

Quarterly Business Review (QBR)

April 29, 2014
2:15 pm – 4:30 pm
Rates Hearing Room

To participate by phone that does not charge long distance, please dial: 1-203-692-6740.

If you are calling long distance, please dial: 1-866-773-9742.

When prompted, enter access code 5486124#

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 Holiday Park for further instructions.

Time	Min	Agenda Topic	Slide	Presenter
2:15	5	Review Agenda	2	Mary Hawken
2:20	15	CFO Spotlight	~	Nancy Mitman
Financial Highlights				
2:35	35	<ul style="list-style-type: none"> ▪ Review of 2nd Quarter Financial Results ▪ Review of 2nd Quarter Forecast 	3-17	Mary Hawken, Cheryl Hargin, Danny Chen, Kyna Alders, Mai Truong
3:10	10	Slice Reporting	18-23	Craig Larson
3:20	10	Review of 1 st Quarter Capital Financial Results & Forecast	24-26	Kathy Rehmer, Kyna Alders
3:30	10	Capital Project Status Report	27-31	Dennis Naef
Other BPA Topics				
3:40	5	CIR/IPR/Debt Management Update	32-33	Mary Hawken
3:45	40	An Introduction to BPA Financial Reserves	34-39	Javier Fernandez
4:25	5	Questions, Comments, Future Meeting Topics	~	Mary Hawken
4:30	~	Adjourn	~	~

Financial Highlights

Financial Overview for FY 2014 through March 31, 2014

FCRPS

- **The 2nd Quarter Review end-of-year (EOY) adjusted net revenue forecast is \$257 million, a \$193 million increase from 1st Quarter, a \$140 million increase from the SOY forecast and a \$119 million increase from the rate case.**
 - The adjusted net revenue estimate in the start-of-year (SOY) forecast is \$117 million and the rate case forecast is \$138 million.
 - The improved EOY forecast is primarily due to higher forecast revenues due to the improved streamflow for the year.
 - The forecast for expenses has been reduced to reflect on-going staffing challenges and lower interest costs.
- **Net revenues through March are \$101 million. Adjusted net revenues are \$186 million.**

Power Services

- **The 2nd Quarter Review EOY forecast for net revenues is \$114 million, a \$164 million increase from 1st Quarter, a \$107 million increase from the SOY forecast and a \$105 million increase from the rate case.**
 - The SOY forecast was \$7 million and the rate case forecast was \$9 million.
 - Revenues are projected to end the year at \$2,842 million. This is \$138 million higher than at the 1st Quarter due to significantly improved water conditions and steady electricity prices.
 - Expenses are forecast to end the year at \$2,727 million. This is \$26 million less than at the 1st Quarter primarily due to:
 - Ongoing retirements and hiring challenges driving down internal operations costs.
 - Lower power purchase expense.
 - After six months of the fiscal year, there is still uncertainty in several factors, such as the timing of runoff in the Columbia River basin and accompanying electricity prices, which will continue to influence this year's actual financial results for Power.
 - The SOY forecast was \$7 million and the rate case forecast was \$9 million.
- **Power Services net revenues through March are \$94 million.**

Financial Overview for FY 2014 through March 31, 2014

Transmission Services

- **The 2nd Quarter EOY net revenue forecast is \$143 million which is \$29 million higher than at the 1st Quarter, a \$33 million increase from the SOY forecast and a \$14 million increase from the rate case.**
 - Revenues are projected to end the year at \$1,047 million. This is \$27 million higher than at the 1st Quarter driven by:
 - Higher Point-to-Point Short Term Revenues due to strong recovery of hydro from ~80% of normal in Q1 to ~105% of normal in Q2.
 - Higher Network Integration revenues due to below normal winter temperatures.
 - Higher Schedule, System Control & Dispatch revenues due to increases in Short-term and Network Integration.
 - Expenses are forecasted to end the year at \$904 million. This is \$2 million less than at the 1st Quarter due to:
 - Ongoing hiring challenges, deferral of the new Alternative Scheduling center functionality, and lower forecast for IT costs driving down operations costs.
 - Lower than expected interest expense.
 - The SOY forecast was \$110 million and the rate case net revenue forecast is \$129 million.
 - The 2nd Quarter Review Net Revenue forecast is a \$14 million increase from the Rate Case primarily due to increased revenues and lower interest expense.
- **Net revenues through March are \$92 million.**

**Federal Columbia River Power System (FCRPS)
FY 2014 SECOND QUARTER REVIEW**

Net Revenues and Reserves

Projection for FY 2014



March 31, 2014

2nd Quarter Review – Executive Highlights

(\$ in Millions)

	A	B	C
	FY 2013 Actuals ^{/2}	FY 2014 Start of Year ^{/2}	FY 2014 Current Quarter Review ^{/2}
1. Revenues ^{/1}	3,413	3,508	3,670
2. Expenses ^{/1}	3,518	3,561	3,584
3. Net Revenues ^{/1,3}	(105)	(54)	86 ^{/7}
4. Adjusted Net Revenue ^{/4}	56	117	257 ^{/7}
5. End of Year Financial Reserves ^{/5}	1,272	1,272	1,087 ^{/7}
6. BPA Accrued Capital Expenditures ^{/6}	632	838	630

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 Revenue is calculated by adding Power Services 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 2014 Second Quarter Financial Results & Second Quarter Forecast

Report ID: 0023FY14

Transmission Services Summary Statement of Revenues and Expenses

Run Date/Time: April 17, 2014/ 04:11

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended March 31, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 50%

	FY 2013		FY 2014			FY 2014
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
Operating Revenues						
1 Sales	\$ 405,460	\$ 803,690	\$ 880,697	\$ 885,210	\$ 902,759	\$ 456,121
2 Miscellaneous Revenues	22,603	54,007	34,349	34,357	33,317	19,631
3 Inter-Business Unit Revenues	57,305	122,177	111,560	108,273	111,243	42,270
4 Total Operating Revenues	485,368	979,873	1,026,607	1,027,840	1,047,319	518,022
Operating Expenses						
5 Transmission Operations	56,922	114,942	140,729	137,877	134,251	60,159
6 Transmission Maintenance	66,657	146,933	154,233	154,348	154,427	65,860
7 Transmission Engineering	17,212	45,876	41,638	41,627	44,810	22,383
8 Trans Services Transmission Acquisition and Ancillary Services	77,047	156,807	131,287	144,052	154,100	77,877
9 Transmission Reimbursables	18,236	27,225	10,530	10,333	8,833	6,094
BPA Internal Support						
10 Additional Post-Retirement Contribution	8,910	17,820	18,501	18,501	18,501	9,251
11 Agency Services G&A	28,304	59,868	59,927	62,713	61,372	29,939
12 Other Income, Expenses & Adjustments	443	(1,629)	-	-	1,384	1,384
13 Depreciation & Amortization	100,071	206,545	197,316	208,515	210,640	105,104
14 Total Operating Expenses	373,803	774,388	754,161	777,966	788,319	378,051
15 Net Operating Revenues (Expenses)	111,565	205,486	272,446	249,874	259,000	139,970
Interest Expense and (Income)						
16 Interest Expense	83,246	174,430	190,047	183,343	163,441	70,443
17 AFUDC	(15,871)	(26,855)	(36,477)	(32,200)	(38,400)	(19,211)
18 Interest Income	(5,722)	(13,493)	(9,647)	(10,921)	(9,038)	(3,391)
19 Net Interest Expense (Income)	61,653	134,082	143,923	140,222	116,003	47,841
20 Net Revenues (Expenses)	\$ 49,912	\$ 71,404	\$ 128,523	\$ 109,652	\$ 142,997	\$ 92,129

<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: 0023FY14

Requesting BL: TRANSMISSION BUSINESS UNIT

Unit of Measure: \$ Thousands

QBR Forecast Analysis: Transmission Services

Through the Month Ended March 31, 2014

Preliminary/ Unaudited

Run Date/Time: April 17, 2014/ 04:11

Data Source: EPM Data Warehouse

% of Year Elapsed = 50%

		A	B	C
		FY 2014		FY 2014
		1st Quarter Forecast	Current EOY Forecast	Current EOY Forecast - 1st Quarter Forecast
Operating Revenues				
1	Sales	\$ 885,925	\$ 902,759	\$ 16,834
2	Miscellaneous Revenues	35,708	33,317	(2,392)
3	Inter-Business Unit Revenues	98,940	111,243	12,303
4	Total Operating Revenues	1,020,573	1,047,319	26,746
Operating Expenses				
5	Transmission Operations	137,129	134,251	(2,878)
6	Transmission Maintenance	155,545	154,427	(1,118)
7	Transmission Engineering	45,561	44,810	(750)
8	Trans Services Transmission Acquisition and Ancillary Services	152,946	154,100	1,154
9	Transmission Reimbursables	8,822	8,833	11
BPA Internal Support				
10	Additional Post-Retirement Contribution	18,501	18,501	-
11	Agency Services G&A	62,766	61,372	(1,394)
12	Other Income, Expenses & Adjustments	(2,238)	1,384	3,623
13	Depreciation & Amortization	208,515	210,640	2,125
14	Total Operating Expenses	787,546	788,319	772
15	Net Operating Revenues (Expenses)	233,027	259,000	25,973
Interest Expense and (Income)				
16	Interest Expense	163,975	163,441	(534)
17	AFUDC	(34,600)	(38,400)	(3,800)
18	Interest Income	(10,197)	(9,038)	1,159
19	Net Interest Expense (Income)	119,178	116,003	(3,175)
20	Net Revenues (Expenses)	\$ 113,849	\$ 142,997	\$ 29,148

Report ID: 0063FY14

Transmission Services Revenue Detail by Product

Run Date/Time: April 17, 2014 04:10

Requesting BL: TRANSMISSION BUSINESS UNIT Through the Month Ended March 31, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 50%

Transmission Services Operating Revenues

		A	B	C	D
		FY 2014			FY 2014
		Rate Case	SOY Budget	Current EOY Forecast	Actuals
NETWORK					
1	PTP - LONG TERM	\$ 425,004	\$ 422,291	\$ 419,981	\$ 207,533
2	NETWORK INTEGRATION	127,650	127,650	131,572	74,876
3	INTEGRATION OF RESOURCES	22,328	22,328	22,328	12,843
4	FORMULA POWER TRANSMISSION	29,940	28,982	28,982	14,484
5	PTP - SHORT TERM	28,301	25,635	32,356	4,276
6	TOTAL: NETWORK	633,223	626,887	635,219	314,012
ANCILLARY SERVICES					
7	SCHEDULING, SYSTEM CONTROL & DISPATCH	122,424	121,231	122,980	60,235
8	OPERATING RESERVES - SPIN & SUPP	41,162	45,514	54,160	25,387
9	VARIABLE RES BALANCING	58,631	58,617	58,332	29,325
10	REGULATION & FREQ RESPONSE	5,991	5,991	6,081	3,286
11	ENERGY & GENERATION IMBALANCE	-	4,248	6,203	2,843
12	DISPATCHABLE RES BALANCING	3,116	3,191	2,497	930
13	TOTAL: ANCILLARY SERVICES	231,324	238,792	250,252	122,006
INTERTIE					
14	SOUTHERN INTERTIE LONG TERM	81,551	81,788	81,957	40,874
15	SOUTHERN INTERTIE SHORT TERM	4,187	4,045	4,972	884
16	MONTANA INTERTIE LONG TERM	115	115	115	57
17	MONTANA INTERTIE SHORT TERM	-	-	-	18
18	TOTAL: INTERTIE	85,853	85,948	87,043	41,833

Report ID: 0063FY14

Transmission Services Revenue Detail by Product

Run Date/Time: April 17, 2014 04:10

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended March 31, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 50%

		A	B	C	D
		FY 2014			FY 2014
		Rate Case	SOY Budget	Current EOY Forecast	Actuals
OTHER REVENUES & CREDITS					
19	TOWNSEND-GARRISON TRANS	\$ 12,421	\$ 12,421	\$ 12,417	\$ 6,194
20	GEN INTEGRATION - OTHER REV	9,296	9,296	9,296	4,649
21	USE OF FACILITIES	5,147	5,147	5,087	2,538
22	POWER FACTOR PENALTY	3,566	3,566	3,393	1,409
23	NFP - DEPR PNW PSW INTERTIE	2,943	2,943	3,097	1,648
24	AC - PNW PSW INTERTIE - OTH REV	1,594	1,603	1,647	841
25	OPERATIONS & MAINT - OTHER REV	1,054	1,054	1,021	501
26	COE & BOR PROJECT REV	954	954	954	477
27	RESERVATION FEE - OTHER REV	316	316	826	872
28	TRANSMISSION SHARE IRRIGATION	382	382	382	27
29	LAND LEASES AND SALES	301	301	356	262
30	OTHER LEASES REVENUE	84	84	114	21
31	REMEDIAL ACTION - OTHER REV	51	51	46	19
32	MISC SERVICES - LOSS-EXCH-AIR	100	100	457	91
33	FAILURE TO COMPLY - OTHER REV	-	-	99	212
34	UNAUTHORIZED INCREASE - OTH REV	-	-	140	165
35	OTHER REVENUE SOURCES	-	-	-	(78)
36	TOTAL: OTHER REVENUES & CREDITS	38,209	38,216	39,332	19,850
FIBER & PCS					
37	FIBER OTHER REVENUE	7,876	7,876	9,109	4,330
38	WIRELESS/PCS - OTHER REVENUE	4,861	4,861	3,692	2,991
39	WIRELESS/PCS - REIMBURSABLE REV	1,185	1,185	2,122	1,772
40	FIBER OTHER REIMBURSABLE REV	1,157	1,157	906	1,006
41	TOTAL: FIBER & PCS	15,080	15,080	15,828	10,099
REIMBURSABLE					
42	REIMBURSABLE - OTHER REVENUE	17,019	17,019	13,793	7,312
43	ACCRUAL REIMBURSABLE	-	-	-	-
44	TOTAL: REIMBURSABLE	17,019	17,019	13,793	7,312
DELIVERY					
45	UTILITY DELIVERY CHARGES	3,266	3,266	3,231	1,606
46	DSI DELIVERY	2,633	2,633	2,620	1,304
47	TOTAL: DELIVERY	5,899	5,899	5,851	2,910
48	TOTAL: Transmission Services Operating Revenues	\$ 1,026,607	\$ 1,027,840	\$ 1,047,319	\$ 518,022

Report ID: 0021FY14	Power Services Summary Statement of Revenues and Expenses	Run Date/Time: April 17, 2014 04:11
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended March 31, 2014	Data Source: EPM Data Warehouse
Unit of measure: \$ Thousands	Preliminary/ Unaudited	% of Year Elapsed = 50%

	FY 2013		FY 2014			FY 2014 Actuals: FYTD	
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast		
	A	B	C	D	E <Note 1		
Operating Revenues							
1	Gross Sales (excluding bookout adjustment) <Note 2	\$ 1,289,018	\$ 2,438,468	\$ 2,434,517	\$ 2,450,598	\$ 2,585,607	\$ 1,323,053
2	Bookout Adjustment to Sales	(49,769)	(66,587)	-	-	(30,409)	(30,409)
3	Miscellaneous Revenues	12,644	28,013	29,689	35,816	30,485	12,211
4	Inter-Business Unit	70,161	143,689	117,696	128,405	138,381	71,355
5	U.S. Treasury Credits	48,922	88,692	101,773	101,773	117,740	83,820
6	Total Operating Revenues	1,370,976	2,632,274	2,683,675	2,716,591	2,841,804	1,460,030
Operating Expenses							
Power System Generation Resources							
Operating Generation Resources							
7	Columbia Generating Station	177,278	330,066	298,751	300,514	300,040	139,100
8	Bureau of Reclamation	46,769	127,116	140,601	140,601	140,601	53,331
9	Corps of Engineers	98,907	208,096	225,687	225,687	225,687	102,799
10	Long-term Contract Generating Projects	12,368	22,518	25,999	25,284	21,760	8,997
11	Operating Generation Settlement Payment	11,419	22,122	21,405	21,405	19,726	8,272
12	Non-Operating Generation	1,125	(25,878)	2,206	2,400	2,400	886
13	Gross Contracted Power Purchases and Aug Power Purchases	157,110	220,987	76,915	95,444	199,782	180,103
14	Bookout Adjustment to Power Purchases	(49,769)	(66,587)	-	-	(30,409)	(30,409)
15	Residential Exchange/IOU Settlement Benefits <Note 2	114,366	201,933	201,919	201,919	201,919	113,978
16	Renewables	14,633	30,463	39,799	39,807	40,189	16,904
17	Generation Conservation	16,169	36,078	48,408	55,760	44,277	16,118
18	Subtotal Power System Generation Resources	600,375	1,106,913	1,081,689	1,108,822	1,165,972	610,079
19	Power Services Transmission Acquisition and Ancillary Services	73,752	162,351	164,845	164,311	167,280	70,538
20	Power Non-Generation Operations	37,965	79,302	92,156	89,980	82,221	35,814
21	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	137,285	277,802	295,238	295,238	295,238	133,142
BPA Internal Support							
22	Additional Post-Retirement Contribution	8,910	17,820	18,501	18,501	18,501	9,251
23	Agency Services G&A	25,096	52,108	55,102	59,353	55,886	26,004
24	Other Income, Expenses & Adjustments	720	(127)	-	-	885	885
25	Non-Federal Debt Service	252,967	518,536	514,848	515,983	515,112	276,979
26	Depreciation & Amortization	110,375	223,172	224,447	227,870	229,870	114,046
27	Total Operating Expenses	1,247,446	2,437,878	2,446,827	2,480,057	2,530,965	1,276,737
28	Net Operating Revenues (Expenses)	123,530	194,397	236,849	236,534	310,839	183,293
Interest Expense and (Income)							
29	Interest Expense	112,007	235,578	254,797	255,092	220,756	101,104
30	AFUDC	(6,010)	(10,674)	(11,168)	(11,900)	(11,189)	(5,470)
31	Interest Income	(4,215)	(15,444)	(15,845)	(13,894)	(13,060)	(6,121)
32	Net Interest Expense (Income)	101,781	209,460	227,784	229,298	196,507	89,513
33	Net Revenues (Expenses)	\$ 21,748	\$ (15,064)	\$ 9,065	\$ 7,236	\$ 114,332	\$ 93,780

<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 benefit 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: 0021FY14	QBR Forecast Analysis: Power Services	Run Date/Time: April 17, 2014 04:11
Requesting BL: POWER BUSINESS UNIT Through the Month Ended March 31, 2014	Preliminary/ Unaudited	Data Source: EPM Data Warehouse
Unit of measure: \$ Thousands		% of Year Elapsed = 50%

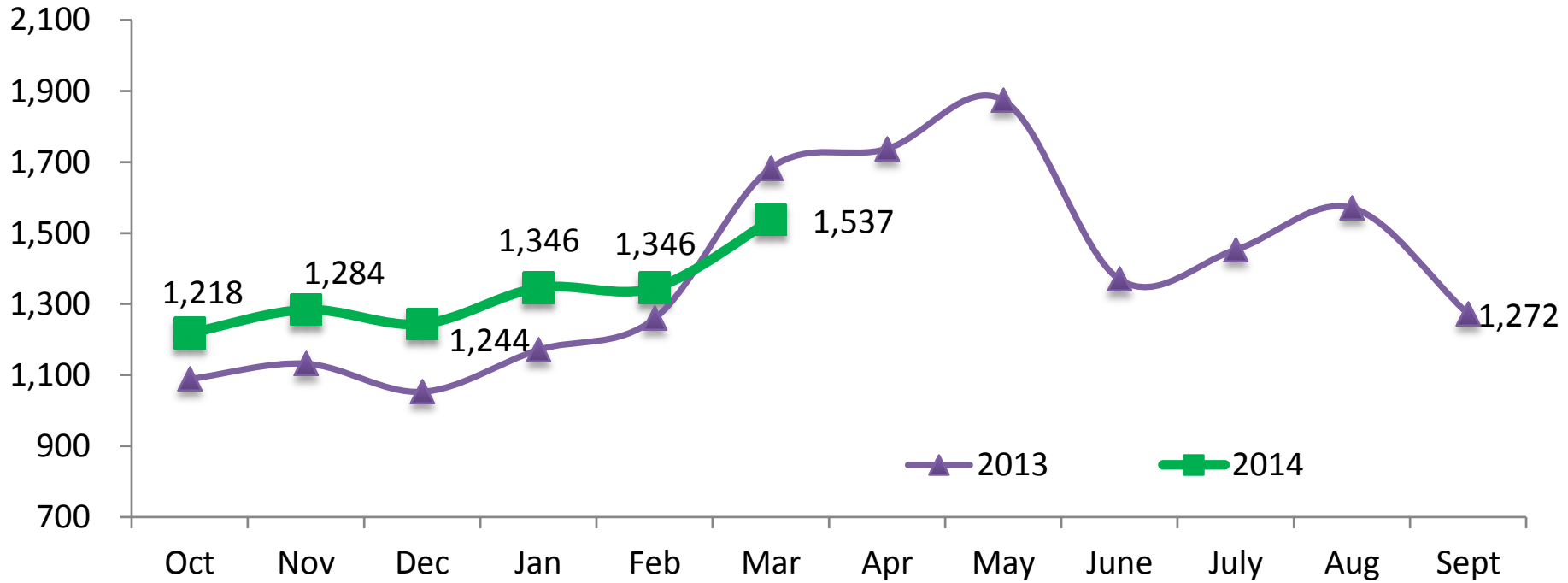
	FY 2014		FY 2014
	A	B	C
	1st Quarter Forecast	Current EOY Forecast	Current EOY Forecast - 1st Quarter Forecast
Operating Revenues			
1	\$ 2,426,052	\$ 2,585,607	\$ 159,554
2	(8,085)	(30,409)	(22,323)
3	31,099	30,485	(614)
4	135,643	138,381	2,738
5	119,077	117,740	(1,337)
6	2,703,786	2,841,804	138,017
Operating Expenses			
7			
8	300,040	300,040	-
9	140,601	140,601	-
10	225,687	225,687	-
11	22,443	21,760	(683)
12	21,405	19,726	(1,679)
13	2,400	2,400	-
14	204,082	199,782	(4,301)
15	(8,085)	(30,409)	(22,323)
16	201,919	201,919	-
17	40,189	40,189	-
18	47,443	44,277	(3,165)
18	1,198,124	1,165,972	(32,151)
19	154,847	167,280	12,433
20	89,381	82,221	(7,161)
21	295,238	295,238	-
22	18,501	18,501	-
23	55,594	55,886	292
24	(68)	885	954
25	515,984	515,112	(871)
26	227,870	229,870	2,000
27	2,555,470	2,530,965	(24,505)
28	148,316	310,839	162,523
Interest Expense and (Income)			
29	221,652	220,756	(896)
30	(11,400)	(11,189)	211
31	(12,593)	(13,060)	(467)
32	197,659	196,507	(1,152)
33	\$ (49,343)	\$ 114,332	\$ 163,675

Report ID: 0064FY14	Power Services Detailed Statement of Revenues by Product	Run Date\Time: April 17, 2014 04:10
Requesting BL: POWER BUSINESS UNIT	Through the Month Ended March 31, 2014	Data Source: EPM Data Warehouse
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Elapsed = 50%

		A	B	C	D
		FY 2014		FY 2014	FY 2014
		Rate Case	SOY Budget	Actuals	Actuals per Rate Case
Operating Revenues					
Gross Sales (excluding bookout adjustment)					
PF Tier 1 Revenues					
Load Following					
1	Composite	\$ 1,076,106	\$ 1,076,106	\$ 538,126	50%
2	Non-Slice	(165,482)	(165,482)	(82,810)	50%
3	Load Shaping	6,306	6,306	24,820	394%
4	Demand	42,954	42,954	32,537	76%
5	Discounts / Fees	(44,565)	(44,565)	(15,946)	36%
6	RSS / RSC	430	430	148	35%
7	REP Refund	(33,152)	(33,152)	(16,576)	50%
8	Other	-	-	(146)	0%
9	Sub-Total: Load Following	882,597	882,597	480,153	54%
Block					
10	Composite	606,124	606,124	296,300	49%
11	Non-Slice	(93,209)	(93,209)	(45,435)	49%
12	Load Shaping	(2,884)	(2,884)	29,997	-1140%
13	Demand	-	-	-	0%
14	Discounts / Fees	(4,837)	(4,837)	-	-100%
15	RSS / RSC	-	-	-	0%
16	REP Refund	(22,711)	(22,711)	(10,337)	46%
17	Other	-	-	(123)	0%
18	Sub-Total: Block	482,483	482,483	270,402	56%
Slice					
19	Composite	626,613	626,613	312,351	50%
20	Slice	-	-	-	0%
21	Discounts / Fees	(4,717)	(4,717)	(1,614)	34%
22	REP Refund	(20,674)	(20,674)	(11,356)	55%
23	Other	-	-	-	0%
24	Sub-Total: Slice	601,222	601,222	299,381	50%
25	PF Tier 2 Revenues	5,502	5,502	2,744	50%
26	NR Revenues	-	-	-	0%
27	IP Revenues	106,510	106,583	58,426	55%
28	FPS Revenues	325,277	342,087	177,161	54%
29	Other Revenues	30,926	30,123	34,786	112%
30	Gross Sales (excluding bookout adjustment)	2,434,517	2,450,598	1,323,053	54%
31	Bookout Adjustment to Sales	-	-	(30,409)	0%
32	Miscellaneous Revenues	29,689	35,816	12,211	41%
33	Inter-Business Unit	117,696	128,405	71,355	61%
34	U.S. Treasury Credits	101,773	101,773	83,820	82%
35	Total Operating Revenues	2,683,675	2,716,591	1,460,030	54%

Financial Reserves

Reserves as of the end of March 2014 are \$1,537 million



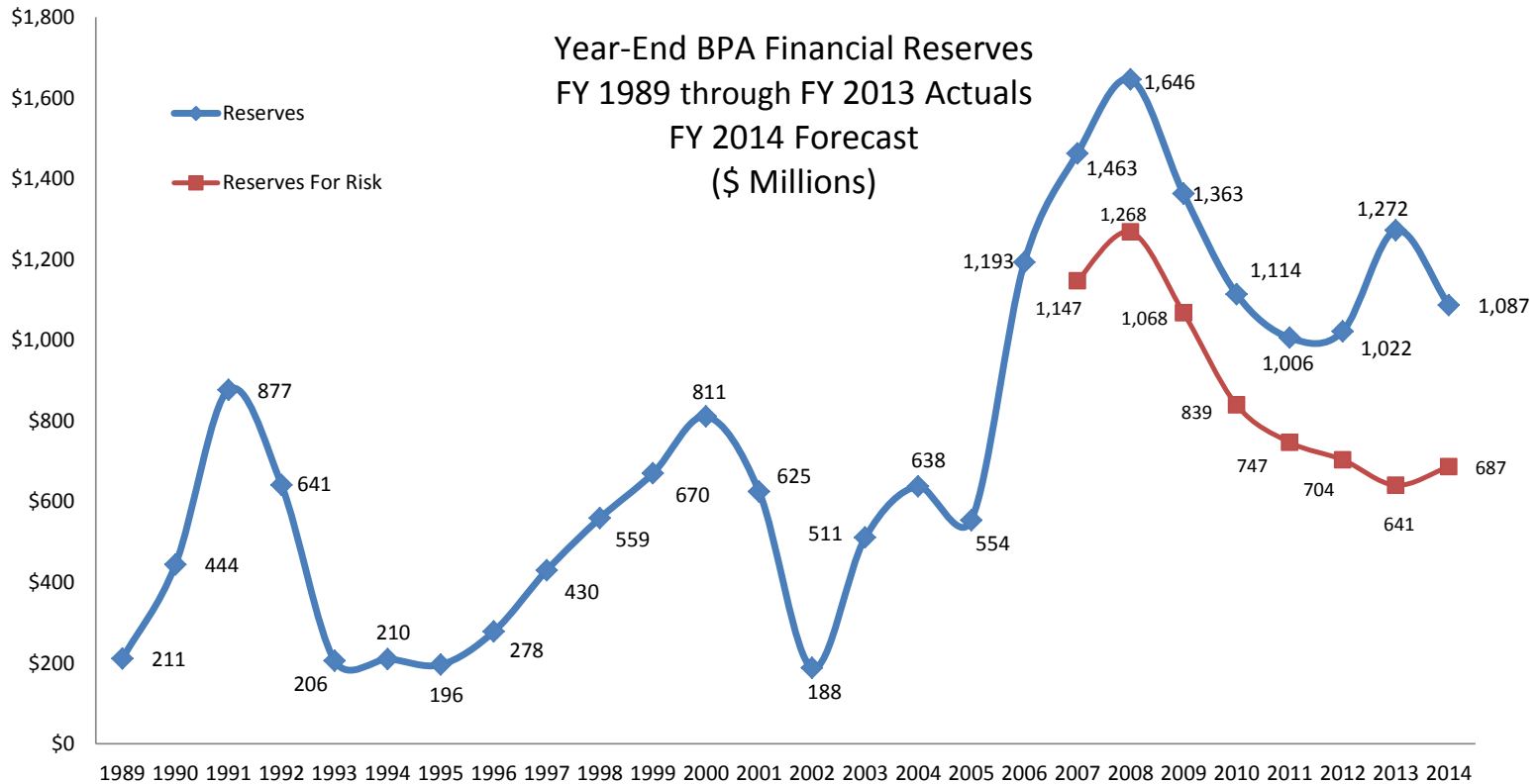
Unaudited

Q2 - End of FY14 Reserves Forecast

(\$ Millions)	Split		
	Power	Trans	Total
End FY14 Reserves Forecast	538	550	1,087
Less: End of FY14 Reserves Not for Risk Forecast	296	105	401
Reserves Available for Risk Forecast	241	445	687

* Rounding

BPA Financial Reserves FY 1989 - FY 2014



Noteworthy Events

Energy Northwest Refinancing

Low Aluminum Prices (VR Price)

Rising Power Market Prices

Direct Pay In Effect

Unanticipated Fish Flow Costs

Energy Northwest Debt Service Reserve Free Ups

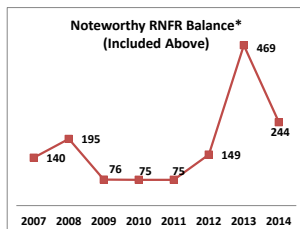
ST Note Available

Higher O&M Expenses

2008 \$300M

2009-2014 \$750M

Power Prepayment Funds



* Noteworthy Reserves Not For Risk (RNFR) Balance include - Cal ISO Settlement and Prepayment Funds.

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

Craig Larson
Public Utilities Specialist

Q2 Forecast of FY 2014 Slice True-Up Adjustment

	FY 2014 Forecast \$ in thousands
February 11, 2014 First Quarter Business Review	(\$16,785)
April 29, 2014 Second Quarter Business Review	(\$19,021)
Aug 5, 2014 Third Quarter Business Review	
November 5, 2014 Fourth Quarter Business Review	
Actual Slice True-Up Adjustment Charge/Credit (negative amount = credit on bill)	

Summary of Differences From Q2 Forecast to FY 14 (BP-14)

#		Composite Cost Pool True-Up Table Reference	Q2 – FY 14 \$ in thousands
1	Total Expenses	Row 109	\$(35,927)
2	Total Revenue Credits	Rows 128 + 137	\$44,378
3	Minimum Required Net Revenue	Row 149	\$10,615
4	TOTAL Composite Cost Pool (1 - 2 + 3) (\$35,927K) – \$44,378K+ \$10,615K = (\$69,690K)	Row 151	(\$69,690)
5	TOTAL in line 4 divided by <u>0.9755924</u> sum of TOCAs (\$69,690K) / (0.9755924) = (\$71,434K)	Row 156	(\$71,434)
6	Q2 Forecast of FY 14 True-up Adjustment 26.62752 percent of Total in line 5 0.2662752 * (\$63,037K) = (\$19,021K)	Row 157	(\$19,021)

Lower Level Differences From Q2 Forecast to FY14 (BP-14)

#	Line Item of Values Changed Over \$2M	Composite Cost Pool True-Up Table Reference	Q2 – FY 2014 Rate Case (\$ in thousands)
1	LONG-TERM CONTRACT GENERATING PROJECTS	Row 7	\$ (4,239)
2	OTHER POWER PURCHASES (omit, except Designated Obligations or Purchases)	Row 20	\$ 10,233
3	CONSERVATION ACQUISITION	Row 37	\$ (2,565)
4	OPERATIONS SCHEDULING	Row 54	\$ (2,310)
5	Net Interest Expense	Row 105	\$ (35,103)
6	Generation Inputs for Ancillary, Control Area, and Other Services Revenues	Row 112	\$ 20,685
7	Downstream Benefits and Pumping Power revenues	Row 113	\$ 3,107
8	4(h)(10)(c) credit	Row 114	\$ 15,967
9	Energy Efficiency Revenues	Row 116	\$ (2,459)
10	WNP-3 Settlement revenues	Row 121	\$ 6,638
11	Depreciation	Row 142	\$ 7,492
12	Amortization	Row 143	\$ (2,070)
13	Bond Call Premium/Discount	Row 145	\$ (19,562)
14	Principal Payment of Fed Debt exceeds non cash expenses	Row 148	\$ 14,139

Composite Cost Pool Interest Credit

	<u>Q1 2014</u>	<u>Q2 2014</u>
Reserves Prior to FY 2002	495,600	495,600
Adjustments for pre-2002 Items	74,655	74,655
Reserves for Composite Cost Pool (Line 1 + Line 2)	570,255	570,255
Composite Interest Rate	2.48%	1.95%
Composite Interest Credit	(14,120)	(11,127)
Prepay Offset Credit	(8,194)	(4,791)
Total Interest Credit for Power Services	(12,593)	(13,060)
Non-Slice Interest Credit (Line 7 - (Line 5+6))	9,721	2,858

Net Interest Expense in Slice True-Up Forecast

	<i>\$ in thousands</i>	<i>\$ in thousands</i>
	<u>2014 Rate Case</u>	<u>Q2 Forecast</u>
▪ Federal Appropriation	\$222,306	\$221,100
▪ Capitalization Adjustment	(\$45,937)	(\$45,937)
▪ Borrowings from US Treasury	\$ 63,653	\$ 30,818 ¹
▪ <u>Prepay Interest Expense</u>	<u>\$ 14,775</u>	<u>\$ 14,775</u>
▪ Interest Expense	\$254,797	\$220,756
▪ AFUDC	(\$11,168)	(\$11,189)
▪ Interest Income (composite)	(\$ 7,927)	(\$11,127)
▪ <u>Prepay Offset Credit</u>	<u>(\$ 6,950)</u>	<u>(\$4,791)</u>
▪ Total Net Interest Expense	\$228,752	\$193,649

Note:

1. A Bond Call Discount of (\$19.562 million) is in the Borrowings from US Treasury and shown in MRNR as a non-cash reduction in interest expense.

FY 2014 Second Quarter Capital Financial Results & FY 2014 Second Quarter Forecast

Report ID: 0027FY14
 Requesting BL: CORPORATE BUSINESS UNIT
 Unit of Measure: \$Thousands

BPA Statement of Capital Expenditures
 FYTD Through the Month Ended March 31, 2014
 Preliminary Unaudited

Run Date/Run Time: April 17, 2014/ 04:13
 Data Source: EPM Data Warehouse
 % of Year Elapsed = 50%

		FY 2014		FY 2014		FY 2014	
		SOY Budget	Current EOY Forecast	Actuals: Mar	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast
Transmission Business Unit							
1	MAIN GRID	\$ 131,305	\$ 175,795	\$ 11,141	\$ 44,170	34%	25%
2	AREA & CUSTOMER SERVICE	27,133	12,909	1,393	7,280	27%	56%
3	SYSTEM REPLACEMENTS	233,973	261,412	20,149	103,309	44%	40%
4	UPGRADES & ADDITIONS	256,548	211,422	11,192	66,233	26%	31%
5	ENVIRONMENT CAPITAL	6,804	6,601	252	2,780	41%	42%
PFIA							
6	MISC. PFIA PROJECTS	4,802	3,158	275	1,779	37%	56%
7	GENERATOR INTERCONNECTION	10,118	639	4	74	1%	12%
8	SPECTRUM RELOCATION	200	(3)	1	12	6%	-378%
9	CAPITAL INDIRECT	()	-	43	(2,444)	0%	0%
10	LAPSE FACTOR	(33,158)	-	-	-	0%	0%
11	TOTAL Transmission Business Unit	637,724	671,933	44,451	223,193	35%	33%
Power Business Unit							
12	BUREAU OF RECLAMATION	78,181	47,538	2,113	19,894	25%	42%
13	CORPS OF ENGINEERS	159,461	151,325	10,353	57,884	36%	38%
14	GENERATION CONSERVATION	75,200	75,200	18,543	39,495	53%	53%
15	POWER INFORMATION TECHNOLOGY	9,726	9,000	492	3,219	33%	36%
16	FISH & WILDLIFE	60,275	50,000	1,969	13,151	22%	26%
17	LAPSE FACTOR	(11,882)	-	-	-	0%	0%
18	TOTAL Power Business Unit	370,961	333,063	33,470	133,642	36%	40%
Corporate Business Unit							
19	CORPORATE BUSINESS UNIT	30,060	26,768	1,138	8,703	29%	33%
20	TOTAL Corporate Business Unit	30,060	26,768	1,138	8,703	29%	33%
21	TOTAL BPA Capital Expenditures	\$ 1,038,745	\$ 1,031,763	\$ 79,058	\$ 365,538	35%	35%

Report ID: 0027FY14
 Requesting BL: CORPORATE BUSINESS UNIT
 Unit of Measure: \$Thousands

QBR Forecast Analysis: BPA Capital Expenditures
 FYTD Through the Month Ended March 31, 2014
 Preliminary Unaudited

Run Date/Run Time: April 17, 2014 04:13
 Data Source: EPM Data Warehouse
 % of Year Elapsed = 50%

		A	B	C
		FY 2014		FY 2014
		1st Quarter Forecast	Current EOY Forecast	Current EOY Forecast - 1st Quarter Forecast
Transmission Business Unit				
1	MAIN GRID	\$ 141,079	\$ 175,795	\$ 34,716
2	AREA & CUSTOMER SERVICE	15,165	12,909	(2,256)
3	SYSTEM REPLACEMENTS	238,926	261,412	22,486
4	UPGRADES & ADDITIONS	216,229	211,422	(4,807)
5	ENVIRONMENT CAPITAL	6,602	6,601	(1)
	PFIA	-	-	-
6	MISC. PFIA PROJECTS	3,552	3,158	(394)
7	GENERATOR INTERCONNECTION	1,270	639	(631)
8	SPECTRUM RELOCATION	8	(3)	(11)
9	CAPITAL INDIRECT	-	-	-
10	LAPSE FACTOR	-	-	-
11	TOTAL Transmission Business Unit	622,831	671,933	49,102
Power Business Unit				
12	BUREAU OF RECLAMATION	47,541	47,538	(3)
13	CORPS OF ENGINEERS	152,917	151,325	(1,592)
14	GENERATION CONSERVATION	75,200	75,200	-
15	POWER INFORMATION TECHNOLOGY	9,000	9,000	-
16	FISH & WILDLIFE	50,000	50,000	-
17	LAPSE FACTOR	-	-	-
18	TOTAL Power Business Unit	334,658	333,063	(1,595)
Corporate Business Unit				
19	CORPORATE BUSINESS UNIT	29,502	26,768	(2,734)
20	TOTAL Corporate Business Unit	29,502	26,768	(2,734)
21	TOTAL BPA Capital Expenditures	\$ 986,991	\$ 1,031,763	\$ 44,772

Capital Project Status Report

Dennis Naef
Asset Strategist

Major Capital Projects ¹ - End-of-Project Target Performance						Q1 2014	
Project	Description	Direct Capital \$M ²			In-Service Date		
		Target	Forecast	Actual ³	Target	Forecast	
Transmission							
Spacer Damper Replacement Program (FY08-12)	Replace all spring type double and triple bundle spacer-dampers on the 500 kV system.	\$ 65.2	\$ 46.6	\$ 45.6	9/30/2012 for 95% completion	11/28/14	
Sustain Steel Program Defective Damper Replacements	Replace approximately 1,700 mile of defective PPI spacer dampers.	\$28.0 to \$34.4 for FY12-FY14	\$ 32.1	\$ 23.2	Achieve 100% of workplan thru FY14	Achieve 89% of workplan thru FY14	
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	\$ 44.9	\$ 40.3	12/31/13	11/21/14	
Fleet Equipment Replacement Program FY10-13	Heavy duty and specialized vehicle replacement program for FY10, FY11 and part of FY12.	\$ 29.6	\$ 28.1	\$ 25.7	3/31/12	4/30/14	
Fleet Mobile Equipment Replacement FY14-16	Heavy duty and specialized vehicle replacement program for FY14-16	\$ 16.4	\$ 16.4	\$ 0.0	9/30/16	9/30/16	
#KC SONET Phase II Spur Healing	Complete the digital microw ave and radio conversion in Oregon.	\$ 18.0	\$ 18.0	\$ 11.8	12/31/15	12/31/15	
#NC Analog Microwave Replacement	Complete the digital microw ave and radio conversion in NW Washington.	\$ 13.6	\$ 10.5	\$ 6.5	12/31/15	12/15/16	
Alvey Substation 500 kV Shunt Reactor	Add a 500 kV shunt reactor for voltage stabilization.	\$ 10.9	\$ 10.3	\$ 3.7	4/30/12	12/30/15	
NEPA - I-5 Corridor Reinforcement	Conduct NEPA study, preliminary engineering and design.	\$ 45.0	\$ 44.7	\$ 38.8	1/31/13	12/15/14	
West of McNary Reinforcement Group 2 Big Eddy - Knight	New 500 kV substation and 28 miles of 500 kV transmission line.	\$ 180.0	\$ 186.0	\$ 149.8	Substation Energized 3/31/2013 Reactor Energized 11/30/14	Substation Energized 8/31/2015 Reactor Energized 8/31/15	
DC RAS Upgrade	Replace the DC RAS controllers at Celilo with upgraded units at the Ross and Munro control centers.	\$ 11.8	\$ 11.3	\$ 10.9	11/30/13	11/30/13	
Synchrophasor Project	5-year effort to acquire, install, test, and implement synchronized Wide Area Measurement (WAM) and control technology at BPA.	\$ 32.5	\$ 30.7	\$ 28.0	9/30/15	9/30/15	
Wood Pole Line Sustain Program FY14 - FY15	Implement a stable, sustained wood pole replacement program. The four year plan includes cumulative cost and work plan completion targets.	At least \$32.3 for FY14	\$ 46.6	\$ 4.9	Achieve 100% of workplan	Achieve 100% of workplan	
Steel Lines Sustain Program FY14 - FY15	Implement a stable, sustained steel line replacement program. The four year plan includes cumulative cost and work plan completion targets.	At least \$11.6 for FY14	\$ 11.6	\$ 3.5	Achieve 100% of workplan	Achieve 100% of workplan	
System Protection and Control (SPC) Sustain Program FY14 - FY15	Implement a stable, sustained SPC replacement program. The four year plan includes cumulative cost and work plan completion targets.	At least \$16.0 for FY14	\$ 30.0	\$ 7.4	Achieve 90% to 100% of workplan	Achieve 95% of workplan	

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² Direct capital costs exclude AFUDC and overheads

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Major Capital Projects ¹ - End-of-Project Target Performance						Q1 2014	
Project	Description	Direct Capital \$M ²			In-Service Date		
		Target	Forecast	Actual ³	Target	Forecast	
Transmission - continued							
Control Replacement California - Oregon Intertie (COI) Series Capacitors	Replace protection and control systems for the series capacitor banks. Target includes 20% other owner's share.	\$ 15.7	\$ 12.3	\$ 12.1	3/30/14	4/18/14	
Ross - Schultz Fiber Replacement	Replace the obsolete and limited 36 strand fiber with standard 72 strand fiber.	\$ 34.0	\$ 34.0	\$ 3.5	9/15/17	9/15/17	
#DC Microwave Analog Spur Replacement	Complete the digital microwave and radio conversion in Northeast Washington.	\$ 39.5	\$ 37.0	\$ 23.0	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.	\$ 90.0	\$ 89.8	\$ 19.8	Line Energized 11/1/2015 Indoor Equipment 12/31/15	Line Energized 11/1/2015 Indoor Equipment 12/31/15	
Rights-of-Way Access Roads and Land Rights Acquisition Program FY13 to FY15	Implement a stable, sustained ROW program. The three year plan includes cumulative cost and work plan completion targets.	At least \$29.4 for FY13-14	\$ 54.2	\$ 21.9	Achieve 100% of workplan	87% of workplan	
P25 Two-Way Mobile Radio Upgrade	Replace and upgrade the mobile two-way radio system to P25 technology.	\$ 64.5	\$ 64.0	\$ 1.8	9/30/17	9/30/17	
Switchgear Replacement for Fault Duty FY12	Replace under-rated switchgear identified in annual screening process.	\$ 14.9	\$ 17.4	\$ 13.8	12/31/14	9/30/14	
Pacific DC Intertie Upgrade - Station Work	Modernize the Cello converter terminal and upgrade capacity from 3100 MW to 3220 MW for north to south power flow with a future upgrade	\$ 275.8	\$ 273.5	\$ 50.1	12/20/15	12/20/15	
Pacific DC Intertie Upgrade - Line Work		\$ 40.0	\$ 39.9	\$ 4.4	10/31/17	10/31/17	
Puget Sound Area Northern Intertie (PSANI) Memorandum of Agreement	Install a 500/230 kV transformer bank addition at Raver Substation.	\$ 56.4	\$ 56.4	\$ 1.1	9/30/16	9/14/16	
Horse Butte Wind Interconnection	Interconnect UAMPS wind project.	\$ 10.2	\$ 8.2	\$ 8.1	11/30/12	9/15/14	
MT to WA Transmission System Upgrade - NEPA	NEPA and preliminary engineering and design for the former CUP West project.	\$ 7.2	\$ 5.9	\$ 0.6	3/31/15	3/30/15	
Lower Valley NEPA (Hooper Springs)	NEPA and preliminary engineering and design work for the Lower Valley Area Reinforcement project.	\$ 19.1	\$ 19.0	\$ 18.1	11/1/13	2/2/15	
AC Substations Sustain Program FY13-15	Implement a stable AC substation equipment replacement program. The 3 year plan includes cumulative cost and scope/schedule targets.	Up to \$28.3 for FY13-14	\$ 36.8	\$ 11.8	Deliver 100% of workplan	Deliver 100% of workplan	
PSC/Telecom Sustain Program FY13-15	Implement a stable PSC/Telecom equipment replacement program. The 3 year plan includes cumulative cost and scope/schedule targets.	Up to \$25.3 for FY13-14	\$ 19.6	\$ 6.5	Deliver 100% of workplan	Deliver 68% of workplan	

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Major Capital Projects¹ - End-of-Project Target Performance Q1 2014

Project	Description	Direct Capital \$M ²			In-Service Date	
		Target	Forecast	Actual ³	Target	Forecast
Transmission - continued						
#JC Microwave Upgrade	Complete the digital conversion for the upper part of the #JC communications ring.	\$ 13.5	\$ 13.5	\$ 1.7	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	\$ 4.8	3/30/17	3/30/17
McNary Substation - Additional 500 kV Transformer	Install an additional transformer bank to handle increased loading.	\$ 20.2	\$ 22.5	\$ 0.0	5/30/17	12/31/17
Umatilla Electric Cooperative (UEC) Line and Load Requests	Construct Longhorn Substation Annex and add three bays at McNary Substation.	\$ 40.6	\$ 37.3	\$ 6.4	9/3/15	11/20/15
Paul Substation Shunt Reactor Addition	Install an additional reactor in the Portland area for voltage control.	\$ 9.5	\$ 9.5	\$ 0.0	4/30/16	4/30/16
Raver Substation - Replace Reactor	Replace the failed 180 MVAR reactor with a 300 MVAR unit.	\$ 7.2	\$ 7.2	\$ 0.0	6/30/15	9/30/15
Control House Upgrades	Expand or replace ten substation control houses to replacing failing or inadequate units.	\$ 13.3	\$ 13.3	\$ 0.0	6/15/16	6/16/16
Federal Hydro						
Grand Coulee and Hungry Horse SCADA Replacement	Replace SCADA systems at Grand Coulee and Hungry Horse.	\$ 46.8	\$ 46.8	\$ 36.9	9/30/15	12/31/19
Grand Coulee Left Powerhouse Transformer Replacement	Replace transformer banks K1, K5, K7, K8 and purchase one spare transformer bank.	\$ 15.7	\$ 15.7	\$ 12.3	10/31/14	12/31/14
Grand Coulee 500kV Switchyard Relay Replacement	Replace relays and transfer trip between the third power plant and 500kV switchyard and between the 230kV and 500kV switchyards.	\$ 7.6	\$ 7.6	\$ 5.7	9/30/14	11/16/14
Grand Coulee Pre Overhaul - Winding Replacement G19, G20	Replace the stator core and windings on units G19 and G20.	N/A ⁴	N/A ⁴	\$ 0.7	5/31/13	4/29/18
Grand Coulee Stator Windings, Cores and Spare G1-G18	Replace 14 stator cores and windings. G4,5,7,9 were previously replaced.	\$ 123.0	\$ 123.0	\$ -	12/2/23	12/2/23
Grand Coulee Exciter Replacements G1-G18	Replace the excitation equipment for all 18 units.	\$ 50.6	\$ 50.6	\$ -	12/2/23	12/2/23
Grand Coulee Governor Replacements G1-G18	Replace the governors and select associated equipment for all 18 units.	\$ 10.9	\$ 10.9	\$ -	12/2/23	12/2/23
Grand Coulee Transformer Replacements G11-G18	Replace 24 single-phase transformers in the Right Powerhouse.	\$ 32.5	\$ 32.5	\$ -	10/31/18	10/31/18
Grand Coulee - Keys Pump Generating Station - Reliability	Replacements and upgrades to maintain current station capability.	\$ 61.4	\$ 61.4	\$ -	9/30/21	9/30/21
Chief Joseph Turbine Runner Replacements Units 1 - 16	Replace the turbine runners and rehabilitate the turbines on units 1 - 16.	\$ 166.0	\$ 166.0	\$ 96.7	9/30/17	9/30/17
Chief Joseph Exciter Replacement	Replace excitation units (17 to 27) that have reached the end of their useful lives.	\$ 9.2	\$ 9.2	\$ 3.9	12/30/15	12/30/15
Chief Joseph Governor Replacement	Upgrade the 27 governors with digital controls and replace associated equipment.	N/A ⁴	N/A ⁴	\$ 0.6	8/19/17	8/19/17

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Major Capital Projects ¹ - End-of-Project Target Performance						Q1 2014	
Project	Description	Direct Capital \$M ²			In-Service Date		
		Target	Forecast	Actual ³	Target	Forecast	
Federal Hydro - continued							
The Dalles Powerhouse Governor Upgrade	Upgrade of the governors with digital controls and replacement of associated components.	\$ 21.8	\$ 21.8	\$ 12.4	9/30/14	9/30/14	
McNary Main Unit 1-4, 7-12 Stator Winding Replacement	Replace stator windings that are over 50 years old.	\$ 80.0	\$ 80.0	\$ 63.5	12/31/14	4/1/15	
McNary Governor Replacement	Upgrade the 14 governors in the McNary powerhouse with digital controls.	N/A ⁴	N/A ⁴	\$ 0.9	1/29/18	1/29/18	
McNary 4160/480V Station Service Upgrade	Replace and upgrade the station service distribution system.	\$ 36.0	\$ 36.0	\$ 0.1	12/3/18	12/3/18	
John Day Governor Upgrade	Upgrade of the governors with digital controls and replacement of associated components.	N/A ⁴	N/A ⁴	\$ 1.8	10/23/14	10/26/16	
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.	\$ 39.3	\$ 39.3	\$ 0.1	12/31/18	12/31/18	
Ice Harbor Turbine Runner Replacement	Replace the poor condition turbine runners in units 1, 2 & 3 and incorporate a more fish-friendly design.	\$ 97.0	\$ 97.0	\$ 10.6	10/1/18	10/1/18	
Lower Snake Exciter Replacement	Replace 6 exciters at Little Goose, 3 at Lower Monumental and 3 at Lower Granite.	\$ 12.9	\$ 12.9	\$ 10.1	2/27/13	2/27/14	
Lower Monumental U1 Linkage Refurbishment	Refurbish turbine linkage and rewind generator.	\$ 14.8	\$ 14.8	\$ -	3/1/16	3/1/16	
Hungry Horse Station Service Replacement	Replace station service switchgear distribution board/feeder cables and upgrade relay protection/metering.	N/A ⁴	N/A ⁴	\$ 0.5	1/31/15	1/31/15	
Hills Creek Powerhouse Turbine and Unit Rehabilitation	Replace turbine runners and generator windings on units 1 and 2 at Hills Creek.	\$ 24.1	\$ 24.1	\$ 6.2	8/12/14	3/31/15	
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.	N/A ⁴	N/A ⁴	\$ 4.9	12/31/14	12/31/17	
Palisades Turbine Rehabilitation and Runner Replacement	Replace the turbine runners and rehabilitate the turbines on the four Palisades units.	\$ 28.8	\$ 28.8	\$ 12.8	5/31/16	5/31/16	
Big Cliff Spillway Gate Rehabilitation	Rebuild the three tainter spillway gates at Big Cliff.	\$ 11.0	\$ 11.0	\$ 9.7	12/30/13	1/30/14	
IT							
Desktop Modernization Project	Deploy Windows 7, Office 2010 and end-user devices.	\$ 9.1	\$ 9.2	\$ 8.7	3/31/14	4/8/14	
IT Virtualization and Consolidation Project (IVC)	Replace and modernize server infrastructure for non-critical business systems.	\$ 21.8	\$ 18.9	\$ 13.7	9/30/14	3/31/15	
Facilities							
Eastside Alternate Operating Facility	Spokane-area facility for redundant transmission and power scheduling functions and alarm monitoring.	\$ 17.5	\$ 20.2	\$ 9.7	3/31/14	9/30/14	
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	\$ 14.2	\$ 1.9	12/31/13	2/27/15	

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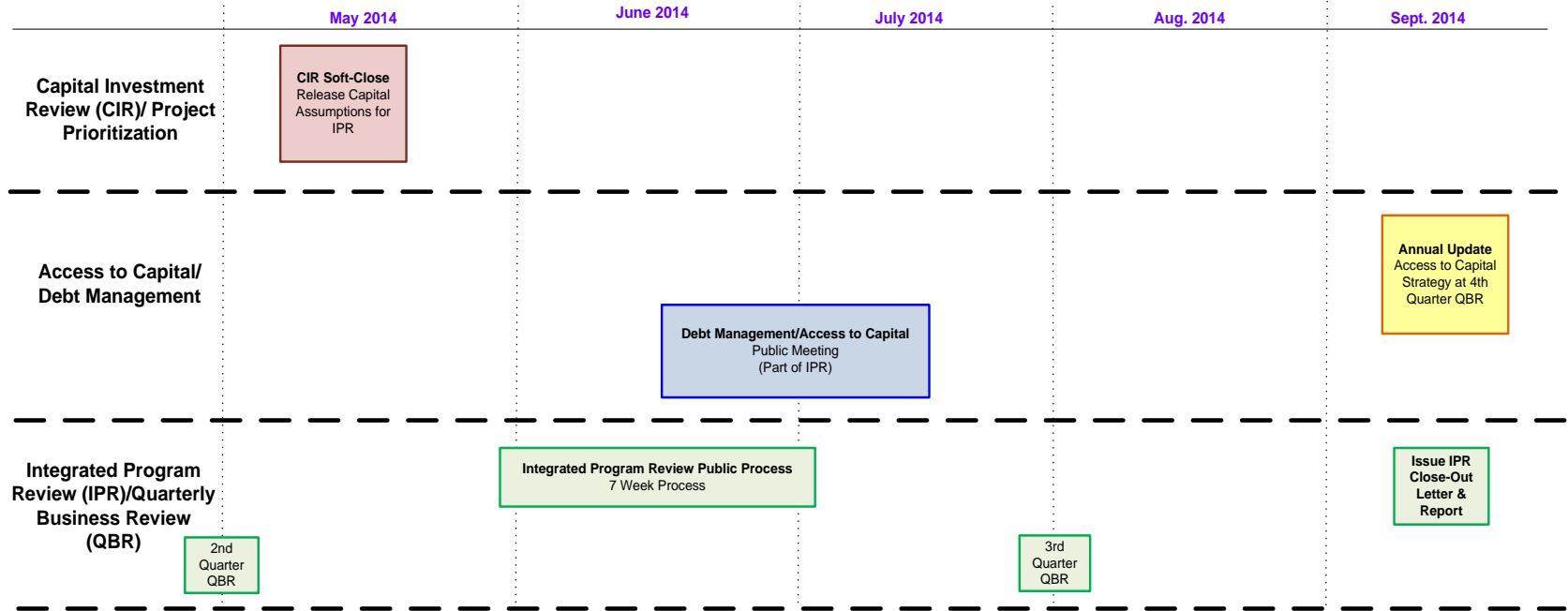
CIR/IPR/Debt Management Update

Mary Hawken,
Manager, Analysis and Requirements

DRAFT Process Timeline for FY 2014

KEY

- Capital Investment Review External Process
- Access to Capital External Process
- Debt Management External Process
- Integrated Program Review External Process



An Introduction to BPA Financial Reserves

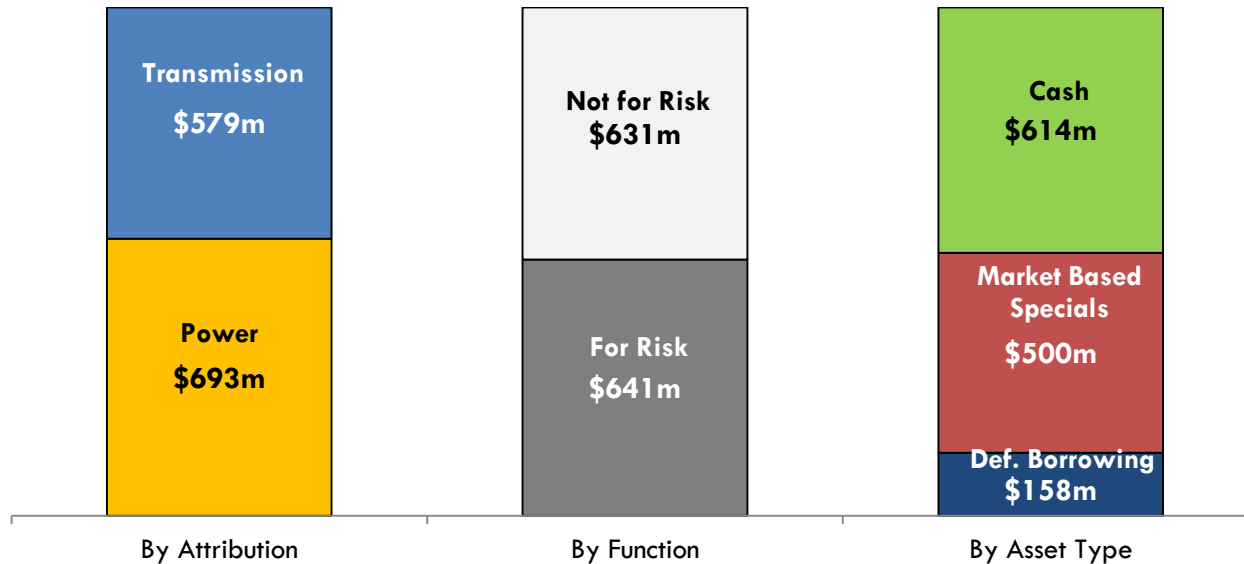
Javier Fernandez
Acting Treasurer

What Are Financial Reserves?

- Financial Reserves Defined
 - 2006 and earlier:
 - Cash in the BPA Fund at the Treasury plus deferred borrowing (deferred borrowing: cash used for capital spending but not yet borrowed for - BPA authorized from the U.S. Treasury; convertible to cash very quickly);
 - 2007 and later:
 - Cash and market-based special investments (U.S. Treasury investments) in the BPA fund plus deferred borrowing.

How are Financial Reserves Classified?

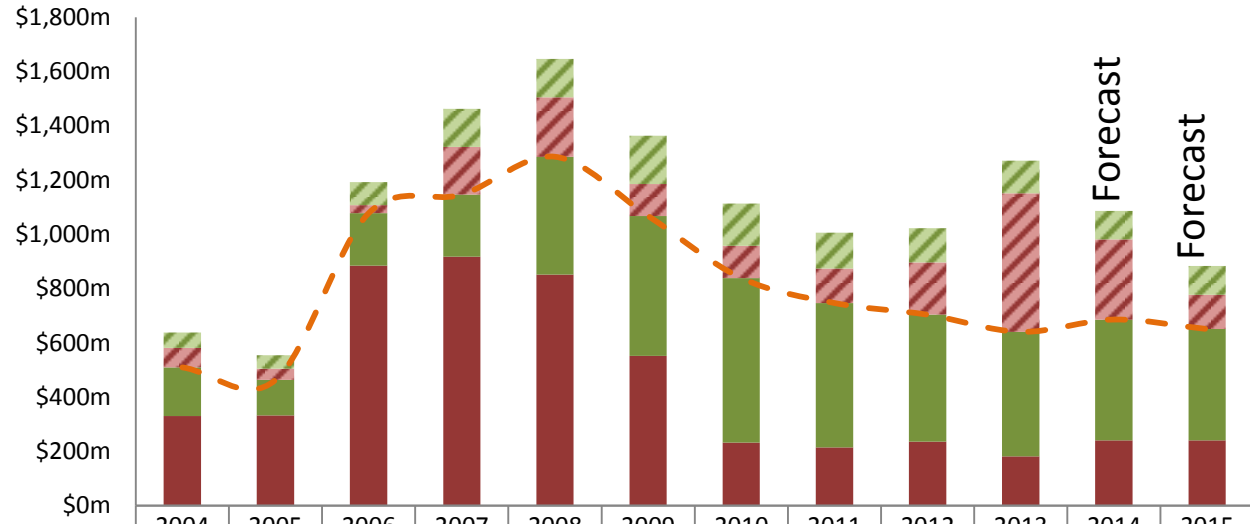
BPA Financial Reserves (\$1,272 million) as of September 30, 2013



- Financial Reserves are classified three distinct ways:
 - **By Attribution:** Total Agency reserves attributed to Power and Transmission based on where the reserves originated.
 - **By Function:** Reserves not for risk are reserves set aside for a specific purpose e.g. PrePay funds. Reserves for risk are available in rate setting to support TPP and used primarily in liquidity planning and policy making.
 - **By asset type** Cash, Market-Based Special Investments and Deferred Borrowing.
 - **Note:** BPA Total Financial Reserves are fungible and regardless of categorization can be used by the administrator to manage operations.

Levels of Financial Reserves Over Time

BPA Historical and Projected Reserves by attribution and function



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Transmission Reserves not for Risk	\$56m	\$49m	\$85m	\$140m	\$142m	\$178m	\$156m	\$132m	\$125m	\$120m	\$104m	\$107m
Power Reserves not for Risk	\$72m	\$42m	\$30m	\$176m	\$219m	\$118m	\$119m	\$127m	\$193m	\$511m	\$296m	\$126m
Transmission Reserves for Risk	\$179m	\$131m	\$193m	\$229m	\$434m	\$516m	\$606m	\$532m	\$468m	\$459m	\$445m	\$410m
Power Reserves for Risk	\$330m	\$333m	\$885m	\$917m	\$852m	\$552m	\$233m	\$215m	\$236m	\$182m	\$241m	\$241m
Agency Reserves for Risk	\$510m	\$463m	\$1,078m	\$1,147m	\$1,286m	\$1,068m	\$839m	\$747m	\$704m	\$641m	\$686m	\$651m

- Agency reserves for risk have declined from 2008
- Power reserves have decreased
- Declining reserves for risk have pressured ratings
- Reserve levels may be disproportionate between business lines given their respective financial uncertainty

Detailed Financial Reserve Historical and Forecast

	A	B	C	D	E	F
	FY12 EOY	FY13 EOY	Q1 EOY FY14 Forecast	Q2 EOY FY14 Forecast	DELTA Q2-Q1 (D-C)	DELTA FY14 -FY13 (D-B)
1 Power						
2 <i>Reserves for Risk</i>	\$217m	\$182m	\$77m	\$241m	\$165m	\$60m
3 <i>Reserves not for Risk</i>						
4 Energy Efficiency	\$42	\$38	\$36m	\$36	\$0m	-\$2m
5 REP Funds	\$75m	\$75m	\$0m	\$0m	\$0m	-\$75m
6 CAL ISO PX	\$74m	\$75m	\$75m	\$75m	\$0m	\$0m
7 PrePay Funds	\$0m	\$320m	\$170m	\$170m	\$0m	-\$150m
8 Credit Support Deposits	\$2m	\$2m	\$2m	\$15m	\$13m	\$13m
9 PS Total Reserves	\$410m	\$693m	\$360m	\$538m	\$178m	-\$155m
10 Transmission						
11 <i>Reserves for Risk</i>	\$487m	\$459m	\$404m	\$445m	\$42m	-\$14m
12 <i>Reserves not for Risk</i>						
13 LGIA	\$15m	\$4m	\$4m	\$4m	\$0m	\$0m
14 COI/NOS	\$82m	\$63m	\$52m	\$52m	\$0m	-\$11m
15 Master Lease	\$29m	\$54m	\$52m	\$49m	-\$3m	-\$5m
16 TS Total Reserves	\$612m	\$579m	\$511m	\$550m	\$39m	-\$30m
17 Agency						
18 <i>Reserves for Risk</i>	\$704m	\$641m	\$480m	\$687m	\$206m	\$46m
19 <i>Reserves not for Risk</i>	\$318m	\$631m	\$390m	\$401m	\$11m	-\$231m
20 Agency Total Reserves	\$1,022m	\$1,272m	\$870m	\$1,087m	\$217m	-\$185m

- The table above represents a summary of BPA historical and projected reserve amounts categorized by attribution (P, T, Agency) and by Function (reserves for risk and not for risk)
- Column D represents the forecast of end of year FY 2014 reserves as of the 2nd quarter review. Column C represents the forecast as of the 1st quarter review. Column E is the comparison between the two.

Financial Reserves – Looking Ahead

- BPA would like to engage stakeholders in a public discussion about an Agency financial reserves policy.
- The discussion is scheduled for July 16, 2014 from 9am to 12pm in the rates hearing room.

Appendix 1

Report ID: 0020FY14

FCRPS Summary Statement of Revenues and Expenses

Run Date/Run Time: April 17,2014/ 04:10

Requesting BL: CORPORATE BUSINESS UNIT

Through the Month Ended March 31, 2014

Data Source: EPM Data Warehouse

Unit of measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 50%

	FY 2013		FY 2014			FY 2014
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD
	A	B	C	D	E <Note 1	F
Operating Revenues						
1 Gross Sales (excluding bookout adjustment) <Note 3	\$ 1,694,478	\$ 3,242,157	\$ 3,315,215	\$ 3,335,808	\$ 3,488,365	\$ 1,779,174
2 Bookout adjustment to Sales	(49,769)	(66,587)	-	-	(30,409)	(30,409)
3 Miscellaneous Revenues	35,247	82,019	64,039	70,174	63,801	31,843
4 U.S. Treasury Credits	48,922	88,692	101,773	101,773	117,740	83,820
5 Total Operating Revenues	1,728,878	3,346,281	3,481,026	3,507,754	3,639,498	1,864,427
Operating Expenses						
Power System Generation Resources						
Operating Generation Resources						
6 Columbia Generating Station	177,278	330,066	298,751	300,514	300,040	139,100
7 Bureau of Reclamation	46,769	127,116	140,601	140,601	140,601	53,331
8 Corps of Engineers	98,907	208,096	225,687	225,687	225,687	102,799
9 Long-term Contract Generating Projects	12,368	22,518	25,999	25,284	21,760	8,997
10 Operating Generation Settlement Payment	11,419	22,122	21,405	21,405	19,726	8,272
11 Non-Operating Generation	1,125	(25,878)	2,206	2,400	2,400	886
12 Gross Contracted Power Purchases and Augmentation Power Purch	157,110	220,987	76,915	95,444	199,782	180,103
13 Bookout Adjustment to Power Purchases	(49,769)	(66,587)	-	-	(30,409)	(30,409)
14 Exchanges & Settlements <Note 3	114,366	201,933	201,919	201,919	201,919	113,978
15 Renewables	14,516	30,057	39,692	39,701	40,189	16,877
16 Generation Conservation	16,169	36,078	48,408	55,760	44,277	16,118
17 Subtotal Power System Generation Resources	600,258	1,106,508	1,081,583	1,108,715	1,165,972	610,052
Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 2	25,305	53,113	57,718	57,153	57,287	28,593
Power Services Non-Generation Operations	37,402	79,254	92,111	89,850	82,221	35,827
20 Transmission Operations	56,922	114,942	140,729	137,877	134,251	60,159
21 Transmission Maintenance	66,657	146,933	154,233	154,348	154,427	65,860
22 Transmission Engineering	17,212	45,876	41,638	41,627	44,810	22,383
23 Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 2	6,886	13,118	10,096	15,636	15,755	6,523
24 Transmission Reimbursables	10,316	15,401	10,530	10,333	8,833	5,962
25 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	137,095	277,237	294,128	294,191	294,191	132,967
BPA Internal Support						
26 Additional Post-Retirement Contribution	17,820	35,641	37,002	37,002	37,002	18,501
27 Agency Services G&A	53,400	111,976	115,029	122,065	117,257	55,943
28 Other Income, Expenses & Adjustments	1,095	(1,851)	-	-	2,270	2,266
29 Non-Federal Debt Service	359,987	733,313	727,667	731,172	730,257	384,573
30 Depreciation & Amortization	210,446	429,716	421,763	436,385	440,510	219,150
31 Total Operating Expenses	1,600,803	3,161,176	3,184,228	3,236,356	3,285,044	1,648,758
32 Net Operating Revenues (Expenses)	128,075	185,106	296,798	271,398	354,454	215,669
Interest Expense and (Income)						
33 Interest Expense	169,503	356,337	404,637	393,960	339,766	149,310
34 AFUDC	(21,881)	(37,529)	(47,645)	(44,100)	(49,589)	(24,681)
35 Interest Income	(9,937)	(28,937)	(25,492)	(24,815)	(22,098)	(9,513)
36 Net Interest Expense (Income)	137,686	289,871	331,499	325,045	268,079	115,116
37 Net Revenues (Expenses)	\$ (9,611)	\$ (104,765)	\$ (34,701)	\$ (53,647)	\$ 86,375	\$ 100,553

<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.

Report ID: 0060FY14

Power Services Detailed Statement of Revenues and Expenses

Run Date\Time: April 17, 2014 04:11

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended March 31, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 50%

	A	B	C	D <Note 1	E	F	
	FY 2013	FY 2014			FY 2014	FY 2014	
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast	
Operating Revenues							
1	Gross Sales (excluding bookout adjustment) <Note 2	\$ 2,438,468	\$ 2,434,517	\$ 2,450,598	\$ 2,585,607	\$ 1,323,053	51%
2	Bookout Adjustment to Sales	(66,587)	-	-	(30,409)	(30,409)	100%
3	Miscellaneous Revenues	28,013	29,689	35,816	30,485	12,211	40%
4	Inter-Business Unit	143,689	117,696	128,405	138,381	71,355	52%
5	U.S. Treasury Credits	88,692	101,773	101,773	117,740	83,820	71%
6	Total Operating Revenues	2,632,274	2,683,675	2,716,591	2,841,804	1,460,030	51%
Operating Expenses							
Power System Generation Resources							
Operating Generation							
7	COLUMBIA GENERATING STATION	330,066	298,751	300,514	300,040	139,100	46%
8	BUREAU OF RECLAMATION	127,116	140,601	140,601	140,601	53,331	38%
9	CORPS OF ENGINEERS	208,096	225,687	225,687	225,687	102,799	46%
10	LONG-TERM CONTRACT GENERATING PROJECTS	22,518	25,999	25,284	21,760	8,997	41%
11	Sub-Total	687,796	691,038	692,086	688,088	304,227	44%
Operating Generation Settlements and Other Payments							
12	COLVILLE GENERATION SETTLEMENT	22,122	21,405	21,405	19,726	8,272	42%
13	Sub-Total	22,122	21,405	21,405	19,726	8,272	42%
Non-Operating Generation							
14	TROJAN DECOMMISSIONING	(26,485)	1,500	2,000	2,000	756	38%
15	WNP-1&4 O&M	607	706	400	400	130	33%
16	Sub-Total	(25,878)	2,206	2,400	2,400	886	37%
Gross Contracted Power Purchases (excluding bookout adjustments)							
17	PNCA HEADWATER BENEFITS	3,404	2,957	2,957	2,957	1,411	48%
18	PURCHASES FOR SERVICE AT TIER 2 RATES	23,382	5,296	5,296	4,956	2,440	49%
19	OTHER POWER PURCHASES - (e.g. Short-Term)	194,201	62,464	87,191	191,869	176,252	92%
20	Sub-Total	220,987	70,718	95,444	199,782	180,103	90%
21	Bookout Adjustments to Contracted Power Purchases	(66,587)	-	-	(30,409)	(30,409)	100%
Augmentation Power Purchases							
22	AUGMENTATION POWER PURCHASES	-	6,198	-	-	-	0%
23	Sub-Total	-	6,198	-	-	-	0%
Exchanges & Settlements							
24	RESIDENTIAL EXCHANGE PROGRAM <Note 2	201,933	201,919	201,919	201,919	113,978	56%
25	Sub-Total	201,933	201,919	201,919	201,919	113,978	56%
Renewable Generation							
26	RENEWABLE CONSERVATION RATE CREDIT	-	-	-	-	-	0%
27	RENEWABLES	30,463	39,799	39,807	40,189	16,904	42%
28	Sub-Total	\$ 30,463	\$ 39,799	\$ 39,807	\$ 40,189	\$ 16,904	42%

Report ID: 0060FY14

Power Services Detailed Statement of Revenues and Expenses

Run Date/Time: April 17, 2014 04:11

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended March 31, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 50%

		A	B	C	D <Note 1	E	F
		FY 2013	FY 2014			FY 2014	FY 2014
		Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
Generation Conservation							
29	DSM TECHNOLOGY	\$ 1	\$ -	\$ -	\$ -	\$ -	0%
30	CONSERVATION ACQUISITION	10,394	16,444	16,444	13,879	4,397	32%
31	LOW INCOME ENERGY EFFICIENCY	5,025	5,155	5,155	5,155	2,133	41%
32	REIMBURSABLE ENERGY EFFICIENCY DEVELOPMENT	5,368	11,859	17,986	9,400	2,008	21%
33	LEGACY	773	1,031	1,031	699	502	72%
34	MARKET TRANSFORMATION	14,517	13,919	15,144	15,144	7,079	47%
35	CONSERVATION RATE CREDIT (CRC)	-	-	-	-	-	0%
36	Sub-Total	36,078	48,408	55,760	44,277	16,118	36%
37	Power System Generation Sub-Total	1,106,913	1,081,689	1,108,822	1,165,972	610,079	52%
Power Non-Generation Operations							
Power Services System Operations							
38	INFORMATION TECHNOLOGY	5,881	6,602	4,438	5,079	2,017	40%
39	GENERATION PROJECT COORDINATION	7,423	7,126	7,202	7,358	3,492	47%
40	SLICE IMPLEMENTATION	854	1,099	1,043	1,043	455	44%
41	Sub-Total	14,158	14,827	12,683	13,480	5,964	44%
Power Services Scheduling							
42	OPERATIONS SCHEDULING	8,426	10,398	9,828	8,088	3,916	48%
43	OPERATIONS PLANNING	6,444	7,641	7,398	6,715	3,193	48%
44	Sub-Total	14,871	18,039	17,225	14,803	7,108	48%
Power Services Marketing and Business Support							
45	POWER R&D	6,186	5,816	5,817	5,143	2,190	43%
46	SALES & SUPPORT	18,822	20,951	21,385	19,842	9,264	47%
47	STRATEGY, FINANCE & RISK MGMT	13,559	19,263	20,079	16,999	5,516	32%
48	EXECUTIVE AND ADMINISTRATIVE SERVICES	3,804	4,166	3,689	3,746	1,764	47%
49	CONSERVATION SUPPORT	7,902	9,094	9,101	8,209	4,007	49%
50	Sub-Total	50,273	59,290	60,072	53,939	22,742	42%
51	Power Non-Generation Operations Sub-Total	79,302	92,156	89,980	82,221	35,814	44%
Power Services Transmission Acquisition and Ancillary Services							
PBL Transmission Acquisition and Ancillary Services							
52	POWER SERVICES TRANSMISSION & ANCILLARY SERVICES	99,295	95,716	95,716	98,685	36,521	37%
53	3RD PARTY GTA WHEELING	51,244	55,533	54,533	54,533	27,333	50%
54	POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS	1,869	2,288	2,755	2,755	1,260	46%
55	GENERATION INTEGRATION / WIT-TS	9,941	11,256	11,256	11,256	5,424	48%
56	TELEMETERING/EQUIP REPLACEMT	1	52	52	52	-	0%
57	Power Srvc Trans Acquisition and Ancillary Services Sub-Tota	162,351	164,845	164,311	167,280	70,538	42%
Fish and Wildlife/USF&W/Planning Council/Environmental Req							
BPA Fish and Wildlife							
58	Fish & Wildlife	238,984	254,000	254,000	254,000	115,998	46%
59	USF&W Lower Snake Hatcheries	28,700	30,670	30,670	30,670	12,188	40%
60	Planning Council	10,118	10,568	10,568	10,568	4,957	47%
61	Fish and Wildlife/USF&W/Planning Council Sub-Total	\$ 277,802	\$ 295,238	\$ 295,238	\$ 295,238	\$ 133,142	45%

Report ID: 0060FY14

Power Services Detailed Statement of Revenues and Expenses

Run Date/Time: April 17, 2014 04:11

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended March 31, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 50%

	A	B	C	D <Note 1	E	F
	FY 2013	FY 2014			FY 2014	FY 2014
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
BPA Internal Support						
62 Additional Post-Retirement Contribution	\$ 17,820	\$ 18,501	\$ 18,501	\$ 18,501	\$ 9,251	50%
63 Agency Services G&A (excludes direct project support)	52,108	55,102	59,353	55,886	26,004	47%
64 BPA Internal Support Sub-Total	69,928	73,603	77,854	74,387	35,254	47%
65 Bad Debt Expense	12	-	-	0	0	100%
66 Other Income, Expenses, Adjustments	(139)	-	-	885	885	100%
Non-Federal Debt Service						
Energy Northwest Debt Service						
67 COLUMBIA GENERATING STATION DEBT SVC	96,935	89,776	90,561	89,897	41,398	46%
68 WNP-1 DEBT SVC	234,847	248,237	247,882	247,841	143,622	58%
69 WNP-3 DEBT SVC	170,737	165,601	165,800	165,634	86,089	52%
70 Sub-Total	502,518	503,614	504,243	503,372	271,109	54%
Non-Energy Northwest Debt Service						
71 CONSERVATION DEBT SVC	2,617	2,418	2,511	2,511	1,255	50%
72 COWLITZ FALLS DEBT SVC	11,474	6,885	7,298	7,298	3,649	50%
73 NORTHERN WASCO DEBT SVC	1,926	1,931	1,931	1,931	965	50%
74 Sub-Total	16,018	11,234	11,740	11,740	5,870	50%
Non-Federal Debt Service Sub-Total	518,536	514,848	515,983	515,112	276,979	54%
76 Depreciation	130,353	126,508	132,000	134,000	66,217	49%
77 Amortization	92,819	97,940	95,870	95,870	47,829	50%
78 Total Operating Expenses	2,437,878	2,446,827	2,480,057	2,530,965	1,276,737	50%
79 Net Operating Revenues (Expenses)	194,397	236,849	236,534	310,839	183,293	59%
Interest Expense and (Income)						
80 Federal Appropriation	218,164	222,306	224,296	221,100	110,553	50%
81 Capitalization Adjustment	(45,937)	(45,937)	(45,937)	(45,937)	(22,968)	50%
82 Borrowings from US Treasury	55,698	63,653	61,958	30,818	6,042	20%
83 Customer Prepaid Power Purchases	7,653	14,775	14,775	14,775	7,477	51%
84 AFUDC	(10,674)	(11,168)	(11,900)	(11,189)	(5,470)	49%
85 Interest Income	(15,444)	(15,845)	(13,894)	(13,060)	(6,121)	47%
86 Net Interest Expense (Income)	209,460	227,784	229,298	196,507	89,513	46%
87 Total Expenses	2,647,338	2,674,610	2,709,355	2,727,472	1,366,250	50%
88 Net Revenues (Expenses)	\$ (15,064)	\$ 9,065	\$ 7,236	\$ 114,332	\$ 93,780	82%

- <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: 0061FY14

Transmission Services Detailed Statement of Revenues and Expenses

Run Date/Time: April 17, 2014 04:12

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended March 31, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 50%

	A	B	C	D -Note 1	E	F
	FY 2013	FY 2014			FY 2014	FY 2014
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
Operating Revenues						
Sales						
Network						
1 Network Integration	\$ 122,700	\$ 127,650	\$ 127,650	\$ 131,572	\$ 74,876	57%
2 Other Network	379,306	445,882	442,896	442,058	216,405	49%
3 Intertie	78,774	71,048	71,143	71,857	34,504	48%
4 Other Direct Sales	222,910	236,117	243,521	257,272	130,336	51%
5 Miscellaneous Revenues	54,007	34,349	34,357	33,317	19,631	59%
6 Inter-Business Unit Revenues	122,177	111,560	108,273	111,243	42,270	38%
7 Total Operating Revenues	979,873	1,026,607	1,027,840	1,047,319	518,022	49%
Operating Expenses						
Transmission Operations						
System Operations						
8 INFORMATION TECHNOLOGY	9,115	7,415	4,661	8,773	4,632	53%
9 POWER SYSTEM DISPATCHING	12,155	13,589	13,589	13,361	5,876	44%
10 CONTROL CENTER SUPPORT	14,062	18,562	18,562	17,788	8,401	47%
11 TECHNICAL OPERATIONS	4,410	6,745	6,745	6,545	2,895	44%
12 SUBSTATION OPERATIONS	21,750	22,307	22,307	22,315	11,374	51%
13 Sub-Total	61,490	68,618	65,864	68,781	33,178	48%
Scheduling						
14 RESERVATIONS	4,160	5,697	5,697	1,689	534	32%
15 PRE-SCHEDULING	240	246	246	246	147	60%
16 REAL-TIME SCHEDULING	3,879	5,436	5,436	4,436	2,003	45%
17 SCHEDULING TECHNICAL SUPPORT	432	1,007	1,007	4,936	1,959	40%
18 SCHEDULING AFTER-THE-FACT	236	224	224	224	119	53%
19 Sub-Total	8,948	12,611	12,611	11,531	4,761	41%
Marketing and Business Support						
20 TRANSMISSION SALES	2,509	2,994	2,994	2,621	1,188	45%
21 MKTG TRANSMISSION FINANCE	(6)	-	-	-	4	0%
22 MKTG CONTRACT MANAGEMENT	4,498	5,291	5,377	5,239	2,293	44%
23 MKTG TRANSMISSION BILLING	2,528	2,858	2,768	2,559	1,188	46%
24 MKTG BUSINESS STRAT & ASSESS	6,552	6,955	7,050	7,258	3,276	45%
25 Marketing Sub-Total	16,081	18,098	18,189	17,677	7,949	45%
26 EXECUTIVE AND ADMIN SERVICES	10,364	13,774	13,774	10,755	4,288	40%
27 LEGAL SUPPORT	2,240	3,877	3,730	3,255	1,253	39%
28 TRANS SERVICES INTERNAL GENERAL & ADMINISTRATIVE	9,199	15,743	15,743	14,790	5,821	39%
29 AIRCRAFT SERVICES	1,205	2,030	1,970	1,873	521	28%
30 LOGISTICS SERVICES	4,710	5,014	5,031	4,623	2,075	45%
31 SECURITY ENHANCEMENTS	705	966	966	966	313	32%
32 Business Support Sub-Total	28,423	41,402	41,214	36,262	14,271	39%
33 Transmission Operations Sub-Total	\$ 114,942	\$ 140,729	\$ 137,877	\$ 134,251	\$ 60,159	45%

Report ID: 0061FY14

Transmission Services Detailed Statement of Revenues and Expenses

Run Date/Time: April 17, 2014 04:12

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended March 31, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 50%

	A	B	C	D <small><Note 1</small>	E	F
	FY 2013	FY 2014			FY 2014	FY 2014
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
Transmission Maintenance						
System Maintenance						
34	NON-ELECTRIC MAINTENANCE	\$ 25,204	\$ 27,303	\$ 27,246	\$ 26,091	\$ 8,878 34%
35	SUBSTATION MAINTENANCE	27,726	31,121	31,110	31,087	13,930 45%
36	TRANSMISSION LINE MAINTENANCE	26,572	26,139	26,360	26,665	12,756 48%
37	SYSTEM PROTECTION CONTROL MAINTENANCE	11,869	13,096	13,096	13,097	5,614 43%
38	POWER SYSTEM CONTROL MAINTENANCE	17,623	16,904	16,867	16,248	8,675 53%
39	JOINT COST MAINTENANCE	123	1	1	125	52 42%
40	SYSTEM MAINTENANCE MANAGEMENT	7,076	6,434	6,434	7,290	3,503 48%
41	ROW MAINTENANCE	7,298	8,428	8,428	9,019	3,171 35%
42	HEAVY MOBILE EQUIP MAINT	(125)			-	(300) 0%
43	TECHNICAL TRAINING	2,211	3,201	3,201	3,201	976 30%
44	VEGETATION MANAGEMENT	17,928	17,135	17,135	17,135	6,925 40%
45	Sub-Total	143,506	149,763	149,877	149,956	64,179 43%
Environmental Operations						
46	ENVIRONMENTAL ANALYSIS		83	83	83	2 2%
47	POLLUTION PREVENTION AND ABATEMENT	3,427	4,387	4,387	4,387	1,679 38%
48	Sub-Total	3,427	4,471	4,471	4,471	1,681 38%
49	Transmission Maintenance Sub-Total	146,933	154,233	154,348	154,427	65,860 43%
Transmission Engineering						
System Development						
50	RESEARCH & DEVELOPMENT	6,657	7,782	7,782	7,803	3,367 43%
51	TSD PLANNING AND ANALYSIS	16,060	14,013	14,013	16,734	9,283 55%
52	CAPITAL TO EXPENSE TRANSFER	7,068	4,124	4,124	4,124	1,855 45%
53	NERC / WECC COMPLIANCE	13,056	12,015	12,005	12,282	6,212 51%
54	ENVIRONMENTAL POLICY/PLANNING	1,241	1,166	1,164	1,329	759 57%
55	ENG RATING AND COMPLIANCE	1,794	2,539	2,539	2,539	908 36%
56	Sub-Total	45,876	41,638	41,627	44,810	22,383 50%
57	Transmission Engineering Sub-Total	45,876	41,638	41,627	44,810	22,383 50%
Trans. Services Transmission Acquisition and Ancillary Services						
BBL Acquisition and Ancillary Products and Services						
58	ANCILLARY SERVICES PAYMENTS	131,064	108,900	116,030	125,958	65,221 52%
59	OTHER PAYMENTS TO POWER SERVICES	9,364	9,506	9,601	9,602	4,801 50%
60	STATION SERVICES PAYMENTS	3,264	2,785	2,785	2,785	1,333 48%
61	Sub-Total	143,692	121,191	128,416	138,345	71,355 52%
Non-BBL Acquisition and Ancillary Products and Services						
62	LEASED FACILITIES	3,968	4,258	4,258	4,258	2,332 55%
63	GENERAL TRANSFER AGREEMENTS (SETTLEMENT)	5,569	516	516	1,916	1,341 70%
64	NON-BBL ANCILLARY SERVICES	3,417	4,285	9,825	8,764	2,782 32%
65	TRANSMISSION RENEWABLES	162	1,037	1,037	817	66 8%
66	Sub-Total	13,116	10,096	15,636	15,755	6,522 41%
67	Trans. Srvcs. Acquisition and Ancillary Services Sub-Total	156,807	131,287	144,052	154,100	77,877 51%
Transmission Reimbursables						
Reimbursables						
68	EXTERNAL REIMBURSABLE SERVICES	24,835	8,273	8,076	6,590	5,104 77%
69	INTERNAL REIMBURSABLE SERVICES	2,390	2,256	2,256	2,243	990 44%
70	Sub-Total	27,225	10,530	10,333	8,833	6,094 69%
71	Transmission Reimbursables Sub-Total	\$ 27,225	\$ 10,530	\$ 10,333	\$ 8,833	\$ 6,094 69%

Report ID: 0061FY14

Transmission Services Detailed Statement of Revenues and Expenses

Run Date/Time: April 17, 2014 04:12

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended March 31, 2014

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 50%

	A	B	C	D <Note 1	E	F
	FY 2013	FY 2014			FY 2014	FY 2014
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
BPA Internal Support						
72 Additional Post-Retirement Contribution	\$ 17,820	\$ 18,501	\$ 18,501	\$ 18,501	\$ 9,251	50%
73 Agency Services G & A (excludes direct project support)	59,868	59,927	62,713	61,372	29,939	49%
74 BPA Internal Support Subtotal	77,689	78,428	81,214	79,873	39,189	49%
Other Income, Expenses, and Adjustments						
75 Bad Debt Expense	44	-	-	9	9	100%
76 Other Income, Expenses, Adjustments	(1,673)	-	-	1,375	1,375	100%
77 Undistributed Reduction	-	-	-	-	-	0%
78 Depreciation	204,848	195,154	206,615	208,615	104,102	50%
79 Amortization	1,697	2,162	1,900	2,025	1,002	49%
80 Total Operating Expenses	774,388	754,161	777,966	788,319	378,051	48%
81 Net Operating Revenues (Expenses)	205,486	272,446	249,874	259,000	139,970	54%
Interest Expense and (Income)						
82 Federal Appropriation	18,641	14,540	14,860	14,514	7,257	50%
83 Capitalization Adjustment	(18,968)	(18,968)	(18,968)	(18,968)	(9,484)	50%
84 Borrowings from US Treasury	81,801	110,143	94,446	71,143	27,963	39%
85 Debt Service Reassignment	53,671	44,124	44,475	44,431	22,238	50%
86 Customer Advances	7,962	9,104	8,870	7,861	3,931	50%
87 Lease Financing	31,323	31,103	39,660	44,460	18,538	42%
88 AFUDC	(26,855)	(36,477)	(32,200)	(38,400)	(19,211)	50%
89 Interest Income	(13,493)	(9,647)	(10,921)	(9,038)	(3,391)	38%
90 Net Interest Expense (Income)	134,082	143,923	140,222	116,003	47,841	41%
91 Total Expenses	908,469	898,084	918,188	904,322	425,892	47%
92 Net Revenues (Expenses)	\$ 71,404	\$128,523	\$109,652	\$142,997	\$ 92,129	64%

<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: 0067FY14
 Requesting BL: CORPORATE BUSINESS UNIT
 Unit of Measure: \$Thousands

BPA Statement of Capital Expenditures
 FYTD Through the Month Ended March 31, 2014
 Preliminary Unaudited

Run Date/Run Time: April 17, 2014/ 04:10
 Data Source: EPM Data Warehouse
 % of Year Elapsed = 50%

A		B		C		D		E		F	
FY 2014		FY 2014		FY 2014		FY 2014		FY 2014		FY 2014	
SOY Budget	Current EOY Forecast	Actuals: Mar	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast						

Transmission Business Unit

Transmission Business Unit											
MAIN GRID											
1	CENTRAL OREGON REINFORCEMENT	\$ 4,490	\$ 170	\$ 12	\$ 92	2%	54%				
2	BIG EDDY-KNIGHT 500kv PROJECT	38,418	42,941	1,972	9,323	24%	22%				
3	OLYMPIC PENINSULA REINFORCEMNT	19	(75)		(65)	-343%	86%				
4	WEST OF MCNARY INTEGRATION PRO	116	10	-	23	20%	220%				
5	I-5 CORRIDOR UPGRADE PROJECT	8,727	27,534	1,939	10,391	119%	38%				
6	CENTRAL FERRY- LOWER MONUMNTAL	32,915	77,170	3,256	5,899	18%	8%				
7	SEATTLE-PUDGET SOUND AREA	8,347	4,484	179	1,639	20%	37%				
8	PORTLAND-VANCOUVER	3,288	3,877	928	3,263	99%	84%				
9	WEST OF CASCADES NORTH	8,853	10,662	1,096	5,078	57%	48%				
10	NORTHERN INTERTIE	-	19		2	0%	9%				
11	SALEM- ALBANY-EUGENE AREA	8,291	624	(36)	170	2%	27%				
12	TRI-CITIES AREA	5,312	6,102	926	6,447	121%	106%				
13	MONTANA-WEST OF HATWAI	1,905	725	39	236	12%	33%				
14	NERC CRITERIA COMPLIANCE	-	366	14	41	0%	11%				
15	MISC. MAIN GRID PROJECTS	10,624	1,185	816	1,631	15%	138%				
16	TOTAL MAIN GRID	131,305	175,795	11,141	44,170	34%	25%				
AREA & CUSTOMER SERVICE											
17	ROGUE SVC ADDITION	1,728	2,165	30	245	14%	11%				
18	CITY OF CENTRALIA PROJECT	15	56	1	4	26%	7%				
19	SOUTHERN IDAHO - LOWER VALLEY	19,983	4,656	226	3,107	16%	67%				
20	LONGVIEW AREA REINFORCEMENT	1,107	2,254	463	1,050	95%	47%				
21	KALISPELL-FLATHEAD VALLEY	2,783	3,882	637	2,969	107%	76%				
22	MISC. AREA & CUSTOMER SERVICE	1,518	(105)	35	(95)	-6%	91%				
23	TOTAL AREA & CUSTOMER SERVICE	\$ 27,133	\$ 12,909	\$ 1,393	\$ 7,280	27%	56%				

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A		B		C		D		E		F	
FY 2014		FY 2014		FY 2014		FY 2014		FY 2014		FY 2014	
SOY Budget	Current EOY Forecast	Actuals: Mar	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast	Actuals / SOY Budget	Actuals / Forecast	Actuals / SOY Budget	Actuals / Forecast	Actuals / SOY Budget	Actuals / Forecast

Transmission Business Unit (Continued)											
SYSTEM REPLACEMENTS											
24	TEAP - TOOLS	\$ 1,504	\$ 1,115	\$ (4)	\$ (112)	-7%	-10%				
25	TEAP - EQUIPMENT	6,602	5,385	185	538	8%	10%				
26	SPC - SER	2,514	7,909	769	3,931	156%	50%				
27	SPC - DFRS	-	12	-	41	0%	332%				
28	SPC - METERING	1,686	1,821	120	681	40%	37%				
29	SPC - CONTROL AND INDICATION	1,265	1,076	19	634	50%	59%				
30	SPC - RELAYS	19,826	19,206	1,919	12,441	63%	65%				
31	PSC - TELEPHONE SYSTEMS	489	1,080	115	597	122%	55%				
32	PSC - TRANSFER TRIP	9,555	13,460	1,228	6,352	66%	47%				
33	PSC - FIN/OP NETWORKS	1,360	966	75	475	35%	49%				
34	PSC - TLECOM TRANSPORT	1,563	521	152	608	39%	117%				
35	PSC - SCADA/TELEMETRY/SUP CNTRL	3,457	1,839	215	903	26%	49%				
36	PSC- TELECOM SUPPORT EQUIPMENT	4,476	8,220	204	3,960	88%	48%				
37	SUB DC - SUSTAIN	2,571	2,024	(34)	2,026	79%	100%				
38	SUB AC- BUS & STRUCTURES	1,093	624	64	393	36%	63%				
39	SUB AC - LOW VOLTAGE AUX.	7,806	14,448	712	3,156	40%	22%				
40	SUB AC- SHUNT CAPACITORS	2,389	1,106	31	62	3%	6%				
41	SUB AC-CIRCUIT BRKR & SWTCH GR	16,861	24,909	1,602	9,917	59%	40%				
42	SUB AC - CVT/PT/CT & ARRESTERS	1,721	2,027	88	610	35%	30%				
43	SUB AC-TRANSFORMERS & REACTORS	2,686	6,197	195	2,852	106%	46%				
44	LINES STEEL - SUSTAIN	19,603	19,223	1,371	7,192	37%	37%				
45	LINES WOOD POLES - SUSTAIN	53,445	65,959	3,868	13,054	24%	20%				
46	SYSTEM TELECOM - SUSTAIN	31,422	27,327	1,716	16,774	53%	61%				
47	MISC. REPLACEMENT PROJECTS	-	(10,120)	65	(8,332)	0%	82%				
48	MISC FACILITIES- NON-ELECTRIC	40,079	45,081	5,474	24,555	61%	54%				
49	TOTAL SYSTEM REPLACEMENTS	\$ 233,973	\$ 261,412	\$ 20,149	\$ 103,309	44%	40%				

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FY 2014		FY 2014		FY 2014		FY 2014		FY 2014		FY 2014	
SOY Budget	Current EOY Forecast	Actuals: Mar	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast	Actuals / SOY Budget	Actuals / Forecast	Actuals / SOY Budget	Actuals / Forecast	Actuals / SOY Budget	Actuals / Forecast

Transmission Business Unit (Continued)											
UPGRADES & ADDITIONS											
50	IT PROJECTS	\$ 8,226	\$ 8,581	\$ 949	\$ 2,387	29%	28%				
51	SECURITY ENHANCEMENTS	4,428	3,904	172	1,210	27%	31%				
52	LAND RIGHTS - ACCESS ROADS	4,995	12,301	919	6,657	133%	54%				
53	LAND RIGHTS- VEG MITIGATION	879	1,819	22	195	22%	11%				
54	LAND RIGHTS - TRIBAL RENEWALS	167	(118)	133	(17)	-10%	14%				
55	ACCESS ROADS	25,722	25,518	587	4,975	19%	19%				
56	SUB AC - UPGRADES & ADDITIONS	32,544	23,061	1,718	7,717	24%	33%				
57	LINE SWITCH UPGRADES	506	(13)	-	-	0%	0%				
58	LINE - UPGRADES & ADDITIONS	10,750	1,315	81	493	5%	38%				
59	SUB DC - UPGRADES & ADDITIONS	102,442	88,261	1,100	28,333	28%	32%				
60	CONTROL CENTERS-UPGRADE & ADD	1,757	3,937	669	1,243	71%	32%				
61	CC SYSTEM & APPLICATION	4,214	4,716	842	2,550	61%	54%				
62	CC INFRASTRUCTURE COMPONENTS	3,135	5,210	388	2,618	83%	50%				
63	SYSTEM TELECOM - UPGRADE & ADD	13,466	18,948	1,779	6,690	50%	35%				
64	MISC. UPGRADES AND ADDITIONS	43,317	13,983	1,831	1,182	3%	8%				
65	TOTAL UPGRADES & ADDITIONS	256,548	211,422	11,192	66,233	26%	31%				
ENVIRONMENT CAPITAL											
66	MISC. ENVIRONMENT PROJECTS	6,804	6,601	252	2,780	41%	42%				
67	TOTAL ENVIRONMENT CAPITAL	6,804	6,601	252	2,780	41%	42%				
68	CAPITAL DIRECT	655,762	668,139	44,127	223,772	34%	33%				
PFIA											
69	MISC. PFIA PROJECTS	4,802	3,158	275	1,779	37%	56%				
70	GENERATOR INTERCONNECTION	10,118	639	4	74	1%	12%				
71	SPECTRUM RELOCATION	200	(3)	1	12	6%	-378%				
72	TOTAL PFIA	15,119	3,794	280	1,865	12%	49%				
73	CAPITAL INDIRECT	()	-	43	(2,444)	0%	0%				
74	LAPSE FACTOR	(33,158)	-	-	-	0%	0%				
75	TOTAL Transmission Business Unit	\$ 637,724	\$ 671,933	\$ 44,451	\$ 223,193	35%	33%				

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Requesting BL: CORPORATE BUSINESS UNIT

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BPA Statement of Capital Expenditures

FYTD Through the Month Ended March 31, 2014

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	A		B		C		D		E		F	
	FY 2014		FY 2014		FY 2014		FY 2014		FY 2014		FY 2014	
	SOY Budget	Current EOY Forecast	Actuals: Mar	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast	Actuals: Mar	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast	Actuals: Mar	Actuals: FYTD
Power Business Unit												
76	BUREAU OF RECLAMATION	\$ 78,181	\$ 47,538	\$ 2,113	\$ 19,894	25%	42%					
77	CORPS OF ENGINEERS	159,461	151,325	10,353	57,884	36%	38%					
78	GENERATION CONSERVATION	75,200	75,200	18,543	39,495	53%	53%					
79	POWER INFORMATION TECHNOLOGY	9,726	9,000	492	3,219	33%	36%					
80	FISH & WILDLIFE	60,275	50,000	1,969	13,151	22%	26%					
81	LAPSE FACTOR	(11,882)	-	-	-	0%	0%					
82	TOTAL Power Business Unit	370,961	333,063	33,470	133,642	36%	40%					
Corporate Business Unit												
83	CORPORATE BUSINESS UNIT	30,060	26,768	1,138	8,703	29%	33%					
84	TOTAL Corporate Business Unit	30,060	26,768	1,138	8,703	29%	33%					
85	TOTAL BPA Capital Expenditures	\$ 1,038,745	\$ 1,031,763	\$ 79,058	\$ 365,538	35%	35%					

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

Dates	Agenda
April 29, 2014	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&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
August 5, 2014	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&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
October 2014	BPA External CPA firm conducting audit for fiscal year end
Mid-October 2014	Recording the End of Fiscal Year Slice True-Up Adjustment Accrual for the Composite Cost Pool in the financial system
End of October 2014	Final audited actual financial data is expected to be available
November 5, 2014	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)

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

November 17, 2014	Mail notification to Slice Customers of the Slice True-Up Adjustment for the Composite Cost Pool
November 19, 2014	BPA to post Composite Cost Pool True-Up Table containing actual values and the Slice True-Up Adjustment
December 11, 2014	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
December 19, 2014	BPA posts a draft list of AUP tasks to be performed (Attachment A does not specify an exact date)
January 6, 2014	Customer comments are due on the list of tasks (The deadline can not exceed 10 days from BPA posting)
January 13, 2014	BPA finalizes list of questions about actual lines items in the Composite Cost Pool True-Up Table for the AUPs
January 15, 2014	External auditor to begin the work on the AUP tasks requested by customers
March 17, 2014	External auditor to complete the AUPs (may have up to 120 calendar days)
March 24, 2014	Initial Cost Verification Workshop
April 14, 2014	Customer comment period deadline
April 21, 2014	Follow-up Cost Verification Workshop
May 12, 2014	BPA Draft Response on AUP Report and questions/items raised during workshops
End of May 2014	If customers do not deliver any notice of grievances that are vetted with a third party Neutral, BPA will issue a Final Response on the AUP Report

4h10c Credits: FY2014

Estimated 4h10c Credits (\$ millions)	FY14 Rate Case	Start Of Year	1st Quarter*	2nd Quarter	3rd Quarter	August DOE Certification	Final Calculations
Power Purchases Caused by Operations for Fish & Wildlife	\$ 119.7 <small>BP-14 Rate Case 80-yr average</small>	\$ 119.7 <small>BP-14 Rate Case 80-yr average</small>	\$ 207.6 <small>Actual Generation Oct-Jan, Study11 forecasts Feb-Sep</small>	\$ 201.6 <small>Actual Credits Oct- Dec, Actual Generation Jan- March, Study16 forecasts Apr-Sep</small>	\$	\$	\$
Expense	\$ 254.0	\$ 254.0	\$ 254.0	\$ 254.0	\$	\$	\$
F&W Program Software	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8	\$	\$	\$
Capital	\$ 60.3	\$ 60.3	\$ 50.0	\$ 50.0	\$	\$	\$
Total	\$ 435.8	\$ 435.8	\$ 513.4	\$ 507.4	\$	\$	\$
Credit (22.3%)	\$ 97.2	\$ 97.2	\$ 114.5	\$ 113.1	\$	\$	\$

Comments on the Power Purchase Forecasts:

- For the Rate Case we estimated a 4(h)(10)(C) credit for each of the 80 historic water years in the Rate Case study and used the average of these estimates. The estimates can vary significantly each year; for instance, the 80 years of 4(h)(10)(C) estimates ranged from \$68M to \$215M.
- For Start-of-year we estimated the credit would be the same as estimated in the Rate Case.
- For the 1st Quarter we forecasted power purchases for Oct-Jan based on actual generation and prices, and we forecasted Feb-Sep based on ESP forecasts from Study 11. Power purchase estimate increased due to lower forecasted generation and higher forecasted prices.
* QBR presentation for 1st Quarter in February 2014 contained an earlier estimate of \$95.0 M 4h10c credits.
- For the 2nd Quarter we used actual credit calculations for Oct-Dec; we forecasted power purchases for Jan-Mar based on actual generation and prices; and we forecasted Apr-Sep based on ESP forecasts from Study 16. The credit decreased primarily due to lower forecasted purchases in Mar and Sep, which were mostly offset by an increase in Feb.

Composite Cost Pool True-Up Table

		Q2 (\$000)	FY 2014 Rate Case forecast (\$000)	Q2 - FY 2014 Rate Case Difference (\$000)	Q1 (\$000)
1	Operating Expenses				
2	Power System Generation Resources				
3	Operating Generation				
4	COLUMBIA GENERATING STATION (WNP-2)	\$ 300,040	\$ 298,751	\$ 1,289	\$ 300,040
5	BUREAU OF RECLAMATION	\$ 140,601	\$ 140,601	\$ 0	\$ 140,601
6	CORPS OF ENGINEERS	\$ 225,687	\$ 225,687	\$ 0	\$ 225,687
7	LONG-TERM CONTRACT GENERATING PROJECTS	\$ 21,760	\$ 25,999	\$ (4,239)	\$ 22,443
8	Sub-Total	\$ 688,088	\$ 691,038	\$ (2,950)	\$ 688,771
9	Operating Generation Settlement Payment and Other Payments				
10	COLVILLE GENERATION SETTLEMENT	\$ 19,726	\$ 21,405	\$ (1,679)	\$ 21,405
11	SPOKANE LEGISLATION PAYMENT	\$ -	\$ -	\$ -	\$ -
12	Sub-Total	\$ 19,726	\$ 21,405	\$ (1,679)	\$ 21,405
13	Non-Operating Generation				
14	TROJAN DECOMMISSIONING	\$ 2,000	\$ 1,500	\$ 500	\$ 2,000
15	WNP-1&3 DECOMMISSIONING	\$ 400	\$ 706	\$ (306)	\$ 400
16	Sub-Total	\$ 2,400	\$ 2,206	\$ 194	\$ 2,400
17	Gross Contracted Power Purchases				
18	PNCA HEADWATER BENEFITS	\$ 2,957	\$ 2,957	\$ -	\$ 2,957
19	HEDGING/MITIGATION (omit except for those assoc. with augmentation)	\$ -	\$ -	\$ -	\$ -
20	OTHER POWER PURCHASES (omit, except Designated Obligations or Purchases)	\$ 10,233	\$ -	\$ 10,233	\$ 10,801
21	Sub-Total	\$ 13,190	\$ 2,957	\$ 10,233	\$ 13,758
22	Bookout Adjustment to Power Purchases (omit)				
23	Augmentation Power Purchases (omit - calculated below)				
24	AUGMENTATION POWER PURCHASES	\$ -	\$ -	\$ -	\$ -
25	Sub-Total	\$ -	\$ -	\$ -	\$ -
26	Exchanges and Settlements				
27	RESIDENTIAL EXCHANGE PROGRAM (REP) (SOY does not include \$973K REP admin cos)	\$ 201,919	\$ 202,892	\$ (973)	\$ 201,919
28	REP ADMINISTRATION COSTS (\$973K rate case amount is included in row 27 column D)	\$ -	\$ -	\$ -	\$ -
29	OTHER SETTLEMENTS	\$ -	\$ -	\$ -	\$ -
30	Sub-Total	\$ 201,919	\$ 202,892	\$ (973)	\$ 201,919
31	Renewable Generation				
32	CONTRA EXPENSE for GEP reinvestments	\$ (750)	\$ (750)	\$ -	\$ (750)
33	RENEWABLES (excludes KIII)	\$ 31,528	\$ 29,798	\$ 1,730	\$ 31,219
34	Sub-Total	\$ 30,778	\$ 29,048	\$ 1,730	\$ 30,469

Composite Cost Pool True-Up Table

		Q2	FY 2014 Rate Case	Q2 - FY 2014 Rate	Q1
		(\$000)	forecast	Case Difference	(\$000)
			(\$000)	(\$000)	
35	Generation Conservation				
36	DSM TECHNOLOGY	\$ -	\$ -	\$ -	\$ -
37	CONSERVATION ACQUISITION	\$ 13,879	\$ 16,444	\$ (2,565)	\$ 16,444
38	LOW INCOME WEATHERIZATION & TRIBAL	\$ 5,155	\$ 5,155	\$ -	\$ 5,155
39	ENERGY EFFICIENCY DEVELOPMENT	\$ 9,400	\$ 11,859	\$ (2,459)	\$ 10,000
40	LEGACY	\$ 699	\$ 1,031	\$ (332)	\$ 699
41	MARKET TRANSFORMATION	\$ 15,144	\$ 13,919	\$ 1,226	\$ 15,144
42	CONSERVATION Rate Credit (CRC)	\$ -	\$ -	\$ -	\$ -
43	Sub-Total	\$ 44,277	\$ 48,408	\$ (4,130)	\$ 47,443
44	Power System Generation Sub-Total	\$ 1,000,377	\$ 997,954	\$ 2,423	\$ 1,006,165
45					
46	Power Non-Generation Operations				
47	Power Services System Operations				
48	EFFICIENCIES PROGRAM	\$ -	\$ -	\$ -	\$ -
49	INFORMATION TECHNOLOGY	\$ 5,079	\$ 6,602	\$ (1,524)	\$ 5,079
50	GENERATION PROJECT COORDINATION	\$ 7,358	\$ 6,826	\$ 532	\$ 7,760
51	SLICE IMPLEMENTATION	\$ 1,043	\$ 1,099	\$ (56)	\$ 1,043
52	Sub-Total	\$ 13,480	\$ 14,527	\$ (1,048)	\$ 13,882
53	Power Services Scheduling				
54	OPERATIONS SCHEDULING	\$ 8,088	\$ 10,398	\$ (2,310)	\$ 9,795
55	OPERATIONS PLANNING	\$ 6,715	\$ 7,641	\$ (926)	\$ 7,399
56	Sub-Total	\$ 14,803	\$ 18,039	\$ (3,236)	\$ 17,193
57	Power Services Marketing and Business Support				
58	POWER R&D	\$ 5,143	\$ 5,816	\$ (674)	\$ 5,144
59	SALES & SUPPORT	\$ 19,842	\$ 20,951	\$ (1,108)	\$ 21,328
60	STRATEGY, FINANCE & RISK MGMT (SOY column C row 60 includes REP support costs)	\$ 16,999	\$ 18,299	\$ (1,301)	\$ 18,749
61	EXECUTIVE AND ADMINISTRATIVE SERVICES	\$ 3,746	\$ 4,157	\$ (411)	\$ 3,778
62	CONSERVATION SUPPORT	\$ 8,209	\$ 9,094	\$ (885)	\$ 9,308
63	Sub-Total	\$ 53,939	\$ 58,317	\$ (4,378)	\$ 58,307
64	Power Non-Generation Operations Sub-Total	\$ 82,221	\$ 90,883	\$ (8,662)	\$ 89,381
65	Power Services Transmission Acquisition and Ancillary Services				
66	TRANSMISSION and ANCILLARY Services - System Obligations	\$ 36,442	\$ 36,442	\$ -	\$ 36,442
67	3RD PARTY GTA WHEELING	\$ 54,533	\$ 55,533	\$ (1,000)	\$ 54,533
68	POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS (omit)	\$ -	\$ -	\$ -	\$ -
69	TRANS ACQ GENERATION INTEGRATION	\$ 11,256	\$ 11,256	\$ -	\$ 11,256
70	TELEMETERING/EQUIP REPLACEMT	\$ 52	\$ 52	\$ -	\$ 52
71	Power Services Trans Acquisition and Ancillary Serv Sub-Total	\$ 102,283	\$ 103,283	\$ (1,000)	\$ 102,283

Composite Cost Pool True-Up Table

		Q2 (\$000)	FY 2014 Rate Case forecast (\$000)	Q2 - FY 2014 Rate Case Difference (\$000)	Q1 (\$000)
72	Fish and Wildlife/USF&W/Planning Council/Environmental Req				
73	BPA Fish and Wildlife				
74	Fish & Wildlife	\$ 254,000	\$ 254,000	\$ 0	\$ 254,000
75	USF&W Lower Snake Hatcheries	\$ 30,670	\$ 30,670	\$ -	\$ 30,670
76	Planning Council	\$ 10,568	\$ 10,568	\$ -	\$ 10,568
77	Environmental Requirements	\$ -	\$ 300	\$ (300)	\$ -
78	Fish and Wildlife/USF&W/Planning Council Sub-Total	\$ 295,238	\$ 295,538	\$ (300)	\$ 295,238
79	BPA Internal Support				
80	Additional Post-Retirement Contribution	\$ 18,501	\$ 18,501	\$ -	\$ 18,501
81	Agency Services G&A (excludes direct project support)	\$ 55,886	\$ 55,102	\$ 784	\$ 55,419
82	BPA Internal Support Sub-Total	\$ 74,387	\$ 73,603	\$ 784	\$ 73,920
83	Bad Debt Expense	\$ (0)	\$ -	\$ (0)	\$ -
84	Other Income, Expenses, Adjustments	\$ -	\$ -	\$ -	\$ -
85	Non-Federal Debt Service				
86	Energy Northwest Debt Service				
87	COLUMBIA GENERATING STATION DEBT SVC	\$ 89,897	\$ 89,776	\$ 121	\$ 90,561
88	WNP-1 DEBT SVC	\$ 247,841	\$ 248,237	\$ (396)	\$ 247,882
89	WNP-3 DEBT SVC	\$ 165,634	\$ 165,601	\$ 33	\$ 165,800
90	EN RETIRED DEBT	\$ -	\$ -	\$ -	\$ -
91	EN LIBOR INTEREST RATE SWAP	\$ -	\$ -	\$ -	\$ -
92	Sub-Total	\$ 503,372	\$ 503,614	\$ (242)	\$ 504,243
93	Non-Energy Northwest Debt Service				
94	TROJAN DEBT SVC	\$ -	\$ -	\$ -	\$ -
95	CONSERVATION DEBT SVC	\$ 2,511	\$ 2,418	\$ 93	\$ 2,511
96	COWLITZ FALLS DEBT SVC	\$ 7,298	\$ 6,885	\$ 413	\$ 7,298
97	NORTHERN WASCO DEBT SVC	\$ 1,931	\$ 1,931	\$ 0	\$ 1,931
98	Sub-Total	\$ 11,740	\$ 11,234	\$ 506	\$ 11,740
99	Non-Federal Debt Service Sub-Total	\$ 515,112	\$ 514,848	\$ 264	\$ 515,984
100	Depreciation	\$ 134,000	\$ 126,508	\$ 7,492	\$ 132,000
101	Amortization	\$ 95,870	\$ 97,940	\$ (2,070)	\$ 95,870
102	Total Operating Expenses	\$ 2,299,487	\$ 2,300,555	\$ (1,068)	\$ 2,310,840
103					
104	Other Expenses				
105	Net Interest Expense	\$ 193,649	\$ 228,752	\$ (35,103)	\$ 187,938
106	LDD	\$ 35,549	\$ 35,303	\$ 246	\$ 35,194
107	Irrigation Rate Discount Costs	\$ 18,814	\$ 18,816	\$ (2)	\$ 18,814
108	Sub-Total	\$ 248,013	\$ 282,872	\$ (34,859)	\$ 241,946
109	Total Expenses	\$ 2,547,500	\$ 2,583,427	\$ (35,927)	\$ 2,552,786
110					

Composite Cost Pool True-Up Table

	Q2 (\$000)	FY 2014 Rate Case forecast (\$000)	Q2 - FY 2014 Rate Case Difference (\$000)	Q1 (\$000)
111 Revenue Credits				
112 Generation Inputs for Ancillary, Control Area, and Other Services Revenues	\$ 138,381	\$ 117,696	\$ 20,685	\$ 135,643
113 Downstream Benefits and Pumping Power revenues	\$ 18,500	\$ 15,393	\$ 3,107	\$ 18,570
114 4(h)(10)(c) credit	\$ 113,140	\$ 97,173	\$ 15,967	\$ 114,477
115 Colville and Spokane Settlements	\$ 4,600	\$ 4,600	\$ -	\$ 4,600
116 Energy Efficiency Revenues	\$ 9,400	\$ 11,859	\$ (2,459)	\$ 10,000
117 Miscellaneous revenues	\$ 3,338	\$ 3,225	\$ 113	\$ 3,297
118 Renewable Energy Certificates	\$ 1,120	\$ 1,061	\$ 59	\$ 1,120
119 Pre-Subscription Revenues (Big Horn/Hungry Horse)	\$ 2,109	\$ 1,842	\$ 267	\$ 1,975
120 Net Revenues from other Designated BPA System Obligations (Upper Baker)	\$ 422	\$ 422	\$ 0	\$ 422
121 WNP-3 Settlement revenues	\$ 35,802	\$ 29,163	\$ 6,638	\$ 35,802
122 RSS Revenues	\$ 2,682	\$ 2,682	\$ -	\$ 2,682
123 Firm Surplus and Secondary Adjustment (from Unused RHWM)	\$ 3,299	\$ 3,299	\$ -	\$ 3,299
124 Balancing Augmentation Adjustment	\$ (24,714)	\$ (24,714)	\$ -	\$ (24,714)
125 Transmission Loss Adjustment	\$ 27,450	\$ 27,450	\$ -	\$ 27,450
126 Tier 2 Rate Adjustment	\$ 182	\$ 182	\$ -	\$ 182
127 NR Revenues	\$ 1	\$ 1	\$ -	\$ 1
128 Total Revenue Credits	\$ 335,713	\$ 291,336	\$ 44,378	\$ 334,808
129				
130 Augmentation Costs (not subject to True-Up)				
131 Tier 1 Augmentation Resources (includes Augmentation RSS and Augmentation RSC adders)	\$ 12,513	\$ 12,513	\$ -	\$ 12,513
132 Augmentation Purchases	\$ 6,199	\$ 6,199	\$ -	\$ 6,199
133 Total Augmentation Costs	\$ 18,712	\$ 18,712	\$ -	\$ 18,712
134				
135 DSI Revenue Credit				
136 Revenues 312 aMW, 312 aMW @ IP rate	\$ 106,510	\$ 106,510	\$ -	\$ 106,510
137 Total DSI revenues	\$ 106,510	\$ 106,510	\$ -	\$ 106,510
138				
139 Minimum Required Net Revenue Calculation				
140 Principal Payment of Fed Debt for Power	\$ 106,611	\$ 106,611	\$ -	\$ 106,611
141 Irrigation assistance	\$ 52,550	\$ 52,550	\$ -	\$ 52,550
142 Depreciation	\$ 134,000	\$ 126,508	\$ 7,492	\$ 132,000
143 Amortization	\$ 95,870	\$ 97,940	\$ (2,070)	\$ 95,870
144 Capitalization Adjustment	\$ (45,937)	\$ (45,937)	\$ -	\$ (45,937)
145 Bond Call Premium/Discount	\$ (19,562)	\$ -	\$ (19,562)	\$ (19,562)
146 Non-Federal Interest (Prepay)	\$ 14,775	\$ 14,775	\$ -	\$ 14,775
147 Prepay Revenue Credits	\$ (30,600)	\$ (30,600)	\$ -	\$ (30,600)
148 Principal Payment of Fed Debt exceeds non cash expenses	\$ 10,615	\$ (3,524)	\$ 14,139	\$ 12,615
149 Minimum Required Net Revenues	\$ 10,615	\$ -	\$ 10,615	\$ 12,615
150				
151 Annual Composite Cost Pool (Amounts for each FY)	\$ 2,134,603	\$ 2,204,294	\$ (69,690)	\$ 2,142,795
152				
153 SLICE TRUE-UP ADJUSTMENT CALCULATION FOR COMPOSITE COST POOL				
154 TRUE UP AMOUNT (Diff. between actual Comp. Cost Pool and forecast Comp. Cost Pool for applicable F	\$ (69,690)			\$ (61,499)
155 Sum of TOCAs	0.9755924			0.9755924
156 Adjustment of True-Up Amount when actual TOCAs < 100 percent (divide by sum of TOCAs, expressed as	\$ (71,434)			\$ (63,037)
157 TRUE-UP ADJUSTMENT CHARGE BILLED (26.62752 percent)	\$ (19,021)			\$ (16,785)

Financial Disclosure

- The information contained in slides 2-15, 18-26, and 40-58 has been made publicly available by BPA on April 25, 2014 and contains BPA-approved Financial Information.
- The information contained in slides 16-17 and 27-39 has been made publicly available by BPA on April 25, 2014 and does not contain BPA-approved Financial Information.