

## Understanding QBR's

Amy Attinasi – QBR Overview

Cheryl Hargin – Transmission

Kyna Alders – Power Expenses and Capital

Kathryn Rehmer – Transmission Capital

Brenda Weller – Allocation of Corporate Costs

Danny Chen – Transmission Revenues

Mai Truong – Power Revenues

# Outline

- Quarterly Business Review Overview
- Understanding QBR Reports
- Transmission Reports
- Power Reports
- Capital Reports
- Allocation of Corporate Costs
- Revenue Reports
- Background on Debt Optimization and Debt Service Reassignment

# Quarterly Business Review Overview

# Quarterly Business Review Overview

- **Purpose** – to provide customers with an update of BPA’s financial performance and current forecasts.
  - makes BPA’s financials more transparent with regional stakeholders.
  - gives customers an opportunity to ask questions about BPA’s finances.
  - highlights Operational Excellence initiatives.
  
- **Focus** – end of year net revenue forecasts.
  - discuss capital program results and forecasts.
  - provide information on other financial and operational excellence topics of interest.
  
- **Timing** – Quarterly
  
- **Audience** –Customers, constituents, customer groups, and the general public.

## Report Basics

# Reading QBR Reports: Header Information

Report ID: 0020FY12	<b>FCRPS Summary Statement of Revenues and Expenses</b>	Run Date/Run Time: November 07,2012/ 06:03
Requesting BL: CORPORATE BUSINESS UNIT	Through the Month Ended September 30, 2012	Data Source: EPM Data Warehouse
Unit of measure: \$ Thousands	Preliminary/ Unaudited	% of Year Elapsed = 100%

- Report ID
- Business Unit
  - FCRPS, Power, or Transmission
- Title
- Time Period
- Run Date
- % of Year Elapsed

# Reading QBR Reports: Report Content

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b> <Note 2	<b>F</b>
<b>FY 2011</b>		<b>FY 2012</b>			<b>FY 2012</b>
<b>Actuals: FYTD</b>	<b>Actuals</b>	<b>Rate Case</b>	<b>SOY Budget</b>	<b>Current EOY Forecast</b>	<b>Actuals: FYTD</b>

- **Prior Year Data**
  - Prior Year Actuals Through Same Time Period (Column A)
  - Prior Year End Actuals (Column B)
- **Current Year Data**
  - Rate Case Budget (Column C)
  - Start of Year Budget (Column D)
  - End of Year Forecast (Column E)
    - Estimated as of most recent quarter
  - Current Year Actuals (Column F)

## **Transmission Reports**

Report ID: 0023FY13  
 Requesting BL: TRANSMISSION BUSINESS UNIT  
 Unit of Measure: \$ Thousands

**QBR Forecast Analysis: Transmission Services**  
 Through the Month Ended June 30, 2013  
 Preliminary/ Unaudited

Run Date/Time: July 17, 2013/ 12:02  
 Data Source: EPM Data Warehouse  
 % of Year Elapsed = 75%

		A	B	C
		FY 2013		FY 2013
		2nd Quarter Forecast	Current EOY Forecast	Current EOY Forecast - 2nd Quarter Forecast
<b>Operating Revenues</b>				
1	Sales	\$ 819,580	\$ 804,463	\$ (15,117)
2	Miscellaneous Revenues	42,576	50,348	7,773
3	Inter-Business Unit Revenues	101,808	109,110	7,302
4	<b>Total Operating Revenues</b>	<b>963,965</b>	<b>963,922</b>	<b>(43)</b>
<b>Operating Expenses</b>				
5	Transmission Operations	127,443	123,016	(4,426)
6	Transmission Maintenance	149,115	148,808	(307)
7	Transmission Engineering	40,934	42,493	1,559
8	Trans Services Transmission Acquisition and Ancillary Services	153,830	152,195	(1,635)
9	Transmission Reimbursables	11,694	11,725	31
	BPA Internal Support			
10	Additional Post-Retirement Contribution	17,821	17,821	-
11	Agency Services G&A	60,494	59,802	(692)
12	Other Income, Expenses & Adjustments	443	618	174
13	Depreciation & Amortization	202,680	202,680	-
14	<b>Total Operating Expenses</b>	<b>764,454</b>	<b>759,159</b>	<b>(5,295)</b>
15	<b>Net Operating Revenues (Expenses)</b>	<b>199,511</b>	<b>204,763</b>	<b>5,252</b>
<b>Interest Expense and (Income)</b>				
16	Interest Expense	171,946	175,116	3,170
17	AFUDC	(30,000)	(31,400)	(1,400)
18	Interest Income	(14,472)	(14,067)	405
19	<b>Net Interest Expense (Income)</b>	<b>127,474</b>	<b>129,649</b>	<b>2,175</b>
20	<b>Net Revenues (Expenses)</b>	<b>\$ 72,037</b>	<b>\$ 75,114</b>	<b>\$ 3,077</b>

Report ID: 0023FY13  
 Requesting BL: TRANSMISSION BUSINESS UNIT  
 Unit of Measure: \$ Thousands

**Transmission Services Summary Statement of Revenues and Expenses**  
 Through the Month Ended June 30, 2013  
 Preliminary/ Unaudited

Run Date/Time: July 17, 2013/ 12:02  
 Data Source: EPM Data Warehouse  
 % of Year Elapsed = 75%

	FY 2012		FY 2013			FY 2013
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
<b>Operating Revenues</b>						
1 Sales	\$ 591,627	\$ 790,969	\$ 844,331	\$ 821,638	\$ 804,463	\$ 602,343
2 Miscellaneous Revenues	30,628	30,263	31,802	38,615	50,348	33,094
3 Inter-Business Unit Revenues	91,196	143,909	93,888	103,067	109,110	95,144
4 <b>Total Operating Revenues</b>	<b>713,452</b>	<b>965,141</b>	<b>970,021</b>	<b>963,319</b>	<b>963,922</b>	<b>730,581</b>
<b>Operating Expenses</b>						
5 Transmission Operations	87,731	107,992	133,590	131,248	123,016	85,264
6 Transmission Maintenance	91,863	5,377	150,831	153,278	148,808	102,586
7 Transmission Engineering	32,877		32,803	41,855	42,493	29,082
8 Trans Services Transmission Acquisition and Ancillary Services	102,079	15,009	142,079	147,825	152,195	116,534
9 Transmission Reimbursables	15,000	26,000	9,914	9,682	11,725	23,816
BPA Internal Support						
10 Additional Post-Retirement Contribution	17,032	17,243	17,821	17,821	17,821	13,365
11 Agency Services G&A	41,000	57,065	60,961	58,357	59,802	43,380
12 Other Income, Expenses & Adjustments		(280)	-	(2,297)	618	618
13 Depreciation & Amortization	1,096,000	189,811	218,124	196,980	202,680	150,478
14 <b>Total Operating Expenses</b>	<b>528,079</b>	<b>746,650</b>	<b>766,122</b>	<b>754,748</b>	<b>759,159</b>	<b>565,123</b>
15 <b>Net Operating Revenues (Expenses)</b>	<b>187,473</b>	<b>218,491</b>	<b>203,899</b>	<b>208,572</b>	<b>204,763</b>	<b>165,458</b>
<b>Interest Expense and (Income)</b>						
16 Interest Expense	132,707	180,083	228,887	190,357	175,116	128,732
17 AFUDC	(27,840)	(37,010)	(32,255)	(33,400)	(31,400)	(23,933)
18 Interest Income	(12,441)	(13,293)	(21,467)	(17,260)	(14,067)	(9,510)
19 <b>Net Interest Expense (Income)</b>	<b>92,426</b>	<b>129,781</b>	<b>175,165</b>	<b>139,697</b>	<b>129,649</b>	<b>95,288</b>
20 <b>Net Revenues (Expenses)</b>	<b>\$ 95,047</b>	<b>\$ 88,710</b>	<b>\$ 28,734</b>	<b>\$ 68,875</b>	<b>\$ 75,114</b>	<b>\$ 70,169</b>

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

# Transmission Programs

- Transmission Operations (row 5)
  - This category contains:
    - System Operations: contains expenses for power system dispatching, control center support, technical operations, substation operations and Agency Services costs for IT. Many of the programs provide key technical support for BPA's implementation of North American Electric Reliability Corporation (NERC) mandatory reliability standards and federal cyber security standards.
    - Scheduling: BPA's Scheduling Program contains expenses for reservations, pre-scheduling, real-time scheduling, scheduling after-the-fact, and technical support.
    - Business Support: Business Support includes expenses for executive and administrative services, legal services, internal general and administrative services, aircraft services, security enhancements, and logistics services. The services included in these programs may be provided by the Transmission or Agency Services organizations.
    - Marketing: The marketing program contains expenses related to sales, marketing contract management, transmission billing, and business strategy and assessment.



# Transmission Programs

- Transmission Maintenance (row 6)
  - System Maintenance: System maintenance contains costs related to technical training, heavy mobile equipment maintenance, and maintenance costs for system management, power system control, system protection control, vegetation/right-of-way (ROW), transmission line, substation, and non-electric facilities.
  - Environment: Pollution Prevention and Abatement develops, coordinates, and manages environmental compliance actions and programs associated with the operation, maintenance, and construction of BPA's transmission system. Key organizational responsibilities include the management of BPA's Water Resource Protection and Polychlorinated Biphenyl's (PCB) reduction programs, as well as management of environmental investigations and remediation projects for the agency.



# Transmission Programs

- Transmission Engineering (row 7)
  - System engineering consists of costs in support of the research and development program, transmission system development planning & analysis, region association fees, and engineering line rating including the allocated costs for industry restructuring, environmental planning & analysis, and costs associated with cancelled capital projects and inventory adjustments.



## Transmission Programs

- Acquisition and Ancillary Services (row 8)
  - This category includes costs associated with payments to Power Services for generation inputs, and redispatch and station service.
  - Costs for leased facility payments, settlement agreements, non-BBL ancillary services for contingent energy, redispatch, generation supplied reactive, and stability reserves, and transmission renewables can be found in Acquisition and Ancillary Services.

## Transmission Programs

- Transmission Reimbursables (row 9)
  - This category includes costs associated with entering into written agreements with Federal and non-Federal entities that have work or services to be performed by Bonneville staff at the expense of the benefiting utilities. The projects must be beneficial, under agreed upon criteria, to Bonneville operations and to the Federal or non-Federal entity involved.
  - Additionally, these activities contribute to more efficient or reliable construction of the Federal transmission system or otherwise enhance electric service to the region.
  - This category also includes reimbursable work done for BPA Business Units.

Report ID: 0061FY13

**Transmission Services Detailed Statement of Revenues and Expenses**

Run Date/Time: July 17, 2013 12:04

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended June 30, 2013

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 75%

	A	B	C	D <small>&lt;Note 1</small>	E	F
	FY 2012	FY 2013			FY 2013	FY 2013
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>Operating Revenues</b>						
<b>Sales</b>						
<b>Network</b>						
1        Network Integration	\$ 122,765	\$ 132,022	\$ 126,030	\$ 120,360	\$ 92,182	77%
2        Other Network	376,535	410,898	390,992	380,701	284,138	75%
3        Intertie	77,120	78,299	79,223	80,333	58,988	73%
4        Other Direct Sales	214,548	223,112	225,393	223,069	167,035	75%
5 <b>Miscellaneous Revenues</b>	30,265	31,802	38,615	50,348	33,094	66%
6 <b>Inter-Business Unit Revenues</b>	143,900	93,888	103,067	109,110	95,144	87%
7 <b>Total Operating Revenues</b>	<b>65,141</b>	<b>70,021</b>	<b>963,319</b>	<b>963,922</b>	<b>730,581</b>	<b>76%</b>
<b>Operating Expenses</b>						
<b>Transmission Operations</b>						
<b>System Operations</b>						
8        INFORMATION TECHNOLOGY	9,098	7,529	7,449	7,508	6,653	89%
9        POWER SYSTEM DISPATCHING	12,089	12,748	13,486	12,486	9,314	75%
10        CONTROL CENTER SUPPORT	13,646	14,498	14,583	14,585	10,510	72%
11        TECHNICAL OPERATIONS	3,816	8,623	5,029	4,396	3,118	71%
12        SUBSTATION OPERATIONS	21,947	21,735	21,634	21,569	16,098	75%
13 <b>Sub-Total</b>	<b>60,595</b>	<b>65,133</b>	<b>62,181</b>	<b>60,544</b>	<b>45,694</b>	<b>75%</b>
<b>Scheduling</b>						
14        RESERVATIONS	4,064	1,109	5,466	4,667	3,044	65%
15        PRE-SCHEDULING	216	486	245	245	166	68%
16        REAL-TIME SCHEDULING	3,758	5,185	4,757	3,601	2,882	80%
17        SCHEDULING TECHNICAL SUPPORT	948	5,749	402	451	346	77%
18        SCHEDULING AFTER-THE-FACT	236	462	257	257	174	68%
19 <b>Sub-Total</b>	<b>9,222</b>	<b>12,991</b>	<b>11,129</b>	<b>9,222</b>	<b>6,613</b>	<b>72%</b>
<b>Marketing and Business Support</b>						
20        TRANSMISSION SALES	2,787	3,362	3,089	2,848	1,918	67%
21        MKTG TRANSMISSION FINANCE	286	310	-	(6)	(6)	100%
22        MKTG CONTRACT MANAGEMENT	4,442	4,572	4,699	4,306	3,375	78%
23        MKTG TRANSMISSION BILLING	2,229	2,382	2,790	2,636	1,911	73%
24        MKTG BUSINESS STRAT & ASSESS	6,603	6,670	6,593	6,613	5,039	76%
25 <b>Marketing Sub-Total</b>	<b>16,345</b>	<b>17,296</b>	<b>17,171</b>	<b>16,396</b>	<b>12,237</b>	<b>75%</b>
26        EXECUTIVE AND ADMIN SERVICES	12,204	13,764	13,330	11,734	6,911	59%
27        LEGAL SUPPORT	3,034	3,227	4,057	2,989	1,665	56%
28        TRANS SERVICES INTERNAL GENERAL & ADMINISTRATIVE	13,995	11,949	14,456	13,833	7,163	52%
29        AIRCRAFT SERVICES	1,082	2,438	2,287	1,808	836	46%
30        LOGISTICS SERVICES	4,839	5,792	5,636	5,540	3,772	68%
31        SECURITY ENHANCEMENTS	475	1,001	1,001	951	372	39%
32 <b>Business Support Sub-Total</b>	<b>35,630</b>	<b>38,170</b>	<b>40,767</b>	<b>36,854</b>	<b>20,721</b>	<b>56%</b>
33 <b>Transmission Operations Sub-Total</b>	<b>\$ 121,792</b>	<b>\$ 133,590</b>	<b>\$ 131,248</b>	<b>\$ 123,016</b>	<b>\$ 85,264</b>	<b>69%</b>

Report ID: 0061FY13

**Transmission Services Detailed Statement of Revenues and Expenses**

Run Date/Time: July 17, 2013 12:04

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended June 30, 2013

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 75%

	A	B	C	D <Note 1	E	F
	FY 2012	FY 2013			FY 2013	FY 2013
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>Transmission Maintenance</b>						
<b>System Maintenance</b>						
34    NON-ELECTRIC MAINTENANCE	\$ 25,900	\$ 27,033	\$ 26,917	\$ 26,888	\$ 18,323	68%
35    SUBSTATION MAINTENANCE	28,056	30,825	30,791	28,810	19,364	67%
36    TRANSMISSION LINE MAINTENANCE	24,984	26,664	26,198	23,396	20,450	87%
37    SYSTEM PROTECTION CONTROL MAINTENANCE	11,651	13,215	12,852	12,850	9,016	70%
38    POWER SYSTEM CONTROL MAINTENANCE	12,637	13,850	16,326	17,099	12,149	71%
39    JOINT COST MAINTENANCE	146	212	212	217	103	48%
40    SYSTEM MAINTENANCE MANAGEMENT	4,879	6,516	7,544	7,072	4,765	67%
41    ROW MAINTENANCE	5,243	25,256	8,438	8,747	4,334	50%
42    HEAVY MOBILE EQUIP MAINT	-	(19)	-	-	(137)	0%
43    TECHNICAL TRAINING	16,443	2,991	2,888	2,888	1,658	57%
44    VEGETATION MANAGEMENT	16,443	-	16,818	16,513	10,257	62%
45 <b>Sub-Total</b>	<b>132,043</b>	<b>146,545</b>	<b>148,984</b>	<b>144,481</b>	<b>100,281</b>	<b>69%</b>
<b>Environmental Operations</b>						
46    ENVIRONMENTAL ANALYSIS	80	82	82	82	-	0%
47    POLLUTION PREVENTION AND ABATEMENT	1,888	4,204	4,212	4,245	2,304	54%
48 <b>Sub-Total</b>	<b>1,968</b>	<b>4,286</b>	<b>4,294</b>	<b>4,327</b>	<b>2,304</b>	<b>53%</b>
49 <b>Transmission Maintenance Sub-Total</b>	<b>135,377</b>	<b>150,831</b>	<b>153,278</b>	<b>148,808</b>	<b>102,586</b>	<b>69%</b>
<b>Transmission Engineering</b>						
<b>System Development</b>						
50    RESEARCH & DEVELOPMENT	6,653	8,000	7,990	7,269	3,907	54%
51    TSD PLANNING AND ANALYSIS	12,734	11,895	14,699	15,948	11,361	71%
52    CAPITAL TO EXPENSE TRANSFER	11,765	4,072	4,072	4,073	3,275	80%
53    NERC / WECC COMPLIANCE	9,916	7,008	12,936	12,135	8,643	71%
54    ENVIRONMENTAL POLICY/PLANNING	1,188	1,828	1,776	1,885	867	46%
55    ENG RATING AND COMPLIANCE	3,855	-	382	1,182	1,029	87%
56 <b>Sub-Total</b>	<b>46,111</b>	<b>32,803</b>	<b>41,855</b>	<b>42,493</b>	<b>29,082</b>	<b>68%</b>
57 <b>Transmission Engineering Sub-Total</b>	<b>46,111</b>	<b>32,803</b>	<b>41,855</b>	<b>42,493</b>	<b>29,082</b>	<b>68%</b>
<b>Trans. Services Transmission Acquisition and Ancillary Services</b>						
<b>BBL Acquisition and Ancillary Products and Services</b>						
58    ANCILLARY SERVICES PAYMENTS	121,528	117,777	125,731	128,156	98,186	77%
59    OTHER PAYMENTS TO POWER SERVICES	9,536	9,362	9,363	9,364	7,023	75%
60    STATION SERVICES PAYMENTS	3,652	3,350	3,350	3,337	2,475	74%
61 <b>Sub-Total</b>	<b>134,716</b>	<b>130,489</b>	<b>138,444</b>	<b>140,857</b>	<b>107,684</b>	<b>76%</b>
<b>Non-BBL Acquisition and Ancillary Products and Services</b>						
62    LEASED FACILITIES	4,419	4,224	4,200	3,800	3,305	87%
63    GENERAL TRANSFER AGREEMENTS (SETTLEMENT)	12,724	509	500	3,030	2,668	88%
64    NON-BBL ANCILLARY SERVICES	395	6,857	4,120	3,922	2,568	65%
65    TRANSMISSION RENEWABLES	555	-	561	587	309	53%
66 <b>Sub-Total</b>	<b>18,093</b>	<b>11,590</b>	<b>9,381</b>	<b>11,339</b>	<b>8,850</b>	<b>78%</b>
67 <b>Trans. Svcs. Acquisition and Ancillary Services Sub-Total</b>	<b>152,809</b>	<b>142,079</b>	<b>147,825</b>	<b>152,195</b>	<b>116,534</b>	<b>77%</b>
<b>Transmission Reimbursables</b>						
<b>Reimbursables</b>						
68    EXTERNAL REIMBURSABLE SERVICES	24,913	7,580	6,927	8,862	22,348	252%
69    INTERNAL REIMBURSABLE SERVICES	1,809	2,334	2,756	2,863	1,468	51%
70 <b>Sub-Total</b>	<b>26,722</b>	<b>9,914</b>	<b>9,682</b>	<b>11,725</b>	<b>23,816</b>	<b>203%</b>
71 <b>Transmission Reimbursables Sub-Total</b>	<b>\$ 26,722</b>	<b>\$ 9,914</b>	<b>\$ 9,682</b>	<b>\$ 11,725</b>	<b>\$ 23,816</b>	<b>203%</b>

Report ID: 0061FY13

**Transmission Services Detailed Statement of Revenues and Expenses**

Run Date/Time: July 17, 2013 12:04

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended June 30, 2013

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 75%

	A	B	C	D <small>&lt;Note 1</small>	E	F
	FY 2012	FY 2013			FY 2013	FY 2013
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>BPA Internal Support</b>						
72 Additional Post-Retirement Contribution	\$ 17,243	\$ 17,821	\$ 17,821	\$ 17,821	\$ 13,365	75%
73 Agency Services G & A (excludes direct project support)	57,065	60,961	58,357	59,802	43,380	73%
74 <b>BPA Internal Support Subtotal</b>	<b>74,308</b>	<b>78,781</b>	<b>76,177</b>	<b>77,623</b>	<b>56,745</b>	<b>73%</b>
<b>Other Income, Expenses, and Adjustments</b>						
75 Bad Debt Expense	-	-	-	19	19	100%
76 Other Income, Expenses, Adjustments	(2,000)	-	-	599	599	100%
77 Undistributed Reduction	-	-	(2,297)	-	-	0%
78 Depreciation	3,681	216,397	195,220	200,960	149,257	74%
79 Amortization	1,120	1,727	1,760	1,720	1,221	71%
80 <b>Total Operating Expenses</b>	<b>746,350</b>	<b>766,122</b>	<b>754,748</b>	<b>759,159</b>	<b>565,123</b>	<b>74%</b>
81 <b>Net Operating Revenues (Expenses)</b>	<b>218,491</b>	<b>203,899</b>	<b>208,572</b>	<b>204,763</b>	<b>165,458</b>	<b>81%</b>
<b>Interest Expense and (Income)</b>						
82 Federal Appropriation	26,712	10,396	18,600	18,641	13,981	75%
83 Capitalization Adjustment	(18,968)	(18,968)	(18,968)	(18,968)	(14,226)	75%
84 Borrowings from US Treasury	76,499	137,582	79,730	82,831	59,748	72%
85 Debt Service Reassignment	57,233	52,556	51,498	53,671	40,505	75%
86 Customer Advances	10,709	25,188	10,500	8,375	5,842	70%
87 Lease Financing	27,898	22,133	48,996	30,566	22,882	75%
88 AFUDC	(37,010)	(32,255)	(33,400)	(31,400)	(23,933)	76%
89 Interest Income	(13,293)	(21,467)	(17,260)	(14,067)	(9,510)	68%
90 <b>Net Interest Expense (Income)</b>	<b>129,781</b>	<b>175,165</b>	<b>139,697</b>	<b>129,649</b>	<b>95,288</b>	<b>73%</b>
91 <b>Total Expenses</b>	<b>876,431</b>	<b>941,287</b>	<b>894,444</b>	<b>888,808</b>	<b>660,411</b>	<b>74%</b>
92 <b>Net Revenues (Expenses)</b>	<b>\$ 88,710</b>	<b>\$ 28,734</b>	<b>\$ 68,875</b>	<b>\$ 75,114</b>	<b>\$ 70,169</b>	<b>93%</b>

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

## Power Reports

Report ID: 0021FY13 Requesting BL: POWER BUSINESS UNIT Unit of measure: \$ Thousands	<b>QBR Forecast Analysis: Power Services</b> Through the Month Ended June 30, 2013 Preliminary/ Unaudited	Run Date/Time: July 17, 2013 12:02 Data Source: EPM Data Warehouse % of Year Elapsed = 75%
--	---	--

		A	B	C
		FY 2013		FY 2013
		2nd Quarter Forecast	Current EOY Forecast	Current EOY Forecast - 2nd Quarter Forecast
<b>Operating Revenues</b>				
1	Gross Sales (excluding bookout adjustment) <Note 2	\$ 2,434,090	\$ 2,457,974	\$ 23,884
2	Bookout Adjustment to Sales	(49,769)	(58,870)	(9,101)
3	Miscellaneous Revenues	29,094	26,544	(2,550)
4	Inter-Business Unit	142,432	140,828	(1,603)
5	U.S. Treasury Credits	91,249	92,777	1,529
6	<b>Total Operating Revenues</b>	<b>2,647,095</b>	<b>2,659,253</b>	<b>12,158</b>
<b>Operating Expenses</b>				
Power System Generation Resources				
Operating Generation Resources				
7	Columbia Generating Station	335,298	330,147	(5,151)
8	Bureau of Reclamation	128,691	128,691	-
9	Corps of Engineers	215,700	215,700	-
10	Long-term Contract Generating Projects	25,258	23,490	(1,768)
11	Operating Generation Settlement Payment	22,121	22,121	-
12	Non-Operating Generation	2,216	(22,400)	(24,616)
13	Gross Contracted Power Purchases and Aug Power Purchases	191,882	191,973	91
14	Bookout Adjustment to Power Purchases	(49,769)	(58,870)	(9,101)
15	Residential Exchange/IOU Settlement Benefits <Note 2	203,513	202,689	(824)
16	Renewables	35,140	36,140	1,000
17	Generation Conservation	45,436	41,396	(4,040)
18	<b>Subtotal Power System Generation Resources</b>	<b>1,155,487</b>	<b>1,111,077</b>	<b>(44,410)</b>
19	Power Services Transmission Acquisition and Ancillary Services	156,861	164,499	7,638
20	Power Non-Generation Operations	85,059	84,121	(938)
21	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	282,186	282,194	8
BPA Internal Support				
22	Additional Post-Retirement Contribution	17,821	17,821	-
23	Agency Services G&A	54,256	53,949	(308)
24	Other Income, Expenses & Adjustments	720	702	(19)
25	Non-Federal Debt Service	519,599	518,504	(1,095)
26	Depreciation & Amortization	218,103	218,978	875
27	<b>Total Operating Expenses</b>	<b>2,490,094</b>	<b>2,451,844</b>	<b>(38,250)</b>
28	<b>Net Operating Revenues (Expenses)</b>	<b>157,002</b>	<b>207,409</b>	<b>50,408</b>
<b>Interest Expense and (Income)</b>				
29	Interest Expense	234,816	235,738	922
30	AFUDC	(11,345)	(11,235)	110
31	Interest Income	(15,673)	(16,617)	(944)
32	<b>Net Interest Expense (Income)</b>	<b>207,798</b>	<b>207,886</b>	<b>88</b>
33	<b>Net Revenues (Expenses)</b>	<b>\$ (50,796)</b>	<b>\$ (476)</b>	<b>\$ 50,320</b>

Report ID: 0021FY13  
 Requesting BL: POWER BUSINESS UNIT  
 Unit of measure: \$ Thousands

**Power Services Summary Statement of Revenues and Expenses**  
 Through the Month/End June 30, 2013  
 Preliminary/ Unaudited

Run Date/Time: July 17, 2013 12:02  
 Data Source: EPM Data Warehouse  
 % of Year Elapsed = 75%

	FY 2012		FY 2013			FY 2013
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
<b>Operating Revenues</b>						
1 Gross Sales (excluding bookout adjustment) <Note 2	\$ 1,877,369	\$ 2,450,595	\$ 2,501,672	\$ 2,407,477	\$ 2,457,974	\$ 1,901,753
2 Bookout Adjustment to Sales	(53,094)	(61,972)	-	-	(58,870)	(58,870)
3 Miscellaneous Revenues	18,707	26,412	26,335	27,181	26,544	19,353
4 Inter-Business Unit	97,813	134,716	131,078	138,442	140,828	107,682
5 U.S. Treasury Credits	61,847	81,583	100,447	85,999	92,777	70,523
6 <b>Total Operating Revenues</b>	<b>2,002,641</b>	<b>2,631,334</b>	<b>2,759,531</b>	<b>2,659,099</b>	<b>2,659,253</b>	<b>2,040,440</b>
<b>Operating Expenses</b>						
Power System Generation Resources						
Operating Generation Resources						
7 Columbia Generating Station	204,531	292,636	345,945	338,267	330,147	260,560
8 Bureau of Reclamation	64,436	89,005	119,891	132,391	128,691	88,203
9 Corps of Engineers	148,238	206,960	215,700	215,700	215,700	151,555
10 Long-term Contract Generating Projects	19,566	25,499	25,831	26,008	23,490	16,655
11 Operating Generation Settlement Payment	14,946	2,337	22,148	20,785	22,121	16,770
12 Non-Operating Generation	1,598	2,000	1,948	2,316	(2,400)	1,695
13 Gross Contracted Power Purchases and Aug Power Purchases	166,886	205,300	164,905	119,364	191,973	185,384
14 Bookout Adjustment to Power Purchases	(53,094)	(61,972)	-	-	(58,870)	(58,870)
15 Residential Exchange/IOU Settlement Benefits <Note 2	160,938	203,712	201,760	203,200	202,689	159,241
16 Renewables	26,300	34,000	38,142	38,140	36,140	24,840
17 Generation Conservation	27,380	20,005	47,850	47,850	41,396	24,157
18 <b>Subtotal Power System Generation Resources</b>	<b>701,000</b>	<b>1,056,679</b>	<b>1,184,120</b>	<b>1,144,021</b>	<b>1,111,077</b>	<b>870,190</b>
19 Power Services Transmission Acquisition and Ancillary Services	17,774	175,873	157,185	158,498	164,499	122,587
20 Power Non-Generation Operations	6,500	79,919	90,255	89,582	84,121	55,222
21 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	2,000	280,197	281,639	283,157	282,194	199,710
BPA Internal Support						
22 Additional Post-Retirement Contribution	932	17,243	17,821	17,243	17,821	13,365
23 Agency Services G&A	37,702	52,789	52,662	52,586	53,949	38,068
24 Other Income, Expenses & Adjustments	362	107	-	-	702	702
25 Non-Federal Debt Service	404,524	561,308	541,586	520,504	518,504	379,492
26 Depreciation & Amortization	146,804	199,286	214,327	211,403	218,978	165,227
27 <b>Total Operating Expenses</b>	<b>1,774,353</b>	<b>2,422,400</b>	<b>2,539,594</b>	<b>2,476,994</b>	<b>2,451,844</b>	<b>1,844,563</b>
28 <b>Net Operating Revenues (Expenses)</b>	<b>228,288</b>	<b>208,934</b>	<b>219,937</b>	<b>182,105</b>	<b>207,409</b>	<b>195,877</b>
<b>Interest Expense and (Income)</b>						
29 Interest Expense	152,268	208,884	251,792	224,430	235,738	173,243
30 AFUDC	(11,099)	(8,835)	(13,592)	(13,410)	(11,235)	(8,901)
31 Interest Income	(23,011)	(30,301)	(16,756)	(11,500)	(16,617)	(11,129)
32 <b>Net Interest Expense (Income)</b>	<b>118,159</b>	<b>169,748</b>	<b>221,444</b>	<b>199,520</b>	<b>207,886</b>	<b>153,213</b>
33 <b>Net Revenues (Expenses)</b>	<b>\$ 110,129</b>	<b>\$ 39,185</b>	<b>\$ (1,507)</b>	<b>\$ (17,415)</b>	<b>\$ (476)</b>	<b>\$ 42,664</b>

Power Services ANR as-of 3rd Quarter Forecast FY2013 (in Millions) (\$0.5)

ANR = \$-0.5		
CRAC: ANR ≤ (\$185.5)	No CRAC or DDC	DDC: ANR ≥ \$564.5

<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 benefit 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 2013 is the current forecast of Power Services Net Revenue for 2013. The Cost Recovery Adjustment Clause (CRAC) is an upward adjustment to certain rates that would apply during FY2014. The Dividend Distribution Clause (DDC) is a downward adjustment to certain rates that would apply during FY2014. For more information on ANR, CRAC or DDC, please refer to pages 39-49 of the 2014 Wholesale Power and Transmission Rate Adjustment Proceeding (BP-14), Appendix A: Power Rate Schedules (BP-14-A-03-AP01). <http://www.bpa.gov/Finance/RateCases/BP-14RateAdjustmentProceeding/MeetingsandWorkshops/BP-14%20Final%20Proposal/BP-14-A-03-AP01.pdf>

## Power Programs

- Operating Generation (rows 7-10)
  - This category includes the operations and maintenance expenses associated with power-producing resources including the Columbia Generating Station and 31 Bureau of Reclamation and Corps of Engineers dams, plus the annual expenses associated with long-term contract generating projects.



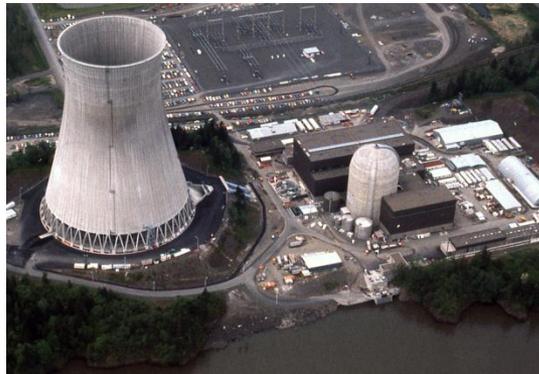
## Power Programs

- Colville Settlement Payment (row 11)
  - A settlement agreement between the Confederated Tribes of the Colville Reservation and the United States was signed in 2004 concerning the construction of Grand Coulee Dam. The Settlement Act ratifying the settlement agreement authorizes BPA to make annual payments to the Tribes for the use of tribal lands for power production at the Columbia Basin project.



## Power Programs

- Non-Operating Generation (row 12)
  - This category includes the costs associated with operating the Trojan Independent Spent Fuel Storage Installation and the costs of restoring the unfinished WNP-1 and WNP-4 nuclear sites.
- Gross Contracted and Augmentation Power Purchases (row 13)
  - This category includes short-term power purchases, purchases for service at tier 2 rates, purchases under the Libby Coordination Agreement and Non-Treaty Storage Agreement and PNCA Headwater benefits.



# Power Programs

- Residential Exchange Program (row 15)
  - This category represents the net benefits for qualifying public utilities and IOUs that are calculated as part of the Residential Exchange Program.
- Renewable Generation (row 16)
  - This category reflects the operating expenses of several generating projects fueled by renewable energy resources, such as wind, geothermal, methane gas, and solar. Most of Power's share of the Wind Integration Team costs are included in this category as well.



## Power Programs

- Generation Conservation / Energy Efficiency (row 17)
  - Generation Conservation includes the non-BPA staff costs of conservation acquisition support and of energy efficiency programs including Market Transformation (NEEA), Legacy Conservation Programs, and Low Income Weatherization. It also includes Energy Efficiency Development costs that are rate neutral and have equal and offsetting revenues.



## Power Programs

- Transmission Acquisition and Ancillary Services (row 19)
  - This category includes the expenses associated with Power Services' Transmission Acquisition program. It represents costs associated with acquiring transmission services necessary to deliver energy from resources to markets or loads.
  - A majority of these costs are paid to BPA's Transmission Services.
  - Also included in this category is the Wind Integration Team costs paid to BPA's Transmission Services.



## Power Programs

- Non-Generation Operations (row 20)
  - This category includes all of Power Services' internal costs (i.e. salaries, awards, benefits, etc.) associated with supporting the power function. It also includes business support costs from Corporate such as Information Technology and Technology Innovation for example.



## Power Programs

- Fish and Wildlife (row 21)
  - BPA funds projects designed to protect, mitigate and enhance fish and wildlife affected by the FCRPS and to implement the commitments made pursuant to Biological Opinions issued by NOAA Fisheries and USF&W regarding species listed under the Endangered Species Act.
  - This includes the expense portion of BPA's Fish and Wildlife direct program, including staff costs and operating expenses of fish and wildlife activities.
  - Also included in this category is BPA's funding for the Northwest Power Planning and Conservation Council.



## Power Programs

- BPA Internal Support (rows 22-23)
  - This category represents the allocated portion of BPA's Corporate General and Administrative costs, which are allocated to the business units. It also includes the unfunded benefits for employees under the Civil Service Retirement System.
- Other Income, Expenses, Adjustments (row 24)
  - This category includes the uncollectible accounts receivable, and other miscellaneous accounting entries not associated with other programs.
- Non-Federal Debt Service (row 25)
  - This category consists of third-party debt service (principal and interest) or payment costs associated with capitalized contracts and other long-term, fixed contractual obligations.

## Power Programs

- Depreciation and Amortization (row 26)
  - Depreciation is the annual capital recovery expense associated with BPA's capital investments.
  - In this context, Amortization is really the equivalent of Depreciation for non-revenue generating assets (i.e. fish and wildlife, and energy efficiency).
  - In essence, these line items allocate the costs for capital investments into the periods they are being used, providing equity across rate periods and generations.

## Power Programs

- Interest Expense/Income (row 32)
  - This category includes the interest paid to the US Treasury on funds we have borrowed, interest paid on appropriations, interest credited during the construction of capital projects, and interest earned primarily from the US Treasury on Power's financial reserves.

Report ID: 0060FY13

**Power Services Detailed Statement of Revenues and Expenses**

Run Date\Time: July 17, 2013 12:03

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended June 30, 2013

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 75%

	A	B	C	D <Note 1	E	F
	FY 2012	FY 2013			FY 2013	FY 2013
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>Operating Revenues</b>						
1 Gross Sales (excluding bookout adjustment) <Note 2	\$ 2,450,595	\$ 2,501,672	\$ 2,407,477	\$ 2,457,974	\$ 1,901,753	77%
2 Bookout Adjustment to Sales	(61,972)	-	-	(58,870)	(58,870)	100%
3 Miscellaneous Revenues	26,412	26,335	27,181	26,544	19,353	73%
4 Inter-Business Unit	134,716	131,078	138,442	140,828	107,682	76%
5 U.S. Treasury Credits	81,583	100,447	85,999	92,777	70,523	76%
6 <b>Total Operating Revenues</b>	<b>2,631,334</b>	<b>2,759,531</b>	<b>2,659,099</b>	<b>2,659,253</b>	<b>2,040,440</b>	<b>77%</b>
<b>Operating Expenses</b>						
<b>Power System Generation Resources</b>						
<b>Operating Generation</b>						
7 COLUMBIA GENERATING STATION	200,000	340,945	338,267	330,147	260,560	79%
8 BUREAU OF RECLAMATION	3,000	19,891	132,391	128,691	88,203	69%
9 CORPS OF ENGINEERS	200,000	215,700	215,700	215,700	151,555	70%
10 LONG-TERM CONTRACT GENERATING PROJECTS	25,000	25,831	26,008	23,490	16,655	71%
11 <b>Sub-Total</b>	<b>408,000</b>	<b>707,367</b>	<b>712,366</b>	<b>698,028</b>	<b>516,973</b>	<b>74%</b>
<b>Operating Generation Settlements and Other Payments</b>						
12 COLVILLE GENERATION SETTLEMENT	20,437	22,148	20,785	22,121	16,770	76%
13 <b>Sub-Total</b>	<b>20,437</b>	<b>22,148</b>	<b>20,785</b>	<b>22,121</b>	<b>16,770</b>	<b>76%</b>
<b>Non-Operating Generation</b>						
14 TROJAN DECOMMISSIONING	1,611	1,500	1,600	(23,000)	1,154	-105%
15 WNP-1&4 O&M	542	448	716	600	542	90%
16 <b>Sub-Total</b>	<b>2,153</b>	<b>1,948</b>	<b>2,316</b>	<b>(22,400)</b>	<b>1,695</b>	<b>-108%</b>
<b>Gross Contracted Power Purchases (excluding bookout adjustment)</b>						
17 PNCA HEADWATER BENEFITS	2,935	2,704	2,704	2,900	2,623	90%
18 PURCHASES FOR SERVICE AT TIER 2 RATES	8,456	23,419	23,419	23,419	17,493	75%
19 OTHER POWER PURCHASES - (e.g. Short-Term)	194,065	72,632	93,241	165,655	164,683	99%
20 <b>Sub-Total</b>	<b>205,456</b>	<b>98,755</b>	<b>119,364</b>	<b>191,973</b>	<b>185,384</b>	<b>97%</b>
21 <b>Bookout Adjustments to Contracted Power Purchases</b>	<b>(61,972)</b>	<b>-</b>	<b>-</b>	<b>(58,870)</b>	<b>(58,870)</b>	<b>100%</b>
<b>Augmentation Power Purchases</b>						
22 AUGMENTATION POWER PURCHASES	(107)	66,150	-	-	-	0%
23 <b>Sub-Total</b>	<b>(107)</b>	<b>66,150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
<b>Exchanges &amp; Settlements</b>						
24 RESIDENTIAL EXCHANGE PROGRAM <Note 2	203,712	201,760	203,200	202,689	159,241	79%
25 <b>Sub-Total</b>	<b>203,712</b>	<b>201,760</b>	<b>203,200</b>	<b>202,689</b>	<b>159,241</b>	<b>79%</b>
<b>Renewable Generation</b>						
26 RENEWABLE CONSERVATION RATE CREDIT	(18)	-	-	-	-	0%
27 RENEWABLES	34,036	38,142	38,140	36,140	24,840	69%
28 <b>Sub-Total</b>	<b>\$ 34,018</b>	<b>\$ 38,142</b>	<b>\$ 38,140</b>	<b>\$ 36,140</b>	<b>\$ 24,840</b>	<b>69%</b>

Report ID: 0060FY13

**Power Services Detailed Statement of Revenues and Expenses**

Run Date/Time: July 17, 2013 12:03

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended June 30, 2013

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 75%

	A	B	C	D <Note 1	E	F
	FY 2012	FY 2013			FY 2013	FY 2013
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>Generation Conservation</b>						
29	DSM TECHNOLOGY	\$ 8	\$ -	\$ -	\$ 1	0%
30	CONSERVATION ACQUISITION	12,664	15,950	15,950	5,860	44%
31	LOW INCOME ENERGY EFFICIENCY	7,274	5,000	5,000	2,824	56%
32	REIMBURSABLE ENERGY EFFICIENCY DEVELOPMENT	2,435	11,500	11,500	4,091	57%
33	LEGACY	1,002	900	900	500	63%
34	MARKET TRANSFORMATION	14,138	14,500	14,500	10,881	73%
35	CONSERVATION RATE CREDIT (CRC)	(17)	-	-	-	0%
36	<b>Sub-Total</b>	<b>37,505</b>	<b>47,850</b>	<b>47,850</b>	<b>24,157</b>	<b>58%</b>
37	<b>Power System Generation Sub-Total</b>	<b>1,055,679</b>	<b>1,412,021</b>	<b>1,144,021</b>	<b>870,190</b>	<b>78%</b>
<b>Power Non-Generation Operations</b>						
<b>Power Services System Operations</b>						
38	INFORMATION TECHNOLOGY	6,011	7,316	7,502	3,927	55%
39	GENERATION PROJECT COORDINATION	3,211	6,224	6,887	3,690	56%
40	SLICE IMPLEMENTATION	1,113	2,394	1,099	681	68%
41	<b>Sub-Total</b>	<b>10,335</b>	<b>15,934</b>	<b>15,488</b>	<b>8,299</b>	<b>56%</b>
<b>Power Services Scheduling</b>						
42	OPERATIONS SCHEDULING	9,071	10,010	10,312	6,395	62%
43	OPERATIONS PLANNING	6,720	6,709	7,255	4,819	69%
44	<b>Sub-Total</b>	<b>15,791</b>	<b>16,719</b>	<b>17,567</b>	<b>11,213</b>	<b>65%</b>
<b>Power Services Marketing and Business Support</b>						
45	POWER R&D	5,556	5,939	5,940	3,371	57%
46	SALES & SUPPORT	18,566	20,130	19,539	14,187	79%
47	STRATEGY, FINANCE & RISK MGMT	14,107	18,289	17,612	10,022	63%
48	EXECUTIVE AND ADMINISTRATIVE SERVICES	3,772	3,636	4,163	2,221	56%
49	CONSERVATION SUPPORT	8,416	9,608	9,272	5,910	72%
50	<b>Sub-Total</b>	<b>50,417</b>	<b>57,602</b>	<b>56,527</b>	<b>35,710</b>	<b>69%</b>
51	<b>Power Non-Generation Operations Sub-Total</b>	<b>79,919</b>	<b>90,255</b>	<b>89,582</b>	<b>55,222</b>	<b>66%</b>
<b>Power Services Transmission Acquisition and Ancillary Services</b>						
<b>PBL Transmission Acquisition and Ancillary Services</b>						
52	POWER SERVICES TRANSMISSION & ANCILLARY SERVICES	115,493	89,031	90,345	75,692	79%
53	3RD PARTY GTA WHEELING	48,721	52,891	52,891	38,038	72%
54	POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS	2,553	2,244	2,244	1,561	70%
55	GENERATION INTEGRATION / WIT-TS	9,101	12,968	12,968	7,295	56%
56	TELEMETERING/EQUIP REPLACEMT	5	51	51	1	2%
57	<b>Power Srvcs Trans Acquisition and Ancillary Services Sub-Total</b>	<b>175,873</b>	<b>157,185</b>	<b>158,498</b>	<b>122,587</b>	<b>75%</b>
<b>Fish and Wildlife/USF&amp;W/Planning Council/Environmental Req</b>						
<b>BPA Fish and Wildlife</b>						
58	<b>Fish &amp; Wildlife</b>	248,957	241,384	242,922	171,188	70%
59	<b>USF&amp;W Lower Snake Hatcheries</b>	22,000	29,900	29,880	20,512	71%
60	<b>Planning Council</b>	9,240	10,355	10,355	8,010	77%
61	<b>Fish and Wildlife/USF&amp;W/Planning Council Sub-Total</b>	<b>\$ 280,197</b>	<b>\$ 281,639</b>	<b>\$ 283,157</b>	<b>\$ 199,710</b>	<b>71%</b>

Report ID: 0060FY13	<b>Power Services Detailed Statement of Revenues and Expenses</b>	Run Date\Time: July 17, 2013 12:03
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended June 30, 2013	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Elapsed = 75%

	A	B		C		D <Note 1	E	F
	FY 2012	FY 2013				FY 2013	FY 2013	
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast		
<b>BPA Internal Support</b>								
62 Additional Post-Retirement Contribution	\$ 17,243	\$ 17,821	\$ 17,243	\$ 17,821	\$ 13,365	75%		
63 Agency Services G&A (excludes direct project support)	52,789	52,662	52,586	53,949	38,068	71%		
64 <b>BPA Internal Support Sub-Total</b>	<b>70,032</b>	<b>70,483</b>	<b>69,829</b>	<b>71,770</b>	<b>51,433</b>	<b>72%</b>		
65 <b>Bad Debt Expense</b>	<b>1,757</b>	-	-	<b>3</b>	<b>3</b>	<b>100%</b>		
66 <b>Other Income, Expenses, Adjustments</b>	<b>(1,650)</b>	-	-	<b>698</b>	<b>698</b>	<b>100%</b>		
<b>Non-Federal Debt Service</b>								
<b>Energy Northwest Debt Service</b>								
67 COLUMBIA GENERATING STATION DEBT SVC	101,516	100,172	92,203	96,880	68,882	71%		
68 WNP-1 DEBT SVC	284,923	277,308	237,437	234,800	167,569	71%		
69 WNP-3 DEBT SVC	5,191	1,5817	174,617	170,691	130,843	77%		
70 <b>Sub-Total</b>	<b>5,191</b>	<b>525,277</b>	<b>504,257</b>	<b>502,371</b>	<b>367,294</b>	<b>73%</b>		
<b>Non-Energy Northwest Debt Service</b>								
71 CONSERVATION DEBT SVC	2,377	2,377	2,610	2,610	1,970	75%		
72 COWLITZ FALLS DEBT SVC	11,709	11,709	11,709	11,595	8,782	76%		
73 NORTHERN WASCO DEBT SVC	1,751	2,224	1,927	1,927	1,446	75%		
74 <b>Sub-Total</b>	<b>16,153</b>	<b>16,309</b>	<b>16,247</b>	<b>16,133</b>	<b>12,198</b>	<b>76%</b>		
75 <b>Non-Federal Debt Service Sub-Total</b>	<b>561,308</b>	<b>541,586</b>	<b>520,504</b>	<b>518,504</b>	<b>379,492</b>	<b>73%</b>		
76 <b>Depreciation</b>	<b>111,724</b>	<b>127,560</b>	<b>119,100</b>	<b>126,500</b>	<b>95,146</b>	<b>75%</b>		
77 <b>Amortization</b>	<b>87,562</b>	<b>86,767</b>	<b>92,303</b>	<b>92,478</b>	<b>70,081</b>	<b>76%</b>		
78 <b>Total Operating Expenses</b>	<b>2,422,400</b>	<b>2,539,594</b>	<b>2,476,994</b>	<b>2,451,844</b>	<b>1,844,563</b>	<b>75%</b>		
79 <b>Net Operating Revenues (Expenses)</b>	<b>208,934</b>	<b>219,937</b>	<b>182,105</b>	<b>207,409</b>	<b>195,877</b>	<b>94%</b>		
<b>Interest Expense and (Income)</b>								
80 Federal Appropriation	205,652	222,714	216,977	218,106	163,733	75%		
81 Capitalization Adjustment	(45,937)	(45,937)	(45,937)	(45,937)	(34,453)	75%		
82 Borrowings from US Treasury	49,169	75,015	53,390	55,916	40,115	72%		
83 Customer Prepaid Power Purchases	-	-	-	7,653	3,848	50%		
84 AFUDC	(8,835)	(13,592)	(13,410)	(11,235)	(8,901)	79%		
85 Interest Income	(30,301)	(16,756)	(11,500)	(16,617)	(11,129)	67%		
86 <b>Net Interest Expense (Income)</b>	<b>169,748</b>	<b>221,444</b>	<b>199,520</b>	<b>207,886</b>	<b>153,213</b>	<b>74%</b>		
87 <b>Total Expenses</b>	<b>2,592,149</b>	<b>2,761,038</b>	<b>2,676,514</b>	<b>2,659,730</b>	<b>1,997,776</b>	<b>75%</b>		
88 <b>Net Revenues (Expenses)</b>	<b>\$ 39,185</b>	<b>\$ (1,507)</b>	<b>\$ (17,415)</b>	<b>\$ (476)</b>	<b>\$ 42,664</b>	<b>-9060%</b>		

- <1 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties among other factors may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.
- <2 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.

## Capital Reports

Report ID: 0027FY13

Requesting BL: CORPORATE BUSINESS UNIT

Unit of Measure: \$Thousands

**QBR Forecast Analysis: BPA Capital Expenditures**

FYTD Through the Month Ended June 30, 2013

Preliminary Unaudited

Run Date/Run Time: July 17, 2013 12:05

Data Source: EPM Data Warehouse

% of Year Elapsed = 75%

		A	B	C
		FY 2013		FY 2013
		2nd Quarter Forecast	Current EOY Forecast	Current EOY Forecast - 2nd Quarter Forecast
<b>Transmission Business Unit</b>				
1	MAIN GRID	\$ 107,129	\$ 84,090	\$ (23,039)
2	AREA & CUSTOMER SERVICE	16,506	12,641	(3,865)
3	SYSTEM REPLACEMENTS	197,291	214,807	17,515
4	UPGRADES & ADDITIONS	209,365	204,325	(5,041)
5	ENVIRONMENT CAPITAL	7,868	8,110	242
	<u>PFIA</u>	-	-	-
6	MISC. PFIA PROJECTS	13,181	10,616	(2,564)
7	GENERATOR INTERCONNECTION	4,120	(240)	(4,359)
8	SPECTRUM RELOCATION	1,512	914	(598)
9	CAPITAL INDIRECT	-	-	-
10	LAPSE FACTOR	-	-	-
11	<b>TOTAL Transmission Business Unit</b>	<b>556,972</b>	<b>535,263</b>	<b>(21,709)</b>
<b>Power Business Unit</b>				
12	BUREAU OF RECLAMATION	66,113	71,179	5,066
13	CORPS OF ENGINEERS	151,720	144,774	(6,946)
14	GENERATION CONSERVATION	82,170	81,000	(1,170)
15	POWER INFORMATION TECHNOLOGY	7,760	7,000	(760)
16	FISH & WILDLIFE	67,145	60,002	(7,143)
17	LAPSE FACTOR	-	-	-
18	<b>TOTAL Power Business Unit</b>	<b>374,908</b>	<b>363,955</b>	<b>(10,953)</b>
<b>Corporate Business Unit</b>				
19	CORPORATE BUSINESS UNIT	39,624	34,274	(5,350)
20	<b>TOTAL Corporate Business Unit</b>	<b>39,624</b>	<b>34,274</b>	<b>(5,350)</b>
21	<b>TOTAL BPA Capital Expenditures</b>	<b>\$ 971,505</b>	<b>\$ 933,493</b>	<b>\$ (38,012)</b>

Report ID: 0027FY13  
 Requesting BL: CORPORATE BUSINESS UNIT  
 Unit of Measure: \$Thousands

**BPA Statement of Capital Expenditures**  
 FYTD Through the Month Ended June 30, 2013  
 Preliminary Unaudited

Run Date/Run Time: July 17, 2013/ 12:05  
 Data Source: EPM Data Warehouse  
 % of Year Elapsed = 75%

		FY 2013		FY 2013		FY 2013	
		SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast
<b>Transmission Business Unit</b>							
1	MAIN GRID	\$ 160,391	\$ 84,090	\$ 4,518	\$ 69,851	44%	83%
2	AREA & CUSTOMER SERVICE	23,103	12,641	1,246	7,320	32%	58%
3	SYSTEM REPLACEMENTS	227,542	214,807	16,640	117,025	51%	54%
4	UPGRADES & ADDITIONS	255,246	204,325	17,542	119,232	47%	58%
5	ENVIRONMENT CAPITAL	6,483	2,110	539	4,134	64%	51%
	PFIA						
6	MISC. PFIA PROJECTS	12,520	10,240	831	7,539	60%	71%
7	GENERATOR INTERCONNECTION	3,462	(240)	932	2,897	7%	-1208%
8	SPECTRUM RELOCATION	1,000	914	1	739	57%	81%
9	CAPITAL INDIRECT	-	-	(1,444)	11,734	0%	0%
10	LAPSE FACTOR	(72,273)	-	-	-	0%	0%
11	<b>TOTAL Transmission Business Unit</b>	<b>553,169</b>	<b>535,263</b>	<b>40,804</b>	<b>340,472</b>	<b>52%</b>	<b>64%</b>
<b>Power Business Unit</b>							
12	BUREAU OF RECLAMATION	64,546	71,179	9,647	56,455	87%	79%
13	CORPS OF ENGINEERS	172,635	144,774	15,231	103,219	60%	71%
14	GENERATION CONSERVATION	82,170	81,000	5,132	43,241	53%	53%
15	POWER INFORMATION TECHNOLOGY	5,885	7,000	451	4,665	79%	67%
16	FISH & WILDLIFE	67,145	60,002	2,761	26,923	40%	45%
17	LAPSE FACTOR	(12,417)	-	-	-	0%	0%
18	<b>TOTAL Power Business Unit</b>	<b>379,964</b>	<b>363,955</b>	<b>33,223</b>	<b>234,504</b>	<b>62%</b>	<b>64%</b>
<b>Corporate Business Unit</b>							
19	CORPORATE BUSINESS UNIT	48,649	34,274	6,076	22,990	47%	67%
20	<b>TOTAL Corporate Business Unit</b>	<b>48,649</b>	<b>34,274</b>	<b>6,076</b>	<b>22,990</b>	<b>47%</b>	<b>67%</b>
21	<b>TOTAL BPA Capital Expenditures</b>	<b>\$ 1,081,782</b>	<b>\$ 933,493</b>	<b>\$ 80,102</b>	<b>\$ 597,965</b>	<b>55%</b>	<b>64%</b>

## Lapse Factor

- **Description:** The Lapse Factor was an undistributed spending reduction that was expected to be achieved through under-spending across the relevant capital programs.
- **Purpose:** To avoid over-collecting in rates for expected capital expenditures.
  - Applied to start-of-year budgets.
  - Not applied to quarterly forecasts or actuals.

# Transmission Capital Programs

- Main Grid – Row 1
  - Assure compliance with NERC standards & WECC reliability criteria, provide a reliable transmission system for open access, and provide relief of system congestion
- Area & Customer Service – Row 2
  - Assure that BPA meets reliability standards and contractual obligations
- System Replacements – Row 3
  - Replace high risk, obsolete, and maintenance-intensive facilities and equipment in order to reduce equipment failure affecting the safety and reliability of the transmission system
- Upgrades & Additions – Row 4
  - Replace older communications and controls with newer technology to maintain or enhance the capabilities to accommodate new generation and mitigate operational and market constrained path

# Transmission Capital Programs

- Environment – Row 5
  - Assure compliance with environmental laws and regulations
- PFIA – Rows 6-8
  - Facilities and/or equipment where BPA retains control or ownership but which are funded or financed by a third party or reserves, either in total or in part
- Capital Indirect – Row 9
  - Applies to actuals only
  - Collects cost in overall support of capital program in Transmission and cost will fluxuate during the year.

# Power Capital Programs

- Fed Hydro (Corps & Reclamation) – Rows 12-13
  - This capital budget funds major equipment replacement and refurbishment at 31 Corps of Engineers and Bureau of Reclamation hydroelectric facilities.
- Conservation – Row 14
  - Acquire cost-effective conservation, to meet 85% of regional load growth, through regional programs and incentives.
- Power IT – Row 15
  - Enable the agency to reliably and securely use IT resources to effectively and efficiently perform work. IT capital projects include new applications, networks, data centers and office automation.
- Fish and Wildlife – Row 16
  - Protect, mitigate, and enhance species effected by the construction and operation of the FCRPS through hatchery and fish facility construction, land acquisitions that provide mitigation for wildlife and resident fish losses, and fish passage projects.

Report ID: 0067FY13  
 Requesting BL: CORPORATE BUSINESS UNIT  
 Unit of Measure: \$Thousands

**BPA Statement of Capital Expenditures**  
 FYTD Through the Month Ended June 30, 2013  
 Preliminary Unaudited

Run Date/Run Time: July 17, 2013/ 12:06  
 Data Source: EPM Data Warehouse  
 % of Year Elapsed = 75%

A		B		C		D		E		F	
FY 2013		FY 2013		FY 2013		FY 2013		FY 2013		FY 2013	
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**

Transmission Business Unit		A	B	C	D	E	F
		SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast
<b>MAIN GRID</b>							
1	MID-COLUMBIA REINFORCEMENT	\$ -	\$ 61	\$ 55	\$ 276	0%	455%
2	CENTRAL OREGON REINFORCEMENT	6,699	6,247	30	6,538	98%	105%
3	BIG EDDY-KNIGHT 500kv PROJECT	48,316	35,761	2,263	33,075	68%	92%
4	OLYMPIC PENINSULA REINFORCEMNT	1,639	1,588	96	662	40%	96%
5	WEST OF MCNARY INTEGRATION PRO	68	2,369	3	2,369	3484%	83%
6	I-5 CORRIDOR UPGRADE PROJECT	15,171	10,800	943	7,555	50%	69%
7	CENTRAL FERRY- LOWER MONUMNTAL	46,061	1,275	47	1,270	3%	86%
8	SEATTLE-PUDGET SOUND AREA	104	1,125	71	162	2%	14%
9	PORTLAND-VANCOUVER	2,072	6,191	534	5,115	230%	83%
10	WEST OF CASCADES NORTH	5,513	403	172	553	36%	137%
11	NORTHERN INTERTIE	250	57		38	15%	67%
12	SALEM- ALBANY-EUGENE AREA	275	448	19	215	78%	48%
13	TRI-CITIES AREA	7,197	7,586	475	3,757	52%	50%
14	MONTANA-WEST OF HATWAI	7,699	464	7	109	1%	24%
15	NERC CRITERIA COMPLIANCE	6,612	-	-	-	0%	0%
16	MISC. MAIN GRID PROJECTS	8,303	9,843	(200)	8,156	98%	83%
17	<b>TOTAL MAIN GRID</b>	<b>160,391</b>	<b>84,090</b>	<b>4,518</b>	<b>69,851</b>	<b>44%</b>	<b>83%</b>
<b>AREA &amp; CUSTOMER SERVICE</b>							
18	ROGUE SVC ADDITION	1,393	209	44	431	31%	206%
19	CITY OF CENTRALIA PROJECT	-	42	1	6	0%	13%
20	SOUTHERN IDAHO - LOWER VALLEY	14,425	4,988	367	3,059	21%	61%
21	LONGVIEW AREA REINFORCEMENT	355	255	50	192	54%	75%
22	KALISPELL-FLATHEAD VALLEY	2,338	3,767	436	1,619	69%	43%
23	MISC. AREA & CUSTOMER SERVICE	4,592	3,381	348	2,014	44%	60%
24	<b>TOTAL AREA &amp; CUSTOMER SERVICE</b>	<b>\$ 23,103</b>	<b>\$ 12,641</b>	<b>\$ 1,246</b>	<b>\$ 7,320</b>	<b>32%</b>	<b>58%</b>

Report ID: 0067FY13	<b>BPA Statement of Capital Expenditures</b>	Run Date/Run Time: July 17, 2013/ 12:06
Requesting BL: CORPORATE BUSINESS UNIT	FYTD Through the Month Ended June 30, 2013	Data Source: EPM Data Warehouse
Unit of Measure: \$Thousands	Preliminary Unaudited	% of Year Elapsed = 75%

	A	B	C	D	E	F
	FY 2013		FY 2013		FY 2013	
	SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast

**Transmission Business Unit (Continued)**

	SYSTEM REPLACEMENTS					
25	TEAP - TOOLS	\$ 2,000	\$ 1,226	\$ 128	\$ 326	16%
26	TEAP - EQUIPMENT	8,456	6,807	474	3,446	41%
27	SPC - SER	5,508	8,276	561	3,465	63%
28	SPC - DFERS	200	676	4	833	417%
29	SPC - METERING	596	5	92	278	47%
30	SPC - CONTROL AND INDICATION	1,721	1,955	463	1,908	111%
31	SPC - RELAYS	24,008	1,554	892	5,269	21%
32	PSC - TELEPHONE SYSTEMS	30	299	33	163	53%
33	PSC - TRANSFER TRIP	2,016	7,490	424	3,731	30%
34	PSC - FIN/OP NETWORKS	95	340	6	170	179%
35	PSC - TLECOM TRANSPORT	1,179	850	55	818	69%
36	PSC - SCADA/TELEMETRY/SUP CNTRL	1,269	1,235	124	1,131	89%
37	PSC- TELECOM SUPPORT EQUIPMENT	1,469	4,855	318	1,946	133%
38	SUB DC- PWR ELCTRNC & SRS CAPS	13,436	18,160	1,990	11,858	88%
39	SUB AC- BUS & STRUCTURES	610	882	237	984	161%
40	SUB AC - LOW VOLTAGE AUX.	5,055	7,356	663	3,161	63%
41	SUB AC- SHUNT CAPACITORS	50	2,022	238	314	627%
42	SUB AC-CIRCUIT BRKR & SWTCH GR	20,272	19,600	3,290	11,292	56%
43	SUB AC - CVT/PT/CT & ARRESTERS	1,244	3,611	294	2,655	213%
44	SUB AC-TRANSFORMERS & REACTORS	9,813	10,616	121	595	6%
45	LINES - STEEL HARDWARE REPLCMT	32,898	28,600	2,748	18,063	55%
46	LINES - WOOD POLE LN REBUILDS	50,727	49,081	4,064	37,452	74%
47	MISC. REPLACEMENT PROJECTS	-	689	(1,619)	1,225	0%
48	MISC FACILITIES- NON-ELECTRIC	33,447	28,090	1,038	5,942	18%
49	<b>TOTAL SYSTEM REPLACEMENTS</b>	<b>\$ 227,542</b>	<b>\$ 214,807</b>	<b>\$ 16,640</b>	<b>\$ 117,025</b>	<b>51%</b>

Report ID: 0067FY13  
 Requesting BL: CORPORATE BUSINESS UNIT  
 Unit of Measure: \$Thousands

**BPA Statement of Capital Expenditures**  
 FYTD Through the Month Ended June 30, 2013  
 Preliminary Unaudited

Run Date/Run Time: July 17, 2013/ 12:06  
 Data Source: EPM Data Warehouse  
 % of Year Elapsed = 75%

A		B		C		D		E		F	
FY 2013		FY 2013		FY 2013		FY 2013		FY 2013		FY 2013	
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)**

UPGRADES & ADDITIONS											
50	IT PROJECTS	\$ 2,851	\$ 8,577	\$ 639	\$ 5,179	182%	60%				
51	SECURITY ENHANCEMENTS	11,001	6,131	1,024	2,370	22%	39%				
52	LAND RIGHTS - ACCESS ROADS	5,819	5,737	985	4,747	82%	83%				
53	LAND RIGHTS- VEG MITIGATION	582	676	162	376	65%	56%				
54	LAND RIGHTS - TRIBAL RENEWALS	1,261	933	26	138	11%	15%				
55	ACCESS ROADS	18,247	15,253	1,998	8,957	49%	57%				
56	SUBSTATION UPGRADES	21,208	17,500	1,247	9,097	43%	51%				
57	LINE SWITCH UPGRADES	300	-	-	-	0%	0%				
58	LINE CAPACITY UPGRADES	1,000	1,365	78	1,000	100%	73%				
59	CELILO UPGRADES PROJECT	106,700	5,000	24,772	34,994	33%	59%				
60	CONTROL CENTERS	1,385	312	-	3	0%	1%				
61	CC SYSTEM & APPLICATION	1,507	1,907	132	1,019	25%	53%				
62	CC INFRASTRUCTURE COMPONENTS	1,050	4,731	150	2,407	34%	51%				
63	SYSTEM TELECOMMUNICATION	1,010	39,178	4,773	20,423	43%	52%				
64	MISC. UPGRADES AND ADDITIONS	24,646	41,895	(18,443)	28,523	116%	68%				
65	<b>TOTAL UPGRADES &amp; ADDITIONS</b>	<b>255,246</b>	<b>204,325</b>	<b>17,542</b>	<b>119,232</b>	<b>47%</b>	<b>58%</b>				
ENVIRONMENT CAPITAL											
66	MISC. ENVIRONMENT PROJECTS	6,483	8,110	539	4,134	64%	51%				
67	<b>TOTAL ENVIRONMENT CAPITAL</b>	<b>6,483</b>	<b>8,110</b>	<b>539</b>	<b>4,134</b>	<b>64%</b>	<b>51%</b>				
68	<b>CAPITAL DIRECT</b>	<b>672,764</b>	<b>523,973</b>	<b>40,484</b>	<b>317,562</b>	<b>47%</b>	<b>61%</b>				
PFIA											
69	MISC. PFIA PROJECTS	12,520	10,616	831	7,539	60%	71%				
70	GENERATOR INTERCONNECTION	38,862	(240)	932	2,897	7%	-1208%				
71	SPECTRUM RELOCATION	1,296	914	1	739	57%	81%				
72	<b>TOTAL PFIA</b>	<b>52,678</b>	<b>11,291</b>	<b>1,763</b>	<b>11,176</b>	<b>21%</b>	<b>99%</b>				
73	<b>CAPITAL INDIRECT</b>	<b>(0)</b>	<b>-</b>	<b>(1,444)</b>	<b>11,734</b>	<b>0%</b>	<b>0%</b>				
74	LAPSE FACTOR	(72,273)	-	-	-	0%	0%				
75	<b>TOTAL Transmission Business Unit</b>	<b>\$ 653,169</b>	<b>\$ 535,263</b>	<b>\$ 40,804</b>	<b>\$ 340,472</b>	<b>52%</b>	<b>64%</b>				

Report ID: 0067FY13	<b>BPA Statement of Capital Expenditures</b>	Run Date/Run Time: July 17, 2013/ 12:06
Requesting BL: CORPORATE BUSINESS UNIT	FYTD Through the Month Ended June 30, 2013	Data Source: EPM Data Warehouse
Unit of Measure: \$Thousands	Preliminary Unaudited	% of Year Elapsed = 75%

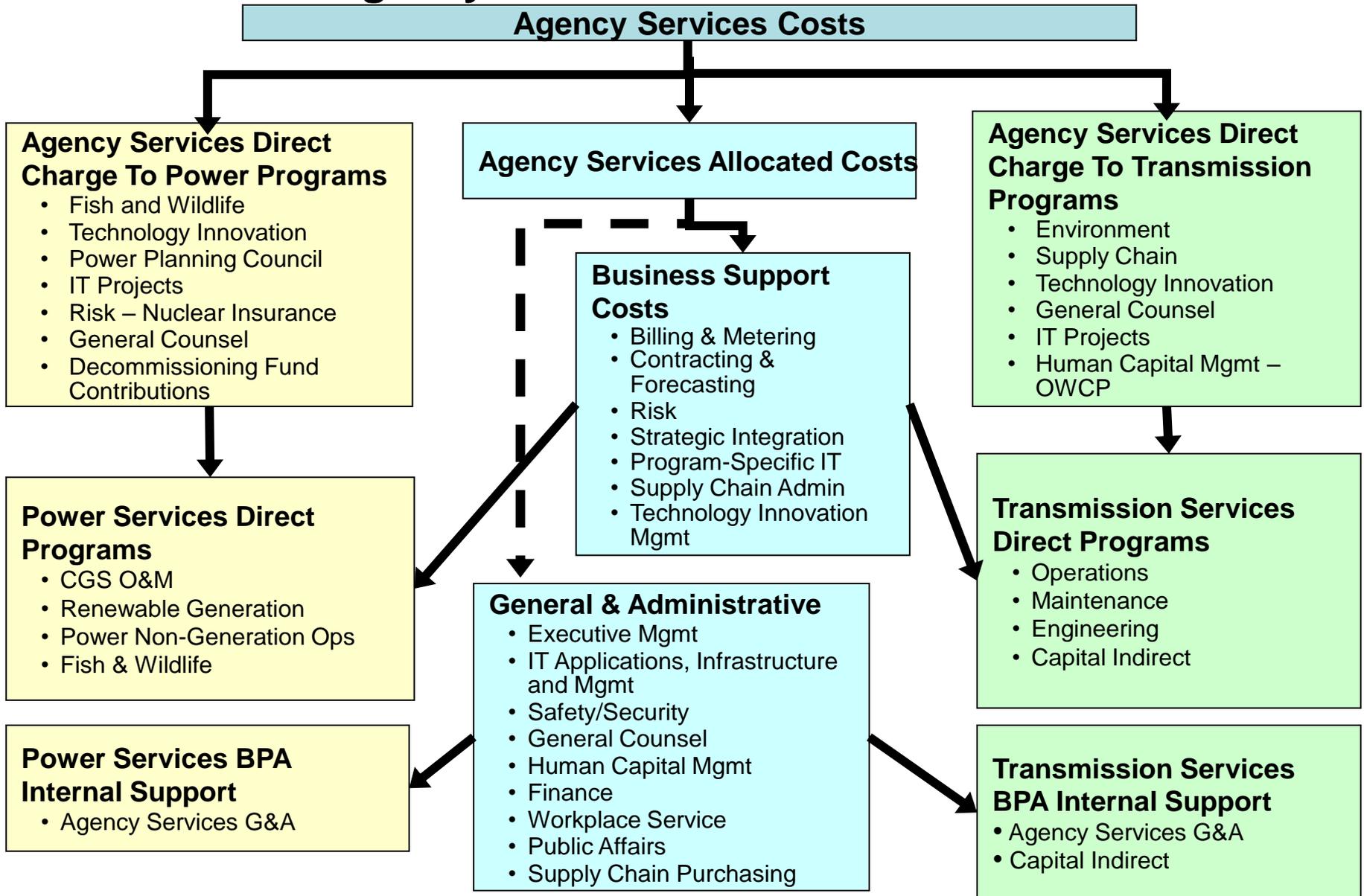
	FY 2013		FY 2013		FY 2013	
	SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast
<b>Power Business Unit</b>						
76	\$ 64,546	\$ 71,179	\$ 9,647	\$ 56,455	87%	79%
77	172,635	144,224	15,231	103,219	60%	71%
78	82,170	81,000	5,132	43,241	53%	53%
79	5,000	7,000	451	4,665	79%	67%
80	14,000	60,002	2,761	26,923	40%	45%
81	(2,417)	-	-	-	0%	0%
82	<b>379,964</b>	<b>363,955</b>	<b>33,223</b>	<b>234,504</b>	<b>62%</b>	<b>64%</b>
<b>Corporate Business Unit</b>						
83	48,649	34,274	6,076	22,990	47%	67%
84	<b>48,649</b>	<b>34,274</b>	<b>6,076</b>	<b>22,990</b>	<b>47%</b>	<b>67%</b>
85	<b>\$ 1,081,782</b>	<b>\$ 933,493</b>	<b>\$ 80,102</b>	<b>\$ 597,965</b>	<b>55%</b>	<b>64%</b>

## **Allocation of Corporate Costs**

# Corporate Costs

- Corporate (shared) Costs
  - Three costing methods
    - Direct Charging
      - Fish & Wildlife
      - Energy Efficiency
      - Planning Council
      - Environment
      - Supply Chain
      - Non-Electric Plant Maintenance
      - Research & Development
    - Direct Allocation
      - Regulatory Fees
      - Information Technology
      - Customer Support Services (Billing & Contracting)
    - G&A Allocation
      - Administration
      - Human Resources
      - Security
      - Finance

# Agency Services Cost Distribution



## **How to Interpret BPA's Revenue Detail Report**

Report ID: 0063FY13

**Transmission Services Revenue Detail by Product**

Run Date/Time: July 17, 2013 12:02

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended June 30, 2013

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 75%

		A	B	C	D
		FY 2013			FY 2013
		Rate Case	SOY Budget	Current EOY Forecast	Actuals
<b>Transmission Services Operating Revenues</b>					
<b>NETWORK</b>					
1	PTP - LONG TERM	\$ 376,256	\$ 367,184	\$ 368,627	\$ 276,273
2	NETWORK INTEGRATION	132,022	126,030	120,360	92,182
3	INTEGRATION OF RESOURCES	25,679	22,191	22,191	16,650
4	FORMULA POWER TRANSMISSION	5,629	25,453	25,451	19,089
5	PTP - SHORT TERM	28,069	25,544	20,235	15,809
6	<b>TOTAL: NETWORK</b>	<b>587,655</b>	<b>566,403</b>	<b>556,865</b>	<b>420,003</b>
<b>ANCILLARY SERVICES</b>					
7	SCHEDULING, SYSTEM CONTROL & DISPATCH	95,881	93,798	92,534	69,474
8	OPERATING RESERVES - SPIN & SUPP	45,417	60,567	57,845	43,717
9	VARIABLE RES BALANCING	66,229	50,555	52,905	39,740
10	REGULATION & FREQ RESPONSE	6,513	6,550	6,435	4,907
11	ENERGY & GENERATION IMBALANCE	-	4,776	6,459	5,462
12	DISPATCHABLE RES BALANCING	-	3,545	3,139	2,031
13	<b>TOTAL: ANCILLARY SERVICES</b>	<b>214,040</b>	<b>219,791</b>	<b>219,317</b>	<b>165,330</b>
<b>INTERTIE</b>					
14	SOUTHERN INTERTIE LONG TERM	92,200	92,250	92,413	69,112
15	SOUTHERN INTERTIE SHORT TERM	4,463	5,089	6,262	3,750
16	MONTANA INTERTIE LONG TERM	115	115	115	86
17	MONTANA INTERTIE SHORT TERM	-	-	-	129
18	<b>TOTAL: INTERTIE</b>	<b>96,777</b>	<b>97,454</b>	<b>98,790</b>	<b>73,078</b>

Report ID: 0063FY13

Requesting BL: TRANSMISSION BUSINESS UNIT

Unit of Measure: \$ Thousands

**Transmission Services Revenue Detail by Product**

Through the Month Ended June 30, 2013

Preliminary/ Unaudited

Run Date/Time: July 17, 2013 12:02

Data Source: EPM Data Warehouse

% of Year Elapsed = 75%

	A	B	C	D
	FY 2013			FY 2013
	Rate Case	SOY Budget	Current EOY Forecast	Actuals
<b>OTHER REVENUES &amp; CREDITS</b>				
19 TOWNSEND-GARRISON TRANS	\$ 9,796	\$ 12,421	\$ 12,357	\$ 9,249
20 GEN INTEGRATION - OTHER REV	8,726	8,709	8,720	6,543
21 USE OF FACILITIES	5,146	5,397	5,136	3,788
22 POWER FACTOR PENALTY	4,174	4,174	3,418	1,102
23 NFP - DEPR PNW PSW INTERTIE	3,065	2,943	3,180	2,430
24 AC - PNW PSW INTERTIE - OTH REV	1,432	1,553	1,577	1,156
25 OPERATIONS & MAINT - OTHER REV	1,145	1,079	1,049	778
26 COE & BOR PROJECT REV	954	954	954	716
27 RESERVATION FEE - OTHER REV	1,937	593	567	489
28 TRANSMISSION SHARE IRRIGATION	382	382	429	204
29 LAND LEASES AND SALES	301	301	280	266
30 OTHER LEASES REVENUE	106	106	100	94
31 REMEDIAL ACTION - OTHER REV	51	51	42	28
32 MISC SERVICES - LOSS-EXCH-AIR	-	100	143	486
33 FAILURE TO COMPLY - OTHER REV	-	-	-	458
34 UNAUTHORIZED INCREASE - OTH REV	-	-	-	6
35 OTHER REVENUE SOURCES	-	-	-	(56)
36 <b>TOTAL: OTHER REVENUES &amp; CREDITS</b>	<b>37,216</b>	<b>38,763</b>	<b>37,955</b>	<b>27,736</b>
<b>FIBER &amp; PCS</b>				
37 FIBER OTHER REVENUE	6,786	7,936	9,147	6,053
38 WIRELESS/PCS - OTHER REVENUE	4,861	4,861	5,486	4,834
39 WIRELESS/PCS - REIMBURSABLE REV	1,206	1,185	1,144	1,428
40 FIBER OTHER REIMBURSABLE REV	850	1,157	524	522
41 <b>TOTAL: FIBER &amp; PCS</b>	<b>13,704</b>	<b>15,140</b>	<b>16,301</b>	<b>12,837</b>
<b>REIMBURSABLE</b>				
42 REIMBURSABLE - OTHER REVENUE	15,875	21,219	29,726	30,360
43 ACCRUAL REIMBURSABLE	-	-	-	(2,375)
44 <b>TOTAL: REIMBURSABLE</b>	<b>15,875</b>	<b>21,219</b>	<b>29,726</b>	<b>27,985</b>
<b>DELIVERY</b>				
45 UTILITY DELIVERY CHARGES	2,969	2,765	2,338	1,640
46 DSI DELIVERY	1,785	1,785	2,630	1,973
47 <b>TOTAL: DELIVERY</b>	<b>4,753</b>	<b>4,550</b>	<b>4,968</b>	<b>3,612</b>
48 <b>TOTAL: Transmission Services Operating Revenues</b>	<b>\$ 970,021</b>	<b>\$ 963,319</b>	<b>\$ 963,922</b>	<b>\$ 730,581</b>

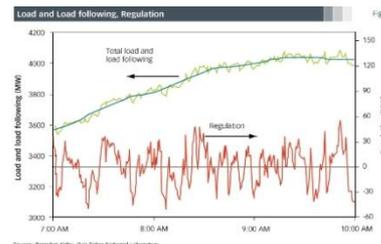
# Transmission Revenues

- **Network Segment (lines 1-6):** Provides bulk power transfers between service areas and voltage regulation with lines and substations at voltages from 34.5 kV to 500 kV.
  - Line 1: Point-to-Point Long Term (PTP LT) – For receipt of capacity and energy at designated Point(s) of Receipt and the transfer to designated Point(s) of Delivery. Service contracts for 1 year or more.
  - Line 2: Network Integration (NT) – Allows network customer to integrate, economically dispatch and regulate its current and planned Network Resources to service its network load.
  - Line 3: Integration of Resources (IR) – Legacy product that allows for transmission of non-Federal firm power, and non-firm not to exceed the customer's total transmission demand.
  - Line 4: Formula Power Transmission (FPT) – Legacy product for firm transmission of non-Federal power using the Main Grid and/or Secondary System of the FCRTS.
  - Line 5: Point-to-Point Short Term (PTP ST) – PTP service requests for less than 1 year in duration.



# Transmission Revenues

- **Ancillary Services Segment (lines 7-13):** Facilities and operations necessary for reliable transmission service
  - Line 7: Scheduling, System Control & Dispatch (SCD) – Required ancillary service associated with firm and non-firm transmission that include control equipment, communications, AGC, SCADA, scheduling and operations staff, etc.
  - Line 8: Operating Reserve – Spin & Supp (OR) – Keeps system in balance in the event of generation loss.
  - Line 9: Variable Resource Balancing Service (VERBS) – Charged to wind and solar generators in the BPA Balancing Authority. Comprised of regulating (moment-to-moment difference in generation and load), following (differences over longer periods of time in the hour) and imbalance (difference between generator schedule and actual generation in the hour).
  - Line 10: Regulation & Frequency Response (RFR) – Uses regulating reserve and the AGC system to provide moment to moment regulation for customers load variations within the hour.
  - Line 11: Energy & Generation Imbalance (EGI) - Provides for the difference between hourly scheduled load and hourly actual load.
  - Line 12: Dispatchable Resource Energy Balancing Service (DERBS) – applies to non-Federal thermal resources in the BPA Balancing Authority to maintain 60 Hz.



## Transmission Revenues

- **Intertie Segment (line 14-18):** Transmission lines that interconnect the Pacific Northwest to California and Montana power systems.
  - Line 14: Southern Intertie Long Term (IS LT) – Consists of DC and AC transmission to connect the PNW to CA. Transmission service contracts are for 1 or more years.
  - Line 15: Southern Intertie Short Term (IS ST) – DC and AC schedules that are less than 1 year in duration.
  - Line 16: Montana Intertie Long Term (IM LT) – Connects power generated at Colstrip (Montana) to the BPA Network, and transfer power from the PNW to Montana.
  - Line 17: Montana Intertie Short Term (IM ST) – duration < 1 year.



## Transmission Revenues

- **Other Revenues & Credits (line 19 to 36)** – includes a number of miscellaneous transmission revenues (i.e. land leases, use of facilities agreements, O&M agreements, FTC penalties, etc.).
- **Fiber & PCS Wireless (line 37 to 41)** – Fiber license and wireless master lease agreements that include construction, O&M and payment provisions.
- **Reimbursable Revenues (lines 42 to 44)** – generally work done by BPA for others at customers' expense.
- **Delivery Segment (lines 45 to 47)**
  - Line 45: Utility Delivery – facilities to deliver power to publics at less than 34.5 kV.
  - Line 46: DSI Delivery – facilities to delivery power to direct service industries at less than 34.5 kV.

Report ID: 0064FY13

**Power Services Detailed Statement of Revenues by Product**

Run Date\Time: July 17, 2013 12:02

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended June 30, 2013

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 75%

		A	B	C	D
		FY 2013		FY 2013	FY 2013
		Rate Case	SOY Budget	Actuals	Actuals per Rate Case
<b>Operating Revenues</b>					
<b>Gross Sales (excluding bookout adjustment)</b>					
<b>PF Tier 1 Revenues</b>					
<b>Load Following</b>					
1	Composite	\$ 1,049,506	\$ 1,049,506	\$ 785,379	75%
2	Non-Slice	(208,995)	(208,995)	(156,398)	75%
3	Load Shaping	(12,268)	(3,792)	(20,688)	169%
4	Demand	61,269	60,262	24,017	39%
5	Discounts / Fees	(44,009)	(44,009)	(18,992)	43%
6	RSS / RSC	240	240	383	160%
7	REP Refund	(33,036)	(33,036)	(24,777)	75%
8	Other	-	-	(153)	0%
9	<b>Sub-Total: Load Following</b>	812,707	820,176	588,771	72%
<b>Block</b>					
10	Composite	597,416	597,416	452,231	76%
11	Non-Slice	(118,967)	(118,967)	(90,056)	76%
12	Load Shaping	1,012	858	20,574	2032%
13	Demand	-	-	-	0%
14	Discounts / Fees	(4,963)	(4,963)	(6,298)	127%
15	RSS / RSC	-	-	-	0%
16	REP Refund	(21,459)	(21,459)	(16,095)	75%
17	Other	-	-	(238)	0%
18	<b>Sub-Total: Block</b>	453,039	452,885	360,119	79%
<b>Slice</b>					
19	Composite	629,081	629,081	471,813	75%
20	Slice	-	-	-	0%
21	Discounts / Fees	(3,277)	(3,277)	(2,243)	68%
22	REP Refund	(22,042)	(22,042)	(16,531)	75%
23	Other	-	-	-	0%
24	<b>Sub-Total: Slice</b>	603,762	603,762	453,039	75%
25	<b>PF Tier 2 Revenues</b>	24,123	24,123	18,044	75%
26	<b>NR Revenues</b>	-	-	-	0%
27	<b>IP Revenues</b>	108,334	101,772	74,589	69%
28	<b>FPS Revenues</b>	461,508	374,584	374,023	81%
29	<b>Other Revenues</b>	38,199	30,175	33,167	87%
30	<b>Gross Sales (excluding bookout adjustment)</b>	2,501,672	2,407,477	1,901,753	76%
31	<b>Bookout Adjustment to Sales</b>	-	-	(58,870)	0%
32	<b>Miscellaneous Revenues</b>	26,335	27,181	19,353	73%
33	<b>Inter-Business Unit</b>	131,078	138,442	107,682	82%
34	<b>U.S. Treasury Credits</b>	100,447	85,999	70,523	70%
35	<b>Total Operating Revenues</b>	<b>2,759,531</b>	<b>2,659,099</b>	<b>2,040,440</b>	<b>74%</b>

## Power Revenues

- PF Tier 1 Revenues – Load Following (rows 1-9)
  - Composite (row 1): This category includes revenues associated with the Composite charge.
  - Non-Slice (row 2): This category includes revenues and credits associated with Non-Slice product. Typically net credit.
  - Load Shaping (row 3): This category includes revenues and credits associated with the Load Shaping product, including Load Shaping True-Up.
  - Demand (row 4): This category includes revenues from demand use above the monthly average HLH energy take. Only applicable to Load Following customers.
  - Discounts / Fees (row 5): This category includes revenues and discounts from the Irrigation Rate Discount (IRD), unanticipated load service, Unauthorized Increase (UAI), and the Low Density Discount (LDD).
  - RSS / RSC (row 6): This category includes revenues associated with Resource Support Services (RSS) and Resource Shaping Charges (RSC).
  - REP Refund (row 7): This category includes the credit associated with the 2012 REP Settlement.
  - Other (row 8): This category includes revenues associated with credits and waivers.

## Power Revenues

- PF Tier 1 Revenues – Block (rows 10-18)
  - Composite (row 10): This category includes revenues associated with the Composite charge.
  - Non-Slice (row 11): This category includes revenues and credits associated with Non-Slice product. Typically net credit.
  - Load Shaping (row 12): This category includes revenues and credits associated with the Load Shaping product.
  - Demand (row 13): This category includes revenues from demand use above the monthly average HLH energy take. \$0 for Block customers.
  - Discounts / Fees (row 14): This category includes the Irrigation Rate Discount (IRD).
  - RSS / RSC (row 15): This category includes revenues associated with Resource Support Services (RSS) and Resource Shaping Charges (RSC). \$0 for Block customers.
  - REP Refund (row 16): This category includes the credit associated with the 2012 REP Settlement.
  - Other (row 17): This category includes credits and waivers.

# Power Revenues

- PF Tier 1 Revenues – Slice (rows 19-24)
  - Composite (row 19): This category includes revenues associated with the Composite charge.
  - Slice (row 20): This category includes revenues associated with slice only products. \$0 for FY 2014.
  - Discounts / Fees (row 21): This category includes revenues and discounts from Unauthorized Increase (UAI) and the Low Density Discount (LDD).
  - REP Refund (row 22): This category includes the credit associated with the 2012 REP Settlement.
  - Other (row 23): This category includes credits and waivers.



## Power Revenues

- PF Tier 2 Revenues (row 25)
  - This category includes the revenues associated with Tier 2 loads from Priority firm customers who have above-RHWM load. The options for FY 2014 are load growth or short-term (options based on cost of providing a flat annual block of power).
- NR Revenues (row 26)
  - This category includes the revenues associated with New Resource Firm Power (NR). \$0 for FY 2014.
- IP Revenues (row 27)
  - This category includes revenues associated with Direct-Service Industrial customers (DSIs) at the IP rate.

# Power Revenues

- **FPS Revenues (row 28)**
  - This category includes revenues from sale of Firm Power, Capacity without energy, supplemental control area services, shaping services, reservation and rights to change services, reassignment or remarketing of surplus transmission capacity, services for non-federal resources, and unanticipated load service (non-PF).
- **Other Revenues (row 29)**
  - This category includes from the Slice True-Up, WNP-3 Settlement, and REC Revenues.



# Power Revenues

- **Miscellaneous Revenues (row 32)**
  - This category includes revenues from General Transfer Agreement (GTA) delivery charge, Energy Efficiency, Downstream Benefits, U.S. Bureau of Reclamation (Reclamation) power for irrigation, and the Upper Baker project.
- **Inter-Business Unit (row 33)**
  - This category includes revenues associated with providing generation inputs for ancillary and control area services such as generation inputs for Regulating Reserve, Variable Energy Resource Balancing Service (VERBS) Reserve, Dispatchable Energy Resource Balancing Service (DERBS) Reserve, and Operating Reserves. Power Services receives revenue from Transmission Services for providing generation inputs for other services, including Synchronous Condensing, Generation Dropping, Energy Imbalance, and Generation Imbalance. Other inter-business line allocations revenues include Redispatch, Segmentation of Corps and Reclamation network and delivery facilities costs, and station service.

## Power Revenues

- U.S. Treasury Credits (row 34)
  - This category includes revenues associated with the 4(h)(10)(C) credit and Colville Settlement.
  - Section 4(h)(10)(C) of the Northwest Power Act states that the amounts BPA spends for protecting, enhancing, and mitigating fish and wildlife in the region shall be allocated among the FCRPS hydro projects based on the various project purposes. BPA pays the entirety of the costs relating to the obligations of section 4(h)(10)(C) and is reimbursed by the U.S. Treasury for 22.3 percent of the replacement power purchases BPA is expected to make due to fish mitigation, as well as an equal percentage of program and capital expenses related to the fish and wildlife programs.
  - The Colville Settlement Agreement obligates BPA to make annual payments to the Colville Tribes. BPA receives annual credits from the U.S. Treasury against payments due the U.S. Treasury to defray a portion of the costs of making payments to the Colville Tribes. The Treasury credit for the Colville Settlement is set by legislation at \$4.6 million for FY 2014.

# Background on Debt Optimization and Debt Service Reassignment

Ron Homenick  
Financial Analyst

Anita Mertsching  
Financial Analyst

## Debt Optimization Program Highlights

- The Debt Optimization (DO) Program benefited Northwest ratepayers by taking advantage of opportunities to refinance (extend) Energy Northwest (EN) debt and restore Treasury borrowing authority by repaying Treasury debt instead.
- Tax-exempt municipal interest rates were lower than Treasury borrowing rates. The program also allowed BPA to issue short-term Treasury bonds to be available for repayment during DO and take advantage of lower interest rates from the shorter maturities. Both reduced BPA's overall interest expense.
- Additionally, the program was structured so that overall debt service, and the impact on power and transmission rates, would be no higher with DO than without.

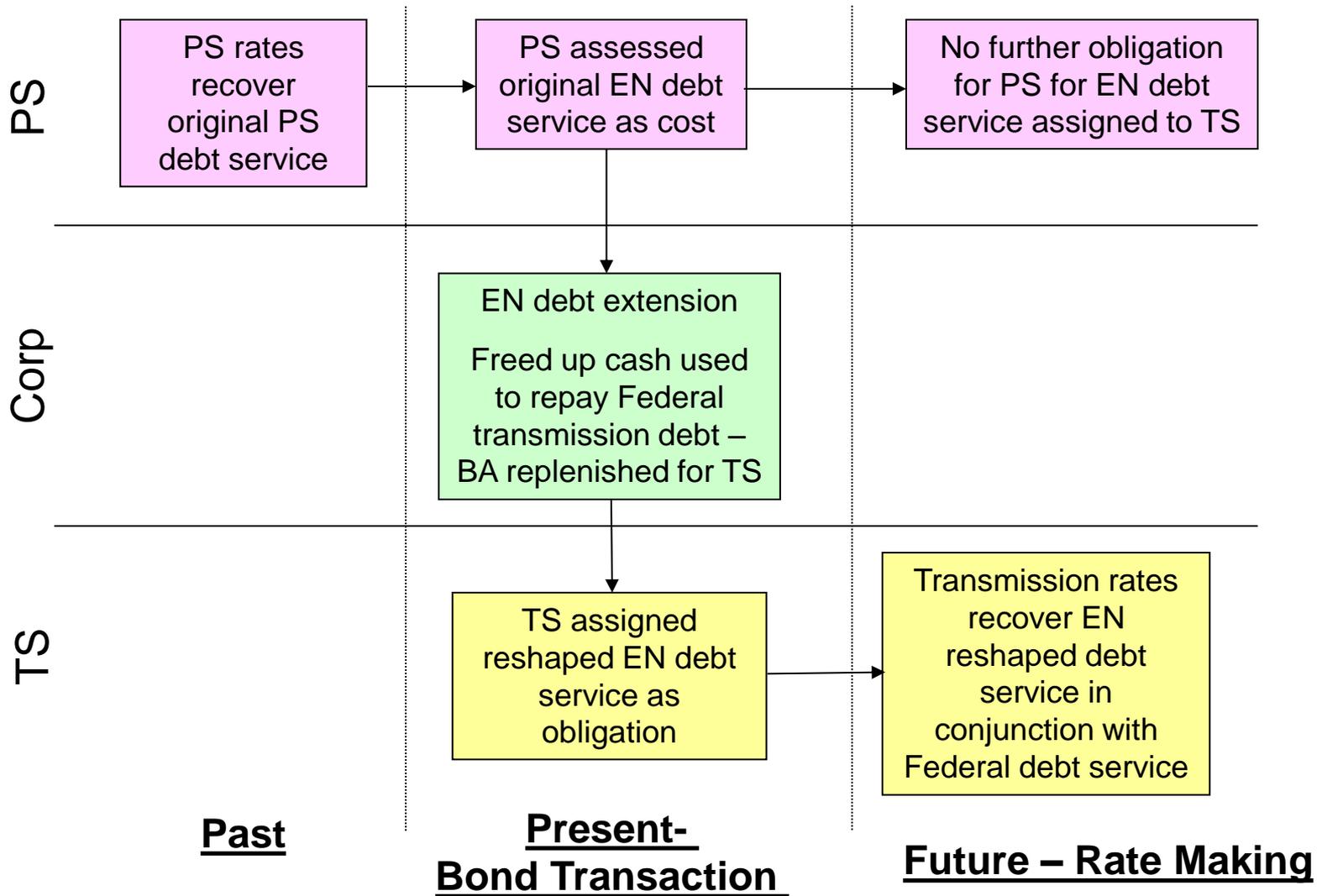
## Debt Service Reassignment Highlights

- Opportunities to take advantage of EN debt refinancings under the DO Program without increasing power rates had been exhausted.
- DSR was implemented to expand the DO Program by repaying Transmission Treasury debt.
- The Corporate Business Unit was used as an intermediary to facilitate the accounting transactions for DSR.
- DSR is strictly an internal accounting and rate-making mechanism not apparent to external EN bondholders.

## Debt Service Reassignment Highlights (Continued)

- Power satisfied its obligation for EN debt service through revenue recovery, so Power rate payers are no longer responsible for EN bond extensions associated with Transmission.
- EN debt service reassigned to Transmission is being recovered fully through Transmission rates.
- The total payment obligation for Transmission due to DSR in a given year does not exactly match the actual debt service on the bonds – it was adjusted for timing differences, bond specifics, etc.
- Transmission's DSR repayment obligation was reshaped so that the total principal equals the total Federal principal retired through the advanced Federal payment.

# Debt Service Reassignment Concept Simplified

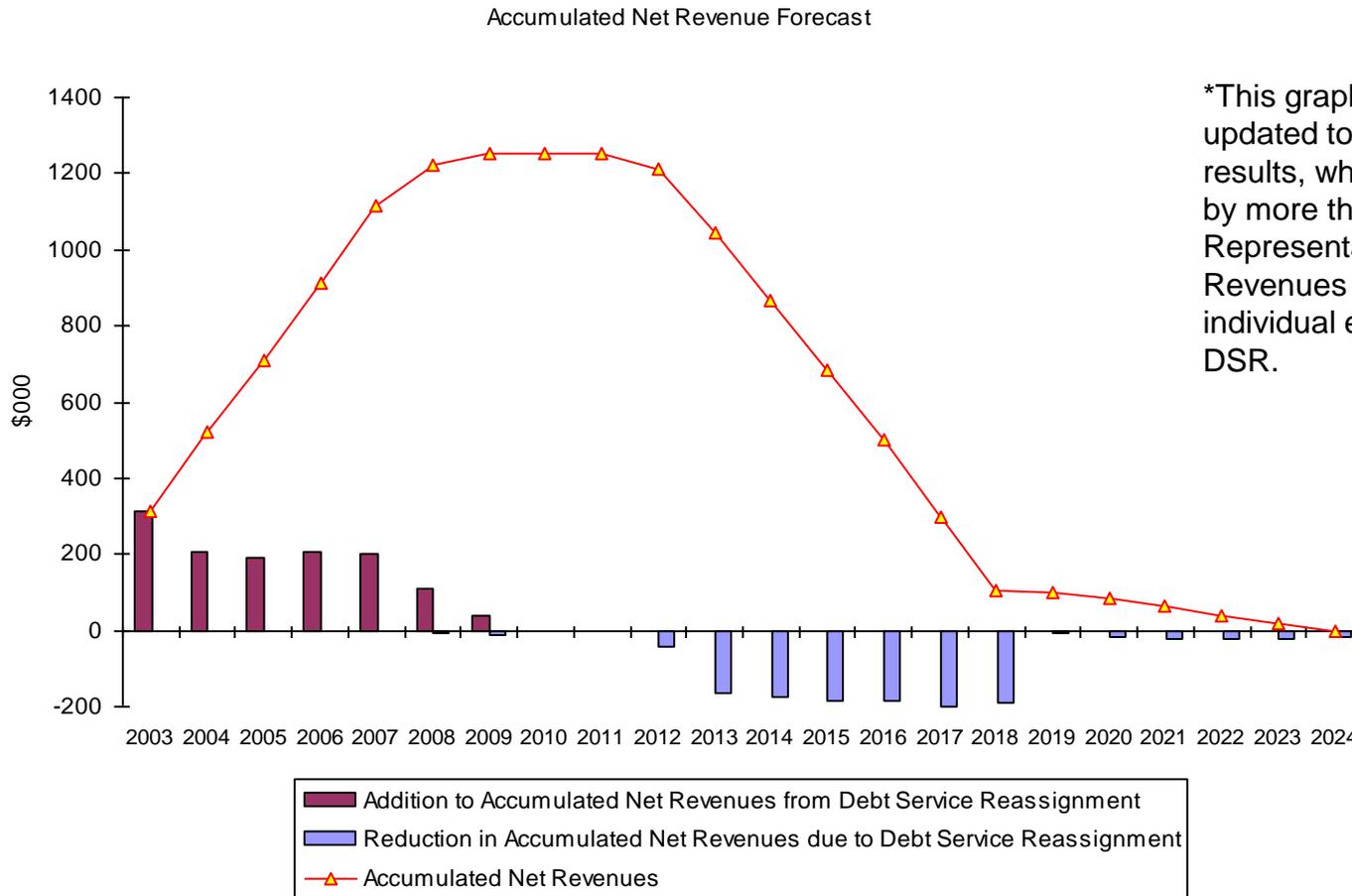


## Effect on BPA Financial Statements

- Beginning in Fiscal Year 2003, BPA adopted Modified Net Revenue (MNR) as a Key Agency Target to eliminate the effects of the DO Program (including DSR) on performance measure net revenue.
- The DO Program resulted in higher FCRPS net revenue from the reduction in Non-Federal debt service, an operating expense, but did not increase cash flow because proceeds were used to repay Federal debt instead, a non income statement cash element.
- MNR enabled the agency to clarify the agency's financial results based on a more representative measure of operational performance.

# Debt Service Reassignment Effects Over Time

- The net revenue effects from DSR were known to reverse over time. The following graph illustrates the effect as projected when developing the DSR construct:



\*This graph has not been updated to reflect actual results, which are influenced by more than just the DSR. Representation of actual Net Revenues could mask the individual effects of the DSR.

# Debt Service Reassignment Example Relationship to FCRPS Consolidated Statements

Power	Transmission	FCRPS
Revenue	Revenue	Revenue
500	200	700
Operating Expenses:	Operating Expenses:	Operating Expenses:
Non-Federal Debt Service	Depreciation	Non-Federal Debt Service
500	150	700
Depreciation	Interest Expense	Depreciation
	DSR Interest	150
Interest Expense		Interest Expense
	Net Revenue	
Net Revenue	0	Net Revenue
0	Cash Requirements	(150)
	DSR Principal	
	150	

Focusing on a cross-agency representation of only the elements related to EN debt service, this is intended as an illustrative example of how revenue recovery of those elements are incorporated in and affect Power and Transmission financial reports and roll up in the consolidated agency financial statements.

## Debt Service Reassignment Example Effect on FCRPS Consolidated Statements

FCRPS	
Revenue	700
Operating Expenses:	
Non-Federal Debt Service	700
Depreciation	150
Interest Expense	
<b>Net Revenue</b>	<b>(150)</b>

The negative net revenue results from the consolidated income statement including both DSR principal from TS as well as the depreciation that was used to cover it in the revenue requirement.

## Adjusted Net Revenue

- Once the DSR principal payments reached substantial amounts, its effect on the agency financial results became apparent.
- In an effort to eliminate the current effect of DSR on consolidated financial statements, an Adjusted Net Revenue (ANR) Key Agency Target similar to MNR was developed.
- ANR is calculated by simply adding Power Services and Transmission Services Net Revenue.
- ANR is a more appropriate reflection of financial performance than standard FCRPS net revenue.
- In the previous slide, the net revenue of \$(150) would have ANR of 0.

## Financial Disclosure

- The information contained in slides 9-10, 16-18, 20-21, 33-35, 37-38, 43-46, 51-52, and 57 has been made publicly available by BPA on January 31, 2014 and contains BPA-approved Financial Information.
- The information contained in slides 2-8, 11-15, 19, 22-32, 36, 39-42, 47-50, 53-56 and 58-74 has been made publicly available by BPA on January 31, 2014 and does not contain BPA-approved Financial Information.