BPA’s ARRA Borrowing Authority and Capital Investment Forecasts FY 2008 to 2010
Objective

Address the question of what happened to Bonneville’s forecast of available borrowing authority between FY 2008 and FY 2010

– Capital forecasts from the 2008 IPR resulted in a forecast of borrowing authority being available until 2014

– Capital forecasts from the 2009 IPR2 and the additional $3.25 billion in borrowing authority provided by the ARRA resulted in a forecast of borrowing authority being available into 2018 (assuming lapsed capital and no use of lease financing)

– In 2010, updated forecasts of proposed investments and repayment resulted in forecast of borrowing authority availability into only 2016 (assuming no additional use of lease financing)
What changed?

- Higher capital investment forecasts - $1 billion increase for the 2012-2016 period:
  - Started capitalizing all Energy Efficiency acquisition in addition to extending the amortization period from 5 years to 12 years, which delays borrowing authority replenishment.
  - Since the last IPR, we have made significant progress in the development of asset strategies. These strategies now include comprehensive condition and risk assessment, which have highlighted the need for significantly increased capital investment.
    - As formal asset strategies were being developed for the first time, many assets were subjected to a more in-depth condition assessment.
    - Asset condition is generally not good; we have been delaying maintenance for several years on many assets.
    - This caused some programs to forecast large increases in capital investment $1 billion increase, total increase of roughly $6 billion over a 20-year period

- Additionally, the actual use of borrowing authority in 2010 reflects reduced reliance on lease financing:
  - Lease financing is slightly more expensive than borrowing authority. With new borrowing authority, BPA minimized lease financing for a few years.
Agency Total - Comparison of Capital Spending Forecasts
(Includes AFUDC, Corporate Overheads and Lapse)

*FYs 2015 - 2021 are forecasts from the 2009 repayment study
**FYs 2018 - 2021 are forecasts from the 2010 repayment study
Transmission - Comparison of Capital Spending Forecasts
(Includes AFUDC, Corporate Overheads and Lapse)

*FYs 2015 - 2021 are forecasts from the 2009 repayment study
**FYs 2018 - 2021 are forecasts from the 2010 repayment study
Hydro - Comparison of Capital Spending Forecasts
(Includes AFUDC, Corporate Overheads and Lapse)

FY 2009: 131,435
FY 2010: 139,939
FY 2011: 201,436
FY 2012: -
FY 2013: -
FY 2014: -
FY 2015: -
FY 2016: -
FY 2017: -
FY 2018: -
FY 2019: -
FY 2020: -
FY 2021: -

*FYs 2015 - 2021 are forecasts from the 2009 repayment study
**FYs 2018 - 2021 are forecasts from the 2010 repayment study

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuals</td>
<td>131,435</td>
<td>139,939</td>
<td>201,436</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2009 IPR*</td>
<td>128,108</td>
<td>151,400</td>
<td>163,800</td>
<td>170,100</td>
<td>180,300</td>
<td>182,000</td>
<td>192,100</td>
<td>105,000</td>
<td>110,000</td>
<td>110,000</td>
<td>113,000</td>
<td>115,000</td>
<td>118,000</td>
</tr>
<tr>
<td>2010 IPR**</td>
<td>-</td>
<td>-</td>
<td>161,925</td>
<td>209,329</td>
<td>223,807</td>
<td>226,625</td>
<td>226,197</td>
<td>226,696</td>
<td>212,500</td>
<td>216,113</td>
<td>219,786</td>
<td>223,523</td>
<td></td>
</tr>
<tr>
<td>Initial CIR</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>197,753</td>
<td>212,983</td>
<td>214,441</td>
<td>210,120</td>
<td>212,849</td>
<td>209,445</td>
<td>215,182</td>
<td>215,893</td>
<td>216,596</td>
<td>218,141</td>
</tr>
</tbody>
</table>

* FYs 2015 - 2021 are forecasts from the 2009 repayment study
** FYs 2018 - 2021 are forecasts from the 2010 repayment study
Fish & Wildlife - Comparison of Capital Spending Forecasts
(Includes AFUDC, Corporate Overheads and Lapse)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuals</td>
<td>28,863</td>
<td>41,106</td>
<td>90,817</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2009 IPR*</td>
<td>50,000</td>
<td>70,000</td>
<td>60,000</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
<td>36,000</td>
<td>36,000</td>
<td>36,000</td>
<td>36,000</td>
<td>36,000</td>
<td>36,000</td>
</tr>
<tr>
<td>2010 IPR**</td>
<td>-</td>
<td>-</td>
<td>60,000</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Initial CIR</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>59,785</td>
<td>67,145</td>
<td>60,275</td>
<td>41,807</td>
<td>36,650</td>
<td>30,795</td>
<td>28,646</td>
<td>44,806</td>
<td>45,033</td>
<td>43,599</td>
</tr>
</tbody>
</table>

*FYs 2015 - 2021 are forecasts from the 2009 repayment study
**FYs 2018 - 2021 are forecasts from the 2010 repayment study

Shifted $30 million from end of 2010 into early 2011
Conservation - Comparison of Capital Spending Forecasts
(Includes AFUDC, Corporate Overheads and Lapse)

*FYs 2015 - 2021 are forecasts from the 2009 repayment study
**FYs 2018 - 2021 are forecasts from the 2010 repayment study
### Corporate - Comparison of Capital Spending Forecasts
(Includes AFUDC, Corporate Overheads and Lapse)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actuals</strong></td>
<td>40,104</td>
<td>53,692</td>
<td>44,161</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>2009 IPR</strong></td>
<td>26,266</td>
<td>23,141</td>
<td>24,787</td>
<td>30,081</td>
<td>30,198</td>
<td>30,591</td>
<td>31,870</td>
<td>24,144</td>
<td>24,768</td>
<td>24,812</td>
<td>24,820</td>
<td>24,874</td>
<td>24,924</td>
</tr>
<tr>
<td><strong>2010 IPR</strong></td>
<td>-</td>
<td>-</td>
<td>56,343</td>
<td>54,557</td>
<td>51,296</td>
<td>50,844</td>
<td>49,368</td>
<td>50,594</td>
<td>51,826</td>
<td>68,699</td>
<td>68,255</td>
<td>68,392</td>
<td>68,392</td>
</tr>
<tr>
<td><strong>Initial CIR</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>53,263</td>
<td>53,676</td>
<td>44,554</td>
<td>45,632</td>
<td>46,710</td>
<td>47,790</td>
<td>47,208</td>
<td>47,458</td>
<td>47,500</td>
<td>47,544</td>
</tr>
</tbody>
</table>

*FYs 2015 - 2021 are forecasts from the 2009 repayment study
**FYs 2018 - 2021 are forecasts from the 2010 repayment study
Remaining Borrowing Authority
September 2010 IPR Update

Level of Borrowing Authority needed to maintain use of the $750M operating expense facility
Capital Investment Review

Financial Disclosure

This information has been made publicly available by BPA on March 9, 2012 and contains information not reported in agency financial statements.