Idaho Energy Resources Authority

Transmission Facilities Revenue Bonds

New Issue Report

Ratings

New Issues

Approximately $200,000,000 Idaho Energy Resources Authority Transmission Facilities Revenue Bonds, Series 2017	AA

Outstanding Debt

$838,500,000 Project 1 Bonds	AA
$3,800,000,000 Columbia Generating Station Bonds	AA
$1,040,000,000 Project 3 Bonds	AA
Bonneville Power Administration, Implied Revenue Obligations	AA

Related Ratings

$811,600,000 Port of Morrow Transmission Facilities Revenue Bonds, Series 2012, 2014, 2015, 2016-1 and 2016-2	AA
$78,900,000 Lewis County Public Utility District No. 1 Cowlitz Falls Hydroelectric Revenue Refunding Bonds, Series 2013	AA

Rating Outlook

Negative

Related Criteria

Rating Criteria for Public Sector Revenue-Supported Debt (June 2017)

U.S. Public Power Rating Criteria (May 2015)

Related Research

Fitch Rates Idaho Energy Resources Authority, ID's Transmission Rev Bonds 'AA'; Outlook Negative (August 2017)

U.S. Public Power (Peer Review) (June 2017)

Fitch Rates Energy Northwest, WA's Electric Rev Bonds 'AA'; Outlook Stable (March 2017)

Energy Northwest, Washington and Bonneville Power Administration, Oregon (Electric Revenue Bonds) (March 2016)

Analysts

Kathy Masterson
+1 512 215-3730
kathy.masterson@fitchratings.com

Matthew Reilly, CFA
+1 415 732-7572
matthew.reilly@fitchratings.com

New Issue Details

Sale Information: The Idaho Energy Resources Authority (IERA) Transmission Facilities Revenue Bonds, Series 2017 (Bonneville Cooperation Project 1), priced Sept. 11, 2017 via a negotiated sale.

Security: Bonds are payable from lease payments to the IERA by the Bonneville Power Administration, Oregon (Bonneville), an absolute and unconditional payment obligation.

Purpose: Bond proceeds will finance the acquisition costs of certain transmission facilities according to a lease-purchase agreement.

Final Maturity: Sept. 1, 2028.

Key Rating Drivers

Declining Reserves: The Negative Outlook reflects the continued trend of cash balance declines in the power business line. The relatively moderate 5.4% power rate announced in July 2017 reflects increasing competitive pressures at Bonneville. The combined results of these trends and Bonneville's high leverage position could result in a rating downgrade.

Bonneville's Obligation Secures Bonds: The ratings on the IERA bonds reflect the credit quality of Bonneville and its absolute and unconditional obligation to make payments for debt service. Pledged revenues include power (73%) and transmission (27%) business lines.

Regional Power and Transmission Supplier: Bonneville provides wholesale power to a population of more than 12 million in the Pacific Northwest through a resource portfolio consisting of low-cost hydropower and nuclear generation. Transmission services are provided to a similar six-state region but to a broader cast of utilities.

Power Sales Contracts: Bonneville sells wholesale power through take and pay power sales contracts with 125 preferred customers and federal agencies expiring in 2028. If new contracts are not signed beyond 2028, revenues available to service Bonneville's debt obligation would be reduced. Bonneville's ability to offer a competitively priced power supply will be a key factor during the extension of power sales contracts.

Hydroelectric Dominant Power Supply: Power supply needs are met through a fleet of 31 hydroelectric projects and one nuclear project. Bonneville's predominantly hydroelectric generation portfolio results in hydrology risk and a variable energy supply. Low market energy prices in the region are placing competitive pressure on Bonneville to keep rate increases as low as possible and have driven wholesale energy revenues lower.

Leverage High, Modest Decline Expected: Debt levels are high with debt/funds available for debt service (FADS) of 11.7x in fiscal 2016. Planned capex is manageable and Bonneville plans to finance nearly all of it, providing no financial flexibility in the form of rate-funded capital.

Rating Sensitivities

Low Cash Levels: The Negative Outlook reflects the cumulative pressure of declining cash reserve levels combined with Bonneville's high debt burden, rate pressures and financial variability of net margins for a hydroelectric utility. Continued low reserve levels and higher leverage could prompt a rating downgrade.

Recent Developments

Idaho Energy Resource Authority Rating History

Rating	Action	Outlook/ Watch	Date
AA	Assigned	Negative	8/25/17

Source: Fitch.

Implied Revenue Bond Bonneville Power Administration, OR Rating History

Rating	Action	Outlook/ Watch	Date
AA	Affirmed	Negative	8/25/17
AA	Affirmed	Stable	3/28/17
AA	Affirmed	Stable	5/5/16
AA	Affirmed	Stable	3/10/16
AA	Affirmed	Stable	8/7/15
AA	Affirmed	Stable	11/24/14
AA	Affirmed	Stable	5/31/13
AA	Affirmed	Stable	8/1/12
AA	Affirmed	Stable	6/1/11
AA	Affirmed	Stable	2/28/11
AA	Assigned	Stable	12/9/10

Source: Fitch.

Energy Northwest, WA Rating History

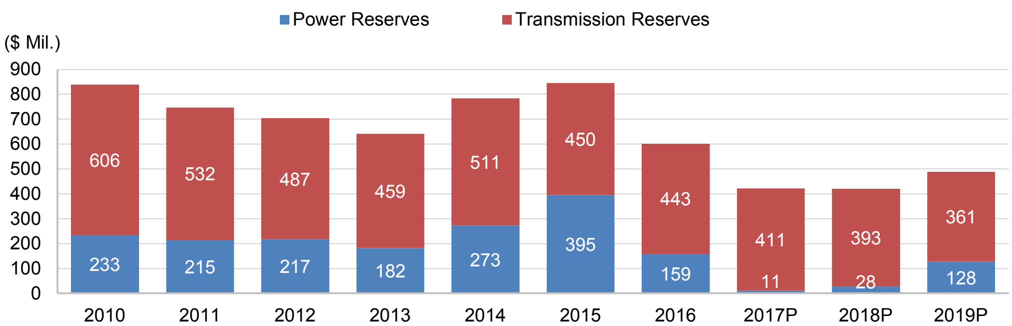
Rating	Action	Outlook/ Watch	Date
AA	Affirmed	Negative	8/25/17
AA	Affirmed	Stable	3/28/17
AA	Affirmed	Stable	5/5/16
AA	Affirmed	Stable	3/10/16
AA	Affirmed	Stable	8/7/15
AA	Affirmed	Stable	11/24/14
AA	Affirmed	Stable	5/31/13
AA	Affirmed	Stable	8/1/12
AA	Affirmed	Stable	6/1/11
AA	Affirmed	Stable	12/9/10
AA	Affirmed	Positive	2/19/10
AA	Upgraded	Positive	3/4/09
AA–	Affirmed	Positive	3/9/08
AA–	Affirmed	Stable	3/12/04
AA–	Downgraded	Stable	3/12/03
AA	Affirmed	Stable	3/19/02
AA	Affirmed	—	11/16/01
AA	Upgraded	—	5/3/00
AA–	Affirmed	—	12/15/97
AA–	Affirmed	—	10/7/96
AA–	Downgraded	—	8/17/95
AA	Affirmed	—	1/24/94
AA	Affirmed	—	9/7/93
AA	Affirmed	—	9/8/92

Source: Fitch.

Sizable Declines in Power Business Line Reserves

Cash reserves play a key role in managing aspects of Bonneville's sizable hydroelectric generation fleet. Robust cash levels could provide financial flexibility in light of Bonneville's high debt levels and increasing competitive pressures from low cost energy in the region. Given the estimated $11 million in power business line reserves for risk projected at fiscal year-end 2017, and actual annual declines experienced in fiscals 2016 and 2017 of approximately $150 million, a downward rating action is likely if this trend is not significantly reversed.

Reserves For Risk



P – Projected.
Source is Bonneville Power Administration.

Hydroelectric generation requires market sales in some months and market purchases in other months to balance the load demands with actual energy output. Bonneville's risk of revenue variability is managed primarily through power business line cash reserves, although Bonneville also has a $750 million line of credit with the U.S. Department of the Treasury (Treasury). Robust transmission business line reserves could be used by the power business line on an interim basis although Bonneville's business strategy and rate setting intends to operate each business line as a self-supporting entity.

Power business line reserves for risk declined sharply in fiscals 2016 and 2017 due to weaker than anticipated wholesale revenue, declines in both preferred and industrial customer loads and the use of two-year formal rate case methodology. Bonneville does not raise rates mid-rate case but, instead, uses reserves when performance is below what was forecast at the time of the last rate case. At fiscal year-end 2015, Bonneville had $845 million in unencumbered reserves, consisting of $395 million power business line reserves and $450 million transmission business lines. Power business line reserves, referred to as reserves available for risk, declined to $159 million at fiscal year-end 2016. Bonneville estimates power reserves will be at a minimal $11 million at fiscal year-end 2017.

Despite the low level of reserves, the cost recovery adjustment clause (CRAC) did not trigger for upcoming fiscal 2018. The CRAC allows for an adjustment to rates if reserves fall below $0. The CRAC is only permitted to recover reserves back up to the $0 minimum threshold and not higher. Bonneville seeks to increase the CRAC minimum threshold in the 2020 rate proposal. Until the CRAC threshold is increased, any unexpected decline in power reserves for risk accumulated through the $20 million per year funding component cannot be recovered through the CRAC except up to the $0 threshold.

Lewis County, WA PUD Cowlitz Falls Rating History

Rating	Action	Outlook/ Watch	Date
AA	Affirmed	Negative	8/25/17
AA	Affirmed	Stable	3/28/17
AA	Affirmed	Stable	5/5/16
AA	Affirmed	Stable	3/10/16
AA	Affirmed	Stable	8/7/15
AA	Affirmed	Stable	11/24/14
AA	Assigned	Stable	5/31/13

PUD – Public utility district.
Source: Fitch.

Port of Morrow, OR Rating History

Rating	Action	Outlook/ Watch	Date
AA	Affirmed	Stable	8/25/17
AA	Affirmed	Stable	3/28/17
AA	Affirmed	Stable	5/5/16
AA	Affirmed	Stable	3/10/16
AA	Affirmed	Stable	8/7/15
AA	Affirmed	Stable	11/24/14
AA	Affirmed	Stable	5/31/13
AA	Affirmed	Stable	8/1/12
AA	Assigned	Stable	6/26/12

Source: Fitch.

Rate Case and Financial Reserve Policy Adopted in July 2017

In July 2017, Bonneville released a final 2018 rate proposal including a 5.4% power rate increase and 0.7% transmission rate decrease effective Oct. 1, 2017. These rates were submitted to the Federal Energy Regulatory Commission for approval but will be implemented on Oct. 1, 2017 in anticipation of approval. The final proposal represents a change from the initial rate proposal of a 3.5% power rate increase and a 1.1% transmission rate increase.

The higher power rate increase than the initial proposal reflects increasing O&M expenses and needed reinvestment in the federal system, funding of $20 million per year toward the new financial reserve policy (see below), continued expected declines in the preferred and industrial customer sales and continued expected declines in secondary revenue provided by surplus energy sales to the market.

Bonneville's forward financial planning historically focused on a rate setting process. A calculation of 95% treasury payment probability within the rate case period is used to establish rates and maintain minimum levels of reserves that would provide a 95% probability of meeting all of Bonneville's payment obligations, including repayment of Treasury debt. This policy was in place since 1993 but was expanded to a multi-year calculation in 2008. The calculation acknowledges the reality of variable cash flow and relies on an assumption that intra-year liquidity is provided by the $750 million Treasury line of credit, increased from $300 million in 2009. The last three rate cases assumed an intra-year liquidity need of $320 million for the power business line.

Other than the treasury payment probability calculation, Bonneville did not historically have a specific minimum reserve policy, which Fitch viewed as lacking from a credit perspective for a utility of this size and scope. As reserves declined notably in recent years, this has become a more pronounced concern. As part of the 2018 final rate proposal, Bonneville adopted a financial reserve policy which was in development since 2014.

The financial reserve policy establishes a minimum threshold of 60 days reserves for risk at each business line, or $300 million for power and $100 million for transmission. Power and transmission reserves for risk are expected at $11 million and $411 million, respectively, for fiscal year-end 2017. The policy outlines a maximum threshold for each business line of 120 days and a mechanism for the treatment of excess reserves, including rate relief. Excess reserves are calculated based on a measure of combined reserves at 90 days and individual business line maximum targets.

The final power rate increase includes funding of $20 million per year in power rates until the minimum $300 million threshold is reached. The $20 million accounts for a 1.0% rate increase out of the total 5.4%. However, due to the unevenness of expenses over the two-year rate period, management projects the $40 million will be collected during year two of the rate period and power business line reserves will end fiscal 2018 near similar levels in fiscal 2017.

The decision to fund the power reserve at this slow pace tempers value, in Fitch's opinion, until Bonneville is in adherence with the reserve policy. Bonneville notes better than expected financial performance could increase the reserve funding component above the $20 million per year. Conversely, the 2018 rate case analysis shows a 46% likelihood the CRAC will trigger in fiscal 2019. This would occur if the forecast for third-quarter 2018 indicates power reserves for risk will decline below $0. Absent a notable increase in the power business line reserves, a rating downgrade is likely.

Court Ordered Spill Will Reduce Revenue; Spill Adjustment Added to Rates

The U.S. District Court invalidated the Biological Opinion (BiOp) issued by the National Marine Fisheries Service (NMFS) in May 2016 on the basis it did not comply with the National Environmental Policy Act. The BiOp has a material effect on how Bonneville operates hydroelectric generation and has a variety of effects on species in and around the river systems. The court ordered NMFS to prepare a new BiOp by December 2018.

In April 2017, the court additional ordered Bonneville, the U.S. Army Corps of Engineers (Corps) and the U.S. Bureau of Reclamation (Reclamation) to develop a plan to increase spill at eight lower Snake and Columbia River dams during the 2018 spring migration season. Increased spill will have financial implications since it will require more water to flow over and around the dams (spill) than through the turbines. However, since a spill regime has not yet been established, Bonneville is not able to predict the financial effects in the fiscal 2018 budget.

Bonneville's initial estimates provided in response to motions filed during litigation, estimate the average results would be around $40 million per year, which could equate to around $0.68/MWh, in additional purchased power expense and lost revenue but this is a very preliminary estimate. In order to protect revenue stability in fiscal 2018, Bonneville adopted the construct of a spill surcharge during the 2018 rate case to be implemented mid-year. Once the spill regime is known, Bonneville must establish and implement the spill surcharge no later than May 31, 2018.

A public process is required prior to the implementation of the surcharge. Bonneville has the right to collect the amount established as the cost associated with the spill regime from block and load-following customers during the remaining months of fiscal 2018. Customers may request the 2018 surcharge collection to be spread over fiscal 2019 and approval of such a request to delay revenue recovery is at Bonneville's discretion. A similar surcharge will likely be collected in fiscal 2019. The spill costs plus any additional cost that may result from the revised BiOp expected in December 2018 would be adapted into the 2020 rate case.

Credit Profile

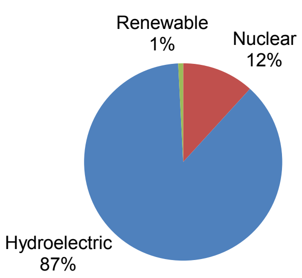
Idaho Energy Resources Authority

IERA is a state entity, created in 2005, to finance electric generation, transmission and distribution facilities on behalf of wholesale and retail participating utilities operating in the State of Idaho. All financed facilities are constructed and operated by the participating utilities.

IERA will issue separately secured debt for each specific project. The participating utilities for which IERA finances projects are not authorized to file for bankruptcy. Title for the assets financed will convey to the participating utility upon final payment of the bonds used to finance acquisition of the assets. Series 2017 bond proceeds will be used to purchase 12 construction transmission lines and various affiliated equipment and infrastructure.

IERA and Bonneville will sign a lease purchase agreement on Sept. 21, 2017. Lease payments from Bonneville are equal to debt service on the series 2017 bonds and certain administrative costs. Lease payments secure repayment of the series 2017 bonds. Bondholders do not have a mortgage interest in the bonds and are secured only by lease payments. Bonneville will make unconditional payments directly to the Trustee. IERA assigned rights to the lease revenue to the Trustee.

Fuel-Type by Capacity



Source: Bonneville's Median Energy Scenario.

Bonneville Power Administration

Bonneville is the key power and transmission agency in the Pacific Northwest, and its role in the region is critical. Bonneville's estimated service area includes 12 million people, and extends across Idaho, Oregon, Washington, and portions of Montana, Wyoming, Nevada, Utah, and California. Bonneville's system accounts for approximately 28% of the electricity sold in the region and 75% of the transmission infrastructure. The majority of revenue is provided by power operations. Transmission revenue accounted for approximately 27% of operating revenue in fiscal 2016.

Bonneville is the largest of four federal power marketing administrations (PMAs) within the U.S. Department of Energy (DOE). The PMAs were formed by the federal government with Bonneville forming in 1937 to sell power from federal flood control and irrigation projects to repay the investment and supply power to rural areas of the country. Bonneville sells energy produced from 31 hydroelectric plants owned and operated by the Corps or Reclamation.

Bonneville has direct-funding agreements with both agencies to pay operating costs and capex. The direct funding of capital improvements allows Bonneville to direct decision making and prioritization of reinvestment in the hydroelectric fleet. Bonneville markets energy from nonfederal projects, the largest of which is CGS, a 1,150 MW nuclear plant and approximately 10% of Bonneville's total power supply.

Bonneville is required by statute to sell the power at cost-based rates, with a preference given to public utility districts and cooperatives. These 125 publicly owned and cooperatively owned utilities are referred to as Bonneville's preferred customers and account for around 87% of energy sales. Total energy sales fluctuate from year to year and are highly dependent of hydrological conditions in the region.

Bonneville Rating Not Based on Federal Support

Fitch's implied rating on Bonneville reflects the credit quality of Bonneville as a self-supporting entity. Subordinate obligations to Treasury offer a layer of structural support to the Port of Morrow, Lewis County Public Utility District (PUD) and Energy Northwest, WA (ENW) bonds, or non-federal debt, in that Bonneville must defer payment to the Treasury if it has insufficient funds to meet its non-federal debt. This provision provides payment flexibility, but Fitch's rating reflects the expected timely repayment on all Bonneville's obligations.

A linkage with the federal government exists in DOE governance, the DOE Secretary appointment of the Bonneville Administrator, discretionary congressional review of Bonneville's budget, and the banking and lending relationship with Treasury. Recent federal discussions regarding curtailment of federal agency budgets are not expected to materially affect Bonneville as the entity's budget is not discretionary and not tax funded, removing any estimated tax revenue benefit provided by a potential curtailment of Bonneville's budget.

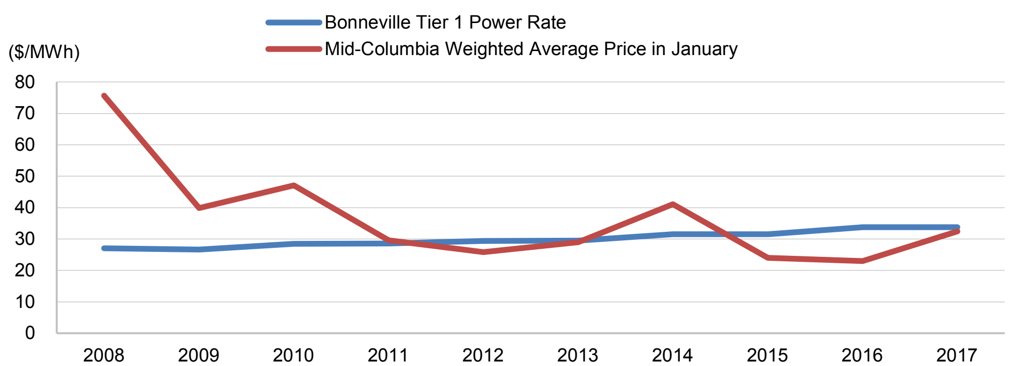
Assets and Operations

Bonneville sells energy produced from 31 hydroelectric plants owned and operated by the Corps. Bonneville has direct-funding agreements with both agencies to pay operating and capex. The direct funding of capital improvements allows Bonneville to direct decision making and prioritization of reinvestment in the hydroelectric fleet. Bonneville also markets energy from nonfederal projects, the largest of which is CGS, a 1,150 MW nuclear plant that is approximately 10% of Bonneville's total power supply.

In recent years the competitive margin between Bonneville's power rates and market alternatives compressed due to very low natural gas prices, increased generation from renewables, declining energy demands in the region and increasing costs at Bonneville. The current power supply contracts expire in 2028. Fitch expects Bonneville to engage in a multi-year process with customers well prior to 2028 to negotiate the next power supply contracts. Most of Bonneville's 125 preference customers receive all of their power supply from Bonneville.

Bonneville's power supply portfolio is predominately carbon free. This provides ratepayers with a cost advantage, as many other utilities nationally will likely incur additional expenses related to power supply portfolio investments aimed at reducing greenhouse gas emissions. The portfolio is relatively stable and not expected to change or grow other than efficiency investments. As was determined as part of the regional dialogue process that resulted in the existing 20-year power supply contracts, Bonneville will not acquire additional power supply on behalf of its preference customers.

Bonneville Rates Compared with Mid-Columbia Average Price



Source: Bonneville Power Administration, U.S. Energy Information Administration.

Reliance on Wholesale Energy Sales

For operational planning purposes, Bonneville uses an assumption of water conditions below the 30-year average, referred to as critical water. Bonneville estimates available generation resources will provide 8,135 annual average MW (aMW), equal to 8,760 MWh, of firm energy under low, or critical, water conditions in 2018. This represents the amount of firm energy, or Tier 1, Bonneville plans to have available to divide among customers, with an estimated demand in 2018 of 7,671 aMW, 88% of which is for preference customers. Other power sales include small amounts to federal agencies in the region and direct service industrial customers. Power supply in excess of amounts sold to customers is sold into the market.

For ratemaking and financial planning purposes, Bonneville considers the additional energy production available for sale under 'average' water conditions. The federal system is expected

Bonneville's Energy Estimates — 2018

	Capacity (Peak MW)	High Water Flow Energy (MW[a])	Median Water Flow Energy (MW[a])	Low Water Flow Energy (MW[a])
U.S. Bureau of Reclamation Hydroelectric Projects	5,194	3,074	2,643	2,083
U.S. Army Corps of Engineers Hydroelectric Projects	12,608	7,527	6,202	4,438
Idle Federal Capacity[a]	(7,898)	—	—	—
Non Federally Owned Projects (Including CGS)	1,159	1,201	1,189	1,187
Federal Contract Purchases	676	447	438	427
Total Federal System Resources	**11,739**	**12,249**	**10,472**	**8,135**

[a]The machine capacity of federal hydroelectric projects exceed water available to run through the projects.
Source: Bonneville Power Administration.

to provide 1,891 aMW in 2018 in secondary sales, based on average water conditions. This production in excess of estimated demand is assumed to be sold at forward market prices with revenue used to supplement sales to preference customers. These wholesale sales, netted against market purchases made by Bonneville during certain months of the year to shape the output of the federal system, compose net secondary system revenue. Net secondary revenue was lower than projected in five of the last seven years due to below average water conditions in certain years and depressed market energy prices.

Financial Performance and Legal Provisions

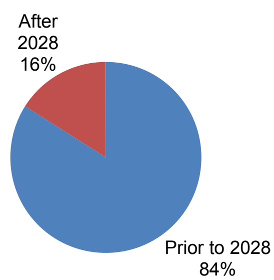
Bonneville's financial statements, issued as the Federal Columbia River Power System, include the accounts of Bonneville, the federal hydroelectric generating facilities of the Corps and Reclamation dispatched by Bonneville, and the operation and maintenance costs of the U.S. Fish and Wildlife Service for the lower Snake River facilities. The financial statements consolidate the activity of northwest infrastructure financing corporations used to finance transmission assets leased to Bonneville.

Debt service coverage (DSC) of the ENW debt is increasing as a result of the regional debt cooperation strategy. DSC increased to over 5.0x in fiscals 2015 and 2016 as a result of the refunding and restructurings performed for all three ENW projects on principal payments due in those years. Fitch's analysis of Bonneville's implied bond rating focuses on the calculation of total DSC of all obligations, including Bonneville's federal obligations. Coverage is typically modest at around 1.0x.

Bonneville sets rates to cover costs and does not expect to generate excess cash flow to fund capital reinvestment. Fitch calculated DSC was below 1.0x in fiscal 2016. This reflects ENW and Bonneville's decision, beginning in fiscal 2016, to borrow from a bank line of credit to pay operating expenditure at ENW. Bonneville used the retained funds it would have paid for operating expenditure at ENW and paid down additional high cost federal debt due in fiscal 2017.

This practice increased the debt repayment in 2016 above what was supported by revenue by advancing maturities due in 2017 one year forward. Bonneville and ENW then used the revenue in fiscal 2017 intended to repay those maturities to repay the bank line. Bonneville and ENW believe this process will likely be repeated on an annual basis. The cost of carry on the LOCs is lower than the savings provided by prepaying the debt by one year.

Non-Federal Generation Debt Maturity



Source: Bonneville Power Administration.

Debt Profile

Leverage is significant at $15.6 billion. Debt/FADS is 11.9x and debt service, both nonfederal and federal, accounts for 40% of cash expenditure. Bonneville does not have authority to issue its own debt to the public and has a statutory limit on the bonds it may issue to the Treasury of $7.7 billion, complicating capital funding decisions. IERA and the Port of Morrow financing structures provide financing for transmission assets while the regional cooperation debt strategy frees up ongoing treasury capacity.

As with many utilities across the county, Bonneville faces the issue of aging infrastructure and delayed capital reinvestment. Capital needs over the next five years are estimated at $4.3 billion, with 60% of the spending at around $2.6 billion occurring in the transmission business line. These capital amounts do not include approximately $826 million ENW estimates will be needed at CGS through 2026. Although the hydroelectric assets are owned by the Reclamation and Corps, Bonneville makes the funding decisions regarding the pace and scope of capital reinvestment

Nearly all of Bonneville's capital plan will be debt financed. However, since new debt issuance over the next five years should be slightly below existing debt amortization, leverage levels should begin to decline modestly from a peak level in fiscal 2015. Funding for transmission assets is expected to occur through lease financing vehicles and rates. Funding for the generation reinvestment will need to occur through debt capacity freed-up through the regional debt cooperation program.

Financial Summary — Bonneville Power Administration

($000, Audited Years Ended Sept. 30)	2012	2013	2014	2015	2016
DSC (x)					
Adjusted DSC (Including Deferred Revenues and RSF Transfers)	1.06	1.09	1.23	1.01	0.93
Coverage of Full Obligations (PP as DS and Transfer/PILOT/Dividend as O&M Expense)	1.06	1.09	1.22	1.01	0.93
Liquidity Metrics					
Days Cash and Investments on Hand	233	203	213	213	124
Days Liquidity on Hand	375	340	343	347	252
Leverage Metrics (x)					
Debt/FADS	10.2	10.9	10.2	11.6	11.9
Adjusted Debt (Including PP Adjustment)/Adjusted FADS (Including PP Adjustment)	10.2	10.8	10.1	11.6	11.8
Debt/Total Retail Customers	—	—	—	—	—
Debt/Electric Customers	—	—	—	—	—
Net Debt/Net Capital Assets (%)	90.5	92.4	91.7	90.9	88.9
Equity/Capitalization (%)	15.2	13.9	15.3	16.5	17.8
Debt/Capitalization (%)	84.8	86.1	84.7	83.5	82.2
Adjusted Debt/Capitalization (%)	85.1	86.3	85.0	83.7	82.4
Other Financial and Operating Metrics (%)					
Operating Margin	29.8	27.4	29.4	27.1	24.0
Wholesale Electric Revenue/MWh ($/MWh)	32.9	36.9	40.0	40.7	40.4
Retail Electric Revenue/kWh (Cents/kWh)					
Transfer and PILOT and Tax/Total Operating Revenue					
Capex/Depreciation and Amortization	221.5	181.2	191.4	215.3	171.6
Debt Service/Cash Operating Expenses	40.9	38.7	37.0	40.2	39.8
Income Statement					
Total Operating Revenue	3,317,850	3,346,281	3,600,346	3,404,432	3,432,600
Total Operating Expense	2,329,118	2,427,862	2,540,868	2,483,521	2,608,100
Operating Income	988,732	918,419	1,059,478	920,911	824,500
Adjustment to Operating Income for Deferred Revenue	432,684	458,654	463,970	463,329	486,500
Funds Available for DS	1,421,416	1,377,073	1,523,448	1,384,240	1,311,000
Total Annual DS	**1,340,418**	**1,263,182**	**1,234,393**	**1,370,877**	**1,410,715**
Balance Sheet					
Unrestricted Funds (Cash and Liquid Investments)	1,240,977	1,114,003	1,223,540	1,186,644	724,400
Total Net Assets/Member's Equity	2,595,940	2,432,217	2,823,085	3,175,668	3,392,600
Total Debt	**14,534,245**	**15,013,366**	**15,571,630**	**16,089,851**	**15,641,400**
Cash Flow Statement					
FCF (FADS – Transfer and PILOT – Total Annual DS)	80,998	113,891	289,055	13,363	(99,715)
Capex	861,754	778,785	842,983	964,509	808,300
FCF Less Capex	(780,756)	(664,894)	(553,928)	(951,146)	(908,015)

DSC – Debt service coverage. PP – Purchased power. DS – Debt service. PILOT – Payment in lieu of taxes. FADS – Funds available for debt service
Source: Bonneville Power Administration, Fitch.

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.