

**Federal Columbia River Power System (FCRPS)
FY 2009 FIRST QUARTER REVIEW**

Net Revenues and Reserves

Projection for FY 2009



January 23, 2009

**FY 2009
EXECUTIVE HIGHLIGHTS
January 23, 2009**

(\$ in Millions)

| | A | B | FY 2009 Current Expectation | |
|---|---|---|---|--|
| | | | C | D |
| | <i>FY 2008 Audited Actuals without FAS 133 & Bookouts ^{1/}</i> | <i>FY 2009 SOY without FAS 133 & Bookouts ^{2/}</i> | <i>without FAS 133 & Bookouts ^{2/}</i> | <i>with FAS 133 & Bookouts ^{3/}</i> |
| 1. REVENUES | 3,176.9 | 3,299.1 | 2644 - 3,388 | 2,585 - 3,329 |
| 2. EXPENSES | 2,881.5 | 3,034.6 | 2890 - 3261 | 2,871 - 3,242 |
| 3. NET REVENUES ^{4/} | 295.4 | 264.5 | (246) - 127 ^{7/} | (285) - 86 ^{7/} |
| 4. MODIFIED NET REVENUES ^{4/} | 157.4 | 157.5 | (305) - 66 ^{7/} | (305) - 66 ^{7/} |
| 5. END OF YEAR FINANCIAL RESERVES ^{5/} | 1,646.4 | 1,572.0 | 1,119 - 1,451 ^{7/} | 1,119 - 1,451 ^{7/} |
| 6. BPA ACCRUED CAPITAL EXPENDITURES ^{6/} | 290.3 | 497.5 | 511.6 | 511.6 |

Footnotes

- 1/ Does not include mark-to-market adjustments required by SFAS 133 or reflect the change in accounting for power "bookout" transactions made after adoption of new accounting guidance, EITF 03-11, which was effective as of Oct 1, 2003. Actual Net Revenues for FY 2008 with the mark-to-market adjustments were \$264.8 million.
- 2/ Columns B and C do not reflect the change in accounting for power "bookout" transactions made after adoption of new accounting guidance, EITF 03-11, which was effective as of Oct 1, 2003.
- 3/ Includes an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by SFAS 133 for identified derivative instruments.
- 4/ Net revenues include the effects of non-federal debt management and SFAS 133. Modified net revenues were developed without these line items. An example of non-federal debt management is the refinancing of ENW debt.
- 5/ Financial reserves equal total cash plus deferred borrowing and investments in non-marketable U.S. Treasury securities.
- 6/ Funded by borrowing from the U.S. Treasury.
- 7/ There is significant uncertainty regarding the potential financial results that could occur by the end of the year, mainly a result of water conditions, which may affect net secondary sales, and short-term market prices, which also can affect net secondary sales.