



BPA MANUAL

Chapter 300: BPA Policy on Budgeting

Part: Finance

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300.1 PURPOSE

To document BPA's policy on budgeting, both near- and long-term. Consistent with Delegation Order No. 0204-161, signed by the Secretary of Energy on October 7, 1996, this Delegation Order lists the directives that are applicable to BPA as of July 20, 2009. Many DOE documents related to budgeting, such as DOE O 130.1, *Budget Formulation*, O 135.1, *Budget Execution - Funds Distribution and Control*, and M 135.1-1, *Budget Execution Manual*, are not listed as applicable to BPA. Consistent with clause 1.2 of Delegation Order No. 00-033.00B unless an order specifically states that it is applicable to BPA, it is not applicable to BPA. Even though an order relevant to budgeting may state it is not applicable to BPA, BPA management may choose, at its discretion, to act on any part of such an order consistent with BPA's organic statutes.

300.2 DEFINITIONS

A. Internal Budget: A management tool that is used in allocating resources based on BPA strategic business objectives, also used in making comparison with actual results.

B. Federal Budget: A document that meets the requirements of the Federal budget process as set forth by the Office of Management and Budget and Congress.

300.3 POLICY BPA's budgets reflect top-down strategic guidance that support our business plan and long-term view of the industry, as well as meeting BPA's Federal reporting requirements.

300.4 RESPONSIBILITIES Each Senior Executive Service manager is responsible for the preparation, development, evaluation, and monitoring of budgets for their organizations. It is important, however, that each individual at BPA take a cost conscious approach to his/her actions. All employees are accountable for active cost management.

300.5 PROCEDURES BPA budget direction and procedures are outlined in the *BPA Budget Handbook*, which is updated frequently and available through the Finance SharePoint site on the BPA intranet.

300.6 REFERENCES

A. Bonneville Project Act (1937) established BPA to market Federal power in the Pacific Northwest. BPA was required to cover its costs from rates.

B. Grand Coulee Dam--Third Powerhouse Act (1966) required BPA to prepare and submit a consolidated financial statement to the President and Congress. It also established irrigation assistance and, in the legislative history of the act, described the repayment methodology to be applied by BPA.



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300.6 REFERENCES (continued)

C. Federal Columbia River Transmission System Act (1974) established the Bonneville Fund and provided BPA a permanent and indefinite appropriation for expenditures from the fund. It also authorized and appropriated \$1.25 billion for the sale of bonds to the Treasury for transmission construction.

D. Department of Energy Organization Act (1977) transferred BPA from the Department of Interior, with the intent that BPA's authority and flexibility be preserved as a separate and distinct entity.

E. Pacific Northwest Electric Power Planning and Conservation Act (1980) expanded BPA's responsibilities, reiterated the requirement to recover costs, and authorized an increase in borrowing authority for use in new areas.

F. FY 1983 Continuing Appropriation Act appropriated \$1.25 billion for additional borrowing authority as authorized in the Pacific Northwest Act of 1980.

G. FY 1984 Energy and Water Development Appropriations Act authorized and appropriated an additional \$1.25 billion to the borrowing authority established in the Transmission System Act of 1974.

H. FY 1989 Energy and Water Development Appropriations Act authorized BPA to continue incurring obligations for authorized purposes in excess of borrowing authority and cash in the Bonneville Fund.

I. Energy Policy Act of 1992 authorized the Secretaries of the Interior and Army to accept and use funds provided by BPA.

J. Consolidated Appropriations Resolution, 2003, increased BPA's ability to borrow from the U.S. Treasury under the Transmission System Act of 1974 by additional \$700 million.

K. American Recovery and Reinvestment Act of 2009 increased BPA's ability to borrow from the U.S. Treasury under the Transmission System Act of 1974 by additional \$3.25 billion.

L. Government Corporation Control Act of 1945 sets the budgetary program requirements for BPA.

300.7 REVIEW

This BPAM Chapter is scheduled for review in 2016.