

**Federal Columbia River Power System (FCRPS)
FY 2013 FIRST QUARTER REVIEW**

Net Revenues and Reserves

Projection for FY 2013



January 25, 2013

FY 2013 FIRST QUARTER REVIEW
EXECUTIVE HIGHLIGHTS
January 25, 2013

(\$ in Millions)

	A	FY 2013 FIRST QUARTER REVIEW Current Expectation			
		B	C		D
	FY 2012 Audited Actuals without Bookouts ^{1/}	FY 2013 Start of Year without Bookouts ^{1/}	without Bookouts ^{1/}		with Bookouts
1. REVENUES	3,380	3,381	3,345	- 3,515	3,323 - 3,493
2. EXPENSES	3,293	3,488	3,476	- 3,561	3,454 - 3,539
3. NET REVENUES ^{2/}	86.8	(107)	(131)	- (46) ^{6/}	(131) - (46) ^{6/}
4. ADJUSTED NET REVENUES ^{3/}	127.9	51	22	- 107 ^{6/}	22 - 107 ^{6/}
5. END OF YEAR FINANCIAL RESERVES ^{4/}	1,022.2	980	1,196	- 1,363 ^{6/}	1,196 - 1,363 ^{6/}
6. BPA ACCRUED CAPITAL EXPENDITURES ^{5/}	664	995	863		863

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/ Adjusted Net Revenues is calculated by adding Power Services and Transmission Services Net Revenues.
- 4/ Financial reserves equal total cash plus deferred borrowing and investments in non-marketable U.S. Treasury securities.
- 5/ Funded by borrowing from the U.S. Treasury.
- 6/ There is significant uncertainty regarding the potential financial 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.

FCRPS Summary Statement of Revenues and Expenses

Requesting BL: CORPORATE BUSINESS UNIT

Quarterly Review at December 31, 2012

Data Source: EPM Data Warehouse

Unit of measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 25%

	A	B	C <Note 1	D	E	F
	FY 2012	FY 2013			FY 2013	
	Actuals	Start of Year Budget	Current End of Year Forecast	Current Forecast / Start of Year Budget	Actuals: FYTD	Actuals / SOY Budget
Operating Revenues						
1 Gross Sales (excluding bookout adjustment) <Note 3	\$ 3,241,564	\$ 3,229,115	\$ 3,276,162	101%	\$ 815,335	25%
2 Bookout adjustment to Sales	(61,972)	-	(22,175)	0%	(22,175)	0%
3 Miscellaneous Revenues	56,675	65,796	68,456	104%	17,626	27%
4 U.S. Treasury Credits	81,583	85,999	85,364	99%	26,555	31%
5 Total Operating Revenues	3,317,850	3,380,909	3,407,807	101%	837,342	25%
Operating Expenses						
Power System Generation Resources						
Operating Generation Resources						
6 Columbia Generating Station	292,636	338,267	338,267	100%	88,639	26%
7 Bureau of Reclamation	89,005	132,391	132,391	100%	24,929	19%
8 Corps of Engineers	206,967	215,700	215,700	100%	45,483	21%
9 Long-term Contract Generating Projects	25,869	26,008	26,008	100%	5,891	23%
10 Operating Generation Settlement Payment	20,437	20,785	20,785	100%	5,351	26%
11 Non-Operating Generation	2,153	2,316	2,316	100%	554	24%
12 Gross Contracted Power Purchases and Augmentation Power Purch	205,350	119,364	144,672	121%	62,379	52%
13 Bookout Adjustment to Power Purchases	(61,972)	-	(22,175)	0%	(22,175)	0%
14 Exchanges & Settlements <Note 3	203,712	203,200	203,308	100%	50,735	25%
15 Renewables	33,912	37,956	38,140	100%	5,538	15%
16 Generation Conservation	37,505	47,850	47,850	100%	7,087	15%
17 Subtotal Power System Generation Resources	1,055,573	1,143,838	1,147,262	100%	274,412	24%
18 Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 2	51,274	55,035	55,135	100%	12,465	23%
19 Power Services Non-Generation Operations	79,794	89,537	89,141	100%	18,688	21%
20 Transmission Operations	121,792	131,248	130,829	100%	29,848	23%
21 Transmission Maintenance	135,377	153,278	152,962	100%	31,490	21%
22 Transmission Engineering	46,111	41,855	41,937	100%	8,689	21%
23 Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 2	18,093	9,381	11,881	127%	4,545	48%
24 Transmission Reimbursables	8,241	9,682	5,837	60%	3,812	39%
25 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	279,641	282,067	282,951	100%	72,876	26%
BPA Internal Support						
26 Additional Post-Retirement Contribution	34,486	35,064	35,064	100%	8,910	25%
27 Agency Services G&A	109,854	110,942	112,413	101%	25,142	23%
28 Other Income, Expenses & Adjustments	(216)	(2,297)	(4,148)	181%	(157)	7%
29 Non-Federal Debt Service	659,680	732,138	732,144	100%	180,007	25%
30 Depreciation & Amortization	389,097	408,383	408,383	100%	103,890	25%
31 Total Operating Expenses	2,988,798	3,200,151	3,201,791	100%	774,617	24%
32 Net Operating Revenues (Expenses)	329,052	180,759	206,016	114%	62,725	35%
Interest Expense and (Income)						
33 Interest Expense	331,732	363,288	370,295	102%	84,463	23%
34 AFUDC	(45,845)	(46,810)	(43,435)	93%	(11,810)	25%
35 Interest Income	(43,587)	(28,760)	(32,214)	112%	(4,652)	16%
36 Net Interest Expense (Income)	242,301	287,718	294,646	102%	68,001	24%
37 Net Revenues (Expenses)	\$ 86,752	\$ (106,960)	\$ (88,630)	83%	\$ (5,276)	5%

<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.