

**Federal Columbia River Power System (FCRPS)
FY 2011 FOURTH QUARTER REVIEW**

Net Revenues and Reserves

Projection for FY 2011



October 27, 2011

**FY 2011
EXECUTIVE HIGHLIGHTS
October 27, 2011**

(\$ in Millions)

	A <i>FY 2010 Audited Actuals without Derivative Effects & Bookouts ^{1/}</i>	FY 2011 Preliminary Unaudited Actuals		
		B <i>FY 2011 SOY without Bookouts ^{2/}</i>	C <i>without Bookouts ^{2/}</i>	D <i>with Bookouts ^{3/}</i>
1. REVENUES	3,161.1	3,307.9	3,377.0	3,284.8
2. EXPENSES	3,303.5	3,275	3,295.3	3,203.1
3. NET REVENUES ^{4/}	(142.4)	32.4	81.7	81.7
4. END OF YEAR FINANCIAL RESERVES ^{5/}	1,113.6	929	1,006.0	1,006.0
5. BPA ACCRUED CAPITAL EXPENDITURES ^{6/}	762.3	696.7	798.0	798.0

Footnotes

- 1/ Does not include mark-to-market adjustments required by derivative accounting guidance as amended or reflect the change in accounting for power "bookout" transactions made after adoption of new accounting guidance as of Oct 1, 2003. Actual Net Revenues for FY 2010 with the mark-to-market adjustments were \$(127.6) million and Modified Net Revenues were \$(164.4).
- 2/ Columns B and C do not reflect the change in accounting for power "bookout" transactions made after adoption of new accounting guidance, effective as of Oct 1, 2003.
- 3/ Includes an "accounting only" (no cash impact) adjustment representing the mark-to-market adjustment required by derivative accounting guidance as amended for identified derivative instruments.
- 4/ Net revenues include the effects of non-federal debt management and derivative accounting guidance as amended. 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.

	A	B	C	D	
	FY 2010 Actuals	FY 2011 Start of Year Budget	FY 2011 Actuals	Actuals as a % of Budget	
Operating Revenues					
1	Gross Sales (excluding bookout adjustment) <Notes 1 and 5	\$2,971,900	\$3,131,938	\$3,226,407	103%
2	Bookout adjustment to Sales <Note 1	(120,803)		(92,198)	
3	Miscellaneous Revenues	61,544	58,385	60,863	104%
4	Derivative Instruments <Note 2	14,800			
5	U.S. Treasury Credits	127,690	117,541	89,702	76%
6	Total Operating Revenues	\$3,055,131	\$3,307,864	\$3,284,775	99%
Operating Expenses					
	Power System Generation Resources				
	Operating Generation Resources				
7	Columbia Generating Station	256,940	323,082	322,212	100%
8	Bureau of Reclamation	82,125	96,110	85,488	89%
9	Corps of Engineers	192,279	192,433	190,835	99%
10	Long-term Contract Generating Projects	28,769	31,266	29,427	94%
11	Operating Generation Settlement Payment	16,712	21,754	17,570	81%
12	Non-Operating Generation	2,673	2,128	2,672	126%
13	Gross Contracted Power Purchases and Augmentation Power Purch <Note 1	472,526	162,715	240,147	148%
14	Bookout Adjustment to Power Purchases <Note 1	(120,803)		(92,198)	
15	Exchanges & Settlements <Note 5	180,453	188,987	184,764	98%
16	Renewables	34,296	39,578	38,045	96%
17	Generation Conservation	66,870	76,200	59,475	78%
18	Subtotal Power System Generation Resources	\$1,212,839	\$1,134,254	\$1,078,437	95%
19	Power Services Transmission Acquisition and Ancillary Services - (3rd Party)	47,352	56,677	49,397	87%
20	Power Services Non-Generation Operations	75,576	86,811	75,084	86%
21	Transmission Operations	103,625	128,088	114,694	90%
22	Transmission Maintenance	125,431	142,151	128,937	91%
23	Transmission Engineering	24,221	32,033	30,895	96%
24	Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 3	8,801	7,531	6,068	81%
25	Transmission Reimbursables	9,100	9,920	13,807	139%
26	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	231,528	259,212	253,403	98%
	BPA Internal Support				
27	Additional Post-Retirement Contribution	30,894	31,157	31,157	100%
28	Agency Services G&A	102,299	104,195	110,928	106%
29	Other Income, Expenses & Adjustments <Note 3	(1,026)		19,453	
30	Non-Federal Debt Service	600,360	623,147	624,972	100%
31	Depreciation & Amortization <Note 3	368,371	393,465	393,502	100%
32	Total Operating Expenses	\$2,939,370	\$3,008,642	\$2,930,733	97%
33	Net Operating Revenues (Expenses)	\$115,761	\$299,222	\$354,041	118%
Interest Expense and (Income)					
34	Interest Expense <Note 3	331,255	346,359	352,904	102%
35	AFUDC	(32,867)	(36,875)	(42,984)	117%
36	Interest Income	(55,047)	(42,666)	(37,562)	88%
37	Net Interest Expense (Income)	\$243,342	\$266,818	\$272,359	102%
38	Net Revenues (Expenses) <Note 4	(\$127,581)	\$32,404	\$81,683	252%

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

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

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

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

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

<6 Total FY 2011 Agency Services costs are at budget levels though the portion allocated to Power and Transmission as G&A is higher than budget levels. Agency Services costs are charged to the business units through three different methods; direct charge, direct business support allocation, and G&A allocation. For FY 2011, the direct charged and direct business support allocation costs were lower than budgeted amounts and the allocated G&A costs were higher than budgeted amounts. This is because budgets are developed using assumptions about what work will be done and how it will be allocated to the business units. As the year progresses, actual allocations are dependent upon the work priorities that unfold during the year, which are likely to be different than assumed in the budget.

This Agency-approved financial information has been made publicly available by BPA on 10/27/2011