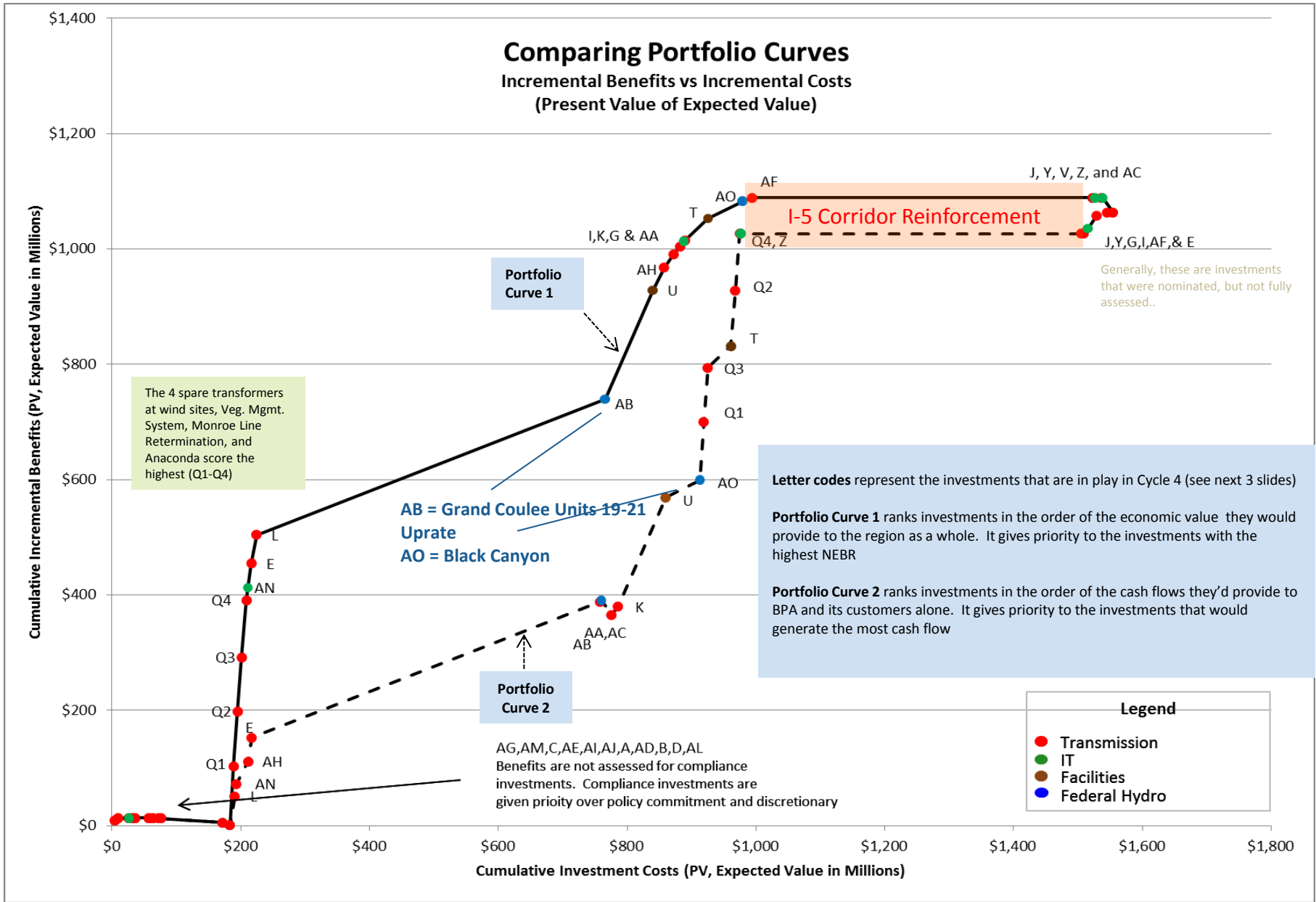


QBR Follow Ups

May 2015

- **Explanation of Transmission Services Interest Expense Changes from Rate Case:**
 - Rate Case vs. Start of Year (SOY):
 - SOY budget assumed a \$42 million decrease from rate case as a result of continued savings from:
 - A bond refinancing that took place in FY 2014
 - Overall updates to the borrowing plan
 - Overall lower portfolio interest rate than assumed in the rate case – Rate Case was 4.543% compared to SOY of 3.168%.
 - Start of Year (SOY) vs. Q2 End of Year Forecast:
 - Q2 Forecast is a \$6 million increase from SOY as a result of:
 - Higher Non-Federal interest since there is a larger amount of leases signed to date than had been assumed at SOY and due to a breakage fee from refinancing some leases
 - The reduction to interest expense from AFUDC is running lower than SOY due to the timing of how AFUDC is accruing on some large capital projects such as Big Eddy Knight and Central Ferry
- **Additional information about Alcoa has been posted to the following site:**
 - <http://www.bpa.gov/power/pl/regionaldialogue/implementation/Documents/DSI.SHTML>



QUARTERLY BUSINESS REVIEW FOLLOW UP

This information has been made publicly available by BPA on May 11, 2015 and does not contain BPA-approved Financial Information.

Cycle 4 Investments in Play (Slide 3 of 3)

Analytical results and rankings

<input checked="" type="checkbox"/> = Investment in play Green shading = investments selected for the portfolio				Cycles 1/2	Cycle 3	Cycle 4 (April 2015)					
				CIR	Oct 2014		Order on funding curve		Present values		\$000
Investment	Code	Asset Category	Classification	In Play Cycles 1/2	In Play Cycle 3	In Play Cycle 4	Portfolio Curve 1	Portfolio Curve 2	NEBR	Net BPA Cashflow Ratio	Investment Costs* (Base)
Ross Complex HMEM Garage	T	FAC	Discretionary		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	16	13	0.1	-0.2	36,163
Ross Complex Infill Office	U	FAC	Discretionary		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	10	9	1.8	0.5	73,106
Billing Information System	V	IT	Discretionary	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	21	23	-1.0	-1.0	9,002
Capability Upgrades for Planning and Operations in Power Services (CUPO)	W	IT	Discretionary	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>						20,004
Structured Data Management (SDM)	X	IT	Discretionary	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>						3,500
IT Service Management (CMDB, AIM, ETS)	Y	IT	Discretionary	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					8,626
IT Service Management (CMS)	Z	IT	Discretionary								1,803
IT Service Management (CRM)	AA	IT	Discretionary								1,644
Vegetation Management System (VMS)	AN	IT	Discretionary								2,357
Grand Coulee Units 19-21 Uprate	AB	FH	Discretionary		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	9	6	1.9	1.2	126,600
Black Canyon Unit 3	AO	FH	Discretionary			<input checked="" type="checkbox"/>	17	10	-0.4	-0.1	52,360
NWPP SCED Initiative - BPA Technology Enhancements	AC	Corp	Discretionary			<input checked="" type="checkbox"/>	23	23	n/a	n/a	14,789

In Cycle 4, we made no change in costs or benefits for the Grand Coulee Units 19-21 Uprate project. Results for cycle 4 should have been reported with the correct numbers shown in red below. In Cycle 4 the ratio had been recalculated using total capital cost rather than the incremental cost of the uprate work, which resulted in the -0.5 ratio