

# Quarterly Business Review

August 3, 2010



# Agenda



August 3, 2010  
1:00-2:45pm

Time	Min	Agenda Topic	Slide #	Presenter
1:00	10	Introduction and Background, Follow Ups from Last QBR	3-4	Mary Hawken
1:10	30	Financial Highlights - Review of FY 2010 Financial Status - Review 3 <sup>rd</sup> Quarter Forecast Changes	5-21	Brian McConnell, Cheryl Hargin, & Kelly Miller
1:40	15	2010 IPR Update – What's Next	22-23	Stephanie Adams & Mary Hawken
1:55	20	Net Revenues & Performance Measures (2011)	24-27	Dave Barringer
2:15	20	Green Roof Project	28-32	Brian Scott/Dan Krauss
2:35	10	Questions, Comments, Future Meeting Topics	-	Mary Hawken
2:45		Adjourn		
		<b>Appendix</b> - Power and Transmission Services Detailed - Statements of Revenues and Expenses - 3 <sup>rd</sup> Quarter Capital Report	33-45	

# Background of QBR



- In the Regional Dialogue Policy, BPA committed to a model which provides extensive opportunity for stakeholders as well as customers to review and give input to our forecasts of spending levels prior to finalizing them. The Integrated Program Review process we just completed is one part of the overall Integrated Business Review structure. It is designed to allow persons interested in BPA's program levels an opportunity to review and comment on all of BPA's expense and capital spending level estimates in the same forum prior to their use in setting rates. BPA intends to hold an IPR every two years, just prior to each rate case.
- The Quarterly Business Review (QBR) is the second part of the Integrated Business Review structure BPA committed to in the Regional Dialogue, and it is intended to be a forum to provide financial forecasts, current financial results compared to forecasts, periodic updates to capital plans as they change, and information on upcoming issues that could have an impact on future financial results.
- More information can be found at <http://www.bpa.gov/corporate/Finance/ibr/>

## Last QBR Follow Ups



- Follow ups from the May 3, 2010 QBR have been posted on the QBR website at <http://www.bpa.gov/corporate/Finance/financialOverview/index.cfm#quarterly>
  
- Follow ups address questions on the following topics:
  - Power & Transmission Services Financial Highlights,
  - Financial Reserves, and
  - 2<sup>nd</sup> Quarter Review.

# *Financial Highlights*



## Customer Collaborative

### Financial Overview for FY 2010 through June 30, 2010



#### Power Services

- The Modified Net Revenue forecast at Start-of-Year was \$142 million and the Rate Case forecast was \$114 million. The 3rd Quarter Review forecast is negative (\$320) million a change of \$8.7 million from the 2nd Quarter Forecast.
- Power Services Modified Net Revenues through June are negative (\$106) million.
  - Despite the significant June precipitation in the Columbia basin, we are forecasting only a modest improvement to MNR, due to the shape of the associated run-off, impact of market prices, and spill due to a lack of market.
    - Power Services Total Operating Revenue forecast is \$2,392 million against an end-of-year target of \$2,880 million. Actual Operating Revenues to date are \$1,851 million.
    - Power Services Total Expense (operating expenses and net interest) forecast is \$2,697 million against an end-of-year target of \$2,752 million. Actual Total expenses to date are \$1,923 million.
  - Based on the 3rd Quarter forecast, BPA is not expecting to CRAC or DDC to trigger in FY 2011.

#### Transmission Services

- The Net Revenue Start-of-Year forecast for the year was \$85 million and the Rate Case forecast was \$82 million. The 3rd Quarter Review forecast is \$106 million a change of \$4 million from the 2nd Quarter Forecast.
- Transmission Services Net Revenues through June are \$111 million.
  - Transmission Services results continue to outpace the rate case and start-of-year targets, and are on track to meet or exceed the current forecast.
    - Transmission Services Revenue forecast is \$876 million against an end-of-year target of \$867 million. Actual Revenues to date are \$656 million.
    - Transmission Services Total Expense (operating expenses and net interest) forecast is \$774 million against an end-of-year target of \$782 million. Actual Total Expenses to date are \$545 million.

## Customer Collaborative

### Financial Overview for FY 2010 through June 30, 2010



#### Agency

- Modified Net Revenues through June are \$7 million.
  - The Start-of-Year forecast was \$232 million and the Rate Case forecast was \$204 million. The 3rd Quarter Review forecast is negative (\$212) million.
  - As the fiscal year is maturing, BPA continues to manage its internal operations costs to levels below those established in the rate case and start-of-year budgets.
  - Nine months into the fiscal year, Modified Net Revenues are \$289 million below expectations from the Start-of-Year forecast.



**Federal Columbia River Power System (FCRPS)  
FY 2010 THIRD QUARTER REVIEW**

**Net Revenues and Reserves**

**Projection for FY 2010**



# 3<sup>rd</sup> Quarter Review – Executive Highlights



**FY 2010**  
**EXECUTIVE HIGHLIGHTS**  
 July 29, 2010

	A FY 2009 Audited Actuals without Derivative Effects & Bookouts <sup>1/</sup>	B FY 2010 SOY without Derivative Effects & Bookouts <sup>2/</sup>	FY 2010 Current Expectation	
			C without Derivative Effects & Bookouts <sup>2/</sup>	D with Derivative Effects & Bookouts <sup>3/</sup>
1. REVENUES	2,941.8	3,535.1	3,156.4	3,082.5
2. EXPENSES	3,008.1	3,322.9	3,347.3	3,258.6
3. NET REVENUES <sup>4/</sup>	(66.3)	212.1	(190.9)	(176.1)
4. MODIFIED NET REVENUES <sup>4/</sup>	(187.2)	232.0	(212.9)	(212.9)
5. END OF YEAR FINANCIAL RESERVES <sup>5/</sup>	1,363.0	1,291.0	1,028.0	1,028.0
6. BPA ACCRUED CAPITAL EXPENDITURES <sup>6/</sup>	409.2	647.9	631.5	631.5

**Footnotes**

- 1/ Does not include mark-to-market adjustments required by derivative accounting guidance as amended or reflect the change in accounting for power "bookout" transactions made after adoption of accounting guidance as of Oct 1, 2003. Actual Net Revenues for FY 2009 with the mark-to-market adjustments were \$(101.1) million.
- 2/ Columns B and C do not reflect the change in accounting for power "bookout" transactions made after adoption of accounting guidance, was effective as of Oct 1, 2003.
- 3/ Includes an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by derivative accounting guidance as amended for identified derivative instruments.
- 4/ Net revenues include the effects of non-federal debt management and derivative accounting guidance as amended. An example of non-federal debt management is the refinancing of ENW debt.
- 5/ Financial reserves equal total cash plus deferred borrowing and investments in non-marketable U.S. Treasury securities.
- 6/ Funded by borrowing from the U.S. Treasury.
- 7/ There is uncertainty regarding the potential financial results that could occur by the end of the year, mainly a result of water conditions, which may affect net secondary sales, and short-term market prices, which also can affect net secondary sales.

**B O N N E V I L L E P O W E R A D M I N I S T R A T I O N**

Report ID: 0070FY10	Federal Columbia River Power System Statement of Revenues and Expenses	Data Source: EPM Data Warehouse
Requesting BL: CORPT	Quarterly Review at June 30, 2010	Run Date/Time: July 21, 2010 15:39
Unit of measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 75%

	A	B	C	D	E	F
	FY 2009 Actuals	FY 2010 Budget (SOY)	FY 2010 Current EOY Forecast	Current Forecast as a % of Budget	FY 2010 Actuals	Actuals as a % of Budget
<b>Operating Revenues</b>						
1 Gross Sales (excluding bookout adjustment) <Notes 1 and 5	\$2,779,584	\$3,370,363	\$2,964,160	88%	\$2,278,363	68%
2 Bookout adjustment to Sales <Note 1	(36,814)		(88,713)		(88,713)	
3 Miscellaneous Revenues	58,093	63,402	57,305	90%	43,509	69%
4 Derivative Instruments <Note 2	(34,677)		14,800		14,800	
5 U.S. Treasury Credits	104,099	101,289	134,961	133%	102,547	101%
6 <b>Total Operating Revenues</b>	<b>2,870,285</b>	<b>3,535,054</b>	<b>3,082,513</b>	<b>87%</b>	<b>2,350,506</b>	<b>66%</b>
<b>Operating Expenses</b>						
Power System Generation Resources						
Operating Generation Resources						
7 Columbia Generating Station	288,208	257,811	264,211	102%	172,411	67%
8 Bureau of Reclamation	78,228	87,318	87,318	100%	58,606	67%
9 Corps of Engineers	178,407	191,060	191,060	100%	132,287	69%
10 Long-term Generating Projects	28,783	30,455	32,755	108%	21,558	71%
11 Operating Generation Settlement Payment	18,170	21,328	16,712	78%	11,798	55%
12 Non-Operating Generation	(754)	2,618	2,618	100%	2,255	86%
13 Gross Contracted & Augmentation Power Purchases (excluding bookout adjustment) <Note 1	324,359	270,689	448,005	166%	353,455	131%
14 Bookout Adjustment to Contracted & Augmentation Power Purchases <Note 1	(36,814)		(88,713)		(88,713)	
15 Exchanges and Settlements <Note 5	205,171	264,528	179,970	68%	143,071	54%
16 Renewable and Conservation Generation	98,709	128,903	112,171	87%	72,266	56%
17 <b>Subtotal Power System Generation Resources</b>	<b>1,182,467</b>	<b>1,254,711</b>	<b>1,246,107</b>	<b>99%</b>	<b>878,993</b>	<b>70%</b>
18 Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 4	42,756	51,570	52,590	102%	35,951	70%
19 Power Services Non-Generation Operations	69,409	81,465	76,963	94%	52,424	64%
20 Transmission Operations	98,521	125,377	117,068	93%	75,925	61%
21 Transmission Maintenance	128,284	135,202	131,213	97%	86,894	64%
22 Transmission Engineering	27,605	28,483	28,778	101%	16,337	57%
23 Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Notes 3 and 4	6,923	13,248	10,725	81%	5,793	44%
24 Transmission Reimbursables	8,733	9,727	11,580	119%	7,295	75%
25 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	207,569	248,126	248,568	100%	157,760	64%
BPA Internal Support						
26 Additional Post-Retirement Contribution	32,706	33,435	34,785	104%	26,426	79%
27 Agency Services G&A	94,969	98,351	98,208	100%	73,178	74%
28 Other Income, Expenses & Adjustments	(3,978)	(3,428)	(3,030)	88%	(4,116)	120%
29 Non-Federal Debt Service <Note 3	501,367	642,136	600,090	93%	452,341	70%
30 Depreciation & Amortization <Note 3	355,574	371,585	367,235	99%	272,260	73%
31 <b>Total Operating Expenses</b>	<b>2,752,905</b>	<b>3,089,988</b>	<b>3,020,879</b>	<b>98%</b>	<b>2,137,462</b>	<b>69%</b>
<b>Net Operating Revenues (Expenses)</b>	<b>117,379</b>	<b>445,066</b>	<b>61,634</b>	<b>14%</b>	<b>213,044</b>	<b>48%</b>
<b>Interest Expense and (Income)</b>						
33 Interest Expense	326,494	335,958	332,610	99%	248,052	74%
34 AFUDC	(30,710)	(34,300)	(39,000)	114%	(29,217)	85%
35 Interest Income	(77,355)	(68,697)	(55,950)	81%	(41,919)	61%
36 <b>Net Interest Expense (Income)</b>	<b>218,430</b>	<b>232,961</b>	<b>237,660</b>	<b>102%</b>	<b>176,916</b>	<b>76%</b>
<b>Net Revenues (Expenses) from Continuing Operations</b>	<b>(101,050)</b>	<b>212,105</b>	<b>(176,026)</b>	<b>-183%</b>	<b>36,128</b>	<b>17%</b>
<b>Net Revenues (Expenses)</b>	<b>(\$101,050)</b>	<b>\$212,105</b>	<b>(\$176,026)</b>	<b>-183%</b>	<b>\$36,128</b>	<b>17%</b>

<1 Beginning in FY 2004, actuals for Power Sales and Contracted Power Purchases are affected by the change in accounting for power "bookout" transactions after adoption of new accounting guidance as of October 1, 2003. Bookout transactions are not included in the SOY budget or forecasted through the remaining year. Bookouts included in the Forecast column reflect actuals recorded to date.

<2 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by derivative accounting guidance as amended, for identified derivative instruments. The MTM adjustment is excluded in calculating Modified Net Revenues for rate setting purposes.

<3 The Start of Year and Forecast columns do not include the VIEST entries.

<4 The consolidated FCRPS Statement reduces reported Revenues and Expenses where between business line transactions occur, the most significant of which are for Transmission Acquisition and Ancillary Services.

<5 The Residential Exchange Program Lookback Amount applied is returned to the Consumer Owned Utilities (COUs) and recovered from the Investor Owned Utilities. Throughout the year actual revenue will be reduced by this amount to reflect the Lookback Amount refunds returned to COUs and actual REP expense will be reduced to reflect the Lookback Amount returned by the IOUs. Budgets were developed with the Lookback Amount applied as an increase to the REP expenses, without adjustment to revenue. These circumstances will present actual revenue and REP expense running under budget.

# *Monthly Financial Reports*



Report ID: 0020FY10 Requesting BL: CORPORATE BUSINESS UNIT Unit of measure: \$ Thousands  
 FCRPS Summary Statement of Revenues and Expenses Through the Month Ended June 30, 2010 Preliminary/ Unaudited  
 Run Date/Run Time: July 21,2010/ 07:15 Data Source: EPM Data Warehouse % of Year Lapsed = 75%

	FY 2009		FY 2010		FY 2010
	Actuals: FYTD	Actuals	SOY Budget	Current EOY Forecast	Actuals: FYTD
	A	B	C	D <Note 3	E
<b>Operating Revenues</b>					
1 Gross Sales (excluding bookout adjustment) <Notes 1 and 6	\$2,170,468	\$2,779,584	\$3,370,363	\$2,964,160	\$2,278,363
2 Bookout adjustment to Sales <Note 1	(29,297)	(36,814)		(88,713)	(88,713)
3 Miscellaneous Revenues	44,387	58,093	63,402	57,305	43,509
4 Derivative Instruments <Note 2	(32,066)	(34,677)		14,800	14,800
5 U.S. Treasury Credits	65,792	104,099	101,289	134,961	102,547
6 <b>Total Operating Revenues</b>	<b>\$2,219,284</b>	<b>\$2,870,285</b>	<b>\$3,535,054</b>	<b>\$3,082,513</b>	<b>\$2,350,506</b>
<b>Operating Expenses</b>					
Power System Generation Resources					
Operating Generation Resources					
7 Columbia Generating Station	230,943	288,208	257,811	264,211	172,411
8 Bureau of Reclamation	58,223	78,228	87,318	87,318	58,606
9 Corps of Engineers	115,655	178,407	191,060	191,060	132,287
10 Long-term Contract Generating Projects	21,110	28,783	30,455	32,755	21,558
11 Operating Generation Settlement Payment	16,498	18,170	21,328	16,712	11,798
12 Non-Operating Generation	(1,169)	(754)	2,618	2,618	2,255
13 Gross Contracted Power Purchases and Augmentation Power Purch <Note 1	226,134	324,359	270,689	448,005	353,455
14 Bookout Adjustment to Power Purchases <Note 1	(29,297)	(36,814)		(88,713)	(88,713)
15 Exchanges & Settlements <Note 6	166,383	205,171	264,528	179,970	143,071
16 Renewable and Conservation Generation	70,149	98,709	128,903	112,171	72,266
17 <b>Subtotal Power System Generation Resources</b>	<b>\$874,628</b>	<b>\$1,182,467</b>	<b>\$1,254,711</b>	<b>\$1,246,107</b>	<b>\$878,993</b>
18 Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 4	32,081	42,756	51,570	52,590	35,951
19 Power Services Non-Generation Operations	51,615	69,409	81,465	76,963	52,424
20 Transmission Operations	74,752	98,521	125,377	117,068	75,925
21 Transmission Maintenance	95,448	128,284	135,202	131,213	86,894
22 Transmission Engineering	15,812	27,605	28,483	28,778	16,337
23 Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 4, 5	4,933	6,923	13,248	10,725	5,793
24 Transmission Reimbursables	6,553	8,733	9,727	11,580	7,295
25 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	137,891	207,569	248,126	248,568	157,760
BPA Internal Support					
26 Additional Post-Retirement Contribution	22,916	32,706	33,435	34,785	26,426
27 Agency Services G&A	71,148	94,969	98,351	98,208	73,178
28 Other Income, Expenses & Adjustments	(3,998)	(3,978)	(3,428)	(3,030)	(4,116)
29 Non-Federal Debt Service <Note 5	350,594	501,367	642,136	600,090	452,341
30 Depreciation & Amortization <Note 5	264,499	355,574	371,585	367,235	272,260
31 <b>Total Operating Expenses</b>	<b>\$1,998,868</b>	<b>\$2,752,905</b>	<b>\$3,089,988</b>	<b>\$3,020,879</b>	<b>\$2,137,462</b>
32 <b>Net Operating Revenues (Expenses)</b>	<b>\$220,415</b>	<b>\$117,379</b>	<b>\$445,066</b>	<b>\$61,634</b>	<b>\$213,044</b>
<b>Interest Expense and (Income)</b>					
33 Interest Expense	245,849	326,494	335,958	332,610	248,052
34 AFUDC	(18,954)	(30,710)	(34,300)	(39,000)	(29,217)
35 Interest Income	(58,831)	(77,355)	(68,697)	(55,950)	(41,919)
36 <b>Net Interest Expense (Income)</b>	<b>\$168,064</b>	<b>\$218,430</b>	<b>\$232,961</b>	<b>\$237,660</b>	<b>\$176,916</b>
37 <b>Net Revenues (Expenses)</b>	<b>\$52,352</b>	<b>(\$101,050)</b>	<b>\$212,105</b>	<b>(\$176,026)</b>	<b>\$36,128</b>

- <1 For BPA management reports, Gross Sales and Purchase Power are shown separated from the power bookout adjustment (EITF 03-11, effective as of Oct 1, 2003) to provide a better picture of our gross sales and purchase power.
- <2 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by Derivatives and Hedging Accounting guidance for identified derivative instruments. The MTM adjustment is excluded in calculating Modified Net Revenues for rate setting purposes.
- <3 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties among other factors may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.
- <4 The consolidated FCRPS Statement reduces reported Revenues and Expenses where between business line transactions occur, the most significant of which are for Transmission Acquisition and Ancillary Services.
- <5 Beginning in FY 2004, consolidated actuals reflect the inclusion of transactions associated with a Variable Interest Entity (VIES), which is in accordance with the FASB Interpretation No. 46 (FIN 46) that is effective as of December, 2003. VIES information is not included in rate case and budget data.
- <6 The Residential Exchange Program Lookback Amount applied is returned to the Consumer Owned Utilities (COUs) and recovered from the Investor Owned Utilities. Throughout the year actual revenue will be reduced by this amount to reflect the Lookback Amount refunds returned to COUs and actual REP expense will be reduced to reflect the Lookback Amount returned by the IOUs. Budgets were developed with the Lookback Amount applied as an increase to the REP expense, without adjustment to revenue. These circumstances will present actual revenue and REP expense running under budget.

Report ID: 0021FY10 **Power Services Summary Statement of Revenues and Expenses** Run Date/Time: July 29, 2010 06:54  
 Requesting BL: POWER BUSINESS UNIT Through the Month Ended June 30, 2010 Data Source: EPM Data Warehouse  
 Unit of measure: \$ Thousands Preliminary/ Unaudited % of Year Lapsed = 75%

	FY 2009		FY 2010			FY 2010
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	
<b>Operating Revenues</b>						
1 Gross Sales (excluding bookout adjustment) <Notes 1 and 4	\$1,652,351	\$2,090,387	\$2,658,676	\$2,658,694	\$2,222,630	\$1,725,765
2 Bookout Adjustment to Sales <Note 1	(29,297)	(36,814)			(88,713)	(88,713)
3 Miscellaneous Revenues	25,004	33,383	29,421	29,421	28,172	21,759
4 Inter-Business Unit	58,182	78,318	90,171	90,171	100,216	74,553
5 Derivative Instruments <Note 2	(32,066)	(34,677)			14,800	14,800
6 U.S. Treasury Credits	65,792	104,099	101,289	101,289	134,961	102,547
7 <b>Total Operating Revenues</b>	<b>\$1,739,967</b>	<b>\$2,234,695</b>	<b>\$2,879,557</b>	<b>\$2,879,575</b>	<b>\$2,412,066</b>	<b>\$1,850,711</b>
<b>Operating Expenses</b>						
Power System Generation Resources						
Operating Generation Resources						
8 Columbia Generating Station	230,943	288,208	257,811	257,811	264,211	172,411
9 Bureau of Reclamation	58,223	78,228	87,318	87,318	87,318	58,606
10 Corps of Engineers	115,655	178,407	191,060	191,060	191,060	132,287
11 Long-term Contract Generating Projects	21,110	28,783	30,455	30,455	32,755	21,558
12 Operating Generation Settlement Payment	16,498	18,170	21,328	21,328	16,712	11,798
13 Non-Operating Generation	(1,169)	(754)	2,618	2,618	2,618	2,255
14 Gross Contracted Power Purchases and Aug Power Purchases <Note 1	226,134	324,359	270,438	270,689	448,005	353,455
15 Bookout Adjustment to Power Purchases <Note 1	(29,297)	(36,814)			(88,713)	(88,713)
16 Residential Exchange/IOU Settlement Benefits <Note 4	166,383	205,171	263,137	264,528	179,970	143,071
17 Renewable and Conservation Generation	70,171	99,444	129,576	128,903	112,171	73,150
18 <b>Subtotal Power System Generation Resources</b>	<b>\$874,650</b>	<b>\$1,183,202</b>	<b>\$1,253,742</b>	<b>\$1,254,711</b>	<b>\$1,246,107</b>	<b>\$879,877</b>
19 Power Services Transmission Acquisition and Ancillary Services	119,700	157,802	187,217	177,717	160,713	115,808
20 Power Non-Generation Operations	51,632	69,479	81,022	81,490	76,989	52,456
21 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	137,973	208,059	248,583	248,583	248,583	158,191
BPA Internal Support						
22 Additional Post-Retirement Contribution	11,458	16,353	15,447	16,717	17,392	13,213
23 Agency Services G&A	35,861	48,216	49,961	49,335	49,567	37,162
24 Other Income, Expenses & Adjustments	(2,334)	(2,454)		(1,428)	(4,850)	(4,850)
25 Non-Federal Debt Service	324,226	457,044	565,486	579,606	537,560	405,444
26 Depreciation & Amortization	134,158	180,788	197,839	187,435	183,635	137,012
27 <b>Total Operating Expenses</b>	<b>\$1,687,322</b>	<b>\$2,318,490</b>	<b>\$2,599,296</b>	<b>\$2,594,166</b>	<b>\$2,515,696</b>	<b>\$1,794,314</b>
28 <b>Net Operating Revenues (Expenses)</b>	<b>\$52,645</b>	<b>(\$83,795)</b>	<b>\$280,261</b>	<b>\$285,409</b>	<b>(\$103,629)</b>	<b>\$56,397</b>
<b>Interest Expense and (Income)</b>						
29 Interest Expense	156,460	207,661	219,587	212,069	211,234	158,490
30 AFUDC	(2,794)	(9,336)	(10,800)	(13,000)	(13,900)	(9,301)
31 Interest Income	(36,110)	(46,817)	(42,404)	(41,471)	(23,380)	(20,215)
32 <b>Net Interest Expense (Income)</b>	<b>\$117,557</b>	<b>\$151,508</b>	<b>\$166,383</b>	<b>\$157,598</b>	<b>\$173,954</b>	<b>\$128,973</b>
33 <b>Net Revenues (Expenses)</b>	<b>(\$64,912)</b>	<b>(\$235,303)</b>	<b>\$113,878</b>	<b>\$127,811</b>	<b>(\$277,583)</b>	<b>(\$72,576)</b>

- <1 For BPA management reports, Gross Sales and Purchase Power are shown separated from the power bookout adjustment (EITF 03-11, effective as of Oct 1, 2003) to provide a better picture of our gross sales and gross purchase power.
- <2 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by Derivatives and Hedging Accounting guidance for identified derivative instruments. The MTM adjustment is excluded in calculating Modified Net Revenues for rate setting purposes.
- <3 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties, among other factors, may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.
- <4 The Residential Exchange Program Lookback Amount applied is returned to the Consumer Owned Utilities (COUs) and recovered from the Investor Owned Utilities. Throughout the year actual revenue will be reduced by this amount to reflect the Lookback Amount refunds returned to COUs and actual REP expense will be reduced to reflect the Lookback Amount returned by the IOUs. Budgets were developed with the Lookback Amount applied as an increase to the REP expense, without adjustment to revenue. These circumstances will present actual revenue and REP expense running under budget.

Report ID: 0022FY10 Requesting BL: CORPORATE BUSINESS UNIT Unit of measure: \$ Thousands	Schedule of Net Revenue (Expense) to Modified Net Revenue Through the Month Ended June 30, 2010 Preliminary/ Unaudited	Run Date/Time: July 21,2010 07:15 Data Source: EPM Data Warehouse % of Year Lapsed = 75%
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	A	B	C	D
	Actuals: FY 2000 to FY 2009	Forecast: Current Qtr FY 2010	Forecast: Accumulated MNR FY 2000 to FY 2010 (A) + (B)	Actuals: FYTD 2010
<b>Power Services</b>				
1 Power Net Revenue (Expense)	\$930,046	(\$277,583)	\$652,463	(\$72,576)
Power Modified Net Revenue Adjustments:				
2 Derivative Instruments	(14,800)	14,800	()	14,800
3 EN Debt Adjustments	(1,178,600)	(27,787)	(1,206,387)	(18,761)
4 Power Modified Net Revenue Adjustments <Note 1	(1,163,800)	(42,587)	(1,206,387)	(33,561)
5 Power Modified Net Revenue <Note 2	(\$233,754)	(\$320,171)	(\$553,924)	(\$106,137)
6 Threshold Amounts for FY 2011 Rates based on AMNR from FY 2000 through 2010: <Note 3				
6 FCRPS Modified Net Revenue <Note 1	\$300,041	(\$212,864)	\$87,177	\$6,879

- <1 Consistent with the General Rate Schedule Provisions, Modified Net Revenue (MNR) is an adjustment to Net Revenues for the purpose of calculating the rate case Cost Recovery Adjustment Clause (CRAC) or Dividend Distribution Clause (DDC). MNR excludes the impact of Derivative Instruments transactions. Derivative Instruments is a "no cash impact" adjustment representing the mark-to-market (MTM) valuation required by Derivatives and Hedging Accounting guidance for identified derivative instruments. In addition, MNR excludes the Energy Northwest (EN) debt service expense amounts (actual or forecasted) and includes the rate case amounts for EN debt service. This results in the exclusion of the effect of debt refinancing from BPA's cost recovery adjustment clause.
- <2 The final CRAC and DDC levels are set in August and are based on the 3rd Quarter forecast of PS MNR; however, the PS MNR forecast used in the August AMNR calculation may include adjustments to reflect events that occur subsequent to the 3rd Quarter forecast.
- <3 The CRAC and DDC thresholds are defined in the WP-10 Final Power Rate Proposal.

Report ID: 0023FY10	<b>Transmission Services Summary Statement of Revenues and Expenses</b>	Run Date/Time: July 21, 2010/ 07:16
Requesting BL: TRANSMISSION BUSINESS UNIT	Through the Month Ended June 30, 2010	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 75%

	A	B	C	D	E <Note 1>	F
	FY 2009		FY 2010			FY 2010
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
<b>Operating Revenues</b>						
1 Sales	\$518,116	\$689,197	\$713,981	\$711,669	\$741,530	\$552,599
2 Miscellaneous Revenues	19,383	24,710	32,378	33,981	29,133	21,750
3 Inter-Business Unit Revenues	88,863	117,932	117,381	121,415	106,826	81,842
4 <b>Total Operating Revenues</b>	<b>\$626,362</b>	<b>\$831,840</b>	<b>\$863,739</b>	<b>\$867,065</b>	<b>\$877,489</b>	<b>\$656,190</b>
<b>Operating Expenses</b>						
5 Transmission Operations	74,752	98,521	120,400	125,377	117,068	75,925
6 Transmission Maintenance	95,448	128,284	125,607	135,202	131,213	86,894
7 Transmission Engineering	15,812	27,605	25,240	28,483	28,778	16,337
8 Trans Services Transmission Acquisition and Ancillary Services <Note 2	63,115	85,241	103,328	103,085	111,107	80,346
9 Transmission Reimbursables	6,553	8,733	9,142	9,727	11,580	7,295
10 BPA Internal Support						
Additional Post-Retirement Contribution	11,458	16,353	15,447	16,717	17,392	13,213
11 Agency Services G&A	35,287	46,753	48,937	49,017	48,641	36,015
12 Other Income, Expenses & Adjustments	(210)	67	(10,000)	(2,000)	1,820	1,857
13 Non-Federal Debt Service <Note 2						
14 Depreciation & Amortization <Note 2	130,341	174,786	189,702	184,150	183,600	135,248
15 <b>Total Operating Expenses</b>	<b>\$432,555</b>	<b>\$586,343</b>	<b>\$627,802</b>	<b>\$649,758</b>	<b>\$651,200</b>	<b>\$453,131</b>
16 <b>Net Operating Revenues (Expenses)</b>	<b>\$193,807</b>	<b>\$245,497</b>	<b>\$235,937</b>	<b>\$217,307</b>	<b>\$226,290</b>	<b>\$203,059</b>
<b>Interest Expense and (Income)</b>						
17 Interest Expense	131,368	174,947	195,176	180,670	178,157	132,350
18 AFUDC	(14,401)	(21,373)	(16,501)	(21,300)	(25,100)	(18,094)
19 Interest Income	(22,722)	(30,681)	(24,655)	(27,226)	(32,570)	(21,905)
20 <b>Net Interest Expense (Income)</b>	<b>\$94,245</b>	<b>\$122,892</b>	<b>\$154,020</b>	<b>\$132,144</b>	<b>\$120,487</b>	<b>\$92,350</b>
21 <b>Net Revenues (Expenses)</b>	<b>\$99,562</b>	<b>\$122,605</b>	<b>\$81,917</b>	<b>\$85,163</b>	<b>\$105,803</b>	<b>\$110,709</b>

<1 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties, among other factors, may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

<2 Beginning in FY 2004, consolidated actuals reflect the inclusion of transactions associated with a Variable Interest Entity (VIES), which is in accordance with the FASB Interpretation No. 46 (FIN 46) that is effective as of December, 2003. VIES information is not included in rate case and budget data.

Report ID: 0063FY10	<b>Transmission Services Revenue Detail by Product</b>	Run Date/Time: July 21, 2010 07:33
Requesting BL: TRANSMISSION BUSINESS UNIT	Through the Month Ended June 30, 2010	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 75%

		A	B	C	D
		FY 2010			FY 2010
		Rate Case	SOY Budget	Current EOY Forecast	Actuals
<b>Transmission Services Operating Revenues</b>					
<b>NETWORK</b>					
1	PTP - LONG TERM	\$337,672	\$334,613	\$337,302	\$246,352
2	NETWORK INTEGRATION	122,266	120,203	121,650	92,130
3	INTEGRATION OF RESOURCES	38,967	38,967	38,320	35,760
4	FORMULA POWER TRANSMISSION	24,527	25,999	25,941	20,181
5	PTP - SHORT TERM	21,181	25,219	19,962	8,223
6	ACCRUAL_NETWORK			2,622	6,245
7	<b>TOTAL: NETWORK</b>	<b>544,613</b>	<b>545,001</b>	<b>545,797</b>	<b>408,890</b>
<b>ANCILLARY SERVICES</b>					
8	SCHEDULING, SYSTEM CONT & DISP	86,116	86,163	85,083	61,402
9	WITHIN_HOUR_BALANCE_FOR_RSRCS	38,447	38,559	41,070	27,726
10	OPERATING RESERVES-SPIN & SUPP	31,442	31,442	36,591	27,067
11	REGULATION & FREQ RESPONSE	7,732	7,876	7,346	6,040
12	ENERGY & GENERATION IMBALANCE			6,755	5,451
13	REACTIVE SUPPLY & VOLTAGE				()
14	ACCRUAL_ANCILLARY_SERVICES			652	4,143
15	<b>TOTAL: ANCILLARY SERVICES</b>	<b>163,737</b>	<b>164,040</b>	<b>177,497</b>	<b>131,828</b>
<b>INTERTIE</b>					
16	SOUTHERN INTERTIE LONG TERM	83,960	83,914	83,716	62,714
17	SOUTHERN INTERTIE SHORT TERM	4,438	4,714	2,835	789
18	MONTANNA INTERTIE LONG TERM	252	252	252	189
19	ACCRUAL_INTERTIE			(242)	212
20	<b>TOTAL: INTERTIE</b>	<b>88,650</b>	<b>88,880</b>	<b>86,562</b>	<b>63,904</b>

Report ID: 0063FY10	<b>Transmission Services Revenue Detail by Product</b>	Run Date/Time: July 21, 2010 07:33
Requesting BL: TRANSMISSION BUSINESS UNIT	Through the Month Ended June 30, 2010	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 75%

		A	B	C	D
		FY 2010			FY 2010
		Rate Case	SOY Budget	Current EOY Forecast	Actuals
<b>OTHER REVENUES &amp; CREDITS</b>					
21	TOWNSEND-GARRISON TRANS	9,796	9,796	9,796	7,347
22	GEN INTEGRATION - OTHER REV	8,462	8,462	7,916	6,210
23	USE OF FACILITIES	5,522	5,522	5,272	3,878
24	POWER FACTOR PENALTY	4,402	4,402	4,546	3,331
25	NFP - DEPR PNW PSW INTERTIE	3,065	3,065	3,089	2,330
26	AC-PNW PSW INTERTIE - OTH REV	1,891	1,891	1,496	1,139
27	OPERATIONS & MAINT - OTHER REV	1,121	1,121	1,105	832
28	COE_BOR_PROJECT_REV	954	954	954	716
29	RESERVATION FEE - OTHER REV	792	1,500	1,687	1,390
30	TRANSMISSION SHARE IRRIGATION	382	382	258	11
31	LAND LEASES AND SALES	301	301	128	240
32	OTHER LEASES REVENUE	164	164	125	71
33	REMEDIAL ACTION - OTHER REV	51	51	51	39
34	OTHER REVENUE SOURCES	5		448	
35	MISC SERVICES-LOSS-EXCH-AIR			275	289
36	FAILURE TO COMPLY - OTHER REV			219	302
37	UNAUTHORIZED INCREASE - OTH REV				(37)
38	ACCRUAL_OTHER_REVENUES&CREDITS			(222)	265
39	<b>TOTAL: OTHER REVENUES &amp; CREDITS</b>	<b>36,909</b>	<b>37,612</b>	<b>37,145</b>	<b>28,352</b>
<b>FIBER &amp; PCS</b>					
40	FIBER OTHER REVENUE	7,287	7,524	7,554	6,073
41	WIRELESS/PCS - OTHER REVENUE	4,544	5,492	4,830	3,664
42	WIRELESS/PCS_REIMBURSABLE REV	671	1,021	953	323
43	FIBER OTHER REIMBURSABLE REV	901	970	943	1,146
44	ACCRUAL_FIBER&PCS			(337)	132
45	<b>TOTAL: FIBER &amp; PCS</b>	<b>13,402</b>	<b>15,006</b>	<b>13,943</b>	<b>11,338</b>
<b>REIMBURSABLE</b>					
46	REIMBURSABLE-OTHER REVENUE	12,000	12,000	10,179	9,200
47	ACCRUAL REIMBURSABLE			1,320	(1,194)
48	<b>TOTAL: REIMBURSABLE</b>	<b>12,000</b>	<b>12,000</b>	<b>11,499</b>	<b>8,006</b>
<b>DELIVERY</b>					
49	UTILITY DELIVERY CHARGES	2,664	2,864	2,797	1,998
50	DSI DELIVERY	1,765	1,662	2,177	1,763
51	ACCRUAL_DELIVERY			73	111
52	<b>TOTAL: DELIVERY</b>	<b>4,429</b>	<b>4,527</b>	<b>5,047</b>	<b>3,872</b>
53	<b>TOTAL: Transmission Services Operating Revenues</b>	<b>\$863,739</b>	<b>\$867,065</b>	<b>\$877,489</b>	<b>\$656,190</b>

Report ID: 0027FY10  
 Requesting BL: CORPORATE BUSINESS UNIT  
 Unit of Measure: \$Thousands

**BPA Statement of Capital Expenditures**  
 FYTD Through the Month Ended June 30, 2010  
 Preliminary Unaudited

Run Date/Run Time: July 21, 2010/ 07:33  
 Data Source: EPM Data Warehouse  
 75%

	FY 2010		FY 2010		FY 2010
	SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / Forecast
<b>Transmission Business Unit</b>					
CAPITAL DIRECT					
UNCOMMITTED FUNDS					
MAIN GRID					
	3,845	4,971	368	977	20%
	4,576	3,202	1,013	2,126	66%
	4,359	4,398	546	3,662	83%
	3,542	3,329	108	4,576	137%
	94,904	90,753	6,818	46,630	51%
	7,210	7,717	1,405	6,315	82%
	5,875	3,449	109	4,070	118%
	4,052	4,206	566	2,990	71%
	26,543	5,291	641	4,044	76%
<b>TOTAL MAIN GRID</b>	<b>153,906</b>	<b>127,315</b>	<b>11,574</b>	<b>75,389</b>	<b>59%</b>
AREA & CUSTOMER SERVICE					
	7,695	4,233	146	1,037	24%
	2,435	1,996	300	1,156	58%
	22,986	10,367	332	1,394	13%
	11,471	12,344	1,771	7,653	62%
<b>TOTAL AREA &amp; CUSTOMER SERVICE</b>	<b>44,587</b>	<b>28,939</b>	<b>2,549</b>	<b>11,240</b>	<b>39%</b>
SYSTEM REPLACEMENTS					
	1,142	2,993	159	796	27%
	14,493	12,868	463	3,233	25%
	895	1,436	135	1,143	80%
	3,578	3,532	273	2,525	71%
	447		4	4	
	5,357	3,297	421	2,043	62%
	1,136	824	103	196	24%
	7,190	3,062	401	658	22%
	361				
	1,783	301	18	199	66%
	940	819	70	427	52%
	1,274	994	117	353	36%
	6,987	11,052	252	8,756	79%
	678	564	49	409	73%
	3,501	4,268	327	2,333	55%
	23,936	24,326	1,012	12,173	50%
	23,310	26,825	3,456	13,618	51%
	1,107	226	(2)	61	27%
	13,368	6,179	288	6,165	100%
	1,400	949	185	523	55%
	4,457	2,210	298	2,776	126%
	20,028	2,754	182	1,860	68%
	27,339	8,017	94	5,221	65%
<b>TOTAL SYSTEM REPLACEMENTS</b>	<b>164,706</b>	<b>117,497</b>	<b>8,304</b>	<b>65,472</b>	<b>56%</b>

Report ID: 0027FY10  
 Requesting BL: CORPORATE BUSINESS UNIT  
 Unit of Measure: \$Thousands

**BPA Statement of Capital Expenditures**  
 FYTD Through the Month Ended June 30, 2010  
 Preliminary Unaudited

Run Date/Run Time: July 21, 2010/ 07:33  
 Data Source: EPM Data Warehouse  
 75%

	FY 2010		FY 2010		FY 2010
	SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / Forecast
<b>Transmission Business Unit (Continued)</b>					
UPGRADES & ADDITIONS					
43 IT PROJECTS	6,009	12,673	728	3,468	27%
44 SECURITY ENHANCEMENTS	5,530	1,940	53	1,652	85%
45 LAND RIGHTS - ACCESS ROADS	565	965	25	125	13%
46 LAND RIGHTS- VEG MITIGATION	601	429	1	3	1%
47 LAND RIGHTS - TRIBAL RENEWALS	30,439	25,144	1,910	18,879	75%
48 LAND ACQUISITION & REBUILDS	12,141	9,235	428	3,116	34%
49 SUBSTATION UPGRADES		5,992	393	984	16%
50 LINE SWITCH UPGRADES		65	9	38	59%
51 LINE CAPACITY UPGRADES					
52 CELILO UPGRADES PROJECT	7,451	502	48	457	91%
53 CONTROL CENTERS	3,055	1,614	73	1,123	70%
54 CC SYSTEM & APPLICATION	1,959	1,278	19	711	56%
55 CC INFRASTRUCTURE COMPONENTS	2,779	1,012	52	406	40%
56 SYSTEM TELECOMMUNICATION	15,336	7,724	853	5,297	69%
57 MISC. UPGRADES AND ADDITIONS	38,419	26,103	2,261	19,060	73%
58 <b>TOTAL UPGRADES &amp; ADDITIONS</b>	<b>124,284</b>	<b>94,673</b>	<b>6,853</b>	<b>55,320</b>	<b>58%</b>
ENVIRONMENT CAPITAL					
59 MISC. ENVIRONMENT PROJECTS	6,627	7,151	973	3,317	46%
60 <b>TOTAL ENVIRONMENT CAPITAL</b>	<b>6,627</b>	<b>7,151</b>	<b>973</b>	<b>3,317</b>	<b>46%</b>
61 <b>CAPITAL DIRECT</b>	<b>494,110</b>	<b>375,575</b>	<b>30,253</b>	<b>210,738</b>	<b>56%</b>
PFIA					
62 MISC. PFIA PROJECTS	7,925	7,909	942	6,111	77%
63 GENERATOR INTERCONNECTION	75,648	48,043	3,472	20,800	43%
64 SPECTRUM RELOCATION	10,813	8,207	1,183	5,153	63%
65 COI ADDITION PROJECT	31,070	36,681	1,294	19,895	54%
66 <b>TOTAL PFIA</b>	<b>125,456</b>	<b>100,840</b>	<b>6,891</b>	<b>51,960</b>	<b>52%</b>
67 <b>AFUDC</b>		( )			<b>0%</b>
68 <b>CAPITAL INDIRECT</b>			<b>2,123</b>	<b>19,211</b>	<b>0%</b>
69 <b>LAPSE FACTOR</b>	<b>(105,118)</b>				
70 <b>TOTAL Transmission Business Unit</b>	<b>\$514,449</b>	<b>\$476,415</b>	<b>\$39,268</b>	<b>\$281,909</b>	<b>59%</b>

Report ID: 0027FY10

Requesting BL: CORPORATE BUSINESS UNIT

Unit of Measure: \$Thousands

**BPA Statement of Capital Expenditures**

FYTD Through the Month Ended June 30, 2010

Preliminary Unaudited

Run Date/Run Time: July 21, 2010/ 07:33

Data Source: EPM Data Warehouse

75%

A		B		C		D		E	
FY 2010		FY 2010		FY 2010		FY 2010		FY 2010	
SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals: Jun	Actuals: FYTD	Actuals: Jun	Actuals: FYTD	Actuals / Forecast	Actuals / Forecast

<b>Power Business Unit</b>									
71	BUREAU OF RECLAMATION-CAPITAL	78,653	51,132	4,552	26,016			51%	
72	CORPS OF ENGINEERS-CAPITAL	106,347	115,035	12,411	73,005			63%	
73	CONSERVATION ACQUISITION	15,000	50,000	5,331	39,769			80%	
74	NON-GENERATION OPERATIONS	3,000	9,250	751	5,799			63%	
75	FISH&WILDLIFE&PLANNING COUNCIL	70,000	70,000	1,869	17,113			24%	
76	LAPSE FACTOR	(33,600)							
77	<b>TOTAL Power Business Unit</b>	<b>\$239,400</b>	<b>\$295,417</b>	<b>\$24,914</b>	<b>\$161,702</b>			<b>55%</b>	
<b>Corporate Business Unit</b>									
78	CORPORATE BUSINESS UNIT	47,705	35,593	5,665	28,909			81%	
79	LAPSE FACTOR	(3,896)							
80	<b>TOTAL Corporate Business Unit</b>	<b>\$43,809</b>	<b>\$35,593</b>	<b>\$5,665</b>	<b>\$28,909</b>			<b>81%</b>	
81	<b>TOTAL BPA Capital Expenditures</b>	<b>\$797,658</b>	<b>\$807,424</b>	<b>\$69,846</b>	<b>\$472,520</b>			<b>59%</b>	

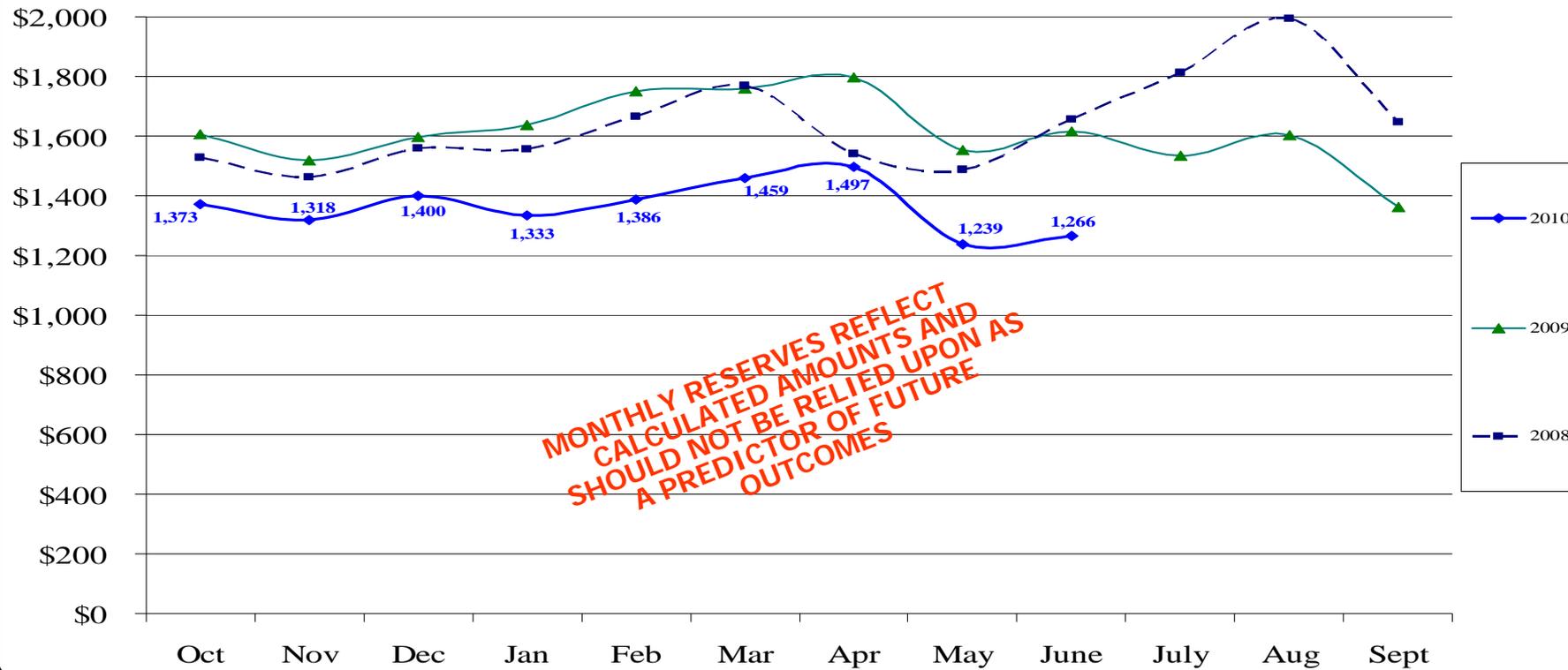
# Financial Reserves

Reserves as of the end of June 2010 are \$1.266 billion



## BPA - Reserves

As of June 30, 2010 (in millions)



**MONTHLY RESERVES REFLECT CALCULATED AMOUNTS AND SHOULD NOT BE RELIED UPON AS A PREDICTOR OF FUTURE OUTCOMES**

End of Fiscal Year 2010 Reserves: \$1.028 billion  
 Split Between Business Units:  
 Power: \$315 million Transmission: \$713 million

*Unaudited*

Funds held for others balance, estimate: \$300 million  
 (Power \$125 million ; Trans \$175 million)

# 2010 IPR Update

Mary Hawken  
Manager, Analysis and Requirements

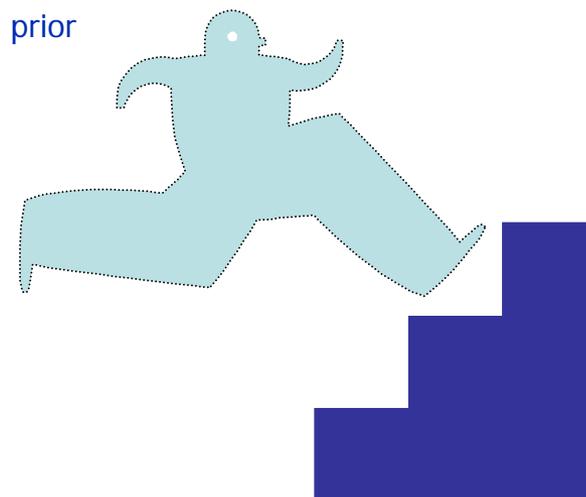
Stephanie Adams  
Analyst, Finance



# 2010 Integrated Program Review (IPR)



- The 2010 IPR comment period closed July 29, 2010.
- The final IPR Close-Out Report and Letter is expected to be released early Fall.
- IPR Next Steps:
  - General Feedback Received at IPR workshop surveys
    - Most survey participants agreed that:
      - Material was appropriate and relevant to the process.
      - Important issues and questions were adequately addressed and explained.
      - Presenters and material were credible and provided reliable information.
      - Workshops allowed for questions, concerns and clarifications to be addressed.
      - A lot of information was provided.
      - In general, the 2010 IPR process was an improvement over prior processes, however, there is still room for improvement.
      - A lessons learned meeting with BPA staff would be helpful.
  - Process Improvement
    - Surveys?
      - Online
      - Email
      - In-Person
    - Collaborative Meeting?
      - Hold in September-October
      - Notify all participants via email.



# BPA's Modified Net Revenues

David Barringer  
Finance



# Modified Net Revenues



## What were they intended to do?

- Modified net revenues were developed to eliminate the effects non-federal debt management actions were having on BPA's net revenues as a result of the Debt Optimization Program
- Due to BPA's unique relationship with Energy Northwest, the deferral of Energy Northwest principal repayment actually caused BPA's net revenues to be higher than they otherwise would have been because
  - a reduction in Energy Northwest principal payments reduces BPA's operating expenses,
  - but an increase in Federal principal payments reduces cash reserves, but does not affect BPA's net revenues
- With the advent of derivative accounting, modified net revenues also eliminated the effects of an "accounting only" (no cash impact) adjustment representing the mark-to-market adjustment required by the accounting guidance for derivative instruments

## Current Status



- Two major developments have occurred that will render the Modified Net Revenue calculation obsolete:
  - The Debt Optimization Program has been successfully completed so that it will no longer affect BPA's income statement
  - BPA has decided that for BPA's derivative instrument portfolio; it will now use the regulated accounting treatment so that the mark-to-market adjustment will no longer affect BPA's income statement on a routine basis

## Decision



- Beginning with results from operations in FY 2011, BPA will resume using Net Revenues as a measure of BPA's financial performance and health

# Green Roof

Bonneville Power Administration  
Headquarters Building



# Why do we need roof replacement?

- BPA HQ is a 23 year old GSA leased facility
- Existing roof is original to building:
  - Needs replacement
  - Roofs are a top priority for GSA's use of ARRA funds
- Green roof is part of our Sustainability Strategy to reduce:
  - Energy consumption
  - Water consumption
  - Water runoff into city storm water system
  - Traditional roof replacement cycles

# What is a green roof?

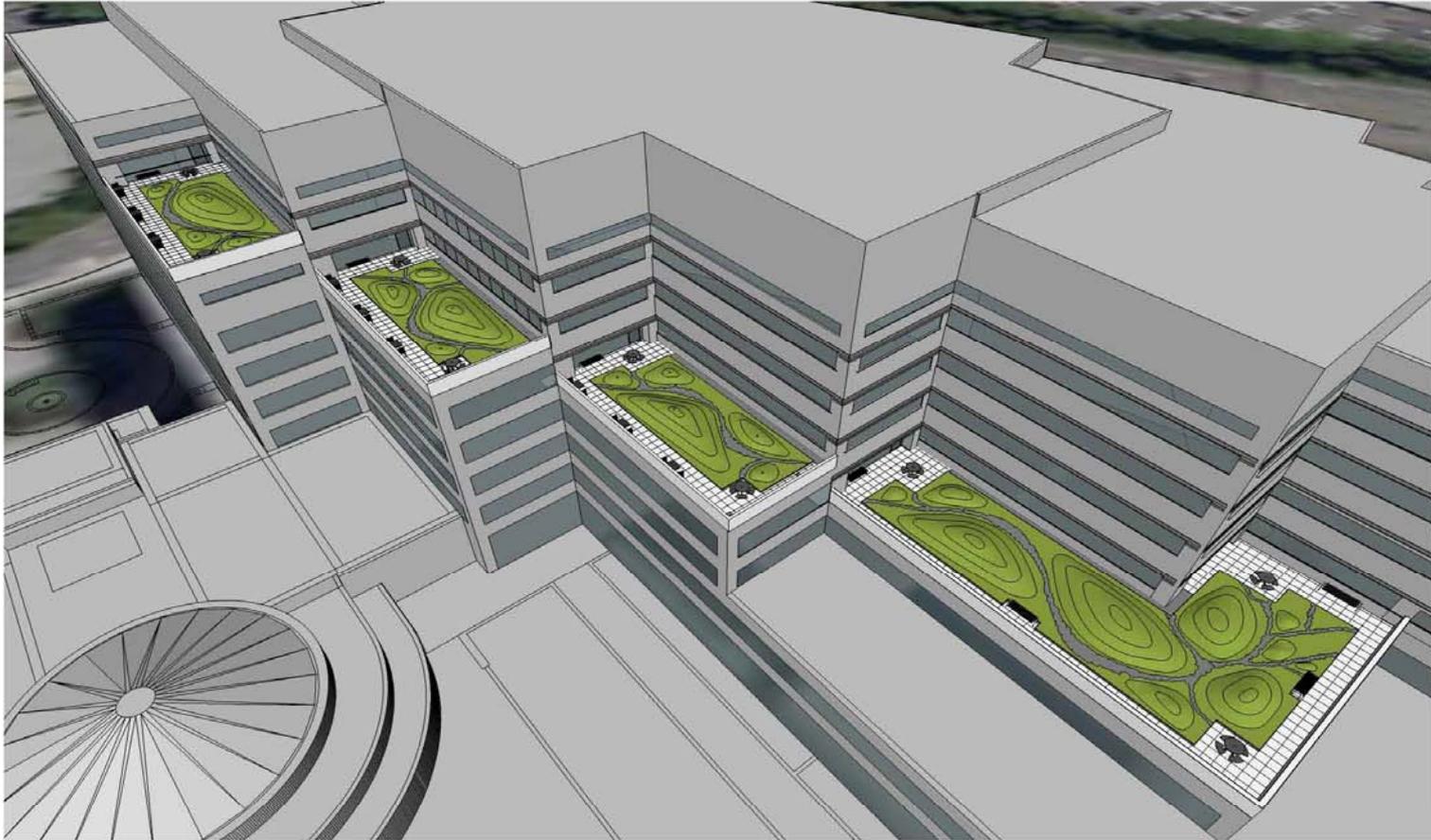
- Green roofs are large gardens that cover the surface of roofs:
  - Semi-intensive growing medium with numerous plant and tree species,
  - Installed over impermeable insulated barriers,
  - Provides shade and cooling, reducing heat island effect,
  - Increased ability to absorb and filter rain water,
  - Reduce and purify storm water runoff by as much as 85%,
  - Roof design consistent with LEED Gold/Silver principles and standards.

# What are features of semi-intensive green roof?

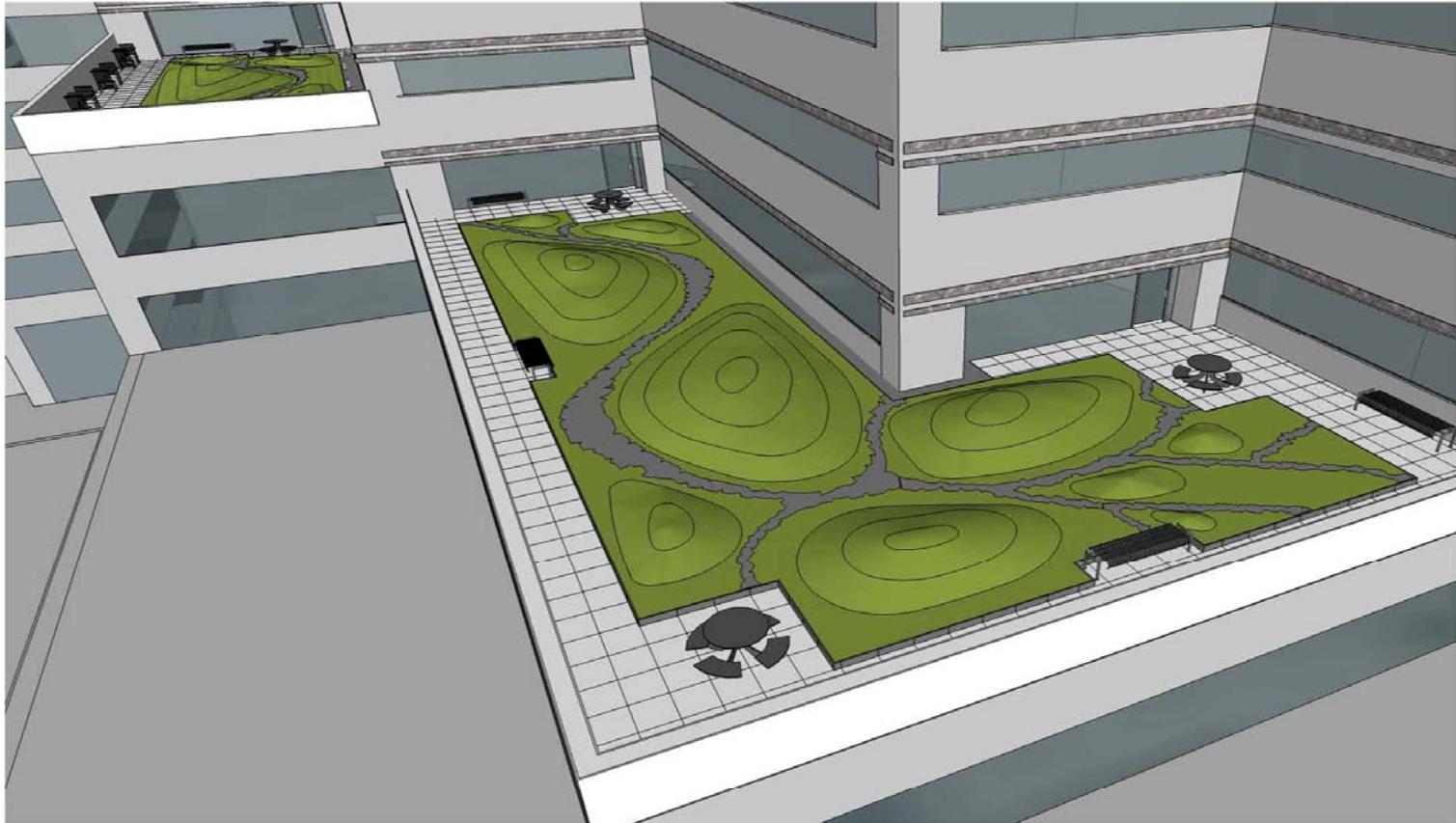
- Sedum tray system
- 35-year warranty
- 80% roof usage for green roofs and rainwater harvesting using cisterns
- Integrated irrigation system that utilizes harvested rainwater

# Current Status

- Contractor nearing completion of upper “cool” roof replacements
- Green roof design is 95% complete
- Green roof construction scheduled to start later this summer
- Final completion scheduled for late fall
- One-year maintenance period



Aerial view of 4 rooftops



Aerial view of floors 4 and 5



# **Appendix**

*Power and Transmission Services  
Detailed Statement of Revenues and Expenses  
3<sup>rd</sup> Quarter Capital Report*



# Power Services



Report ID: 0060FY10 **Power Services Detailed Statement of Revenues and Expenses** Run Date\Time: July 21, 2010 07:16  
 Requesting BL: POWER BUSINESS UNIT Through the Month Ended June 30, 2010 Data Source: EPM Data Warehouse  
 Unit of Measure: \$ Thousands Preliminary/ Unaudited % of Year Lapsed = 75%

	A	B	C	D	E	F
	FY 2009	FY 2010			FY 2010	FY 2010
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>Operating Revenues</b>						
1 Gross Sales (excluding bookout adjustment) <Notes 1 and 4	\$2,090,387	\$2,658,676	\$2,658,694	\$2,222,630	\$1,725,765	78%
2 Bookout Adjustment to Sales <Note 1	(36,814)			(88,713)	(88,713)	100%
3 Miscellaneous Revenues	33,383	29,421	29,421	28,172	21,759	77%
4 Inter-Business Unit	78,318	90,171	90,171	100,216	74,553	74%
5 Derivative Instruments <Note 2	(34,677)			14,800	14,800	100%
6 U.S. Treasury Credits	104,099	101,289	101,289	134,961	102,547	76%
7 <b>Total Operating Revenues</b>	<b>\$2,234,695</b>	<b>\$2,879,557</b>	<b>\$2,879,575</b>	<b>\$2,412,066</b>	<b>\$1,850,711</b>	<b>77%</b>
<b>Operating Expenses</b>						
<b>Power System Generation Resources</b>						
<b>Operating Generation</b>						
8 COLUMBIA GENERATING STATION	288,208	257,811	257,811	264,211	172,411	65%
9 BUREAU OF RECLAMATION	78,228	87,318	87,318	87,318	58,606	67%
10 CORPS OF ENGINEERS	178,407	191,060	191,060	191,060	132,287	69%
11 LONG-TERM CONTRACT GENERATING PROJECTS	28,783	30,455	30,455	32,755	21,558	66%
12 <b>Sub-Total</b>	573,626	566,644	566,644	575,344	384,862	67%
<b>Operating Generation Settlements and Other Payments</b>						
13 COLVILLE GENERATION SETTLEMENT	18,170	21,328	21,328	16,712	11,798	71%
14 SPOKANE LEGISLATION PAYMENT						
15 <b>Sub-Total</b>	18,170	21,328	21,328	16,712	11,798	71%
<b>Non-Operating Generation</b>						
16 TROJAN DECOMMISSIONING	(1,304)	2,200	2,200	2,200	2,006	91%
17 WNP-1&3 DECOMMISSIONING	550	418	418	418	249	60%
18 <b>Sub-Total</b>	(754)	2,618	2,618	2,618	2,255	86%
<b>Gross Contracted Power Purchases (excluding bookout adjustments) &lt;Note 1</b>						
19 DSI MONETIZED POWER SALES	40,394					
20 PNCA HEADWATER BENEFITS	1,427	2,042	2,042	2,042	1,507	74%
21 OTHER POWER PURCHASES - (e.g. Short-Term)	280,487	87,631	87,881	443,311	349,908	79%
22 <b>Sub-Total</b>	322,308	89,673	89,923	445,353	351,415	79%
23 <b>Bookout Adjustments to Contracted Power Purchases &lt;Note 1</b>	(36,814)			(88,713)	(88,713)	100%
<b>Augmentation Power Purchases (includes IOU Load Reduc. and Buy Backs)</b>						
24 AUGMENTATION POWER PURCHASES	2,051	180,765	180,766	2,652	2,040	77%
25 CONSERVATION AUGMENTATION						
26 <b>Sub-Total</b>	2,051	180,765	180,766	2,652	2,040	77%
<b>Exchanges &amp; Settlements</b>						
27 RESIDENTIAL EXCHANGE PROGRAM <Note 4	205,171	263,137	264,528	179,970	143,071	79%
28 OTHER SETTLEMENTS						
29 <b>Sub-Total</b>	205,171	263,137	264,528	179,970	143,071	79%
<b>Renewable Generation</b>						
30 RENEWABLES R&D	840	6,174	1,665	1,665	608	37%
31 RENEWABLE CONSERVATION RATE CREDIT	6,323	4,000	4,000	4,000	3,118	78%
32 RENEWABLES	31,080	35,414	35,413	35,413	23,014	65%
33 <b>Sub-Total</b>	38,243	45,588	41,078	41,078	26,739	65%

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	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast	
<b>Generation Conservation</b>							
34	GENERATION CONSERVATION R&D	2,338		3,200	3,200	2,047	64%
35	DSM TECHNOLOGY	686		1,600	1,375	733	53%
36	CONSERVATION ACQUISITION	6,475	14,000	14,000	10,000	4,856	49%
37	LOW INCOME WEATHERIZATION & TRIBAL	6,569	5,000	5,000	5,000	2,286	46%
38	ENERGY EFFICIENCY DEVELOPMENT	10,212	20,500	20,500	13,500	9,748	72%
39	LEGACY	1,421	1,988	1,025	1,018	714	70%
40	MARKET TRANSFORMATION	9,631	14,500	14,500	11,000	6,984	63%
41	<b>Sub-Total</b>	<b>37,333</b>	<b>55,988</b>	<b>59,825</b>	<b>45,093</b>	<b>27,367</b>	<b>61%</b>
42	<b>Conservation Rate Credit (CRC)</b>	<b>23,869</b>	<b>28,000</b>	<b>28,000</b>	<b>26,000</b>	<b>19,044</b>	<b>73%</b>
43	<b>Power System Generation Sub-Total</b>	<b>1,183,202</b>	<b>1,253,742</b>	<b>1,254,711</b>	<b>1,246,107</b>	<b>879,877</b>	<b>71%</b>
<b>Power Non-Generation Operations</b>							
<b>Power Services System Operations</b>							
44	EFFICIENCIES PROGRAM						
45	PBL SYSTEM OPERATIONS R&D	172			41	41	100%
46	INFORMATION TECHNOLOGY	4,834	6,318	6,297	6,344	3,459	55%
47	GENERATION PROJECT COORDINATION	5,761	7,290	8,760	5,648	4,499	80%
48	SLICE IMPLEMENTATION	1,872	2,396	1,859	1,968	1,573	80%
49	<b>Sub-Total</b>	<b>12,640</b>	<b>16,004</b>	<b>16,915</b>	<b>14,001</b>	<b>9,572</b>	<b>68%</b>
<b>Power Services Scheduling</b>							
50	OPERATIONS SCHEDULING	8,196	9,317	9,168	8,918	5,980	67%
51	PBL SCHEDULING R&D				14	14	100%
52	OPERATIONS PLANNING	6,160	5,808	6,066	6,097	4,673	77%
53	<b>Sub-Total</b>	<b>14,357</b>	<b>15,125</b>	<b>15,234</b>	<b>15,029</b>	<b>10,667</b>	<b>71%</b>
<b>Power Services Marketing and Business Support</b>							
54	SALES & SUPPORT	17,453	19,120	19,461	18,328	12,870	70%
55	STRATEGY, FINANCE & RISK MGMT	14,248	16,972	17,892	17,596	11,200	64%
56	EXECUTIVE AND ADMINISTRATIVE SERVICES	2,134	2,546	3,139	3,108	1,840	59%
57	CONSERVATION SUPPORT	8,647	11,254	8,849	8,927	6,307	71%
58	<b>Sub-Total</b>	<b>42,482</b>	<b>49,893</b>	<b>49,341</b>	<b>47,959</b>	<b>32,217</b>	<b>67%</b>
59	<b>Power Non-Generation Operations Sub-Total</b>	<b>69,479</b>	<b>81,022</b>	<b>81,490</b>	<b>76,989</b>	<b>52,456</b>	<b>68%</b>
<b>Power Services Transmission Acquisition and Ancillary Services</b>							
<b>PBL Transmission Acquisition and Ancillary Services</b>							
60	POWER SERVICES TRANSMISSION & ANCILLARY SERVICES	108,074	128,677	119,177	99,573	73,176	73%
61	3RD PARTY GTA WHEELING	41,341	50,690	50,690	50,690	34,494	68%
62	POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS	1,846	1,000	1,000	1,900	1,457	77%
63	GENERATION INTEGRATION	6,528	6,800	6,800	8,500	6,643	78%
64	TELEMETERING/EQUIP REPLACEMT	13	50	50	50	38	77%
65	<b>Power Svcs Trans Acquisition and Ancillary Services Sub-Total</b>	<b>157,802</b>	<b>187,217</b>	<b>177,717</b>	<b>160,713</b>	<b>115,808</b>	<b>72%</b>
<b>Fish and Wildlife/USF&amp;W/Planning Council/Environmental Req</b>							
<b>BPA Fish and Wildlife (includes F&amp;W Shared Services)</b>							
66	<b>Fish &amp; Wildlife</b>	<b>177,859</b>	<b>215,000</b>	<b>215,000</b>	<b>215,000</b>	<b>135,107</b>	<b>63%</b>
67	<b>USF&amp;W Lower Snake Hatcheries</b>	<b>20,774</b>	<b>23,600</b>	<b>23,600</b>	<b>23,600</b>	<b>16,294</b>	<b>69%</b>
68	<b>Planning Council</b>	<b>9,424</b>	<b>9,683</b>	<b>9,683</b>	<b>9,683</b>	<b>6,775</b>	<b>70%</b>
69	<b>Environmental Requirements</b>	<b>1</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>15</b>	<b>5%</b>
70	<b>Fish and Wildlife/USF&amp;W/Planning Council Sub-Total</b>	<b>208,059</b>	<b>248,583</b>	<b>248,583</b>	<b>248,583</b>	<b>158,191</b>	<b>64%</b>

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	A	B	C	D	E	F
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<b>BPA Internal Support</b>						
71 Additional Post-Retirement Contribution	16,353	15,447	16,717	17,392	13,213	76%
72 Agency Services G&A (excludes direct project support)	48,216	49,961	49,335	49,567	37,162	75%
73 <b>BPA Internal Support Sub-Total</b>	<b>64,569</b>	<b>65,408</b>	<b>66,052</b>	<b>66,959</b>	<b>50,375</b>	<b>75%</b>
74 <b>Bad Debt Expense</b>	<b>2</b>			<b>45</b>	<b>45</b>	<b>100%</b>
75 <b>Other Income, Expenses, Adjustments</b>	<b>(2,456)</b>		<b>(1,428)</b>	<b>(4,895)</b>	<b>(4,895)</b>	<b>100%</b>
<b>Non-Federal Debt Service</b>						
<b>Energy Northwest Debt Service</b>						
76 COLUMBIA GENERATING STATION DEBT SVC	160,501	235,736	235,618	223,812	180,369	81%
77 WNP-1 DEBT SVC	118,068	166,013	164,957	150,801	109,019	72%
78 WNP-3 DEBT SVC	110,182	144,892	149,486	109,836	67,427	61%
79 EN RETIRED DEBT	27,500					
80 EN LIBOR INTEREST RATE SWAP	19,337		10,700	34,405	34,405	100%
81 <b>Sub-Total</b>	<b>435,588</b>	<b>546,641</b>	<b>560,761</b>	<b>518,854</b>	<b>391,220</b>	<b>75%</b>
<b>Non-Energy Northwest Debt Service</b>						
82 TROJAN DEBT SVC	1,314					
83 CONSERVATION DEBT SVC	5,211	5,079	5,079	4,940	3,774	76%
84 COWLITZ FALLS DEBT SVC	11,703	11,566	11,566	11,566	8,780	76%
85 NORTHERN WASCO DEBT SVC	3,227	2,200	2,200	2,200	1,670	76%
86 <b>Sub-Total</b>	<b>21,456</b>	<b>18,845</b>	<b>18,845</b>	<b>18,706</b>	<b>14,224</b>	<b>76%</b>
87 <b>Non-Federal Debt Service Sub-Total</b>	<b>457,044</b>	<b>565,486</b>	<b>579,606</b>	<b>537,560</b>	<b>405,444</b>	<b>75%</b>
88 <b>Depreciation</b>	<b>110,532</b>	<b>120,111</b>	<b>113,300</b>	<b>108,000</b>	<b>80,819</b>	<b>75%</b>
89 <b>Amortization</b>	<b>70,256</b>	<b>77,728</b>	<b>74,135</b>	<b>75,635</b>	<b>56,193</b>	<b>74%</b>
90 <b>Total Operating Expenses</b>	<b>\$2,318,490</b>	<b>\$2,599,296</b>	<b>\$2,594,166</b>	<b>\$2,515,696</b>	<b>\$1,794,314</b>	<b>71%</b>
91 <b>Net Operating Revenues (Expenses)</b>	<b>(\$83,795)</b>	<b>\$280,261</b>	<b>\$285,409</b>	<b>(\$103,629)</b>	<b>\$56,397</b>	<b>-154%</b>
<b>Interest Expense and (Income)</b>						
92 <b>Federal Appropriation</b>	217,780	223,278	222,490	223,880	167,197	75%
93 <b>Capitalization Adjustment</b>	(45,937)	(45,937)	(45,937)	(45,937)	(34,453)	75%
94 <b>Borrowings from US Treasury</b>	35,818	42,246	35,516	33,291	25,745	77%
95 <b>AFUDC</b>	(9,336)	(10,800)	(13,000)	(13,900)	(9,301)	67%
96 <b>Interest Income</b>	(46,817)	(42,404)	(41,471)	(23,380)	(20,215)	86%
97 <b>Net Interest Expense (Income)</b>	<b>151,508</b>	<b>166,383</b>	<b>157,598</b>	<b>173,954</b>	<b>128,973</b>	<b>74%</b>
98 <b>Total Expenses</b>	<b>\$2,469,998</b>	<b>\$2,765,679</b>	<b>\$2,751,764</b>	<b>\$2,689,650</b>	<b>\$1,923,287</b>	<b>72%</b>
99 <b>Net Revenues (Expenses)</b>	<b>(\$235,303)</b>	<b>\$113,878</b>	<b>\$127,811</b>	<b>(\$277,583)</b>	<b>(\$72,576)</b>	<b>26%</b>

- <1 For BPA management reports, Gross Sales and Purchase Power are shown separated from the power bookout adjustment (EITF 03-11, effective as of Oct 1, 2003) to provide a better picture of our gross sales and gross purchase power.
- <2 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by SFAS 133, as amended, for identified derivative instruments. The MTM adjustment is excluded in calculating Modified Net Revenues for rate setting purposes.
- <3 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties among other factors may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.
- <4 The Residential Exchange Program Lookback Amount applied is returned to the Consumer Owned Utilities (COUs) and recovered from the Investor Owned Utilities. Throughout the year actual revenue will be reduced by this amount to reflect the Lookback Amount refunds returned to COUs and actual REP expense will be reduced to reflect the Lookback Amount returned by the IOUs. Budgets were developed with the Lookback Amount applied as an increase to the REP expense, without adjustment to revenue. These circumstances will present actual revenue and REP expense running under budget.

# Transmission Services



Report ID: 0061FY10      **Transmission Services Detailed Statement of Revenues and Expenses**      Run Date/Time: July 21, 2010 07:17  
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	A	B	C	D	E	F
	FY 2009	FY 2010			FY 2010	FY 2010
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>Operating Revenues</b>						
<b>Sales</b>						
<b>Network</b>						
1    Network Integration	\$115,120	122,266	120,203	\$124,262	\$94,676	76%
2    Other Network	351,122	355,195	354,489	362,028	268,879	74%
3    Intertie	67,172	68,836	68,820	66,682	49,150	74%
4    Other Direct Sales	155,783	167,685	168,157	188,557	139,894	74%
5    Miscellaneous Revenues	24,710	32,378	33,981	29,133	21,750	75%
6    Inter-Business Unit Revenues	117,932	117,381	121,415	106,826	81,842	77%
7 <b>Total Operating Revenues</b>	<b>\$831,840</b>	<b>\$863,739</b>	<b>\$867,065</b>	<b>\$877,489</b>	<b>\$656,190</b>	<b>75%</b>
<b>Operating Expenses</b>						
<b>Transmission Operations</b>						
<b>System Operations</b>						
8    INFORMATION TECHNOLOGY	4,572	7,005	7,933	8,045	3,412	42%
9    POWER SYSTEM DISPATCHING	11,138	11,461	11,434	11,434	8,667	76%
10    CONTROL CENTER SUPPORT	11,400	13,172	12,020	12,018	8,234	69%
11    TECHNICAL OPERATIONS	5,242	5,882	10,975	7,978	4,833	61%
12    SUBSTATION OPERATIONS	19,168	19,024	19,905	20,146	14,955	74%
13 <b>Sub-Total</b>	<b>51,520</b>	<b>56,544</b>	<b>62,267</b>	<b>59,620</b>	<b>40,102</b>	<b>67%</b>
<b>Scheduling</b>						
14    MANAGEMENT SUPERVISION & ADMINISTRATION	237	703			96	
15    RESERVATIONS	790	1,023	1,268	2,180	1,295	59%
16    PRE-SCHEDULING	261	448	105	130	128	99%
17    REAL-TIME SCHEDULING	3,492	4,808	5,219	4,000	2,645	66%
18    SCHEDULING TECHNICAL SUPPORT	1,564	2,271	2,501	2,139	1,464	68%
19    SCHEDULING AFTER-THE-FACT	310	415	48	168	168	100%
20 <b>Sub-Total</b>	<b>6,655</b>	<b>9,668</b>	<b>9,141</b>	<b>8,616</b>	<b>5,796</b>	<b>67%</b>
<b>Marketing and Business Support</b>						
21    TRANSMISSION SALES	2,298	3,120	3,055	2,800	1,950	70%
22    MKTG INTERNAL OPERATIONS					2	
23    MKTG TRANSMISSION FINANCE	398	291	289	289	235	81%
24    MKTG CONTRACT MANAGEMENT	3,556	4,706	4,964	4,716	2,849	60%
25    MKTG TRANSMISSION BILLING	2,698	2,224	2,592	2,247	1,485	66%
26    MKTG BUSINESS STRAT & ASSESS	5,346	6,732	6,640	6,798	4,385	65%
27    MARKETING IT SUPPORT	22	2,012				
28    MARKETING AND SALES						
29    METER DATA						
30 <b>Marketing Sub-Total</b>	<b>14,318</b>	<b>19,086</b>	<b>17,539</b>	<b>16,851</b>	<b>10,906</b>	<b>65%</b>
31    EXECUTIVE AND ADMIN SERVICES	9,311	7,618	11,691	13,666	9,043	66%
32    LEGAL SUPPORT	2,401	2,928	3,117	2,697	1,767	66%
33    TRANS SERVICES INTERNAL GENERAL & ADMINISTRATIVE	6,453	14,447	9,114	7,785	4,290	55%
34    AIRCRAFT SERVICES	921	1,160	2,102	1,981	663	33%
35    LOGISTICS SERVICES	3,756	7,566	9,883	5,229	2,865	55%
36    SECURITY ENHANCEMENTS	3,186	1,383	522	622	494	79%
37 <b>Business Support Sub-Total</b>	<b>26,028</b>	<b>35,102</b>	<b>36,429</b>	<b>31,980</b>	<b>19,122</b>	<b>60%</b>
38 <b>Transmission Operations Sub-Total</b>	<b>98,521</b>	<b>120,400</b>	<b>125,377</b>	<b>117,068</b>	<b>75,925</b>	<b>65%</b>

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<b>Transmission Maintenance</b>						
<b>System Maintenance</b>						
39	NON-ELECTRIC MAINTENANCE	11,280	26,046	21,672	19,639	8,721 44%
40	SUBSTATION MAINTENANCE	25,522	22,243	23,364	23,579	17,653 75%
41	TRANSMISSION LINE MAINTENANCE	21,983	25,540	23,475	23,229	17,108 74%
42	SYSTEM PROTECTION CONTROL MAINTENANCE	11,419	10,798	13,059	11,761	8,557 73%
43	POWER SYSTEM CONTROL MAINTENANCE	10,271	10,147	11,258	11,990	8,420 70%
44	JOINT COST MAINTENANCE	142	196	157	157	77 49%
45	SYSTEM MAINTENANCE MANAGEMENT	7,753	6,001	5,968	5,794	4,320 75%
46	ROW MAINTENANCE	34,417	18,181	30,017	29,575	18,198 62%
47	HEAVY MOBILE EQUIP MAINT	58		(53)	(79)	(186) 235%
48	TECHNICAL TRAINING	2,466	2,657	2,571	2,676	1,902 71%
49	<b>Sub-Total</b>	<b>125,311</b>	<b>121,810</b>	<b>131,489</b>	<b>128,321</b>	<b>84,771 66%</b>
<b>Environmental Operations</b>						
50	ENVIRONMENTAL ANALYSIS	67	78	78	58	41 70%
51	POLLUTION PREVENTION AND ABATEMENT	2,907	3,719	3,636	2,834	2,082 73%
52	<b>Sub-Total</b>	<b>2,973</b>	<b>3,797</b>	<b>3,714</b>	<b>2,892</b>	<b>2,123 73%</b>
53	<b>Transmission Maintenance Sub-Total</b>	<b>128,284</b>	<b>125,607</b>	<b>135,202</b>	<b>131,213</b>	<b>86,894 66%</b>
<b>Transmission Engineering</b>						
<b>System Development</b>						
54	RESEARCH & DEVELOPMENT	6,994	6,117	6,663	8,009	3,617 45%
55	TSD PLANNING AND ANALYSIS	8,029	8,539	8,483	8,322	6,207 75%
56	CAPITAL TO EXPENSE TRANSFER	6,101	4,000	3,695	3,695	1,124 30%
57	REGULATORY & REGION ASSOC FEES	5,149	4,807	7,864	7,408	4,387 59%
58	ENVIRONMENTAL POLICY/PLANNING	1,333	1,778	1,778	1,344	1,003 75%
59	<b>Sub-Total</b>	<b>27,605</b>	<b>25,240</b>	<b>28,483</b>	<b>28,778</b>	<b>16,337 57%</b>
60	<b>Transmission Engineering Sub-Total</b>	<b>27,605</b>	<b>25,240</b>	<b>28,483</b>	<b>28,778</b>	<b>16,337 57%</b>
<b>Trans. Services Transmission Acquisition and Ancillary Services</b>						
<b>BBL Acquisition and Ancillary Products and Services</b>						
61	ANCILLARY SERVICES PAYMENTS	63,418	64,485	77,588	88,333	65,412 74%
62	OTHER PAYMENTS TO POWER SERVICES	11,884	11,884	8,719	8,620	6,643 77%
63	STATION SERVICES PAYMENTS	3,016	3,589	3,629	3,429	2,499 73%
64	<b>Sub-Total</b>	<b>78,318</b>	<b>79,957</b>	<b>89,936</b>	<b>100,382</b>	<b>74,553 74%</b>
<b>Non-BBL Acquisition and Ancillary Products and Services &lt;Note 1</b>						
65	LEASED FACILITIES	6,284	16,136	5,914	4,976	5,355 108%
66	GENERAL TRANSFER AGREEMENTS (settlement)		500	500	100	0 0%
67	NON-BBL ANCILLARY SERVICES	639	6,735	6,735	5,649	438 8%
68	<b>Sub-Total</b>	<b>6,923</b>	<b>23,371</b>	<b>13,149</b>	<b>10,725</b>	<b>5,793 54%</b>
69	<b>Trans. Svcs. Acquisition and Ancillary Services Sub-Total</b>	<b>85,241</b>	<b>103,328</b>	<b>103,085</b>	<b>111,107</b>	<b>80,346 72%</b>
<b>Transmission Reimbursables</b>						
<b>Reimbursables</b>						
70	EXTERNAL REIMBURSABLE SERVICES	5,543	7,022	7,054	7,448	4,145 56%
71	INTERNAL REIMBURSABLE SERVICES	3,189	2,119	2,673	4,132	3,150 76%
72	<b>Sub-Total</b>	<b>8,733</b>	<b>9,142</b>	<b>9,727</b>	<b>11,580</b>	<b>7,295 63%</b>
73	<b>Transmission Reimbursables Sub-Total</b>	<b>8,733</b>	<b>9,142</b>	<b>9,727</b>	<b>11,580</b>	<b>7,295 63%</b>

Report ID: 0061FY10	<b>Transmission Services Detailed Statement of Revenues and Expenses</b>	Run Date/Time: July 21, 2010 07:17
Requesting BL: TRANSMISSION BUSINESS UNIT	Through the Month Ended June 30, 2010	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 75%

	A	B	C	D	E	F
	FY 2009	FY 2010			FY 2010	FY 2010
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>BPA Internal Support</b>						
74 Additional Post-Retirement Contribution	16,353	15,447	16,717	17,392	13,213	76%
75 Agency Services G & A (excludes direct project support)	46,753	48,937	49,017	48,641	36,015	74%
76 <b>BPA Internal Support Subtotal</b>	<b>63,106</b>	<b>64,384</b>	<b>65,734</b>	<b>66,033</b>	<b>49,228</b>	<b>75%</b>
<b>Other Income, Expenses, and Adjustments</b>						
77 Bad Debt Expense	580			459	518	113%
78 Other Income, Expenses, Adjustments	(513)			1,361	1,339	98%
79 Undistributed Reduction		(10,000)	(2,000)			
80 Non-Federal Debt Service <Note 1						
81 Depreciation	173,582	187,987	183,050	182,400	134,282	74%
82 Amortization <Note 1	1,204	1,715	1,100	1,200	966	80%
83 <b>Total Operating Expenses</b>	<b>\$586,343</b>	<b>\$627,802</b>	<b>\$649,758</b>	<b>\$651,200</b>	<b>\$453,131</b>	<b>70%</b>
84 <b>Net Operating Revenues (Expenses)</b>	<b>\$245,497</b>	<b>\$235,937</b>	<b>\$217,307</b>	<b>\$226,290</b>	<b>\$203,059</b>	<b>90%</b>
<b>Interest Expense and (Income)</b>						
85 Federal Appropriation	35,356	32,979	34,658	34,658	25,993	75%
86 Capitalization Adjustment	(18,968)	(18,968)	(18,968)	(18,968)	(14,226)	75%
87 Borrowings from US Treasury	77,134	91,570	78,599	76,917	56,565	74%
88 Debt Service Reassignment	55,971	56,781	56,781	56,781	42,585	75%
89 Customer Advances	8,085	16,100	8,000	7,400	5,915	80%
90 Lease Financing	17,369	16,714	21,600	21,369	15,517	73%
91 AFUDC	(21,373)	(16,501)	(21,300)	(25,100)	(18,094)	72%
92 Interest Income	(30,681)	(24,655)	(27,226)	(32,570)	(21,905)	67%
93 <b>Net Interest Expense (Income)</b>	<b>122,892</b>	<b>154,020</b>	<b>132,144</b>	<b>120,487</b>	<b>92,350</b>	<b>77%</b>
94 <b>Total Expenses</b>	<b>\$709,235</b>	<b>\$781,822</b>	<b>\$781,902</b>	<b>\$771,686</b>	<b>\$545,481</b>	<b>71%</b>
95 <b>Net Revenues (Expenses)</b>	<b>\$122,605</b>	<b>\$81,917</b>	<b>\$85,163</b>	<b>\$105,803</b>	<b>\$110,709</b>	<b>105%</b>

<1 Beginning in FY 2004, consolidated actuals reflect the inclusion of transactions associated with a Variable Interest Entity (VIES), which is in accordance with the FASB Interpretation No. 46 (FIN 46) that is effective as of December, 2003. VIES information is not included in rate case and budget data.

# 3<sup>rd</sup> Quarter Capital Report



Major Capital Projects <sup>1</sup> - End-of-Project Target Performance						Q3 2010	
Project	Description	Direct Capital \$M <sup>2</sup>			In-Service Date		
		Target	Forecast	Actual <sup>3</sup>	Target	Forecast	
<b>Transmission</b>							
Spacer Damper Replacement Program (FY08-12)	Replace all spring type double and triple bundle spacer-dampers on the 500 kV system.	\$ 65.2	\$ 65.2	\$ 34.4	9/30/12	9/30/12	
Wood Pole Line Rebuilds (FY10-13)	Implement a stable, sustained wood pole replacement program.	\$12.0 to \$15.0	\$ 13.0	\$ 5.1	Complete 90% to 100% of workplan	TBD	
California - Oregon AC Intertie Addition Project	Upgrade California-Oregon AC Intertie to improve transfer capability, decrease congestion and improve stability.	\$ 47.7	\$ 47.7	\$ 26.5	5/31/11	5/31/11	
Spectrum Relocation (3G 1710-1755 MHz Project)	Vacate radio frequencies as required by P.L. 108-494.	\$ 48.6	\$ 43.8	\$ 18.2	3/31/13	3/31/13	
Land Acquisition and Rebuilds (Access Roads)	Includes road improvements in or near transmission corridors.	\$ 15.5	\$ 15.5	\$ 11.7	9/30/10	9/30/10	
Substations AC (500 kV Spare Transformer Project)	Acquire 5 spares and relocate 2 existing transformers that will be used as spares. The spares will be placed strategically across the system.	\$ 33.6	\$ 33.6	\$ 2.2	9/30/11	9/30/11	
FY10 - TEAP Fleet Equipment Replacement Program	Heavy duty and specialized vehicle replacement program for FY10, FY11 and part of FY12.	\$ 29.6	\$ 29.6	\$ 2.7	3/31/12	3/31/12	
Lower Mid-Columbia 230 kV Project	Increase capacity between Vantage/Wanapum and Midway.	\$ 11.5	\$ 11.5	\$ 0.8	5/1/11	5/1/11	
Redmond 230 - 115 kV Transformer Addition	Install an additional transformer at the Redmond substation.	\$ 12.0	\$ 12.0	\$ 1.8	11/1/11	11/1/11	
#KC SONET Phase II Spur Healing	Complete the digital microwave and radio conversion in Oregon.	\$ 18.0	\$ 18.0	\$ 1.9	10/1/12	10/1/12	
#NC Analog Microwave Replacement	Complete the digital microwave and radio conversion in northwest Washington.	\$ 13.6	\$ 13.6	\$ 0.3	9/1/13	9/1/13	
Alvey Substation 500 kV Shunt Reactor	Add a 500 kV shunt reactor for voltage stabilization.	\$ 10.9	\$ 10.9	\$ 0.1	4/30/12	4/30/12	
West of McNary Reinforcement - Group 1	West of McNary reinforcement project - group 1	\$ 246.5	\$ 170.0	\$ 63.6	12/31/12	2/1/12	
NEPA - I-5 Corridor Reinforcement	Conduct NEPA study, preliminary engineering and design.	\$ 14.0	\$ 14.0	\$ 5.7	9/30/12	9/30/12	
NEPA - Big Eddy - Knight	Environmental study	\$ 6.0	\$ 6.0	\$ 3.5	9/30/11	9/30/11	
NEPA - Little Goose Reinforcement	Environmental study	\$ 6.5	\$ 6.5	\$ 2.9	9/30/11	9/30/11	
Condon Wind Voltage Control	Install ring bus, transformer bank and breaker to control voltage fluctuations on the DeMoss-Fossil-Maupin 69kV line.	\$ 9.4	\$ 9.4	\$ 1.2	5/31/11	5/31/11	
DC RAS Upgrade	Replace the DC RAS controllers at Celilo with upgraded units at the Ross and Munro control centers.	\$ 11.8	\$ 11.8	\$ 0.5	11/30/12	11/30/13	
Ostrander 500-230 kV Transformer Bank Addition	Replace transformer bank at McLoughlin with a new transformer bank at Ostrander.	\$ 18.9	\$ 18.9	\$ 0.0	11/30/11	11/30/11	

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<sup>2</sup> Direct capital costs exclude AFUDC and overheads

<sup>3</sup> Actual costs are project costs to date.

<sup>4</sup> Contracts have not been awarded - cost estimates are confidential

Major Capital Projects <sup>1</sup> - End-of-Project Target Performance						Q3 2010	
Project	Description	Direct Capital \$M <sup>2</sup>			In-Service Date		
		Target	Forecast	Actual <sup>3</sup>	Target	Forecast	
<b>Federal Hydro</b>							
Grand Coulee and Hungry Horse SCADA Replacement	Replace SCADA systems at Grand Coulee and Hungry Horse.	\$ 27.0	\$ 27.0	\$ 9.4	9/30/12	9/30/15	
Grand Coulee Replace Transformer Bank K10A	Replace all 3 phases of the G10 generator step-up transformer bank.	\$ 9.6	\$ 9.6	\$ 3.7	4/30/11	12/31/10	
Grand Coulee Exciter Replacement	Replace 6 original excitation units in Powerhouse 3.	\$ 20.9	\$ 19.9	\$ 1.5	11/30/13	11/30/13	
Grand Coulee Transformer Replacement (G19, G20)	Replace 2 banks (6 single phase transformers) in the third powerhouse, units G19 and G20.	\$ 54.1	\$ 29.5	\$ 4.8	11/30/13	11/30/13	
Grand Coulee Left Powerhouse Transformer Replacement	Replace transformer banks K1, K5, K7, K8 and purchase one spare transformer bank.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 0.2	10/31/14	10/31/14	
Grand Coulee Pre Overhaul - Winding Replacement G19, G20	Replace the stator core and windings on units G19 and G20.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ -	5/31/13	4/13/13	
Grand Coulee Pre Overhaul - Crane Rehabilitation	Complete refurbishment of the six third power plant cranes.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 1.5	12/31/12		
Grand Coulee Pre Overhaul - High Voltage Cable Replace.	Install overhead, high-voltage cables to transfer power from the third power plant.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 0.7	12/31/12	12/31/12	
Grand Coulee Pre Overhaul - Materials Storage Building	Construct a storage building to create the space needed in the third power plant.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 0.2	2/28/13	1/31/13	
Chief Joseph Turbine Runner Replacement	Replace turbine runners on units 5 - 14. Results presented are for the project through 2011. Total project concludes in 2015 for \$110m total.	\$ 61.3	\$ 48.7	\$ 12.5	9/30/11	9/30/11	
Chief Joseph Turbine Runner Replacement, Units 1 - 4, 15 - 16	Replace the turbine runners and rehabilitate the turbines on units 1 - 4, 15 - 16.	\$ 62.9	\$ 62.9	\$ -	4/1/17	4/1/17	
The Dalles Station Service Improvements	Install 2 new station service transformers and reconfigure existing units to a "base load" standby source.	\$ 21.1	\$ 21.1	\$ 18.8	9/30/11	6/30/11	
McNary Installation Banks T1-T2,T4-T5	Replace the four remaining original (50 year old) transformer banks.	\$ 27.2	\$ 18.4	\$ 17.5	9/30/11	9/30/10	
McNary Main Unit 1-4, 7-12 Stator Winding Replacement	Replace stator windings that are over 50 years old.	\$ 80.0	\$ 80.0	\$ 7.6	12/31/14	12/31/14	
Bonneville PH1 Tailrace Gantry Crane Replacement	Replace the Bonneville Powerhouse 1 tailrace gantry crane and crane rails.	\$ 8.2	\$ 8.2	\$ 4.3	9/30/11	2/28/11	
Ice Harbor Turbine Runner Replacement	Replace the poor condition turbine runners in units 2 & 3 and incorporate a more fish-friendly design.	\$ 68.4	\$ 68.4	\$ 2.4	7/30/15	7/30/15	
Lower Snake Exciter Replacement	Replace 6 exciters at Little Goose, 3 at Lower Monumental and 3 at Lower Granite.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 0.2	2/27/13	2/27/13	
John Day Powerhouse Bridge Crane Rehabilitation	Replace obsolete equipment on and provide improvements to the two 375 ton Ederer bridge cranes.	\$ 8.9	\$ 8.9	\$ 6.1	9/30/11	9/30/11	

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<sup>3</sup> Actual costs are project costs to date.

<sup>4</sup> Contracts have not been awarded - cost estimates are confidential

Major Capital Projects<sup>1</sup> - End-of-Project Target Performance Q3 2010

Project	Description	Direct Capital \$M <sup>2</sup>			In-Service Date	
		Target	Forecast	Actual <sup>3</sup>	Target	Forecast
<b>Federal Hydro - continued</b>						
Hills Creek Powerhouse Turbine and Unit Rehabilitation	Replace turbine runners and generator windings on units 1 and 2 at Hills Creek.	\$ 24.1	\$ 24.1	\$ 0.9	8/12/14	8/12/14
Black Canyon Third Generating Unit	Add a third generating unit at Black Canyon. The capacity of the unit will be between 10 and 15 MW.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 0.4	12/31/14	12/31/14
Palisades Turbine Rehabilitation and Runner Replacement	Replace the turbine runners and rehabilitate the turbines on the four Palisades units.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 0.1	11/30/15	11/30/15
<b>IT</b>						
RODS Replacement Project	Develop, build and deploy hardware and software to replace the current RODS functionality.	\$ 20.1	\$ 18.1	\$ 3.8	9/30/12	9/30/12
Data Center and Data Storage Modernization Project (Previously reported as two separate projects)	Modernize system hardware, software, and support tools for the data centers at Headquarters, Ross and Munro. Implement a new data storage architecture and replace existing storage hardware components, while adding software applications for system monitoring, alerting and capacity planning.	\$ 26.8	\$ 35.0	\$ 15.9	9/30/12	9/30/12

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