

# Quarterly Business Review (QBR)

**May 3rd, 2016**  
**09:30 am – 12:00 pm**  
**Rates Hearing Room**

To participate by phone that does not charge long distance, please dial: 1-517-966-2124  
If you are calling long distance, please dial 1-866-506-1995  
When prompted, enter access code: 2448045 #

Live Meeting: <https://www.livemeeting.com/cc/bpa/join>  
Meeting ID: HHSRC8  
Entry Code: 68P(V\*Qh)

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 Holladay Park for further instructions.

## QBR Agenda

May 3, 2016

Time	Min	Agenda Topic	Presenter
9:30	5	Review Agenda	Mary Hawken
9:35	15	CFO Spotlight	Nancy Mitman
<b>Financial Highlights</b>			
9:50	30	<ul style="list-style-type: none"> <li>▪ Review of 2nd Quarter Financial Results</li> <li>▪ Review of 2nd Quarter Forecast</li> </ul>	Mary Hawken, Cheryl Hargin, Danny Chen, Stephanie Adams, Will Rector
10:20	10	Review of 2nd Quarter Capital Financial Results & Forecast	Kathy Rehmer, Stephanie Adams
10:30	5	Capital Project Status Report	Dennis Naef
10:35	10	Generating Cash to Accelerate Appropriations Repayment	Anna-Lisa Miller
10:45	10	Slice Reporting	Sunny Donato, Janice Johnson
<b>Other BPA Topics</b>			
10:55	15	FY 2015 Cost Verification Process Follow-up	Daniel Fisher, Stephanie Adams, Will Rector
11:10	10	2016 IPR Process Update	Mary Hawken
11:20	15	Quality Bill Initiative	Tina Ko
11:35	20	CGS Decommissioning and Site Restoration Trust Fund Update on Investment Re-allocation	Alex Roth
11:55	~	Adjourn	~

# Financial Highlights

## Financial Overview for FY 2016 through March 31, 2016

### FCRPS

- **The 2nd Quarter Review End-of-Year (EOY) Adjusted Net Revenue forecast is \$(43) million, a \$30 million increase from the 1st Quarter Forecast, a \$181 million decrease from the Start of Year (SOY) budget and a \$195 million decrease from the rate case.**
  - The First Quarter forecast of Adjusted Net Revenue was \$(73) million, the SOY budget was \$138 million and the Rate Case forecast was \$152 million.

### Power Services

- **The 2nd Quarter Review EOY forecast for Power Modified Net Revenues is \$(150) million, a \$25 million increase from the 1st Quarter Forecast, a \$189 million decrease from SOY Budget and a \$193 million decrease from the rate case.**
  - Power's Modified Net Revenue for the First Quarter Forecast is \$(175) million, the SOY Budget is \$39 million and the Rate Case forecast is \$42 million.
  - The revenue forecast for the Second Quarter Review is \$13 million above the First Quarter forecast primarily due to higher revenues from secondary sales offset by lower priority firm power sales and U.S. treasury credits. The gain in secondary sales is largely due to slightly above average water, which was partially offset by lower power prices from declining natural gas prices. Priority firm revenues are down due to warmer than average weather, which has reduced load shaping and demand revenues. US Treasury credits decreased due to lower replacement power purchase costs for fish mitigation purposes.
  - Water behind the Columbia River Treaty Dams, including those in Canada, is recovering from releases made last spring and summer to offset dry year conditions. At this point, water storage is expected to reach normal levels by the end of the operating year.
  - The expense forecast for the Second Quarter Review is \$ 11 million lower than the First Quarter primarily due to delays in the Grand Coulee Overhaul. Lower expenses were offset by higher power purchases, Fish and Wildlife, and transmission acquisition expense.

## Financial Overview for FY 2016 through March 31, 2016

### Transmission Services

- The 2nd Quarter Review EOY forecast for Transmission Net Revenue is \$107 million, a \$5 million increase from the 1st Quarter Forecast, a \$8 million increase from the SOY budget and a \$3 million decrease from the rate case.
  - Transmission Net Revenue for the First Quarter Forecast was \$102 million, the SOY Budget was \$100 million and the Rate Case forecast was \$110 million.
  - The revenue forecast for the Second Quarter Review is \$5 million above the 1<sup>st</sup> Quarter Forecast due to forecasted deferrals that began service and the removal of the short distance discount forecast for a customer due to their use of redirects. Increased forecasted streamflow also resulted in higher Short-Term Reservations.
  - The expense forecast for the Second Quarter Review remains unchanged from the 1<sup>st</sup> Quarter Forecast.

## 2nd Quarter Review – Executive Highlights

(\$ in Millions)

	A	B	C
	FY 2015 Actuals <sup>/2</sup>	FY 2016 Start of Year <sup>/2</sup>	FY 2016 Current Quarter Review <sup>/2</sup>
1. Revenues <sup>/1</sup>	3,449	3,613	3,498
2. Expenses <sup>/1</sup>	3,044	3,725	3,233
3. Net Revenues (Expenses) <sup>/1,3</sup>	405	(113)	265 <sup>/7</sup>
4. Adjusted Net Revenues <sup>/4</sup>	143	138	(43) <sup>/7</sup>
5. End of Year Financial Reserves <sup>/5</sup>	1,187	948	787 <sup>/7</sup>
6. BPA Accrued Capital Expenditures <sup>/6</sup>	647	814	578

### 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 Revenues are calculated by adding Power Services Modified Net Revenues 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 significant 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 2016 Second Quarter Financial Results & Second Quarter Forecast**

Report ID: 0023FY16

Requesting BL: TRANSMISSION BUSINESS UNIT

Unit of Measure: \$ Thousands

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

Through the Month Ended March 31, 2016

Preliminary/ Unaudited

Run Date/Time: April 20, 2016/ 12:12

Data Source: EPM Data Warehouse

% of Year Elapsed = 50%

	FY 2015		FY 2016			FY 2016
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
<b>Operating Revenues</b>						
1 Sales	\$ 451,532	\$ 902,568	\$ 933,410	\$ 913,193	\$ 909,763	\$ 460,243
2 Miscellaneous Revenues	16,683	34,265	39,042	48,448	45,660	28,733
3 Inter-Business Unit Revenues	53,052	100,136	121,422	121,404	118,624	53,147
4 <b>Total Operating Revenues</b>	<b>521,266</b>	<b>1,036,969</b>	<b>1,093,874</b>	<b>1,083,046</b>	<b>1,074,047</b>	<b>542,124</b>
<b>Operating Expenses</b>						
5 Transmission Operations	64,039	133,793	155,274	163,471	144,703	68,130
6 Transmission Maintenance	71,663	166,157	162,552	153,719	153,773	72,193
7 Transmission Engineering	28,832	57,251	54,421	53,906	56,611	22,290
8 Trans Services Transmission Acquisition and Ancillary Services	79,425	142,514	140,767	142,834	139,306	60,165
9 Transmission Reimbursables	4,062	10,641	9,641	8,227	7,903	9,595
BPA Internal Support						
10 Additional Post-Retirement Contribution	9,410	18,819	19,143	19,143	16,440	9,572
11 Agency Services G&A	28,331	64,371	62,895	73,276	71,577	34,269
12 Other Income, Expenses & Adjustments	(265)	(161)	(2,100)	(12,252)	2,796	2,796
13 Depreciation & Amortization	110,421	223,795	240,022	240,022	240,022	117,116
14 <b>Total Operating Expenses</b>	<b>395,918</b>	<b>817,180</b>	<b>842,614</b>	<b>842,346</b>	<b>833,131</b>	<b>396,125</b>
15 <b>Net Operating Revenues (Expenses)</b>	<b>125,349</b>	<b>219,789</b>	<b>251,259</b>	<b>240,700</b>	<b>240,916</b>	<b>145,999</b>
<b>Interest Expense and (Income)</b>						
16 Interest Expense	84,899	171,316	193,167	193,167	176,145	83,397
17 AFUDC	(21,266)	(44,553)	(42,886)	(42,886)	(37,800)	(19,798)
18 Interest Income	(2,650)	(6,364)	(9,197)	(9,197)	(4,835)	(1,685)
19 <b>Net Interest Expense (Income)</b>	<b>60,983</b>	<b>120,399</b>	<b>141,083</b>	<b>141,083</b>	<b>133,510</b>	<b>61,914</b>
20 <b>Net Revenues (Expenses)</b>	<b>\$ 64,366</b>	<b>\$ 99,390</b>	<b>\$ 110,176</b>	<b>\$ 99,616</b>	<b>\$ 107,407</b>	<b>\$ 84,085</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.

Report ID: 0023FY16  
 Requesting BL: TRANSMISSION BUSINESS UNIT  
 Unit of Measure: \$ Thousands

**QBR Forecast Analysis: Transmission Services**  
 Through the Month Ended March 31, 2016  
 Preliminary/ Unaudited

Run Date/Time: April 20, 2016/ 13:43  
 Data Source: EPM Data Warehouse  
 % of Year Elapsed = 50%

		A	B	C
		FY 2016		FY 2016
		1st Quarter Forecast	Current EOY Forecast	Current EOY Forecast - 1st Quarter Forecast
<b>Operating Revenues</b>				
1	Sales	\$ 911,825	\$ 909,763	\$ (2,062)
2	Miscellaneous Revenues	43,802	45,660	1,858
3	Inter-Business Unit Revenues	113,071	118,624	5,553
4	<b>Total Operating Revenues</b>	<b>1,068,698</b>	<b>1,074,047</b>	<b>5,349</b>
<b>Operating Expenses</b>				
5	Transmission Operations	151,925	144,703	(7,222)
6	Transmission Maintenance	156,114	153,773	(2,341)
7	Transmission Engineering	54,956	56,611	1,655
8	Trans Services Transmission Acquisition and Ancillary Services	140,048	139,306	(742)
9	Transmission Reimbursables	8,158	7,903	(255)
BPA Internal Support				
10	Additional Post-Retirement Contribution	19,143	16,440	(2,703)
11	Agency Services G&A	71,577	71,577	-
12	Other Income, Expenses & Adjustments	(5,579)	2,796	8,375
13	Depreciation & Amortization	240,022	240,022	-
14	<b>Total Operating Expenses</b>	<b>836,364</b>	<b>833,131</b>	<b>(3,233)</b>
15	<b>Net Operating Revenues (Expenses)</b>	<b>232,334</b>	<b>240,916</b>	<b>8,582</b>
<b>Interest Expense and (Income)</b>				
16	Interest Expense	176,672	176,145	(527)
17	AFUDC	(42,000)	(37,800)	4,200
18	Interest Income	(3,988)	(4,835)	(847)
19	<b>Net Interest Expense (Income)</b>	<b>130,683</b>	<b>133,510</b>	<b>2,826</b>
20	<b>Net Revenues (Expenses)</b>	<b>\$ 101,651</b>	<b>\$ 107,407</b>	<b>\$ 5,756</b>

Report ID: 0063FY16

**Transmission Services Revenue Detail by Product**

Run Date/Time: April 20, 2016 13:45

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended March 31, 2016

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 50%

		A	B	C	D
		FY 2016			FY 2016
		Rate Case	SOY Budget	Current EOY Forecast	Actuals
<b>Transmission Services Operating Revenues</b>					
<b>NETWORK</b>					
1	PTP - LONG TERM	\$ 471,281	\$ 456,562	\$ 455,041	\$ 224,380
2	NETWORK INTEGRATION	132,025	132,025	130,611	72,071
3	INTEGRATION OF RESOURCES	5,714	5,714	5,714	2,857
4	FORMULA POWER TRANSMISSION	19,352	19,300	19,280	9,620
5	PTP - SHORT TERM	26,053	17,676	22,481	7,046
6	<b>TOTAL: NETWORK</b>	<b>654,423</b>	<b>631,276</b>	<b>633,127</b>	<b>315,973</b>
<b>ANCILLARY SERVICES</b>					
7	SCHEDULING, SYSTEM CONTROL & DISPATCH	152,110	147,343	146,869	73,055
8	OPERATING RESERVES - SPIN & SUPP	48,952	51,622	48,781	22,552
9	VARIABLE RES BALANCING	58,735	62,595	59,319	29,896
10	REGULATION & FREQ RESPONSE	6,241	6,241	6,202	3,162
11	ENERGY & GENERATION IMBALANCE	-	3,175	3,079	1,593
12	DISPATCHABLE RES BALANCING	2,450	1,467	1,483	736
13	<b>TOTAL: ANCILLARY SERVICES</b>	<b>268,487</b>	<b>272,442</b>	<b>265,733</b>	<b>130,995</b>
<b>INTERTIE</b>					
14	SOUTHERN INTERTIE LONG TERM	87,661	87,606	87,389	44,053
15	SOUTHERN INTERTIE SHORT TERM	4,812	4,564	4,515	607
16	MONTANA INTERTIE LONG TERM	115	115	115	57
17	MONTANA INTERTIE SHORT TERM	-	-	-	80
18	<b>TOTAL: INTERTIE</b>	<b>92,588</b>	<b>92,285</b>	<b>92,019</b>	<b>44,797</b>

Report ID: 0063FY16 **Transmission Services Revenue Detail by Product** Run Date/Time: April 20, 2016 13:45  
 Requesting BL: TRANSMISSION BUSINESS UNIT Through the Month Ended March 31, 2016 Data Source: EPM Data Warehouse  
 Unit of Measure: \$ Thousands Preliminary/ Unaudited % of Year Elapsed = 50%

	A	B	C	D	
	FY 2016			FY 2016	
	Rate Case	SOY Budget	Current EOY Forecast	Actuals	
<b>OTHER REVENUES &amp; CREDITS</b>					
19	TOWNSEND-GARRISON TRANS	\$ 12,421	\$ 12,421	\$ 12,356	\$ 6,130
20	GEN INTEGRATION - OTHER REV	12,142	12,142	12,142	6,810
21	USE OF FACILITIES	5,018	5,077	5,065	2,535
22	POWER FACTOR PENALTY	-	-	-	15
23	NFP - DEPR PNW PSW INTERTIE	3,325	3,374	3,375	1,692
24	AC - PNW PSW INTERTIE - OTH REV	1,695	1,775	1,775	908
25	OPERATIONS & MAINT - OTHER REV	958	890	882	429
26	RESERVATION FEE - OTHER REV	2,609	1,810	3,376	3,003
27	TRANSMISSION SHARE IRRIGATION	246	246	246	27
28	LAND LEASES AND SALES	295	295	251	268
29	OTHER LEASES REVENUE	105	105	76	25
30	REMEDIAL ACTION - OTHER REV	41	41	24	11
31	MISC SERVICES - LOSS-EXCH-AIR	168	168	136	85
32	FAILURE TO COMPLY - OTHER REV	-	-	-	80
33	UNAUTHORIZED INCREASE - OTH REV	-	-	-	84
34	OTHER REVENUE SOURCES	5,132	14,478	9,179	7,021
35	<b>TOTAL: OTHER REVENUES &amp; CREDITS</b>	<b>44,154</b>	<b>52,822</b>	<b>48,881</b>	<b>29,122</b>
<b>FIBER &amp; PCS</b>					
36	FIBER OTHER REVENUE	8,564	8,564	8,555	4,448
37	WIRELESS/PCS - OTHER REVENUE	4,629	4,629	4,076	394
38	WIRELESS/PCS - REIMBURSABLE REV	3,127	3,127	3,933	2,257
39	FIBER OTHER REIMBURSABLE REV	817	817	900	540
40	<b>TOTAL: FIBER &amp; PCS</b>	<b>17,136</b>	<b>17,136</b>	<b>17,465</b>	<b>7,639</b>
<b>REIMBURSABLE</b>					
41	REIMBURSABLE - OTHER REVENUE	12,000	12,000	12,429	11,309
42	<b>TOTAL: REIMBURSABLE</b>	<b>12,000</b>	<b>12,000</b>	<b>12,429</b>	<b>11,309</b>
<b>DELIVERY</b>					
43	UTILITY DELIVERY CHARGES	2,451	2,451	2,485	1,337
44	DSI DELIVERY	2,633	2,633	1,909	952
45	<b>TOTAL: DELIVERY</b>	<b>5,084</b>	<b>5,084</b>	<b>4,394</b>	<b>2,289</b>
46	<b>TOTAL: Transmission Services Operating Revenues</b>	<b>\$ 1,093,874</b>	<b>\$ 1,083,046</b>	<b>\$ 1,074,047</b>	<b>\$ 542,124</b>

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

Report ID: 0021FY16		Power Services Summary Statement of Revenues and Expenses				Run Date/Time: April 20, 2016 13:42	
Requesting BL: POWER BUSINESS UNIT		Through the Month Ended March 31, 2016				Data Source: EPM Data Warehouse	
Unit of measure: \$ Thousands		Preliminary/ Unaudited				% of Year Elapsed = 50%	
		FY 2015		FY 2016		FY 2016	
		Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
<b>Operating Revenues</b>							
1	Gross Sales (excluding bookout adjustment) <Note 2	\$ 1,337,304	\$ 2,399,397	\$ 2,522,140	\$ 2,518,204	\$ 2,426,211	\$ 1,272,236
2	Bookout Adjustment to Sales	(10,137)	(44,504)	-	-	(13,653)	(13,653)
3	Miscellaneous Revenues	14,880	30,389	37,541	37,140	30,462	11,837
4	Inter-Business Unit	64,320	121,260	115,750	121,164	118,081	55,605
5	U.S. Treasury Credits	41,306	82,316	95,707	95,707	85,727	47,756
6	<b>Total Operating Revenues</b>	<b>1,447,673</b>	<b>2,588,858</b>	<b>2,771,138</b>	<b>2,772,215</b>	<b>2,646,828</b>	<b>1,373,781</b>
<b>Operating Expenses</b>							
Power System Generation Resources							
Operating Generation Resources							
7	Columbia Generating Station	179,367	318,231	262,948	261,448	259,848	114,953
8	Bureau of Reclamation	68,474	134,284	156,818	155,318	145,318	53,251
9	Corps of Engineers	106,338	230,742	243,885	242,885	242,885	101,763
10	Long-term Contract Generating Projects	13,327	26,074	22,303	22,601	21,408	13,128
11	Operating Generation Settlement Payment	7,624	18,555	19,323	19,323	17,496	7,670
12	Non-Operating Generation	623	1,126	1,600	1,600	1,600	716
13	Gross Contracted Power Purchases and Aug Power Purchases	17,926	120,968	48,400	48,515	110,434	81,179
14	Bookout Adjustment to Power Purchases	(10,137)	(44,504)	-	-	(13,653)	(13,653)
15	Residential Exchange/IOU Settlement Benefits <Note 2	113,200	200,265	218,975	219,100	219,100	122,080
16	Renewables	16,516	31,464	40,987	38,973	38,811	17,241
17	Generation Conservation	18,541	43,432	136,649	135,495	128,421	49,633
18	<b>Subtotal Power System Generation Resources</b>	<b>531,800</b>	<b>1,080,637</b>	<b>1,151,888</b>	<b>1,145,258</b>	<b>1,171,666</b>	<b>547,960</b>
19	Power Services Transmission Acquisition and Ancillary Services	82,692	160,065	186,998	191,117	188,524	82,817
20	Power Non-Generation Operations	36,053	77,154	96,542	92,215	86,373	36,740
21	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	141,095	298,978	310,539	310,539	315,506	152,962
BPA Internal Support							
22	Additional Post-Retirement Contribution	9,410	18,819	19,143	19,143	17,743	9,572
23	Agency Services G&A	25,377	55,693	53,138	58,661	61,773	28,660
24	Other Income, Expenses & Adjustments	(27,589)	(27,799)	(97,577)	(20,000)	1,001	1,008
25	Non-Federal Debt Service	90,782	188,159	594,308	594,308	219,054	113,360
26	Depreciation & Amortization	113,903	224,188	222,551	222,551	226,551	113,023
27	<b>Total Operating Expenses</b>	<b>1,003,522</b>	<b>2,075,895</b>	<b>2,537,530</b>	<b>2,613,792</b>	<b>2,288,191</b>	<b>1,086,100</b>
28	<b>Net Operating Revenues (Expenses)</b>	<b>444,151</b>	<b>512,963</b>	<b>233,608</b>	<b>158,423</b>	<b>358,636</b>	<b>287,680</b>
<b>Interest Expense and (Income)</b>							
29	Interest Expense	109,003	218,861	214,027	214,027	207,100	102,633
30	AFUDC	(4,940)	(8,664)	(10,731)	(10,731)	(8,700)	(3,923)
31	Interest Income	(2,838)	(8,981)	(11,961)	(11,961)	(4,599)	(1,573)
32	<b>Net Interest Expense (Income)</b>	<b>101,225</b>	<b>201,216</b>	<b>191,336</b>	<b>191,336</b>	<b>193,801</b>	<b>97,137</b>
33	<b>Net Revenues (Expenses)</b>	<b>\$ 342,926</b>	<b>\$ 311,747</b>	<b>\$ 42,272</b>	<b>\$ (32,913)</b>	<b>\$ 164,835</b>	<b>\$ 190,544</b>
34	<b>Net Revenue Modifications</b> <Note 3	<b>(114,929)</b>	<b>(268,562)</b>	<b>-</b>	<b>71,542</b>	<b>(315,142)</b>	<b>(157,662)</b>
35	<b>Power Modified Net Revenue</b>	<b>\$ 227,997</b>	<b>\$ 43,185</b>	<b>\$ 42,272</b>	<b>\$ 38,629</b>	<b>\$ (150,307)</b>	<b>\$ 32,882</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.

<3 In 2016, the scope of PMNR is broadened to include a revenue requirement adjustment that enables the use of cash to assist with the transition of the Energy Efficiency program costs from capital to expense. PMNR is a non-GAAP metric.

Report ID: 0021FY16		QBR Forecast Analysis: Power Services		Run Date/Time: April 20, 2016 13:42	
Requesting BL: POWER BUSINESS UNIT		Through the Month Ended March 31, 2016		Data Source: EPM Data Warehouse	
Unit of measure: \$ Thousands		Preliminary/ Unaudited		% of Year Elapsed = 50%	
		A	B	C	
		FY 2016		FY 2016	
		1st Quarter Forecast	Current EOY Forecast	Current EOY Forecast - 1st Quarter Forecast	
<b>Operating Revenues</b>					
1	Gross Sales (excluding bookout adjustment) <Note 2	\$ 2,390,889	\$ 2,426,211	\$	35,321
2	Bookout Adjustment to Sales	(2,756)	(13,653)		(10,897)
3	Miscellaneous Revenues	32,511	30,462		(2,049)
4	Inter-Business Unit	118,737	118,081		(656)
5	U.S. Treasury Credits	94,169	85,727		(8,442)
6	<b>Total Operating Revenues</b>	<b>2,633,550</b>	<b>2,646,828</b>		<b>13,278</b>
<b>Operating Expenses</b>					
Power System Generation Resources					
Operating Generation Resources					
7	Columbia Generating Station	259,848	259,848		-
8	Bureau of Reclamation	155,318	145,318		(10,000)
9	Corps of Engineers	242,885	242,885		-
10	Long-term Contract Generating Projects	22,201	21,408		(793)
11	Operating Generation Settlement Payment	17,500	17,496		(4)
12	Non-Operating Generation	1,600	1,600		-
13	Gross Contracted Power Purchases and Aug Power Purchases	103,719	110,434		6,715
14	Bookout Adjustment to Power Purchases	(2,756)	(13,653)		(10,897)
15	Residential Exchange/IOU Settlement Benefits <Note 2	219,100	219,100		-
16	Renewables	39,044	38,811		(234)
17	Generation Conservation	130,536	128,421		(2,115)
18	<b>Subtotal Power System Generation Resources</b>	<b>1,188,995</b>	<b>1,171,666</b>		<b>(17,329)</b>
19	Power Services Transmission Acquisition and Ancillary Services	181,878	188,524		6,646
20	Power Non-Generation Operations	91,049	86,373		(4,675)
21	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	310,462	315,506		5,044
BPA Internal Support					
22	Additional Post-Retirement Contribution	19,143	17,743		(1,400)
23	Agency Services G&A	61,773	61,773		-
24	Other Income, Expenses & Adjustments	613	1,001		388
25	Non-Federal Debt Service	219,214	219,054		(160)
26	Depreciation & Amortization	226,551	226,551		-
27	<b>Total Operating Expenses</b>	<b>2,299,678</b>	<b>2,288,191</b>		<b>(11,486)</b>
28	<b>Net Operating Revenues (Expenses)</b>	<b>333,872</b>	<b>358,636</b>		<b>24,764</b>
<b>Interest Expense and (Income)</b>					
29	Interest Expense	205,930	207,100		1,170
30	AFUDC	(9,000)	(8,700)		300
31	Interest Income	(3,350)	(4,599)		(1,249)
32	<b>Net Interest Expense (Income)</b>	<b>193,581</b>	<b>193,801</b>		<b>221</b>
33	<b>Net Revenues (Expenses)</b>	<b>\$ 140,292</b>	<b>\$ 164,835</b>		<b>\$ 24,543</b>
34	<b>Net Revenue Modifications &lt;Note 3</b>	<b>(315,142)</b>	<b>(315,142)</b>		<b>-</b>
35	<b>Power Modified Net Revenue</b>	<b>\$ (174,850)</b>	<b>\$ (150,307)</b>		<b>\$ 24,543</b>

Report ID: 0064FY16      Power Services Detailed Statement of Revenues by Product      Run Date/Time: April 20, 2016 13:44  
 Requesting BL: POWER BUSINESS UNIT      Through the Month Ended March 31, 2016      Data Source: EPM Data Warehouse  
 Unit of Measure: \$ Thousands      Preliminary/ Unaudited      % of Year Elapsed = 50%

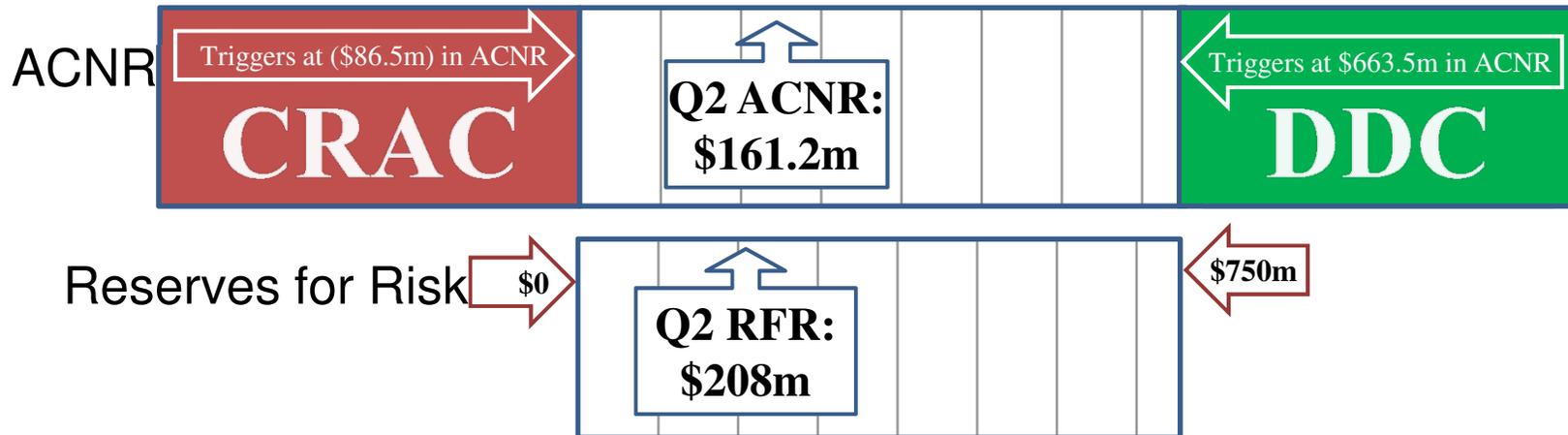
		A	B	C	D
		FY 2016		FY 2016	FY 2016
		Rate Case	SOY Budget	Actuals	Actuals per Rate Case
<b>Operating Revenues</b>					
<b>Gross Sales (excluding bookout adjustment)</b>					
<b>PF Tier 1 Revenues</b>					
<b>Load Following</b>					
1	Composite	\$ 1,131,520	\$ 1,131,520	\$ 561,380	50%
2	Non-Slice	(168,212)	(168,212)	(83,455)	50%
3	Load Shaping	5,616	5,616	9,531	170%
4	Demand	47,946	47,946	26,083	54%
5	Discounts / Fees	(53,103)	(53,103)	(17,098)	32%
6	RSS / RSC	1,095	1,095	(369)	-134%
7	REP Refund	(33,152)	(33,152)	(16,580)	50%
8	Other	-	-	-	0%
9	<b>Sub-Total: Load Following</b>	931,711	931,711	479,492	51%
<b>Block</b>					
10	Composite	637,173	637,173	314,777	49%
11	Non-Slice	(94,723)	(94,723)	(46,795)	49%
12	Load Shaping	(1,576)	(1,576)	26,610	-1789%
13	Demand	-	-	-	0%
14	Discounts / Fees	(5,693)	(5,693)	()	0%
15	RSS / RSC	-	-	-	0%
16	REP Refund	(21,493)	(21,493)	(10,534)	49%
17	Other	3,877	3,877	3,908	101%
18	<b>Sub-Total: Block</b>	517,566	517,566	287,966	56%
<b>Slice</b>					
19	Composite	658,897	658,897	329,449	50%
20	Slice	-	-	-	0%
21	Discounts / Fees	(3,216)	(3,216)	(1,630)	51%
22	REP Refund	(21,892)	(21,892)	(11,154)	51%
23	Other	-	-	-	0%
24	<b>Sub-Total: Slice</b>	633,789	633,789	316,664	50%
25	<b>PF Tier 2 Revenues</b>	22,866	22,866	11,260	49%
26	<b>NR Revenues</b>	356	356	(22)	-106%
27	<b>IP Revenues</b>	33,509	32,049	13,549	40%
28	<b>FPS Revenues</b>	346,092	345,964	130,961	38%
29	<b>Other Revenues</b>	36,253	33,904	32,365	89%
30	<b>Gross Sales (excluding bookout adjustment)</b>	2,522,140	2,518,204	1,272,236	50%
31	<b>Bookout Adjustment to Sales</b>	-	-	(13,653)	0%
32	<b>Miscellaneous Revenues</b>	37,541	37,140	11,837	32%
33	<b>Inter-Business Unit</b>	115,750	121,164	55,605	48%
34	<b>U.S. Treasury Credits</b>	95,707	95,707	47,756	50%
35	<b>Total Operating Revenues</b>	<b>2,771,138</b>	<b>2,772,215</b>	<b>1,373,781</b>	<b>50%</b>

## FY 2016 Calibrations and ACNR

### FY 2016 Calibrations and ACNR

The CRAC and DDC trigger based off of Accumulated Calibrated Net Revenue (ACNR), which is *Accumulated* from the start of FY 2015. **FY 2016 Q2 Forecast ACNR is \$161.2m\***.

Forecast ACNR is above the CRAC threshold and below the DDC threshold. The modeled probability of the CRAC triggering at the end of FY16 is 0%. The modeled probability of the DDC triggering is 0%.



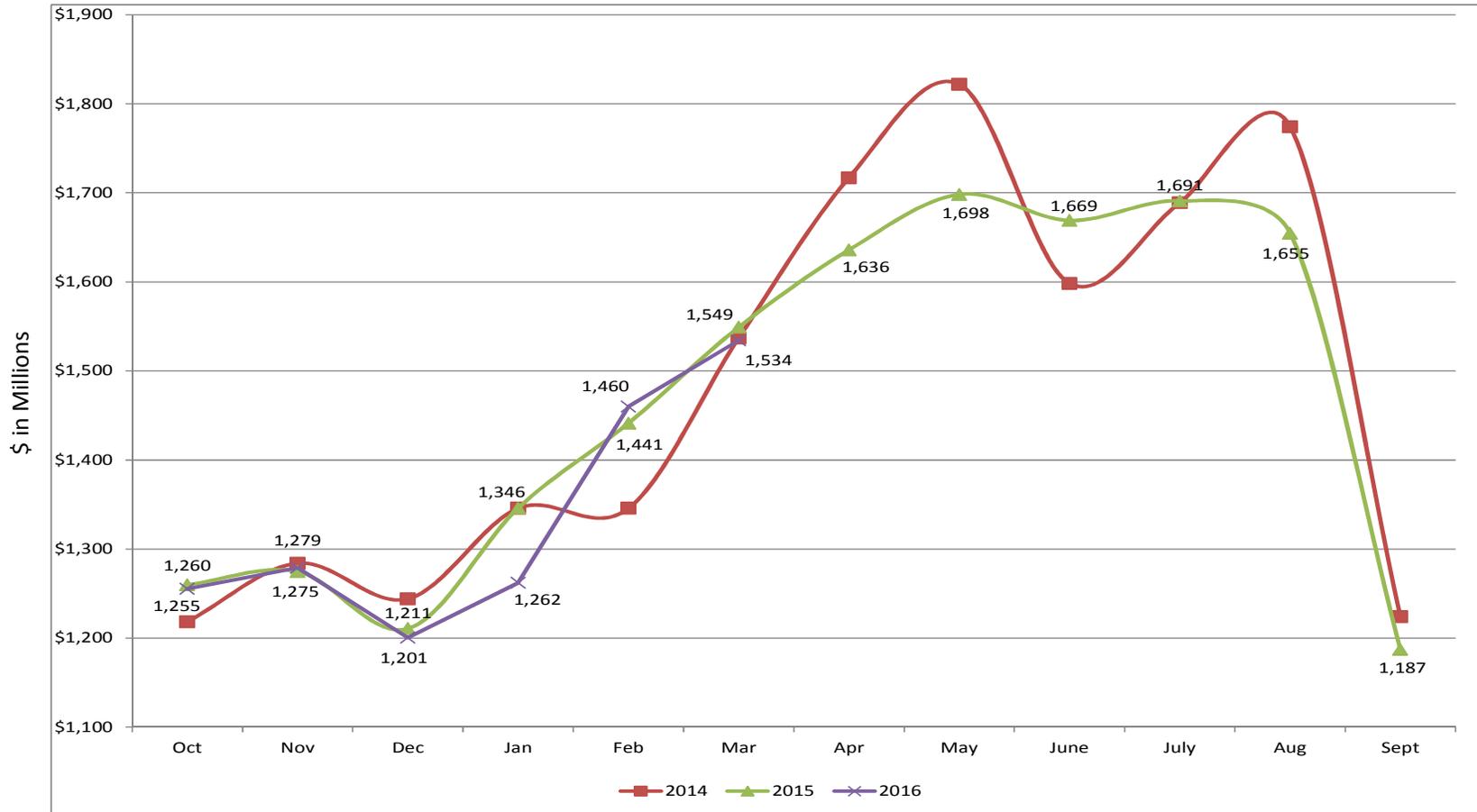
#### \*ACNR Calculation (in \$ millions)

FY 16 CNR = FY16 NR + FY16 Total Calibration. FY16 NR is 164.8. The FY 16 Total Calibration is 71.5 – 386.8 = -315.3. Therefore, FY16 CNR = 164.8 – 315.3 = -150.5

FY 16 ACNR = FY15 CNR + FY16 CNR. FY 15 CNR was 311.7. Forecast FY 16 CNR is -150.5. Therefore the forecast FY16 ACNR is 311.7 – 150.5 = 161.2

# Financial Reserves

Reserves as of the end of March 2016 are \$1,534 million



Q1 - End of FY16 Reserves Forecast

Q2 - End of FY16 Reserves Forecast

(\$ Millions)

End FY16 Reserves Forecast  
 Less: End of FY16 Reserves Not for Risk  
 Reserves Available for Risk Forecast

Split		
Power	Trans	Total
243	517	760
52	81	133
191	436	627

(\$ Millions)

End FY16 Reserves Forecast  
 Less: End of FY16 Reserves Not for Risk  
 Reserves Available for Risk Forecast

Split		
Power	Trans	Total
260	528	787
52	81	133
208	447	654

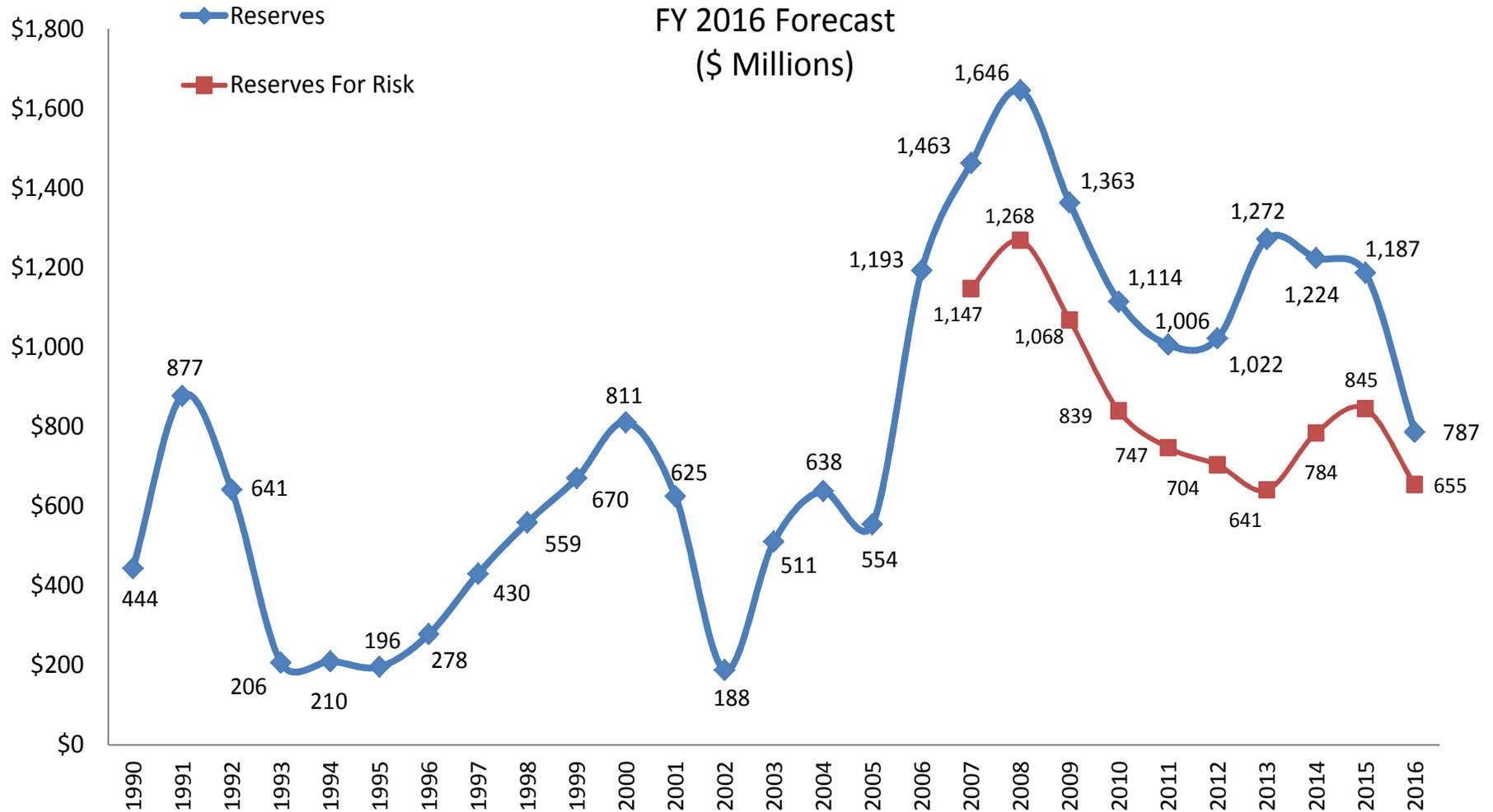
## APRIL 2016 QUARTERLY BUSINESS REVIEW

This information has been made publicly available by BPA on April 29, 2016 and does not contain BPA-approved Financial information.

# BPA Financial Reserves FY 1990 – FY 2016

Year-End BPA Financial Reserves  
 FY 1990 through FY 2015 Actuals

FY 2016 Forecast  
 (\$ Millions)



# **FY 2016 Second Quarter Capital Financial Results & First Quarter Forecast**

Report ID: 0027FY16  
 Requesting BL: CORPORATE BUSINESS UNIT  
 Unit of Measure: \$Thousands

**BPA Statement of Capital Expenditures**  
 FYTD Through the Month Ended March 31, 2016  
 Preliminary Unaudited

Run Date/Run Time: April 21, 2016/ 15:31  
 Data Source: EPM Data Warehouse  
 % of Year Elapsed = 50%

		FY 2016		FY 2016	FY 2016	
		SOY Budget	Current EOY Forecast	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast
<b>Transmission Business Unit</b>						
1	MAIN GRID	\$ 36,042	\$ 24,761	\$ 19,735	55%	80%
2	AREA & CUSTOMER SERVICE	94,243	118,251	55,144	59%	47%
3	SYSTEM REPLACEMENTS	329,910	317,959	97,047	29%	31%
4	UPGRADES & ADDITIONS	146,387	149,711	70,502	48%	47%
5	ENVIRONMENT CAPITAL	6,992	6,554	4,552	65%	69%
<u>PFIA</u>						
6	MISC. PFIA PROJECTS	6,156	2,816	222	4%	8%
7	GENERATOR INTERCONNECTION	13,222	948	(25)	0%	-3%
8	SPECTRUM RELOCATION	985	328	41	4%	13%
9	CAPITAL INDIRECT, undistributed	()	-	9,148	0%	0%
10	LAPSE FACTOR	-	-	-	0%	0%
11	<b>TOTAL Transmission Business Unit</b>	<b>633,937</b>	<b>621,328</b>	<b>256,367</b>	<b>40%</b>	<b>41%</b>
<b>Power Business Unit</b>						
12	BUREAU OF RECLAMATION <Note 1	57,200	43,140	20,068	35%	47%
13	CORPS OF ENGINEERS <Note 1	150,300	142,760	57,907	39%	41%
14	GENERATION CONSERVATION	-	-	(59)	0%	0%
15	POWER INFORMATION TECHNOLOGY	5,196	5,104	1,700	33%	33%
16	FISH & WILDLIFE <Note 2	40,000	30,000	7,557	19%	25%
17	LAPSE FACTOR	-	-	-	0%	0%
18	<b>TOTAL Power Business Unit</b>	<b>252,696</b>	<b>221,004</b>	<b>87,173</b>	<b>34%</b>	<b>39%</b>
<b>Corporate Business Unit</b>						
19	CORPORATE BUSINESS UNIT	21,158	19,240	8,479	40%	44%
20	<b>TOTAL Corporate Business Unit</b>	<b>21,158</b>	<b>19,240</b>	<b>8,479</b>	<b>40%</b>	<b>44%</b>
21	<b>TOTAL BPA Capital Expenditures</b>	<b>\$ 907,791</b>	<b>\$ 861,572</b>	<b>\$ 352,018</b>	<b>39%</b>	<b>41%</b>

< 1 Excludes projects funded by federal appropriations.

< 2 Amounts are reported as regulatory assets and not utility plant

Report ID: 0028ASFY16      **BPA Statement of Capital Expenditures by Asset Category**      Run Date/Run Time: April 22, 2016/ 06:52  
 Requesting BL: CORPORATE BUSINESS UNIT      FYTD Through the Month Ended March 31, 2016      Data Source: EPM Data Warehouse via Analysis Services  
 Unit of Measure: \$Thousands      Preliminary Unaudited      % of Year Elapsed = 50%

				FY 2016		FY 2016	FY 2016		
				SOY Budget	Current EOY Forecast	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast	
<b>Transmission Business Unit</b>									
<b>Transmission Asset Category</b>									
1		Expand		266,087	281,599	140,809	53%	50%	
2		Sustain		291,476	292,860	90,497	31%	31%	
3		<b>Transmission Asset Category Sub-Total</b>		<b>557,563</b>	<b>574,459</b>	<b>231,306</b>	<b>41%</b>	<b>40%</b>	
4		<b>PFIA</b>	Expand	20,363	4,092	238	1%	6%	
<b>Facilities Asset Category</b>									
5		Expand		6,804	6,633	2,316	34%	35%	
6		Sustain		20,600	2,719	429	2%	16%	
7		<b>Facilities Asset Category Sub-Total</b>		<b>27,404</b>	<b>9,352</b>	<b>2,744</b>	<b>10%</b>	<b>29%</b>	
8		<b>IT Asset Category</b>	Expand	3,781	4,491	2,256	60%	50%	
9		<b>Security Function</b>	Sustain	9,099	14,908	5,367	59%	36%	
10		<b>Fleet Function</b>	Sustain	8,734	7,472	755	9%	10%	
11		<b>Environment Function</b>	Sustain	6,992	6,554	4,552	65%	69%	
12		<b>Capital Indirect</b>		(0)	-	9,148	0%	0%	
13		<b>TOTAL Transmission Business Unit</b>		<b>633,937</b>	<b>621,328</b>	<b>256,367</b>	<b>40%</b>	<b>41%</b>	
<b>Power Business Unit</b>									
14		<b>Bureau of Reclamation</b>	Sustain	<Note 1	57,200	43,140	20,068	35%	47%
15		<b>Corps of Engineers</b>	Sustain	<Note 1	150,300	142,760	57,907	39%	41%
16		<b>Fed Hydro Sub-Total</b>		<b>207,500</b>	<b>185,900</b>	<b>77,975</b>	<b>38%</b>	<b>42%</b>	
17		<b>Generation Conservation</b>	Conservation			(59)	0%	0%	
18		<b>Fish and Wildlife</b>	Fish and Wildlife	<Note 2	40,000	30,000	7,557	19%	25%
19		<b>IT Asset Category</b>	Expand		5,196	5,104	1,700	33%	33%
20		<b>TOTAL Power Business Unit</b>		<b>252,696</b>	<b>221,004</b>	<b>87,173</b>	<b>34%</b>	<b>39%</b>	
<b>Corporate Business Unit</b>									
21		<b>Facilities Asset Category</b>	Sustain		2,300	2,050	519	23%	25%
<b>IT Asset Category</b>									
22		Expand		7,693	8,119	4,820	63%	59%	
23		Sustain		11,165	9,071	3,139	28%	35%	
24		<b>IT Asset Category Sub-Total</b>		<b>18,858</b>	<b>17,190</b>	<b>7,959</b>	<b>42%</b>	<b>46%</b>	
25		<b>TOTAL Corporate Business Unit</b>		<b>21,158</b>	<b>19,240</b>	<b>8,479</b>	<b>40%</b>	<b>44%</b>	
26		<b>TOTAL BPA Capital Expenditures</b>		<b>\$ 907,791</b>	<b>\$ 861,572</b>	<b>\$ 352,018</b>	<b>39%</b>	<b>41%</b>	
27		<b>TOTAL Expand</b>		<b>309,924</b>	<b>310,038</b>	<b>152,140</b>	<b>49%</b>	<b>49%</b>	
28		<b>TOTAL Sustain</b>		<b>557,866</b>	<b>521,534</b>	<b>183,232</b>	<b>33%</b>	<b>35%</b>	
29		<b>TOTAL Fish and Wildlife</b>		<b>40,000</b>	<b>30,000</b>	<b>7,557</b>	<b>19%</b>	<b>25%</b>	
30		<b>TOTAL Other</b>		<b>(0)</b>	<b>-</b>	<b>9,089</b>	<b>0%</b>	<b>0%</b>	
31		<b>TOTAL BPA Capital Expenditures</b>		<b>\$ 907,791</b>	<b>\$ 861,572</b>	<b>\$ 352,018</b>	<b>39%</b>	<b>41%</b>	

< 1 Excludes projects funded by federal appropriations.  
 < 2 Amounts are reported as regulatory assets and not utility plant  
 All amounts are fully loaded

Report ID: 0027FY16  
 Requesting BL: CORPORATE BUSINESS UNIT  
 Unit of Measure: \$Thousands

**QBR Forecast Analysis: BPA Capital Expenditures**  
 FYTD Through the Month Ended March 31, 2016  
 Preliminary Unaudited

Run Date/Run Time: April 21, 2016 15:31  
 Data Source: EPM Data Warehouse  
 % of Year Elapsed = 50%

A	B	C
FY 2016		FY 2016
1st Quarter Forecast	Current EOY Forecast	Current EOY Forecast - 1st Quarter Forecast

<b>Transmission Business Unit</b>				
1	MAIN GRID	\$ 31,479	\$ 24,761	\$ (6,718)
2	AREA & CUSTOMER SERVICE	114,545	118,251	3,706
3	SYSTEM REPLACEMENTS	353,566	317,959	(35,607)
4	UPGRADES & ADDITIONS	148,636	149,711	1,075
5	ENVIRONMENT CAPITAL	7,283	6,554	(729)
	<u>PFIA</u>	-	-	-
6	MISC. PFIA PROJECTS	6,437	2,816	(3,621)
7	GENERATOR INTERCONNECTION	12,800	948	(11,852)
8	SPECTRUM RELOCATION	864	328	(537)
9	CAPITAL INDIRECT, undistributed	-	-	-
10	LAPSE FACTOR	-	-	-
11	<b>TOTAL Transmission Business Unit</b>	<b>675,611</b>	<b>621,328</b>	<b>(54,282)</b>
<b>Power Business Unit</b>				
12	BUREAU OF RECLAMATION <Note 1	50,072	43,140	(6,932)
13	CORPS OF ENGINEERS <Note 1	148,960	142,760	(6,200)
14	GENERATION CONSERVATION	-	-	-
15	POWER INFORMATION TECHNOLOGY	5,104	5,104	-
16	FISH & WILDLIFE <Note 2	40,000	30,000	(10,000)
17	LAPSE FACTOR	-	-	-
18	<b>TOTAL Power Business Unit</b>	<b>244,136</b>	<b>221,004</b>	<b>(23,132)</b>
<b>Corporate Business Unit</b>				
19	CORPORATE BUSINESS UNIT	27,285	19,240	(8,045)
20	<b>TOTAL Corporate Business Unit</b>	<b>27,285</b>	<b>19,240</b>	<b>(8,045)</b>
21	<b>TOTAL BPA Capital Expenditures</b>	<b>\$ 947,032</b>	<b>\$ 861,572</b>	<b>\$ (85,460)</b>

# Capital Project Status Report

Dennis Naef  
Asset Strategist

Major Capital Projects <sup>1</sup> - End-of-Project Target Performance						Q1 2016	
Project	Description	Direct Capital \$M <sup>2</sup>			In-Service Date		
		Target	Forecast	Actual <sup>3</sup>	Target	Forecast	
<b>Transmission</b>							
Sustain Steel Program Defective Damper Replacements	Replace approximately 1,700 miles of defective PPI spacer dampers.	\$ 34.4	\$ 32.8	\$ 27.8	9/30/14	12/28/18	
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	\$ 51.5	\$ 51.0	12/31/13	12/2/16	
Fleet Mobile Equipment Replacement FY14-16	Heavy duty and specialized vehicle replacement program for FY14-16	\$ 16.4	\$ 14.1	\$ 3.2	9/30/16	9/30/17	
#KC SONET Phase II Spur Healing	Complete the digital microwave and radio conversion in Oregon.	\$ 18.0	\$ 13.4	\$ 13.2	12/31/15	12/29/17	
#NC Analog Microwave Replacement	Complete the digital microwave and radio conversion in NW Washington.	\$ 9.5	\$ 8.2	\$ 8.1	12/31/15	12/31/18	
Alvey Substation 500 kV Shunt Reactor	Add a 500 kV shunt reactor for voltage stabilization.	\$ 10.9	\$ 7.2	\$ 4.9	4/30/12	7/1/16	
NEPA - I-5 Corridor Reinforcement	Conduct NEPA study, preliminary engineering and design.	\$ 85.0	\$ 85.0	\$ 74.6	12/31/15	12/31/16	
Big Eddy - Knight (West of McNary Reinforcement Group 2)	New 500 kV substation and 28 miles of 500 kV transmission line.	\$ 180.0	\$ 198.4	\$ 188.1	11/30/14	11/30/17	
Synchrophasor Project	5-year effort to acquire, install, test, and implement synchronized Wide Area Measurement (WAM) and control technology at BPA.	\$ 32.5	\$ 31.9	\$ 31.8	9/30/15	2/29/16	
Ross - Schultz Fiber Replacement	Replace the obsolete and limited 36 strand fiber with standard 72 strand fiber.	\$ 34.0	\$ 32.1	\$ 8.9	9/15/17	11/16/18	
#DC Microwave Analog Spur Replacement	Complete the digital microwave and radio conversion in Northeast Washington.	\$ 39.5	\$ 35.7	\$ 33.7	8/30/17	7/3/17	
Central Ferry to Lower Monumental (Little Goose Area Reinforcement)	Construct a 38 mile 500 kV transmission line between Central Ferry and Lower Monumental substations.	\$ 115.0	\$ 108.6	\$ 108.0	12/31/15	4/15/16	
P25 Two-Way Mobile Radio Upgrade	Replace and upgrade the mobile radio system to P25 technology.	\$ 64.5	\$ 58.9	\$ 7.6	9/30/17	12/21/21	
Switchgear Replacement for Fault Duty FY12	Replace under-rated switchgear identified in annual screening process.	\$ 14.9	\$ 18.9	\$ 18.6	12/31/14	2/1/16	
Puget Sound Area Northern Intertie (PSANI) Memorandum of Agreement	Install a 500/230 kV transformer bank addition at Raver Substation.	\$ 56.4	\$ 36.8	\$ 7.2	9/30/16	12/2/17	
Lower Valley Area Reinforcement (Hooper Springs)	Construct substation and 24 miles of line to address reliability issues in the Lower Valley Area.	\$ 63.8	\$ 70.1	\$ 18.1	9/30/17	3/29/19	
#JC Microwave Upgrade	Complete the digital conversion for the upper part of the #JC communications ring.	\$ 13.5	\$ 9.1	\$ 5.5	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	\$ 10.6	3/30/17	12/28/18	
McNary Substation - Additional 500 kV Transformer	Install an additional transformer bank to handle increased loading.	\$ 20.2	\$ 29.0	\$ 5.3	5/30/17	5/30/17	
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 path to 3800 MW.	\$ 275.8	\$ 278.8	\$ 251.3	12/20/15	6/30/16	
Pacific DC Intertie Upgrade - Line Work		\$ 40.0	\$ 79.3	\$ 69.6	10/31/17	10/31/17	

This information has been made publicly available by BPA on 2/3/2016 and does not contain Agency-approved Financial Information.

<sup>1</sup> Includes capital projects authorized at the agency level since August 2007

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

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

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

Major Capital Projects <sup>1</sup> - End-of-Project Target Performance					Q1 2016	
Project	Description	Direct Capital \$M <sup>2</sup>			In-Service Date	
		Target	Forecast	Actual <sup>3</sup>	Target	Forecast
<b>Transmission - continued</b>						
Umatilla Electric Cooperative (UEC) Line and Load Requests	Construct Longhorn Substation Annex and add three bays at McNary Substation.	\$ 65.0	\$ 65.0	\$ 61.0	7/30/16	7/22/16
Paul Substation Shunt Reactor Addition	Install an additional reactor in the Portland area for voltage control.	\$ 9.5	\$ 9.5	\$ 3.0	4/30/16	12/16/16
Raver Substation - Replace Reactor	Replace the failed 180 MVAR reactor with a 300 MVAR unit.	\$ 7.2	\$ 7.0	\$ 5.5	6/30/15	2/1/16
Midway-Grandview No. 1 Line Upgrade	Rebuild 25 mile line to avoid risk of thermal overload.	\$ 18.6	\$ 18.6	\$ 1.3	4/30/18	4/30/18
Spare Transformers for Hub Wind Sites	Add a spare 500/230 kV single phase transformer at John Day, Rock Creek, Slatt and Central Ferry substations.	\$ 18.6	\$ 19.7	\$ 0.3	10/15/18	1/31/19
Steel Lines Sustain Program FY 2016	One-year asset replacement plan based on asset strategy analysis.	\$25.5 to \$28.5	\$ 22.5	\$ 2.2	9/30/16	9/30/16
Wood Pole Lines Sustain Program FY 2016	One-year asset replacement plan based on asset strategy analysis.	\$47.5 to \$52.5	\$ 43.0	\$ 4.8	9/30/16	9/30/16
Access Roads Sustain Program FY 2016	One-year asset replacement plan based on asset strategy analysis.	\$16.0 to \$18.0	\$ 17.3	\$ 1.8	9/30/16	9/30/16
Land and Land Rights Sustain Program FY 2016	One-year asset replacement plan based on asset strategy analysis.	\$9.5 to \$10.5	\$ 9.8	\$ 2.0	9/30/16	9/30/16
AC Substations Sustain Program FY 2016	One-year asset replacement plan based on asset strategy analysis.	\$52.5 to \$58.5	\$ 58.5	\$ 9.5	9/30/16	9/30/16
System Telecommunications Sustain Program FY 2016	One-year asset replacement plan based on asset strategy analysis.	\$17.0 to \$19.0	\$ 17.0	\$ 0.5	9/30/16	9/30/16
Power Systems Control Sustain Program FY 2016	One-year asset replacement plan based on asset strategy analysis.	\$20.0 to \$22.0	\$ 20.4	\$ 3.7	9/30/16	9/30/16
System Protection and Control Sustain Program FY 2016	One-year asset replacement plan based on asset strategy analysis.	\$32.0 to \$36.0	\$ 34.1	\$ 5.2	9/30/16	9/30/16
Control Center Sustain Program FY 2016	One-year asset replacement plan based on asset strategy analysis.	\$9.5 to \$10.5	\$ 9.5	\$ 1.5	9/30/16	9/30/16
<b>Federal Hydro</b>						
Grand Coulee and Hungry Horse SCADA	Replace SCADA systems at Grand Coulee and Hungry Horse.	\$ 46.8	\$ 69.2	\$ 46.3	9/30/15	9/1/20
Grand Coulee Pre Overhaul - Winding Replacement G19, G20	Replace the stator core and windings on units G19 and G20.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 2.0	5/31/13	12/31/18
Grand Coulee Stator Windings, Cores and Spare G1-G18	Replace 14 stator cores and windings. G4,5,7,9 were previously replaced.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 0.2	12/2/23	7/2/29
Grand Coulee Exciter Replacements G1-G18	Replace the excitation equipment for all 18 units.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 0.2	12/2/23	7/29/29
Grand Coulee Governor Replacements G1-G18	Replace the governors and related equipment for all 18 units.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 0.1	12/2/23	12/3/23
Grand Coulee Transformers G11-G18	Replace 24 single-phase transformers in the Right Powerhouse.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 0.5	10/31/18	12/31/22
Grand Coulee - Keys Pump Generating Station - Reliability	Replacements and upgrades to maintain current station capability.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 5.4	9/30/24	9/30/24

This information has been made publicly available by BPA on 2/3/2016 and does not contain Agency-approved Financial Information.

<sup>1</sup> Includes capital projects authorized at the agency level since August 2007

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

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

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

Major Capital Projects <sup>1</sup> - End-of-Project Target Performance					Q1 2016	
Project	Description	Direct Capital \$M <sup>2</sup>			In-Service Date	
		Target	Forecast	Actual <sup>3</sup>	Target	Forecast
<b>Federal Hydro - continued</b>						
Grand Coulee G22 - G23 Wicket Gate Replacements	Replace the deteriorating wicket gates.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 0.3	11/1/18	11/1/18
Chief Joseph Turbine Runner Replacements Units 1 - 16	Replace the turbine runners and rehabilitate the turbines on units 1 - 16.	\$ 166.0	\$ 176.5	\$ 143.9	9/30/17	9/30/17
Chief Joseph Governor Replacement	Upgrade the 27 governors with digital controls and replace associated equipment.	\$ 10.7	\$ 10.7	\$ 5.6	8/19/17	8/16/17
The Dalles Transformer Replacements	Replace 7 transformer banks - TA, T1, T3, T5, T6, T7, T8	\$ 37.0	\$ 35.3	\$ 0.7	5/9/19	5/9/19
McNary Main Unit 1-4, 7-12 Stator Winding Replacement	Replace stator windings that are over 50 years old.	\$ 80.0	\$ 86.5	\$ 82.8	12/31/14	12/1/15
McNary Governor Replacement	Upgrade the 14 governors in the McNary powerhouse with digital controls.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 2.1	1/29/18	4/30/19
McNary 4160/480V Station Service Upgrade	Replace and upgrade the station service distribution system.	\$ 36.0	\$ 45.1	\$ 16.8	12/3/18	12/3/18
Bonneville Powerhouse 1 Main Unit Breakers and Station Service	Replace oil-filled original equipment breakers and reconfigure and modernize the station service.	\$ 42.0	\$ 34.2	\$ 9.0	4/20/18	3/20/18
John Day Governor Upgrade	Upgrade of the governors with digital controls and replacement of associated components.	\$ 10.7	\$ 8.9	\$ 7.6	10/26/16	7/7/16
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.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 0.8	12/31/18	11/16/21
John Day Draft Tube Bulkheads and Intake Gates	Purchase two sets of draft tube bulkheads and one set of intake gates for additional de-watering.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 0.6	9/4/18	9/4/18
Dworshak U3 Stator and Coolers	Replace the winding, core and air coolers.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 1.0	6/1/17	6/1/17
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	\$ 25.1	3/31/20	3/31/20
Ice Harbor Stator Winding Replacements	Replace the stator windings for units 1,2 and 3.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ 0.3	3/31/20	3/31/20
Lower Granite U1 Linkage Upgrade	Upgrade the U1 turbine linkage to restore full Kaplan capability.	\$ 7.6	\$ 7.6	\$ 1.2	9/9/16	9/9/16
Lower Monumental U1 Linkage Refurbishment	Refurbish turbine linkage and rewind generator.	\$ 14.8	\$ 15.6	\$ 1.8	3/1/16	5/31/17
Hungry Horse Station Service Replacement	Replace station service switchgear distribution board/feeder cables and upgrade relay protection/metering.	\$ 8.1	\$ 7.4	\$ 7.4	1/31/15	9/30/16
Hills Creek Powerhouse Turbine and Unit Rehabilitation	Replace turbine runners and generator windings on units 1 and 2 at Hills Creek.	\$ 24.1	\$ 22.2	\$ 18.6	8/12/14	10/3/16
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.	\$ 36.8	\$ 36.8	\$ 7.1	12/31/14	12/31/18
Black Canyon Switchyard Replacement	Replace and relocate the switchyard.	N/A <sup>4</sup>	N/A <sup>4</sup>	\$ -	5/1/19	5/1/19
Palisades Turbine Rehabilitation and Runner Replacement	Replace the turbine runners and rehabilitate the turbines on the four Palisades units.	\$ 28.8	\$ 30.2	\$ 25.3	5/31/16	5/31/16

This information has been made publicly available by BPA on 2/3/2016 and does not contain Agency-approved Financial Information.

<sup>1</sup> Includes capital projects authorized at the agency level since August 2007

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

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

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

Major Capital Projects <sup>1</sup> - End-of-Project Target Performance					Q1 2016	
Project	Description	Direct Capital \$M <sup>2</sup>			In-Service Date	
		Target	Forecast	Actual <sup>3</sup>	Target	Forecast
<b>IT</b>						
IT Virtualization and Consolidation Project (IVC)	Replace and modernize server infrastructure for non-critical business systems.	\$ 21.8	\$ 30.3	\$ 30.3	9/30/14	3/31/16
Columbia Vista Short Term Replacement (CV-STR)	Replace the current hydro modeling functionality and associated database tool.	\$ 7.1	\$ 7.9	\$ 7.7	9/25/15	1/31/16
<b>Facilities</b>						
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	\$ 17.1	\$ 16.8	12/31/13	3/31/16
Ross Maintenance Headquarters	Construct a maintenance HQ office building, high-bay structure and lay-down storage area on the Ross complex.	\$ 15.5	\$ 15.5	\$ 0.8	8/1/17	10/31/17

Summary			
Transmission	\$ 1,583.2	\$ 1,595.2	\$ 1,049.3
Federal Hydro	646.4	683.2	412.7
IT	28.9	38.3	38.0
Facilities	29.7	32.6	17.6
Total	\$ 2,288.2	\$ 2,349.3	\$ 1,517.6

This information has been made publicly available by BPA on 2/3/2016 and does not contain Agency-approved Financial Information.

<sup>1</sup> Includes capital projects authorized at the agency level since August 2007

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

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

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

# Generating Cash to Accelerate Appropriations Repayment

Anna-Lisa Miller  
Financial Analyst

## Background – Regional Cooperation Debt

- BPA and Energy Northwest, under a comprehensive debt portfolio management approach, have the unique opportunity to leverage Energy Northwest's ability to issue low interest rate debt and extract economic benefits for the region.
  - BPA currently has a significant amount of ~7% Federal Appropriations outstanding.
  - Using Energy Northwest's low-cost debt as a refinancing tool provides a way to reduce interest expense for the region.
- Extending EN debt to enable the prepayment of Federal obligations does not increase ratepayer obligations or total debt outstanding.
  - BPA rates recover both Federal and Nonfederal (Regional Cooperation Debt) debt service payments.
  - Prior actions to pay down Federal obligations, including Debt Optimization, did not defer ratepayer obligations.

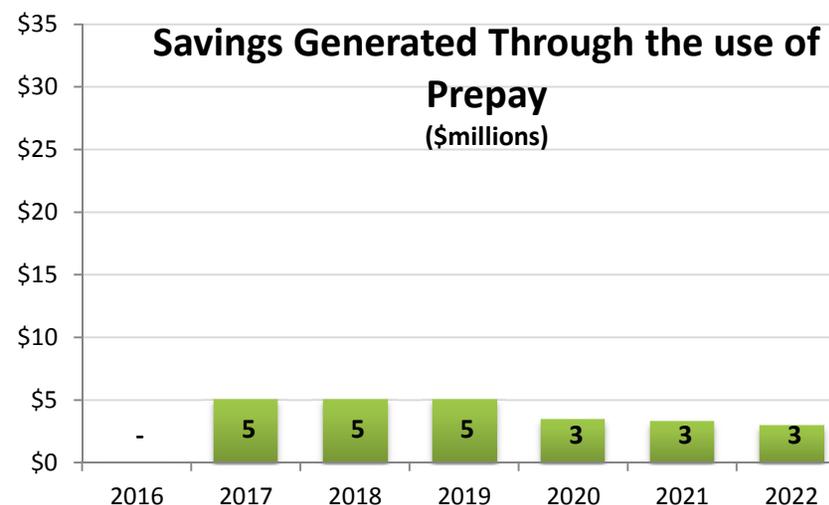
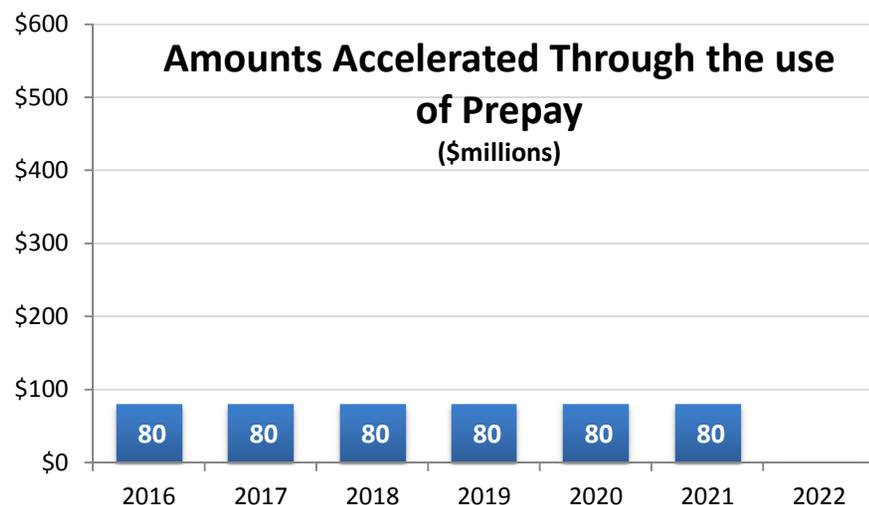
**EN's low-cost Projects 1 and 3 Regional Cooperation Debt are being refinanced to enable BPA to pre-pay higher interest rate U.S. Treasury debt, reducing interest expense.**

## Background

- Ideally, BPA would pay off the \$2.9 billion of higher interest rate federal debt related to the Regional Cooperation Debt program immediately. Unfortunately, amounts which can be paid early each year are restricted to the amount of Energy Northwest debt maturing in any given year.
- Since 2014, BPA has already extended \$680 million of Regional Cooperation Debt, producing over \$288 million in gross interest savings (over \$200 million present value savings) through 2044.
- Energy Northwest and BPA staff have developed a proposal to accelerate federal payments associated with the Regional Cooperation Debt program by one year.
- Acceleration is made feasible through freed up cash from:
  - Using the remaining funds generated from the 2013 Power Prepayment Program.
  - Using an EN line of credit to fund O&M and Interest payments.
- This acceleration would reduce next years Power interest expense on any amounts accelerated.
  - BPA and EN currently estimate the interest rate for a short-term line of credit could be ~1%.
  - BPA would be accelerating federal payments with interest rates up to 7%.
- Funds raised in BPA FY2016 would be used to accelerate a portion of the federal power appropriations repayment planned in BPA FY2017 as part of the Regional Cooperation Debt program.
  - Currently, EN has supported extension of all of the eligible regional cooperation debt maturing in 2017.

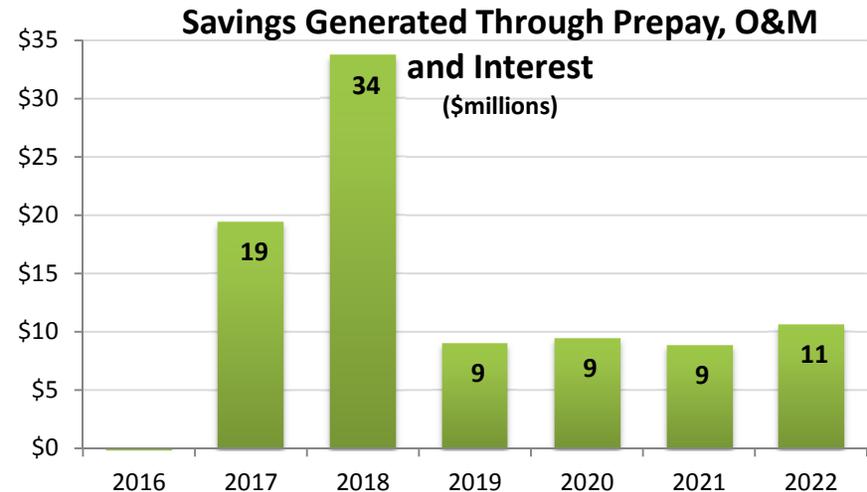
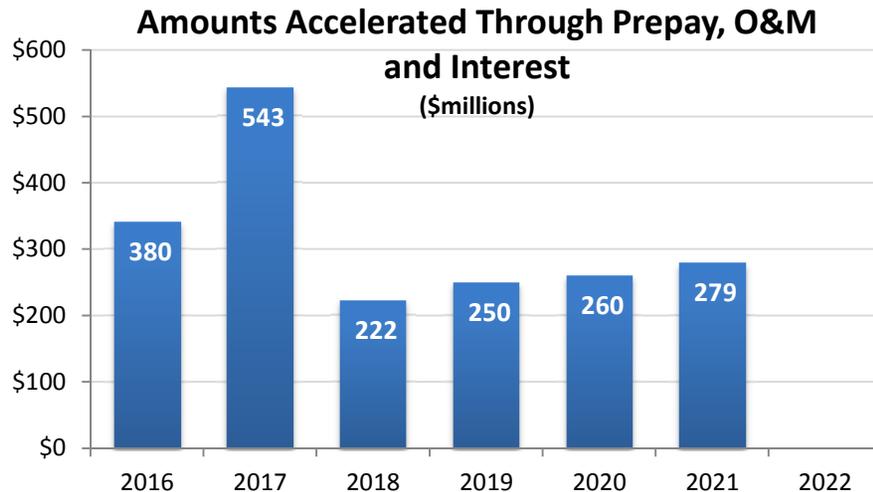
## Prepay Funds Remaining

- In 2013, BPA received \$340 million from the Power Prepayment Program.
  - To date, \$260 million has been used to invest in the FCRPS by paying for hydro investments.
- BPA currently has ~\$80 million in un-used Prepay funds. These funds could be used to accelerate power federal debt planned to be paid in BPA FY2017.
  - Funds will eventually be used to fund Federal Hydro investments as planned.
- BPA has consulted with customers and stakeholders (including prepay customers).



## EN Line of Credit: O&M + Interest

- Energy Northwest could use a line of credit to fund its interest payments, in addition to O&M.
  - 2016 would be the July 1 interest payment only. Subsequent years we could fund both January and July payments.
  - Near term payments are ~\$100m.
  - Using interest expense provides an additional \$7m of savings.
- In BPA FY2016 and FY2017, there are not sufficient funds to accelerate the entire Regional Cooperation Debt federal payment, but they are close.



## Process

1. Energy Northwest gets a line of credit, and uses that line of credit to pay CGS O&M costs from February 2016-September 2016.
2. BPA continues to collect in rates the money that used to be used to pay CGS O&M costs, lets the money accumulate over the course of the year, and uses that money to accelerate the appropriations repayment in September 2016.
3. Energy Northwest does its planned annual bond refinancing transaction in the spring of 2017. BPA continues to collect in rates the money that used to be used to pay Energy Northwest bonds.
4. Instead of using the proceeds freed up in rates from the annual Energy Northwest bond refinancing transaction to accelerate repayment of appropriated debt, BPA uses these proceeds to pay down the line of credit no later than June 30, 2017 (likely earlier).

### Net effects:

1. Energy Northwest does its planned annual bond refinancing transaction just as it would previously.
2. BPA accelerates repayment of appropriated debt as it would previously, except that the line of credit allows BPA to move the accelerated repayment up by a year, saving a year's worth of interest.

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

Sunny Donato  
Public Utilities Specialist  
Janice Johnson  
Accountant

## Q2 Forecast of FY 2016 SLICE TRUE-UP ADJUSTMENT

	<b>FY 2016 Forecast \$ in thousands</b>
February 3, 2016 First Quarter Business Review	\$10,036 (positive = charge)
May 3, 2016 Second Quarter Business Review	\$11,292
Aug 2, 2016 Third Quarter Business Review	
November 1, 2016 Fourth Quarter Business Review	
Actual Slice True-Up Adjustment Charge/Credit	

## Summary of Differences From Q2 Forecast to FY 16(BP-16)

#		Composite Cost Pool True-Up Table Reference	Q2 – FY 16 \$ in thousands
1	Total Expenses	Row 103	\$(594,003)
2	Total Revenue Credits	Rows 123 + 132	\$(20,492)
3	Minimum Required Net Revenue	Row 149	\$614,838
4	TOTAL Composite Cost Pool (1 - 2 + 3) \$(594,003K)-\$(20,492K)+\$614,838K = \$41,327K	Row 154	\$41,327
5	TOTAL in line 4 divided by <u>0.9742386</u> sum of TOCAs \$41,327K / <u>0.9742386</u> = \$42,420K	Row 156	\$42,420
6	<b>Q1 Forecast of FY 16 True-up Adjustment</b> <b>26.61865 percent of Total in line 5</b> <b>0.2661865* \$ 42,420K = \$11,292K</b>	Row 157	<b>\$11,292</b>

## Lower Level Differences From Q2 Forecast to FY 16 (BP-16)

#	Line Item of Values Changed Over \$4.0 M	Composite Cost Pool True-Up Table Reference	Q2 – FY 2016 Rate Case (\$ in thousands)
1	Principal Payment of Fed Debt for Power	Row 135	\$ 983,278
2	Non-Cash Expenses	Row 141	\$ 282,829
3	Customer Proceeds	Row 142	\$ 81,611
4	Other Income, Expenses, Adjustments	Row 79	\$ 25,896
5	Agency Services G&A	Row 76	\$ 8,635
6	OTHER POWER PURCHASES (omit, except Designated Obligations or Purchases)	Row 19	\$ 8,527
7	STRATEGY, FINANCE & RISK MGMT	Row 56	\$ (8,540)
8	4(h)(10)(c) credit	Row 108	\$ (9,980)
9	BUREAU OF RECLAMATION	Row 5	\$ (11,500)
10	WNP-3 DEBT SVC	Row 85	\$ (157,467)
11	WNP-1 DEBT SVC	Row 84	\$ (215,917)
12	Expense Offset	Row 80	\$ (231,973)

## Composite Cost Pool Interest Credit

Allocation of Interest Earned on the Bonneville Fund (\$ in thousands)			
		<u>Q2 2016</u>	
1	Fiscal Year Reserves Balance	570,255	
2	Adjustments for pre-2002 Items	-	
3	Reserves for Composite Cost Pool (Line 1 + Line 2)	570,255	
4	Composite Interest Rate	1.05%	
5	Composite Interest Credit	(5,997)	
6	Prepay Offset Credit	(247)	
7	Total Interest Credit for Power Services	(4,599)	
8	Non-Slice Interest Credit (Line 7 - (Line 5+6))	1,645	

## Net Interest Expense in Slice True-Up Forecast

	<b>2016 Rate Case</b>	<b>Q2 Forecast</b>
	<u>(\$ in thousands)</u>	<u>(\$ in thousands)</u>
• Federal Appropriation	189,757	188,889
• Capitalization Adjustment	(45,937)	(45,937)
• Borrowings from US Treasury	56,935	50,875
• Prepay Interest Expense	13,273	13,273
• <b>Interest Expense</b>	<b>214,028</b>	<b>207,100</b>
• AFUDC	(10,731)	(8,700)
• Interest Income (composite)	(8,440)	(5,997)
• Prepay Offset Credit	(468)	(247)
• <b>Total Net Interest Expense</b>	<b>194,389</b>	<b>192,156</b>

## Accelerating Appropriations and Slice True-Up

- Accelerating the repayment of appropriations using cash freed up by an EN line of credit and from prepay requires changes to the FY 2016 Slice True-Up.
- The Slice True-Up table is not equipped to show the funds made available to offset the higher appropriations payment. It is also not equipped to show the repayment of the EN line of credit. However, the Slice True-Up will show the higher appropriations payment. Without modification, Slice customers would be responsible for their share of the higher appropriations payment.
- We propose two additional lines in the calculation of minimum required net revenues for the FY 2016 Slice True-Up.
  - Non-Cash Expenses: This will equal the portion of EN's annual budget that is covered by the line of credit which allows BPA to accelerate repayment of appropriations.
  - Customer proceeds: This will equal the amount of prepay funds committed to accelerate repayment of appropriations.
- For the FY 2017 Slice True-Up, we will propose an additional line that reflects the repayment of the EN line of credit obtained in FY 2016. If this line were not added to the Slice True-Up, Slice customers would receive a credit based on the lower EN debt service even though the cash freed up by the transaction would be used to repay the line of credit.
- These changes will be subject to review in the BP-18 rate proposal as described in Section 2.7.3 of the Tiered Rate Methodology.

## New Lines in the Slice True-Up

- Proposing to add three new lines
  - Two lines will be needed in FY16
  - One additional line will be needed in FY17
- Where in the Composite Cost Pool Table?
  - Proposing to add new lines in the MRNR section

COMPOSITE COST POOL TRUE-UP TABLE				
		Q2 (\$000)	Rate Case forecast for FY 2016 (\$000)	Q2 - Rate Case Difference
134	<b>Minimum Required Net Revenue Calculation</b>			\$ -
135	Principal Payment of Fed Debt for Power	\$ 1,077,975	\$ 94,697	\$ 983,278
136	Irrigation assistance	\$ 61,066	\$ 61,066	\$ -
137	<b>Sub-Total</b>	\$ 1,139,041	\$ <b>155,763</b>	\$ 983,278
138	Depreciation	\$ 140,201	\$ 140,201	\$ (0)
139	Amortization	\$ 86,350	\$ 82,350	\$ 4,000
140	Capitalization Adjustment	\$ (45,937)	\$ (45,937)	\$ 0
141	Non-Cash Expenses	\$ 282,829	\$ -	\$ 282,829
142	Customer Proceeds	\$ 81,611	\$ -	\$ 81,611
143	Bond Call Premium/Discount	\$ -	\$ -	\$ -
144	PGE WNP3 Settlement	\$ (3,524)	\$ (3,524)	\$ -
145	Prepay Revenue Credits	\$ (30,600)	\$ (30,600)	\$ -
146	Non-Federal Interest (Prepay)	\$ 13,273	\$ 13,273	\$ -
147	<b>Sub-Total</b>	\$ 524,203	\$ <b>155,763</b>	\$ 368,440

## Effects of Accelerating Appropriations in the Slice True-Up

- Matching federal appropriations to the bond deal for RCD
- Accelerating federal appropriations with the EN line of credit and power prepay funds

<i>(NFDS interest expense and federal interest expense is not included in the chart below)</i>					
<i>\$\$ below in thousands</i>					
	Slice Impact	FY2014	FY2015	FY2016	FY2017
1	NFDS Principal Reduction	(377,953)	(268,699)	(387,341)	(411,415)
2	Expense Offset for DSR			(231,973)	(98,925)
3	Customer Proceeds			(81,611)	
4	Non-cash Expenses (EN)			(282,829)	(480,778)
5	EN LOC Payment				282,829
6	Federal Appropriation Additional Payment	320,625	229,310	983,278	685,644
7	Net Amount	(57,328)	(39,389)	(476)	(22,646)
8	Slice approximate 27% (includes TOCA) <sup>1</sup>	(15,479)	(10,635)	(129)	(6,114)

# FY 2015 Cost Verification Process Follow-up

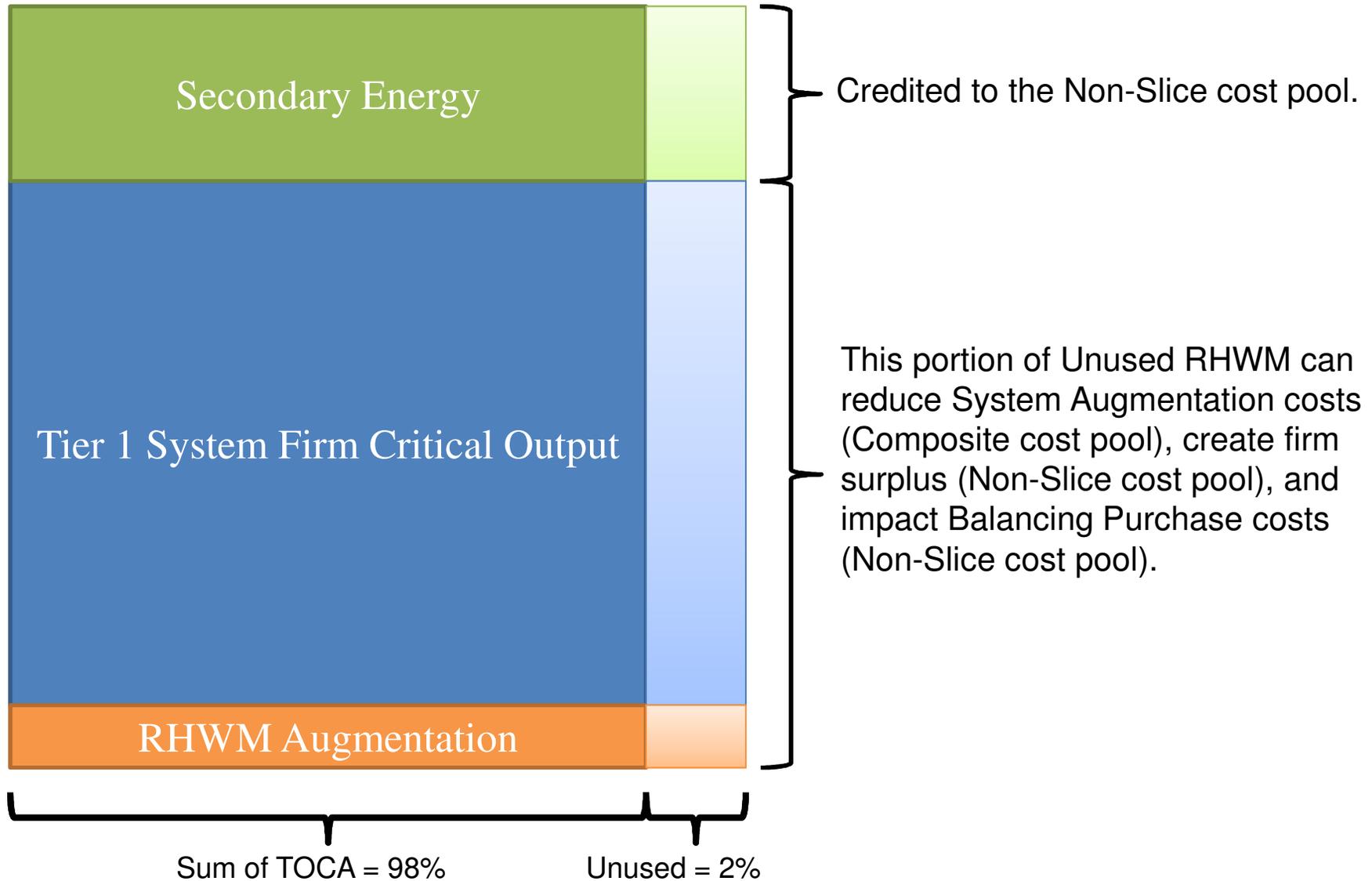
Daniel Fisher

Public Utilities Specialist

## Unused RHWL Credit

- The purpose is to share the full value of Unused Rate Period High Water Mark (RHWL) with all PF public customers.
- The existence of Unused RHWL can:
  - Reduce System Augmentation.
    - System Augmentation costs are allocated to the Composite cost pool and is thereby shared with Slice and Non-Slice power sales.
  - Change Balancing Purchase costs and BPA's share of Secondary revenue because the shape of System Augmentation is not the same as the shape of Unused RHWL.
    - Balancing Purchase costs and BPA's share of Secondary revenue are allocated to the Non-slice cost pool and thereby only impacts Non-Slice power sales.
  - Create firm surplus.
    - BPA's share of surplus revenue, Secondary and firm, is credited to the Non-Slice cost pool and thereby only impacts Non-Slice power sales.

## Value of Unused RHW



## Forecast Unused RHW M

Table 2.5.2 documents how we calculate the value of Unused RHW M and properly account for impacts it has on the Composite and Non-Slice cost pools.

	2014	2015
5 Secondary (aMW)	2,264	2,254
6 TISFCO (aMW)	7,059	7,059
7 RHW M Augmentation (aMW)	57	57
8 RP Augmentation (aMW)	-	-
9 System Augmentation (aMW)	21	318
10 Augmentation Base (aMW)	78	375
11 IP and NR Loads contributing to avoided cost	321	321
12		
13 Value of Secondary	\$ 22.14	\$ 23.49
14 Value of TISFCO (\$/MWh)	\$ 29.20	\$ 29.20
15 Value of Augmentation	\$ 33.47	\$ 34.08
16		
17 Secondary (MWh)	19,832,019	19,742,927
18 TISFCO (MWh)	61,835,360	61,835,360
19 RHW M Augmentation (MWh)	499,670	499,670
20 Augmentation Base (MWh)	684,857	3,285,000
21 IP and NR Loads (MWh)	2,812,443	2,812,443
22		
23 Unused RHW M (MWh)	1,176,642	916,026
24		
25 Unused Secondary	374,351	290,126
26 Unused TISFCO	1,167,210	908,683
27 Unused Augmentation	9,432	7,343
28		
29 Value of Unused	\$ 42,684,341	\$ 33,598,367
30 Value of System Augmentation not Purchased	\$ 39,385,288	\$ 31,214,888
31		
32 Net Credit/(Cost)	\$ 3,299,053	\$ 2,383,479
33		
34 \$/MWh value of Unused RHW M	<b>\$ 36.45</b>	

BP-14-FS-BPA-01A Table 2.5.2

## Actual Unused RHW

- Actual Unused RHW can be different than forecast due to:
  - A change in a customer's Tier One Cost Allocator (TOCA).
    - TOCAs for Slice/Block and Block customers can change in the Annual Net Requirement process.
    - TOCAs for Load Following customers can change if there is substantial reason to believe that the customer's actual load will differ substantially from its forecast load.
  - A change in actual load of a Load Following customer as captured through the Load Shaping Charge True-Up.
    - The Load Shaping Charge True-Up is used to avoid charging or crediting the market-based Load Shaping Rates for energy within the customer's RHW. Application of the Load Shaping Charge True-Up has the same financial impact as changing the customer's TOCA at the end of the fiscal year.

# General Rate Schedule Provision Calculation

FY2015				
1	Sum of forecast TOCAs (BP-14 Final)		0.9811239	
2	Sum of TOCAs after TOCA Adjustment (GRSP II.Y)		0.9772804	
3	Load Shaping True-up (MWh)		(1,471,701)	(Load Shaping True-up Billing Determinant * -1)
4	RHWM Tier 1 System Capability (aMW)		7,116	
5	Load Following Change in TOCA		-0.0236095	
6	Sum of Actual TOCAs		0.9536709	
7	Change in TOCA		-0.027453	
8	Monthly Composite Rate	\$	1,961,053	
9	Unused RHWM True-up Rate \$/MWh	\$	36.45	Values from BP-14-FS-BPA-01A Table 2.5.2
10	Actual Unused RHWM (MWh)		2,887,927	
11	Forecast Unused RHWM (MWh)		1,176,643	
12				
13		1) \$	3,299,053	Table 2.5.2 BP-14-FS-BPA-01A
14		2) \$	(64,604,146)	
15		3) \$	62,376,321	
16				
17	Forecast Actual Firm Surplus and Secondary Adjustment from Unused RHWM	\$	<b>1,071,229</b>	
18	<a href="http://www.bpa.gov/Finance/RateCases/BP-14RateAdjustmentProceeding/Pages/Models-and-Datasets.aspx">http://www.bpa.gov/Finance/RateCases/BP-14RateAdjustmentProceeding/Pages/Models-and-Datasets.aspx</a>			

# 2016 IPR Process Update

Mary Hawken

Manager Analysis and Requirements

## Save the Dates

- Kick-off Meeting: June 16<sup>th</sup>
  - 9:00 am - 12:30 pm
- Workshops: June 20-24
  - June 20<sup>th</sup>:
    - Afternoon: CAO Organization
    - Afternoon: Information Technology
  - June 21<sup>st</sup>:
    - Morning: Fed Hydro
    - Afternoon: Columbia Generating Station
  - June 22<sup>nd</sup>:
    - Morning: Fish & Wildlife
    - Afternoon: Energy Efficiency
  - June 23<sup>rd</sup>:
    - Morning: Transmission
    - Afternoon: Open for Additional Topics
  - June 24<sup>th</sup>:
    - Morning: Debt Management

# Quality Bill Initiative

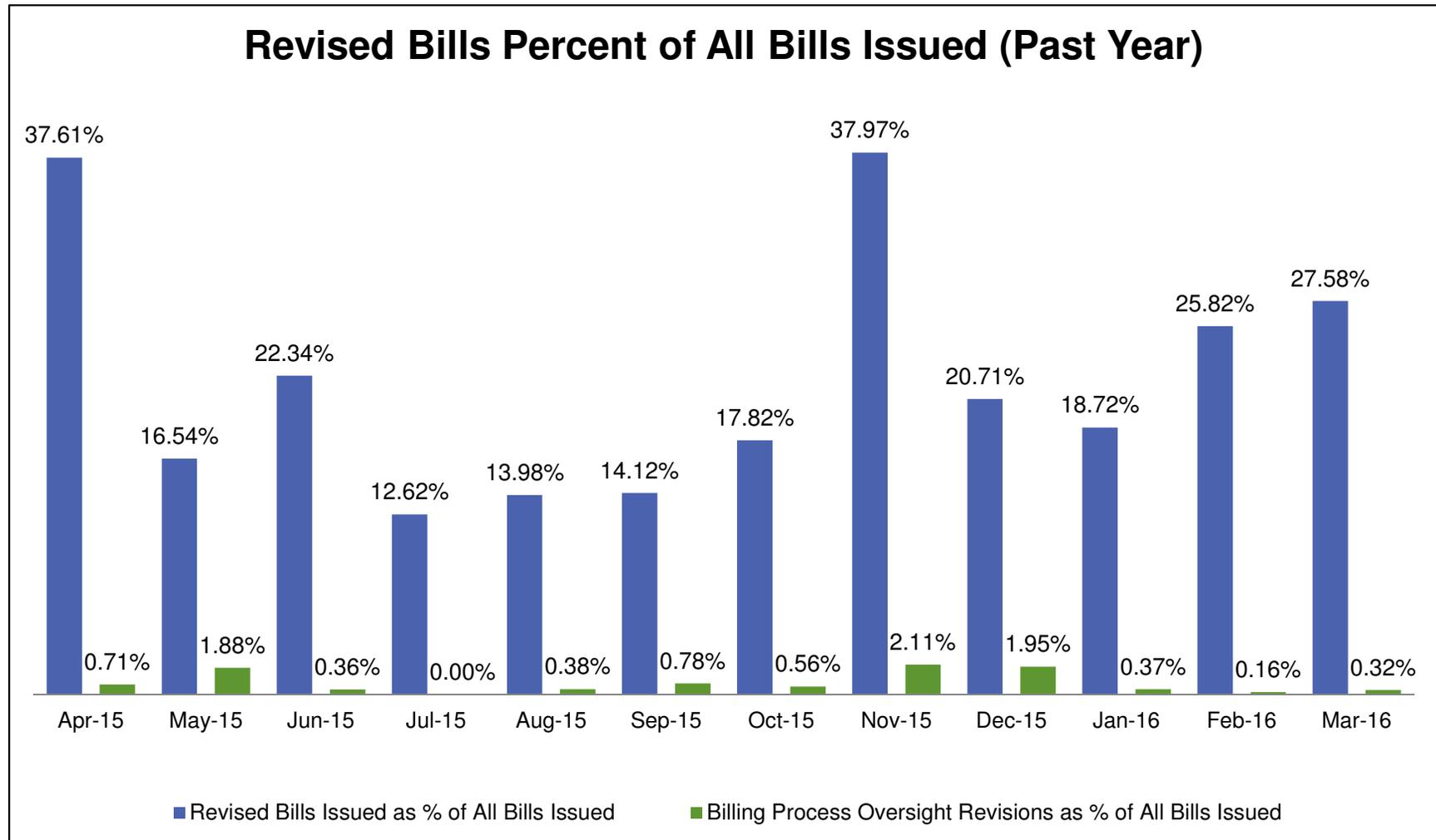
Tina Ko

Transmission Internal Operations

## BPA Revenue Billing Overview

- ~300 Power and Transmission customers
  - Collecting over \$3 billion in revenue/year
  - Translates to ~500 bills/month
  
- Customer bills are prepared by Revenue Analysts in the Customer Billing organization
  - Historically, Customer Billing has had 2 metrics:
    - 98% of monthly bills are accurate (based on Revenue Analyst Oversight errors)
    - 99% of monthly bills are timely (processed by priority due date)

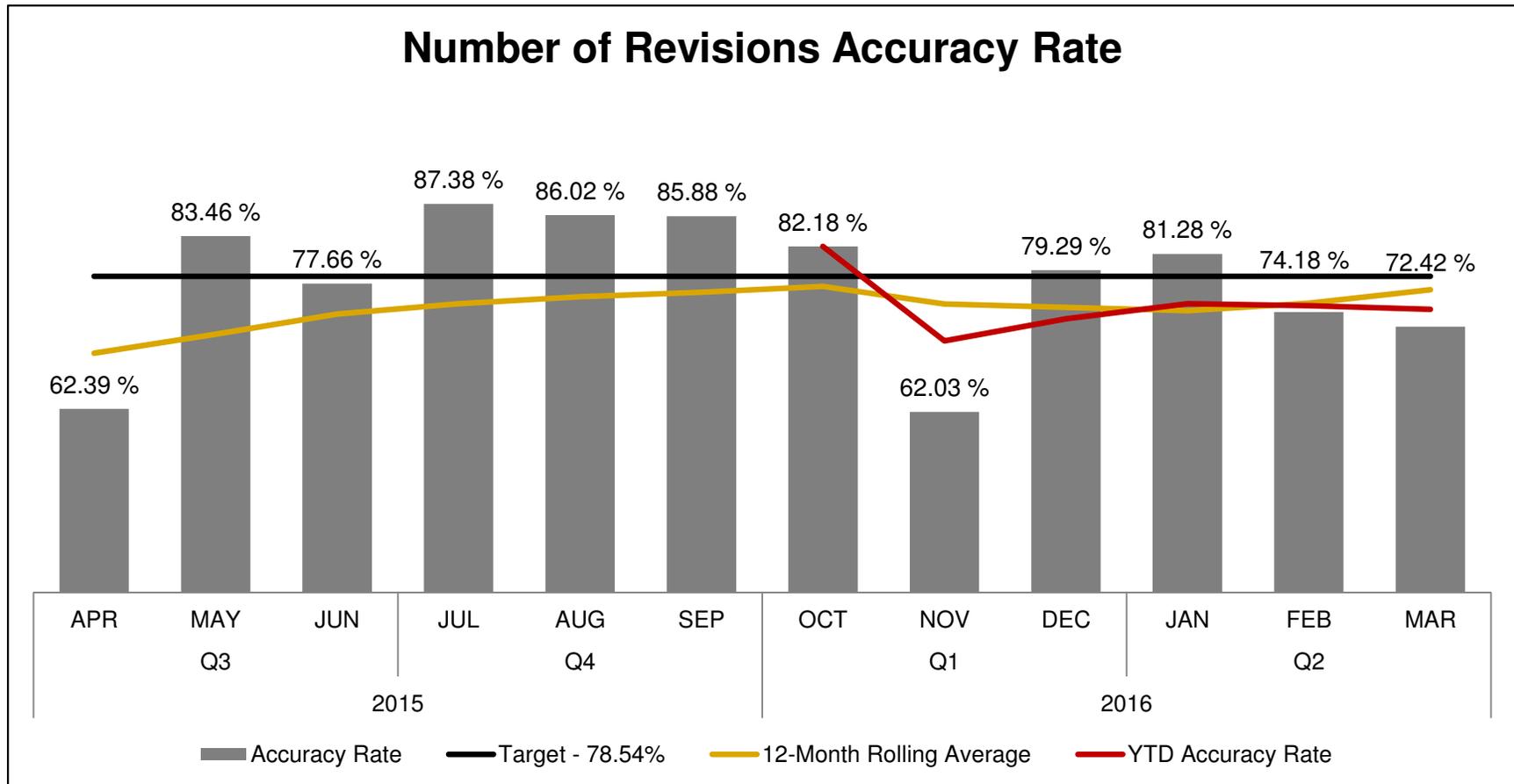
## Why This Initiative?



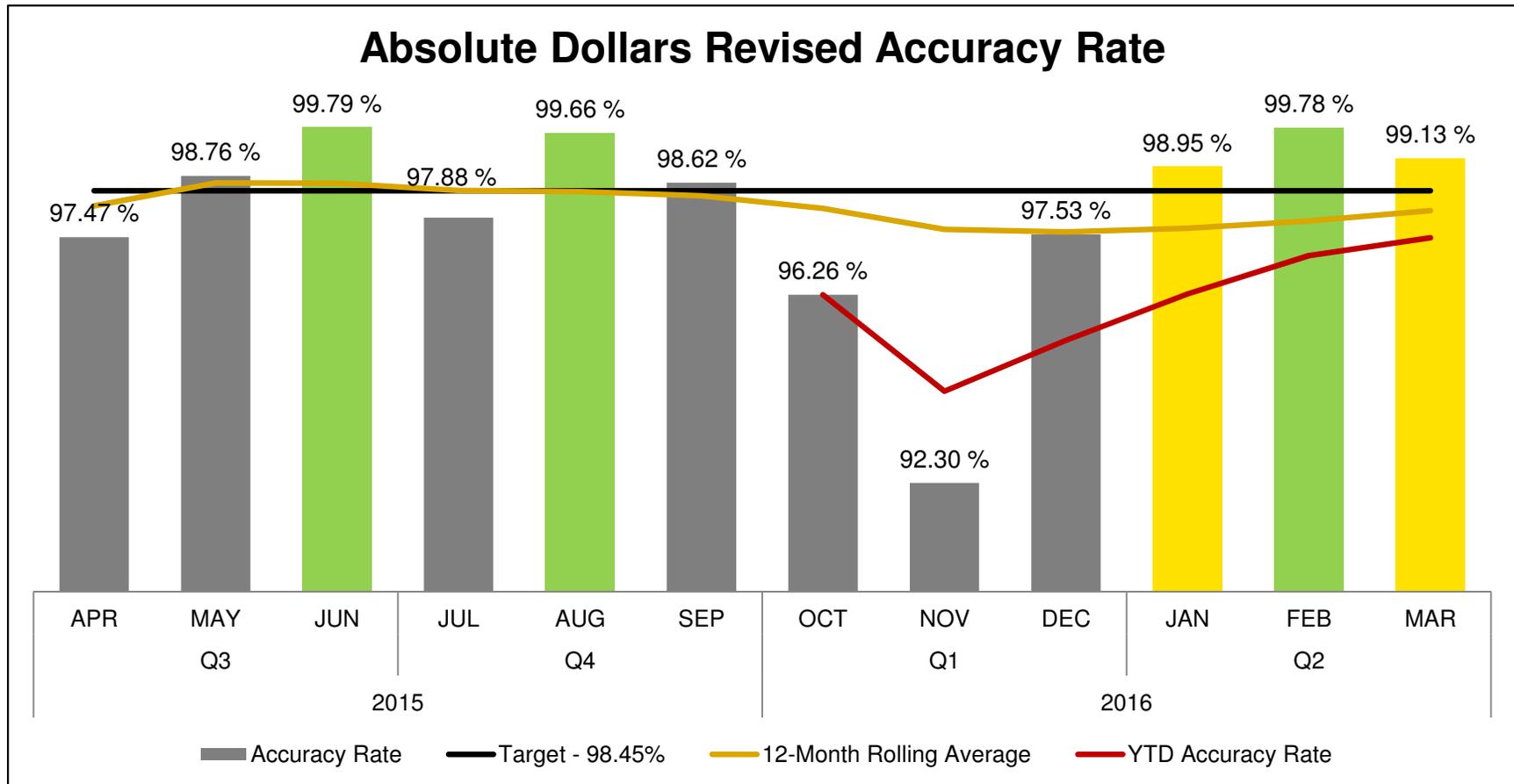
## Process Summary

- DEFINE what it means to have a quality bill
  - Right product, right rate, right amount, invoiced the 1<sup>st</sup> time
- CONDUCT as-is assessment as to the agency's performance against this quality vision and what is causing bill revisions
- RESEARCH what other utilities do (we looked at Tennessee Valley Authority)
- ADOPT appropriate metrics, business processes (including controls) for items within Customer Support Services' control
- IMPLEMENT (began with FY16)
- REQUEST others in the agency that have touchpoints into the billing process to assist in achieving quality bills at BPA
- MONITOR & ADJUST (continuous)

# Measuring Progress



# Measuring Progress



Yellow Bars = Absolute Revision Amount < \$3 Million  
 Green Bars = Absolute Revision Amount < \$1 Million



# **CGS Decommissioning and Site Restoration Trust Fund Update on Investment Re-allocation**

Alex Roth

Senior Financial Analyst

## Background

- The sponsor of each U.S. nuclear reactor is required to provide for the funding of its eventual decommissioning under rules set by the Nuclear Regulatory Commission (NRC).
- The CGS Fund was originally managed by Energy Northwest (EN). Because Washington State law restricts the types of assets EN can invest in, BPA and EN agreed in 1996 that BPA would assume and manage the Fund.
- The decommissioning account has a market value of \$228 million (as of 3/31/16). Estimated Decommissioning Liability is about \$1.6 billion, to be available when CGS' license expires in December 2043.
- BPA also has a separate trust account to fund the site restoration of CGS after radioactive materials are removed or contained. Its balance is \$37 million (as of 3/31/16).
- BPA makes ongoing contributions to the CGS Decommissioning and Site Restoration Funds, totaling \$3+ million per year.

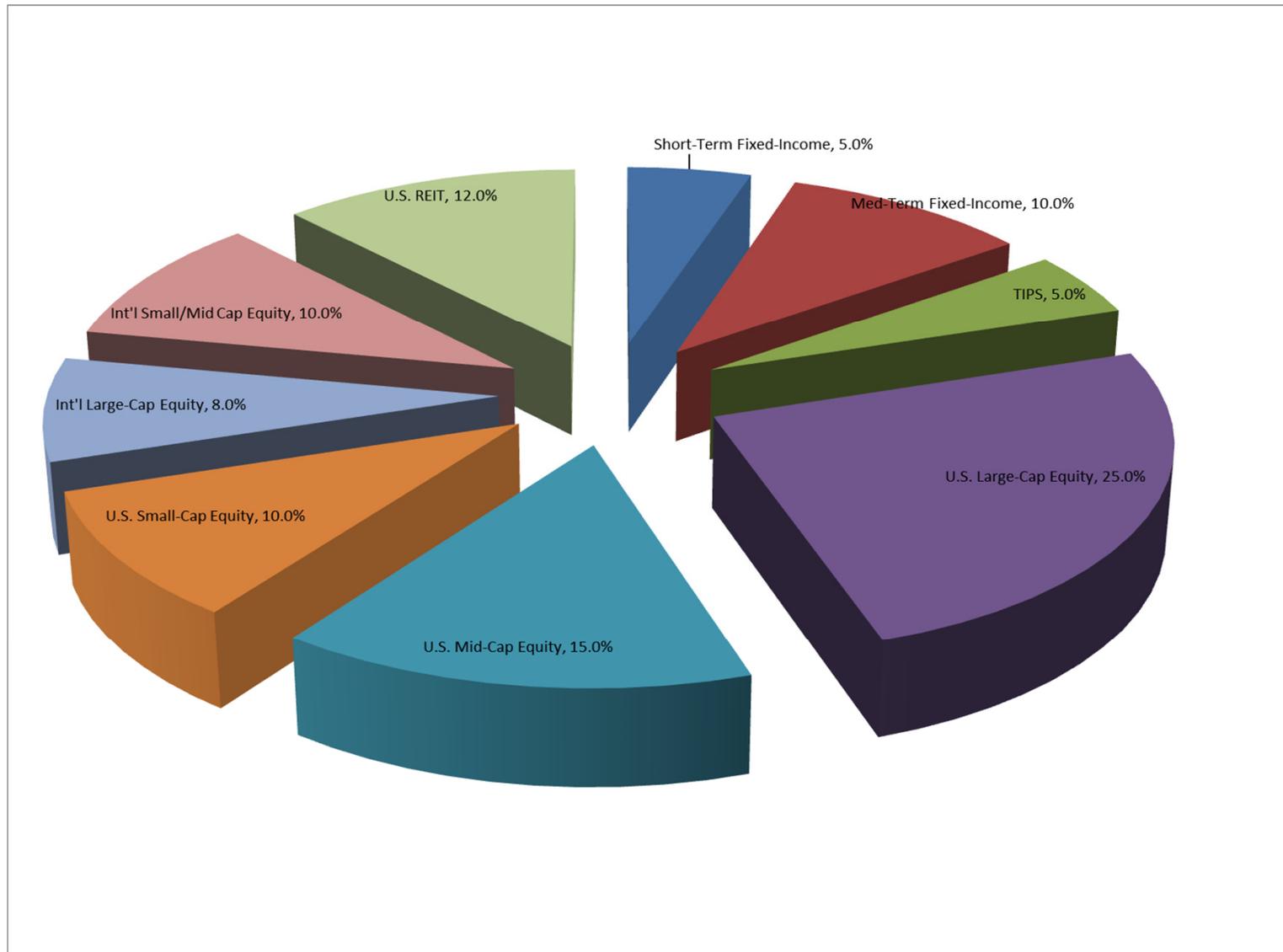
## Investments

- Fund investments are set by a committee of Bonneville managers and senior staff under the sponsorship of Bonneville's CFO.
- Assets include domestic and international equities, corporate and government fixed-income securities, and a real estate investment trust.
- Assets are held in trust by a bank and are invested in broad institutional index funds with extremely low expense ratios.
- Both the CGS Decommissioning Fund and the CGS Site Restoration Fund have the same target investment allocations.
- Investments are re-assessed periodically and monitored continually, but are generally invested according to a long-term, buy-and-hold strategy.

## Allocation Changes

- Bonneville periodically engages expert investment consultants to advise on Fund allocations. In 2014 Bonneville hired an independent consultant to provide an updated asset allocation study for the Funds.
- The Previous target allocation was about 41.4% investment in equities and 58.6% in fixed income. This allocation strategy was adopted in 2010, before re-licensing extended the target date of the Fund from 2023 to 2043.
- BPA's financial consultant recommended an increase in the equity allocation of investments to 80%, in light of updated financial market data CGS' 20-year license extension.
- Despite the changes, no new asset classes are expected to be added to the portfolios.

## CGS Fund: New Target Portfolio at 80% Equity



## Risks and Benefits of Allocation Changes

- Greater exposure to equity volatility could cause the NRC to view the Trust as under-funded in the event of a market downturn. BPA views this risk as quite low based on the NRC's regulatory practice.
- Benchmarking studies show a great variety of different equity levels among nuclear decommissioning trusts (NDTs) nationally. Most are substantially lower than 80%. But equity levels are based on each power plant's individual circumstances. Tennessee Valley Authority (TVA) has 6 nuclear plants and maintains a large NDT with a 90% equity target.
- A higher equity percentage would lead to greater long-term expected returns. This would make it less likely that BPA would have to increase future contributions, or that the Trust would be under-funded.
- The long time horizon of the fund mitigates some of the volatility of equity markets.

## Implementation of Changes

- The transition of the portfolio to the new allocation is being made in stages to minimize risks associated with market timing and to allow for broader discussion of new Fund allocations and equity levels.
- The first stage was implemented in May 2015, bringing the Fund's equity allocation from 42.5%\* (as of March 31, 2015) to 51.8%, with the remainder held in fixed-income investments.
- Subject to careful consideration of any further feedback from regional stakeholders this spring, Bonneville expects to proceed to the next stage of implementation of the new equity allocation in the summer of 2016.
- Questions?

\*Equity % was slightly above target levels due to appreciation of equity assets.

# Appendix

## Planned Network Additions Associated With Interconnection Requests

The following are planned\* Network additions associated with requested line/load and generation interconnections that were recently approved:

### **L0346\_Airport Substation:**

BPA will design and construct a 115kV dead-end steel structure with a load-break disconnect switch inside the new Consumer's Power Airport Substation, and another 115kV dead-end steel structure outside the Airport substation with a line-drop disconnect switch in order to make the final connections to BPA's Albany – Lebanon No. 1 115kV line.

\*Construction is contingent upon the requestor signing a construction agreement.

Please direct inquiries to Jana Jusupovic in Customer Service Engineering at [jdjusupovic@bpa.gov](mailto:jdjusupovic@bpa.gov)

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

Report ID: 0020FY16 Requesting BL: CORPORATE BUSINESS UNIT Unit of measure: \$ Thousands		FCRPS Summary Statement of Revenues and Expenses Through the Month Ended March 31, 2016 Preliminary/ Unaudited				Run Date/Run Time: April 20,2016/ 13:43 Data Source: EPM Data Warehouse % of Year Elapsed = 50%	
		A	B	E <Note 1		F	
		FY 2015		FY 2016		FY 2016	
		Actuals: FYTD	Actuals	SOY Budget	Current EOY Forecast	Actuals: FYTD	
<b>Operating Revenues</b>							
1	Gross Sales (excluding bookout adjustment) <Note 3	\$ 1,788,836	\$ 3,301,965	\$ 3,431,397	\$ 3,335,974	\$ 1,732,479	
2	Bookout adjustment to Sales	(10,137)	(44,504)	-	(13,653)	(13,653)	
3	Miscellaneous Revenues	31,563	64,654	85,588	76,123	40,571	
4	U.S. Treasury Credits	41,306	82,316	95,707	85,727	47,756	
5	<b>Total Operating Revenues</b>	<b>1,851,567</b>	<b>3,404,432</b>	<b>3,612,692</b>	<b>3,484,170</b>	<b>1,807,152</b>	
<b>Operating Expenses</b>							
Power System Generation Resources							
Operating Generation Resources							
6	Columbia Generating Station	179,367	318,231	261,448	259,848	114,953	
7	Bureau of Reclamation	68,474	134,284	155,318	145,318	53,251	
8	Corps of Engineers	106,338	230,742	242,885	242,885	101,763	
9	Long-term Contract Generating Projects	13,327	26,074	22,601	21,408	13,128	
10	Operating Generation Settlement Payment	7,624	18,555	19,323	17,496	7,670	
11	Non-Operating Generation	623	1,126	1,600	1,600	716	
12	Gross Contracted Power Purchases and Augmentation Power Purch	17,926	120,968	48,515	110,434	81,179	
13	Bookout Adjustment to Power Purchases	(10,137)	(44,504)	-	(13,653)	(13,653)	
14	Exchanges & Settlements <Note 3	113,200	200,265	219,100	219,100	122,080	
15	Renewables	16,475	31,382	38,883	38,811	17,233	
16	Generation Conservation	18,541	43,432	135,495	128,421	49,633	
17	<b>Subtotal Power System Generation Resources</b>	<b>531,759</b>	<b>1,080,554</b>	<b>1,145,168</b>	<b>1,171,666</b>	<b>547,952</b>	
18	Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 2	29,978	60,814	69,993	69,993	30,281	
19	Power Services Non-Generation Operations	36,024	77,116	92,215	86,373	36,730	
20	Transmission Operations	64,039	133,793	163,471	144,703	68,130	
21	Transmission Maintenance	71,663	166,157	153,719	153,773	72,193	
22	Transmission Engineering	28,832	57,251	53,906	56,611	22,290	
23	Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 2	15,105	21,255	21,670	21,213	4,560	
24	Transmission Reimbursables	4,062	10,641	8,227	7,903	9,595	
25	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	140,876	298,303	309,904	314,871	152,401	
BPA Internal Support							
26	Additional Post-Retirement Contribution	18,819	37,638	38,286	34,183	19,143	
27	Agency Services G&A	53,708	120,064	131,937	133,350	62,929	
28	Other Income, Expenses & Adjustments	(27,902)	(28,047)	(32,252)	3,797	3,771	
29	Non-Federal Debt Service	198,241	228,965	798,166	250,728	129,197	
30	Depreciation & Amortization	224,324	447,984	462,573	466,573	230,139	
31	<b>Total Operating Expenses</b>	<b>1,389,527</b>	<b>2,712,486</b>	<b>3,416,983</b>	<b>2,915,738</b>	<b>1,389,310</b>	
32	<b>Net Operating Revenues (Expenses)</b>	<b>462,040</b>	<b>691,946</b>	<b>195,709</b>	<b>568,433</b>	<b>417,842</b>	
<b>Interest Expense and (Income)</b>							
33	Interest Expense	176,376	355,854	383,052	359,104	173,959	
34	AFUDC	(26,207)	(53,217)	(53,617)	(46,500)	(23,721)	
35	Interest Income	(5,488)	(15,345)	(21,158)	(9,434)	(3,258)	
36	<b>Net Interest Expense (Income)</b>	<b>144,681</b>	<b>287,292</b>	<b>308,277</b>	<b>303,170</b>	<b>146,980</b>	
37	<b>Net Revenues (Expenses)</b>	<b>\$ 317,359</b>	<b>\$ 404,654</b>	<b>\$ (112,568)</b>	<b>\$ 265,263</b>	<b>\$ 270,862</b>	
38	Transmission Net Revenues (Expenses)	64,366	99,390	99,616	107,407	84,085	
39	Power Net Revenues (Expenses)	342,926	311,747	(32,913)	164,835	190,544	
40	Net Revenue Modifications <Note 4	(114,929)	(268,562)	71,542	(315,142)	(157,662)	
41	<b>Adjusted Net Revenues</b>	<b>\$ 292,363</b>	<b>\$ 142,575</b>	<b>\$ 138,245</b>	<b>\$ (42,900)</b>	<b>\$ 116,967</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 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.
- <4 Adjusted Net Revenues is a non-GAAP metric designed to report net revenues after removing the effect of certain debt management actions not considered to be related to ongoing FCRPS operations.

Report ID: 0060FY16 **Power Services Detailed Statement of Revenues and Expenses** Run Date\Time: April 20, 2016 13:43  
 Requesting BL: POWER BUSINESS UNIT Through the Month Ended March 31, 2016 Data Source: EPM Data Warehouse  
 Unit of Measure: \$ Thousands Preliminary/ Unaudited % of Year Elapsed = 50%

	A	B	C	D <Note 1	E	F
	FY 2015	FY 2016			FY 2016	FY 2016
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>Operating Revenues</b>						
1 <b>Gross Sales (excluding bookout adjustment) &lt;Note 2</b>	\$ 2,399,397	\$ 2,522,140	\$ 2,518,204	\$ 2,426,211	\$ 1,272,236	52%
2 <b>Bookout Adjustment to Sales</b>	(44,504)	-	-	(13,653)	(13,653)	100%
3 <b>Miscellaneous Revenues</b>	30,389	37,541	37,140	30,462	11,837	39%
4 <b>Inter-Business Unit</b>	121,260	115,750	121,164	118,081	55,605	47%
5 <b>U.S. Treasury Credits</b>	82,316	95,707	95,707	85,727	47,756	56%
6 <b>Total Operating Revenues</b>	<b>2,588,858</b>	<b>2,771,138</b>	<b>2,772,215</b>	<b>2,646,828</b>	<b>1,373,781</b>	<b>52%</b>
<b>Operating Expenses</b>						
<b>Power System Generation Resources</b>						
<b>Operating Generation</b>						
7 COLUMBIA GENERATING STATION	318,231	262,948	261,448	259,848	114,953	44%
8 BUREAU OF RECLAMATION	134,284	156,818	155,318	145,318	53,251	37%
9 CORPS OF ENGINEERS	230,742	243,885	242,885	242,885	101,763	42%
10 LONG-TERM CONTRACT GENERATING PROJECTS	26,074	22,303	22,601	21,408	13,128	61%
11 <b>Sub-Total</b>	709,330	685,954	682,252	669,459	283,096	42%
<b>Operating Generation Settlements and Other Payments</b>						
12 COLVILLE GENERATION SETTLEMENT	18,555	19,323	19,323	17,496	7,670	44%
13 <b>Sub-Total</b>	18,555	19,323	19,323	17,496	7,670	44%
<b>Non-Operating Generation</b>						
14 TROJAN DECOMMISSIONING	716	800	800	800	458	57%
15 WNP-1&3 O&M	409	800	800	800	258	32%
16 <b>Sub-Total</b>	1,126	1,600	1,600	1,600	716	45%
<b>Gross Contracted Power Purchases (excluding bookout adjustments)</b>						
17 PNCA HEADWATER BENEFITS	3,089	3,000	3,115	3,515	1,398	40%
18 PURCHASES FOR SERVICE AT TIER 2 RATES	24,648	22,058	22,058	22,058	10,026	45%
19 OTHER POWER PURCHASES - (e.g. Short-Term)	93,230	23,342	23,342	84,861	69,755	82%
20 <b>Sub-Total</b>	120,968	48,400	48,515	110,434	81,179	74%
21 <b>Bookout Adjustments to Contracted Power Purchases</b>	(44,504)	-	-	(13,653)	(13,653)	100%
<b>Augmentation Power Purchases</b>						
22 AUGMENTATION POWER PURCHASES	-	-	-	-	-	0%
23 <b>Sub-Total</b>	-	-	-	-	-	0%
<b>Exchanges &amp; Settlements</b>						
24 RESIDENTIAL EXCHANGE PROGRAM <Note 2	200,265	218,975	219,100	219,100	122,080	56%
25 <b>Sub-Total</b>	200,265	218,975	219,100	219,100	122,080	56%
<b>Renewable Generation</b>						
26 RENEWABLES	31,464	40,987	38,973	38,811	17,241	44%
27 <b>Sub-Total</b>	\$ 31,464	\$ 40,987	\$ 38,973	\$ 38,811	\$ 17,241	44%

Report ID: 0060FY16 **Power Services Detailed Statement of Revenues and Expenses** Run Date\Time: April 20, 2016 13:43  
 Requesting BL: POWER BUSINESS UNIT Through the Month Ended March 31, 2016 Data Source: EPM Data Warehouse  
 Unit of Measure: \$ Thousands Preliminary/ Unaudited % of Year Elapsed = 50%

	A	B	C	D <Note 1	E	F
	FY 2015	FY 2016			FY 2016	FY 2016
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>Generation Conservation</b>						
28 DSM TECHNOLOGY	\$ -	\$ -	\$ -	\$ -	\$ -	0%
29 CONSERVATION PURCHASES	-	-	76,996	76,468	30,292	40%
30 CONSERVATION INFRASTRUCTURE	15,756	101,932	24,034	24,133	9,568	40%
31 DR & SMART GRID	893	1,245	992	992	447	45%
32 LOW INCOME ENERGY EFFICIENCY	5,248	5,336	5,336	5,336	1,246	23%
33 REIMBURSABLE ENERGY EFFICIENCY DEVELOPMENT	8,218	15,000	15,000	8,355	1,830	22%
34 LEGACY	590	605	605	605	506	84%
35 MARKET TRANSFORMATION	12,728	12,531	12,531	12,531	5,744	46%
36 CONSERVATION RATE CREDIT (CRC)	-	-	-	-	-	0%
37 <b>Sub-Total</b>	43,432	136,649	135,495	128,421	49,633	39%
38 <b>Power System Generation Sub-Total</b>	1,080,637	1,151,888	1,145,258	1,171,666	547,960	47%
<b>Power Non-Generation Operations</b>						
<b>Power Services System Operations</b>						
39 INFORMATION TECHNOLOGY	6,190	5,805	4,217	6,699	3,991	60%
40 GENERATION PROJECT COORDINATION	5,008	7,735	9,035	9,328	1,727	19%
41 SLICE IMPLEMENTATION	846	1,101	882	873	413	47%
42 <b>Sub-Total</b>	12,044	14,642	14,134	16,901	6,131	36%
<b>Power Services Scheduling</b>						
43 OPERATIONS SCHEDULING	8,358	10,307	10,104	8,799	4,411	50%
44 OPERATIONS PLANNING	6,787	7,100	7,537	6,373	3,099	49%
45 <b>Sub-Total</b>	15,145	17,406	17,641	15,173	7,510	49%
<b>Power Services Marketing and Business Support</b>						
46 POWER R&D	6,772	6,033	6,601	6,223	2,378	38%
47 SALES & SUPPORT	18,293	22,049	21,740	20,495	9,976	49%
48 STRATEGY, FINANCE & RISK MGMT	11,986	22,628	17,864	13,999	5,352	38%
49 EXECUTIVE AND ADMINISTRATIVE SERVICES	4,783	4,326	5,613	5,651	1,525	27%
50 CONSERVATION SUPPORT	8,132	9,456	8,622	7,933	3,867	49%
51 <b>Sub-Total</b>	49,966	64,494	60,440	54,300	23,098	43%
52 <b>Power Non-Generation Operations Sub-Total</b>	77,154	96,542	92,215	86,373	36,740	43%
<b>Power Services Transmission Acquisition and Ancillary Services</b>						
<b>PBL Transmission Acquisition and Ancillary Services</b>						
53 POWER SERVICES TRANSMISSION & ANCILLARY SERVICES	88,731	108,908	108,908	106,270	45,655	43%
54 3RD PARTY GTA WHEELING	58,137	63,567	67,297	67,297	28,589	42%
55 POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS	2,677	2,381	2,696	2,696	1,692	63%
56 GENERATION INTEGRATION / WIT-TS	10,521	12,142	12,216	12,261	6,881	56%
57 TELEMETERING/EQUIP REPLACEMT	-	-	-	-	-	0%
58 <b>Power Srvcs Trans Acquisition and Ancillary Services Sub-Tota</b>	160,065	186,998	191,117	188,524	82,817	44%
<b>Fish and Wildlife/USF&amp;W/Planning Council/Environmental Req</b>						
<b>BPA Fish and Wildlife</b>						
59 <b>Fish &amp; Wildlife</b>	258,177	267,000	267,000	271,966	132,434	49%
60 <b>USF&amp;W Lower Snake Hatcheries</b>	30,930	32,303	32,303	32,303	15,498	48%
61 <b>Planning Council</b>	9,870	11,236	11,236	11,236	5,030	45%
62 <b>Fish and Wildlife/USF&amp;W/Planning Council Sub-Total</b>	\$ 298,978	\$ 310,539	\$ 310,539	\$ 315,506	\$ 152,962	48%

Report ID: 0060FY16 **Power Services Detailed Statement of Revenues and Expenses** Run Date\Time: April 20, 2016 13:43  
 Requesting BL: POWER BUSINESS UNIT Through the Month Ended March 31, 2016 Data Source: EPM Data Warehouse  
 Unit of Measure: \$ Thousands Preliminary/ Unaudited % of Year Elapsed = 50%

	A	B	C	D <Note 1	E	F
	FY 2015	FY 2016			FY 2016	FY 2016
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>BPA Internal Support</b>						
63 Additional Post-Retirement Contribution	\$ 18,819	\$ 19,143	\$ 19,143	\$ 17,743	\$ 9,572	54%
64 Agency Services G&A (excludes direct project support)	55,693	53,138	58,661	61,773	28,660	46%
65 <b>BPA Internal Support Sub-Total</b>	<b>74,512</b>	<b>72,281</b>	<b>77,804</b>	<b>79,516</b>	<b>38,232</b>	<b>48%</b>
66 <b>Bad Debt Expense</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>100%</b>
67 <b>Other Income, Expenses, Adjustments</b>	<b>(27,804)</b>	<b>(97,577)</b>	<b>(20,000)</b>	<b>1,000</b>	<b>1,007</b>	<b>101%</b>
<b>Non-Federal Debt Service</b>						
<b>Energy Northwest Debt Service</b>						
68 COLUMBIA GENERATING STATION DEBT SVC	78,612	100,810	100,810	98,941	49,316	50%
69 WNP-1 DEBT SVC	40,144	258,325	258,325	42,408	22,883	54%
70 WNP-3 DEBT SVC	59,863	225,942	225,942	68,475	36,546	53%
71 <b>Sub-Total</b>	<b>178,618</b>	<b>585,077</b>	<b>585,077</b>	<b>209,824</b>	<b>108,744</b>	<b>52%</b>
<b>Non-Energy Northwest Debt Service</b>						
72 CONSERVATION DEBT SVC	312	-	-	-	-	0%
73 COWLITZ FALLS DEBT SVC	7,299	7,300	7,300	7,299	3,650	50%
74 NORTHERN WASCO DEBT SVC	1,929	1,931	1,931	1,931	965	50%
75 <b>Sub-Total</b>	<b>9,541</b>	<b>9,231</b>	<b>9,231</b>	<b>9,230</b>	<b>4,615</b>	<b>50%</b>
76 <b>Non-Federal Debt Service Sub-Total</b>	<b>188,159</b>	<b>594,308</b>	<b>594,308</b>	<b>219,054</b>	<b>113,360</b>	<b>52%</b>
77 <b>Depreciation</b>	<b>134,641</b>	<b>140,201</b>	<b>140,201</b>	<b>140,201</b>	<b>68,734</b>	<b>49%</b>
78 <b>Amortization</b>	<b>89,548</b>	<b>82,350</b>	<b>82,350</b>	<b>86,350</b>	<b>44,289</b>	<b>51%</b>
79 <b>Total Operating Expenses</b>	<b>2,075,895</b>	<b>2,537,530</b>	<b>2,613,792</b>	<b>2,288,191</b>	<b>1,086,100</b>	<b>47%</b>
80 <b>Net Operating Revenues (Expenses)</b>	<b>512,963</b>	<b>233,608</b>	<b>158,423</b>	<b>358,636</b>	<b>287,680</b>	<b>80%</b>
<b>Interest Expense and (Income)</b>						
81 Federal Appropriation	202,819	189,757	189,757	188,889	94,375	50%
82 Capitalization Adjustment	(45,937)	(45,937)	(45,937)	(45,937)	(22,968)	50%
83 Borrowings from US Treasury	47,939	56,935	56,935	50,875	24,492	48%
84 Customer Prepaid Power Purchases	14,041	13,273	13,273	13,273	6,735	51%
85 AFUDC	(8,664)	(10,731)	(10,731)	(8,700)	(3,923)	45%
86 Interest Income	(8,981)	(11,961)	(11,961)	(4,599)	(1,573)	34%
87 <b>Net Interest Expense (Income)</b>	<b>201,216</b>	<b>191,336</b>	<b>191,336</b>	<b>193,801</b>	<b>97,137</b>	<b>50%</b>
88 <b>Total Expenses</b>	<b>2,277,111</b>	<b>2,728,866</b>	<b>2,805,128</b>	<b>2,481,993</b>	<b>1,183,237</b>	<b>48%</b>
89 <b>Net Revenues (Expenses)</b>	<b>\$ 311,747</b>	<b>\$ 42,272</b>	<b>\$ (32,913)</b>	<b>\$ 164,835</b>	<b>\$ 190,544</b>	<b>116%</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.

Report ID: 0061FY16      **Transmission Services Detailed Statement of Revenues and Expenses**      Run Date/Time: April 20, 2016 13:51  
 Requesting BL: TRANSMISSION BUSINESS UNIT      Through the Month Ended March 31, 2016      Data Source: EPM Data Warehouse  
 Unit of Measure: \$ Thousands      Preliminary/ Unaudited      % of Year Elapsed = 50%

	A	B	C	D <Note 1	E	F
	FY 2015	FY 2016			FY 2016	FY 2016
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>Operating Revenues</b>						
<b>Sales</b>						
<b>Network</b>						
1 <b>Network Integration</b>	\$ 133,327	\$ 132,025	\$ 132,025	\$ 130,611	\$ 72,071	55%
2 <b>Other Network</b>	449,743	457,006	440,202	439,463	216,489	49%
3 <b>Intertie</b>	68,147	76,152	75,847	75,571	36,732	49%
4 <b>Other Direct Sales</b>	251,351	268,228	265,119	264,118	134,951	51%
5 <b>Miscellaneous Revenues</b>	34,265	39,042	48,448	45,660	28,733	63%
6 <b>Inter-Business Unit Revenues</b>	100,136	121,422	121,404	118,624	53,147	45%
7 <b>Total Operating Revenues</b>	<b>1,036,969</b>	<b>1,093,874</b>	<b>1,083,046</b>	<b>1,074,047</b>	<b>542,124</b>	<b>50%</b>
<b>Operating Expenses</b>						
<b>Transmission Operations</b>						
<b>System Operations</b>						
8        INFORMATION TECHNOLOGY	8,103	10,377	5,536	6,967	4,626	66%
9        POWER SYSTEM DISPATCHING	13,209	13,536	14,031	13,531	6,614	49%
10       CONTROL CENTER SUPPORT	20,849	18,572	22,714	21,568	10,017	46%
11       TECHNICAL OPERATIONS	6,288	6,913	8,740	8,590	3,672	43%
12       ENERGY IMBALANCE MARKET	585	7,522	5,590	2,743	1,222	45%
13       SUBSTATION OPERATIONS	23,347	21,399	23,436	23,438	11,954	51%
14 <b>Sub-Total</b>	<b>72,381</b>	<b>78,319</b>	<b>80,046</b>	<b>76,837</b>	<b>38,106</b>	<b>50%</b>
<b>Scheduling</b>						
15       RESERVATIONS	1,156	1,362	1,564	1,564	567	36%
16       PRE-SCHEDULING	344	268	416	416	221	53%
17       REAL-TIME SCHEDULING	4,323	5,038	6,156	6,156	2,267	37%
18       SCHEDULING TECHNICAL SUPPORT	3,732	4,161	4,056	4,056	1,774	44%
19       SCHEDULING AFTER-THE-FACT	237	281	525	525	143	27%
20 <b>Sub-Total</b>	<b>9,792</b>	<b>11,110</b>	<b>12,716</b>	<b>12,716</b>	<b>4,972</b>	<b>39%</b>
<b>Marketing and Business Support</b>						
21       TRANSMISSION SALES	2,354	2,700	3,110	3,110	1,192	38%
22       MKTG TRANSMISSION FINANCE	-	-	-	-	-	0%
23       MKTG CONTRACT MANAGEMENT	4,244	4,862	4,646	4,655	2,145	46%
24       MKTG TRANSMISSION BILLING	2,414	3,301	2,804	2,809	1,128	40%
25       MKTG BUSINESS STRAT & ASSESS	6,687	7,171	6,254	6,353	3,321	52%
26 <b>Marketing Sub-Total</b>	<b>15,698</b>	<b>18,033</b>	<b>16,814</b>	<b>16,927</b>	<b>7,786</b>	<b>46%</b>
27       EXECUTIVE AND ADMIN SERVICES	12,727	24,235	30,355	16,359	6,818	42%
28       LEGAL SUPPORT	2,250	3,331	1,617	1,466	1,216	83%
29       TRANS SERVICES INTERNAL GENERAL & ADMINISTRATIVE	12,913	12,961	15,005	13,772	5,184	38%
30       AIRCRAFT SERVICES	1,234	2,205	2,365	2,366	575	24%
31       LOGISTICS SERVICES	5,598	4,325	3,856	3,563	2,964	83%
32       SECURITY ENHANCEMENTS	1,201	754	697	697	510	73%
33 <b>Business Support Sub-Total</b>	<b>35,922</b>	<b>47,811</b>	<b>53,894</b>	<b>38,223</b>	<b>17,267</b>	<b>45%</b>
34 <b>Transmission Operations Sub-Total</b>	<b>\$ 133,793</b>	<b>\$ 155,274</b>	<b>\$ 163,471</b>	<b>\$ 144,703</b>	<b>\$ 68,130</b>	<b>47%</b>

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

Report ID: 0061FY16	<b>Transmission Services Detailed Statement of Revenues and Expenses</b>	Run Date/Time: April 20, 2016 13:51
Requesting BL: TRANSMISSION BUSINESS UNIT	Through the Month Ended March 31, 2016	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Elapsed = 50%

	A	B		C		D -Note 1	E	F
	FY 2015	FY 2016				FY 2016	FY 2016	
	Actuals	Rate Case	SOY Budget	Current EOY Forecast		Actuals	Actuals per Forecast	
<b>Transmission Maintenance</b>								
<b>System Maintenance</b>								
35	\$ 32,203	\$ 30,750	\$ 26,268	\$ 26,095		\$ 12,452	48%	
36	36,926	28,566	29,616	29,099		14,936	51%	
37	27,733	27,054	25,869	24,679		12,821	52%	
38	12,718	13,541	13,122	13,424		6,398	48%	
39	18,939	18,239	14,363	18,056		8,559	47%	
40	175	111	3	7		84	1151%	
41	6,041	9,954	11,342	9,869		3,104	31%	
42	6,502	10,098	9,192	8,107		2,801	35%	
43	116	0	(1)	92		(151)	-265%	
44	2,317	2,368	2,752	2,752		1,247	45%	
45	18,223	17,181	16,737	17,133		6,974	41%	
46	<b>Sub-Total</b>	<b>157,861</b>	<b>149,262</b>	<b>149,314</b>		<b>69,226</b>	<b>46%</b>	
<b>Environmental Operations</b>								
47	19	-	2	1		6	454%	
48	4,244	4,690	4,456	4,457		2,960	66%	
49	<b>Sub-Total</b>	<b>4,263</b>	<b>4,690</b>	<b>4,458</b>		<b>2,966</b>	<b>67%</b>	
50	<b>Transmission Maintenance Sub-Total</b>	<b>166,157</b>	<b>162,552</b>	<b>153,719</b>	<b>153,773</b>		<b>72,193</b>	<b>47%</b>
<b>Transmission Engineering</b>								
<b>System Development</b>								
51	7,359	9,522	7,296	6,919		2,401	35%	
52	22,796	16,486	18,010	20,011		7,255	36%	
53	6,836	4,307	4,261	5,561		4,864	87%	
54	17,168	20,311	20,494	19,851		6,668	34%	
55	1,225	1,599	1,689	1,731		621	36%	
56	1,867	2,195	2,155	2,537		480	19%	
57	<b>Sub-Total</b>	<b>57,251</b>	<b>54,421</b>	<b>53,906</b>		<b>22,290</b>	<b>39%</b>	
58	<b>Transmission Engineering Sub-Total</b>	<b>57,251</b>	<b>54,421</b>	<b>53,906</b>	<b>56,611</b>		<b>22,290</b>	<b>39%</b>
<b>Trans. Services Transmission Acquisition and Ancillary Services</b>								
<b>BBL Acquisition and Ancillary Products and Services</b>								
59	109,416	101,242	109,067	105,996		49,609	47%	
60	9,403	9,402	9,393	9,393		4,696	50%	
61	2,442	2,785	2,704	2,704		1,299	48%	
62	<b>Sub-Total</b>	<b>121,261</b>	<b>113,429</b>	<b>121,164</b>		<b>118,093</b>	<b>55,605</b>	<b>47%</b>
<b>Non-BBL Acquisition and Ancillary Products and Services</b>								
63	5,478	7,447	7,447	7,447		3,764	51%	
64	9,716	18	-	-		386	0%	
65	2,323	18,560	13,904	13,747		282	2%	
66	2,702	-	-	-		-	0%	
67	1,033	1,313	319	19		128	688%	
68	<b>Sub-Total</b>	<b>21,253</b>	<b>27,338</b>	<b>21,670</b>		<b>21,213</b>	<b>4,560</b>	<b>21%</b>
69	<b>Trans. Svcs. Acquisition and Ancillary Services Sub-Total</b>	<b>142,514</b>	<b>140,767</b>	<b>142,834</b>	<b>139,306</b>		<b>60,165</b>	<b>43%</b>
<b>Transmission Reimbursables</b>								
<b>Reimbursables</b>								
70	8,894	8,528	5,367	5,201		8,408	162%	
71	1,747	1,113	2,860	2,702		1,187	44%	
72	<b>Sub-Total</b>	<b>10,641</b>	<b>9,641</b>	<b>8,227</b>		<b>7,903</b>	<b>9,595</b>	<b>121%</b>
73	<b>Transmission Reimbursables Sub-Total</b>	<b>\$ 10,641</b>	<b>\$ 9,641</b>	<b>\$ 8,227</b>	<b>\$ 7,903</b>		<b>\$ 9,595</b>	<b>121%</b>

Report ID: 0061FY16      **Transmission Services Detailed Statement of Revenues and Expenses**      Run Date/Time: April 20, 2016 13:51  
 Requesting BL: TRANSMISSION BUSINESS UNIT      Through the Month Ended March 31, 2016      Data Source: EPM Data Warehouse  
 Unit of Measure: \$ Thousands      Preliminary/ Unaudited      % of Year Elapsed = 50%

	A	B	C	D <Note 1	E	F
	FY 2015	FY 2016			FY 2016	FY 2016
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
<b>BPA Internal Support</b>						
74 Additional Post-Retirement Contribution	\$ 18,819	\$ 19,143	\$ 19,143	\$ 16,440	\$ 9,572	58%
75 Agency Services G & A (excludes direct project support)	64,371	62,895	73,276	71,577	34,269	48%
76 <b>BPA Internal Support Subtotal</b>	<b>83,190</b>	<b>82,038</b>	<b>92,419</b>	<b>88,017</b>	<b>43,840</b>	<b>50%</b>
<b>Other Income, Expenses, and Adjustments</b>						
77 Bad Debt Expense	15	-	-	1	1	100%
78 Other Income, Expenses, Adjustments	(176)	-	-	2,795	2,795	100%
79 Undistributed Reduction	-	(2,100)	(12,252)	-	-	0%
80 Depreciation	221,596	237,924	237,571	237,571	116,033	49%
81 Amortization	2,199	2,098	2,451	2,451	1,082	44%
82 <b>Total Operating Expenses</b>	<b>817,180</b>	<b>842,614</b>	<b>842,346</b>	<b>833,131</b>	<b>396,125</b>	<b>48%</b>
83 <b>Net Operating Revenues (Expenses)</b>	<b>219,789</b>	<b>251,259</b>	<b>240,700</b>	<b>240,916</b>	<b>145,999</b>	<b>61%</b>
<b>Interest Expense and (Income)</b>						
84 Federal Appropriation	14,482	14,386	14,386	14,059	7,030	50%
85 Capitalization Adjustment	(18,968)	(18,968)	(18,968)	(18,968)	(9,484)	50%
86 Borrowings from US Treasury	86,006	113,793	113,793	93,577	45,463	49%
87 Debt Service Reassignment	34,324	24,143	24,143	24,141	12,071	50%
88 Customer Advances	6,825	2,173	2,173	5,300	2,917	55%
89 Lease Financing	48,647	57,640	57,640	58,036	25,401	44%
90 AFUDC	(44,553)	(42,886)	(42,886)	(37,800)	(19,798)	52%
91 Interest Income	(6,364)	(9,197)	(9,197)	(4,835)	(1,685)	35%
92 <b>Net Interest Expense (Income)</b>	<b>120,399</b>	<b>141,083</b>	<b>141,083</b>	<b>133,510</b>	<b>61,914</b>	<b>46%</b>
93 <b>Total Expenses</b>	<b>937,579</b>	<b>983,698</b>	<b>983,429</b>	<b>966,641</b>	<b>458,039</b>	<b>47%</b>
94 <b>Net Revenues (Expenses)</b>	<b>\$ 99,390</b>	<b>\$110,176</b>	<b>\$ 99,616</b>	<b>\$107,407</b>	<b>\$ 84,085</b>	<b>78%</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.

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

Report ID: 0067FY16  
 Requesting BL: CORPORATE BUSINESS UNIT  
 Unit of Measure: \$Thousands

## BPA Statement of Capital Expenditures

FYTD Through the Month Ended March 31, 2016  
 Preliminary Unaudited

Run Date/Run Time: April 21, 2016/ 15:42  
 Data Source: EPM Data Warehouse  
 % of Year Elapsed = 50%

		A FY 2016		B FY 2016		C FY 2016		D FY 2016		E FY 2016	
		SOY Budget	Current EOY Forecast	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast					
<b>Transmission Business Unit</b>											
<b>MAIN GRID</b>											
1	BIG EDDY-KNIGHT 500kv PROJECT	\$ 17,653	\$ 3,061	\$ 4,642	26%	152%					
2	I-5 CORRIDOR UPGRADE PROJECT	14,068	17,844	10,480	74%	59%					
3	CENTRAL FERRY- LOWER MONUMNTAL	-	1,822	3,589	0%	197%					
4	PORTLAND-VANCOUVER	-	(70)	(61)	0%	88%					
5	TRI-CITIES AREA	-	-	(7)	0%	0%					
6	MONTANA TO NW TRANS AREA	86	1,470	660	768%	45%					
7	MISC. MAIN GRID PROJECTS	264	(2,463)	(1,876)	-710%	76%					
8	SEATTLE TO PORTLAND TRANS AREA	3,264	2,601	2,309	71%	89%					
9	PUDGET SOUND TRANS AREA	706	497	1	0%	0%					
10	<b>TOTAL MAIN GRID</b>	<b>36,042</b>	<b>24,761</b>	<b>19,735</b>	<b>55%</b>	<b>80%</b>					
<b>AREA &amp; CUSTOMER SERVICE</b>											
12	CITY OF CENTRALIA PROJECT	-	-	3	0%	0%					
13	SOUTHERN IDAHO NW WYOMING AREA	9,824	5,628	1,291	13%	23%					
14	LONGVIEW AREA	1,031	622	464	45%	75%					
15	NW MONTANA AREA	397	394	239	60%	61%					
16	MISC. AREA & CUSTOMER SERVICE	1,203	1,001	316	26%	32%					
17	CENTRAL OREGON AREA	93	156	79	85%	51%					
18	CENTRALIA-CHEHALIS AREA	6,452	8,335	4,999	77%	60%					
19	DE MOSS-FOSSIL AREA	463	480	12	3%	3%					
20	EUGENE AREA	5,685	5,196	4,402	77%	85%					
21	HOOD RIVER-THE DALLES AREA	3,200	4,179	(1,552)	-48%	-37%					
22	MID-COLUMBIA AREA	2,267	1,723	627	28%	36%					
23	NORTH IDAHO AREA	13	13	8	58%	57%					
24	NORTH OREGON COAST AREA	2,182	466	297	14%	64%					
25	OLYMPIC PENINSULA AREA	2,591	3,513	1,904	73%	54%					
26	PENDLETON-LA GRANDE AREA	26	-	-	0%	0%					
27	PORTLAND AREA	1,117	-	-	0%	0%					
28	SALEM-ALBANY AREA	383	355	48	12%	13%					
29	SEATTLE-TACOMA-OLYMPIA AREA	19,297	23,950	14,480	75%	60%					
30	SOUTH OREGON COAST AREA	40	-	(199)	-502%	0%					
31	SW WASHINGTON COAST AREA	40	20	8	20%	39%					
32	SPOKANE-COLVILLE-BOUNDARY AREA	-	209	127	0%	61%					
33	TRI-CITES SERVICE AREA	34,720	59,098	27,438	79%	46%					
34	VANCOUVER AREA	3,219	2,877	139	4%	5%					
35	WALLA WALLA AREA	-	36	16	0%	44%					
36	<b>TOTAL AREA &amp; CUSTOMER SERVICE</b>	<b>\$ 94,243</b>	<b>\$ 118,251</b>	<b>\$ 55,144</b>	<b>59%</b>	<b>47%</b>					

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

Report ID: 0067FY16  
 Requesting BL: CORPORATE BUSINESS UNIT  
 Unit of Measure: \$Thousands

## BPA Statement of Capital Expenditures

FYTD Through the Month Ended March 31, 2016  
 Preliminary Unaudited

Run Date/Run Time: April 21, 2016/ 15:42  
 Data Source: EPM Data Warehouse  
 % of Year Elapsed = 50%

		A	B	C	D	E
		FY 2016		FY 2016	FY 2016	
		SOY Budget	Current EOY Forecast	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast
<b>Transmission Business Unit (Continued)</b>						
<b><u>SYSTEM REPLACEMENTS</u></b>						
37	TEAP - TOOLS	\$ 1,000	\$ 819	\$ 87	9%	11%
38	TEAP - EQUIPMENT	8,734	7,472	755	9%	10%
39	SPC - SER	3,015	5,619	1,155	38%	21%
40	SPC - DFRS	59	72	80	134%	110%
41	SPC - METERING	1,163	3,956	672	58%	17%
42	SPC - CONTROL AND INDICATION	1,005	296	112	11%	38%
43	SPC - RELAYS	26,443	28,321	9,209	35%	33%
44	PSC - TELEPHONE SYSTEMS	1,851	1,760	336	18%	19%
45	PSC - TRANSFER TRIP	6,816	10,946	2,486	36%	23%
46	PSC - FIN/OP NETWORKS	1,097	277	153	14%	55%
47	PSC - TLECOM TRANSPORT	2,803	4,971	1,658	59%	33%
48	PSC - SCADA/TELEMTRY/SUP CNTRL	5,474	7,919	4,067	74%	51%
49	PSC - TELECOM SUPPORT EQUIPMENT	2,935	5,335	1,936	66%	36%
50	SUB DC - SUSTAIN	10,425	41	38	0%	93%
51	SUB AC- BUS & STRUCTURES	1,851	119	79	4%	67%
52	SUB AC - LOW VOLTAGE AUX.	20,559	25,638	9,850	48%	38%
53	SUB AC- SHUNT CAPACITORS	780	519	111	14%	21%
54	SUB AC-CIRCUIT BRKR & SWTCH GR	20,678	29,419	13,990	68%	48%
55	SUB AC - CVT/PT/CT & ARRESTERS	2,234	3,045	1,323	59%	43%
56	SUB AC-TRANSFORMERS & REACTORS	9,876	14,935	4,269	43%	29%
57	LINES STEEL - SUSTAIN	15,998	19,222	2,369	15%	12%
58	LINES WOOD POLES - SUSTAIN	64,918	56,134	13,204	20%	24%
59	SYSTEM TELECOM - SUSTAIN	29,881	20,140	3,718	12%	18%
60	MISC FACILITIES- NON-ELECTRIC	20,600	2,719	429	2%	16%
61	SECURITY ENHANCEMENTS	9,099	14,908	5,367	59%	36%
62	ACCESS ROADS	19,965	20,704	3,749	19%	18%
63	CC SYSTEM INFRASTRUCTURE	9,685	6,789	4,347	45%	64%
64	LAND RIGHTS - SUSTAIN	7,390	14,340	3,846	52%	27%
65	LINE - RATINGS PROGRAM	17,188	6,253	4,329	25%	69%
66	PSC - RAS	357	-	-	0%	0%
67	SPC - RAS	2,063	-	-	0%	0%
68	SPC - BUILDINGS	3,966	5,272	3,323	84%	63%
69	<b>TOTAL SYSTEM REPLACEMENTS</b>	<b>\$ 329,910</b>	<b>\$ 317,959</b>	<b>\$ 97,047</b>	<b>29%</b>	<b>31%</b>

Report ID: 0067FY16  
 Requesting BL: CORPORATE BUSINESS UNIT  
 Unit of Measure: \$Thousands

**BPA Statement of Capital Expenditures**  
 FYTD Through the Month Ended March 31, 2016  
 Preliminary Unaudited

Run Date/Run Time: April 21, 2016/ 15:42  
 Data Source: EPM Data Warehouse  
 % of Year Elapsed = 50%

		A	B	C	D	E
		FY 2016		FY 2016	FY 2016	
		SOY Budget	Current EOY Forecast	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast
<b>Transmission Business Unit (Continued)</b>						
<u>UPGRADES &amp; ADDITIONS</u>						
70	IT PROJECTS	\$ 3,781	\$ 4,491	\$ 2,256	60%	50%
71	SUB AC - UPGRADES & ADDITIONS	4,429	9,142	6,673	151%	73%
72	SUB DC - UPGRADES & ADDITIONS	92,376	96,866	53,314	58%	55%
73	CONTROL CENTERS-UPGRADE & ADD	661	19	22	3%	118%
74	SYSTEM TELECOM - UPGRADE & ADD	38,323	34,750	7,525	20%	22%
75	MISC. UPGRADES AND ADDITIONS	13	(2,191)	(1,604)	-12134%	73%
76	FACILITIES NON-ELECTRIC EXPAND	6,804	6,633	2,316	34%	35%
77	<b>TOTAL UPGRADES &amp; ADDITIONS</b>	<b>146,387</b>	<b>149,711</b>	<b>70,502</b>	<b>48%</b>	<b>47%</b>
<u>ENVIRONMENT CAPITAL</u>						
78	MISC. ENVIRONMENT PROJECTS	6,992	6,554	4,552	65%	69%
79	<b>TOTAL ENVIRONMENT CAPITAL</b>	<b>6,992</b>	<b>6,554</b>	<b>4,552</b>	<b>65%</b>	<b>69%</b>
80	<b>CAPITAL DIRECT</b>	<b>613,574</b>	<b>617,236</b>	<b>246,980</b>	<b>40%</b>	<b>40%</b>
<u>PFIA</u>						
81	MISC. PFIA PROJECTS	6,156	2,816	222	4%	8%
82	GENERATOR INTERCONNECTION	13,222	948	(25)	0%	-3%
83	SPECTRUM RELOCATION	985	328	41	4%	13%
84	<b>TOTAL PFIA</b>	<b>20,363</b>	<b>4,092</b>	<b>238</b>	<b>1%</b>	<b>6%</b>
85	<b>CAPITAL INDIRECT</b>	<b>()</b>	<b>-</b>	<b>9,148</b>	<b>0%</b>	<b>0%</b>
86	<b>TOTAL Transmission Business Unit</b>	<b>\$ 633,937</b>	<b>\$ 621,328</b>	<b>\$ 256,367</b>	<b>40%</b>	<b>41%</b>

Report ID: 0067FY16  
 Requesting BL: CORPORATE BUSINESS UNIT  
 Unit of Measure: \$Thousands

**BPA Statement of Capital Expenditures**  
 FYTD Through the Month Ended March 31, 2016  
 Preliminary Unaudited

Run Date/Run Time: April 21, 2016/ 15:42  
 Data Source: EPM Data Warehouse  
 % of Year Elapsed = 50%

		A	B	C	D	E
		FY 2016		FY 2016	FY 2016	
		SOY Budget	Current EOY Forecast	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast
<b>Power Business Unit</b>						
87	BUREAU OF RECLAMATION <Note 1	\$ 57,200	\$ 43,140	\$ 20,068	35%	47%
88	CORPS OF ENGINEERS <Note 1	150,300	142,760	57,907	39%	41%
89	GENERATION CONSERVATION	-	-	(59)	0%	0%
90	POWER INFORMATION TECHNOLOGY	5,196	5,104	1,700	33%	33%
91	FISH & WILDLIFE <Note 2	40,000	30,000	7,557	19%	25%
92	<b>TOTAL Power Business Unit</b>	<b>252,696</b>	<b>221,004</b>	<b>87,173</b>	<b>34%</b>	<b>39%</b>
<b>Corporate Business Unit</b>						
93	CORPORATE BUSINESS UNIT	21,158	19,240	8,479	40%	44%
94	<b>TOTAL Corporate Business Unit</b>	<b>21,158</b>	<b>19,240</b>	<b>8,479</b>	<b>40%</b>	<b>44%</b>
95	<b>TOTAL BPA Capital Expenditures</b>	<b>\$ 907,791</b>	<b>\$ 861,572</b>	<b>\$ 352,018</b>	<b>39%</b>	<b>41%</b>

< 1 Excludes projects funded by federal appropriations.  
 < 2 Amounts are reported as regulatory assets and not utility plant

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

<b>Dates</b>	<b>Agenda</b>
<b>May 3, 2016</b>	<b>Second Quarter Business Review Meeting with customers                      Provide Slice True-Up Adjustment estimate for the Composite Cost Pool and review                      High Level explanation of variances between rate case forecast and Q2 forecast                      Q&amp;A customers for any additional information of line items in the Slice True-Up                      Revisit any questions and data requests that were asked during Q1 as needed</b>
<b>August 2, 2016</b>	<b>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&amp;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</b>
<b>October 2016</b>	<b>BPA external CPA firm conducting fiscal year audit</b>
<b>Mid-October 2016</b>	<b>Recording the End of Fiscal Year Slice True-Up Adjustment Accrual for the Composite Cost Pool in the financial system</b>
<b>End of October 2016</b>	<b>Final audited actual financial data is expected to be available</b>
<b>November 1, 2016</b>	<b>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)</b>

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

<b>November 14, 2016</b>	<b>Mail notification to Slice Customers of the Slice True-Up Adjustment for the Composite Cost Pool</b>
<b>November 16, 2016</b>	<b>BPA to post Composite Cost Pool True-Up Table containing actual values and the Slice True-Up Adjustment</b>
<b>December 8, 2016</b>	<b>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</b>
<b>December 22, 2016</b>	<b>BPA posts a response to customer questions (Attachment A does not specify an exact date)</b>
<b>January 9, 2017</b>	<b>Customer comments are due on the list of tasks (The deadline can not exceed 10 days from BPA posting)</b>
<b>January 31, 2017</b>	<b>BPA finalizes list of questions about actual lines items in the Composite Cost Pool True-Up Table for the AUPs</b>

COMPOSITE COST POOL TRUE-UP TABLE				
		Q2 (\$000)	Rate Case forecast for FY 2016 (\$000)	Q2 - Rate Case Difference
1	<b>Operating Expenses</b>			
2	<b>Power System Generation Resources</b>			
3	<b>Operating Generation</b>			
4	COLUMBIA GENERATING STATION (WNP-2)	\$ 259,848	\$ 262,948	\$ (3,100)
5	BUREAU OF RECLAMATION	\$ 145,318	\$ 156,818	\$ (11,500)
6	CORPS OF ENGINEERS	\$ 242,885	\$ 243,885	\$ (1,000)
7	LONG-TERM CONTRACT GENERATING PROJECTS	\$ 21,408	\$ 22,303	\$ (895)
8	<b>Sub-Total</b>	<b>\$ 669,459</b>	<b>\$ 685,954</b>	<b>\$ (16,495)</b>
9	<b>Operating Generation Settlement Payment and Other Payments</b>			
10	COLVILLE GENERATION SETTLEMENT	\$ 17,496	\$ 19,323	\$ (1,827)
11	SPOKANE LEGISLATION PAYMENT	\$ -	\$ -	\$ -
12	<b>Sub-Total</b>	<b>\$ 17,496</b>	<b>\$ 19,323</b>	<b>\$ (1,827)</b>
13	<b>Non-Operating Generation</b>			
14	TROJAN DECOMMISSIONING	\$ 800	\$ 800	\$ -
15	WNP-1&3 DECOMMISSIONING	\$ 800	\$ 800	\$ -
16	<b>Sub-Total</b>	<b>\$ 1,600</b>	<b>\$ 1,600</b>	<b>\$ -</b>
17	<b>Gross Contracted Power Purchases</b>			
18	PNCA HEADWATER BENEFITS	\$ 3,515	\$ 3,000	\$ 515
19	OTHER POWER PURCHASES (omit, except Designated Obligations or Purchases)	\$ 8,527	\$ -	\$ 8,527
20	<b>Sub-Total</b>	<b>\$ 12,042</b>	<b>\$ 3,000</b>	<b>\$ 9,042</b>
21	<b>Bookout Adjustment to Power Purchases (omit)</b>			
22	<b>Augmentation Power Purchases (omit - calculated below)</b>			
23	AUGMENTATION POWER PURCHASES	\$ -	\$ -	\$ -
24	<b>Sub-Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
25	<b>Exchanges and Settlements</b>			
26	RESIDENTIAL EXCHANGE PROGRAM (REP)	\$ 219,100	\$ 218,976	\$ 124
27	OTHER SETTLEMENTS	\$ -	\$ -	\$ -
28	<b>Sub-Total</b>	<b>\$ 219,100</b>	<b>\$ 218,976</b>	<b>\$ 124</b>
29	<b>Renewable Generation</b>			
30	RENEWABLES (excludes KIII)	\$ 29,519	\$ 30,939	\$ (1,420)
31	<b>Sub-Total</b>	<b>\$ 29,519</b>	<b>\$ 30,939</b>	<b>\$ (1,420)</b>
32	<b>Generation Conservation</b>			
33	CONSERVATION ACQUISITION (Conseravtion infr and purchases)	\$ 100,601	\$ 101,932	\$ (1,330)
34	LOW INCOME WEATHERIZATION & TRIBAL	\$ 5,336	\$ 5,336	\$ (0)
35	ENERGY EFFICIENCY DEVELOPMENT	\$ 8,355	\$ 15,000	\$ (6,645)
36	DR & SMART GRID	\$ 992	\$ 1,245	\$ (253)
37	LEGACY	\$ 605	\$ 605	\$ -
38	MARKET TRANSFORMATION	\$ 12,531	\$ 12,531	\$ -
39	<b>Sub-Total</b>	<b>\$ 128,421</b>	<b>\$ 136,649</b>	<b>\$ (8,228)</b>
40	<b>Power System Generation Sub-Total</b>	<b>\$ 1,077,636</b>	<b>\$ 1,096,440</b>	<b>\$ (18,805)</b>

COMPOSITE COST POOL TRUE-UP TABLE				
		Q2 (\$000)	Rate Case forecast for FY 2016 (\$000)	Q2 - Rate Case Difference
41				
42	<b>Power Non-Generation Operations</b>			
43	<b>Power Services System Operations</b>			
44	EFFICIENCIES PROGRAM	\$ -	\$ -	\$ -
45	INFORMATION TECHNOLOGY	\$ 6,699	\$ 5,805	\$ 894
46	GENERATION PROJECT COORDINATION	\$ 9,328	\$ 7,735	\$ 1,593
47	SLICE IMPLEMENTATION	\$ 873	\$ 1,101	\$ (228)
48	<b>Sub-Total</b>	<b>\$ 16,901</b>	<b>\$ 14,642</b>	<b>\$ 2,259</b>
49	<b>Power Services Scheduling</b>			\$ -
50	OPERATIONS SCHEDULING	\$ 8,799	\$ 10,307	\$ (1,507)
51	OPERATIONS PLANNING	\$ 6,373	\$ 7,100	\$ (726)
52	<b>Sub-Total</b>	<b>\$ 15,173</b>	<b>\$ 17,406</b>	<b>\$ (2,234)</b>
53	<b>Power Services Marketing and Business Support</b>			\$ -
54	POWER R&D	\$ 6,223	\$ 6,033	\$ 190
55	SALES & SUPPORT	\$ 20,495	\$ 22,139	\$ (1,645)
56	STRATEGY, FINANCE & RISK MGMT (REP support costs included here)	\$ 13,999	\$ 22,538	\$ (8,540)
57	EXECUTIVE AND ADMINISTRATIVE SERVICES (REP support costs included here)	\$ 5,651	\$ 4,326	\$ 1,324
58	CONSERVATION SUPPORT	\$ 7,933	\$ 9,456	\$ (1,523)
59	<b>Sub-Total</b>	<b>\$ 54,300</b>	<b>\$ 64,494</b>	<b>\$ (10,194)</b>
60	<b>Power Non-Generation Operations Sub-Total</b>	<b>\$ 86,373</b>	<b>\$ 96,542</b>	<b>\$ (10,169)</b>
61	<b>Power Services Transmission Acquisition and Ancillary Services</b>			\$ -
62	TRANSMISSION and ANCILLARY Services - System Obligations	\$ 35,815	\$ 35,815	\$ -
63	3RD PARTY GTA WHEELING	\$ 67,297	\$ 63,567	\$ 3,730
64	POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS (omit)	\$ -	\$ -	\$ -
65	TRANS ACQ GENERATION INTEGRATION	\$ 12,261	\$ 12,142	\$ 119
66	TELEMETERING/EQUIP REPLACEMT	\$ -	\$ -	\$ -
67	<b>Power Services Trans Acquisition and Ancillary Serv Sub-Total</b>	<b>\$ 115,373</b>	<b>\$ 111,524</b>	<b>\$ 3,849</b>
68	<b>Fish and Wildlife/USF&amp;W/Planning Council/Environmental Req</b>			\$ -
69	<b>Fish &amp; Wildlife</b>	\$ 271,966	\$ 267,000	\$ 4,966
70	<b>USF&amp;W Lower Snake Hatcheries</b>	\$ 32,303	\$ 32,303	\$ -
71	<b>Planning Council</b>	\$ 11,236	\$ 11,236	\$ -
72	<b>Environmental Requirements</b>	\$ -	\$ -	\$ -
73	<b>Fish and Wildlife/USF&amp;W/Planning Council Sub-Total</b>	<b>\$ 315,506</b>	<b>\$ 310,539</b>	<b>\$ 4,966</b>
74	<b>BPA Internal Support</b>			\$ -
75	<b>Additional Post-Retirement Contribution</b>	\$ 17,743	\$ 19,143	\$ (1,400)
76	<b>Agency Services G&amp;A (excludes direct project support)</b>	\$ 61,773	\$ 53,138	\$ 8,635
77	<b>BPA Internal Support Sub-Total</b>	<b>\$ 79,516</b>	<b>\$ 72,281</b>	<b>\$ 7,235</b>
78	<b>Bad Debt Expense</b>	\$ -	\$ -	\$ -
79	<b>Other Income, Expenses, Adjustments</b>	\$ -	\$ (25,896)	\$ 25,896
80	<b>Expense Offset</b>	\$ (303,515)	\$ (71,542)	\$ (231,973)
81	<b>Non-Federal Debt Service</b>			\$ -
82	<b>Energy Northwest Debt Service</b>			\$ -
83	COLUMBIA GENERATING STATION DEBT SVC	\$ 98,941	\$ 100,810	\$ (1,869)
84	WNP-1 DEBT SVC	\$ 42,408	\$ 258,325	\$ (215,917)
85	WNP-3 DEBT SVC	\$ 68,475	\$ 225,942	\$ (157,467)
86	EN RETIRED DEBT	\$ -	\$ -	\$ -
87	<b>Sub-Total</b>	<b>\$ 209,824</b>	<b>\$ 585,077</b>	<b>\$ (375,253)</b>

COMPOSITE COST POOL TRUE-UP TABLE				
		Q2 (\$000)	Rate Case forecast for FY 2016 (\$000)	Q2 - Rate Case Difference
88	<b>Non-Energy Northwest Debt Service</b>			\$ -
89	CONSERVATION DEBT SVC	\$ -	\$ -	\$ -
90	COWLITZ FALLS DEBT SVC	\$ 7,299	\$ 7,300	\$ (1)
91	NORTHERN WASCO DEBT SVC	\$ 1,931	\$ 1,931	\$ (0)
92	<b>Sub-Total</b>	<b>\$ 9,230</b>	<b>\$ 9,231</b>	<b>\$ (1)</b>
93	<b>Non-Federal Debt Service Sub-Total</b>	<b>\$ 219,054</b>	<b>\$ 594,308</b>	<b>\$ (375,254)</b>
94	<b>Depreciation</b>	\$ 140,201	\$ 140,201	\$ (0)
95	<b>Amortization</b>	\$ 86,350	\$ 82,350	\$ 4,000
96	<b>Total Operating Expenses</b>	<b>\$ 1,816,494</b>	<b>\$ 2,406,748</b>	<b>\$ (590,254)</b>
97				\$ -
98	<b>Other Expenses</b>			\$ -
99	Net Interest Expense	\$ 192,156	\$ 194,389	\$ (2,232)
100	LDD	\$ 38,349	\$ 39,865	\$ (1,517)
101	Irrigation Rate Discount Costs	\$ 22,146	\$ 22,146	\$ 0
102	<b>Sub-Total</b>	<b>\$ 252,652</b>	<b>\$ 256,400</b>	<b>\$ (3,749)</b>
103	<b>Total Expenses</b>	<b>\$ 2,069,146</b>	<b>\$ 2,663,149</b>	<b>\$ (594,003)</b>
104				\$ -
105	<b>Revenue Credits</b>			\$ -
106	Generation Inputs for Ancillary, Control Area, and Other Services Revenues	\$ 118,081	\$ 115,750	\$ 2,331
107	Downstream Benefits and Pumping Power revenues	\$ 17,648	\$ 17,219	\$ 429
108	4(h)(10)(c) credit	\$ 81,127	\$ 91,107	\$ (9,980)
109	Colville and Spokane Settlements	\$ 4,600	\$ 4,600	\$ -
110	Energy Efficiency Revenues	\$ 8,355	\$ 15,000	\$ (6,645)
111	Large Project Revenues	\$ -	\$ -	\$ -
112	Miscellaneous revenues	\$ 6,289	\$ 5,750	\$ 539
113	Renewable Energy Certificates	\$ 1,151	\$ 1,151	\$ -
114	Pre-Subscription Revenues (Big Horn/Hungry Horse)	\$ 1,953	\$ 2,036	\$ (83)
115	Net Revenues from other Designated BPA System Obligations (Upper Baker)	\$ 457	\$ 457	\$ 0
116	WNP-3 Settlement revenues	\$ 34,356	\$ 34,537	\$ (181)
117	RSS Revenues	\$ 3,049	\$ 3,049	\$ -
118	Firm Surplus and Secondary Adjustment (from Unused RHWM)	\$ 5,991	\$ 5,991	\$ -
119	Balancing Augmentation Adjustment	\$ 1,445	\$ 1,445	\$ -
120	Transmission Loss Adjustment	\$ 29,120	\$ 29,120	\$ -
121	Tier 2 Rate Adjustment	\$ 725	\$ 725	\$ -
122	NR Revenues	\$ 1	\$ 1	\$ -
123	<b>Total Revenue Credits</b>	<b>\$ 314,347</b>	<b>\$ 327,937</b>	<b>\$ (13,590)</b>
124				\$ -

**COMPOSITE COST POOL TRUE-UP TABLE**

		Q2 (\$000)	Rate Case forecast for FY 2016 (\$000)	Q2 - Rate Case Difference
125	<b>Augmentation Costs (not subject to True-Up)</b>			\$ -
126	Tier 1 Augmentation Resources (includes Augmentation RSS and Augmentation RSC adders)	\$ 12,493	\$ 12,493	\$ -
127	Augmentation Purchases	\$ -	\$ -	\$ -
128	<b>Total Augmentation Costs</b>	\$ 12,493	\$ 12,493	\$ -
129				\$ -
130	<b>DSI Revenue Credit</b>			\$ -
131	Revenues 10 aMW @ IP rate	\$ 26,658	\$ 33,560	\$ (6,902)
132	<b>Total DSI revenues</b>	\$ 26,658	\$ 33,560	\$ (6,902)
133				\$ -
134	<b>Minimum Required Net Revenue Calculation</b>			\$ -
135	Principal Payment of Fed Debt for Power	\$ 1,077,975	\$ 94,697	\$ 983,278
136	Irrigation assistance	\$ 61,066	\$ 61,066	\$ -
137	<b>Sub-Total</b>	\$ 1,139,041	\$ 155,763	\$ 983,278
138	Depreciation	\$ 140,201	\$ 140,201	\$ (0)
139	Amortization	\$ 86,350	\$ 82,350	\$ 4,000
140	Capitalization Adjustment	\$ (45,937)	\$ (45,937)	\$ 0
141	Non-Cash Expenses	\$ 282,829	\$ -	\$ 282,829
142	Customer Proceeds	\$ 81,611	\$ -	\$ 81,611
143	Bond Call Premium/Discount	\$ -	\$ -	\$ -
144	PGE WNP3 Settlement	\$ (3,524)	\$ (3,524)	\$ -
145	Prepay Revenue Credits	\$ (30,600)	\$ (30,600)	\$ -
146	Non-Federal Interest (Prepay)	\$ 13,273	\$ 13,273	\$ -
147	<b>Sub-Total</b>	\$ 524,203	\$ 155,763	\$ 368,440
148	Principal Payment of Fed Debt plus Irrigation assistance exceeds non cash expenses	\$614,838	\$ (0)	
149	Minimum Required Net Revenues	\$ 614,838	\$ -	
150				
151	Annual Composite Cost Pool (Amounts for each FY)	\$ 2,355,472	\$ 2,314,145	\$ 41,327
152				
153	<b>SLICE TRUE-UP ADJUSTMENT CALCULATION FOR COMPOSITE COST POOL</b>			
154	TRUE-UP AMOUNT (Diff. between Rate Case and Forecast)	41,327		
155	Sum of TOCAs	0.9742386		
156	Adjustment of True-Up Amount when actual TOCAs < 100 percent	42,420		
157	TRUE-UP ADJUSTMENT CHARGE BILLED (26.61865 percent)	11,292		

## Financial Disclosure

- The information contained in slides 3-14, 18-21, 33-41 and 65-81 has been made publicly available by BPA on April 29, 2016 and contains BPA-approved Financial Information.
- The information contained in slides 15-17, 22-32, 42-64 has been made publicly available by BPA on April 29, 2016 and does not contain BPA-approved Financial Information.