

Quarterly Business Review (QBR)

August 5, 2014
9:00 am– 12:00 pm
Rates Hearing Room

To participate by phone that does not charge long distance, please dial: 1-203-607-5164.

If you are calling long distance, please dial: 1-866-778-0364.

When prompted, enter access code: 3774881#

Here at BPA we take safety very seriously. Our motto is “No job is so important and no service so urgent that we cannot take time to perform our work safely. In the event that the alarm sounds during this meeting, please calmly file out the exit nearest you and meet in Holiday Park for further instructions.

Time	Min	Agenda Topic	Slide	Presenter
9:00	5	Review Agenda	2	Mary Hawken
9:05	15	CFO Spotlight	~	Nancy Mitman
Financial Highlights				
9:20	40	<ul style="list-style-type: none"> ▪ Review of 3rd Quarter Financial Results ▪ Review of 3rd Quarter Forecast 	3-17	Mary Hawken, Cheryl Hargin, Danny Chen, Kyna Alders, Will Rector
10:00	10	Slice Reporting	18-23	Craig Larson
10:10	10	Review of 3rd Quarter Capital Financial Results & Forecast	24-26	Kathy Rehmer, Kyna Alders
Operational Excellence				
10:20	20	Changing our Safety Culture – Making BPA a Safer Place for Everyone	27-34	Brad Bea
10:40	20	BPA Storm Water Fees	35-41	Steve Capps
11:00	20	Transmission “Big Project” Updates	42-55	Brian Scott
Other BPA Topics				
11:20	25	Prioritization Update and Expectations	56-70	Mike DeWolf, Brian McConnell, Dennis Naef, Doug Ballou
11:45	15	HCM Reconstruction Update	71-72	Brian Carter
12:00	~	Adjourn	~	~

Financial Highlights

Financial Overview for FY 2014 through June 30, 2014

FCRPS

- **The 3rd Quarter Review end-of-year (EOY) adjusted net revenue forecast is \$289 million, a \$31 million increase from 2nd Quarter, a \$172 million increase from the SOY forecast and a \$151 million increase from the rate case.**
 - The calculation of adjusted net revenue, as reflected in the figures above, has been clarified to remove \$321 million in Energy Northwest debt service associated with regional cooperation debt. The revenues that are not used to pay Energy Northwest debt service will be used to pay off a like amount of higher interest federal principal.
 - The improved EOY forecast is due to higher forecast revenues primarily due to the improved streamflow for the year.
- **Net revenues through June are \$488 million. Adjusted net revenues are \$295 million.**

Power Services

- **The 3rd Quarter Review EOY forecast for net revenues is \$459 million, a \$345 million increase from 2nd Quarter, a \$452 million increase from the SOY forecast of \$7 million and a \$450 million increase from the rate case forecast of \$9 million.**
- **To create additional transparency around the net revenues from Power operations, BPA is re-introducing Power Modified Net Revenues (PMNR). PMNR eliminates the non-operating effects of debt management actions, specifically \$321 million in Energy Northwest debt service associated with refinancing regional cooperation debt (as discussed above).**
- **Through June Power Net Revenues are \$480 million and Power Modified Net Revenues are \$159 million.**
 - At \$2.2 billion, total Operating Revenues continue to be strong due to the continued availability of water and steady electricity prices and are slightly below expectations from the 2nd quarter forecast.
 - At \$1.7 billion, total Expenses are running behind the 2nd Quarter EOY forecast of \$2.7 billion.
 - The primary driver is a \$321m reduction in Energy Northwest Debt Service associated with refinancing regional cooperation debt (as discussed above).
 - Power is also forecasting reduced spending for Non-Operating generation, Renewables, Generation Conservation, and Power Non-Generation Operations.
- After nine months of the fiscal year, there is still uncertainty in several factors, such as the timing of runoff in the Columbia River basin and accompanying electricity prices, which will continue to influence this year's actual financial results for Power.
- BPA will not be triggering the CRAC or DDC in 2015.

Financial Overview for FY 2014 through June 30, 2014

Transmission Services

- **The 3rd Quarter EOY forecast for net revenues is \$150 million which is \$7 million higher than at the 2nd Quarter, a \$40 million increase from the SOY forecast and a \$22 million increase from the rate case.**
- The SOY forecast was \$110 million and the rate case net revenue forecast is \$129 million.
- **Through June Transmission Net Revenues are \$136 million.**
 - Total Operating Revenues of \$792 million continue to be strong due to continued strong hydro conditions.
 - Total Expenses are \$656 million which is below expectations from the 2nd Quarter EOY forecast of \$904 million.
 - Increased revenues and lower interest expense will continue to drive actual results to end the year higher than rate case and SOY.

3rd Quarter Review – Executive Highlights

(\$ in Millions)

	A	B	C
	FY 2013 Actuals ²	FY 2014 Start of Year ²	FY 2014 Current Quarter Review ²
1. Revenues ^{/1}	3,413	3,508	3,678
2. Expenses ^{/1}	3,518	3,561	3,240
3. Net Revenues (Expenses) ^{/1,3}	(105)	(54)	438 ^{/7}
4. Adjusted Net Revenue ^{/4}	56	117	289 ^{/7}
5. End of Year Financial Reserves ^{/5}	1,272	1,272	1,138 ^{/7}
6. BPA Accrued Capital Expenditures ^{/6}	632	838	436

Footnotes

<1 The actuals for Revenues, Expenses and Net Revenues are audited.

<2 Does not reflect power "bookout" transactions.

<3 Net revenues include the effects of non-federal debt management. An example of non-federal debt management is the refinancing of EN debt.

<4 Adjusted Net Revenue is calculated by adding Power Services Modified Net Revenue and Transmission Services Net Revenues.

<5 Financial reserves consist of BPA cash, investments in U.S. Treasury market-based special securities and deferred borrowing.

<6 Funded by borrowing from the U.S. Treasury.

<7 There is uncertainty regarding the potential 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.

FY 2014 Third Quarter Financial Results & Third Quarter Forecast

Report ID: 0023FY14 Requesting BL: TRANSMISSION BUSINESS UNIT Unit of Measure: \$ Thousands	Transmission Services Summary Statement of Revenues and Expenses Through the Month Ended June 30, 2014 Preliminary/ Unaudited	Run Date/Time: July 17, 2014/ 04:20 Data Source: EPM Data Warehouse % of Year Elapsed = 75%
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	FY 2013		FY 2014			FY 2014
	A Actuals: FYTD	B Actuals	C Rate Case	D SOY Budget	E <Note 1> Current EOY Forecast	
Operating Revenues						
1 Sales	\$ 602,343	\$ 803,690	\$ 880,697	\$ 885,210	\$ 899,568	\$ 676,296
2 Miscellaneous Revenues	33,094	54,007	34,349	34,357	32,597	27,716
3 Inter-Business Unit Revenues	95,144	122,177	111,560	108,273	116,212	88,493
4 Total Operating Revenues	730,581	979,873	1,026,607	1,027,840	1,048,376	792,505
Operating Expenses						
5 Transmission Operations	85,264	114,942	140,729	137,877	136,714	93,890
6 Transmission Maintenance	102,586	146,933	154,233	154,348	149,546	100,941
7 Transmission Engineering	29,082	45,876	41,638	41,627	44,368	36,193
8 Trans Services Transmission Acquisition and Ancillary Services	116,534	156,807	131,287	144,052	155,259	117,647
9 Transmission Reimbursables	23,816	27,225	10,530	10,333	8,822	9,073
BPA Internal Support						
10 Additional Post-Retirement Contribution	13,365	17,820	18,501	18,501	18,501	13,876
11 Agency Services G&A	43,380	59,868	59,927	62,713	61,553	47,120
12 Other Income, Expenses & Adjustments	618	(1,629)	-	-	961	961
13 Depreciation & Amortization	150,478	206,545	197,316	208,515	213,640	158,689
14 Total Operating Expenses	565,123	774,388	754,161	777,966	789,364	578,389
15 Net Operating Revenues (Expenses)	165,458	205,486	272,446	249,874	259,012	214,116
Interest Expense and (Income)						
16 Interest Expense	128,732	174,430	190,047	183,343	156,191	113,250
17 AFUDC	(23,933)	(26,855)	(36,477)	(32,200)	(38,400)	(29,228)
18 Interest Income	(9,510)	(13,493)	(9,647)	(10,921)	(9,102)	(6,169)
19 Net Interest Expense (Income)	95,288	134,082	143,923	140,222	108,689	77,853
20 Net Revenues (Expenses)	\$ 70,169	\$ 71,404	\$ 128,523	\$ 109,652	\$ 150,323	\$ 136,262

<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.

Report ID: 0023FY14
 Requesting BL: TRANSMISSION BUSINESS UNIT
 Unit of Measure: \$ Thousands

QBR Forecast Analysis: Transmission Services
 Through the Month Ended June 30, 2014
 Preliminary/ Unaudited

Run Date/Time: July 17, 2014/ 04:20
 Data Source: EPM Data Warehouse
 % of Year Elapsed = 75%

		A	B	C
		FY 2014		FY 2014
		2nd Quarter Forecast	Current EOY Forecast	Current EOY Forecast - 2nd Quarter Forecast
Operating Revenues				
1	Sales	\$ 902,759	\$ 899,568	\$ (3,191)
2	Miscellaneous Revenues	33,317	32,597	(720)
3	Inter-Business Unit Revenues	111,243	116,212	4,968
4	Total Operating Revenues	1,047,319	1,048,376	1,057
Operating Expenses				
5	Transmission Operations	134,251	136,714	2,463
6	Transmission Maintenance	154,427	149,546	(4,881)
7	Transmission Engineering	44,810	44,368	(442)
8	Trans Services Transmission Acquisition and Ancillary Services	154,100	155,259	1,159
9	Transmission Reimbursables	8,833	8,822	(11)
BPA Internal Support				
10	Additional Post-Retirement Contribution	18,501	18,501	-
11	Agency Services G&A	61,372	61,553	181
12	Other Income, Expenses & Adjustments	1,384	961	(423)
13	Depreciation & Amortization	210,640	213,640	3,000
14	Total Operating Expenses	788,319	789,364	1,046
15	Net Operating Revenues (Expenses)	259,000	259,012	12
Interest Expense and (Income)				
16	Interest Expense	163,441	156,191	(7,250)
17	AFUDC	(38,400)	(38,400)	-
18	Interest Income	(9,038)	(9,102)	(64)
19	Net Interest Expense (Income)	116,003	108,689	(7,314)
20	Net Revenues (Expenses)	\$ 142,997	\$ 150,323	\$ 7,326

Report ID: 0063FY14

Transmission Services Revenue Detail by Product

Run Date/Time: July 17, 2014 05:56

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended June 30, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 75%

Transmission Services Operating Revenues

	A	B	C	D	
	FY 2014			FY 2014	
	Rate Case	SOY Budget	Current EOY Forecast	Actuals	
NETWORK					
1	PTP - LONG TERM	\$ 425,004	\$ 422,291	\$ 419,482	\$ 311,245
2	NETWORK INTEGRATION	127,650	127,650	132,119	101,871
3	INTEGRATION OF RESOURCES	22,328	22,328	22,328	19,264
4	FORMULA POWER TRANSMISSION	29,940	28,982	28,916	21,739
5	PTP - SHORT TERM	28,301	25,635	31,115	27,350
6	TOTAL: NETWORK	633,223	626,887	633,960	481,471
ANCILLARY SERVICES					
7	SCHEDULING, SYSTEM CONTROL & DISPATCH	122,424	121,231	122,460	92,422
8	OPERATING RESERVES - SPIN & SUPP	41,162	45,514	57,399	40,098
9	VARIABLE RES BALANCING	58,631	58,617	58,656	43,981
10	REGULATION & FREQ RESPONSE	5,991	5,991	6,081	4,665
11	ENERGY & GENERATION IMBALANCE	-	4,248	7,450	5,891
12	DISPATCHABLE RES BALANCING	3,116	3,191	2,101	1,303
13	TOTAL: ANCILLARY SERVICES	231,324	238,792	254,147	188,359
INTERTIE					
14	SOUTHERN INTERTIE LONG TERM	81,551	81,788	81,957	61,401
15	SOUTHERN INTERTIE SHORT TERM	4,187	4,045	4,008	2,979
16	MONTANA INTERTIE LONG TERM	115	115	115	86
17	MONTANA INTERTIE SHORT TERM	-	-	45	45
18	TOTAL: INTERTIE	85,853	85,948	86,125	64,511

Report ID: 0063FY14

Transmission Services Revenue Detail by Product

Run Date/Time: July 17, 2014 05:56

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended June 30, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 75%

		A	B	C	D
		FY 2014			FY 2014
		Rate Case	SOY Budget	Current EOY Forecast	Actuals
OTHER REVENUES & CREDITS					
19	TOWNSEND-GARRISON TRANS	\$ 12,421	\$ 12,421	\$ 12,376	\$ 9,271
20	GEN INTEGRATION - OTHER REV	9,296	9,296	9,296	6,973
21	USE OF FACILITIES	5,147	5,147	5,094	3,814
22	POWER FACTOR PENALTY	3,566	3,566	3,322	2,155
23	NFP - DEPR PNW PSW INTERTIE	2,943	2,943	3,190	2,482
24	AC - PNW PSW INTERTIE - OTH REV	1,594	1,603	1,671	1,265
25	OPERATIONS & MAINT - OTHER REV	1,054	1,054	963	731
26	COE & BOR PROJECT REV	954	954	954	716
27	RESERVATION FEE - OTHER REV	316	316	557	557
28	TRANSMISSION SHARE IRRIGATION	382	382	390	164
29	LAND LEASES AND SALES	301	301	280	292
30	OTHER LEASES REVENUE	84	84	119	82
31	REMEDIAL ACTION - OTHER REV	51	51	17	30
32	MISC SERVICES - LOSS-EXCH-AIR	100	100	87	113
33	FAILURE TO COMPLY - OTHER REV	-	-	643	753
34	UNAUTHORIZED INCREASE - OTH REV	-	-	544	623
35	OTHER REVENUE SOURCES	-	-	-	(3)
36	TOTAL: OTHER REVENUES & CREDITS	38,209	38,216	39,503	30,017
FIBER & PCS					
37	FIBER OTHER REVENUE	7,876	7,876	8,563	6,218
38	WIRELESS/PCS - OTHER REVENUE	4,861	4,861	2,556	2,147
39	WIRELESS/PCS - REIMBURSABLE REV	1,185	1,185	3,128	3,528
40	FIBER OTHER REIMBURSABLE REV	1,157	1,157	1,395	2,299
41	TOTAL: FIBER & PCS	15,080	15,080	15,643	14,193
REIMBURSABLE					
42	REIMBURSABLE - OTHER REVENUE	17,019	17,019	13,357	9,840
43	ACCRUAL REIMBURSABLE	-	-	-	-
44	TOTAL: REIMBURSABLE	17,019	17,019	13,357	9,840
DELIVERY					
45	UTILITY DELIVERY CHARGES	3,266	3,266	3,040	2,170
46	DSI DELIVERY	2,633	2,633	2,603	1,944
47	TOTAL: DELIVERY	5,899	5,899	5,642	4,114
48	TOTAL: Transmission Services Operating Revenues	\$ 1,026,607	\$ 1,027,840	\$ 1,048,376	\$ 792,505

Report ID: 0021FY14
 Requesting BL: POWER BUSINESS UNIT
 Unit of measure: \$ Thousands

Power Services Summary Statement of Revenues and Expenses
 Through the Month Ended June 30, 2014
 Preliminary/ Unaudited

Run Date/Time: July 17, 2014 04:20
 Data Source: EPM Data Warehouse
 % of Year Elapsed = 75%

	FY 2013		FY 2014		E <Note 1 Current EOY Forecast	FY 2014 Actuals: FYTD	
	Actuals: FYTD	Actuals	Rate Case	SOY Budget			
	Operating Revenues						
1	Gross Sales (excluding bookout adjustment) <Note 2	\$ 1,901,753	\$ 2,438,468	\$ 2,434,517	\$ 2,450,598	\$ 2,606,165	\$ 2,005,458
2	Bookout Adjustment to Sales	(58,870)	(66,587)	-	-	(36,280)	(36,280)
3	Miscellaneous Revenues	19,353	28,013	29,689	35,816	25,885	18,552
4	Inter-Business Unit	107,682	143,689	117,696	128,405	141,018	106,576
5	U.S. Treasury Credits	70,523	88,692	101,773	101,773	113,976	94,264
6	Total Operating Revenues	2,040,440	2,632,274	2,683,675	2,716,591	2,850,764	2,188,570
Operating Expenses							
7	Power System Generation Resources						
	Operating Generation Resources						
8	Columbia Generating Station	260,560	330,066	298,751	300,514	298,238	208,142
9	Bureau of Reclamation	88,203	127,116	140,601	140,601	140,601	93,809
10	Corps of Engineers	151,555	208,096	225,687	225,687	225,687	159,110
11	Long-term Contract Generating Projects	16,655	22,518	25,999	25,284	21,759	14,340
12	Operating Generation Settlement Payment	16,770	22,122	21,405	21,405	19,726	13,748
13	Non-Operating Generation	1,695	(25,878)	2,206	2,400	475	44
14	Gross Contracted Power Purchases and Aug Power Purchases	185,384	220,987	76,915	95,444	204,591	198,280
15	Bookout Adjustment to Power Purchases	(58,870)	(66,587)	-	-	(36,280)	(36,280)
16	Residential Exchange/IOU Settlement Benefits <Note 2	159,241	201,933	201,919	201,919	201,919	159,484
17	Renewables	24,840	30,463	39,799	39,807	36,824	27,359
18	Generation Conservation	24,157	36,078	48,408	55,760	38,664	25,063
	Subtotal Power System Generation Resources	870,190	1,106,913	1,081,689	1,108,822	1,152,204	863,098
19	Power Services Transmission Acquisition and Ancillary Services	122,587	162,351	164,845	164,311	172,090	129,879
20	Power Non-Generation Operations	55,222	79,302	92,156	89,980	78,926	52,836
21	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	199,710	277,802	295,238	295,238	295,238	199,591
	BPA Internal Support						
22	Additional Post-Retirement Contribution	13,365	17,820	18,501	18,501	18,501	13,876
23	Agency Services G&A	38,068	52,108	55,102	59,353	56,101	40,396
24	Other Income, Expenses & Adjustments	702	(127)	-	-	645	645
25	Non-Federal Debt Service	379,492	518,536	514,848	515,983	194,571	94,947
26	Depreciation & Amortization	165,227	223,172	224,447	227,870	229,870	171,107
27	Total Operating Expenses	1,844,563	2,437,878	2,446,827	2,480,057	2,198,145	1,566,374
28	Net Operating Revenues (Expenses)	195,877	194,397	236,849	236,534	652,618	622,196
Interest Expense and (Income)							
29	Interest Expense	173,243	235,578	254,797	255,092	220,411	160,347
30	AFUDC	(8,901)	(10,674)	(11,168)	(11,900)	(12,000)	(7,691)
31	Interest Income	(11,129)	(15,444)	(15,845)	(13,894)	(14,797)	(10,288)
32	Net Interest Expense (Income)	153,213	209,460	227,784	229,298	193,614	142,368
33	Net Revenues (Expenses)	\$ 42,664	\$ (15,064)	\$ 9,065	\$ 7,236	\$ 459,004	\$ 479,827

Power Services Accumulated Net Revenue as-of 3rd Quarter Forecast FY2014 (in Millions) \$443.9

ANR = \$443.9		
CRAC: ANR ≤ (\$175.3)	No CRAC or DDC	DDC: ANR ≥ \$574.7

<Note 3

<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 The Residential Exchange Program expenses reflect the Scheduled Amount of REP benefits payments established in the 2012 REP Settlement Agreement. The Scheduled Amount of REP benefit payments incorporates a \$76,537,617 reduction in REP benefits to provide Refund Amount payments to COUs. The Refund Amount returned to the COUs is reflected through a reduction in the Gross Sales amount.

<3 Accumulated Net Revenue (ANR) for 2014 is the sum of Power Services Net Revenue for FY2013 plus the current forecast of Power Services Net Revenue for 2014. The Cost Recovery Adjustment Clause (CRAC) is an upward adjustment to certain rates that would apply during FY2015. The Dividend Distribution Clause (DDC) is a downward adjustment to certain rates that would apply during FY2015. For more information on ANR, CRAC or DDC, please refer to pages 39-49 of the 2014 Power Rates Schedules and General Rates Schedule Provisions (GRSP).
http://www.bpa.gov/Finance/RateInformation/RatesInfoPower/FY2014-15_Power_Rate_Schedules_GRSPs_06-09-2014.pdf

Report ID: 0021FY14
 Requesting BL: POWER BUSINESS UNIT
 Unit of measure: \$ Thousands

QBR Forecast Analysis: Power Services
 Through the Month Ended June 30, 2014
 Preliminary/ Unaudited

Run Date/Time: July 17, 2014 04:20
 Data Source: EPM Data Warehouse
 % of Year Elapsed = 75%

		FY 2014		FY 2014
		2nd Quarter Forecast	Current EOY Forecast	Current EOY Forecast - 2nd Quarter Forecast
Operating Revenues				
1	Gross Sales (excluding bookout adjustment) <Note 2	\$ 2,585,607	\$ 2,606,165	\$ 20,558
2	Bookout Adjustment to Sales	(30,409)	(36,280)	(5,872)
3	Miscellaneous Revenues	30,485	25,885	(4,600)
4	Inter-Business Unit	138,381	141,018	2,637
5	U.S. Treasury Credits	117,740	113,976	(3,764)
6	Total Operating Revenues	2,841,804	2,850,764	8,960
Operating Expenses				
Power System Generation Resources				
Operating Generation Resources				
7	Columbia Generating Station	300,040	298,238	(1,802)
8	Bureau of Reclamation	140,601	140,601	-
9	Corps of Engineers	225,687	225,687	-
10	Long-term Contract Generating Projects	21,760	21,759	(1)
11	Operating Generation Settlement Payment	19,726	19,726	-
12	Non-Operating Generation	2,400	475	(1,925)
13	Gross Contracted Power Purchases and Aug Power Purchases	199,782	204,591	4,809
14	Bookout Adjustment to Power Purchases	(30,409)	(36,280)	(5,872)
15	Residential Exchange/IOU Settlement Benefits <Note 2	201,919	201,919	-
16	Renewables	40,189	36,824	(3,365)
17	Generation Conservation	44,277	38,664	(5,613)
18	Subtotal Power System Generation Resources	1,165,972	1,152,204	(13,768)
19	Power Services Transmission Acquisition and Ancillary Services	167,280	172,090	4,810
20	Power Non-Generation Operations	82,221	78,926	(3,295)
21	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	295,238	295,238	-
BPA Internal Support				
22	Additional Post-Retirement Contribution	18,501	18,501	-
23	Agency Services G&A	55,886	56,101	215
24	Other Income, Expenses & Adjustments	885	645	(240)
25	Non-Federal Debt Service	515,112	194,571	(320,541)
26	Depreciation & Amortization	229,870	229,870	-
27	Total Operating Expenses	2,530,965	2,198,145	(332,819)
28	Net Operating Revenues (Expenses)	310,839	652,618	341,779
Interest Expense and (Income)				
29	Interest Expense	220,756	220,411	(345)
30	AFUDC	(11,189)	(12,000)	(811)
31	Interest Income	(13,060)	(14,797)	(1,737)
32	Net Interest Expense (Income)	196,507	193,614	(2,893)
33	Net Revenues (Expenses)	\$ 114,332	\$ 459,004	\$ 344,673

Report ID: 0022FY14	Power Services Schedule of Net Revenue (Expense) to Modified Net Revenue	Run Date/Time: July 17,2014 05:56
Requesting BL: POWER	Through the Month Ended June 30, 2014	Data Source: EPM Data Warehouse
Unit of measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 75%

	A	B
	FY 2014	FY 2014
	Current EOY Forecast	Actuals: FYTD
1 Power Net Revenue (Expense)	\$459,004	\$479,827
2 Net Revenue Modifications <Note 1	(320,625)	(320,625)
3 Power Modified Net Revenue	\$138,379	\$159,202

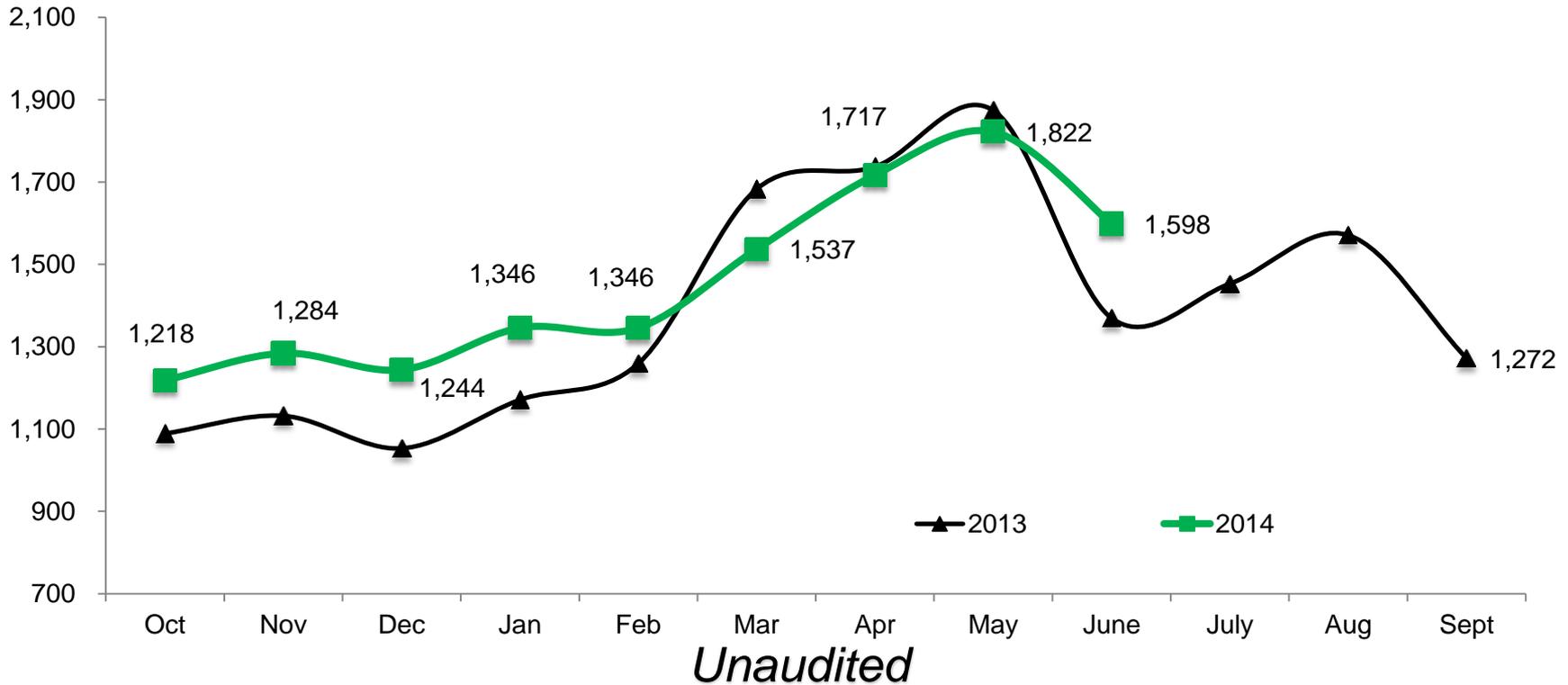
< 1 Power Modified Net Revenue (PMNR) is the result of a modification to Power Net Revenues for the purpose of mitigating the effects of debt management transactions that were not anticipated in the BP-14 Power Rate Case. PMNR excludes the impact of refinancing actions that result in non-cash net revenues or are being offset by cash transactions not reflected on the Power Income Statement in the same Fiscal Year (e.g., increased Federal Principal Payments on Federal appropriations). In 2014, these transactions are limited to the refinancing of regional cooperation debt.

Report ID: 0064FY14	Power Services Detailed Statement of Revenues by Product	Run Date/Time: July 17, 2014 05:56
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended June 30, 2014	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Elapsed = 75%

	A	B	C	D
	FY 2014		FY 2014	FY 2014
	Rate Case	SOY Budget	Actuals	Actuals per Rate Case
Operating Revenues				
Gross Sales (excluding bookout adjustment)				
PF Tier 1 Revenues				
Load Following				
1 Composite	\$ 1,076,106	\$ 1,076,106	\$ 804,883	75%
2 Non-Slice	(165,482)	(165,482)	(123,736)	75%
3 Load Shaping	6,306	6,306	10,254	163%
4 Demand	42,954	42,954	44,146	103%
5 Discounts / Fees	(44,565)	(44,565)	(28,707)	64%
6 RSS / RSC	430	430	(14)	-103%
7 REP Refund	(33,152)	(33,152)	(24,864)	75%
8 Other	-	-	(146)	0%
9 Sub-Total: Load Following	882,597	882,597	681,815	77%
Block				
10 Composite	606,124	606,124	444,280	73%
11 Non-Slice	(93,209)	(93,209)	(68,338)	73%
12 Load Shaping	(2,884)	(2,884)	13,874	-581%
13 Demand	-	-	-	0%
14 Discounts / Fees	(4,837)	(4,837)	(1,892)	39%
15 RSS / RSC	-	-	-	0%
16 REP Refund	(22,711)	(22,711)	(15,506)	68%
17 Other	-	-	(141)	0%
18 Sub-Total: Block	482,483	482,483	372,277	77%
Slice				
19 Composite	626,613	626,613	469,962	75%
20 Slice	-	-	-	0%
21 Discounts / Fees	(4,717)	(4,717)	(2,363)	50%
22 REP Refund	(20,674)	(20,674)	(17,033)	82%
23 Other	-	-	-	0%
24 Sub-Total: Slice	601,222	601,222	450,565	75%
25 PF Tier 2 Revenues	5,502	5,502	4,017	73%
26 NR Revenues	-	-	-	0%
27 IP Revenues	106,510	106,583	79,034	74%
28 FPS Revenues	325,277	342,087	380,997	117%
29 Other Revenues	30,926	30,123	36,753	119%
30 Gross Sales (excluding bookout adjustment)	2,434,517	2,450,598	2,005,458	82%
31 Bookout Adjustment to Sales	-	-	(36,280)	0%
32 Miscellaneous Revenues	29,689	35,816	18,552	62%
33 Inter-Business Unit	117,696	128,405	106,576	91%
34 U.S. Treasury Credits	101,773	101,773	94,264	93%
35 Total Operating Revenues	2,683,675	2,716,591	2,188,570	82%

Financial Reserves

Reserves as of the end of June 2014 are \$1,598 million

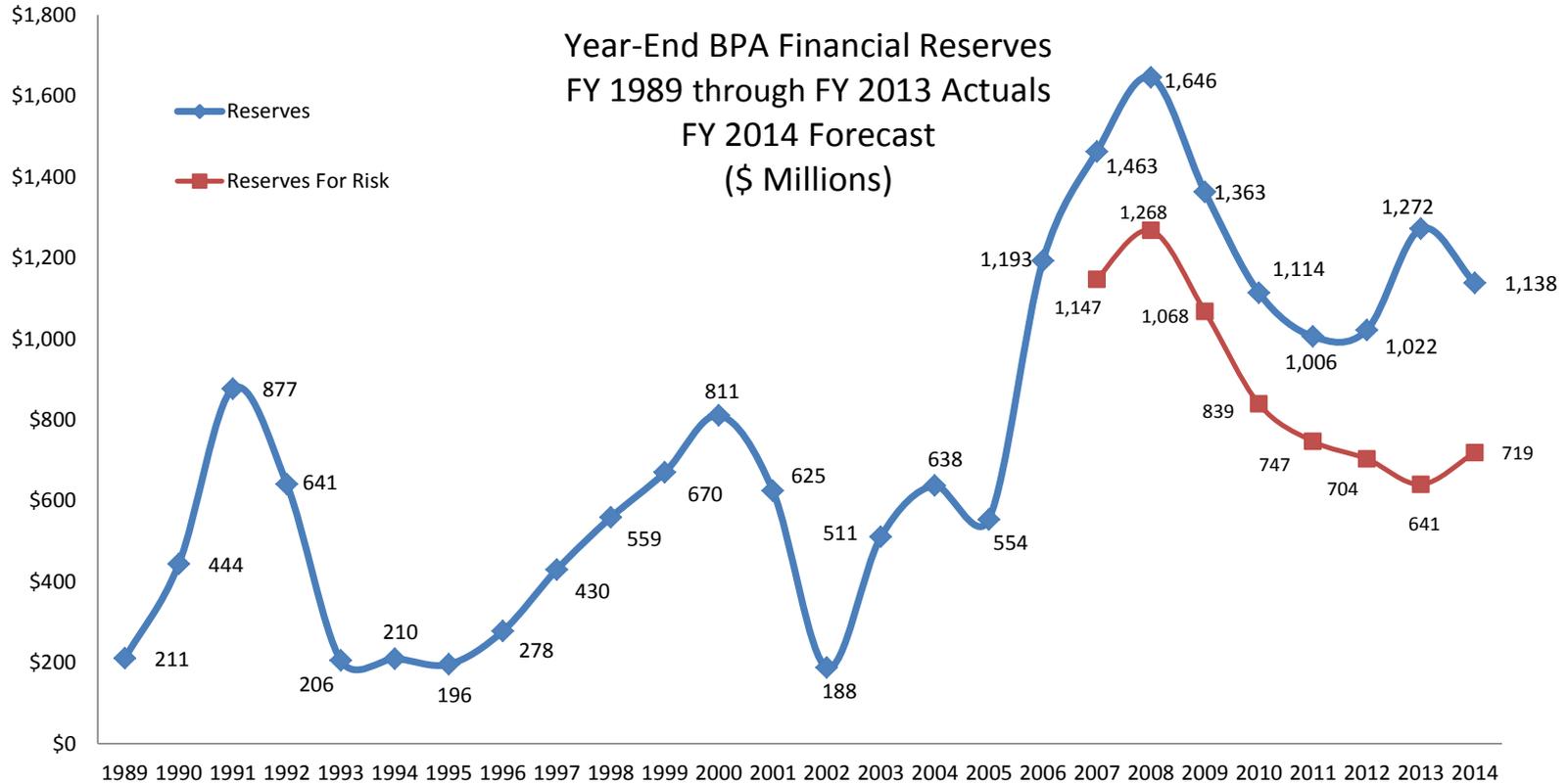


Q3 - End of FY14 Reserves Forecast

(\$ Millions)	Split		
	Power	Trans	Total
End FY14 Reserves Forecast	562	576	1,138
Less: End of FY14 Reserves Not for Risk Forecast	299	119	419
Reserves Available for Risk Forecast	263	457	719

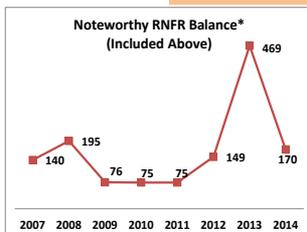
* Rounding

BPA Financial Reserves FY 1989 - FY 2014



Noteworthy Events

Energy Northwest Refinancing	Low Aluminum Prices (VR Price)	Rising Power Market Prices	Direct Pay In Effect
Unanticipated Fish Flow Costs	Higher O&M Expenses	Energy Northwest Debt Service Reserve Free Ups	ST Note Available
			2008 \$300M
			2009-2014 \$750M
			Power Prepayment Funds



* Noteworthy Reserves Not For Risk (RNFR) Balance include - Cal ISO Settlement and Prepayment Funds.

Slice Reporting Composite Cost Pool Review Forecast of Annual Slice True-Up Adjustment

Craig Larson
Public Utilities Specialist

Q3 Forecast of FY 2014 Slice True-Up Adjustment

	FY 2014 Forecast \$ in thousands
February 11, 2014 First Quarter Business Review	(\$16,785)
April 29, 2014 Second Quarter Business Review	(\$19,021)
Aug 5, 2014 Third Quarter Business Review	(\$21.843)
November 5, 2014 Fourth Quarter Business Review	
Actual Slice True-Up Adjustment Charge/Credit (negative amount = credit on bill)	

Summary of Differences From Q3 Forecast to FY 14 (BP-14)

#		Composite Cost Pool True-Up Table Reference	Q3 – FY 14 \$ in thousands
1	Total Expenses	Row 109	(\$374,484)
2	Total Revenue Credits	Rows 128 + 137	\$38,441
3	Minimum Required Net Revenue	Row 149	\$332,904
4	TOTAL Composite Cost Pool (1 - 2 + 3) (\$374,484K) – \$38,441K+ \$332,904K = (\$80,021K)	Row 151	(\$80,021)
5	TOTAL in line 4 divided by <u>0.9755924</u> sum of TOCAs (\$80,021K) / (<u>0.9755924</u>) = (\$82,030K)	Row 156	(\$82,030)
6	Q3 Forecast of FY 14 True-up Adjustment 26.62752 percent of Total in line 5 0.2662752 * (\$82,030K) = (\$21,843K)	Row 157	(\$21,843)

Note: Large decrease in Energy Northwest Debt Service of \$321M from refinancing is offset by equivalent increase in Minimum Required Net Revenue as shown in lines 1 and 3 above.

Lower Level Differences From Q3 Forecast to FY14 (BP-14)

#	Line Item of Values Changed Over \$2M	Composite Cost Pool True-Up Table Reference	Q3 – FY 2014 Rate Case (\$ in thousands)
1	LONG-TERM CONTRACT GENERATING PROJECTS	Row 7	\$ (4,240,258)
2	OTHER POWER PURCHASES (System Obligations)	Row 20	\$ 9,698,444
3	CONSERVATION ACQUISITION	Row 37	\$ (3,451,658)
4	ENERGY EFFICIENCY DEVELOPMENT	Row 39	\$ (6,291,643)
5	OPERATIONS SCHEDULING	Row 54	\$ (2,261,990)
6	WNP-1 DEBT SVC	Row 88	\$ (235,803,000)
7	WNP-3 DEBT SVC	Row 89	\$ (85,131,000)
8	Depreciation	Row 100	\$ 7,492,419
9	Amortization	Row 101	\$ (2,069,533)
10	Net Interest Expense	Row 105	\$ (36,616,000)
11	Generation Inputs for Ancillary, Control Area Services	Row 112	\$ 23,322,360
12	4(h)(10)(c) credit	Row 114	\$ 12,203,003
13	Energy Efficiency Revenues	Row 116	\$ (6,291,643)
14	WNP-3 Settlement revenues	Row 121	\$ 6,636,082
15	Bond Call Premium/Discount	Row 145	\$ (20,850,829)

Composite Cost Pool Interest Credit

Allocation of Interest Earned on the Bonneville Fund			
(\$ in thousands)			
	<u>Q1 2014</u>	<u>Q2 2014</u>	<u>Q3 2014</u>
Reserves Prior to FY 2002	495,600	495,600	495,600
Adjustments for pre-2002 Items	74,655	74,655	74,655
Reserves for Composite Cost Pool (Line 1 + Line 2)	570,255	570,255	570,255
Composite Interest Rate	2.48%	1.95%	1.99%
Composite Interest Credit	(14,120)	(11,127)	(11,355)
Prepay Offset Credit	(8,194)	(4,791)	(4,830)
Total Interest Credit for Power Services	(12,593)	(13,060)	(14,797)
Non-Slice Int. Credit (Line 7 - (Line 5+6))	9,721	2,858	1,388

Net Interest Expense in Slice True-Up Forecast

	<i>\$ in thousands</i>	<i>\$ in thousands</i>
	<u>2014 Rate Case</u>	<u>Q3 Forecast</u>
▪ Federal Appropriation	\$222,306	\$221,100
▪ Capitalization Adjustment	(\$45,937)	(\$45,937)
▪ Borrowings from US Treasury	\$ 63,653	\$ 30,838 ¹
▪ <u>Prepay Interest Expense</u>	<u>\$ 14,775</u>	<u>\$ 14,775</u>
▪ Interest Expense	\$254,797	\$220,321
▪ AFUDC	(\$11,168)	(\$12,000)
▪ Interest Income (composite)	(\$ 7,927)	(\$11,355)
▪ <u>Prepay Offset Credit</u>	<u>(\$ 6,950)</u>	<u>(\$4,830)</u>
▪ Total Net Interest Expense	\$228,752	\$192,136

Note:

1. A Bond Call Discount of (\$20.851 million) is in the Borrowings from US Treasury and shown in MRNR as a non-cash reduction in interest expense.

FY 2014 Third Quarter Capital Financial Results & FY 2014 Third Quarter Forecast

Report ID: 0027FY14	BPA Statement of Capital Expenditures	Run Date/Run Time: July 17, 2014/ 04:23
Requesting BL: CORPORATE BUSINESS UNIT	FYTD Through the Month Ended June 30, 2014	Data Source: EPM Data Warehouse
Unit of Measure: \$Thousands	Preliminary Unaudited	% of Year Elapsed = 75%

		FY 2014		FY 2014		FY 2014	
		SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast
Transmission Business Unit							
1	MAIN GRID	\$ 131,305	\$ 120,039	\$ 11,625	\$ 81,576	62%	68%
2	AREA & CUSTOMER SERVICE	27,133	14,243	(21)	13,382	49%	94%
3	SYSTEM REPLACEMENTS	233,973	267,604	26,439	168,813	72%	63%
4	UPGRADES & ADDITIONS	256,548	200,040	26,103	119,091	46%	60%
5	ENVIRONMENT CAPITAL	6,804	6,710	837	4,579	67%	68%
	PFIA						
6	MISC. PFIA PROJECTS	4,802	3,662	253	2,980	62%	81%
7	GENERATOR INTERCONNECTION	10,118	715	184	552	5%	77%
8	SPECTRUM RELOCATION	200	10	-	10	5%	96%
9	CAPITAL INDIRECT	-	-	(5,132)	(11,995)	0%	0%
10	LAPSE FACTOR	(33,158)	-	-	-	0%	0%
11	TOTAL Transmission Business Unit	637,724	613,023	60,289	378,987	59%	62%
Power Business Unit							
12	BUREAU OF RECLAMATION	78,181	44,320	1,221	27,881	36%	63%
13	CORPS OF ENGINEERS	159,461	146,863	11,204	89,439	56%	61%
14	GENERATION CONSERVATION	75,200	94,000	11,695	59,466	79%	63%
15	POWER INFORMATION TECHNOLOGY	9,726	7,470	424	4,608	47%	62%
16	FISH & WILDLIFE	60,275	50,000	1,526	15,749	26%	31%
17	LAPSE FACTOR	(11,882)	-	-	-	0%	0%
18	TOTAL Power Business Unit	370,961	342,653	26,069	197,144	53%	58%
Corporate Business Unit							
19	CORPORATE BUSINESS UNIT	30,060	25,071	1,423	13,564	45%	54%
20	TOTAL Corporate Business Unit	30,060	25,071	1,423	13,564	45%	54%
21	TOTAL BPA Capital Expenditures	\$ 1,038,745	\$ 980,747	\$ 87,781	\$ 589,695	57%	60%

Report ID: 0027FY14 Requesting BL: CORPORATE BUSINESS UNIT Unit of Measure: \$Thousands	QBR Forecast Analysis: BPA Capital Expenditures FYTD Through the Month Ended June 30, 2014 Preliminary Unaudited	Run Date/Run Time: July 17, 2014 04:23 Data Source: EPM Data Warehouse % of Year Elapsed = 75%
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		A	B	C
		FY 2014		FY 2014
		2nd Quarter Forecast	Current EOY Forecast	Current EOY Forecast - 2nd Quarter Forecast
Transmission Business Unit				
1	MAIN GRID	\$ 175,795	\$ 120,039	\$ (55,756)
2	AREA & CUSTOMER SERVICE	12,909	14,243	1,334
3	SYSTEM REPLACEMENTS	261,412	267,604	6,192
4	UPGRADES & ADDITIONS	211,422	200,040	(11,382)
5	ENVIRONMENT CAPITAL	6,601	6,710	109
	PFIA	-	-	-
6	MISC. PFIA PROJECTS	3,158	3,662	504
7	GENERATOR INTERCONNECTION	639	715	76
8	SPECTRUM RELOCATION	(3)	10	14
9	CAPITAL INDIRECT	-	-	-
10	LAPSE FACTOR	-	-	-
11	TOTAL Transmission Business Unit	671,933	613,023	(58,910)
Power Business Unit				
12	BUREAU OF RECLAMATION	47,538	44,320	(3,218)
13	CORPS OF ENGINEERS	151,325	146,863	(4,462)
14	GENERATION CONSERVATION	75,200	94,000	18,800
15	POWER INFORMATION TECHNOLOGY	9,000	7,470	(1,530)
16	FISH & WILDLIFE	50,000	50,000	-
17	LAPSE FACTOR	-	-	-
18	TOTAL Power Business Unit	333,063	342,653	9,590
Corporate Business Unit				
19	CORPORATE BUSINESS UNIT	26,768	25,071	(1,697)
20	TOTAL Corporate Business Unit	26,768	25,071	(1,697)
21	TOTAL BPA Capital Expenditures	\$ 1,031,763	\$ 980,747	\$ (51,017)

Changing our Safety Culture Making BPA a Safer Place for Everyone

Brad Bea
Safety & Occupational Health Manager

Changing BPA's Safety Culture

Shifting the Paradigm

What is a safety culture?

The safety culture of an organization is the product of individual and group values, attitudes, perceptions, competencies and patterns of behavior that determine the commitment to, and the style and proficiency of, an organization's health and safety management.

What do we mean when we say paradigm shift?

par-a-digm shift = a radical change: a radical change in somebody's basic assumptions about or approach to something

What are the first steps to shift our safety culture paradigm?

The approach confirmed by Johnson and Johnson, Entergy and AEP is to:

- Make your commitment to safety visible
 - Communication
 - Values
 - Funding
- Know your current performance (metrics composed of leading and lagging indicators)
- Understand your current organizational safety perception (Safety Perception Survey)
- Assess your highest risks (Risk Assessment)
- Implement an action plan and track progress towards meeting goals (KSI) (DOE Review Action Plan)

Core Value Language

Safety as a core value

We value safety in everything we do. Together, our actions result in people being safe each day, every day. At work, at home and at play, we all contribute to a safe community for ourselves and others.

Together and individually, we demonstrate our commitment by:

- Taking the time to do our work safely;
- Taking actions to prevent and eliminate hazards;
- Speaking up when we see an unsafe situation; and
- Incorporating safety into everything we do, including how we define success.

Taking the Time to Do Our Work Safely

BPA SAFETY MOTTO

No job is so important and no service so urgent that we cannot take time to perform our work safely

Taking Actions to Prevent and Eliminate Hazards

Safety BSC Initiatives	Objectives	Timing
<p style="text-align: center;"><u>XAT</u></p> <p>Safety Policy Accident Reporting & Investigation Safety Perception Survey</p>	<ul style="list-style-type: none"> ➤ Move policies to single repository and centralized governance ➤ Identify and initiate policy improvements ➤ Conduct baseline survey 	<p>❖ Q1FY14 - Q1FY15</p>
<p>Agency Risk Assessment</p>	<ul style="list-style-type: none"> ➤ Identify agency safety risks 	<p>❖ Q2 FY14</p>
<p>Human Error Prevention/Human Performance Model</p>	<ul style="list-style-type: none"> ➤ Select and implement a model for BPA 	<p>❖ Q1 FY14 - Q4 FY15</p>
<p>Steel Tower Fall Protection Phase 2 (Partnership with Fall Protection Committee)</p>	<ul style="list-style-type: none"> ➤ Implement standards and training for steel towers and substation equipment 	<p>❖ Q4 FY14 - Q2 FY15</p>
<p>Safety Consulting Services</p>	<ul style="list-style-type: none"> ➤ Select and procure consulting services for administering safety perception survey and implementing new safety models 	<p>❖ Q1 FY14 – Q2 FY15</p>

Speaking Up When We See an Unsafe Situation

See Something – Say Something

Resources for reporting safety concerns or incidents:

- ➔ Safety Website
- ➔ Phone #
- ➔ Local safety manager
- ➔ Your supervisor

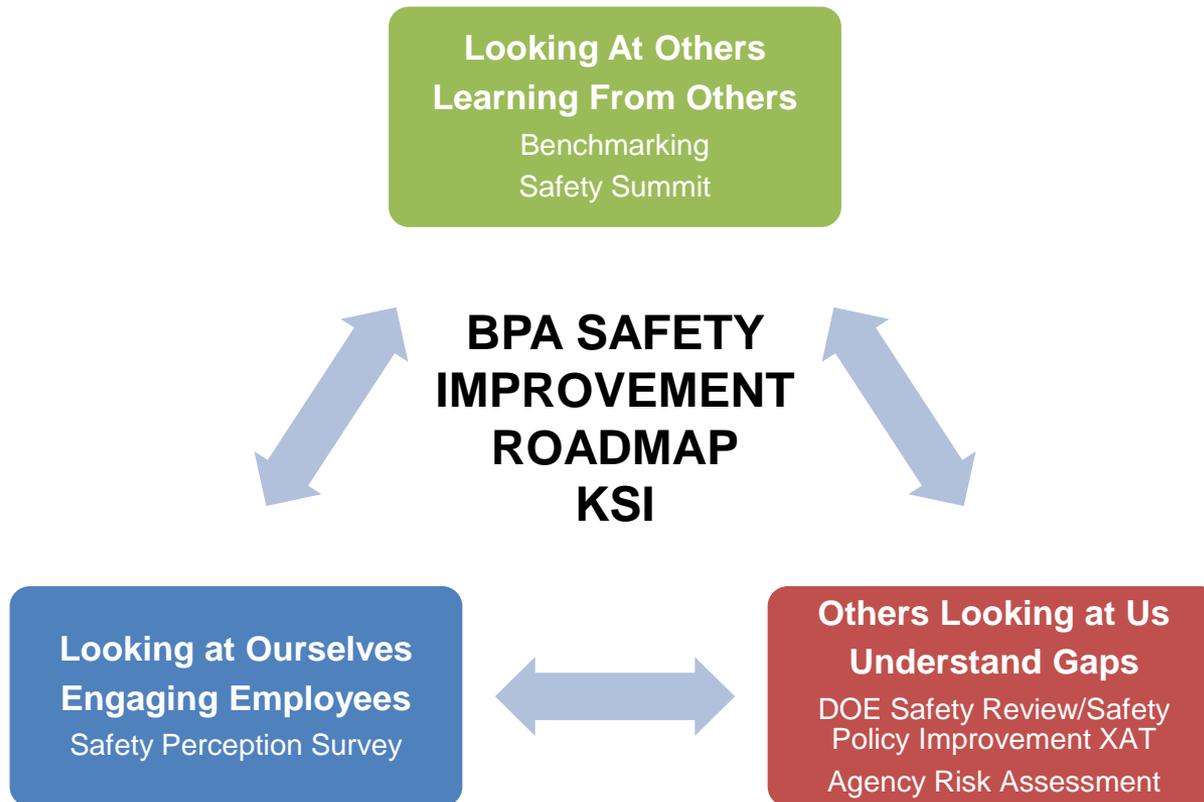
Incorporating Safety into Everything We Do, Including How We Define Success

Safety is traditionally treated as a separate and distinct program



BPA to make safety a part of each business process

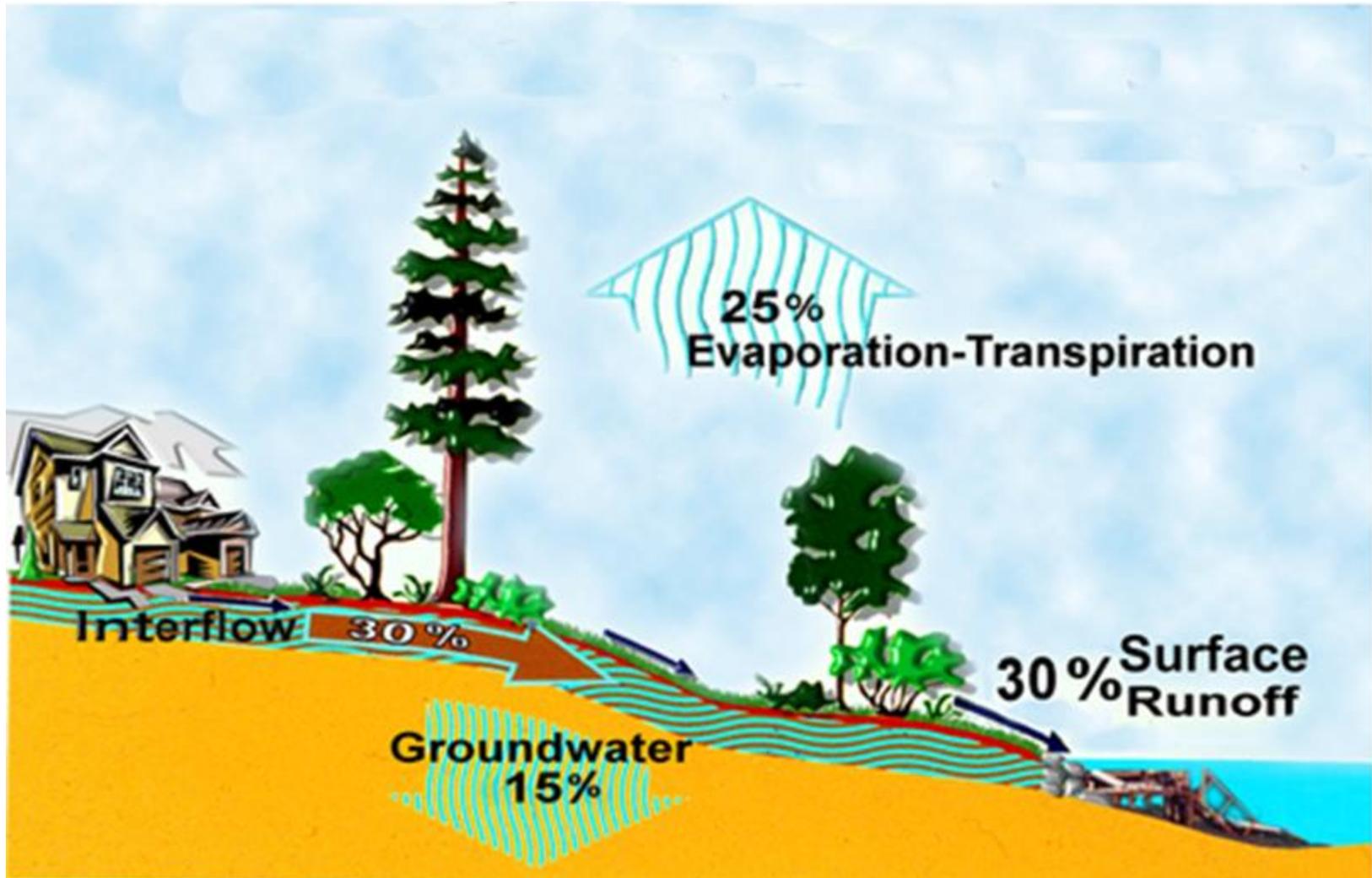
Strategy Moving Forward



Storm Water Fees

Steve Capps
Supervisory Facility Operations Specialist

Stormwater - Introduction



Stormwater - Impacts

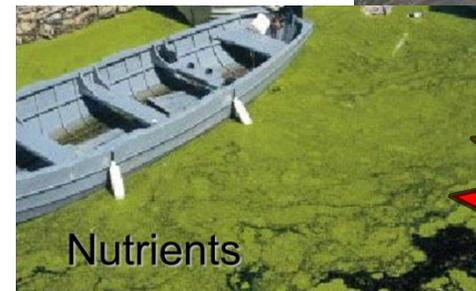
- Quantity

- Higher volume and higher peak flows



- Quality

- Nutrients, pollutants, sediment, and temperature



Emerging Issues and Strategies

- Emerging issues
 - Increasingly more stringent standards for both quantity and quality
 - Heightened regulatory scrutiny
 - Increasing fees, operations and maintenance costs, and spill clean up costs
- Strategies
 - Life cycle management of stormwater infrastructure
 - Illicit discharge detection and elimination (IDDE)

Stormwater Fees

- Tax vs Fee issues
 - Resolved May 2012 in US District Court
- Fees increasing as local jurisdictions strive to meet regulatory requirements and higher flows
- Fees:
 - FY 2014 \$350k (to date)
 - \$120k Pending
 - FY 2013 \$135k
 - Region breakdown
 - Puget Sound area: 70%
 - Vancouver: 23%
 - Oregon: 5%
- Fees incorporated into IPR budget submission

Integrated Strategy Implementation

Existing Facilities

- Manage infrastructure programmatically
- Operate and maintain infrastructure
- Build new and upgrade existing infrastructure:
 - Life cycle replacements
 - Mitigate risks – spills and discharges
 - Mitigate fees

New Construction

- New facilities >5000sf need to address stormwater on site

Illicit Discharge

- Source control measures
- Spill response plans

Governance Structure

- Programmatic oversight and infrastructure life cycle management – Facilities (NW)
- Systems operations and maintenance – Facilities and transmission field services (NW/TF)
- Compliance, audit oversight and regulatory interface – Environment, Fish and Wildlife (KE)

Questions?

Transmission “Big Project” Updates

Brian Scott
Supervisory General Engineer

I-5 Corridor Reinforcement

Project Description: 79 miles new 500kV transmission line and 2 new substations

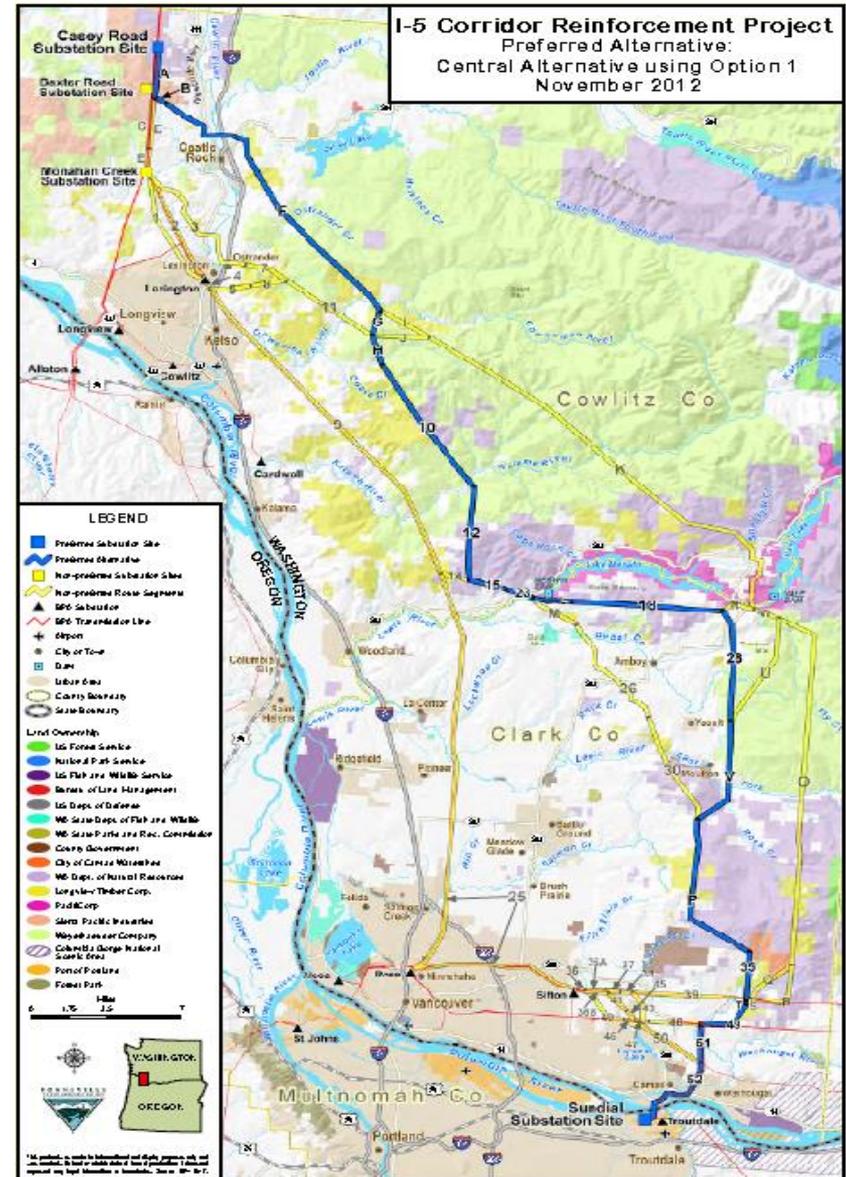
PM: Mark Korsness

Schedule

- 2009 Feb. - Project approved and launched
- 2012 Nov. – Draft EIS and identification of preferred route, Central Alternative using Option 1
- 2013 March 25th – Close of formal comment period
- June 2014 updated map of preferred route released on web site
- Late 2015 - Final Environmental Impact Statement (EIS)
- Early 2016 - Record of Decision (ROD), start acquisition and construction (if a decision to build)
- Currently Spring 2018 – Energization (schedule under review)

Budget

- National Environmental Policy Act (NEPA) and preliminary engineering costs: \$85 million
- Actual costs to date: \$45.0 million



Activities:**Last 30 days**

- Team continued reviewing comments on Draft EIS and drafting responses.
- Project team released updated “pencils down” version of preferred alternative map for tower and road locations on web site (BPA.GOV).
- Field work ramped up rapidly with indemnification issue resolved on DNR land and updated map completed.
- Working with Port of Portland to explore alternatives for a more feasible Troutdale substation location.

Next 30 days

- Non-wires team developing measures to be available for bridging gap between need date and energization date.
- Continue work on DEIS comments.
- Working to revise contracts to bring in to compliance with new DNR indemnification language, and will begin similar negotiations with other major landowners.
- Extensive field work continuing to ramp up.
- Continue dialog with Port of Portland on Troutdale Substation location alternatives.

Big Eddy-Knight West of McNary Reinforcement

Project Description: 28 miles new 500kV transmission line, Big Eddy Substation bay addition new Knight Substation; (Phase 1); New fiber on Knight-Wautoma, new 500kV reactor at Wautoma Substation (Phase II).

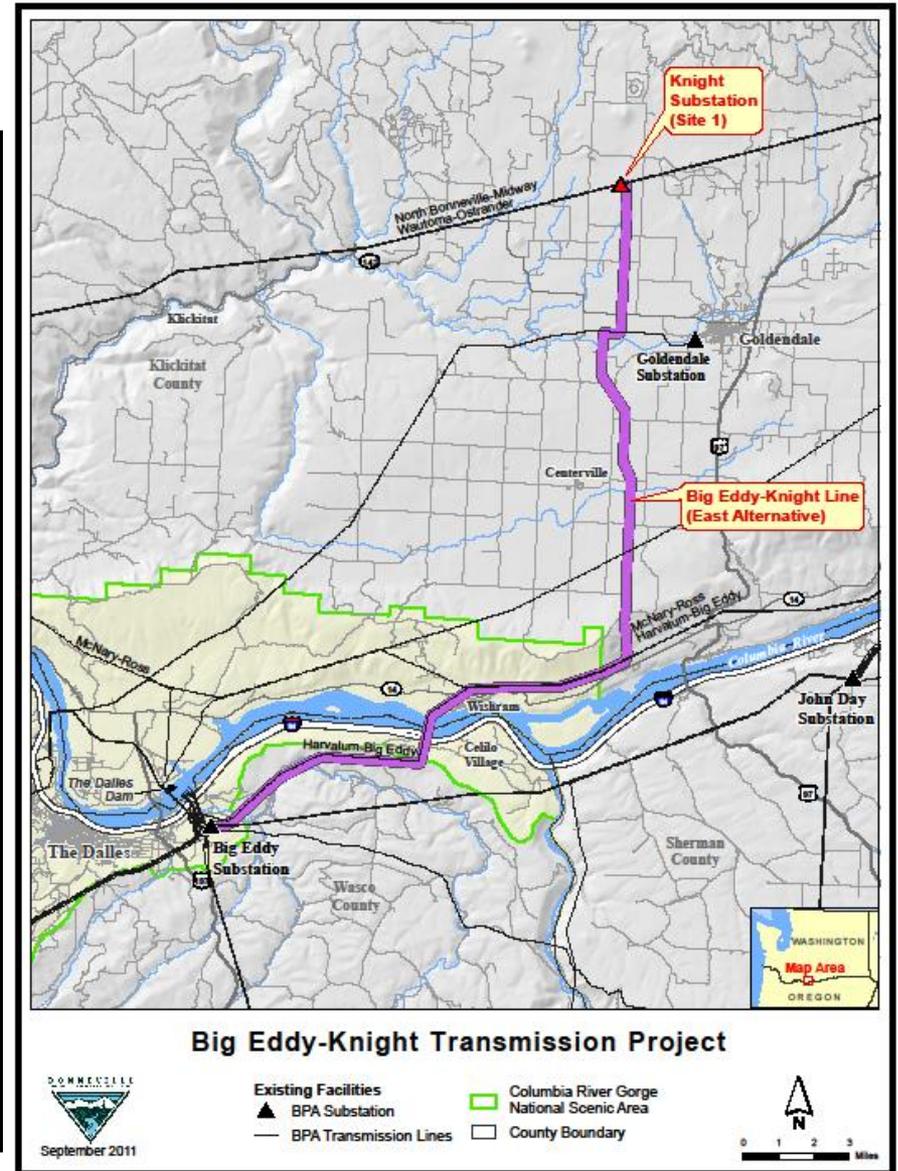
PM: Emmanuel Jaramillo

Schedule

- 2009 Feb. - Project planning approved and launched
- 2011 Sept. - Record of Decision
- 2013 Feb. - Energization of new transmission line
- 2015 Dec. – New forecast date of project completion

Budget

- Total Project costs : \$186 million
- Actual costs to date: \$152.1 million



Activities:**Last 30 days**

- Issued resume work notice to Wilson Construction.
- Held landowner meetings to seek settlements subject to condemnation.
- Completed cultural data recovery for the remaining 14 miles.
- Wilson Construction has notified and coordinated with all the last 14 mile land owners regarding the construction schedule.
- U.S Army Corp of Engineers Section 10 river crossing permit has been issued.
- Access road work commenced.

Next 30 days

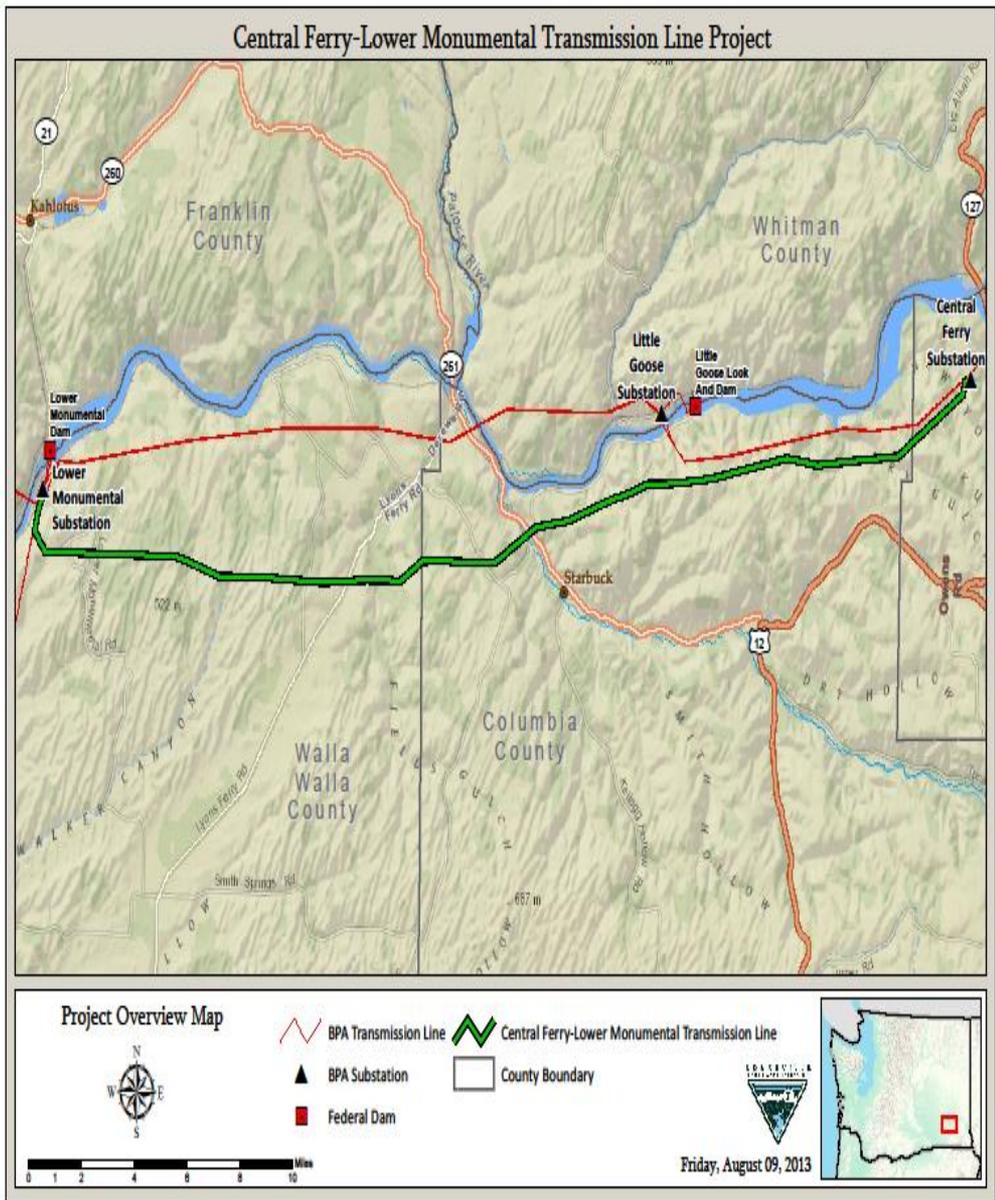
- Awaiting the U.S Army Corp of Engineers permit as part of the Section 404(b).
- Seek an update from the Yakama Nation regarding resolution of the human remains uncovered by BNSF, while conducting road maintenance near our new river crossing site.
- Continue to reach out to the Advisory Council regarding the Knight-Wautoma CX.
- Assist Tribal Affairs and Environmental Staff to prepare for an upcoming meeting between the new Yakama Chairman and Administrator.
- Complete access road work.
- Receive USFS Consistency Determination (estimated).

Central Ferry-Lower Monumental

Project Description: 40 miles new 500kV transmission line, Central Ferry and Lower Monumental Sub Bay Additions
PM: Chad Hamel

- Schedule**
- 2009 Feb. - Project approved and launched
 - 2011 March - Final Environmental Impact Statement (EIS) and Record of Decision (ROD)
 - 2014 Spring- Construction Start
 - 2015 December – Energization

- Budget**
- Total Project costs: \$119.5 million
 - National Environmental Policy Act (NEPA) and preliminary engineering costs: \$6.5 million
 - Actual costs to date: \$43.1 million



Activities:**Last 30 days**

- Transmission line right-of-way acquisition in progress.
- Lower Monumental Substation initiated first outage on July 7th and construction proceeding on schedule.
- Access road, tower footing, and tower assembly/erection proceeding.
- Performed helicopter survey to verify cultural site locations. No additional sites discovered.

Next 30 days

- Transmission line right-of-way acquisition continues. Two parcels remaining. Working with land owners.
- Continue with environmental/cultural training of contractors and the fencing-off of sensitive areas.
- Access road, tower footing, and tower assembly/erection continues.
- Substation construction work continues.

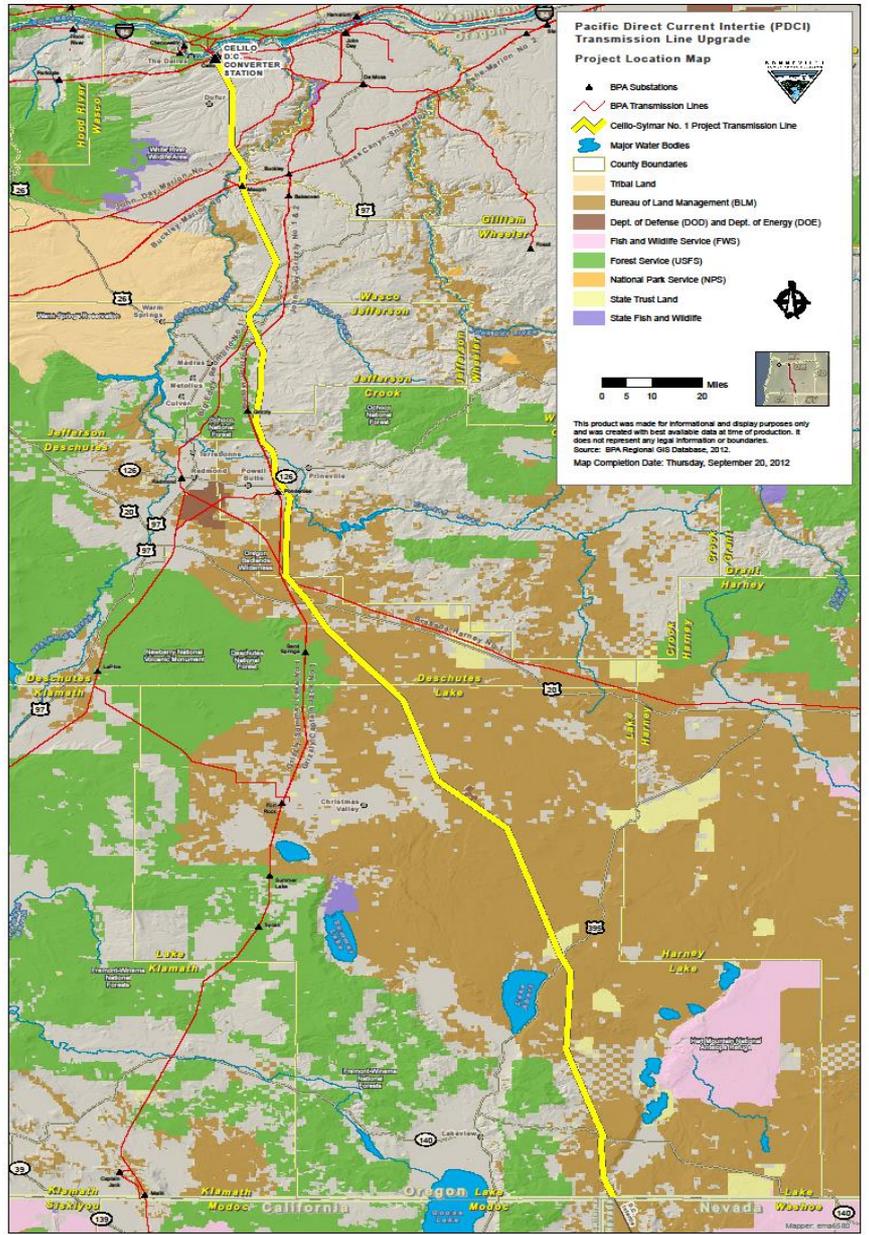
Pacific Direct Current Intertie Upgrade

Project Description: Replace the aging Celilo four converter terminal with a new two converter terminal rated for 3800MW and upgrade the Celilo-NOB (Nevada/Oregon Border) transmission line to support operation up to 3800MW.

PM: Erich Orth

- Schedule**
- 2014 July – Complete NEPA for Celilo – NOB Upgrade
 - 2016 Jan. – Energize Celilo Converter Station with New Converters
 - 2016 Nov. – Complete Upgrade of Celilo-NOB to increase PDCI transfer capacity to 3220MW

- Budget**
- **Converter Station:** On track to spend less than \$290.5 million
 - **Transmission Line:** Preliminary analysis of bids indicates need for additional funding to address full scope of Business Case requirements. Cost cutting alternatives being pursued.
 - Total approved Funding (to date): \$330.5 million
 - Actual costs to date: \$83.4 million



Activities:**Last 30 days**

- Received new insulators for transmission line upgrade.
- Continued site civil construction work and renovation of interior spaces at Celilo.
- Held regular progress update meetings ABB.

Next 30 days

- Complete NEPA for transmission line & access road upgrades.
- Award construction contracts (3) for transmission line and access road upgrades.
- Continue receiving transmission line upgrade materials.
- Look at options to complete necessary scope at lowest total cost.
- Continue site civil construction and interior renovation work at Celilo.

Power Control Assembly (PCA) Program

Program Description:

To develop a standardized and lower cost approach to using PCAs as Control House replacements, upgrades and new installations. PCAs include telecom and power control and protection systems for a HV substation.

Schedule

- 3 year pilot program began 2014
- First two houses completed /installed 2014 (Alfalfa and Levey)
- 10-12 houses planned for the 3 year program

Budget

- Total Project costs: \$13.5 million for 10 units over 3 years (includes first time site and development costs)
- Actual costs to date - \$1.2 million per site



Comparison:

Current Situation with traditional “stick buildings”:

- Individual/custom designs for each building.
- Limited expansion flexibility.
- Energy inefficient.
- Can't be repurposed or moved.
- Takes up to 3 years to replace.
- Limited ingress/egress – safety concerns.

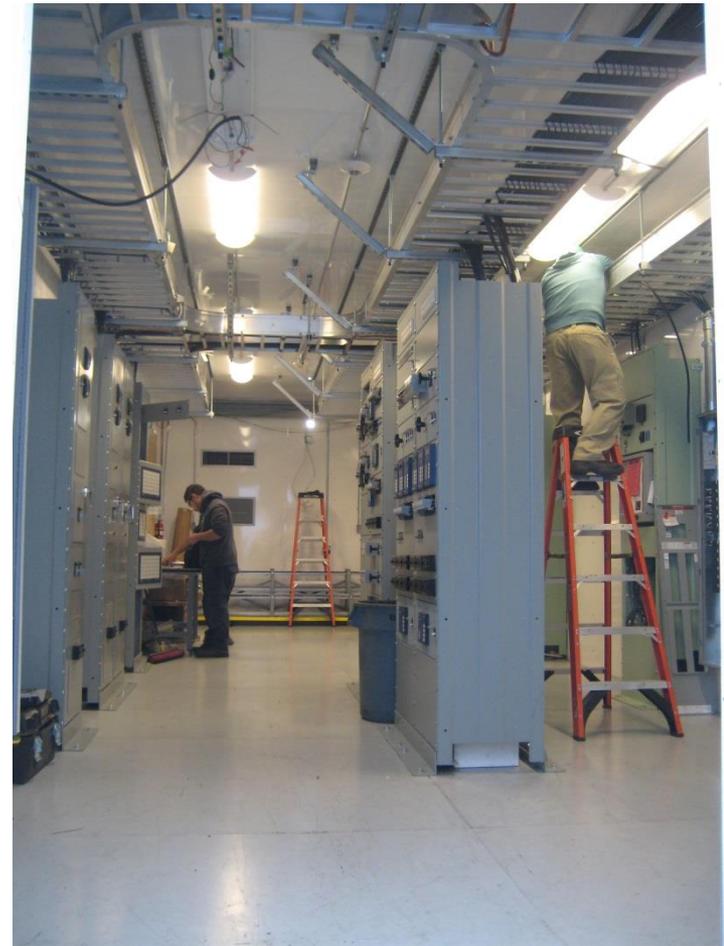
The PCA Way:

- Standardized construction-repeatable.
- Easily expandable.
- Energy star certified.
- PCA is removable and easily upgraded to prevailing standard.
- 1.25 years for PCA from design to operation.
- Fully safety compliant access.

PCA Construction



PCA during manufacturing



PCA from the inside

PCA Placement



New foundation ready for PCA



Setting the new PCA

Video Clip of PCA Delivery



Prioritization Update and Expectations

Mike DeWolf
Asset Manager

Brian McConnell
Manager, Budget Planning and Forecasting

Dennis Naef
Asset Strategist

Doug Ballou
Asset Strategist

Major Capital Projects¹ - End-of-Project Target Performance

Q2 2014

Project	Description	Direct Capital \$M ²			In-Service Date	
		Target	Forecast	Actual ³	Target	Forecast
Transmission						
Spacer Damper Replacement Program (FY08-12)	Replace all spring type double and triple bundle spacer-dampers on the 500 kV system.	\$ 65.2	\$ 46.5	\$ 46.0	9/30/2012 for 95% completion	12/26/14
Sustain Steel Program Defective Damper Replacements	Replace approximately 1,700 mile of defective PPI spacer dampers.	\$28.0 to \$34.4 for FY12-FY14	\$ 31.2	\$ 23.5	Achieve 100% of workplan thru FY14	Achieve 90% of workplan thru FY14
500 kV Spare Transformer Project	Acquire 5 spares and relocate 2 existing transformers to be used as spares. The spares will be placed strategically across the system.	\$ 41.0	\$ 44.8	\$ 41.5	12/31/13	7/1/15
Fleet Equipment Replacement Program FY10-13	Heavy duty and specialized vehicle replacement program for FY10, FY11 and part of FY12.	\$ 29.6	\$ 25.9	\$ 25.9	3/31/12	4/30/14
Fleet Mobile Equipment Replacement FY14-16	Heavy duty and specialized vehicle replacement program for FY14-16	\$ 16.4	\$ 16.4	\$ 0.0	9/30/16	9/30/16
#KC SONET Phase II Spur Healing	Complete the digital microwave and radio conversion in Oregon.	\$ 18.0	\$ 17.8	\$ 11.7	12/31/15	12/31/17
#NC Analog Microwave Replacement	Complete the digital microwave and radio conversion in NW Washington.	\$ 13.6	\$ 10.5	\$ 6.8	12/31/15	12/15/16
Alvey Substation 500 kV Shunt Reactor	Add a 500 kV shunt reactor for voltage stabilization.	\$ 10.9	\$ 10.5	\$ 3.7	4/30/12	12/30/15
NEPA - I-5 Corridor Reinforcement	Conduct NEPA study, preliminary engineering and design.	\$ 85.0	\$ 85.0	\$ 40.8	12/31/15	12/31/15
West of McNary Reinforcement Group 2 Big Eddy - Knight	New 500 kV substation and 28 miles of 500 kV transmission line.	\$ 180.0	\$ 190.0	\$ 151.3	Substation Energized 3/31/2013 Shunt Reactor Energized 11/30/14	Substation Energized 4/1/2015 Shunt Reactor Energized 4/1/15
DC RAS Upgrade	Replace the DC RAS controllers at Celilo with upgraded units at the Ross and Munro control centers.	\$ 11.8	\$ 10.9	\$ 10.9	11/30/13	11/30/13
Synchrophasor Project	5-year effort to acquire, install, test, and implement synchronized Wide Area Measurement (WAM) and control technology at BPA.	\$ 32.5	\$ 30.5	\$ 29.0	9/30/15	9/30/15
Wood Pole Line Sustain Program FY14 - FY15	Implement a stable, sustained wood pole replacement program. The four year plan includes cumulative cost and work plan completion targets.	At least \$32.3 for FY14	\$ 43.7	\$ 9.0	Achieve 100% of workplan	Achieve 100% of workplan
Steel Lines Sustain Program FY14 - FY15	Implement a stable, sustained steel line replacement program. The four year plan includes cumulative cost and work plan completion targets.	At least \$11.6 for FY14	\$ 13.2	\$ 4.1	Achieve 100% of workplan	Achieve 100% of workplan
System Protection and Control (SPC) Sustain Program FY14 - FY15	Implement a stable, sustained SPC replacement program. The four year plan includes cumulative cost and work plan completion targets.	At least \$16.0 for FY14	\$ 28.8	\$ 11.8	Achieve 90% to 100% of workplan	Achieve 97% of workplan

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Major Capital Projects ¹ - End-of-Project Target Performance					Q2 2014	
Project	Description	Direct Capital \$M ²			In-Service Date	
		Target	Forecast	Actual ³	Target	Forecast
Transmission - continued						
Control Replacement California - Oregon Intertie (COI) Series Capacitors	Replace protection and control systems for the series capacitor banks. Target includes 20% other owner's share.	\$ 15.7	\$ 12.1	\$ 12.1	3/30/14	6/30/14
Ross - Schultz Fiber Replacement	Replace the obsolete and limited 36 strand fiber with standard 72 strand fiber.	\$ 34.0	\$ 34.0	\$ 3.9	9/15/17	9/15/17
#DC Microwave Analog Spur Replacement	Complete the digital microwave and radio conversion in Northeast Washington.	\$ 39.5	\$ 37.7	\$ 23.6	8/30/17	7/7/17
Central Ferry to Lower Monumental (Little Goose Area Reinforcement)	Construct a 38 mile 500 kV transmission line between Central Ferry and Lower Monumental substations.	\$ 90.0	\$ 123.7	\$ 22.8	Line Energized 11/1/2015 Indoor Equipment 12/31/15	Line Energized 11/1/2015 Indoor Equipment 12/31/15
Rights-of-Way Access Roads and Land Rights Acquisition Program FY13 to FY15	Implement a stable, sustained ROW program. The three year plan includes cumulative cost and work plan completion targets.	At least \$29.4 for FY13-14	\$ 55.7	\$ 25.4	Achieve 100% of workplan	75% of workplan
P25 Two-Way Mobile Radio Upgrade	Replace and upgrade the mobile radio system to P25 technology.	\$ 64.5	\$ 64.0	\$ 2.1	9/30/17	9/30/17
Switchgear Replacement for Fault Duty FY12	Replace under-rated switchgear identified in annual screening process.	\$ 14.9	\$ 17.9	\$ 14.6	12/31/14	11/30/15
Pacific DC Intertie Upgrade - Station Work	Modernize the Celilo converter terminal and upgrade capacity from 3100 MW to 3220 MW for north to south power flow with a future upgrade	\$ 275.8	\$ 265.0	\$ 51.0	12/20/15	12/20/15
Pacific DC Intertie Upgrade - Line Work		\$ 40.0	\$ 39.8	\$ 5.2	10/31/17	10/31/17
Puget Sound Area Northern Intertie (PSANI) Memorandum of Agreement	Install a 500/230 kV transformer bank addition at Raver Substation.	\$ 56.4	\$ 56.4	\$ 1.6	9/30/16	9/14/16
Horse Butte Wind Interconnection	Interconnect UAMPS wind project.	\$ 10.2	\$ 8.1	\$ 8.1	11/30/12	9/15/14
MT to WA Transmission System Upgrade - NEPA	NEPA and preliminary engineering and design for the former CUP West project.	\$ 7.2	\$ 5.9	\$ 0.6	3/31/15	3/30/15
Lower Valley NEPA (Hooper Springs)	NEPA and preliminary engineering and design work for the Lower Valley Area Reinforcement project.	\$ 19.1	\$ 22.9	\$ 19.3	11/1/13	2/2/15
AC Substations Sustain Program FY13-15	Implement a stable AC substation equipment replacement program. The 3 year plan includes cumulative cost and scope/schedule targets.	Up to \$28.3 for FY13-14	\$ 41.2	\$ 20.7	Deliver 100% of workplan	Deliver 100% of workplan
PSC/Telecom Sustain Program FY13-15	Implement a stable PSC/Telecom equipment replacement program. The 3 year plan includes cumulative cost and scope/schedule targets.	Up to \$25.3 for FY13-14	\$ 22.1	\$ 11.1	Deliver 100% of workplan	Deliver 71% of workplan

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Major Capital Projects ¹ - End-of-Project Target Performance					Q2 2014	
Project	Description	Direct Capital \$M ²			In-Service Date	
		Target	Forecast	Actual ³	Target	Forecast
Transmission - continued						
#JC Microwave Upgrade	Complete the digital conversion for the upper part of the #JC communications ring.	\$ 13.5	\$ 13.5	\$ 1.6	9/1/18	9/1/18
Operational Multi-Gigabit Ethernet Transport (OMET)	Communications upgrade and replacement to ensure adequate capacity and compatibility for emerging requirements.	\$ 43.5	\$ 43.5	\$ 5.5	3/30/17	3/30/17
McNary Substation - Additional 500 kV Transformer	Install an additional transformer bank to handle increased loading.	\$ 20.2	\$ 20.2	\$ 0.0	5/30/17	12/31/17
Umatilla Electric Cooperative (UEC) Line and Load Requests	Construct Longhorn Substation Annex and add three bays at McNary Substation.	\$ 40.6	\$ 40.6	\$ 7.9	9/3/15	11/1/15
Paul Substation Shunt Reactor Addition	Install an additional reactor in the Portland area for voltage control.	\$ 9.5	\$ 9.5	\$ 0.0	4/30/16	4/30/16
Raver Substation - Replace Reactor	Replace the failed 180 MVAR reactor with a 300 MVAR unit.	\$ 7.2	\$ 6.0	\$ 0.3	6/30/15	9/30/15
Control House Upgrades	Expand or replace ten substation control houses to replacing failing or inadequate units.	\$ 13.3	\$ 13.3	\$ 0.0	6/15/16	6/16/16

Federal Hydro						
Grand Coulee and Hungry Horse SCADA Replacement	Replace SCADA systems at Grand Coulee and Hungry Horse.	\$ 46.8	\$ 76.3	\$ 36.9	9/30/15	9/30/20
Grand Coulee Left Powerhouse Transformer Replacement	Replace transformer banks K1, K5, K7, K8 and purchase one spare transformer bank.	\$ 15.7	\$ 15.7	\$ 12.3	10/31/14	10/31/14
Grand Coulee 500kV Switchyard Relay Replacement	Replace relays and transfer trip between the third power plant and 500kV switchyard and between the 230kV and 500kV switchyards.	\$ 7.6	\$ 9.6	\$ 5.7	9/30/14	12/31/14
Grand Coulee Pre Overhaul - Winding Replacement G19, G20	Replace the stator core and windings on units G19 and G20.	N/A ⁴	N/A ⁴	\$ 0.7	5/31/13	4/29/18
Grand Coulee Stator Windings, Cores and Spare G1-G18	Replace 14 stator cores and windings. G4,5,7,9 were previously replaced.	N/A ⁴	N/A ⁴	\$ -	12/2/23	12/2/23
Grand Coulee Exciter Replacements G1-G18	Replace the excitation equipment for all 18 units.	N/A ⁴	N/A ⁴	\$ -	12/2/23	12/2/23
Grand Coulee Governor Replacements G1-G18	Replace the governors and select associated equipment for all 18 units.	N/A ⁴	N/A ⁴	\$ -	12/2/23	12/2/23
Grand Coulee Transformer Replacements G11-G18	Replace 24 single-phase transformers in the Right Powerhouse.	N/A ⁴	N/A ⁴	\$ -	10/31/18	10/31/18
Grand Coulee - Keys Pump Generating Station - Reliability	Replacements and upgrades to maintain current station capability.	N/A ⁴	N/A ⁴	\$ -	9/30/24	9/30/24
Chief Joseph Turbine Runner Replacements Units 1 - 16	Replace the turbine runners and rehabilitate the turbines on units 1 - 16.	\$ 166.0	\$ 166.0	\$ 104.4	9/30/17	9/30/17
Chief Joseph Exciter Replacement	Replace excitation units (17 to 27) that have reached the end of their useful lives.	\$ 9.2	\$ 9.2	\$ 4.8	12/30/15	12/30/15
Chief Joseph Governor Replacement	Upgrade the 27 governors with digital controls and replace associated equipment.	N/A ⁴	N/A ⁴	\$ 1.8	8/19/17	8/19/17

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Major Capital Projects ¹ - End-of-Project Target Performance						Q2 2014	
Project	Description	Direct Capital \$M ²			In-Service Date		
		Target	Forecast	Actual ³	Target	Forecast	
Federal Hydro - continued							
The Dalles Powerhouse Governor Upgrade	Upgrade of the governors with digital controls and replacement of associated components.	\$ 21.8	\$ 21.8	\$ 13.1	9/30/14	9/30/14	
McNary Main Unit 1-4, 7-12 Stator Winding Replacement	Replace stator windings that are over 50 years old.	\$ 80.0	\$ 80.0	\$ 66.0	12/31/14	4/1/15	
McNary Governor Replacement	Upgrade the 14 governors in the McNary powerhouse with digital controls.	N/A ⁴	N/A ⁴	\$ 1.2	1/29/18	1/29/18	
McNary 4160/480V Station Service Upgrade	Replace and upgrade the station service distribution system.	N/A ⁴	N/A ⁴	\$ 3.3	12/3/18	12/3/18	
John Day Governor Upgrade	Upgrade of the governors with digital controls and replacement of associated components.	N/A ⁴	N/A ⁴	\$ 1.8	10/23/14	10/26/16	
John Day Turbine Hub Upgrades	Rebuild and upgrade up to five turbine runner hubs. Four additional hubs may be rebuilt under a future amendment to this project.	\$ 39.3	\$ 39.3	\$ 0.3	12/31/18	12/31/18	
Ice Harbor Turbine Runner Replacement	Replace poor condition turbine runners in units 1, 2 & 3 with a more fish-friendly design.	\$ 97.0	\$ 97.0	\$ 10.8	10/1/18	10/1/18	
Lower Snake Exciter Replacement	Replace 6 exciters at Little Goose, 3 at Lower Monumental and 3 at Lower Granite.	\$ 12.9	\$ 12.9	\$ 10.7	2/27/13	5/30/14	
Lower Monumental U1 Linkage Refurbishment	Refurbish turbine linkage and rewind generator.	N/A ⁴	N/A ⁴	\$ 1.7	3/1/16	3/1/16	
Hungry Horse Station Service Replacement	Replace station service switchgear distribution board/feeder cables and upgrade relay protection/metering.	N/A ⁴	N/A ⁴	\$ 0.5	1/31/15	11/30/15	
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	\$ 6.5	8/12/14	3/31/15	
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 ⁴	N/A ⁴	\$ 4.9	12/31/14	12/31/18	
Palisades Turbine Rehabilitation and Runner Replacement	Replace the turbine runners and rehabilitate the turbines on the four Palisades units.	\$ 28.8	\$ 30.3	\$ 12.8	5/31/16	5/31/16	
Big Cliff Spillway Gate Rehabilitation	Rebuild the three tainter spillway gates at Big Cliff.	\$ 11.0	\$ 11.0	\$ 9.6	12/30/13	6/30/14	
IT							
Desktop Modernization Project	Deploy Windows 7, Office 2010 and end-user devices.	\$ 9.1	\$ 9.5	\$ 9.3	3/31/14	4/8/14	
IT Virtualization and Consolidation Project (IVC)	Replace and modernize server infrastructure for non-critical business systems.	\$ 21.8	\$ 24.3	\$ 14.8	9/30/14	7/21/15	
Columbia Vista Short Term Replacement (CV-STR)	Replace the current hydro modeling functionality and associated database tool.	\$ 7.1	\$ 9.0	\$ 2.1	9/25/15	9/25/15	
Facilities							
Eastside Alternate Operating Facility	Spokane-area facility for redundant transmission and power scheduling functions and alarm monitoring.	\$ 17.5	\$ 21.4	\$ 14.6	3/31/14	9/30/14	
Tri Cities Maintenance Headquarters and Franklin Yard	Construct Tri-Cities maintenance HQ, heat line for spare transformers and a spare parts yard at Franklin.	\$ 14.2	\$ 14.5	\$ 4.4	12/31/13	2/27/15	

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QBR Presentations Capital Investment Information

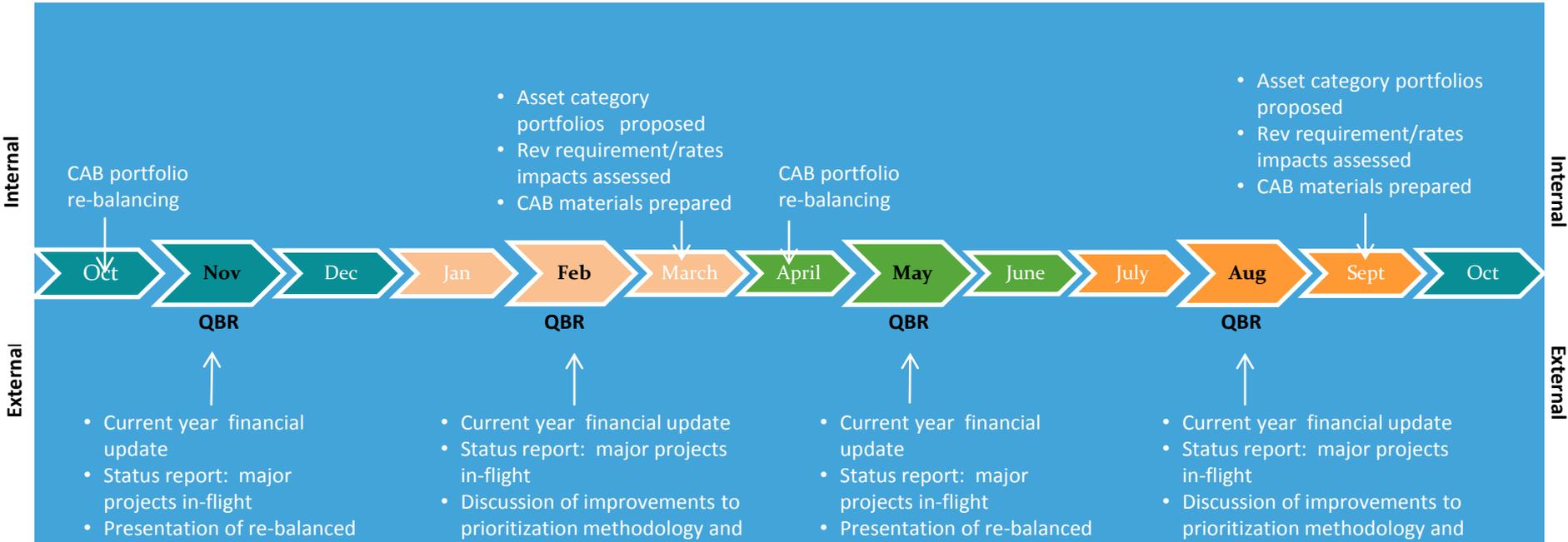
Objectives

- Objective: cyclical presentations of investment information that are –
 - Integrated, consistent, and logically sequenced
 - Readily understood by a diverse audience
 - Useful to stakeholders in providing high quality, timely recommendations for optimizing BPA's investment portfolio

- What we provide to stakeholders today through the QBR:
 - Quarterly updates on current year capital budgets and actual/projected spending
 - A rolling 6-month forecast of major capital projects that the Capital Allocation Board (CAB) will be considering for authorization
 - A synopsis of major capital projects that the CAB has authorized
 - A quarterly project status report for major capital projects that the CAB has authorized

- With advent of the prioritization process, we plan to provide additional information:
 - A synopsis of the investments considered by the CAB through the prioritization process
 - The estimated range of capital costs and net economic benefits for the investments, with any unquantified cost and benefit drivers identified
 - The funding curve and other, select decision support materials considered by the CAB when it re-balances the portfolio
 - A summary of strategic context and trade-offs considered by the CAB when it re-balances

QBR Sequence



- Continue to present actual current year expense and capital spending performance and updated current year forecasts (every QBR)
- Continue to post synopses of major projects immediately after they have been authorized by the CAB (every QBR)
- Continue to present quarterly status report on major capital projects (every QBR)
- Provide rolling 3- or 10-year forecast of capital spending (Nov and May QBRs)
- Present updated portfolio (Nov and May QBRs)
 - No formal, structured stakeholder comment process, but door is left wide open to stakeholders offering comments. Comments would be taken into account when the portfolio is re-balanced the next time
- Discuss methodological changes and other areas of stakeholder concern (Feb and Aug QBRs)

Ross Maintenance Headquarters Net Economic Benefits

Example of methodology that is being applied to help prioritize investments

Ross Maintenance Headquarters Investment

Problems with the status quo . . .

- Ross Transmission Field District Operations occupies space in multiple facilities distributed across the Ross Complex
- The facilities have a number of deficiencies: inadequate size, fire/life-safety deficiencies, uncovered parking, storage – requiring inefficient workarounds to accomplish the work
- The physical separation of crews is an impediment to effective communications, work planning and execution
- The separation of crews and facility constraints also increases average response time for emergency/unplanned work involving restoration of service
- The facilities need significant modernization and refurbishment work – work that cannot be done until the personnel are relocated

The Ross MHQ project will support five field crews and supporting resource personnel housed in a 16,700 square foot administrative building and 27,600 square foot High Bay shop. The project will be situated on a 12.5 acre parcel on the NW corner of the Ross Complex.

Timing and costs of the investment
 (2014 dollars in thousands)
 (AFUDC not included in capital costs)

Timing of investment				Range of investment costs (Direct Capital Costs)			Fiscal year flow of investment expenditures (Base) (Direct Capital Cost plus Overheads)						Cap/Exp Split	Economic Life of Assets		
Start	Complete			Low	Base	High	2014	2015	2016	2017	Post 2017	Total	% of investment that is expense	Low	Base	High
	Early	Base	Late													
Feb-16	May-17	Aug-17	Nov-17	\$13,992	\$15,547	\$17,102	\$0	\$0	\$11,660	\$7,774	\$0	\$19,434	5%	40	60	80

What drives the investment costs to be low or high?

Low Case: Facility development can proceed without substantial site development costs and minimal County street improvements for the new access point. High Case: Site development costs are higher than projected, Clark County requires substantial roadway improvements (street light, turn out lane, etc.), facilities costs are higher than base estimate.

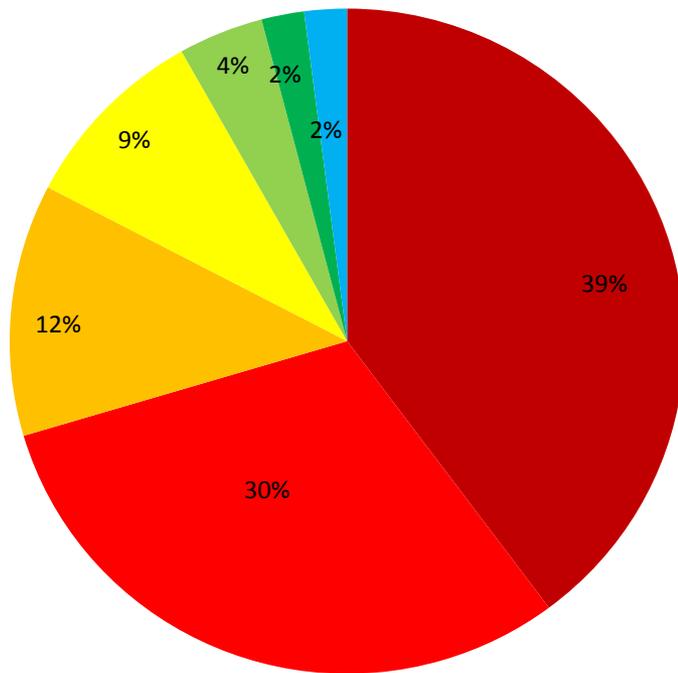
How will asset O&M costs change with this investment?

	Before Invest	After Invest	Change
Average annual first 10 years	\$2,261	\$1,437	-\$824
Present value:	\$9,706	\$6,144	-\$3,561

Ross Maintenance Headquarters Investment

Sources of value

PV of Benefits, Expected Values Based on 1,000 Simulation Runs



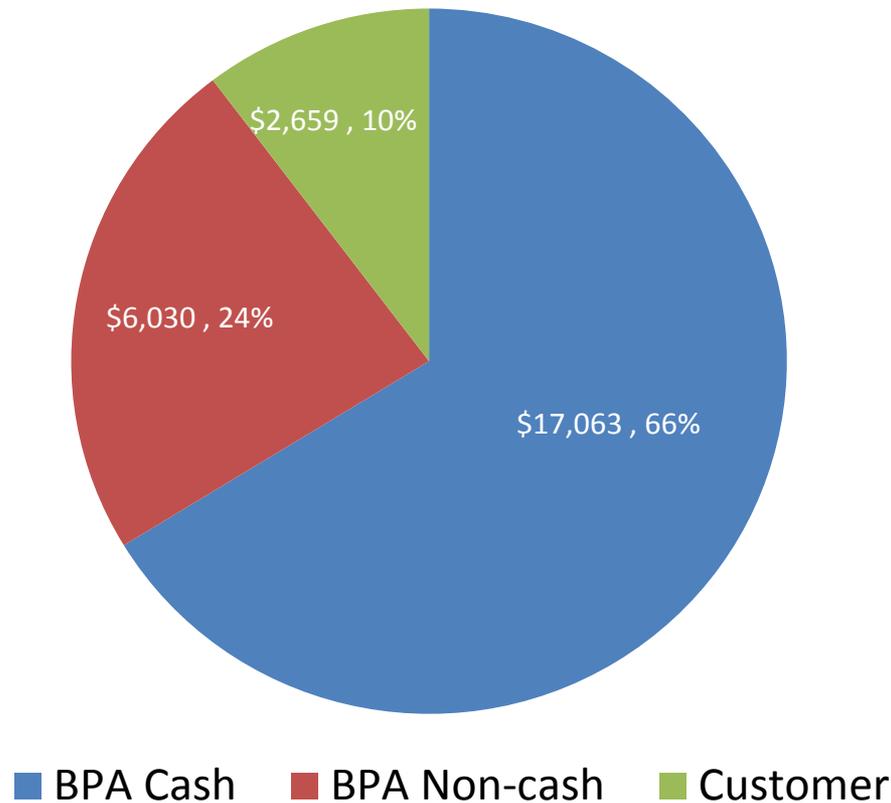
- Productivity Gains
- Value of Space Availability
- Ongoing Cost Savings
- Customer Benefit = Reduced Outage Duration
- Materials Mgm't & Vehicle Maint. Cost Reductions
- Value of Building Expansion Option
- Energy Savings

Benefit name	Benefit description
Productivity Gains	Reduced labor hours and costs to perform certain functions -- through co-location, alleviation of space constraints, improved work environment.
Value of Space Availability	Delta between value of space under the status quo and new facility space created. Values are expressed as equivalent lease rate.
Customer Benefit - Reduced Outage Duration	Reduced economic cost of outage to region from a Cascadia seismic event. Benefit is derived from moving TF crews out of seismically vulnerable buildings to modern facilities built to remain operational in a major earthquake.
Ongoing Cost Savings	Ongoing cost savings are the change in facility O&M and capital renewal (refurbishment, replacement and repair) costs.
Materials Management & Vehicle Maintenance Cost Reductions	Co-location benefit derived from consolidation of parts and equipment in one location. Additional materials management benefits achieved from improved centralized storage systems requiring less space.
Value of Building Expansion Option	Benefit of reduced future expansion costs due to site development, utility hookups and civil work absorbed by proposed investment.
Energy Savings	Lower energy consumption of high performance facility over the status quo, 70+ year old buildings.

Ross Maintenance Headquarters Investment

Who receives the value?

Who receives the benefits?
 Net Benefits, base values (Present Value, 2014 \$)



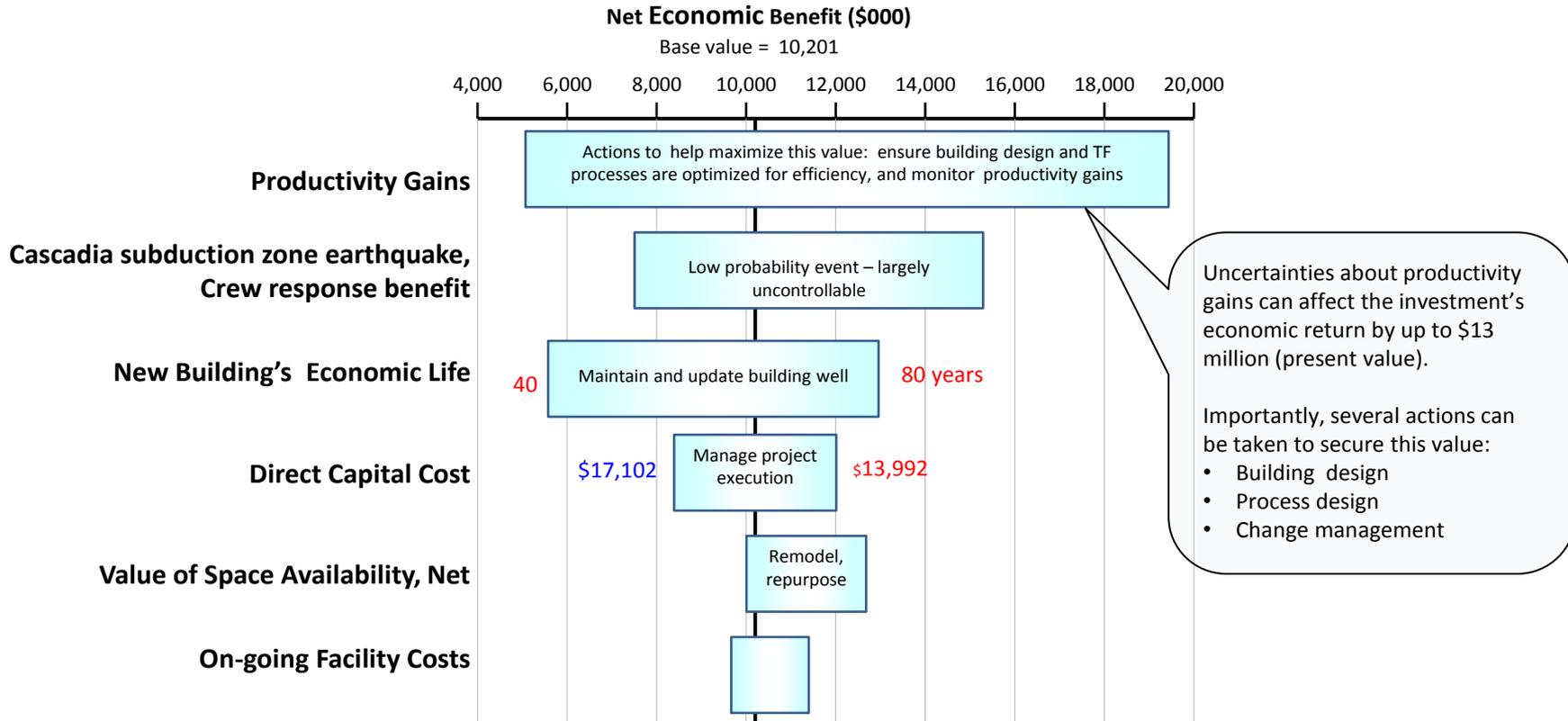
- BPA cash benefits are primarily avoided future costs due to investment in new facility
- Productivity gains are assumed to be 50% cash/ 50% non-cash
- Customers will benefit through improved response time to unplanned outages, earlier restoration, and improved reliability

Ross Maintenance Headquarters Investment

Key value uncertainties

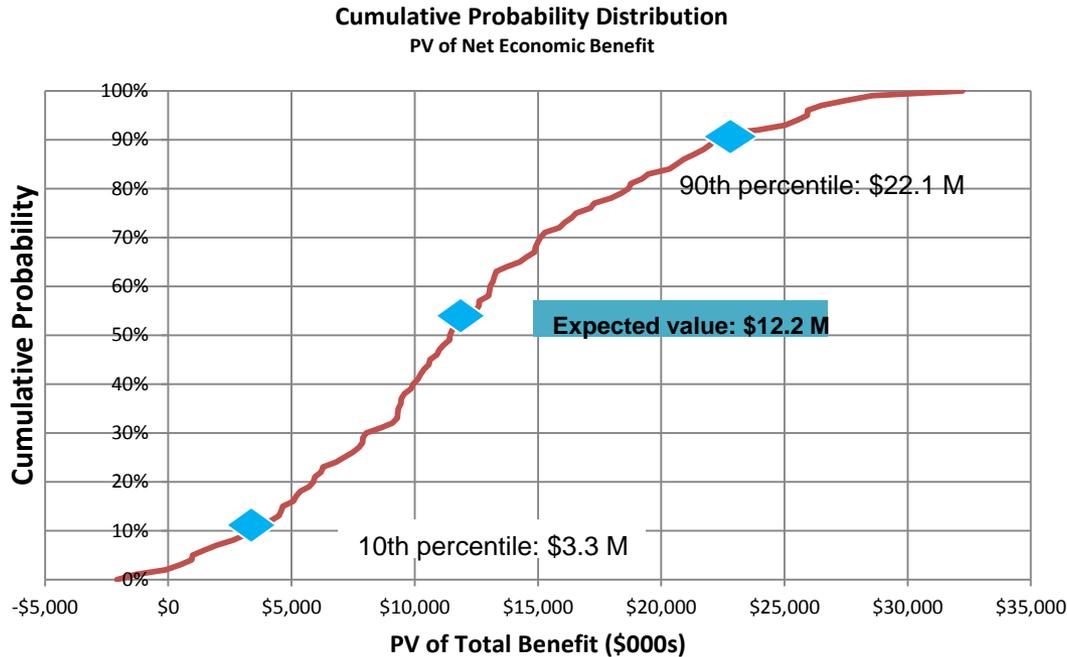
This tornado chart shows the input variables that impact net economic benefits, in rank order of uncertainty

Management attention should be given to the highest-ranked variables – that’s where the payoff would be greatest



Ross Maintenance Headquarters Investment

Net economic value



- This chart provides insights on the riskiness of investing in this project
- There is a 10% chance that this project will yield a net economic benefit of \$3.3 million or less, and a 10% chance that it will yield \$22.1 million or more
- There is a 2% chance that this project will yield a negative return. There is a very low probability that the benefits of this project would not fully recover the costs.

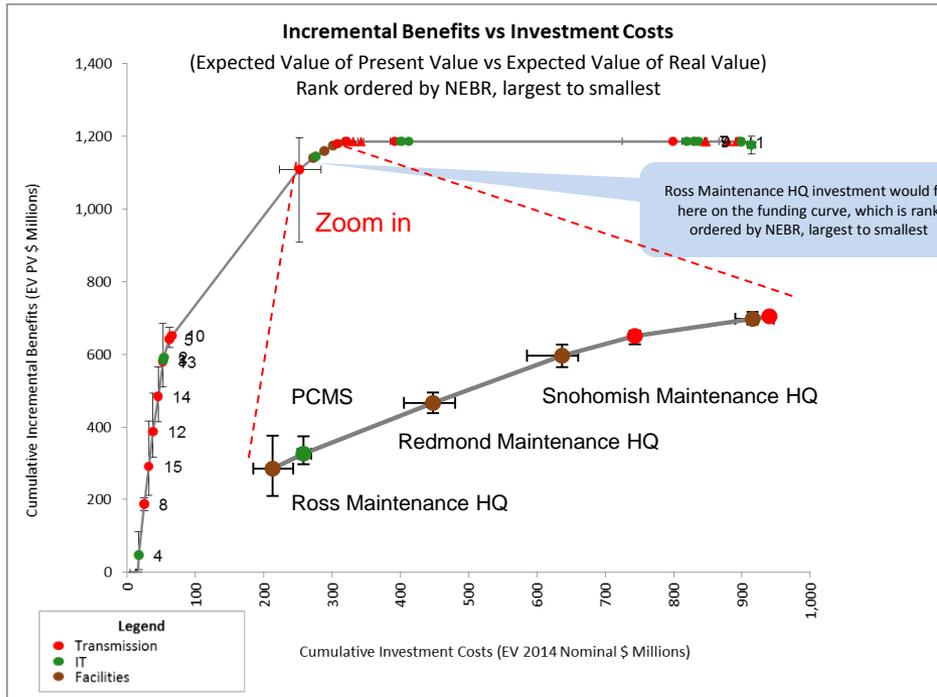
PV of Economic Benefit (EV)
= \$27.6 M

PV of Ongoing Costs (EV)
= (\$3.7 M)

PV of Upfront Investment (EV)
= \$19.0 M

Net Economic Benefit Ratio: 0.64
For every dollar invested there is a net economic return of about \$0.64

Prioritized Expansion Portfolio Funding Curve (40 Investment Nominations plus Ross Maintenance HQ Investment)



Investment Name	Net Economic Benefit Ratio	Cumulative Investment Costs (\$ Millions)	Cumulative Incremental Benefits (\$ Millions)
FC9_InvestID	FC9_Sort	FC9_X	FC9_Y
DeMoss-Fossil Shunt Reactive Project	-1.0	7.2	0.0
FY15 - FY17 PMUs	-1.0	14.1	-0.1
Transmission Aggregated Compliance Sub Upgrades LT \$3M	-1.0	15.4	-0.1
Transmission Aggregated CC Compliance projects LT \$3M	-1.1	16.2	-0.2
ITSM - CRM Project	76.5	16.8	47.8
Walla Walla Reinforcement (Tucannon River-Hatwai 115kV)	18.1	25.2	187.8
Spare Transformers at Wind Sites - Slatt Substation	16.8	31.6	291.9
Spare Transformers at Wind Sites - Central Ferry Substation	15.7	38.0	387.1
Spare Transformers at Wind Sites - Rock Creek Substation	13.0	45.3	484.0
Spare Transformers at Wind Sites - John Day Substation	12.8	52.4	579.3
ITSM-CMS Project	8.8	53.0	584.6
ITSM - CMDB/AIM/VETS	8.6	53.8	592.1
Monroe 500kV Line Retermination	5.7	61.9	641.6
O&M Flex Project - Carlton Substation Sectionalization Project	2.0	65.3	651.4
Montana-to-Washington Transmission System Upgrade Project -	1.6	252.2	1,109.0
Ross Headquarters Maintenance Building	0.6	272.7	1,140.2
Power Constraint Management System (PCMS)	0.5	275.7	1,144.7
Redmond MHQ Addition and Building Upgrade	0.3	288.3	1,160.0
Snohomish MHQ Upgrade	-0.2	300.9	1,174.2
Southern Idaho Communication Upgrade	-0.1	308.0	1,180.2
Lewiston MHQ Facility	-0.5	319.6	1,185.4
L0322 Klondike-Blalock Reinforcement Mobile Transformer	-0.5	321.2	1,186.1
Monroe 500kV Reactor	-1.0	331.0	1,186.2
G0105/G0432 enXco's Desert Claim Wind Project	-1.0	342.2	1,186.2
Garrison East Transmission Project	-1.0	391.4	1,186.2
Business Enterprise Services Strategy (BESS) initiatives	-1.0	399.9	1,186.2
Business Intelligence Competency Center (BICC)	-1.0	402.0	1,186.2
Billing Information System Upgrade	-1.0	412.4	1,186.2
Boardman to Hemingway	-1.0	799.0	1,186.2
Capability Upgrades for Planning and Operations in Power Servic	-1.0	818.9	1,186.2
EIM Potential Technology Enhancements	-1.0	829.3	1,186.2
ETC Scenario Analysis	-1.0	831.2	1,186.2
Transmission Asset Portfolio Management System	-1.0	836.2	1,186.2
Transmission Aggregated PFIA Projects LT \$3M	-1.0	845.9	1,186.2
Transmission Aggregated A & CS projects LT \$3M	-1.0	847.3	1,186.2
G0361 Invernergy's Heppner Wind Stanfield	-1.0	879.6	1,186.2
G0314 Interconnection of Thompson Falls Hydroelectric Project	-1.0	891.8	1,186.1
Sacajawea to Ice Harbor-Franklin 115kV #1 Line	-1.0	895.2	1,186.1
Structured Data Management (SDM)	-1.1	898.8	1,185.8
Business Systems Disaster Recovery	-1.6	913.6	1,177.1

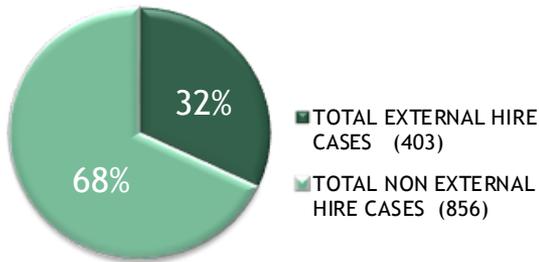
HCM Reconstruction Update

Brian Carter
Human Resources Officer

BPA Case Reconstruction

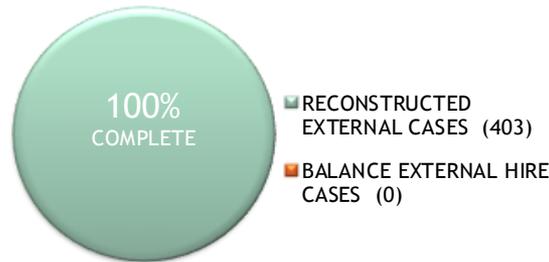
As of 7/3/14

1259 CASES TO RECONSTRUCT



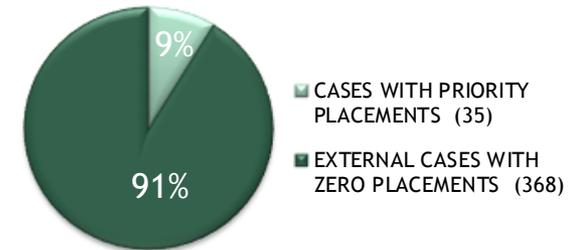
PRIORITY PLACEMENTS WILL COME FROM EXTERNAL HIRES ONLY

403 EXTERNAL CASES



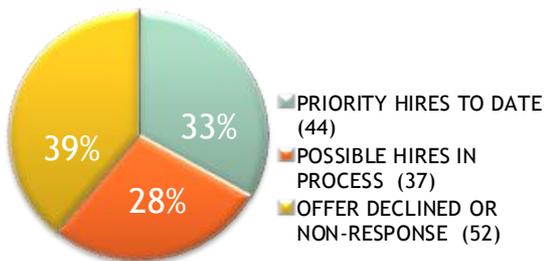
403 EXTERNAL HIRE CASES RECONSTRUCTED

COMPLETED EXTERNAL CASES WITH PLACEMENTS

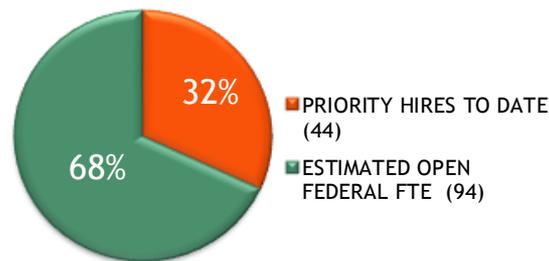


A CASE MAY RESULT IN MULTIPLE PLACEMENTS
35 CASES RESULTING IN 133 PLACEMENT OFFERS

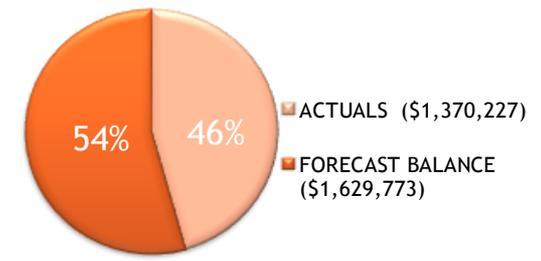
PLACEMENTS TO DATE



UNFILLED FTE ALLOCATIONS



HCM RECOVERY EXPENDITURES FORECAST \$3,000,000



EXPENSE DOLLARS ARE AS OF 5/31/14

Appendix 1

Report ID: 0020FY14 **FCRPS Summary Statement of Revenues and Expenses** Run Date/Run Time: July 17,2014/ 04:20
 Requesting BL: CORPORATE BUSINESS UNIT Through the Month Ended June 30, 2014 Data Source: EPM Data Warehouse
 Unit of measure: \$ Thousands Preliminary/ Unaudited % of Year Elapsed = 75%

	FY 2013		FY 2014			FY 2014
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
	A	B	C	D	E <Note 1	F
Operating Revenues						
1 Gross Sales (excluding bookout adjustment) <Note 3	\$ 2,504,095	\$ 3,242,157	\$ 3,315,215	\$ 3,335,808	\$ 3,505,733	\$ 2,681,754
2 Bookout adjustment to Sales	(58,870)	(66,587)	-	-	(36,280)	(36,280)
3 Miscellaneous Revenues	52,447	82,019	64,039	70,174	58,482	46,268
4 U.S. Treasury Credits	70,523	88,692	101,773	101,773	113,976	94,264
5 Total Operating Revenues	2,568,195	3,346,281	3,481,026	3,507,754	3,641,910	2,786,005
Operating Expenses						
Power System Generation Resources						
Operating Generation Resources						
6 Columbia Generating Station	260,560	330,066	298,751	300,514	298,238	208,142
7 Bureau of Reclamation	88,203	140,601	140,601	140,601	140,601	93,809
8 Corps of Engineers	151,555	208,096	225,687	225,687	225,687	159,110
9 Long-term Contract Generating Projects	16,655	22,518	25,999	25,284	21,759	14,340
10 Operating Generation Settlement Payment	16,770	22,122	21,405	21,405	19,726	13,748
11 Non-Operating Generation	1,695	(25,878)	2,206	2,400	475	44
12 Gross Contracted Power Purchases and Augmentation Power Purch	185,384	220,987	76,915	95,444	204,591	198,280
13 Bookout Adjustment to Power Purchases	(58,870)	(66,587)	-	-	(36,280)	(36,280)
14 Exchanges & Settlements <Note 3	159,241	201,933	201,919	201,919	201,919	159,484
15 Renewables	24,623	30,057	39,692	39,701	36,824	27,332
16 Generation Conservation	24,157	36,078	48,408	55,760	38,664	25,063
17 Subtotal Power System Generation Resources	869,973	1,106,508	1,081,583	1,108,715	1,152,204	863,071
18 Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 2	39,599	53,113	57,718	57,153	57,287	41,780
19 Power Services Non-Generation Operations	55,142	79,254	92,111	89,850	78,926	52,812
20 Transmission Operations	85,264	114,942	140,729	137,877	136,714	93,890
21 Transmission Maintenance	102,586	146,933	154,233	154,348	149,546	100,941
22 Transmission Engineering	29,082	45,876	41,638	41,627	44,368	36,193
23 Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 2	8,852	13,118	10,096	15,636	14,344	11,070
24 Transmission Reimbursables	12,375	15,401	10,530	10,333	8,822	9,073
25 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	199,379	277,237	294,128	294,191	294,191	199,270
BPA Internal Support						
26 Additional Post-Retirement Contribution	26,730	35,641	37,002	37,002	37,002	27,752
27 Agency Services G&A	81,448	111,976	115,029	122,065	117,654	87,516
28 Other Income, Expenses & Adjustments	1,120	(1,851)	-	-	1,606	1,584
29 Non-Federal Debt Service	539,994	733,313	727,667	731,172	409,633	256,243
30 Depreciation & Amortization	315,705	429,716	421,763	436,385	443,510	329,795
31 Total Operating Expenses	2,367,249	3,161,176	3,184,228	3,236,356	2,945,807	2,110,990
32 Net Operating Revenues (Expenses)	200,946	185,106	296,798	271,398	696,103	675,015
Interest Expense and (Income)						
33 Interest Expense	261,470	356,337	404,637	393,960	332,254	240,337
34 AFUDC	(32,905)	(37,529)	(47,645)	(44,100)	(50,400)	(36,919)
35 Interest Income	(20,639)	(28,937)	(25,492)	(24,815)	(23,900)	(16,457)
36 Net Interest Expense (Income)	207,925	289,871	331,499	325,045	257,954	186,960
37 Net Revenues (Expenses)	\$ (6,979)	\$ (104,765)	\$ (34,701)	\$ (53,647)	\$ 438,148	\$ 488,054

- <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 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.
- <3 The Residential Exchange Program expenses reflect the Scheduled Amount of REP benefits payments established in the 2012 REP Settlement Agreement. The Scheduled Amount of REP benefit payments incorporates a \$76,537,617 reduction in REP benefits to provide Refund Amount payments to COUs. The Refund Amount returned to the COUs is reflected through a reduction in the Gross Sales amount.

Report ID: 0060FY14	Power Services Detailed Statement of Revenues and Expenses	Run Date/Time: July 17, 2014 04:21
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended June 30, 2014	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Elapsed = 75%

	A	B	C	D <Note 1	E	F
	FY 2013	FY 2014			FY 2014	FY 2014
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
Operating Revenues						
1	Gross Sales (excluding bookout adjustment) <Note 2	\$ 2,438,468	\$ 2,434,517	\$ 2,450,598	\$ 2,606,165	\$ 2,005,458 77%
2	Bookout Adjustment to Sales	(66,587)	-	-	(36,280)	(36,280) 100%
3	Miscellaneous Revenues	28,013	29,689	35,816	25,885	18,552 72%
4	Inter-Business Unit	143,689	117,696	128,405	141,018	106,576 76%
5	U.S. Treasury Credits	88,692	101,773	101,773	113,976	94,264 83%
6	Total Operating Revenues	2,632,274	2,683,675	2,716,591	2,850,764	2,188,570 77%
Operating Expenses						
Power System Generation Resources						
Operating Generation						
7	COLUMBIA GENERATING STATION	330,066	298,751	300,514	298,238	208,142 70%
8	BUREAU OF RECLAMATION	127,116	140,601	140,601	140,601	93,809 67%
9	CORPS OF ENGINEERS	208,096	225,687	225,687	225,687	159,110 71%
10	LONG-TERM CONTRACT GENERATING PROJECTS	22,518	25,999	25,284	21,759	14,340 66%
11	Sub-Total	687,796	691,038	692,086	686,285	475,401 69%
Operating Generation Settlements and Other Payments						
12	COLVILLE GENERATION SETTLEMENT	22,122	21,405	21,405	19,726	13,748 70%
13	Sub-Total	22,122	21,405	21,405	19,726	13,748 70%
Non-Operating Generation						
14	TROJAN DECOMMISSIONING	(26,485)	1,500	2,000	1,300	949 73%
15	WNP-1&4 O&M	607	706	400	(825)	(905) 110%
16	Sub-Total	(25,878)	2,206	2,400	475	44 9%
Gross Contracted Power Purchases (excluding bookout adjustments)						
17	PNCA HEADWATER BENEFITS	3,404	2,957	2,957	2,800	2,141 76%
18	PURCHASES FOR SERVICE AT TIER 2 RATES	23,382	5,296	5,296	4,956	3,676 74%
19	OTHER POWER PURCHASES - (e.g. Short-Term)	194,201	62,464	87,191	196,835	192,463 98%
20	Sub-Total	220,987	70,718	95,444	204,591	198,280 97%
21	Bookout Adjustments to Contracted Power Purchases	(66,587)	-	-	(36,280)	(36,280) 100%
Augmentation Power Purchases						
22	AUGMENTATION POWER PURCHASES	-	6,198	-	-	- 0%
23	Sub-Total	-	6,198	-	-	- 0%
Exchanges & Settlements						
24	RESIDENTIAL EXCHANGE PROGRAM <Note 2	201,933	201,919	201,919	201,919	159,484 79%
25	Sub-Total	201,933	201,919	201,919	201,919	159,484 79%
Renewable Generation						
26	RENEWABLE CONSERVATION RATE CREDIT	-	-	-	-	- 0%
27	RENEWABLES	30,463	39,799	39,807	36,824	27,359 74%
28	Sub-Total	\$ 30,463	\$ 39,799	\$ 39,807	\$ 36,824	\$ 27,359 74%

Report ID: 0060FY14 **Power Services Detailed Statement of Revenues and Expenses** Run Date\Time: July 17, 2014 04:21
 Requesting BL: POWER BUSINESS UNIT Through the Month Ended June 30, 2014 Data Source: EPM Data Warehouse
 Unit of Measure: \$ Thousands Preliminary/ Unaudited % of Year Elapsed = 75%

	A	B	C	D -Note 1	E	F
	FY 2013	FY 2014			FY 2014	FY 2014
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
Generation Conservation						
29 DSM TECHNOLOGY	\$ 1	\$ -	\$ -	\$ -	\$ -	0%
30 CONSERVATION ACQUISITION	10,394	16,444	16,444	12,993	7,390	57%
31 LOW INCOME ENERGY EFFICIENCY	5,025	5,155	5,155	5,155	3,109	60%
32 REIMBURSABLE ENERGY EFFICIENCY DEVELOPMENT	5,368	11,859	17,986	5,567	3,608	65%
33 LEGACY	773	1,031	1,031	717	588	82%
34 MARKET TRANSFORMATION	14,517	13,919	15,144	14,232	10,368	73%
35 CONSERVATION RATE CREDIT (CRC)	-	-	-	-	-	0%
36 Sub-Total	36,078	48,408	55,760	38,664	25,063	65%
37 Power System Generation Sub-Total	1,106,913	1,081,689	1,108,822	1,152,204	863,098	75%
Power Non-Generation Operations						
Power Services System Operations						
38 INFORMATION TECHNOLOGY	5,881	6,602	4,438	5,079	3,149	62%
39 GENERATION PROJECT COORDINATION	7,423	7,126	7,202	5,486	3,277	60%
40 SLICE IMPLEMENTATION	854	1,099	1,043	1,043	698	67%
41 Sub-Total	14,158	14,827	12,683	11,607	7,123	61%
Power Services Scheduling						
42 OPERATIONS SCHEDULING	8,426	10,398	9,828	8,136	6,119	75%
43 OPERATIONS PLANNING	6,444	7,641	7,398	6,726	4,585	68%
44 Sub-Total	14,871	18,039	17,225	14,861	10,704	72%
Power Services Marketing and Business Support						
45 POWER R&D	6,186	5,816	5,817	4,904	3,661	75%
46 SALES & SUPPORT	18,822	20,951	21,385	19,650	14,154	72%
47 STRATEGY, FINANCE & RISK MGMT	13,559	19,263	20,079	16,373	8,553	52%
48 EXECUTIVE AND ADMINISTRATIVE SERVICES	3,804	4,166	3,689	3,768	2,547	68%
49 CONSERVATION SUPPORT	7,902	9,094	9,101	7,762	6,093	79%
50 Sub-Total	50,273	59,290	60,072	52,457	35,009	67%
51 Power Non-Generation Operations Sub-Total	79,302	92,156	89,980	78,926	52,836	67%
Power Services Transmission Acquisition and Ancillary Services						
PBL Transmission Acquisition and Ancillary Services						
52 POWER SERVICES TRANSMISSION & ANCILLARY SERVICES	99,295	95,716	95,716	103,547	79,920	77%
53 3RD PARTY GTA WHEELING	51,244	55,533	54,533	54,533	39,575	73%
54 POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS	1,869	2,288	2,755	2,755	2,205	80%
55 GENERATION INTEGRATION / WIT-TS	9,941	11,256	11,256	11,256	8,179	73%
56 TELEMETERING/EQUIP REPLACEMT	1	52	52	-	-	0%
57 Power Svcs Trans Acquisition and Ancillary Services Sub-Tota	162,351	164,845	164,311	172,090	129,879	75%
Fish and Wildlife/USF&W/Planning Council/Environmental Req						
BPA Fish and Wildlife						
58 Fish & Wildlife	238,984	254,000	254,000	254,000	175,088	69%
59 USF&W Lower Snake Hatcheries	28,700	30,670	30,670	30,670	17,276	56%
60 Planning Council	10,118	10,568	10,568	10,568	7,227	68%
61 Fish and Wildlife/USF&W/Planning Council Sub-Total	\$ 277,802	\$ 295,238	\$ 295,238	\$ 295,238	\$ 199,591	68%

Report ID: 0060FY14

Power Services Detailed Statement of Revenues and Expenses

Run Date\Time: July 17, 2014 04:21

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended June 30, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 75%

	A	B	C	D <small><Note 1</small>	E	F
	FY 2013	FY 2014			FY 2014	FY 2014
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
BPA Internal Support						
62 Additional Post-Retirement Contribution	\$ 17,820	\$ 18,501	\$ 18,501	\$ 18,501	\$ 13,876	75%
63 Agency Services G&A (excludes direct project support)	52,108	55,102	59,353	56,101	40,396	72%
64 BPA Internal Support Sub-Total	69,928	73,603	77,854	74,602	54,272	73%
65 Bad Debt Expense	12	-	-	0	0	100%
66 Other Income, Expenses, Adjustments	(139)	-	-	645	645	100%
Non-Federal Debt Service						
Energy Northwest Debt Service						
67 COLUMBIA GENERATING STATION DEBT SVC	96,935	89,776	90,561	89,927	62,233	69%
68 WNP-1 DEBT SVC	234,847	248,237	247,882	12,434	(20,041)	-261%
69 WNP-3 DEBT SVC	170,737	165,601	165,800	80,470	43,941	55%
70 Sub-Total	502,518	503,614	504,243	182,831	86,134	47%
Non-Energy Northwest Debt Service						
71 CONSERVATION DEBT SVC	2,617	2,418	2,511	2,511	1,891	75%
72 COWLITZ FALLS DEBT SVC	11,474	6,885	7,298	7,298	5,474	75%
73 NORTHERN WASCO DEBT SVC	1,926	1,931	1,931	1,931	1,448	75%
74 Sub-Total	16,018	11,234	11,740	11,740	8,813	75%
75 Non-Federal Debt Service Sub-Total	518,536	514,848	515,983	194,571	94,947	49%
76 Depreciation	130,353	126,508	132,000	134,000	99,355	74%
77 Amortization	92,819	97,940	95,870	95,870	71,752	75%
78 Total Operating Expenses	2,437,878	2,446,827	2,480,057	2,198,145	1,566,374	71%
79 Net Operating Revenues (Expenses)	194,397	236,849	236,534	652,618	622,196	95%
Interest Expense and (Income)						
80 Federal Appropriation	218,164	222,306	224,296	221,100	165,839	75%
81 Capitalization Adjustment	(45,937)	(45,937)	(45,937)	(45,937)	(34,453)	75%
82 Borrowings from US Treasury	55,698	63,653	61,958	30,383	17,812	59%
83 Customer Prepaid Power Purchases	7,653	14,775	14,775	14,865	11,149	75%
84 AFUDC	(10,674)	(11,168)	(11,900)	(12,000)	(7,691)	64%
85 Interest Income	(15,444)	(15,845)	(13,894)	(14,797)	(10,288)	70%
86 Net Interest Expense (Income)	209,460	227,784	229,298	193,614	142,368	74%
87 Total Expenses	2,647,338	2,674,610	2,709,355	2,391,759	1,708,742	71%
88 Net Revenues (Expenses)	\$ (15,064)	\$ 9,065	\$ 7,236	\$ 459,004	\$ 479,827	105%

<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 The Residential Exchange Program expenses reflect the Scheduled Amount of REP benefits payments established in the 2012 REP Settlement Agreement. The Scheduled Amount of REP benefit payments incorporates a \$76,537,617 reduction in REP benefits to provide Refund Amount payments to COUs. The Refund Amount returned to the COUs is reflected through a reduction in the Gross Sales amount.

Report ID: 0061FY14

Transmission Services Detailed Statement of Revenues and Expenses

Run Date/Time: July 17, 2014 04:22

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended June 30, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 75%

	A	B	C	D -Note 1	E	F
	FY 2013	FY 2014			FY 2014	FY 2014
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
Operating Revenues						
Sales						
Network						
1 Network Integration	\$ 122,700	\$ 127,650	\$ 127,650	\$ 132,119	\$ 101,871	77%
2 Other Network	379,306	445,882	442,896	439,321	330,697	75%
3 Intertie	78,774	71,048	71,143	70,523	53,135	75%
4 Other Direct Sales	222,910	236,117	243,521	257,605	190,592	74%
5 Miscellaneous Revenues	54,007	34,349	34,357	32,597	27,716	85%
6 Inter-Business Unit Revenues	122,177	111,560	108,273	116,212	88,493	76%
7 Total Operating Revenues	979,873	1,026,607	1,027,840	1,048,376	792,505	76%
Operating Expenses						
Transmission Operations						
System Operations						
8 INFORMATION TECHNOLOGY	9,115	7,415	4,661	11,901	9,874	83%
9 POWER SYSTEM DISPATCHING	12,155	13,589	13,589	13,361	9,115	68%
10 CONTROL CENTER SUPPORT	14,062	18,562	18,562	17,806	12,716	71%
11 TECHNICAL OPERATIONS	4,410	6,745	6,745	6,545	4,444	68%
12 SUBSTATION OPERATIONS	21,750	22,307	22,307	22,314	16,802	75%
13 Sub-Total	61,490	68,618	65,864	71,927	52,950	74%
Scheduling						
14 RESERVATIONS	4,160	5,697	5,697	1,389	717	52%
15 PRE-SCHEDULING	240	246	246	246	233	95%
16 REAL-TIME SCHEDULING	3,879	5,436	5,436	4,436	2,997	68%
17 SCHEDULING TECHNICAL SUPPORT	432	1,007	1,007	4,436	3,077	69%
18 SCHEDULING AFTER-THE-FACT	236	224	224	224	182	81%
19 Sub-Total	8,948	12,611	12,611	10,731	7,207	67%
Marketing and Business Support						
20 TRANSMISSION SALES	2,509	2,994	2,994	2,621	1,837	70%
21 MKTG TRANSMISSION FINANCE	(6)	-	-	-	-	0%
22 MKTG CONTRACT MANAGEMENT	4,498	5,291	5,377	5,037	3,443	68%
23 MKTG TRANSMISSION BILLING	2,528	2,858	2,768	2,560	1,788	70%
24 MKTG BUSINESS STRAT & ASSESS	6,552	6,955	7,050	6,246	4,703	75%
25 Marketing Sub-Total	16,081	18,098	18,189	16,464	11,771	71%
26 EXECUTIVE AND ADMIN SERVICES	10,364	13,774	13,774	13,636	7,150	52%
27 LEGAL SUPPORT	2,240	3,877	3,730	3,233	1,872	58%
28 TRANS SERVICES INTERNAL GENERAL & ADMINISTRATIVE	9,199	15,743	15,743	13,384	8,276	62%
29 AIRCRAFT SERVICES	1,205	2,030	1,970	1,873	858	46%
30 LOGISTICS SERVICES	4,710	5,014	5,031	4,566	3,391	74%
31 SECURITY ENHANCEMENTS	705	966	966	899	414	46%
32 Business Support Sub-Total	28,423	41,402	41,214	37,591	21,962	58%
33 Transmission Operations Sub-Total	\$ 114,942	\$ 140,729	\$ 137,877	\$ 136,714	\$ 93,890	69%

Report ID: 0061FY14 **Transmission Services Detailed Statement of Revenues and Expenses** Run Date/Time: July 17, 2014 04:22
 Requesting BL: TRANSMISSION BUSINESS UNIT Through the Month Ended June 30, 2014 Data Source: EPM Data Warehouse
 Unit of Measure: \$ Thousands Preliminary/ Unaudited % of Year Elapsed = 75%

	A	B		C	D <small><Note 1</small>	E	F
	FY 2013	FY 2014			FY 2014	FY 2014	
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast	
Transmission Maintenance							
System Maintenance							
34	NON-ELECTRIC MAINTENANCE	\$ 25,204	\$ 27,303	\$ 27,246	\$ 21,295	\$ 13,040	61%
35	SUBSTATION MAINTENANCE	27,726	31,121	31,110	31,110	21,474	69%
36	TRANSMISSION LINE MAINTENANCE	26,572	26,139	26,360	26,614	19,044	72%
37	SYSTEM PROTECTION CONTROL MAINTENANCE	11,869	13,096	13,096	13,100	8,394	64%
38	POWER SYSTEM CONTROL MAINTENANCE	17,623	16,904	16,867	16,275	12,797	79%
39	JOINT COST MAINTENANCE	123	1	1	126	89	71%
40	SYSTEM MAINTENANCE MANAGEMENT	7,076	6,434	6,434	7,290	5,821	80%
41	ROW MAINTENANCE	7,298	8,428	8,428	9,021	4,491	50%
42	HEAVY MOBILE EQUIP MAINT	(125)		0	-	61	0%
43	TECHNICAL TRAINING	2,211	3,201	3,201	2,201	1,466	67%
44	VEGETATION MANAGEMENT	17,928	17,135	17,135	18,076	11,437	63%
45	Sub-Total	143,506	149,763	149,877	145,108	98,111	68%
Environmental Operations							
46	ENVIRONMENTAL ANALYSIS		83	83	3	2	50%
47	POLLUTION PREVENTION AND ABATEMENT	3,427	4,387	4,387	4,435	2,828	64%
48	Sub-Total	3,427	4,471	4,471	4,438	2,830	64%
49	Transmission Maintenance Sub-Total	146,933	154,233	154,348	149,546	100,941	67%
Transmission Engineering							
System Development							
50	RESEARCH & DEVELOPMENT	6,657	7,782	7,782	7,231	5,496	76%
51	TSD PLANNING AND ANALYSIS	16,060	14,013	14,013	16,720	16,702	100%
52	CAPITAL TO EXPENSE TRANSFER	7,068	4,124	4,124	4,124	2,269	55%
53	NERC / WECC COMPLIANCE	13,056	12,015	12,005	12,425	9,623	77%
54	ENVIRONMENTAL POLICY/PLANNING	1,241	1,166	1,164	1,329	998	75%
55	ENG RATING AND COMPLIANCE	1,794	2,539	2,539	2,539	1,105	44%
56	Sub-Total	45,876	41,638	41,627	44,368	36,193	82%
57	Transmission Engineering Sub-Total	45,876	41,638	41,627	44,368	36,193	82%
Trans. Services Transmission Acquisition and Ancillary Services							
BBL Acquisition and Ancillary Products and Services							
58	ANCILLARY SERVICES PAYMENTS	131,064	108,900	116,030	128,594	97,337	76%
59	OTHER PAYMENTS TO POWER SERVICES	9,364	9,506	9,601	9,602	7,202	75%
60	STATION SERVICES PAYMENTS	3,264	2,785	2,785	2,719	2,039	75%
61	Sub-Total	143,692	121,191	128,416	140,915	106,577	76%
Non-BBL Acquisition and Ancillary Products and Services							
62	LEASED FACILITIES	3,968	4,258	4,258	4,258	3,288	77%
63	GENERAL TRANSFER AGREEMENTS (SETTLEMENT)	5,569	516	516	1,916	1,441	75%
64	NON-BBL ANCILLARY SERVICES	3,417	4,285	9,825	8,170	6,217	76%
65	TRANSMISSION RENEWABLES	162	1,037	1,037	-	124	0%
66	Sub-Total	13,116	10,096	15,636	14,344	11,070	77%
67	Trans. Svcs. Acquisition and Ancillary Services Sub-Total	156,807	131,287	144,052	155,259	117,647	76%
Transmission Reimbursables							
Reimbursables							
68	EXTERNAL REIMBURSABLE SERVICES	24,835	8,273	8,076	6,579	7,476	114%
69	INTERNAL REIMBURSABLE SERVICES	2,390	2,256	2,256	2,243	1,597	71%
70	Sub-Total	27,225	10,530	10,333	8,822	9,073	103%
71	Transmission Reimbursables Sub-Total	\$ 27,225	\$ 10,530	\$ 10,333	\$ 8,822	\$ 9,073	103%

Report ID: 0061FY14

Transmission Services Detailed Statement of Revenues and Expenses

Run Date/Time: July 17, 2014 04:22

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended June 30, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 75%

	A	B	C	D <Note 1	E	F
	FY 2013	FY 2014			FY 2014	FY 2014
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
BPA Internal Support						
72	Additional Post-Retirement Contribution	\$ 17,820	\$ 18,501	\$ 18,501	\$ 18,501	75%
73	Agency Services G & A (excludes direct project support)	59,868	59,927	62,713	61,553	77%
74	BPA Internal Support Subtotal	77,689	78,428	81,214	80,054	76%
Other Income, Expenses, and Adjustments						
75	Bad Debt Expense	44	-	-	4	100%
76	Other Income, Expenses, Adjustments	(1,673)	-	-	957	100%
77	Undistributed Reduction	-	-	-	-	0%
78	Depreciation	204,848	195,154	206,615	211,615	74%
79	Amortization	1,697	2,162	1,900	2,025	75%
80	Total Operating Expenses	774,388	754,161	777,966	789,364	73%
81	Net Operating Revenues (Expenses)	205,486	272,446	249,874	259,012	83%
Interest Expense and (Income)						
82	Federal Appropriation	18,641	14,540	14,860	14,514	75%
83	Capitalization Adjustment	(18,968)	(18,968)	(18,968)	(18,968)	75%
84	Borrowings from US Treasury	81,801	110,143	94,446	69,589	70%
85	Debt Service Reassignment	53,671	44,124	44,475	44,348	75%
86	Customer Advances	7,962	9,104	8,870	7,648	76%
87	Lease Financing	31,323	31,103	39,660	39,060	74%
88	AFUDC	(26,855)	(36,477)	(32,200)	(38,400)	76%
89	Interest Income	(13,493)	(9,647)	(10,921)	(9,102)	68%
90	Net Interest Expense (Income)	134,082	143,923	140,222	108,689	72%
91	Total Expenses	908,469	898,084	918,188	898,053	73%
92	Net Revenues (Expenses)	\$ 71,404	\$128,523	\$109,652	\$150,323	91%

<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.

Report ID: 0067FY14
 Requesting BL: CORPORATE BUSINESS UNIT
 Unit of Measure: \$Thousands

BPA Statement of Capital Expenditures
 FYTD Through the Month Ended June 30, 2014
 Preliminary Unaudited

Run Date/Run Time: July 17, 2014/ 05:56
 Data Source: EPM Data Warehouse
 % of Year Elapsed = 75%

FY 2014		FY 2014		FY 2014	
SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast

Transmission Business Unit

MAIN GRID							
1	CENTRAL OREGON REINFORCEMENT	\$ 4,490	\$ 242	\$ 36	\$ 182	4%	75%
2	BIG EDDY-KNIGHT 500kv PROJECT	38,418	25,677	933	12,551	33%	49%
3	OLYMPIC PENINSULA REINFORCEMNT	19	(75)	-	(64)	-335%	84%
4	WEST OF MCNARY INTEGRATION PRO	116	28	-	23	20%	82%
5	I-5 CORRIDOR UPGRADE PROJECT	8,727	18,841	1,639	15,623	179%	83%
6	CENTRAL FERRY- LOWER MONUMNTAL	32,915	44,607	6,891	27,425	83%	61%
7	SEATTLE-PUDGET SOUND AREA	8,347	3,993	231	2,296	28%	57%
8	PORTLAND-VANCOUVER	3,288	7,179	654	6,007	183%	84%
9	WEST OF CASCADES NORTH	8,853	9,570	300	6,142	69%	64%
10	NORTHERN INTERTIE	-	29		3	0%	9%
11	SALEM- ALBANY-EUGENE AREA	8,291	369	(21)	250	3%	68%
12	TRI-CITIES AREA	5,312	6,366	48	6,966	131%	109%
13	MONTANA-WEST OF HATWAI	1,905	784	61	413	22%	53%
14	NERC CRITERIA COMPLIANCE	-	150	9	90	0%	60%
15	MISC. MAIN GRID PROJECTS	10,624	2,279	844	3,668	35%	161%
16	TOTAL MAIN GRID	131,305	120,039	11,625	81,576	62%	68%
AREA & CUSTOMER SERVICE							
17	ROGUE SVC ADDITION	1,728	1,304	62	1,597	92%	122%
18	CITY OF CENTRALIA PROJECT	15	84	1	6	38%	7%
19	SOUTHERN IDAHO - LOWER VALLEY	19,983	3,654	404	4,053	20%	111%
20	LONGVIEW AREA REINFORCEMENT	1,107	4,565	(935)	3,396	307%	74%
21	KALISPELL-FLATHEAD VALLEY	2,783	4,376	390	4,271	153%	98%
22	MISC. AREA & CUSTOMER SERVICE	1,518	258	58	59	4%	23%
23	TOTAL AREA & CUSTOMER SERVICE	\$ 27,133	\$ 14,243	\$ (21)	\$ 13,382	49%	94%

Report ID: 0067FY14

Requesting BL: CORPORATE BUSINESS UNIT

Unit of Measure: \$Thousands

BPA Statement of Capital Expenditures

FYTD Through the Month Ended June 30, 2014

Preliminary Unaudited

Run Date/Run Time: July 17, 2014/ 05:56

Data Source: EPM Data Warehouse

% of Year Elapsed = 75%

A		B		C		D		E		F	
FY 2014		FY 2014		FY 2014		FY 2014		FY 2014		FY 2014	
SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast	Actuals / SOY Budget	Actuals / Forecast	Actuals / SOY Budget	Actuals / Forecast	Actuals / SOY Budget	Actuals / Forecast

Transmission Business Unit (Continued)

Transmission Business Unit (Continued)											
SYSTEM REPLACEMENTS											
24	TEAP - TOOLS	\$ 1,504	\$ 1,072	\$ 77	\$ 6	0%	1%				
25	TEAP - EQUIPMENT	6,602	1,832	162	896	14%	49%				
26	SPC - SER	2,514	8,729	834	6,919	275%	79%				
27	SPC - DFRS	-	34	-	41	0%	123%				
28	SPC - METERING	1,686	1,168	110	1,014	60%	87%				
29	SPC - CONTROL AND INDICATION	1,265	1,407	211	1,110	88%	79%				
30	SPC - RELAYS	19,826	19,282	2,459	19,601	99%	102%				
31	PSC - TELEPHONE SYSTEMS	489	1,558	167	996	204%	64%				
32	PSC - TRANSFER TRIP	9,555	12,097	1,078	10,849	114%	90%				
33	PSC - FIN/OP NETWORKS	1,360	1,233	182	877	64%	71%				
34	PSC - TLECOM TRANSPORT	1,563	1,922	215	1,094	70%	57%				
35	PSC - SCADA/TELEMTRY/SUP CNTRL	3,457	1,815	127	1,460	42%	80%				
36	PSC- TELECOM SUPPORT EQUIPMENT	4,476	8,380	364	4,849	108%	58%				
37	SUB DC - SUSTAIN	2,571	1,922	8	1,660	65%	86%				
38	SUB AC- BUS & STRUCTURES	1,093	980	81	742	68%	76%				
39	SUB AC - LOW VOLTAGE AUX.	7,806	15,085	1,905	7,545	97%	50%				
40	SUB AC- SHUNT CAPACITORS	2,389	677	88	690	29%	102%				
41	SUB AC-CIRCUIT BRKR & SWTCH GR	16,861	23,580	1,679	15,554	92%	66%				
42	SUB AC - CVT/PT/CT & ARRESTERS	1,721	1,963	116	1,206	70%	61%				
43	SUB AC-TRANSFORMERS & REACTORS	2,686	5,228	559	4,827	180%	92%				
44	LINES STEEL - SUSTAIN	19,603	24,942	934	12,100	62%	49%				
45	LINES WOOD POLES - SUSTAIN	53,445	65,379	7,704	25,690	48%	39%				
46	SYSTEM TELECOM - SUSTAIN	31,422	33,008	2,957	23,965	76%	73%				
47	MISC. REPLACEMENT PROJECTS	-	(10,112)	75	(8,153)	0%	81%				
48	MISC FACILITIES- NON-ELECTRIC	40,079	44,422	4,346	33,274	83%	75%				
49	TOTAL SYSTEM REPLACEMENTS	\$ 233,973	\$ 267,604	\$ 26,439	\$ 168,813	72%	63%				

Report ID: 0067FY14
 Requesting BL: CORPORATE BUSINESS UNIT
 Unit of Measure: \$Thousands

BPA Statement of Capital Expenditures
 FYTD Through the Month Ended June 30, 2014
 Preliminary Unaudited

Run Date/Run Time: July 17, 2014/ 05:56
 Data Source: EPM Data Warehouse
 % of Year Elapsed = 75%

		FY 2014		FY 2014		FY 2014	
		SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast
Transmission Business Unit (Continued)							
UPGRADES & ADDITIONS							
50	IT PROJECTS	\$ 8,226	\$ 8,232	\$ (2,745)	\$ 1,534	19%	19%
51	SECURITY ENHANCEMENTS	4,428	2,705	82	1,436	32%	53%
52	LAND RIGHTS - ACCESS ROADS	4,995	16,377	1,598	10,440	209%	64%
53	LAND RIGHTS- VEG MITIGATION	879	1,525	11	264	30%	17%
54	LAND RIGHTS - TRIBAL RENEWALS	167	(259)	23	(212)	-127%	82%
55	ACCESS ROADS	25,722	17,797	1,657	7,443	29%	42%
56	SUB AC - UPGRADES & ADDITIONS	32,544	15,894	1,598	12,372	38%	78%
57	LINE SWITCH UPGRADES	506	-	-	-	0%	0%
58	LINE - UPGRADES & ADDITIONS	10,750	1,244	173	922	9%	74%
59	SUB DC - UPGRADES & ADDITIONS	102,442	97,742	19,260	53,431	52%	55%
60	CONTROL CENTERS-UPGRADE & ADD	1,757	2,476	72	1,856	106%	75%
61	CC SYSTEM & APPLICATION	4,214	5,294	341	3,854	91%	73%
62	CC INFRASTRUCTURE COMPONENTS	3,135	3,898	162	3,505	112%	90%
63	SYSTEM TELECOM - UPGRADE & ADD	13,466	14,498	1,016	12,444	92%	86%
64	MISC. UPGRADES AND ADDITIONS	43,317	12,617	2,856	9,803	23%	78%
65	TOTAL UPGRADES & ADDITIONS	256,548	200,040	26,103	119,091	46%	60%
ENVIRONMENT CAPITAL							
66	MISC. ENVIRONMENT PROJECTS	6,804	6,710	837	4,579	67%	68%
67	TOTAL ENVIRONMENT CAPITAL	6,804	6,710	837	4,579	67%	68%
68	CAPITAL DIRECT	655,762	608,635	64,984	387,440	59%	64%
PFIA							
69	MISC. PFIA PROJECTS	4,802	3,662	253	2,980	62%	81%
70	GENERATOR INTERCONNECTION	10,118	715	184	552	5%	77%
71	SPECTRUM RELOCATION	200	10	-	10	5%	96%
72	TOTAL PFIA	15,119	4,388	437	3,542	23%	81%
73	CAPITAL INDIRECT	()	-	(5,132)	(11,995)	0%	0%
74	LAPSE FACTOR	(33,158)	-	-	-	0%	0%
75	TOTAL Transmission Business Unit	\$ 637,724	\$ 613,023	\$ 60,289	\$ 378,987	59%	62%

Report ID: 0067FY14	BPA Statement of Capital Expenditures	Run Date/Run Time: July 17, 2014/ 05:56
Requesting BL: CORPORATE BUSINESS UNIT	FYTD Through the Month Ended June 30, 2014	Data Source: EPM Data Warehouse
Unit of Measure: \$Thousands	Preliminary Unaudited	% of Year Elapsed = 75%

		A	B	C	D	E	F
		FY 2014		FY 2014		FY 2014	
		SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast
Power Business Unit							
76	BUREAU OF RECLAMATION	\$ 78,181	\$ 44,320	\$ 1,221	\$ 27,881	36%	63%
77	CORPS OF ENGINEERS	159,461	146,863	11,204	89,439	56%	61%
78	GENERATION CONSERVATION	75,200	94,000	11,695	59,466	79%	63%
79	POWER INFORMATION TECHNOLOGY	9,726	7,470	424	4,608	47%	62%
80	FISH & WILDLIFE	60,275	50,000	1,526	15,749	26%	31%
81	LAPSE FACTOR	(11,882)	-	-	-	0%	0%
82	TOTAL Power Business Unit	370,961	342,653	26,069	197,144	53%	58%
Corporate Business Unit							
83	CORPORATE BUSINESS UNIT	30,060	25,071	1,423	13,564	45%	54%
84	TOTAL Corporate Business Unit	30,060	25,071	1,423	13,564	45%	54%
85	TOTAL BPA Capital Expenditures	\$ 1,038,745	\$ 980,747	\$ 87,781	\$ 589,695	57%	60%

Proposed Schedule for Slice True-Up Adjustment for Composite Cost Pool True-Up Table and Cost Verification Process

Dates	Agenda
August 5, 2014	Third Quarter Business Review Meeting with customers Slice True-Up Adjustment estimate for the Composite Cost Pool and review High Level explanation of variances between rate case forecast and Q3 forecast Q&A customers for any additional information of line items in the Slice True-Up Revisit any questions and data requests that were asked during Q2 as needed
October 2014	BPA External CPA firm conducting audit for fiscal year end
Mid-October 2014	Recording the End of Fiscal Year Slice True-Up Adjustment Accrual for the Composite Cost Pool in the financial system
End of October 2014	Final audited actual financial data is expected to be available
November 5, 2014	Fourth Quarter Business Review Meeting with customers Provide Slice True-Up Adjustment for the Composite Cost Pool (this is the number posted in the financial system and is expected to be the final number)

Proposed Schedule for Slice True-Up Adjustment for Composite Cost Pool True-Up Table and Cost Verification Process

November 17, 2014	Mail notification to Slice Customers of the Slice True-Up Adjustment for the Composite Cost Pool
November 19, 2014	BPA to post Composite Cost Pool True-Up Table containing actual values and the Slice True-Up Adjustment
December 11, 2014	Deadline for customers to submit questions about actual line items in the Composite Cost Pool True-Up Table with the Slice True-Up Adjustment for inclusion in the Agreed Upon Procedures (AUPs) Performed by BPA external CPA firm (customers have 15 business days following the posting of Composite Cost Pool Table containing actual values and the Slice True-Up Adjustment
December 19, 2014	BPA posts a draft list of AUP tasks to be performed (Attachment A does not specify an exact date)
January 6, 2014	Customer comments are due on the list of tasks (The deadline can not exceed 10 days from BPA posting)
January 13, 2014	BPA finalizes list of questions about actual lines items in the Composite Cost Pool True-Up Table for the AUPs
January 15, 2014	External auditor to begin the work on the AUP tasks requested by customers
March 17, 2014	External auditor to complete the AUPs (may have up to 120 calendar days)
March 24, 2014	Initial Cost Verification Workshop
April 14, 2014	Customer comment period deadline
April 21, 2014	Follow-up Cost Verification Workshop
May 12, 2014	BPA Draft Response on AUP Report and questions/items raised during workshops
End of May 2014	If customers do not deliver any notice of grievances that are vetted with a third party Neutral, BPA will issue a Final Response on the AUP Report

Composite Cost Pool True-Up Table

		Q3 (\$000)	FY 2014 Rate Case forecast (\$000)	Q3 - FY 2014 Rate Case Difference (\$000)	Q2 (\$000)
1	Operating Expenses				
2	Power System Generation Resources				
3	Operating Generation				
4	COLUMBIA GENERATING STATION (WNP-2)	\$ 298,238	\$ 298,751	\$ (513)	\$ 300,040
5	BUREAU OF RECLAMATION	\$ 140,601	\$ 140,601	\$ 0	\$ 140,601
6	CORPS OF ENGINEERS	\$ 225,687	\$ 225,687	\$ 0	\$ 225,687
7	LONG-TERM CONTRACT GENERATING PROJECTS	\$ 21,759	\$ 25,999	\$ (4,240)	\$ 21,760
8	Sub-Total	\$ 686,285	\$ 691,038	\$ (4,754)	\$ 688,088
9	Operating Generation Settlement Payment and Other Payments				
10	COLVILLE GENERATION SETTLEMENT	\$ 19,726	\$ 21,405	\$ (1,679)	\$ 19,726
11	SPOKANE LEGISLATION PAYMENT	\$ -	\$ -	\$ -	\$ -
12	Sub-Total	\$ 19,726	\$ 21,405	\$ (1,679)	\$ 19,726
13	Non-Operating Generation				
14	TROJAN DECOMMISSIONING	\$ 1,300	\$ 1,500	\$ (200)	\$ 2,000
15	WNP-1&3 DECOMMISSIONING	\$ (825)	\$ 706	\$ (1,531)	\$ 400
16	Sub-Total	\$ 475	\$ 2,206	\$ (1,731)	\$ 2,400
17	Gross Contracted Power Purchases				
18	PNCA HEADWATER BENEFITS	\$ 2,800	\$ 2,957	\$ (157)	\$ 2,957
19	HEDGING/MITIGATION (omit except for those assoc. with augmentation)	\$ -	\$ -	\$ -	\$ -
20	OTHER POWER PURCHASES (omit, except Designated Obligations or Purchases)	\$ 9,698	\$ -	\$ 9,698	\$ 10,233
21	Sub-Total	\$ 12,498	\$ 2,957	\$ 9,541	\$ 13,190
22	Bookout Adjustment to Power Purchases (omit)				
23	Augmentation Power Purchases (omit - calculated below)				
24	AUGMENTATION POWER PURCHASES	\$ -	\$ -	\$ -	\$ -
25	Sub-Total	\$ -	\$ -	\$ -	\$ -
26	Exchanges and Settlements				
27	RESIDENTIAL EXCHANGE PROGRAM (REP) (SOY does not include \$973K REP admin cos	\$ 201,919	\$ 202,892	\$ (973)	\$ 201,919
28	REP ADMINISTRATION COSTS (\$973K rate case amount is included in row 27 column D)	\$ -	\$ -	\$ -	\$ -
29	OTHER SETTLEMENTS	\$ -	\$ -	\$ -	\$ -
30	Sub-Total	\$ 201,919	\$ 202,892	\$ (973)	\$ 201,919
31	Renewable Generation				
32	CONTRA EXPENSE for GEP reinvestments	\$ (750)	\$ (750)	\$ -	\$ (750)
33	RENEWABLES (excludes KIII)	\$ 28,655	\$ 29,798	\$ (1,143)	\$ 31,528
34	Sub-Total	\$ 27,905	\$ 29,048	\$ (1,143)	\$ 30,778

Composite Cost Pool True-Up Table

		Q3	FY 2014 Rate Case forecast	Q3 - FY 2014 Rate Case Difference	Q2
		(\$000)	(\$000)	(\$000)	(\$000)
35	Generation Conservation				
36	DSM TECHNOLOGY	\$ -	\$ -	\$ -	\$ -
37	CONSERVATION ACQUISITION	\$ 12,993	\$ 16,444	\$ (3,452)	\$ 13,879
38	LOW INCOME WEATHERIZATION & TRIBAL	\$ 5,155	\$ 5,155	\$ -	\$ 5,155
39	ENERGY EFFICIENCY DEVELOPMENT	\$ 5,567	\$ 11,859	\$ (6,292)	\$ 9,400
40	LEGACY	\$ 717	\$ 1,031	\$ (314)	\$ 699
41	MARKET TRANSFORMATION	\$ 14,232	\$ 13,919	\$ 314	\$ 15,144
42	CONSERVATION Rate Credit (CRC)	\$ -	\$ -	\$ -	\$ -
43	Sub-Total	\$ 38,664	\$ 48,408	\$ (9,743)	\$ 44,277
44	Power System Generation Sub-Total	\$ 987,472	\$ 997,954	\$ (10,482)	\$ 1,000,377
45					
46	Power Non-Generation Operations				
47	Power Services System Operations				
48	EFFICIENCIES PROGRAM	\$ -	\$ -	\$ -	\$ -
49	INFORMATION TECHNOLOGY	\$ 5,079	\$ 6,602	\$ (1,524)	\$ 5,079
50	GENERATION PROJECT COORDINATION	\$ 5,486	\$ 6,826	\$ (1,341)	\$ 7,358
51	SLICE IMPLEMENTATION	\$ 1,043	\$ 1,099	\$ (56)	\$ 1,043
52	Sub-Total	\$ 11,607	\$ 14,527	\$ (2,920)	\$ 13,480
53	Power Services Scheduling				
54	OPERATIONS SCHEDULING	\$ 8,136	\$ 10,398	\$ (2,262)	\$ 8,088
55	OPERATIONS PLANNING	\$ 6,726	\$ 7,641	\$ (915)	\$ 6,715
56	Sub-Total	\$ 14,861	\$ 18,039	\$ (3,177)	\$ 14,803
57	Power Services Marketing and Business Support				
58	POWER R&D	\$ 4,904	\$ 5,816	\$ (912)	\$ 5,143
59	SALES & SUPPORT	\$ 19,650	\$ 20,951	\$ (1,301)	\$ 19,842
60	STRATEGY, FINANCE & RISK MGMT (SOY column C row 60 includes REP support costs)	\$ 16,373	\$ 18,299	\$ (1,926)	\$ 16,999
61	EXECUTIVE AND ADMINISTRATIVE SERVICES	\$ 3,768	\$ 4,157	\$ (389)	\$ 3,746
62	CONSERVATION SUPPORT	\$ 7,762	\$ 9,094	\$ (1,332)	\$ 8,209
63	Sub-Total	\$ 52,457	\$ 58,317	\$ (5,860)	\$ 53,939
64	Power Non-Generation Operations Sub-Total	\$ 78,926	\$ 90,883	\$ (11,957)	\$ 82,221
65	Power Services Transmission Acquisition and Ancillary Services				
66	TRANSMISSION and ANCILLARY Services - System Obligations	\$ 36,442	\$ 36,442	\$ -	\$ 36,442
67	3RD PARTY GTA WHEELING	\$ 54,533	\$ 55,533	\$ (1,000)	\$ 54,533
68	POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS (omit)	\$ -	\$ -	\$ -	\$ -
69	TRANS ACQ GENERATION INTEGRATION	\$ 11,256	\$ 11,256	\$ -	\$ 11,256
70	TELEMETERING/EQUIP REPLACEMT	\$ 52	\$ 52	\$ -	\$ 52
71	Power Services Trans Acquisition and Ancillary Serv Sub-Total	\$ 102,283	\$ 103,283	\$ (1,000)	\$ 102,283

Composite Cost Pool True-Up Table

		Q3 (\$000)	FY 2014 Rate Case forecast (\$000)	Q3 - FY 2014 Rate Case Difference (\$000)	Q2 (\$000)
72	Fish and Wildlife/USF&W/Planning Council/Environmental Req				
73	BPA Fish and Wildlife				
74	Fish & Wildlife	\$ 254,000	\$ 254,000	\$ 0	\$ 254,000
75	USF&W Lower Snake Hatcheries	\$ 30,670	\$ 30,670	\$ -	\$ 30,670
76	Planning Council	\$ 10,568	\$ 10,568	\$ -	\$ 10,568
77	Environmental Requirements	\$ -	\$ 300	\$ (300)	\$ -
78	Fish and Wildlife/USF&W/Planning Council Sub-Total	\$ 295,238	\$ 295,538	\$ (300)	\$ 295,238
79	BPA Internal Support				
80	Additional Post-Retirement Contribution	\$ 18,501	\$ 18,501	\$ -	\$ 18,501
81	Agency Services G&A (excludes direct project support)	\$ 56,101	\$ 55,102	\$ 999	\$ 55,886
82	BPA Internal Support Sub-Total	\$ 74,602	\$ 73,603	\$ 999	\$ 74,387
83	Bad Debt Expense	\$ (0)	\$ -	\$ (0)	\$ (0)
84	Other Income, Expenses, Adjustments	\$ -	\$ -	\$ -	\$ -
85	Non-Federal Debt Service				
86	Energy Northwest Debt Service				
87	COLUMBIA GENERATING STATION DEBT SVC	\$ 89,927	\$ 89,776	\$ 151	\$ 89,897
88	WNP-1 DEBT SVC	\$ 12,434	\$ 248,237	\$ (235,803)	\$ 247,841
89	WNP-3 DEBT SVC	\$ 80,470	\$ 165,601	\$ (85,131)	\$ 165,634
90	EN RETIRED DEBT	\$ -	\$ -	\$ -	\$ -
91	EN LIBOR INTEREST RATE SWAP	\$ -	\$ -	\$ -	\$ -
92	Sub-Total	\$ 182,831	\$ 503,614	\$ (320,783)	\$ 503,372
93	Non-Energy Northwest Debt Service				
94	TROYAN DEBT SVC	\$ -	\$ -	\$ -	\$ -
95	CONSERVATION DEBT SVC	\$ 2,511	\$ 2,418	\$ 93	\$ 2,511
96	COWLITZ FALLS DEBT SVC	\$ 7,298	\$ 6,885	\$ 413	\$ 7,298
97	NORTHERN WASCO DEBT SVC	\$ 1,931	\$ 1,931	\$ 0	\$ 1,931
98	Sub-Total	\$ 11,740	\$ 11,234	\$ 506	\$ 11,740
99	Non-Federal Debt Service Sub-Total	\$ 194,571	\$ 514,848	\$ (320,277)	\$ 515,112
100	Depreciation	\$ 134,000	\$ 126,508	\$ 7,492	\$ 134,000
101	Amortization	\$ 95,870	\$ 97,940	\$ (2,070)	\$ 95,870
102	Total Operating Expenses	\$ 1,962,961	\$ 2,300,555	\$ (337,595)	\$ 2,299,487
103					
104	Other Expenses				
105	Net Interest Expense	\$ 192,136	\$ 228,752	\$ (36,616)	\$ 193,649
106	LDD	\$ 35,032	\$ 35,303	\$ (271)	\$ 35,549
107	Irrigation Rate Discount Costs	\$ 18,814	\$ 18,816	\$ (2)	\$ 18,814
108	Sub-Total	\$ 245,982	\$ 282,872	\$ (36,889)	\$ 248,013
109	Total Expenses	\$ 2,208,943	\$ 2,583,427	\$ (374,484)	\$ 2,547,500
110					

Composite Cost Pool True-Up Table

		Q3 (\$000)	FY 2014 Rate Case forecast (\$000)	Q3 - FY 2014 Rate Case Difference (\$000)	Q2 (\$000)
111	Revenue Credits				
112	Generation Inputs for Ancillary, Control Area, and Other Services Revenues	\$ 141,018	\$ 117,696	\$ 23,322	\$ 138,381
113	Downstream Benefits and Pumping Power revenues	\$ 17,723	\$ 15,393	\$ 2,330	\$ 18,500
114	4(h)(10)(c) credit	\$ 109,376	\$ 97,173	\$ 12,203	\$ 113,140
115	Colville and Spokane Settlements	\$ 4,600	\$ 4,600	\$ -	\$ 4,600
116	Energy Efficiency Revenues	\$ 5,567	\$ 11,859	\$ (6,292)	\$ 9,400
117	Miscellaneous revenues	\$ 3,321	\$ 3,225	\$ 96	\$ 3,338
118	Renewable Energy Certificates	\$ 1,049	\$ 1,061	\$ (13)	\$ 1,120
119	Pre-Subscription Revenues (Big Horn/Hungry Horse)	\$ 2,000	\$ 1,842	\$ 158	\$ 2,109
120	Net Revenues from other Designated BPA System Obligations (Upper Baker)	\$ 422	\$ 422	\$ 0	\$ 422
121	WNP-3 Settlement revenues	\$ 35,799	\$ 29,163	\$ 6,636	\$ 35,802
122	RSS Revenues	\$ 2,682	\$ 2,682	\$ -	\$ 2,682
123	Firm Surplus and Secondary Adjustment (from Unused RHWM)	\$ 3,299	\$ 3,299	\$ -	\$ 3,299
124	Balancing Augmentation Adjustment	\$ (24,714)	\$ (24,714)	\$ -	\$ (24,714)
125	Transmission Loss Adjustment	\$ 27,450	\$ 27,450	\$ -	\$ 27,450
126	Tier 2 Rate Adjustment	\$ 182	\$ 182	\$ -	\$ 182
127	NR Revenues	\$ 1	\$ 1	\$ -	\$ 1
128	Total Revenue Credits	\$ 329,776	\$ 291,336	\$ 38,441	\$ 335,713
129					
130	Augmentation Costs (not subject to True-Up)				
131	Tier 1 Augmentation Resources (includes Augmentation RSS and Augmentation RSC adders)	\$ 12,513	\$ 12,513	\$ -	\$ 12,513
132	Augmentation Purchases	\$ 6,199	\$ 6,199	\$ -	\$ 6,199
133	Total Augmentation Costs	\$ 18,712	\$ 18,712	\$ -	\$ 18,712
134					
135	DSI Revenue Credit				
136	Revenues 312 aMW, 312 aMW @ IP rate	\$ 106,510	\$ 106,510	\$ -	\$ 106,510
137	Total DSI revenues	\$ 106,510	\$ 106,510	\$ -	\$ 106,510
138					
139	Minimum Required Net Revenue Calculation				
140	Principal Payment of Fed Debt for Power	\$ 427,611	\$ 106,611	\$ 321,000	\$ 106,611
141	Irrigation assistance	\$ 52,550	\$ 52,550	\$ -	\$ 52,550
142	Depreciation	\$ 134,000	\$ 126,508	\$ 7,492	\$ 134,000
143	Amortization	\$ 95,870	\$ 97,940	\$ (2,070)	\$ 95,870
144	Capitalization Adjustment	\$ (45,937)	\$ (45,937)	\$ -	\$ (45,937)
145	Bond Call Premium/Discount	\$ (20,851)	\$ -	\$ (20,851)	\$ (19,562)
146	Non-Federal Interest (Prepay)	\$ 14,775	\$ 14,775	\$ -	\$ 14,775
147	Prepay Revenue Credits	\$ (30,600)	\$ (30,600)	\$ -	\$ (30,600)
148	Principal Payment of Fed Debt exceeds non cash expenses	\$ 332,904	\$ (3,524)	\$ 336,428	\$ 10,615
149	Minimum Required Net Revenues	\$ 332,904	\$ -	\$ 332,904	\$ 10,615
150					
151	Annual Composite Cost Pool (Amounts for each FY)	\$ 2,124,272	\$ 2,204,294	\$ (80,021)	\$ 2,134,603
152					
153	SLICE TRUE-UP ADJUSTMENT CALCULATION FOR COMPOSITE COST POOL				
154	TRUE UP AMOUNT (Diff. between actual Comp. Cost Pool and forecast Comp. Cost Pool for applicable F	\$ (80,021)			\$ (69,690)
155	Sum of TOCAs	0.9755051			0.9755924
156	Adjustment of True-Up Amount when actual TOCAs < 100 percent (divide by sum of TOCAs, expressed as	\$ (82,030)			\$ (71,434)
157	TRUE-UP ADJUSTMENT CHARGE BILLED (26.62752 percent)	\$ (21,843)			\$ (19,021)

Financial Disclosure

- The information contained in slides 4-15, 18-26, and 73-90 has been made publicly available by BPA on July 25, 2014 and contains BPA-approved Financial Information.
- The information contained in slides 16-17 and 27-72 has been made publicly available by BPA on July 25, 2014 and does not contain BPA-approved Financial Information.