Understanding QBR's

Cheryl Hargin – Transmission
Anna-Lisa Miller– Power Expenses and Capital
Brenda Weller – Allocation of Corporate Costs

Outline

- Quarterly Business Review Overview
- Understanding QBR Reports
- Transmission Reports
- Power Reports
- Allocation of Corporate Costs
- Capital Reports

Appendix*

- How to Interpret BPA's Revenue Detail Report
- Capital Reports and Program Details
- Components in the Slice Composite Cost Pool

***The appendix will not be discussed in detail, submit questions to BPAfinance@bpa.gov**

Quarterly Business Review Overview

Quarterly Business Review Overview

- **Purpose** – to provide customers with an update of BPA's financial performance and current forecasts.
  - makes BPA's financials more transparent with regional stakeholders.
  - gives customers an opportunity to ask questions about BPA's finances.
  - highlights Operational Excellence initiatives.

- **Focus** – end of year net revenue forecasts.
  - discuss capital program results and forecasts.
  - provide information on other financial and operational excellence topics of interest.

- **Timing –** Quarterly

- **Audience –**Customers, constituents, customer groups, and the general public.

Report Basics

Reading QBR Reports: Header Information

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

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

Reading QBR Reports: Report Content

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

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

Transmission Reports

Report ID: 0023FY17
Requesting BL: TRANSMISSION BUSINESS UNIT
Unit of Measure: $ Thousands

QBR Forecast Analysis: Transmission Services

Through the Month Ended December 31, 2016
Preliminary/ Unaudited

Run Date/Time: January 23, 2017/ 06:02
Data Source: EPM Data Warehouse
% of Year Elapsed = 25%

		A	B	C
		FY 2017		FY 2017
		Rate Case	Current EOY Forecast	Current EOY Forecast - Rate Case
	Operating Revenues			
1	Sales	$ 943,997	$ 922,637	$ (21,360)
2	Miscellaneous Revenues	39,154	40,976	1,822
3	Inter-Business Unit Revenues	117,591	113,845	(3,746)
4	**Total Operating Revenues**	**1,100,742**	**1,077,458**	**(23,284)**
	Operating Expenses			
5	Transmission Operations	160,800	170,138	9,338
6	Transmission Maintenance	164,272	169,578	5,305
7	Transmission Engineering	54,915	58,228	3,313
8	Trans Services Transmission Acquisition and Ancillary Services	140,782	146,899	6,117
9	Transmission Reimbursables	9,735	9,923	188
	BPA Internal Support			
10	Additional Post-Retirement Contribution	19,748	14,672	(5,076)
11	Agency Services G&A	64,775	70,311	5,536
12	Other Income, Expenses & Adjustments	(2,100)	(11,740)	(9,640)
13	Depreciation & Amortization	259,548	259,548	()
14	**Total Operating Expenses**	**872,475**	**887,557**	**15,082**
15	**Net Operating Revenues (Expenses)**	**228,267**	**189,902**	**(38,366)**
	Interest Expense and (Income)	-		
16	Interest Expense	205,969	166,292	(39,677)
17	AFUDC	(41,346)	(24,342)	17,004
18	Interest Income	(16,310)	(2,253)	14,056
19	**Net Interest Expense (Income)**	**148,313**	**139,696**	**(8,617)**
20	**Net Revenues (Expenses)**	**$ 79,954**	**$ 50,205**	**$ (29,749)**

SAMPLE

Report ID: 0023FY17
Requesting BL: TRANSMISSION BUSINESS UNIT
Unit of Measure: $ Thousands

Transmission Services Summary Statement of Revenues and Expenses

Through the Month Ended December 31, 2016
Preliminary/Unaudited

Run Date/Time: January 23, 2017/06:02
Data Source: EPM Data Warehouse
% of Year Elapsed = 25%

		A	B	C	D	E <Note 1>	F
		FY 2016		FY 2017			FY 2017
		Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
	Operating Revenues						
1	Sales	$ 230,069	$ 903,208	$ 943,997	$ 922,753	$ 922,637	$ 225,603
2	Miscellaneous Revenues	14,233	44,033	39,154	42,431	40,976	10,008
3	Inter-Business Unit Revenues	24,645	114,459	117,591	112,403	113,845	24,599
4	**Total Operating Revenues**	268,948	1,061,700	1,100,742	1,077,587	1,077,458	260,210
	Operating Expenses						
5	Transmission Operations	33,092	[illegible]	160,800	167,501	170,138	33,186
6	Transmission Maintenance	33,737	[illegible]	164,272	169,824	169,578	34,795
7	Transmission Engineering	[illegible]	[illegible]	54,915	57,929	58,228	10,930
8	Trans Services Transmission Acquisition and Ancillary Services	[illegible]	[illegible]	140,782	146,623	146,899	29,382
9	Transmission Reimbursables	[illegible]	15,376	9,735	9,922	9,923	3,375
	BPA Internal Support						
10	Additional Post-Retirement Contribution	[illegible]	16,440	19,748	17,023	14,672	4,256
11	Agency Services G&A	[illegible]	71,144	64,775	73,647	70,311	14,988
12	Other Income, Expenses & Adjustments	1,604	(6,727)	(2,100)	(11,688)	(11,740)	689
13	Depreciation & Amortization	57,666	244,158	259,548	259,548	259,548	64,203
14	**Total Operating Expenses**	193,400	823,440	872,475	890,328	887,557	195,804
15	**Net Operating Revenues (Expenses)**	75,548	238,260	228,267	187,259	189,902	64,405
	Interest Expense and (Income)						
16	Interest Expense	40,833	171,356	205,969	173,857	166,292	40,911
17	AFUDC	(10,619)	(31,042)	(41,346)	(24,342)	(24,342)	(6,175)
18	Interest Income	(693)	(3,957)	(16,310)	(3,875)	(2,253)	(610)
19	**Net Interest Expense (Income)**	29,520	136,358	148,313	145,640	139,696	34,126
20	**Net Revenues (Expenses)**	$ 46,027	$ 101,902	$ 79,954	$ 41,619	$ 50,205	$ 30,279

SAMPLE

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

Transmission Programs

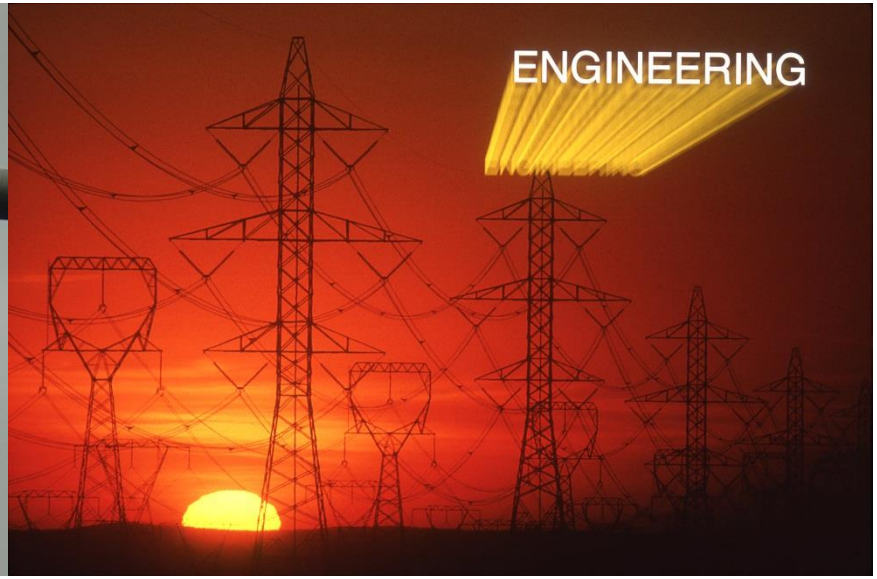
- Transmission Operations (row 5)
  - This category contains:
    - System Operations: contains expenses for power system dispatching, control center support, technical operations, substation operations and Agency Services costs for IT. Many of the programs provide key technical support for BPA's implementation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

Transmission Programs

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

Transmission Programs

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



Transmission Programs

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

Transmission Programs

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

Report ID: 0061FY17
Requesting BL: TRANSMISSION BUSINESS UNIT
Unit of Measure: $ Thousands

Transmission Services Detailed Statement of Revenues and Expenses

Through the Month Ended December 31, 2016
Preliminary / Unaudited

Run Date/Time: January 23, 2017 06:05
Data Source: EPM Data Warehouse
% of Year Elapsed = 25%

		A	B	C	D <Note 1	E	F
		FY 2016	FY 2017			FY 2017	FY 2017
		Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
	Operating Revenues						
	Sales						
	Network						
1	Network Integration	$ 129,695	$ 133,090	$ 131,143	$ 131,165	$ 33,047	25%
2	Other Network	436,310	461,684	451,685	451,254	109,935	24%
3	Intertie	73,891	78,630	76,368	76,067	18,081	24%
4	Other Direct Sales	263,[illegible]	270,592	263,557	264,152	64,541	24%
5	**Miscellaneous Revenues**	[illegible]033	39,154	42,431	40,976	10,008	24%
6	**Inter-Business Unit Revenues**	11[illegible]	117,591	112,403	113,845	24,599	22%
7	**Total Operating Revenues**	1,061,[illegible]	1,100,742	1,077,587	1,077,458	260,210	24%
	Operating Expenses						
	Transmission Operations						
	System Operations						
8	INFORMATION TECHNOLOGY	9,436	10,558	7,298	11,345	2,051	18%
9	POWER SYSTEM DISPATCHING	13,913	13,671	12,895	12,895	3,396	26%
10	CONTROL CENTER SUPPORT	23,066	18,757	25,178	25,054	5,968	24%
11	TECHNICAL OPERATIONS <Note 2	7,750	6,983	14,168	14,168	1,551	11%
12	STRATEGIC INTEGRATION	2,414	7,555	1,607	1,850	556	30%
13	SUBSTATION OPERATIONS	23,572	21,817	24,507	24,514	5,667	23%
14	Sub-Total	80,151	79,341	85,653	89,825	19,189	21%
	Scheduling						
15	RESERVATIONS	1,167	1,383	1,227	1,227	285	23%
16	PRE-SCHEDULING	382	276	284	284	64	22%
17	REAL-TIME SCHEDULING	4,739	5,169	5,789	5,789	1,184	20%
18	SCHEDULING TECHNICAL SUPPORT	3,641	4,259	4,751	4,751	878	18%
19	SCHEDULING AFTER-THE-FACT	273	289	277	277	71	26%
20	Sub-Total	10,202	11,376	12,328	12,328	2,481	20%
	Marketing and Business Support						
21	TRANSMISSION SALES	2,299	2,775	2,834	2,834	559	20%
22	MKTG TRANSMISSION FINANCE	-	-	-	-	-	0%
23	MKTG CONTRACT MANAGEMENT	4,453	4,984	4,946	4,941	1,194	24%
24	MKTG TRANSMISSION BILLING	2,318	3,377	2,433	2,433	545	22%
25	MKTG BUSINESS STRAT & ASSESS <Note 3	6,836	7,291	6,877	6,968	1,570	23%
26	Marketing Sub-Total	15,906	18,426	17,089	17,176	3,868	23%
27	EXECUTIVE AND ADMIN SERVICES	16,630	27,540	28,608	25,554	4,295	17%
28	LEGAL SUPPORT	2,611	3,548	1,641	1,641	466	28%
29	TRANS SERVICES INTERNAL GENERAL & ADMINISTRATIVE <Note 4	11,047	13,135	14,777	14,703	1,366	9%
30	AIRCRAFT SERVICES	1,094	2,230	2,489	2,489	203	8%
31	LOGISTICS SERVICES	6,685	4,488	4,354	5,863	1,162	20%
32	SECURITY ENHANCEMENTS	889	716	561	560	157	28%
33	Business Support Sub-Total	38,957	51,657	52,432	50,810	7,647	15%
34	**Transmission Operations Sub-Total**	$ 145,216	$ 160,800	$ 167,501	$ 170,138	$ 33,186	20%

SAMPLE

Report ID: 0081FY17 | Requesting BL: TRANSMISSION BUSINESS UNIT | Unit of Measure: $ Thousands

Transmission Services Detailed Statement of Revenues and Expenses

Through the Month Ended December 31, 2016

Preliminary / Unaudited

Run Date/Time: January 23, 2017 08:06 | Data Source: EPM Data Warehouse | % of Year Elapsed = 25%

		A	B	C	D <Note 1>	E	F
		FY 2016	FY 2017			FY 2017	FY 2017
		Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
	Transmission Maintenance						
	System Maintenance						
35	NON-ELECTRIC MAINTENANCE	$ 27,546	$ 31,424	$ 28,233	$ 27,270	$ 5,173	19%
36	SUBSTATION MAINTENANCE	31,125	29,043	32,267	32,267	7,159	22%
37	TRANSMISSION LINE MAINTENANCE	25,564	27,482	31,119	31,135	6,630	21%
38	SYSTEM PROTECTION CONTROL MAINTENANCE	13,222	13,741	14,198	14,199	3,468	24%
39	POWER SYSTEM CONTROL MAINTENANCE	19,095	18,507	19,706	19,707	4,386	22%
40	JOINT COST MAINTENANCE	230	113	8	7	62	898%
41	SYSTEM MAINTENANCE MANAGEMENT	8,555	9,556	9,495	10,195	1,897	19%
42	ROW MAINTENANCE	7[illegible]	10,162	8,858	8,858	1,981	22%
43	HEAVY MOBILE EQUIP MAINT	312	0	0	-	(49)	0%
44	TECHNICAL TRAINING	[illegible]	2,418	2,735	2,735	629	23%
45	VEGETATION MANAGEMENT	16,[illegible]	17,039	18,480	18,481	2,691	15%
46	Sub-Total	152,6[illegible]	159,485	165,098	164,852	34,026	21%
	Environmental Operations						
47	ENVIRONMENTAL ANALYSIS	6	-	-	-	1	0%
48	POLLUTION PREVENTION AND ABATEMENT	[illegible]08	4,787	4,726	4,726	768	16%
49	Sub-Total	4,815	4,787	4,726	4,726	769	16%
50	**Transmission Maintenance Sub-Total**	157,466	164,272	169,824	169,578	34,796	21%
	Transmission Engineering						
	System Development						
51	RESEARCH & DEVELOPMENT	7,458	9,555	6,961	6,909	1,136	16%
52	TSD PLANNING AND ANALYSIS	18,059	16,738	25,241	25,571	5,372	21%
53	CAPITAL TO EXPENSE TRANSFER	8,951	4,351	4,211	4,211	662	16%
54	NERC / WECC COMPLIANCE	14,052	20,422	17,585	17,585	2,962	17%
55	ENVIRONMENTAL POLICY/PLANNING	1,251	1,642	1,633	1,656	284	17%
56	ENG RATING AND COMPLIANCE	1,399	2,207	2,298	2,298	515	22%
57	Sub-Total	51,168	54,915	57,929	58,228	10,930	19%
58	**Transmission Engineering Sub-Total**	51,168	54,915	57,929	58,228	10,930	19%
	Trans. Services Transmission Acquisition and Ancillary Services						
	BBL Acquisition and Ancillary Products and Services						
59	ANCILLARY SERVICES PAYMENTS	103,366	101,027	103,653	107,989	24,455	23%
60	OTHER PAYMENTS TO POWER SERVICES	9,393	9,617	9,395	9,393	2,348	25%
61	STATION SERVICES PAYMENTS	2,595	2,785	2,704	2,704	694	26%
62	Sub-Total	115,354	113,429	115,752	120,086	27,496	23%
	Non-BBL Acquisition and Ancillary Products and Services						
63	LEASED FACILITIES	7,533	7,447	6,849	6,849	1,691	25%
64	GENERAL TRANSFER AGREEMENTS (SETTLEMENT)	1,344	18	2	2	5	187%
65	NON-BBL ANCILLARY SERVICES	4,932	18,560	18,865	13,207	80	1%
66	OVERSUPPLY DISPLACEMENT COSTS	-	-	-	-	-	0%
67	RELIABILITY DEMAND RESPONSE/REDISPATCH	46	1,328	5,155	6,755	111	2%
68	Sub-Total	13,856	27,353	30,872	26,813	1,886	7%
69	**Trans. Srvcs. Acquisition and Ancillary Services Sub-Total**	129,210	140,782	146,623	146,899	29,382	20%
	Transmission Reimbursables						
	Reimbursables						
70	EXTERNAL REIMBURSABLE SERVICES	13,624	8,615	8,802	8,803	3,163	36%
71	INTERNAL REIMBURSABLE SERVICES	1,752	1,120	1,120	1,120	211	19%
72	Sub-Total	15,376	9,735	9,922	9,923	3,375	34%
73	**Transmission Reimbursables Sub-Total**	$ 15,376	$ 9,735	$ 9,922	$ 9,923	$ 3,376	34%

SAMPLE

Report ID: 0061FY17 | **Transmission Services Detailed Statement of Revenues and Expenses** | Run Date/Time: January 23, 2017 06:05
Requesting BL: TRANSMISSION BUSINESS UNIT | Through the Month Ended December 31, 2016 | Data Source: EPM Data Warehouse
Unit of Measure: $ Thousands | Preliminary / Unaudited | % of Year Elapsed = 25%

		A	B	C	D <Note 1	E	F
		FY 2016	FY 2017			FY 2017	FY 2017
		Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
	BPA Internal Support						
74	Additional Post-Retirement Contribution	$ 16,440	$ 19,748	$ 17,023	$ 14,672	$ 4,256	29%
75	Agency Services G & A (excludes direct project support)	71,144	64,775	73,647	70,311	14,988	21%
76	**BPA Internal Support Subtotal**	87,584	84,523	90,670	84,982	19,243	23%
	Other Income, Expenses, and Adjustments						
77	Bad Debt Expense	[illegible]	-	-	-	5	0%
78	Other Income, Expenses, Adjustments	(6,[illegible])	-	-	(51)	684	-1437%
79	Undistributed Reduction		(2,100)	(11,688)	(11,688)	-	0%
80	**Depreciation**	[illegible],385	257,416	257,416	257,416	63,666	25%
81	**Amortization**	2,174	2,132	2,132	2,132	537	25%
82	Total Operating Expenses	823,440	872,475	890,328	887,557	195,804	22%
83	**Net Operating Revenues (Expenses)**	238,260	228,267	187,259	189,902	64,405	34%
	Interest Expense and (Income)						
84	Federal Appropriation	14,059	8,954	8,628	8,628	2,157	25%
85	Capitalization Adjustment	(18,968)	(18,968)	(18,968)	(18,968)	(4,742)	25%
86	Borrowings from U S Treasury	91,889	138,723	93,979	94,268	23,560	25%
87	Debt Service Reassignment	24,114	15,810	15,601	15,599	3,900	25%
88	Customer Advances	5,648	6,041	4,738	5,290	1,181	22%
89	Lease Financing	54,614	55,408	69,878	61,475	14,855	24%
90	AFUDC	(31,042)	(41,346)	(24,342)	(24,342)	(6,175)	25%
91	Interest Income	(3,957)	(16,310)	(3,875)	(2,253)	(610)	27%
92	**Net Interest Expense (Income)**	136,358	148,313	145,640	139,696	34,126	24%
93	**Total Expenses**	959,798	1,020,788	1,035,968	1,027,253	229,931	22%
94	**Net Revenues (Expenses)**	$101,902	$ 79,954	$ 41,619	$ 50,205	$ 30,279	60%

SAMPLE

<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 Technical Operations project reporting includes the 2017 KSI project Commercial Operations.
<3 Marketing Business Strategy and Assessment project reporting includes the three 2017 KSI projects Long-term Finance and Rates, Asset Management and Business Information Systems.
<4 Transmission Services Internal General & Administrative reporting includes the 2017 KSI project Safety and Occupational Health.

Power Reports

Report ID: 0021FY17
Requesting BL: POWER BUSINESS UNIT
Unit of measure: $ Thousands

QBR Forecast Analysis: Power Services

Through the Month Ended January 31, 2017
Preliminary/ Unaudited

Run Date/Time: March 06, 2017 05:47
Data Source: EPM Data Warehouse
% of Year Elapsed = 33%

		A	B	C
		FY 2017		FY 2017
		Rate Case	Current EOY Forecast	Current EOY Forecast - 1st Quarter Forecast
	Operating Revenues			
1	Gross Sales (excluding bookout adjustment) <Note 2	$ 2,560,343	$ 2,540,417	$ 2,540,417
2	Bookout Adjustment to Sales	-	(2,633)	(2,633)
3	Miscellaneous Revenues	29,580	31,130	31,130
4	Inter-Business Unit	115,750	119,742	119,742
5	U.S. Treasury Credits	92,386	80,836	80,836
6	**Total Operating Revenues**	**2,798,058**	**2,769,493**	**2,769,493**
	Operating Expenses			
	Power System Generation Resources			
	Operating Generation Resources			
7	Columbia Generating Station	322,473	319,053	319,053
8	Bureau of Reclamation	158,121	157,621	157,621
9	Corps of Engineers	250,981	250,981	250,981
10	Long-term Contract Generating Projects	17,034	11,152	11,152
11	Operating Generation Settlement Payment	19,651	16,667	16,667
12	Non-Operating Generation	1,863	1,482	1,482
13	Gross Contracted Power Purchases and Aug Power Purchases	102,790	89,198	89,198
14	Bookout Adjustment to Power Purchases	-	(2,633)	(2,633)
15	Residential Exchange/IOU Settlement Benefits <Note 2	219,003	219,003	219,003
16	Renewables	41,641	40,623	40,623
17	Generation Conservation	131,665	131,315	131,315
18	**Subtotal Power System Generation Resources**	**1,265,221**	**1,234,462**	**1,234,462**
19	Power Services Transmission Acquisition and Ancillary Servi[illegible]	195,831	207,986	207,986
20	Power Non-Generation Operations	99,836	87,615	87,615
21	Fish and Wildlife/USF&W/Planning Council/Environmental Re[illegible]	318,395	318,589	318,589
	BPA Internal Support			
22	Additional Post-Retirement Contribution	19,478	14,858	14,858
23	Agency Services G&A	55,168	59,075	59,075
24	Other Income, Expenses & Adjustments	(129,463)	115	115
25	Non-Federal Debt Service	594,839	220,006	220,006
26	Depreciation & Amortization	228,502	231,002	231,002
27	**Total Operating Expenses**	**2,647,809**	**2,373,709**	**2,373,709**
28	**Net Operating Revenues (Expenses)**	**150,249**	**395,784**	**395,784**
	Interest Expense and (Income)			
29	Interest Expense	221,881	135,608	135,608
30	AFUDC	(11,360)	(9,503)	(9,503)
31	Interest Income	(19,456)	(1,690)	(1,690)
32	**Net Interest Expense (Income)**	**191,065**	**124,414**	**124,414**
33	**Net Revenues (Expenses)**	**$ (40,815)**	**$ 271,370**	**$ 271,370**
34	**Net Revenue Modifications** <Note 3	-	(343,042)	-
35	**Power Modified Net Revenue**	**$ (40,815)**	**$ (71,672)**	**$ 271,370**

SAMPLE

Report ID: 0021FY17
Requesting BL: POWER BUSINESS UNIT
Unit of measure: $ Thousands

Power Services Summary Statement of Revenues and Expenses

Through the Month Ended January 31, 2017
Preliminary/ Unaudited

Run Date/Time: March 06, 2017 05:47
Data Source: EPM Data Warehouse
% of Year Elapsed = 33%

		A	B	C	D	E <Note 1	F
		FY 2016		FY 2017			FY 2017
		Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
	Operating Revenues						
1	Gross Sales (excluding bookout adjustment) <Note 2	$ 825,552	$ 2,402,364	$ 2,560,343	$ 2,497,464	$ 2,540,417	$ 855,911
2	Bookout Adjustment to Sales	(7,609)	(22,064)	-	-	(2,633)	(6,451)
3	Miscellaneous Revenues	6,696	27,880	29,580	29,924	31,130	8,829
4	Inter-Business Unit	37,885	115,354	115,750	118,991	119,742	37,379
5	U.S. Treasury Credits	39,589	77,228	92,386	95,236	80,836	25,817
6	**Total Operating Revenues**	**902,113**	**2,600,762**	**2,798,058**	**2,741,615**	**2,769,493**	**921,483**
	Operating Expenses						
	Power System Generation Resources						
	Operating Generation Resources						
7	Columbia Generating Station	76,924	258,587	322,473	319,053	319,053	114,460
8	Bureau of Reclamation	33,376	132,[illegible]	158,121	157,621	157,621	47,359
9	Corps of Engineers	64,885	23[illegible],66	250,981	250,981	250,981	68,198
10	Long-term Contract Generating Projects	9,290	20,[illegible]	17,034	15,546	11,152	3,274
11	Operating Generation Settlement Payment	6,550	17,[illegible]	19,651	22,234	16,667	6,550
12	Non-Operating Generation	538	1,2[illegible]	1,863	1,482	1,482	284
13	Gross Contracted Power Purchases and Aug Power Purchases	68,003	133,89[illegible]	102,790	86,812	89,198	48,983
14	Bookout Adjustment to Power Purchases	(7,6[illegible]	22,0[illegible]4)	-	-	(2,633)	(6,451)
15	Residential Exchange/IOU Settlement Benefits <Note 2	79,8[illegible]	[illegible]7	219,003	219,003	219,003	80,014
16	Renewables	[illegible]37[illegible]	[illegible],284	41,641	40,623	40,623	10,385
17	Generation Conservation	[illegible]17	123,484	131,665	131,614	131,315	34,481
18	**Subtotal Power System Generation Resources**	[illegible]9[illegible]3	**1,158,813**	**1,265,221**	**1,244,969**	**1,234,462**	**407,536**
19	Power Services Transmission Acquisition and Ancillary Services	[illegible],2[illegible]	174,913	195,831	203,295	207,986	61,930
20	Power Non-Generation Operations	[illegible],38[illegible]	78,663	99,836	91,053	87,615	23,882
21	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	[illegible]231	297,508	318,395	318,539	318,589	101,023
	BPA Internal Support						
22	Additional Post-Retirement Contribution	6,381	17,743	19,478	18,649	14,858	3,672
23	Agency Services G&A	18,508	60,230	55,168	60,109	59,075	16,472
24	Other Income, Expenses & Adjustments	546	(386)	(129,463)	(26,600)	115	80
25	Non-Federal Debt Service	75,573	217,587	594,839	213,528	220,006	60,829
26	Depreciation & Amortization	75,064	226,960	228,502	231,002	231,002	76,136
27	**Total Operating Expenses**	**725,996**	**2,232,031**	**2,647,809**	**2,354,544**	**2,373,709**	**751,561**
28	**Net Operating Revenues (Expenses)**	**176,117**	**368,730**	**150,249**	**387,071**	**395,784**	**169,922**
	Interest Expense and (Income)						
29	Interest Expense	68,531	206,592	221,881	135,501	135,608	45,197
30	AFUDC	(2,831)	(9,262)	(11,360)	(11,360)	(9,503)	(3,523)
31	Interest Income	(714)	(11,405)	(19,456)	(5,195)	(1,690)	(319)
32	**Net Interest Expense (Income)**	**64,985**	**185,925**	**191,065**	**118,947**	**124,414**	**41,355**
33	**Net Revenues (Expenses)**	**$ 111,132**	**$ 182,805**	**$ (40,815)**	**$ 268,125**	**$ 271,370**	**$ 128,568**
34	**Net Revenue Modifications** <Note 3	**(105,108)**	**(315,646)**	**-**	**(343,042)**	**(343,042)**	**(106,823)**
35	**Power Modified Net Revenue**	**$ 6,024**	**$ (132,841)**	**$ (40,815)**	**$ (74,917)**	**$ (71,672)**	**$ 21,744**

<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.

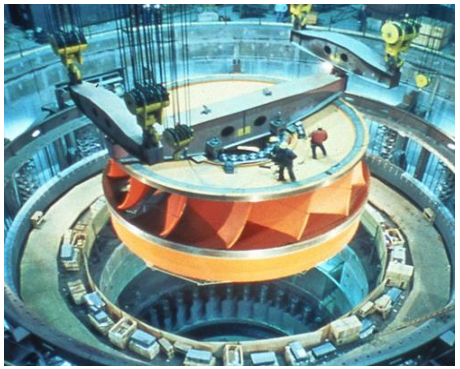
<2 The Residential Exchange Program expenses reflect the Scheduled Amount of REP benefits payments established in the 2012 REP Settlement Agreement. The Scheduled Amount of REP benefit payments incorporates a $76,537,617 reduction in REP benefits to provide Refund Amount payments to COUs. The Refund 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. PNMR is a non-GAAP metric.

SAMPLE

Power Programs

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



Power Programs

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

Power Programs

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

Power Programs

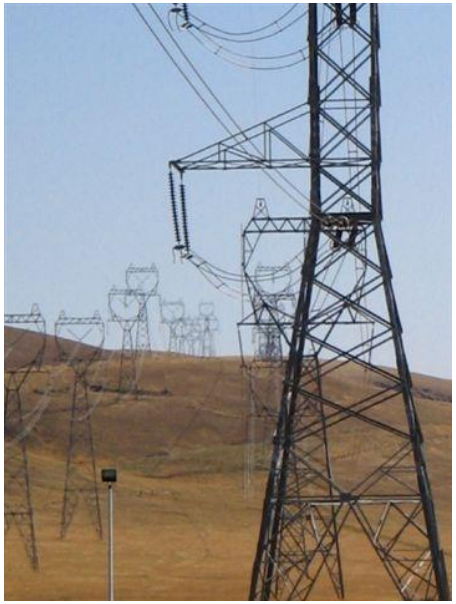
- Residential Exchange Program (row 15)
  - This category represents the net benefits for qualifying public utilities and IOUs that are calculated as part of the Residential Exchange Program.
- Renewable Generation (row 16)
  - This category reflects the operating expenses of several generating projects fueled by renewable energy resources, such as wind, geothermal, methane gas, and solar.

Power Programs

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

Power Programs

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

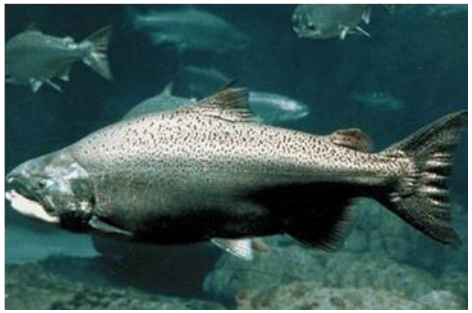


Power Programs

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

Power Programs

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



Power Programs

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

Power Programs

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

Power Programs

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

Power Programs

- Power Modified Net Revenues (row 35)
  - This category removes:
    - The effect of Regional Cooperation Debt management actions which enabled BPA to prepay relatively higher-interest-rate federal appropriations in lieu of the repayment of Energy Northwest debt that had otherwise been assumed to be repaid in BPA's power rate proposals. These actions resulted in higher net revenues than would be reported in their absence.
    - The effect of an adjustment to the power rate case revenue requirement which was introduce so the effects of certain Regional Cooperation Debt management and other cost management actions would serve to mitigate, to a limited extent, a rate increase. This offset limits upward power rate impacts of ceasing to debt finance energy conservation costs beginning in fiscal year 2016. These actions resulted in lower net revenues than would be reported in their absence.

Report ID: 0060FY17	**Power Services Detailed Statement of Revenues and Expenses**	Run Date\Time: January 23, 2017 06:03
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended December 31, 2016	Data Source: EPM Data Warehouse
Unit of Measure: $ Thousands	Preliminary/ Unaudited	% of Year Elapsed = 25%

		A	B	C	D <Note 1	E	F
		FY 2016	FY 2017			FY 2017	FY 2017
		Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
	Operating Revenues						
1	**Gross Sales (excluding bookout adjustment)** <Note 2	$ 2,402,364	$ 2,560,343	$ 2,497,464	$ 2,540,417	$ 607,923	24%
2	**Bookout Adjustment to Sales**	(22,064)	-	-	(2,633)	(2,633)	100%
3	**Miscellaneous Revenues**	27,880	29,580	29,924	31,130	6,190	20%
4	**Inter-Business Unit**	115,354	115,750	118,991	119,742	27,496	23%
5	**U.S. Treasury Credits**	77,228	92,386	95,236	80,836	21,002	26%
6	**Total Operating Revenues**	**2,600,762**	**2,798,058**	**2,741,615**	**2,769,493**	**659,978**	**24%**
	Operating Expenses						
	Power System Generation Resources						
	Operating Generation						
7	COLUMBIA GENERATING STATION	258,587	322,473	319,053	319,053	85,545	27%
8	BUREAU OF RECLAMATION	132,756	158,121	157,621	157,621	37,602	24%
9	CORPS OF ENGINEERS	237,966	250,981	250,981	250,981	49,699	20%
10	LONG-TERM CONTRACT GENERATING PROJECTS	20,455	17,034	15,546	11,152	2,996	27%
11	**Sub-Total**	649,764	748,609	743,201	738,807	175,841	24%
	Operating Generation Settlements and Other Payments						
12	COLVILLE GENERATION SETTLEMENT	17,496	19,651	22,234	16,667	4,913	29%
13	**Sub-Total**	17,496	19,651	22,234	16,667	4,913	29%
	Non-Operating Generation						
14	TROJAN DECOMMISSIONING	734	800	1,000	1,000	69	7%
15	WNP-1&3 O&M	506	1,063	482	482	119	25%
16	**Sub-Total**	1,239	1,863	1,482	1,482	188	13%
	Gross Contracted Power Purchases (excluding bookout adjustments)						
17	PNCA HEADWATER BENEFITS	2,297	3,000	3,100	2,480	620	25%
18	PURCHASES FOR SERVICE AT TIER 2 RATES	22,057	26,582	24,382	26,582	4,985	19%
19	OTHER POWER PURCHASES - (e.g. Short-Term)	109,540	52,261	59,330	60,136	13,729	23%
20	**Sub-Total**	133,893	81,843	86,812	89,198	19,335	22%
21	**Bookout Adjustments to Contracted Power Purchases**	(22,064)	-	-	(2,633)	(2,633)	100%
	Augmentation Power Purchases						
22	AUGMENTATION POWER PURCHASES	-	20,947	-	-	-	0%
23	**Sub-Total**	-	20,947	-	-	-	0%
	Exchanges & Settlements						
24	RESIDENTIAL EXCHANGE PROGRAM <Note 2	218,717	219,003	219,003	219,003	54,616	25%
25	**Sub-Total**	218,717	219,003	219,003	219,003	54,616	25%
	Renewable Generation						
26	RENEWABLES	36,284	41,641	40,623	40,623	7,919	19%
27	**Sub-Total**	$ 36,284	$ 41,641	$ 40,623	$ 40,623	$ 7,919	19%

SAMPLE

Report ID: 0060FY17	Power Services Detailed Statement of Revenues and Expenses	Run Date\Time: January 23, 2017 06:03
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended December 31, 2016	Data Source: EPM Data Warehouse
Unit of Measure: $ Thousands	Preliminary/ Unaudited	% of Year Elapsed = 25%

		A	B	C	D <Note 1	E	F
		FY 2016	FY 2017			FY 2017	FY 2017
		Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
	Generation Conservation						
28	DSM TECHNOLOGY	$ -	$ -	$ -	$ -	$ -	0%
29	CONSERVATION PURCHASES	76,758	-	76,323	76,072	16,269	21%
30	CONSERVATION INFRASTRUCTURE	22,826	104,702	26,925	26,942	3,594	13%
31	DR & SMART GRID	947	1,245	1,550	1,550	149	10%
32	LOW INCOME ENERGY EFFICIENCY	5,361	5,422	5,422	5,422	2,296	42%
33	REIMBURSABLE ENERGY EFFICIENCY DEVELOPMENT	4,812	7,000	8,000	7,936	335	4%
34	LEGACY	566	605	590	590	236	40%
35	MARKET TRANSFORMATION	12,213	12,691	12,803	12,803	3,056	24%
36	CONSERVATION RATE CREDIT (CRC)	-	-	-	-	-	0%
37	**Sub-Total**	123,484	131,665	131,614	131,315	25,934	20%
38	**Power System Generation Sub-Total**	**1,158,813**	**1,265,221**	**1,244,969**	**1,234,462**	**286,113**	**23%**
	Power Non-Generation Operations						
	Power Services System Operations						
39	INFORMATION TECHNOLOGY	5,904	5,910	7,198	6,881	1,189	17%
40	GENERATION PROJECT COORDINATION	5,894	7,845	6,296	5,182	941	18%
41	SLICE IMPLEMENTATION	810	1,131	953	789	163	21%
42	**Sub-Total**	12,608	14,886	14,447	12,852	2,292	18%
	Power Services Scheduling						
43	OPERATIONS SCHEDULING	8,889	10,496	9,459	9,511	2,107	22%
44	OPERATIONS PLANNING	6,468	7,255	8,236	7,714	1,478	19%
45	**Sub-Total**	15,358	17,751	17,694	17,224	3,584	21%
	Power Services Marketing and Business Support						
46	POWER R&D	6,033	6,046	4,791	4,774	1,213	25%
47	SALES & SUPPORT	19,886	24,765	22,265	22,512	4,900	22%
48	STRATEGY, FINANCE & RISK MGMT <Note 3	12,432	22,256	17,952	18,023	3,027	17%
49	EXECUTIVE AND ADMINISTRATIVE SERVICES	4,123	4,402	4,491	3,010	660	22%
50	CONSERVATION SUPPORT	8,224	9,731	9,412	9,219	2,028	22%
51	**Sub-Total**	50,698	67,199	58,911	57,538	11,829	21%
52	**Power Non-Generation Operations Sub-Total**	**78,663**	**99,836**	**91,053**	**87,615**	**17,706**	**20%**
	Power Services Transmission Acquisition and Ancillary Services						
	PBL Transmission Acquisition and Ancillary Services						
53	POWER SERVICES TRANSMISSION & ANCILLARY SERVICES	100,488	104,808	99,376	100,817	21,647	21%
54	3RD PARTY GTA WHEELING	58,453	76,521	89,594	92,844	20,142	22%
55	POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS	3,020	2,428	2,251	2,251	1,005	45%
56	GENERATION INTEGRATION / WIT-TS	12,952	12,074	12,074	12,074	3,019	25%
57	TELEMETERING/EQUIP REPLACEMT		-	-	-	-	0%
58	**Power Srvcs Trans Acquisition and Ancillary Services Sub-Tota**	**174,913**	**195,831**	**203,295**	**207,986**	**45,813**	**22%**
	Fish and Wildlife/USF&W/Planning Council/Environmental Req						
	BPA Fish and Wildlife						
59	**Fish & Wildlife**	258,142	274,000	274,000	274,050	66,390	24%
60	**USF&W Lower Snake Hatcheries**	28,645	32,949	32,949	32,949	8,146	25%
61	**Planning Council**	10,720	11,446	11,590	11,590	2,525	22%
62	**Fish and Wildlife/USF&W/Planning Council Sub-Total**	**$ 297,508**	**$ 318,395**	**$ 318,539**	**$ 318,589**	**$ 77,061**	**24%**

SAMPLE

Report ID: 0060FY17	**Power Services Detailed Statement of Revenues and Expenses**	Run Date\Time: January 23, 2017 06:03
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended December 31, 2016	Data Source: EPM Data Warehouse
Unit of Measure: $ Thousands	Preliminary/ Unaudited	% of Year Elapsed = 25%

		A	B	C	D <Note 1	E	F
		FY 2016	FY 2017			FY 2017	FY 2017
		Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
	BPA Internal Support						
63	Additional Post-Retirement Contribution	$ 17,743	$ 19,478	$ 18,649	$ 14,858	$ 4,662	31%
64	Agency Services G&A (excludes direct project support)	60,230	55,168	60,109	59,075	12,549	21%
65	**BPA Internal Support Sub-Total**	**77,974**	**74,646**	**78,758**	**73,933**	**17,211**	**23%**
66	**Bad Debt Expense**	**4**	**-**	**-**	**(3)**	**(3)**	**100%**
67	**Other Income, Expenses, Adjustments**	**(390)**	**(129,463)**	**(26,600)**	**118**	**118**	**100%**
	Non-Federal Debt Service						
	Energy Northwest Debt Service						
68	COLUMBIA GENERATING STATION DEBT SVC	96,026	127,466	114,934	117,474	20,273	17%
69	WNP-1 DEBT SVC	43,227	201,804	31,590	35,164	8,531	24%
70	WNP-3 DEBT SVC	69,102	256,332	57,767	58,131	14,509	25%
71	**Sub-Total**	208,356	585,602	204,291	210,769	43,313	21%
	Non-Energy Northwest Debt Service						
72	CONSERVATION DEBT SVC	-	-	-	-	-	0%
73	COWLITZ FALLS DEBT SVC	7,299	7,303	7,302	7,302	1,825	25%
74	NORTHERN WASCO DEBT SVC	1,931	1,935	1,935	1,935	483	25%
75	**Sub-Total**	9,231	9,237	9,237	9,237	2,309	25%
76	**Non-Federal Debt Service Sub-Total**	**217,587**	**594,839**	**213,528**	**220,006**	**45,622**	**21%**
77	**Depreciation**	**138,546**	**143,468**	**143,468**	**143,468**	**35,397**	**25%**
78	**Amortization**	**88,414**	**85,034**	**87,534**	**87,534**	**21,374**	**24%**
79	**Total Operating Expenses**	**2,232,031**	**2,647,809**	**2,354,544**	**2,373,709**	**546,412**	**23%**
80	**Net Operating Revenues (Expenses)**	**368,730**	**150,249**	**387,071**	**395,784**	**113,566**	**29%**
	Interest Expense and (Income)						
81	Federal Appropriation	188,926	186,051	115,921	115,583	28,896	25%
82	Capitalization Adjustment	(45,937)	(45,937)	(45,937)	(45,937)	(11,484)	25%
83	Borrowings from US Treasury	50,330	69,299	53,048	53,493	13,225	25%
84	Customer Prepaid Power Purchases	13,273	12,469	12,469	12,469	3,194	26%
85	AFUDC	(9,262)	(11,360)	(11,360)	(9,503)	(2,822)	30%
86	Interest Income	(11,405)	(19,456)	(5,195)	(1,690)	(185)	11%
87	**Net Interest Expense (Income)**	**185,925**	**191,065**	**118,947**	**124,414**	**30,823**	**25%**
88	**Total Expenses**	**2,417,957**	**2,838,874**	**2,473,490**	**2,498,123**	**577,235**	**23%**
89	**Net Revenues (Expenses)**	**$ 182,805**	**$ (40,815)**	**$ 268,125**	**$ 271,370**	**$ 82,743**	**30%**

SAMPLE

<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 Strategy, Finance and Risk Management project reporting includes the four 2017 KSI projects Commercial Operations, Long-term Finance and Rates, Asset Management and Business Information Systems.

Allocation of Corporate Costs

Corporate Costs

- Corporate (shared) Costs
  - Three costing methods
    - Direct Charging
      - Fish & Wildlife
      - Planning Council
      - Environment
      - NEIL Insurance/Property Insurance
      - Supply Chain - Logistics
      - Non-Electric Plant Maintenance
    - Direct Allocation (Business Support)
      - Information Technology
      - Customer Support Services (Billing & Contracting)
      - Supply Chain – Purchasing
      - Technology Innovation
    - G&A Allocation
      - Administration
      - Human Resources
      - Security
      - Finance

Agency Services Costs

Power

Direct Charge

- Fish and Wildlife
- Power Planning Council
- Nuclear Insurance
- IT Projects
- General Counsel
- Decommissioning Contributions

Direct Programs

BPA Internal Support

Agency Services

Allocated Costs

Business Support

- Billing & Metering
- Contracting & Forecasting
- Supply Chain Admin
- Supply Chain Purchasing
- Program Specific IT
- Technology Innovation Management
- BTO Program Administration

General & Administrative

- Executive Mgmt
- IT Applications
- IT Infrastructure and Mgmt
- Safety/Security
- General Counsel
- Human Capital Mgmt
- Workplace Service
- Finance
- Communications
- Intergovernmental Affairs
- Agency Services Awards

Transmission

Direct Charge

- Environment
- Supply Chain
- Property Insurance
- General Counsel
- IT Projects
- Human Capital Mgmt – OWCP

Direct Programs And Capital Indirects

BPA Internal Support And Capital Indirects

Capital Reports

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

QBR Forecast Analysis: BPA Capital Expenditures

FYTD Through the Month Ended June 30, 2013
Preliminary Unaudited

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

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

SAMPLE

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

BPA Statement of Capital Expenditures

FYTD Through the Month Ended June 30, 2013
Preliminary Unaudited

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

		A	B	C	D	E	F
		FY 2013		FY 2013		FY 2013	
		SOY Budget	Current EOY Forecast	Actuals: Jun	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast
	Transmission Business Unit						
1	MAIN GRID	$ 160,391	$ 84,090	$ 4,518	$ 69,851	44%	83%
2	AREA & CUSTOMER SERVICE	23,103	12,641	1,246	7,320	32%	58%
3	SYSTEM REPLACEMENTS	227,542	214,807	16,640	117,025	51%	54%
4	UPGRADES & ADDITIONS	255,246	204,325	17,542	119,232	47%	58%
5	ENVIRONMENT CAPITAL	6,483	[illegible],110	539	4,134	64%	51%
	PFIA						
6	MISC. PFIA PROJECTS	12,520	10,[illegible]	831	7,539	60%	71%
7	GENERATOR INTERCONNECTION	3,[illegible]862	[illegible],240)	932	2,897	7%	-1208%
8	SPECTRUM RELOCATION	1,[illegible]	914	1	739	57%	81%
9	CAPITAL INDIRECT	[illegible]	-	(1,444)	11,734	0%	0%
10	LAPSE FACTOR	[illegible]72,[illegible]73)	-	-	-	0%	0%
11	**TOTAL Transmission Business Unit**	[illegible]53,169	535,263	40,804	340,472	52%	64%
	Power Business Unit						
12	BUREAU OF RECLAMATION	64,546	71,179	9,647	56,455	87%	79%
13	CORPS OF ENGINEERS	172,635	144,774	15,231	103,219	60%	71%
14	GENERATION CONSERVATION	82,170	81,000	5,132	43,241	53%	53%
15	POWER INFORMATION TECHNOLOGY	5,885	7,000	451	4,665	79%	67%
16	FISH & WILDLIFE	67,145	60,002	2,761	26,923	40%	45%
17	LAPSE FACTOR	(12,417)	-	-	-	0%	0%
18	**TOTAL Power Business Unit**	379,964	363,955	33,223	234,504	62%	64%
	Corporate Business Unit						
19	CORPORATE BUSINESS UNIT	48,649	34,274	6,076	22,990	47%	67%
20	**TOTAL Corporate Business Unit**	48,649	34,274	6,076	22,990	47%	67%
21	**TOTAL BPA Capital Expenditures**	$ 1,081,782	$ 933,493	$ 80,102	$ 597,965	55%	64%

SAMPLE

Appendix

~ How to Interpret BPA's Revenue Detail Report
~ Capital Reports and Program Details
~ Components in the Slice Composite Cost Pool

How to Interpret BPA's Revenue Detail Report

Report ID: 0063FY13
Requesting BL: TRANSMISSION BUSINESS UNIT
Unit of Measure: $ Thousands

Transmission Services Revenue Detail by Product

Through the Month Ended June 30, 2013
Preliminary/ Unaudited

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

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

SAMPLE

Report ID: 0063FY13
Requesting BL: TRANSMISSION BUSINESS UNIT
Unit of Measure: $ Thousands

Transmission Services Revenue Detail by Product

Through the Month Ended June 30, 2013
Preliminary/ Unaudited

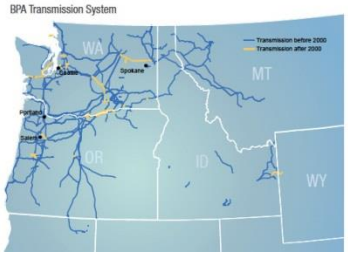
Run Date/Time: July 17, 2013 12:02
Data Source: EPM Data Warehouse
% of Year Elapsed = 75%

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

SAMPLE

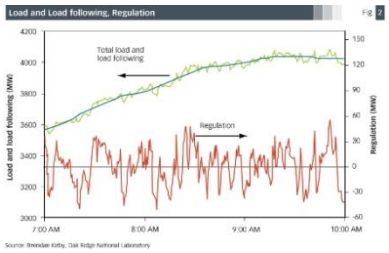
Transmission Revenues

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



Transmission Revenues

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



Transmission Revenues

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

Transmission Revenues

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

Report ID: 0064FY17 | **Power Services Detailed Statement of Revenues by Product** | Run Date\Time: January 23, 2017 06:40
Requesting BL: POWER BUSINESS UNIT | Through the Month Ended December 31, 2016 | Data Source: EPM Data Warehouse
Unit of Measure: $ Thousands | Preliminary/ Unaudited | % of Year Elapsed = 25%

		A	B	C	D
		FY 2017		FY 2017	FY 2017
		Rate Case	SOY Budget	Actuals	Actuals per Rate Case
	Operating Revenues				
	Gross Sales (excluding bookout adjustment)				
	PF Tier 1 Revenues				
	Load Following				
1	Composite	$ 1,137,697	$ 1,133,577	$ 281,053	25%
2	Non-Slice	(169,629)	(168,518)	(41,781)	25%
3	Load Shaping	8,259	(8,756)	(14,561)	-276%
4	Demand	48,763	47,608	7,600	16%
5	Discounts / Fees	(53,702)	(49,260)	(6,775)	13%
6	RSS / RSC	1,601	1,597	(94)	-106%
7	REP Refund	(33,152)	(33,095)	(8,290)	25%
8	Other	-	-	-	0%
9	**Sub-Total: Load Following**	939,836	923,154	217,151	23%
	Block				
10	Composite	640,651	628,595	157,149	25%
11	Non-Slice	(95,276)	(93,447)	(23,362)	25%
12	Load Shaping	3,305	3,360	5,621	170%
13	Demand	-	-	-	0%
14	Discounts / Fees	(5,693)	(5,693)	()	0%
15	RSS / RSC	-	-	-	0%
16	REP Refund	(21,493)	(21,449)	(5,267)	25%
17	Other	-	-	(94)	0%
18	**Sub-Total: Block**	521,494	511,366	134,047	26%
	Slice				
19	Composite	662,493	658,897	164,724	25%
20	Slice	-	-	-	0%
21	Discounts / Fees	(3,216)	(3,216)	(872)	27%
22	REP Refund	(21,892)	(21,994)	(5,577)	25%
23	Other	-	-	-	0%
24	**Sub-Total: Slice**	637,386	633,687	158,275	25%
25	**PF Tier 2 Revenues**	27,509	27,424	6,888	25%
26	**NR Revenues**	356	-	(85)	-124%
27	**IP Revenues**	33,413	8,099	2,041	6%
28	**FPS Revenues**	364,599	368,774	74,979	21%
29	**Other Revenues**	35,750	24,960	14,627	41%
30	**Gross Sales (excluding bookout adjustment)**	2,560,343	2,497,464	607,923	24%
31	**Bookout Adjustment to Sales**	-	-	(2,633)	0%
32	**Miscellaneous Revenues**	29,580	29,924	6,190	21%
33	**Inter-Business Unit**	115,750	118,991	27,496	24%
34	**U.S. Treasury Credits**	92,386	95,236	21,002	23%
35	**Total Operating Revenues**	**2,798,058**	**2,741,615**	**659,978**	**24%**

SAMPLE

Power Revenues

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

Power Revenues

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

Power Revenues

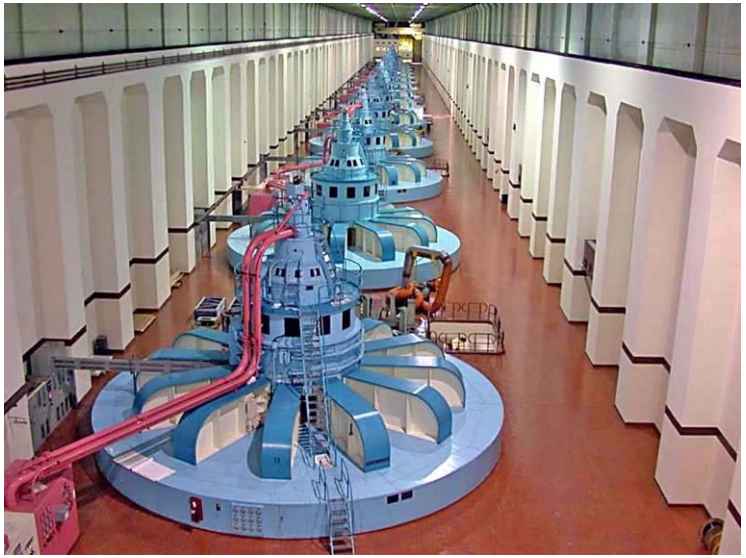
- PF Tier 1 Revenues – Slice (rows 19-24)
  - Composite (row 19): This category includes revenues associated with the Composite charge.
  - Slice (row 20): This category includes revenues associated with slice only products. $0 for FY 2017.
  - Discounts / Fees (row 21): This category includes revenues and discounts from Unauthorized Increase (UAI) and the Low Density Discount (LDD).
  - REP Refund (row 22):This category includes the credit associated with the 2012 REP Settlement.
  - Other (row 23): This category includes credits and waivers.

Power Revenues

- PF Tier 2 Revenues (row 25)
  - This category includes the revenues associated with Tier 2 loads from Priority firm customers who have above-RHWM load.
- NR Revenues (row 26)
  - This category includes the revenues associated with New Resource Firm Power (NR).
- IP Revenues (row 27)
  - This category includes revenues associated with Direct-Service Industrial customers (DSIs) at the IP rate.

Power Revenues

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



Power Revenues

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

Power Revenues

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

Capital Reports & Program Details

Transmission Capital Programs

- Main Grid – Row 1
  - Focused on expansion projects that transfer loads across BPA's transmission system
  - Assure compliance with NERC standards & WECC reliability criteria, provide a reliable transmission system for open access, and provide relief of system congestion
  - Area & Customer Service – Row 2
  - Focused on expansion projects within BPA's various load service areas
  - Assure that BPA meets reliability standards and contractual obligations
- System Replacements – Row 3
  - Focused on sustain replacement projects
  - Replace high risk, obsolete, and maintenance-intensive facilities and equipment in order to reduce equipment failure affecting the safety and reliability of the transmission system
- Upgrades & Additions – Row 4
  - Focused on expansion projects that add additional capacity or upgrades
  - Replace older communications and controls with newer technology to maintain or enhance the capabilities to accommodate new generation and mitigate operational and market constrained path

Transmission Capital Programs

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

Power Capital Programs

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

Components in the Slice Composite Cost Pool

Q2 QBR Fiscal Year 2017 Follow-up Question

Tacoma requested the following:

In a QBR 101 presentation (request of Slice Group) describe and explain the elements in the Composite Cost Pool that are not subject to Slice true-up and why

BPA Response:

- The Composite Cost Pool contains the following elements that are not subject to true-up.
  - System Augmentation Expenses
    - Tier 1 Augmentation resources (includes RSS and RSC adders)
    - Augmentation purchases
  - Balancing Augmentation Adjustment
  - Transmission costs for Designated BPA System Obligations
  - Transmission Loss Adjustment
  - Resource Support Services (RSS) revenues
  - Tier 2 Rate Adjustment
  - New Resources (NR) revenues

Q2 QBR Fiscal Year 2017 Follow-up Question (continued)

The following Power Rate Study, BP-16-FS-BPA-01, sections contain information about certain line items in the Composite Cost Pool True-Up Table not subject to true-up.

7.2.1 System Augmentation Expenses

System augmentation expenses are not subject to the Composite 1 Cost Pool True-Up. However, implicit in the Composite Cost Pool True-Up of the firm surplus and secondary adjustment for Unused RHWM and the DSI revenue credit are adjustments that reflect the effects of additional power purchases (or lack thereof) or additional power sales to the market. Sections 3.1.3.2, 7.2.3, and 7.2.4 describe the treatment of the firm surplus and secondary adjustment for unused RHWM and the DSI revenue credit for Composite Cost Pool True-Up purposes.

BPA's purchase of output from the Klondike III resource is a Tier 1 augmentation expense, and the Composite cost pool includes the cost of Resource Support Services and Resource Shaping Charges to shape the generation output of Klondike III into a flat annual block of power. Because the RSS and RSC charges financially convert the variable output of Klondike III to a firm annual block of power and are committed to in advance, the augmentation expense and RSS and RSC costs associated with generation output from the Klondike III resource are not subject to the Composite Cost Pool True-Up.

Q2 QBR Fiscal Year 2017 Follow-up Question (continued)

7.2.2 Balancing Augmentation Load Adjustment
The Balancing Augmentation Load Adjustment can result in a positive or negative credit to the Composite cost pool. Section 3.1.3.3 above describes the Balancing Augmentation Load Adjustment, the circumstances that would result in a credit, and the circumstances that would result in a negative credit. The Balancing Augmentation Load Adjustment is not subject to the Composite Cost Pool True-Up.

7.2.9 Transmission Costs for Designated BPA System Obligations
Transmission and Ancillary Services expenses are allocated between the Composite cost pool and the Non-Slice cost pool, as specified on TRM, BP-12-A-03, Table 2A.
The Transmission and Ancillary Services expenses associated with Designated BPA System Obligations are allocated to the Composite cost pool. Such Transmission and Ancillary Services expenses are not subject to the Composite Cost Pool True-Up.

Transmission reservations are set aside for non-discretionary obligations (*i.e.*, Designated BPA System Obligations). Because Power Services does not know the actual amounts of transmission usage until the preschedule period for such obligations, the transmission reservations for those obligations are purchased based on the maximum need for the year. Therefore, it is appropriate to include the forecast cost of the reservations for Designated BPA System Obligations in the Composite cost pool, and such costs are not subject to the Composite Cost Pool True-Up.

Q2 QBR Fiscal Year 2017 Follow-up Question (continued)

7.2.10 Transmission Loss Adjustment

A transmission loss adjustment is included in the Composite cost pool. Without such an adjustment, Slice customers would pay not only for real power losses (through loss return schedules to BPA) on the transmission of their Slice purchase, but also a proportionate share of losses on the transmission of non-Slice products. *See* section 3.1.3.1 above for an explanation of the calculation of this credit. The transmission loss adjustment is not subject to the Composite Cost Pool True-Up.

7.2.11 Resource Support Services Revenue Credit

A credit for RSS revenue is included in the Composite cost pool. The credit is for revenues earned by uses of capacity to support resources that receive RSS. *See* § 3.1.2.1. This revenue credit is not subject to the Composite Cost Pool True-Up.

Q2 QBR Fiscal Year 2017 Follow-up Question (continued)

7.2.13 Tier 2 Rate Adjustments

Tier 2 rate adjustments are ratesetting adjustments to the Composite cost pool to reflect a share of expenses incurred by Power Services that are allocable to all power sold. *See* § 3.1.4. There are three types of rate adjustments: the Tier 2 overhead cost 1 adder, the Tier 2 risk adder, and the Tier 2 transmission scheduling service cost adder.

The Tier 2 overhead cost adder is an adjustment for administrative costs incurred by Power Services. *See* § 3.1.7.1. The Tier 2 overhead cost adder is included in the Composite cost pool. This adjustment is estimated for ratesetting purposes and is not subject to the Composite Cost Pool True-Up.

The Tier 2 risk adder is an adjustment for any risks associated with costs of resources that Power Services acquires for service to Tier 2 load. This adjustment is zero for the FY 2016–2017 rate period because no risk mitigation treatment is necessary. *See* § 3.1.7.4. This adjustment is not subject to the Composite Cost Pool True-Up.

The Tier 2 Transmission Scheduling Service cost adder is an adjustment for administrative costs incurred by Power Services. For a description of this adjustment see section 3.1.7.2. The forecast of this adjustment is included in the RSS revenue credit. This adjustment is not subject to the Composite Cost Pool True-Up.

Q2 QBR Fiscal Year 2017 Follow-up Question (continued)

NR Revenues – NR revenues have not been subject to true up because of very small sales volumes. In the event NR revenues increase, BPA would consider having NR revenues subject to true-up and would have a formula similar to IP revenues to calculate the net cost.

Financial Disclosure

- The information contained in slides 9-10, 16-18, 20-21, 34-36, 41-42, 45-46 and 51 has been made publicly available by BPA on April 28, 2017 and contains BPA-approved Financial Information.
- The information contained in the remaining slides has been made publicly available by BPA on April 28, 2017 and does not contain BPA-approved Financial Information.