

**Federal Columbia River Power System (FCRPS)
FY 2012 Fourth QUARTER REVIEW**

Net Revenues and Reserves

Actual Results for FY 2012



October 26, 2012

FY 2012 Fourth QUARTER REVIEW

EXECUTIVE HIGHLIGHTS

October 26, 2012

FY 2012 Fourth QUARTER REVIEW

(\$ in Millions)

	A	B	FY 2012 Actuals	
			C	D
	FY 2011 Audited Actuals without Bookouts ^{1/}	FY 2012 Start of Year without Bookouts ^{1/}	without Bookouts ^{1/}	with Bookouts
1. REVENUES	3,377.0	3,411.1	3,379.8	3,317.9
2. EXPENSES	3,295.3	3,305.2	3,293.1	3,231.1
3. NET REVENUES ^{2/}	81.7	105.9	86.8 ^{5/}	86.8 ^{5/}
4. END OF YEAR FINANCIAL RESERVES ^{3/}	1,006.0	965.0	1,022.2 ^{5/}	1,022.2 ^{5/}
5. BPA ACCRUED CAPITAL EXPENDITURES ^{4/}	798.0	876.4	663.6	663.6

Footnotes

- 1/ Does not reflect the change in accounting for power "bookout" transactions made after adoption of new accounting guidance as of Oct 1, 2003.
- 2/ Net revenues include the effects of non-federal debt management. An example of non-federal debt management is the refinancing of ENW debt.
- 3/ Financial reserves equal total cash plus deferred borrowing and investments in non-marketable U.S. Treasury securities.
- 4/ Funded by borrowing from BPA's borrowing authority held with the U.S. Treasury.
- 5/ There is uncertainty regarding the potential financial results that could occur by the end of the year. Uncertain water conditions and short-term prices may affect revenues from net secondary sales.

	A	B	C	D
	FY 2011	FY 2012		
	Actuals	Start of Year Budget	Actuals	Actuals / SOY Budget
Operating Revenues				
1 Gross Sales (excluding bookout adjustment) <Notes 1 and 5	\$ 3,226,407	\$ 3,257,094	\$ 3,241,564	100%
2 Bookout adjustment to Sales <Note 1	(92,198)	-	(61,972)	0%
3 Miscellaneous Revenues	60,863	58,352	56,675	97%
4 U.S. Treasury Credits	89,702	95,662	81,583	85%
5 Total Operating Revenues	3,284,775	3,411,108	3,317,850	97%
Operating Expenses				
Power System Generation Resources				
Operating Generation Resources				
6 Columbia Generating Station	322,212	306,366	292,636	96%
7 Bureau of Reclamation	85,488	111,972	89,005	79%
8 Corps of Engineers	190,835	208,700	206,967	99%
9 Long-term Contract Generating Projects	29,427	25,079	25,869	103%
10 Operating Generation Settlement Payment	17,570	21,928	20,437	93%
11 Non-Operating Generation	2,672	1,938	2,153	111%
12 Gross Contracted Power Purchases and Augmentation Power Purch <Note 1	240,147	102,254	205,350	201%
13 Bookout Adjustment to Power Purchases <Note 1	(92,198)	-	(61,972)	0%
14 Exchanges & Settlements <Note 5	184,764	202,961	203,712	100%
15 Renewables	38,045	37,487	33,912	90%
16 Generation Conservation	59,475	46,950	37,505	80%
17 Subtotal Power System Generation Resources	1,078,437	1,065,636	1,055,573	99%
18 Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 3	49,397	55,984	51,274	92%
19 Power Services Non-Generation Operations	75,084	86,611	79,632	92%
20 Transmission Operations	114,010	131,650	121,792	93%
21 Transmission Maintenance	128,937	148,546	135,377	91%
22 Transmission Engineering	30,895	35,050	46,111	132%
23 Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 3, 4	6,751	5,827	18,093	311%
24 Transmission Reimbursables	13,807	10,025	8,241	82%
25 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	253,403	275,745	279,803	101%
BPA Internal Support				
26 Additional Post-Retirement Contribution	31,157	34,486	34,486	100%
27 Agency Services G&A	110,928	108,007	109,854	102%
28 Other Income, Expenses & Adjustments	19,453	-	(216)	0%
29 Non-Federal Debt Service <Note 4	624,972	675,693	659,680	98%
30 Depreciation & Amortization <Note 4	393,502	401,818	389,097	97%
31 Total Operating Expenses	2,930,733	3,035,077	2,988,798	98%
32 Net Operating Revenues (Expenses)	354,041	376,031	329,052	88%
Interest Expense and (Income)				
33 Interest Expense	352,982	351,730	331,732	94%
34 AFUDC	(43,062)	(43,204)	(45,845)	106%
35 Interest Income	(37,562)	(38,405)	(43,587)	113%
36 Net Interest Expense (Income)	272,359	270,121	242,301	90%
37 Net Revenues (Expenses)	\$ 81,683	\$ 105,910	\$ 86,752	82%

- <1 For BPA management reports, Gross Sales and Purchase Power are shown separated from the power bookout adjustment (EITF 03-11, effective as of Oct 1, 2003) to provide a better picture of our gross sales and purchase power.
- <2 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.
- <3 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.
- <4 Beginning in FY 2004, consolidated actuals reflect the inclusion of transactions associated with a Variable Interest Entity (VIES), which is in accordance with the FASB Interpretation No. 46 (FIN 46) that is effective as of December, 2003.
- <5 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.
- <6 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by ASC 815, Derivatives and Hedging (formerly SFAS 133), for identified derivative instruments. In FY2010, BPA began applying ASC 980, Regulatory Assets and Liabilities.