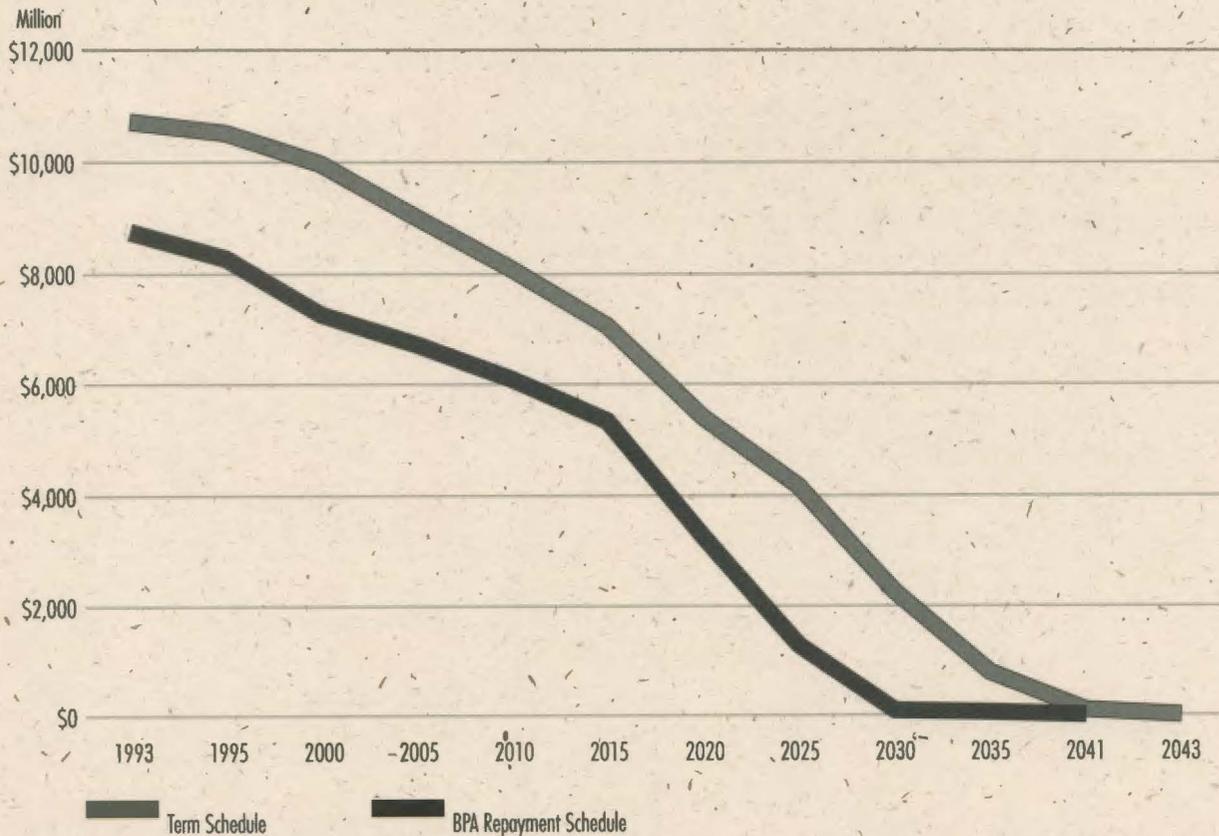


^(a) Includes future replacements.

4. Pay interest on the unrepaid investment in power facilities financed with appropriated funds. (Federal hydroelectric projects are all financed with appropriated funds, as were BPA transmission facilities constructed before 1978.)
5. Pay, with interest, any outstanding deferral.
6. Repay the power investment in each federal hydroelectric project within 50 years after it goes into service (except for the Chandler Project, which has a legislated repayment period of 66 years).
7. Repay each increment of the investment in the BPA transmission system financed with appropriated funds within the average service life of the transmission facilities (45 years).
8. Repay the investment in each replacement at a federal hydroelectric project within its service life.
9. Repay construction costs at federal reclamation projects which are beyond the ability of the irrigators to pay, and which are assigned for payment from commercial power net revenues, within the same period available to the water users for making payments. These periods range from 40 to 66 years with 50 years being applicable to most of the irrigation payment assistance.

Investments bearing the highest interest rate will be repaid first, to the extent possible, while still completing repayment of each increment of investment within its prescribed repayment period.

Unrepaid Federal Investment^(a)



^(a) Excludes future replacements.

REPAYMENT OBLIGATION

BPA's rates must be designed to collect enough revenue to return the reimbursable power costs of each FCRPS investment and each irrigation assistance obligation within the time prescribed by law. However total irrigation assistance payments cannot require an increase in the BPA power rate level. In the absence of a specific legislated period, the costs must be returned within 50 years from the date the investment is capable of producing revenue or within the investment's average service life, whichever is less. If existing rates are not likely to meet this requirement, BPA must take action to adjust its rates.

Whether the federal investment is repaid within the time allowed can be shown by comparing the unrepaid investment resulting from BPA's repayment schedule with the allowable unrepaid investment resulting from a "term schedule" on a year-by-year basis. A term schedule represents a repayment schedule whereby each investment would be repaid in total in the year it was due.

The reporting requirements of P.L. 89-448 are met as long as the unrepaid FCRPS investment and irrigation assistance resulting from BPA's repayment schedule is less than or equal to the allowable unrepaid investment in each year. Although the comparison is illustrated by graphs representing total FCRPS generation and total FCRPS transmission investment, the actual comparison is performed on an investment-by-investment basis.

REPAYMENT OF FCRPS INVESTMENT

The graphs for Unrepaid Federal Generation and Transmission Investment on the two prior pages illustrate that the unrepaid investment resulting from BPA's generation and transmission repayment schedules is always less than the allowable unrepaid investment. This demonstrates that BPA's rates are sufficient to recover all reimbursable costs of FCRPS investments on or before their due dates.

The term schedule lines in the graphs show how much of the investment can remain unpaid in accordance with the repayment period for the generation and transmission components of the FCRPS. The BPA repayment schedule lines show how much of the investment remains to be repaid according to BPA's repayment schedules. In each year, BPA's repayment schedule is ahead of the term schedule.

This occurs because BPA plans repayment both to comply with investment due dates and to minimize costs over the 50-year repayment period. Costs are minimized by repaying highest interest-bearing investments first, to the extent possible. This will result in some investments being repaid before their due dates, while assuring that all other investments will be repaid by their due dates.

These graphs include the costs of replacements necessary to maintain the existing FCRPS generation and transmission facilities.

The Unrepaid Federal Investment graph displays the total planned unrepaid FCRPS investment compared to allowable total unrepaid FCRPS investment omitting replacements. This shows that the FCRPS investment expected through fiscal year 1993 is scheduled to be returned to the U.S. Treasury within the 50-year repayment period and ahead of due dates.

GENERATION & SALES TABLES



GENERATION BY THE PRINCIPAL ELECTRIC UTILITY SYSTEMS OF THE PACIFIC NORTHWEST (a)

Table 1 1992

	Thousands of MWH	Percent of Total
PUBLIC-OWNED		
Federal Columbia River Power System (b)	76,200	42.9%
Grant County PUD	3,350	1.9%
Chelan County PUD	3,150	1.8%
Seattle City Light	6,750	3.8%
Douglas County PUD	850	.5%
Tacoma City Light	3,650	2.0%
Eugene Water & Electric Board	700	.4%
Pend Oreille County PUD	400	.2%
TOTAL PUBLIC-OWNED	95,050	53.5%
INVESTOR-OWNED		
Pacific Power & Light	21,750	12.3%
Idaho Power Co.	12,550	7.1%
Montana Power Co.	10,350	5.8%
Portland General Electric Co.	14,550	8.2%
Washington Water Power Co.	8,000	4.5%
Puget Sound Power & Light	15,250	8.6%
TOTAL INVESTOR-OWNED	82,450	46.5%
TOTAL GENERATION	177,500	100.0%

(a) Generation shown is for members of the Northwest Power Pool plus Pend Oreille County PUD and the Washington Public Power Supply System. British Columbia Hydro and Power Authority, Sierra Pacific Power Co., Trans Alta Utilities, Utah Power & Light Co., and West Kootenay Power and Light, who are members of the Power Pool, are not included because their service areas are outside the Pacific Northwest.

(b) Includes: Pacific Northwest generating facilities of the Bureau of Reclamation and Corps of Engineers; Washington Public Power Supply System's nuclear plant (WNP-2) and Packwood hydro plant; the Okanogan PUD share of Wells; the municipality shares (Forest Grove, McMinnville, and Milton-Freewater) of Priest Rapids; the Snohomish PUD share of the Centralia steam plant and the Jackson hydro plant; the federal share of the Trojan nuclear plant; the Pacific NW Generating Company's share of Boardman; the Clark County PUD-Great Western Malting cogeneration project; the Seattle City Light and Tacoma City Light shares of Southern Columbia Basin Irrigation District hydro generation; the Seattle City Light Rocky Brook Project; and the PP & L Mid-Fork cogeneration project; PSP&L share of The Dalles Dam North Fishway hydro project generation from N. Wasco Co. PUD.

SALES OF ELECTRIC POWER (FCRPS)

Revenue in Thousands of Dollars

Table 2

1992

Customer	Capacity Sales		Energy Sales	
	MW	Revenue	MWH	Revenue
Albion, ID	7	\$ 27	3,162	\$ 55
Ashland, OR	349	1,262	157,130	2,695
Bandon, OR	130	467	55,524	957
Blaine, WA	117	422	59,789	1,032
Bonnors Ferry, ID	111	402	42,428	751
Burley, ID	210	760	106,127	1,827
Canby, OR	275	989	113,882	1,967
Cascade Locks, OR	37	127	18,509	304
Centralia, WA	359	1,292	143,293	2,491
Cheney, WA	215	774	100,551	1,732
Cons. Irrig. Dist., WA	3	11	1,170	20
Coulee Dam, WA	29	103	14,178	240
Declo, ID	7	25	3,255	57
Drain, OR	40	146	17,435	302
Eatonville, WA	43	155	18,638	323
Ellensburg, WA	318	1,144	156,228	2,681
Eugene, OR	2,714	9,614	1,676,423	28,905
Fircrest, WA	88	314	39,389	683
Forest Grove, OR	328	1,129	150,909	2,601
Heyburn, OR	178	641	102,062	1,753
Idaho Falls, ID	1,115	4,017	537,837	9,314
McClary, WA	77	278	32,829	564
McMinnville, OR	1,203	4,282	479,358	8,230
Milton, WA	100	360	47,144	817
Milton-Freewater, OR	139	448	64,958	1,134
Minidoka, ID	2	8	901	16
Monmouth, OR	125	449	54,336	943
Port Angeles, WA	1,145	4,150	670,299	11,484
Richland, WA	1,227	4,416	574,088	9,813
Rupert, ID	157	567	76,457	1,323
Seattle, WA	931	3,066	1,921,635	33,279
Soda Springs, ID	46	166	23,300	402
Springfield, OR	1,493	5,373	785,961	13,076
Steilacoom, WA	88	315	38,204	665
Sumas, WA	27	100	14,716	252
Tacoma, WA	3,072	10,755	2,651,332	44,699
Troy, MT	29	106	14,299	248
Vera Irrig. Dist., WA	340	1,224	158,313	2,741
WPPSS, WA	91	326	45,834	792
Total Municipalities (39)	16,965	\$60,210	11,171,883	\$191,168

SALES OF ELECTRIC POWER (FCRPS)

Revenue in Thousands of Dollars

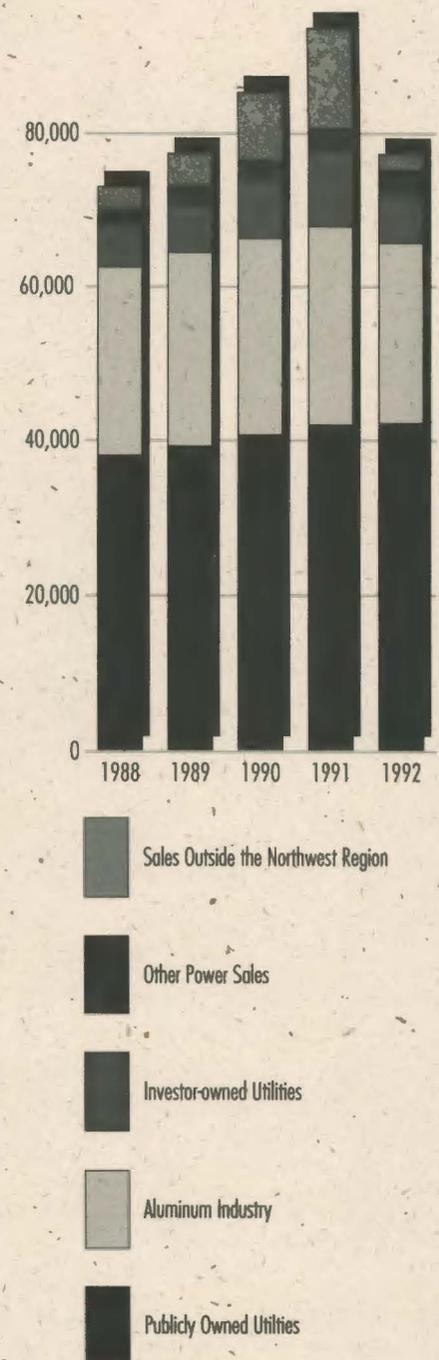
Table 2 continued

1992

Customer	Capacity Sales		Energy Sales	
	MW	Revenue	MWH	Revenue
PUBLIC UTILITY DISTRICTS				
Benton Co.	2,759	\$ 9,939	1,335,481	\$ 21,338
Central Lincoln	2,419	8,706	1,339,391	22,945
Chelan Co.	276	127	17,221	316
Clallam Co.	1,140	3,819	464,811	7,489
Clark Co.	5,759	20,790	2,934,395	50,684
Clatskanie	1,432	5,154	881,402	15,034
Columbia River	532	1,809	273,181	4,422
Cowlitz Co.	6,063	21,625	3,929,858	67,058
Douglas Co.	245	112	7,005	35
Emerald	873	2,932	369,066	5,916
Ferry Co.	232	782	122,285	1,943
Franklin Co.	1,234	4,445	727,814	9,688
Grant Co. #2	1,022	626	272,481	4,634
Grays Harbor	2,137	7,692	1,087,306	18,750
Kittitas Co.	78	251	33,079	511
Klickitat Co.	572	1,912	277,614	4,336
Lewis Co.	1,127	3,852	630,620	10,328
Mason Co. #1	120	405	51,499	828
Mason Co. #3	1,064	3,561	468,105	7,518
Northern Wasco Co.	506	1,820	232,860	3,987
Okanogan Co.	168	185	133,215	2,233
Pacific Co.#2	575	2,072	249,396	4,311
Pend Oreille Co.	385	1,385	249,240	4,364
Skamania Co.	227	755	97,149	1,565
Snohomish Co.	8,550	30,777	4,595,618	79,431
Tillamook	761	2,548	337,029	5,391
Wahkiakum Co.	74	243	32,599	523
Whatcom Co.	248	892	151,332	2,568
Total Public Utility Districts (28)	40,578	\$139,216	21,301,052	\$358,146

MEGAWATT HOURS USED BY CUSTOMER CLASS

Thousands MWH
100,000



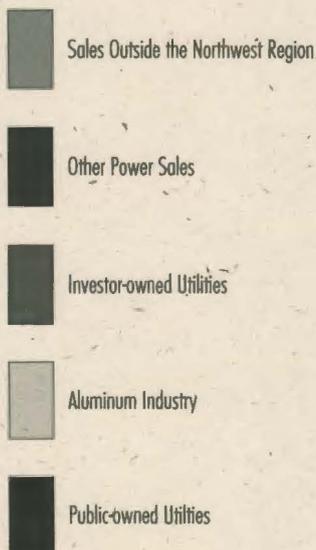
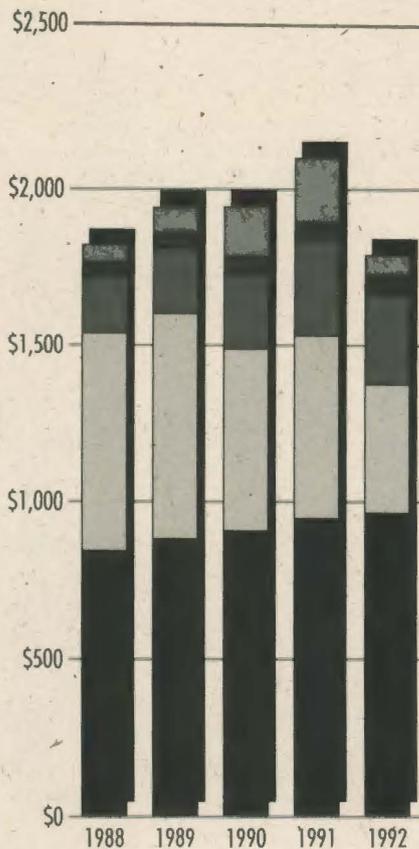
ELECTRIC POWER SALES BY CUSTOMER CLASS

SALES OF ELECTRIC POWER (FCRPS)

Revenue in Thousands of Dollars

Table 2 continued

1992



Customer	Capacity Sales		Energy Sales	
	MW	Revenue	MWH	Revenue
COOPERATIVES				
Alder Mutual Light	6	\$ 21	2,574	\$ 41
Benton Rural Elec. Assn.	663	2,214	311,908	4,530
Big Bend Coop.	821	2,687	397,316	4,790
Blachly-Lane Coop.	301	1,029	127,716	2,078
Central Elec. Coop.	885	2,957	370,278	5,686
Clearwater Power Co.	328	1,094	143,737	2,298
Columbia Basin Coop.	224	746	110,981	1,617
Columbia Power Coop.	61	205	27,617	408
Columbia Rural Elec. Assn.	433	1,442	213,128	2,507
Consumers Power	735	2,461	315,610	5,022
Coos-Curry Elec. Coop.	573	1,919	256,752	4,094
Douglas Elec. Coop.	279	934	123,157	1,961
East End Mutual Elec.	38	134	18,707	274
Elmhurst Mutual P&L	511	1,839	226,032	3,936
Fall River Elec. Coop.	371	1,242	161,568	2,312
Farmers Elec. Co.	8	29	3,692	63
Flathead Elec. Coop.	335	1,120	160,618	2,542
Glacier Elec. Coop.	275	903	149,496	2,388
Harney Elec. Coop.	410	1,359	238,828	3,118
Hood River Elec. Coop.	200	720	95,880	1,657
Idaho Co. L&P Coop.	70	234	33,151	530
Inland P&L	995	3,331	455,405	7,293
Kootenai Elec. Coop.	445	1,491	211,605	3,363
Lakeview L&P	526	1,894	263,777	4,555
Lane Elec. Coop.	434	1,485	186,850	3,076
Lincoln Elec. Coop. - MT	188	631	91,404	1,460
Lincoln Elec. Coop. - WA	210	705	108,497	1,366
Lost River Elec. Coop.	134	441	71,252	888
Lower Valley P&L	925	3,099	432,583	6,970
Midstate Elec. Coop.	558	1,868	255,332	3,877
Missoula Elec. Coop.	282	945	135,023	2,126
Nespelem Valley Elec. Coop.	86	294	37,927	574
Northern Lights	471	1,577	239,123	3,823
Ohop Mutual Light Co.	106	354	44,980	727
Okanogan County Coop.	73	252	34,191	551
Orcas P&L	311	1,041	137,766	2,218
Oregon Trail Elec.	1,173	3,930	515,726	8,061
Pacific NW Generating Co.	18	64	4,271	65
Parkland Light & Water	191	687	93,875	1,625
Peninsula Light Co.	912	3,278	392,964	6,830
Prairie Power Coop.	21	71	9,728	131
Raft River Elec. Coop.	408	1,347	231,337	2,596
Ravalli Elec. Coop.	192	639	86,360	1,346
Riverside Elec. Co.	31	106	13,970	209
Rural Elec. Co.	173	600	84,622	1,290

Table 2 continued

1992

Salem Elec.	657	\$ 2,366	322,783	\$ 5,542
Salmon River Coop.	400	1,371	215,769	3,438
South Side Elec. Lines	86	291	42,361	552
Surprise Valley Elec.	275	924	139,403	1,853
Tanner Elec.	91	301	39,493	636
Umatilla Elec. Coop.	1,105	3,764	596,232	8,254
Unity P&L	149	518	73,931	1,092
Vigilante Elec. Coop.	244	813	115,449	1,606
Wasco Elec. Coop.	174	580	83,199	1,280
Wells Rural	633	2,093	389,084	6,121
West Oregon Coop.	138	462	59,789	961
Total Cooperatives (56)	20,342	\$68,902	9,704,807	\$148,207

SALES OF ELECTRIC POWER (FCRPS)

Revenue in Thousands of Dollars

Table 2 continued

1992

Customer	Capacity Sales		Energy Sales	
	MW	Revenue	MWH	Revenue
FEDERAL AGENCIES				
U.S. Department of Energy	578	\$ 2,081	347,285	\$ 5,979
U.S. Bureau of Mines	13	47	4,608	81
U.S. Air Force	107	385	54,711	935
U.S. Bureau of Reclamation	0	0	128,416	485
U.S. Bureau of Indian Affairs	477	1,614	214,783	3,288
U.S. Navy	834	2,999	459,332	7,833
U.S. Army Corps of Engineers	84	295	7,831	143
Total Federal Agencies (7)	2,093	\$ 7,421	1,216,966	\$ 18,744

SALES OF ELECTRIC POWER (FCRPS)

Revenue in Thousands of Dollars

Table 2 continued

1992

Customer	Capacity Sales		Energy Sales	
	MW	Revenue	MWH	Revenue
INVESTOR-OWNED UTILITIES				
Colockum Transmission Co.	313	\$ 143	11,412	\$ 125
Idaho Power Co.	0	0	202,696	3,021
Montana Power Co.	0	0	645,017	27,238
Pacific Power & Light Co.	13,813	66,684	775,315	30,917
Portland General Elec. Co.	1,620	3,784	1,543,785	51,146
Puget Sound P&L Co.	1,247	572	2,475,715	72,303
Washington Water Power	275	126	989,276	35,604
Total Investor-Owned Utilities (7)	17,268	\$71,309	6,643,216	\$220,354

SALES OF ELECTRIC POWER (FCRPS)

Revenue in Thousands of Dollars

Table 2 continued

1992

Customer	Capacity Sales		Energy Sales	
	MW	Revenue	MWH	Revenue
ALUMINUM INDUSTRIES				
Alcoa	2,886	\$ 14,911	2,006,988	\$ 21,411
Columbia Aluminum Co.	3,310	17,413	2,427,041	24,289
Columbia Falls Aluminum Co.	4,019	21,142	2,923,845	29,063
Intalco Aluminum Co.	5,268	27,707	3,898,953	38,729
Kaiser Aluminum	7,032	36,449	5,085,834	53,782
Northwest Aluminum Co.	1,853	9,747	1,343,057	13,324
Reynolds Metals Co.	5,841	28,781	3,810,250	37,974
Vanalco, Inc.	2,667	14,026	1,941,226	19,276
Total Aluminum Industries (8)	32,876	\$170,176	23,437,194	\$237,848

SALES OF ELECTRIC POWER (FCRPS)

Revenue in Thousands of Dollars

Table 2 continued

1992

Customer	Capacity Sales		Energy Sales	
	MW	Revenue	MWH	Revenue
OTHER INDUSTRIES				
ACPC, Inc.	11	\$ 50	5,077	\$ 91
ATOCHEM N. America/Pennwalt Corp.	901	3,951	653,753	10,887
Georgia Pacific Corp.	266	1,128	177,206	2,926
Gilmore Steel	3	13	1,694	36
Glenbrook Nickel Co.	1,168	4,671	679,477	11,247
Oregon Metallurgical	122	502	73,882	1,206
Port Townsend Paper	190	832	117,973	1,968
Stewart Elsnert/Camp High Cliff	0	0	7	0
Total Other Industries (8)	2,661	\$ 11,147	1,709,069	\$ 28,361
Total Sales NW Region (153)	132,783	\$528,381	75,184,187	\$1,202,828

SALES OF ELECTRIC POWER (FCRPS).

Revenue in Thousands of Dollars

Table 2 continued

1992

Customer	Capacity Sales		Energy Sales	
	MW	Revenue	MWH	Revenue
OUTSIDE NORTHWEST REGION				
Anaheim, CA - Public	120	\$ 580	0	\$ 0
Burbank, CA - Public	80	465	61,186	1,205
Glendale, CA - Public	150	861	74,838	1,729
Los Angeles, CA - Public	0	0	13,483	109
Modesto Irrigation Dist - Public	0	0	13,224	203
No. California Power Agency - Public	0	0	20,600	377
Pacific Gas & Elec. Co. - Investor	0	0	544,168	9,332
Pasadena, CA - Public	82	469	20,688	620
Riverside, CA - Public	119	575	390	5
Sacramento, CA - Public	200	915	102,663	1,738
San Diego Gas & Elec. Co. - Investor	0	0	27,656	381
Santa Clara, CA - Public	0	0	2,963	40
Sierra Pacific Power Co. - Investor	0	0	239	4
So. Cal. Edison Co. - Investor	500	645	1,126,026	37,426
State of California - Public	0	0	13,094	163
Turlock Irrigation Dist - Public	0	0	1,075	16
WAPA - Mid Pacific Region - Federal	300	1,284	54,084	883
Total Outside NW Region (17)	1,551	\$ 5,794	2,076,377	\$ 54,231
Sales of Electric Power (170)	134,334	\$534,175	77,260,564	\$1,257,059

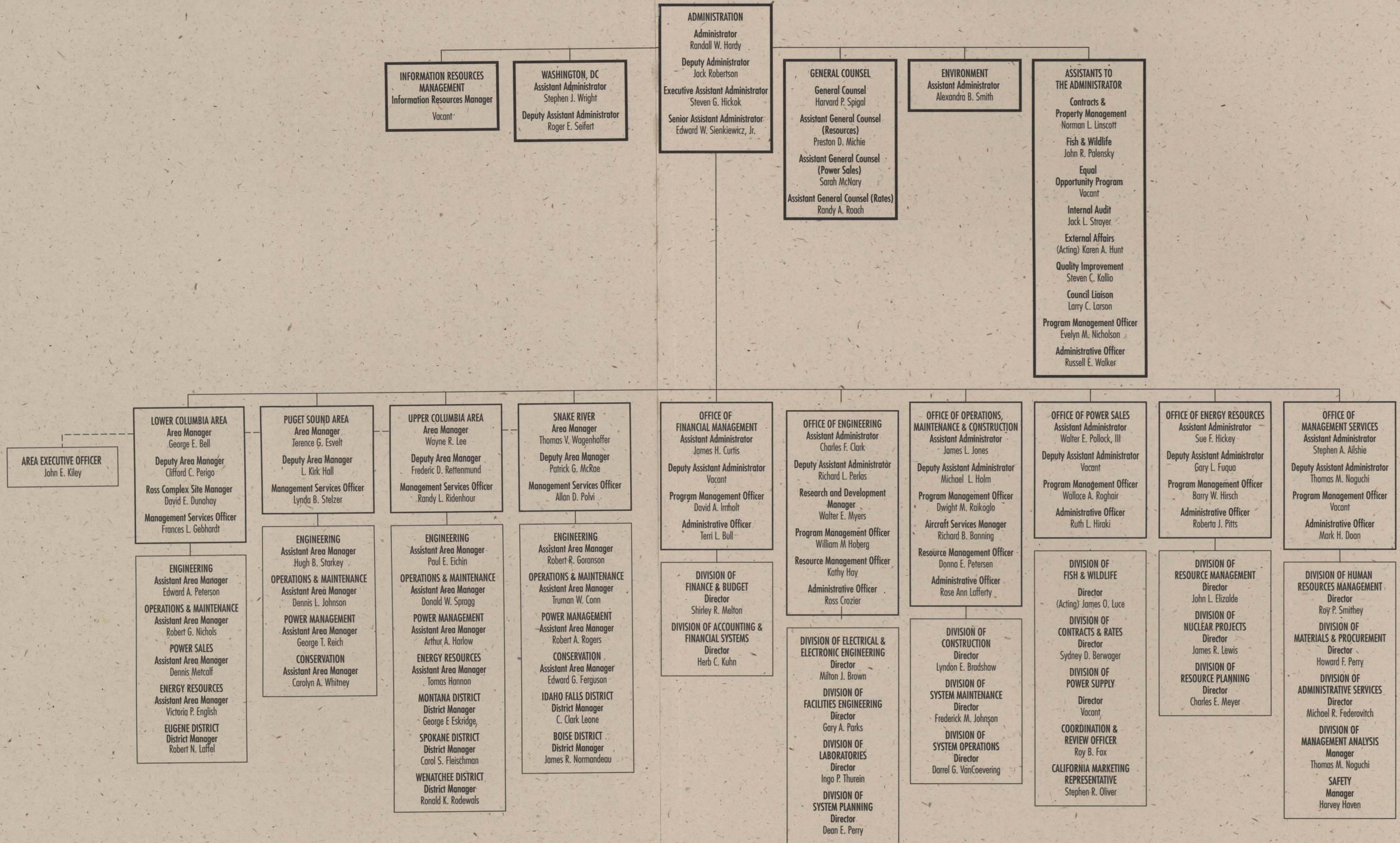
GENERAL SPECIFICATIONS OF PROJECTS

September 30, 1992

Project	State	River	Initial Date In Service	Existing		Authorized-Licensed		Potential		Project Totals	
				No. of Units	Generating Capacity (MW)	No. of Units	Generating Capacity (MW)	No. of Units	Generating Capacity (MW)	No. of Units	Generating Capacity (MW)
BUREAU OF RECLAMATION											
Minidoka	Idaho	Snake	May 7, 1909	7	16	—	—	—	—	7	16
Boise River Div.	Idaho	Boise	May 1912	3	2	—	—	—	—	3	2
Black Canyon	Idaho	Payette	Dec. 1925	2	10	—	—	—	—	2	10
Grand Coulee	Washington	Columbia	Sept. 28, 1941	24	6,684	—	—	6	4,200	30	10,884
Anderson Ranch	Idaho	S. Fork Boise	Dec. 15, 1950	2	30	—	—	1	13	3	43
Hungry Horse ^(a)	Montana	S. Fork Flathead	Oct. 29, 1952	4	428	—	—	—	—	4	428
Chandler	Washington	Yakima	Feb. 13, 1956	2	13	—	—	—	—	2	13
Palisades ^(b)	Idaho	Snake	Feb. 25, 1957	4	164	2	23	—	—	4	187
Roza	Washington	Yakima	Aug. 31, 1958	1	13	—	—	—	—	1	13
Grand Coulee PG ^(c)	Washington	Columbia	Dec. 30, 1974	6	300	—	—	—	—	6	300
Teton ^(d)	Idaho	Teton		—	—	3	30	—	—	3	30
Total Bureau of Reclamation				55	7,660	5	53	7	4,213	65	11,926
CORPS OF ENGINEERS											
Bonneville	Oregon-Washington	Columbia	June 6, 1938	18	1,186	3	23	—	—	21	1,209
Detroit	Oregon	North Santiam	July 1, 1953	2	115	—	—	—	—	2	115
McNary	Oregon-Washington	Columbia	Nov. 6, 1953	14	1,127	6	768	—	—	20	1,895
Big Cliff	Oregon	North Santiam	June 12, 1954	1	21	—	—	—	—	1	21
Lookout Point	Oregon	M. Fork Willamette	Dec. 16, 1954	3	138	—	—	—	—	3	138
Albeni Falls	Idaho	Pend Oreille	Mar. 25, 1955	3	49	—	—	—	—	3	49
Dexter	Oregon	M. Fork Willamette	May 9, 1955	1	17	—	—	—	—	1	17
Chief Joseph	Washington	Columbia	Aug. 28, 1955	27	2,614	—	—	6	525	33	3,139
The Dalles	Oregon-Washington	Columbia	May 13, 1957	22	2,074	—	—	—	—	22	2,074
Ice Harbor	Washington	Snake	Dec. 18, 1961	6	693	—	—	—	—	6	693
Hills Creek	Oregon	M. Fork Willamette	May 2, 1962	2	35	—	—	—	—	2	35
Cougar	Oregon	S. Fork McKenzie	Feb. 4, 1964	2	29	1	35	—	—	3	64
Green Peter	Oregon	Middle Santiam	June 9, 1967	2	92	—	—	—	—	2	92
John Day	Oregon-Washington	Columbia	July 7, 1968	16	2,484	4	540	—	—	20	3,024
Foster	Oregon	South Santiam	Aug. 22, 1968	2	23	—	—	—	—	2	23
Lower Monumental	Washington	Snake	May 28, 1969	6	930	—	—	—	—	6	930
Little Goose	Washington	Snake	May 19, 1970	6	932	—	—	—	—	6	932
Dworshak	Idaho	N. Fork Clearwater	Sept. 18, 1974	3	460	3	660	—	—	6	1,120
Lower Granite	Washington	Snake	Apr. 15, 1975	6	932	—	—	—	—	6	932
Libby	Montana	Kootenai	Aug. 29, 1975	5	600	—	—	3	315	8	915
Lost Creek	Oregon	Rogue	Dec. 1, 1975	2	56	—	—	—	—	2	56
Total Corps of Engineers				149	14,607	17	2,026	9	840	175	17,473
Total				204	22,267	22	2,079	16	5,053	240	29,399

(a) The capacity for Hungry Horse reflects the 3 units that were rewound and the 4th that is currently being updated.
 (b) The capacity for Palisades reflects the 1 unit that was rewound and the 2nd that is currently being updated.
 (c) Grand Coulee Pumping Generation.
 (d) Teton Dam ruptured June 5, 1976.

ORGANIZATION CHART



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Eugene, OR 97401

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UPPER COLUMBIA AREA

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Spokane, WA 99201

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