

Quarterly Business Review (QBR)

January 31, 2017
10:00 am – 11:40 am
Room 122, BPA Headquarters

To participate by phone, please dial: 1-203-716-7500
When prompted, enter access code: 8089186#

[WebEx Meeting](#)

Meeting Number: 994 947 439
Meeting Password: fpZpT636

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 Holladay Park for further instructions.



Time	Min	Agenda Topic	Slide	Presenter
10:00	5	Review Agenda	2	Cheryl Hargin
10:05	15	CFO Spotlight	~	Jon Dull
Financial Highlights				
10:20	45	<ul style="list-style-type: none"> ▪ Review of 1st Quarter Financial Results ▪ Review of 1st Quarter Forecast 	3-16	Cheryl Hargin, Stephanie Adams, Danny Chen, Anna-Lisa Miller, Will Rector
11:05	10	Review of 1st Quarter Capital Financial Results & Forecast	17-20	Kathy Rehmer, Anna-Lisa Miller
11:15	5	Capital Project Status Report	21-25	Dennis Naef
11:20	10	Slice Reporting	26-32	Jenny Hurlburt, Janice Johnson
Other BPA Topics				
11:30	10	IPR 2 Update	33-34	Amy Attinasi
11:40	~	Adjourn	~	~

Financial Highlights



Financial Overview for FY 2017 through December 31, 2016

FCRPS

- **The First Quarter End-of-Year (EOY) forecast of Adjusted Net Revenue is \$(21) million. This is \$61 million lower than the rate case forecast.**
 - The Rate Case forecast of Adjusted Net Revenue was \$39 million and the Start-of-Year forecast was \$(33) million.

Power Services

- **The First Quarter EOY forecast for Power Modified Net Revenue is \$(72) million. This is a \$31 million decrease from the rate case forecast.**
 - Power's rate case forecast of Modified Net Revenues was \$(41) million and Start-of-Year was \$(75) million.
- Revenues are \$29 million less than the rate case forecast due to lower Priority Firm and Industrial Firm power sales as a result of load reductions and forecast updates and a lower 4(h)(10)(C) treasury credit due to lower replacement power purchases. These lower revenues were partially offset by higher secondary sales due to favorable hydrological conditions.
- Expenses (total expenses net of the Power Net Revenue Modification) are \$2 million more than the rate case forecast due to higher power purchases and transmission and ancillary service expense. Higher expenses were partially offset by the cancellation of the Idaho Falls Bulb Turbine contract, the return of O&M funds for the Cowlitz Falls Hydro project, the lower projected Colville Generation Settlement numbers, and the reduction to Non-Generation Operations which most of goes towards reaching the undistributed reduction.

Financial Overview for FY 2017 through December 31, 2016

Transmission Services

- **The First Quarter EOY forecast for Transmission Net Revenues is \$50 million. This is a \$30 million decrease from the rate case forecast.**
 - The Net Revenue Rate Case forecast was \$80 million and the Start-of-Year forecast was \$42 million.
- The revenue forecast is \$23 million lower than the rate case driven by lower Point-to-Point revenues and a decrease in Variable Energy Balancing Service for Wind. The First quarter EOY forecast remains unchanged from the Start-of Year forecast.
- The expense forecast is \$6 million higher than rate case. Operating expenses are \$15 million higher than expected in the rate case, due to anticipated hourly and salary adjustments, a \$5 million carry over from FY 2016 for non-wires efforts, and for support work on Key Strategic Initiatives. The increase in operating expenses is offset by a decrease in the interest expense forecast of \$9 million.

1st Quarter Review – FCRPS Executive Highlights

(\$ in Millions)

	A	B	C
	FY 2016 Actuals/2	FY 2017 Start of Year/2	FY 2017 Current Quarter Review/2
1. Revenues ^{/1}	3,455	3,588	3,616
2. Expenses ^{/1}	3,178	3,298	3,302
3. Net Revenues (Expenses) ^{/1,3}	277	290	314 ^{/7}
4. Adjusted Net Revenues ^{/4}	(31)	(33)	(21) ^{/7}
5. End of Year Financial Reserves ^{/5}	724	587	577 ^{/7}
6. BPA Accrued Capital Expenditures ^{/6}	504	786	601

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 Revenues are calculated by adding Power Services Modified Net Revenues 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 2017 First Quarter Financial Results & Forecast



Report ID: 0023FY17 Requesting BL: TRANSMISSION BUSINESS UNIT Unit of Measure: \$ Thousands	Transmission Services Summary Statement of Revenues and Expenses Through the Month Ended December 31, 2016 Preliminary/ Unaudited	Run Date/Time: January 23, 2017/ 06:02 Data Source: EPM Data Warehouse % of Year Elapsed = 25%
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	FY 2016		FY 2017			FY 2017
	Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast	
Operating Revenues						
1 Sales	\$ 230,069	\$ 903,208	\$ 943,997	\$ 922,753	\$ 922,637	\$ 225,603
2 Miscellaneous Revenues	14,233	44,033	39,154	42,431	40,976	10,008
3 Inter-Business Unit Revenues	24,645	114,459	117,591	112,403	113,845	24,599
4 Total Operating Revenues	268,948	1,061,700	1,100,742	1,077,587	1,077,458	260,210
Operating Expenses						
5 Transmission Operations	33,092	145,216	160,800	167,501	170,138	33,186
6 Transmission Maintenance	33,737	157,455	164,272	169,824	169,578	34,795
7 Transmission Engineering	8,642	51,168	54,915	57,929	58,228	10,930
8 Trans Services Transmission Acquisition and Ancillary Services	30,590	129,210	140,782	146,623	146,899	29,382
9 Transmission Reimbursables	6,236	15,376	9,735	9,922	9,923	3,375
BPA Internal Support						
10 Additional Post-Retirement Contribution	4,786	16,440	19,748	17,023	14,672	4,256
11 Agency Services G&A	17,048	71,144	64,775	73,647	70,311	14,988
12 Other Income, Expenses & Adjustments	1,604	(6,727)	(2,100)	(11,688)	(11,740)	689
13 Depreciation & Amortization	57,666	244,158	259,548	259,548	259,548	64,203
14 Total Operating Expenses	193,400	823,440	872,475	890,328	887,557	195,804
15 Net Operating Revenues (Expenses)	75,548	238,260	228,267	187,259	189,902	64,405
Interest Expense and (Income)						
16 Interest Expense	40,833	171,356	205,969	173,857	166,292	40,911
17 AFUDC	(10,619)	(31,042)	(41,346)	(24,342)	(24,342)	(6,175)
18 Interest Income	(693)	(3,957)	(16,310)	(3,875)	(2,253)	(610)
19 Net Interest Expense (Income)	29,520	136,358	148,313	145,640	139,696	34,126
20 Net Revenues (Expenses)	\$ 46,027	\$ 101,902	\$ 79,954	\$ 41,619	\$ 50,205	\$ 30,279

<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: 0023FY17

Requesting BL: TRANSMISSION BUSINESS UNIT

Unit of Measure: \$ Thousands

QBR Forecast Analysis: Transmission Services

Through the Month Ended December 31, 2016

Preliminary/ Unaudited

Run Date/Time: January 23, 2017/ 06:02

Data Source: EPM Data Warehouse

% of Year Elapsed = 25%

		A	B	C
		FY 2017		FY 2017
		Rate Case	Current EOY Forecast	Current EOY Forecast - Rate Case
Operating Revenues				
1	Sales	\$ 943,997	\$ 922,637	\$ (21,360)
2	Miscellaneous Revenues	39,154	40,976	1,822
3	Inter-Business Unit Revenues	117,591	113,845	(3,746)
4	Total Operating Revenues	1,100,742	1,077,458	(23,284)
Operating Expenses				
5	Transmission Operations	160,800	170,138	9,338
6	Transmission Maintenance	164,272	169,578	5,305
7	Transmission Engineering	54,915	58,228	3,313
8	Trans Services Transmission Acquisition and Ancillary Services	140,782	146,899	6,117
9	Transmission Reimbursables	9,735	9,923	188
	BPA Internal Support			
10	Additional Post-Retirement Contribution	19,748	14,672	(5,076)
11	Agency Services G&A	64,775	70,311	5,536
12	Other Income, Expenses & Adjustments	(2,100)	(11,740)	(9,640)
13	Depreciation & Amortization	259,548	259,548	()
14	Total Operating Expenses	872,475	887,557	15,082
15	Net Operating Revenues (Expenses)	228,267	189,902	(38,366)
Interest Expense and (Income)				
16	Interest Expense	205,969	166,292	(39,677)
17	AFUDC	(41,346)	(24,342)	17,004
18	Interest Income	(16,310)	(2,253)	14,056
19	Net Interest Expense (Income)	148,313	139,696	(8,617)
20	Net Revenues (Expenses)	\$ 79,954	\$ 50,205	\$ (29,749)

Report ID: 0063FY17

Transmission Services Revenue Detail by Product

Run Date/Time: January 23, 2017 06:41

Requesting BL: TRANSMISSION BUSINESS UNIT Through the Month Ended December 31, 2016

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 25%

		A	B	C	D
		FY 2017			FY 2017
		Rate Case	SOY Budget	Current EOY Forecast	Actuals
Transmission Services Operating Revenues					
NETWORK					
1	PTP - LONG TERM	\$ 475,649	\$ 460,248	\$ 465,166	\$ 113,195
2	NETWORK INTEGRATION	133,090	131,143	131,165	33,047
3	INTEGRATION OF RESOURCES	5,714	5,714	5,714	1,428
4	FORMULA POWER TRANSMISSION	19,237	17,491	18,976	4,674
5	PTP - SHORT TERM	25,521	28,201	23,155	3,896
6	TOTAL: NETWORK	659,211	642,796	644,176	156,239
ANCILLARY SERVICES					
7	SCHEDULING, SYSTEM CONTROL & DISPATCH	153,400	150,384	149,481	36,051
8	OPERATING RESERVES - SPIN & SUPP	48,818	47,522	46,712	11,008
9	VARIABLE RES BALANCING	58,735	52,647	52,647	13,460
10	REGULATION & FREQ RESPONSE	6,224	6,016	6,027	1,442
11	ENERGY & GENERATION IMBALANCE	-	5,096	7,404	1,010
12	DISPATCHABLE RES BALANCING	2,450	1,652	1,652	412
13	TOTAL: ANCILLARY SERVICES	269,627	263,317	263,923	63,382
INTERTIE					
14	SOUTHERN INTERTIE LONG TERM	88,737	88,553	88,331	21,602
15	SOUTHERN INTERTIE SHORT TERM	4,927	3,019	3,080	174
16	MONTANA INTERTIE LONG TERM	115	115	115	29
17	MONTANA INTERTIE SHORT TERM	-	-	24	27
18	TOTAL: INTERTIE	93,778	91,687	91,550	21,832

Report ID: 0063FY17

Transmission Services Revenue Detail by Product

Run Date/Time: January 23, 2017 06:41

Requesting BL: TRANSMISSION BUSINESS UNIT Through the Month Ended December 31, 2016

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 25%

		A	B	C	D
		FY 2017			FY 2017
		Rate Case	SOY Budget	Current EOY Forecast	Actuals
OTHER REVENUES & CREDITS					
19	TOWNSEND-GARRISON TRANS	\$ 12,421	\$ 12,421	\$ 12,380	\$ 3,081
20	GEN INTEGRATION - OTHER REV	12,074	12,142	12,074	3,019
21	USE OF FACILITIES	5,018	5,061	5,103	1,253
22	POWER FACTOR PENALTY	-	-	-	-
23	NFP - DEPR PNW PSW INTERTIE	3,325	3,378	3,382	852
24	AC - PNW PSW INTERTIE - OTH REV	1,695	1,775	1,797	465
25	OPERATIONS & MAINT - OTHER REV	958	870	749	190
26	COE & BOR PROJECT REV	-	-	-	-
27	RESERVATION FEE - OTHER REV	2,305	1,196	1,048	223
28	TRANSMISSION SHARE IRRIGATION	246	246	246	21
29	LAND LEASES AND SALES	295	295	285	162
30	OTHER LEASES REVENUE	104	105	90	15
31	REMEDIAL ACTION - OTHER REV	41	27	27	7
32	MISC SERVICES - LOSS-EXCH-AIR	168	43	48	5
33	FAILURE TO COMPLY - OTHER REV	-	-	99	133
34	UNAUTHORIZED INCREASE - OTH REV	-	-	-	105
35	OTHER REVENUE SOURCES	5,287	6,038	5,775	1,217
36	TOTAL: OTHER REVENUES & CREDITS	43,936	43,596	43,104	10,749
FIBER & PCS					
37	FIBER OTHER REVENUE	8,549	8,841	8,009	1,993
38	WIRELESS/PCS - OTHER REVENUE	4,609	5,201	4,887	833
39	WIRELESS/PCS - REIMBURSABLE REV	3,127	4,032	3,924	903
40	FIBER OTHER REIMBURSABLE REV	811	1,640	1,559	381
41	TOTAL: FIBER & PCS	17,096	19,714	18,378	4,111
REIMBURSABLE					
42	REIMBURSABLE - OTHER REVENUE	12,000	12,000	11,897	2,885
43	ACCRUAL REIMBURSABLE	-	-	-	-
44	TOTAL: REIMBURSABLE	12,000	12,000	11,897	2,885
DELIVERY					
45	UTILITY DELIVERY CHARGES	2,462	2,563	2,515	593
46	DSIDELIVERY	2,633	1,915	1,915	419
47	TOTAL: DELIVERY	5,095	4,478	4,430	1,012
48	TOTAL: Transmission Services Operating Revenues	\$ 1,100,742	\$ 1,077,587	\$ 1,077,458	\$ 260,210

Report ID: 0021FY17
 Requesting BL: POWER BUSINESS UNIT
 Unit of measure: \$ Thousands

Power Services Summary Statement of Revenues and Expenses
 Through the Month Ended December 31, 2016
 Preliminary/Unaudited

Run Date/Time: January 23, 2017 06:02
 Data Source: EPM Data Warehouse
 % of Year Elapsed = 25%

		A		B		C		D		E <Note 1	F
		FY 2016				FY 2017					FY 2017
		Actuals: FYTD	Actuals	Rate Case	SOY Budget	Current EOY Forecast				Actuals: FYTD	
Operating Revenues											
1	Gross Sales (excluding bookout adjustment) <Note 2	\$ 594,422	\$ 2,402,364	\$ 2,560,343	\$ 2,497,464	\$ 2,540,417				\$ 607,923	
2	Bookout Adjustment to Sales	(2,756)	(22,064)	-	-	(2,633)				(2,633)	
3	Miscellaneous Revenues	4,806	27,880	29,580	29,924	31,130				6,190	
4	Inter-Business Unit	28,292	115,354	115,750	118,991	119,742				27,496	
5	U.S. Treasury Credits	28,330	77,228	92,386	95,236	80,836				21,002	
6	Total Operating Revenues	653,095	2,600,762	2,798,058	2,741,615	2,769,493				659,978	
Operating Expenses											
Power System Generation Resources											
Operating Generation Resources											
7	Columbia Generating Station	57,477	258,587	322,473	319,053	319,053				85,545	
8	Bureau of Reclamation	26,616	132,756	158,121	157,621	157,621				37,602	
9	Corps of Engineers	48,085	237,966	250,981	250,981	250,981				49,699	
10	Long-term Contract Generating Projects	6,853	20,455	17,034	15,546	11,152				2,996	
11	Operating Generation Settlement Payment	4,913	17,496	19,651	22,234	16,667				4,913	
12	Non-Operating Generation	449	1,239	1,863	1,482	1,482				188	
13	Gross Contracted Power Purchases and Aug Power Purchases	36,071	133,893	102,790	86,812	89,198				19,335	
14	Bookout Adjustment to Power Purchases	(2,756)	(22,064)	-	-	(2,633)				(2,633)	
15	Residential Exchange/IOU Settlement Benefits <Note 2	54,518	218,717	219,003	219,003	219,003				54,616	
16	Renewables	7,783	36,284	41,641	40,623	40,623				7,919	
17	Generation Conservation	21,348	123,484	131,665	131,614	131,315				25,934	
18	Subtotal Power System Generation Resources	261,358	1,158,813	1,265,221	1,244,969	1,234,462				286,113	
19	Power Services Transmission Acquisition and Ancillary Services	38,581	174,913	195,831	203,295	207,986				45,813	
20	Power Non-Generation Operations	19,122	78,663	99,836	91,053	87,615				17,706	
21	Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	81,505	297,508	318,395	318,539	318,589				77,061	
BPA Internal Support											
22	Additional Post-Retirement Contribution	4,786	17,743	19,478	18,649	14,858				4,662	
23	Agency Services G&A	14,278	60,230	55,168	60,109	59,075				12,549	
24	Other Income, Expenses & Adjustments	613	(386)	(129,463)	(26,600)	115				115	
25	Non-Federal Debt Service	56,680	217,587	594,839	213,528	220,006				45,622	
26	Depreciation & Amortization	56,305	226,960	228,502	231,002	231,002				56,771	
27	Total Operating Expenses	533,227	2,232,031	2,647,809	2,354,544	2,373,709				546,412	
28	Net Operating Revenues (Expenses)	119,868	368,730	150,249	387,071	395,784				113,566	
Interest Expense and (Income)											
29	Interest Expense	51,339	206,592	221,881	135,501	135,608				33,830	
30	AFUDC	(2,076)	(9,262)	(11,360)	(11,360)	(9,503)				(2,822)	
31	Interest Income	(533)	(11,405)	(19,456)	(5,195)	(1,690)				(185)	
32	Net Interest Expense (Income)	48,730	185,925	191,065	118,947	124,414				30,823	
33	Net Revenues (Expenses)	\$ 71,138	\$ 182,805	\$ (40,815)	\$ 268,125	\$ 271,370				\$ 82,743	
34	Net Revenue Modifications <Note 3	(78,831)	(315,646)	-	(343,042)	(343,042)				(80,118)	
35	Power Modified Net Revenue	\$ (7,693)	\$ (132,841)	\$ (40,815)	\$ (74,917)	\$ (71,672)				\$ 2,625	

<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.
 <3 In 2016, the scope of PMNR is broadened to include a revenue requirement adjustment that enables the use of cash to assist with the transition of the Energy Efficiency program costs from capital to expense. PMNR is a non-GAAP metric.

Report ID: 0021FY17
 Requesting BL: POWER BUSINESS UNIT
 Unit of measure: \$ Thousands

QBR Forecast Analysis: Power Services
 Through the Month Ended December 31, 2016
 Preliminary/ Unaudited

Run Date/Time: January 23, 2017 06:02
 Data Source: EPM Data Warehouse
 % of Year Elapsed = 25%

	A	B	C
	FY 2017		FY 2017
	Rate Case	Current EOY Forecast	Current EOY Forecast - Rate Case
Operating Revenues			
1 Gross Sales (excluding bookout adjustment) <Note 2	\$ 2,560,343	\$ 2,540,417	\$ (19,926)
2 Bookout Adjustment to Sales	-	(2,633)	(2,633)
3 Miscellaneous Revenues	29,580	31,130	1,550
4 Inter-Business Unit	115,750	119,742	3,992
5 U.S. Treasury Credits	92,386	80,836	(11,549)
6 Total Operating Revenues	2,798,058	2,769,493	(28,566)
Operating Expenses			
Power System Generation Resources			
Operating Generation Resources			
7 Columbia Generating Station	322,473	319,053	(3,420)
8 Bureau of Reclamation	158,121	157,621	(500)
9 Corps of Engineers	250,981	250,981	
10 Long-term Contract Generating Projects	17,034	11,152	(5,882)
11 Operating Generation Settlement Payment	19,651	16,667	(2,984)
12 Non-Operating Generation	1,863	1,482	(381)
13 Gross Contracted Power Purchases and Aug Power Purchases	102,790	89,198	(13,592)
14 Bookout Adjustment to Power Purchases	-	(2,633)	(2,633)
15 Residential Exchange/IOU Settlement Benefits <Note 2	219,003	219,003	-
16 Renewables	41,641	40,623	(1,018)
17 Generation Conservation	131,665	131,315	(350)
18 Subtotal Power System Generation Resources	1,265,221	1,234,462	(30,760)
19 Power Services Transmission Acquisition and Ancillary Services	195,831	207,986	203,295
20 Power Non-Generation Operations	99,836	87,615	(12,222)
21 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	318,395	318,589	194
BPA Internal Support	-	-	-
22 Additional Post-Retirement Contribution	19,478	14,858	(4,620)
23 Agency Services G&A	55,168	59,075	3,907
24 Other Income, Expenses & Adjustments	(129,463)	115	129,578
25 Non-Federal Debt Service	594,839	220,006	(374,833)
26 Depreciation & Amortization	228,502	231,002	2,500
27 Total Operating Expenses	2,647,809	2,373,709	(274,100)
28 Net Operating Revenues (Expenses)	150,249	395,784	387,071
Interest Expense and (Income)			
29 Interest Expense	221,881	135,608	(86,274)
30 AFUDC	(11,360)	(9,503)	1,857
31 Interest Income	(19,456)	(1,690)	17,766
32 Net Interest Expense (Income)	191,065	124,414	(66,650)
33 Net Revenues (Expenses)	\$ (40,815)	\$ 271,370	\$ 312,185
34 Net Revenue Modifications <Note 3	-	(343,042)	(343,042)
35 Power Modified Net Revenue	\$ (40,815)	\$ (71,672)	\$ (30,856)

Report ID: 0064FY17

Power Services Detailed Statement of Revenues by Product

Run Date\Time: January 23, 2017 06:40

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended December 31, 2016

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

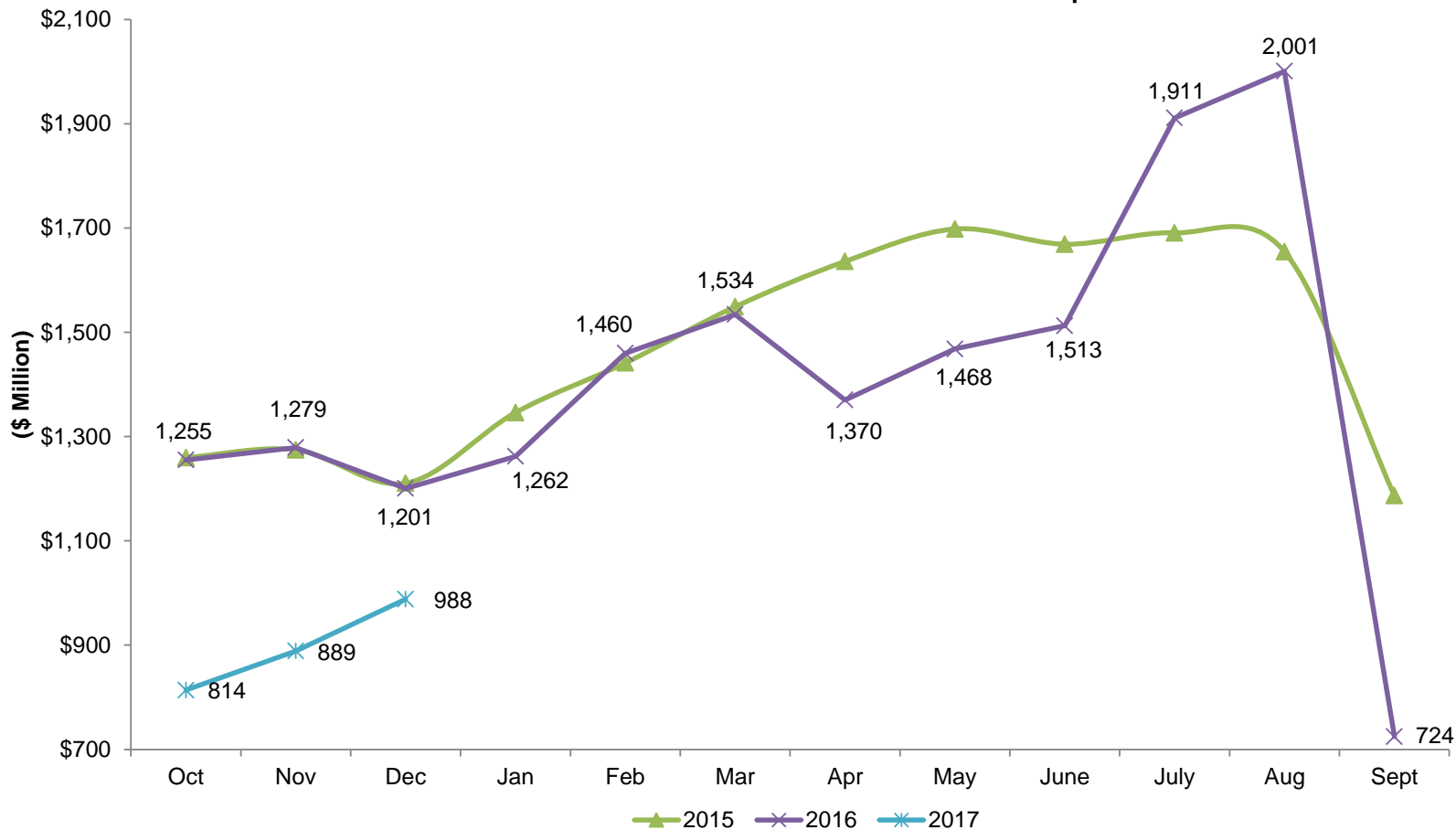
Preliminary/ Unaudited

% of Year Elapsed = 25%

		A	B	C	D
		FY 2017		FY 2017	FY 2017
		Rate Case	SOY Budget	Actuals	Actuals per Rate Case
Operating Revenues					
Gross Sales (excluding bookout adjustment)					
PF Tier 1 Revenues					
Load Following					
1	Composite	\$ 1,137,697	\$ 1,133,577	\$ 281,053	25%
2	Non-Slice	(169,629)	(168,518)	(41,781)	25%
3	Load Shaping	8,259	(8,756)	(14,561)	-276%
4	Demand	48,763	47,608	7,600	16%
5	Discounts / Fees	(53,702)	(49,260)	(6,775)	13%
6	RSS / RSC	1,601	1,597	(94)	-106%
7	REP Refund	(33,152)	(33,095)	(8,290)	25%
8	Other	-	-	-	0%
9	Sub-Total: Load Following	939,836	923,154	217,151	23%
Block					
10	Composite	640,651	628,595	157,149	25%
11	Non-Slice	(95,276)	(93,447)	(23,362)	25%
12	Load Shaping	3,305	3,360	5,621	170%
13	Demand	-	-	-	0%
14	Discounts / Fees	(5,693)	(5,693)	()	0%
15	RSS / RSC	-	-	-	0%
16	REP Refund	(21,493)	(21,449)	(5,267)	25%
17	Other	-	-	(94)	0%
18	Sub-Total: Block	521,494	511,366	134,047	26%
Slice					
19	Composite	662,493	658,897	164,724	25%
20	Slice	-	-	-	0%
21	Discounts / Fees	(3,216)	(3,216)	(872)	27%
22	REP Refund	(21,892)	(21,994)	(5,577)	25%
23	Other	-	-	-	0%
24	Sub-Total: Slice	637,386	633,687	158,275	25%
25	PF Tier 2 Revenues	27,509	27,424	6,888	25%
26	NR Revenues	356	-	(85)	-124%
27	IP Revenues	33,413	8,099	2,041	6%
28	FPS Revenues	364,599	368,774	74,979	21%
29	Other Revenues	35,750	24,960	14,627	41%
30	Gross Sales (excluding bookout adjustment)	2,560,343	2,497,464	607,923	24%
31	Bookout Adjustment to Sales	-	-	(2,633)	0%
32	Miscellaneous Revenues	29,580	29,924	6,190	21%
33	Inter-Business Unit	115,750	118,991	27,496	24%
34	U.S. Treasury Credits	92,386	95,236	21,002	23%
35	Total Operating Revenues	2,798,058	2,741,615	659,978	24%

Financial Reserves

Reserves as of the end of December are \$988 million



End of FY16 Reserves Actuals

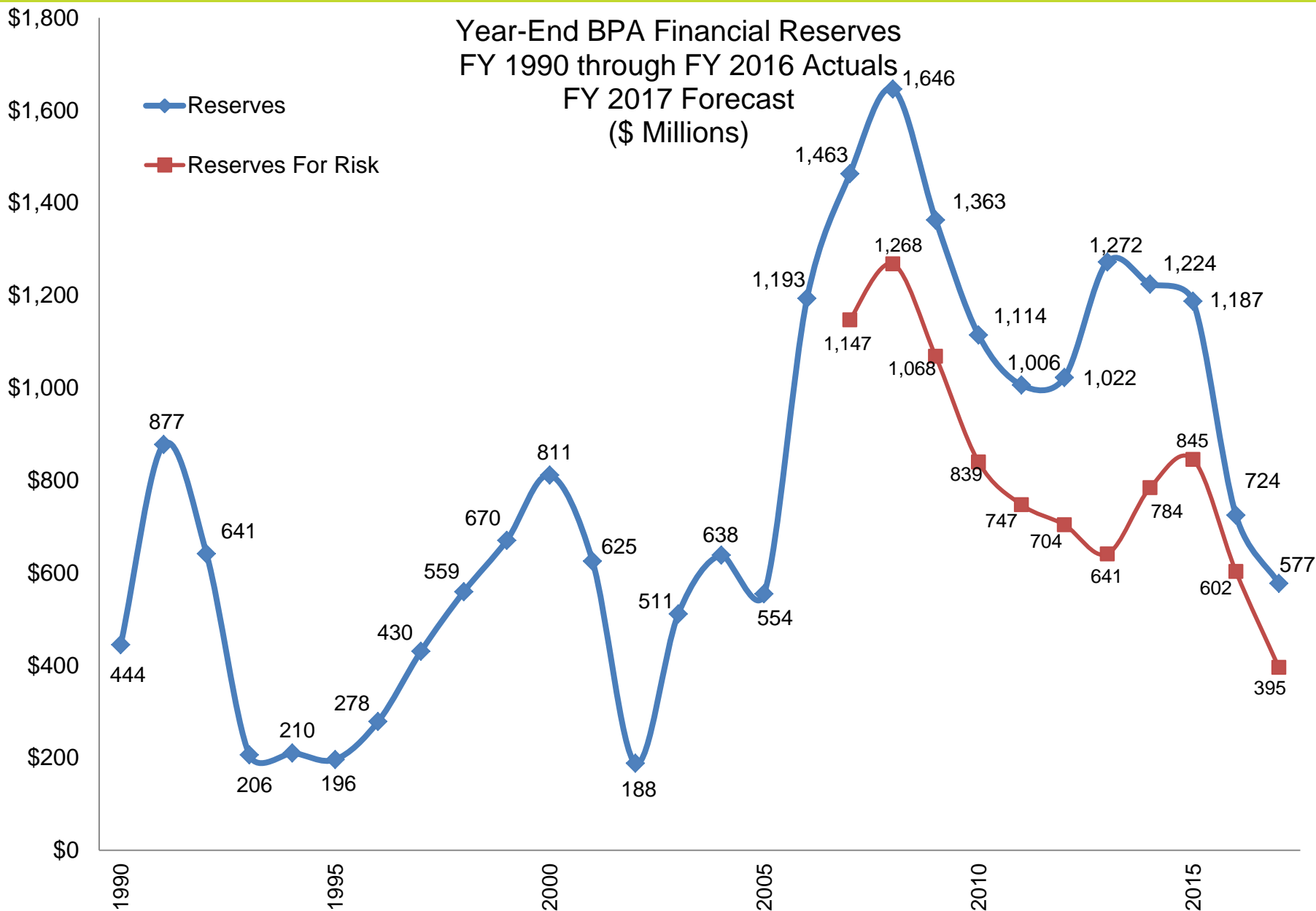
(\$ Millions)	Split		
	Power	Trans	Total
End FY16 Reserves	208	517	724
Less: End of FY16 Reserves Not for Risk	49	73	122
Reserves Available for Risk Forecast	159	444	602

Q1 - End of FY17 Reserves Forecast

(\$ Millions)	Split		
	Power	Trans	Total
End FY17 Reserves Forecast	122	456	577
Less: End of FY17 Reserves Not for Risk	120	62	182
Reserves Available for Risk Forecast	2	394	395

JANUARY 2017 QUARTERLY BUSINESS REVIEW

This information has been made publicly available on January 27, 2017 and contains information not sourced directly from BPA financial statements.



FY 2017 First Quarter Capital Financial Results & Forecast



Report ID: 0027FY17
 Requesting BL: CORPORATE BUSINESS UNIT
 Unit of Measure: \$Thousands

BPA Statement of Capital Expenditures
 FYTD Through the Month Ended December 31, 2016
 Preliminary Unaudited

Run Date/Run Time: January 23, 2017/ 06:10
 Data Source: EPM Data Warehouse
 % of Year Elapsed = 25%

	A	B	C	D	E	F	
	FY 2017			FY 2017	FY 2017		
	Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast	
Transmission Business Unit							
1	MAIN GRID	\$ 172,624	\$ 41,850	\$ 41,199	\$ 5,678	14%	14%
2	AREA & CUSTOMER SERVICE	13,458	68,086	67,027	14,268	21%	21%
3	SYSTEM REPLACEMENTS	275,051	309,943	310,165	59,492	19%	19%
4	UPGRADES & ADDITIONS	62,105	78,677	73,329	19,272	24%	26%
5	ENVIRONMENT CAPITAL	6,710	7,779	7,478	1,850	24%	25%
	PFIA						
6	MISC. PFIA PROJECTS	6,452	18,385	19,123	2,260	12%	12%
7	GENERATOR INTERCONNECTION	12,904	9,679	9,561	(114)	-1%	-1%
8	SPECTRUM RELOCATION	-	1,983	2,063	56	3%	3%
9	CAPITAL INDIRECT, undistributed	-	-	-	(3,601)	0%	0%
10	LAPSE FACTOR	-	-	-	-	0%	0%
11	TOTAL Transmission Business Unit	549,305	536,381	529,945	99,160	18%	19%
Power Business Unit							
12	BUREAU OF RECLAMATION <Note 1	92,222	49,642	45,920	7,574	15%	16%
13	CORPS OF ENGINEERS <Note 1	149,686	167,631	166,453	37,142	22%	22%
14	GENERATION CONSERVATION	-	-	-	-	0%	0%
15	POWER INFORMATION TECHNOLOGY	4,547	5,000	7,625	607	12%	8%
16	FISH & WILDLIFE <Note 2	30,795	44,602	40,602	2,338	5%	6%
17	LAPSE FACTOR	-	-	-	-	0%	0%
18	TOTAL Power Business Unit	277,250	266,875	260,600	47,661	18%	18%
Corporate Business Unit							
19	CORPORATE BUSINESS UNIT	21,421	15,460	6,273	718	5%	11%
20	UNALLOCATED HEADROOM <Note 3	56,000	-	-	-	0%	0%
21	TOTAL Corporate Business Unit	77,421	15,460	6,273	718	5%	11%
22	TOTAL BPA Capital Expenditures	\$ 903,976	\$ 818,716	\$ 796,818	\$ 147,539	18%	19%

< 1 Excludes projects funded by federal appropriations.

< 2 Amounts are reported as regulatory assets and not utility plant

< 3 Current rates assume that BPA's capital investment program contains \$56 million in unallocated funding known as headroom.

Report ID: 0028ASFY16

BPA Statement of Capital Expenditures by Asset Category

Run Date/Run Time: January 18, 2017/ 07:28

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

FYTD Through the Month Ended December 31, 2016
Preliminary Unaudited

Data Source: EPM Data Warehouse via Analysis Services
% of Year Elapsed = 25%

		A	B	C	D	E	F
		FY 2017			FY 2017	FY 2017	
		Rate Case	SOY Budget	Current EOY Forecast	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast
Transmission Business Unit							
Transmission Asset Category							
1	Expand	240,208	150,832	148,354	32,674	22%	22%
2	Sustain	240,406	285,123	285,852	58,150	20%	20%
3	Transmission Asset Category Sub-Total	480,614	435,955	434,206	90,824	21%	21%
4	PFIA						
	Expand	19,357	30,046	30,747	2,202	7%	7%
Facilities Asset Category							
5	Expand		32,399	31,143	6,073	19%	19%
6	Sustain	19,144	5,116	4,917	269	5%	5%
7	Facilities Asset Category Sub-Total	19,144	37,514	36,060	6,341	17%	18%
8	IT Asset Category						
	Expand	3,646	5,382	2,058	471	9%	23%
9	Security Function						
	Sustain	9,769	11,368	10,927	1,225	11%	11%
10	Fleet Function						
	Sustain	10,065	8,336	8,469	(153)	-2%	-2%
11	Environment Function						
	Sustain	6,710	7,779	7,478	1,850	24%	25%
12	Capital Indirect						
		-	-	-	(3,601)	0%	0%
13	TOTAL Transmission Business Unit	549,305	536,381	529,945	99,160	18%	19%
Power Business Unit							
14	Bureau of Reclamation						
	Sustain	92,222	49,642	45,920	7,574	15%	16%
15	Corps of Engineers						
	Sustain	149,686	167,631	166,453	37,142	22%	22%
16	Fed Hydro Sub-Total	241,908	217,273	212,373	44,716	21%	21%
17	Generation Conservation						
	Sustain				(1)	0%	0%
18	Fish and Wildlife						
	Fish and Wildlife	30,795	44,602	40,602	2,338	5%	6%
19	IT Asset Category						
	Expand	4,547	5,000	7,625	608	12%	8%
20	TOTAL Power Business Unit	277,250	266,875	260,600	47,661	18%	18%
Corporate Business Unit							
21	Facilities Asset Category						
	Sustain	2,170			11	0%	0%
22	Unallocated Headroom						
	Expand	56,000				0%	0%
23	IT Asset Category						
	Expand	10,865	5,000	3,714	512	10%	14%
24							
	Sustain	8,386	10,460	2,559	195	2%	8%
25	IT Asset Category Sub-Total	19,251	15,460	6,273	707	5%	11%
26	TOTAL Corporate Business Unit	77,421	15,460	6,273	718	5%	11%
27	TOTAL BPA Capital Expenditures	\$ 903,976	\$ 818,716	\$ 796,818	\$ 147,539	18%	19%
28	TOTAL Expand	334,623	228,659	223,641	42,539	19%	19%
29	TOTAL Sustain	538,558	545,455	532,575	106,263	19%	20%
30	TOTAL Fish and Wildlife	30,795	44,602	40,602	2,338	5%	6%
31	TOTAL Other	-	-	-	(3,601)	0%	0%
32	TOTAL BPA Capital Expenditures	\$ 903,976	\$ 818,716	\$ 796,818	\$ 147,539	18%	19%

< 1 Excludes projects funded by federal appropriations.

< 2 Amounts are reported as regulatory assets and not utility plant
All amounts are fully loaded

< 3 Current rates assume that BPA's capital investment program contains \$56 million in unallocated funding known as headroom.
Actual headroom spending will not be realized.

Report ID: 0027FY17
 Requesting BL: CORPORATE BUSINESS UNIT
 Unit of Measure: \$Thousands

QBR Forecast Analysis: BPA Capital Expenditures
 FYTD Through the Month Ended December 31, 2016
 Preliminary Unaudited

Run Date/Run Time: January 23, 2017 06:10
 Data Source: EPM Data Warehouse
 % of Year Elapsed = 25%

		A	B	C
		FY 2017		FY 2017
		Rate Case	Current EOY Forecast	Current EOY Forecast - Rate Case
Transmission Business Unit				
1	MAIN GRID	\$ 172,624	\$ 41,199	\$ (131,424)
2	AREA & CUSTOMER SERVICE	13,458	67,027	53,569
3	SYSTEM REPLACEMENTS	275,051	310,165	35,114
4	UPGRADES & ADDITIONS	62,105	73,329	11,224
5	ENVIRONMENT CAPITAL	6,710	7,478	768
	<u>PFIA</u>	-	-	-
6	MISC. PFIA PROJECTS	6,452	19,123	12,671
7	GENERATOR INTERCONNECTION	12,904	9,561	(3,343)
8	SPECTRUM RELOCATION	-	2,063	2,063
9	CAPITAL INDIRECT, undistributed	-	-	-
10	LAPSE FACTOR	-	-	-
11	TOTAL Transmission Business Unit	549,305	529,945	(19,360)
Power Business Unit				
12	BUREAU OF RECLAMATION <Note 1	92,222	45,920	(46,302)
13	CORPS OF ENGINEERS <Note 1	149,686	166,453	16,767
14	GENERATION CONSERVATION	-	-	-
15	POWER INFORMATION TECHNOLOGY	4,547	7,625	3,078
16	FISH & WILDLIFE <Note 2	30,795	40,602	9,807
17	LAPSE FACTOR	-	-	-
18	TOTAL Power Business Unit	277,250	260,600	(16,650)
Corporate Business Unit				
19	CORPORATE BUSINESS UNIT	21,421	6,273	(15,148)
20	UNALLOCATED HEADROOM <Note 3	56,000	-	(56,000)
21	TOTAL Corporate Business Unit	77,421	6,273	(71,148)
22	TOTAL BPA Capital Expenditures	\$ 903,976	\$ 796,818	\$ (107,158)

Capital Project Status Report

Dennis Naef
Asset Strategist



Major Capital Projects ¹ - End-of-Project Target Performance						Q4 2016	
Project	Description	Direct Capital \$M ²			In-Service Date		
		Target	Forecast	Actual ³	Target	Forecast	
Transmission							
Sustain Steel Program Defective Damper Replacements	Replace approximately 1,700 miles of defective PPI spacer dampers.	\$ 34.4	\$ 34.4	\$ 29.1	9/30/14	12/28/18	
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	\$ 51.9	\$ 51.3	12/31/13	6/30/17	
Fleet Mobile Equipment Replacement FY14-16	Heavy duty and specialized vehicle replacement program for FY14-16	\$ 16.4	\$ 13.3	\$ 9.0	9/30/16	9/30/17	
#KC SONET Phase II Spur Healing	Complete the digital microw ave and radio conversion in Oregon.	\$ 18.0	\$ 13.5	\$ 13.3	12/31/15	12/29/17	
#NC Analog Microwave Replacement	Complete the digital microw ave and radio conversion in NW Washington.	\$ 9.5	\$ 9.1	\$ 8.2	12/31/15	12/31/18	
Alvey Substation 500 kV Shunt Reactor	Add a 500 kV shunt reactor for voltage stabilization.	\$ 10.9	\$ 9.8	\$ 8.9	4/30/12	12/30/16	
NEPA - I-5 Corridor Reinforcement	Conduct NEPA study, preliminary engineering and design.	\$ 85.0	\$ 92.8	\$ 84.0	12/31/15	9/29/17	
Big Eddy - Knight (West of McNary Reinforcement Group 2)	New 500 kV substation and 28 miles of 500 kV transmission line.	\$ 180.0	\$ 197.5	\$ 191.0	11/30/14	11/30/17	
Ross - Schultz Fiber Replacement	Replace the obsolete and limited 36 strand fiber w ith standard 72 strand fiber.	\$ 34.0	\$ 30.0	\$ 11.2	9/15/17	11/16/18	
#DC Microwave Analog Spur Replacement	Complete the digital microw ave and radio conversion in Northeast Washington.	\$ 39.5	\$ 34.9	\$ 34.4	8/30/17	7/3/17	
P25 Two-Way Mobile Radio Upgrade	Replace and upgrade the mobile radio system to P25 technology.	\$ 64.5	\$ 60.4	\$ 11.8	9/30/17	12/21/21	
Pacific DC Intertie Upgrade - Station Work	Modernize the Cello converter terminal and upgrade capacity from 3100 MW to 3220 MW for north to south pow er flow w ith a future upgrade path to 3800 MW.	\$ 290.5	\$ 280.2	\$ 280.2	12/20/15	9/30/16	
Pacific DC Intertie Upgrade - Line Work		\$ 40.0	\$ 79.8	\$ 77.3	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	\$ 36.3	\$ 25.0	9/30/16	12/2/17	
Lower Valley Area Reinforcement (Hooper Springs)	Construct substation and 24 miles of line to address reliability issues in the Low er Valley Area.	\$ 63.8	\$ 65.9	\$ 19.7	9/30/17	11/30/18	
#JC Microwave Upgrade	Complete the digital conversion for the upper part of the #JC communications ring.	\$ 13.5	\$ 10.1	\$ 6.8	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	\$ 15.9	3/30/17	12/28/18	
McNary Substation - Additional 500 kV Transformer	Install an additional transformer bank to handle increased loading.	\$ 20.2	\$ 27.8	\$ 26.4	5/30/17	5/30/17	
Umatilla Electric Cooperative (UEC) Line and Load Requests	Construct Longhorn Substation Annex and add three bays at McNary Substation.	\$ 65.0	\$ 65.0	\$ 65.0	7/30/16	7/30/16	
Paul Substation Shunt Reactor Addition	Install an additional reactor in the Portland area for voltage control.	\$ 9.5	\$ 10.2	\$ 9.9	4/30/16	12/16/16	
Spare Transformers for Hub Wind Sites	Add a spare 500/230 kV single phase transformer at John Day, Rock Creek, Slatt and Central Ferry substations.	\$ 18.6	\$ 18.9	\$ 6.7	10/15/18	1/31/19	
PMU Additions FY15-17	Install additional phasor measurement units to monitor system performance to comply w ith NERC/WECC standards.	\$ 7.6	\$ 7.7	\$ 3.1	9/30/18	9/30/18	

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¹ Includes capital projects authorized at the agency level since August 2007

² Direct capital costs exclude AFUDC and overheads

³ Actual costs are project costs to date.

⁴ Contracts have not been awarded - cost estimates are confidential

Major Capital Projects ¹ - End-of-Project Target Performance						Q4 2016	
Project	Description	Direct Capital \$M ²			In-Service Date		
		Target	Forecast	Actual ³	Target	Forecast	
Transmission - continued							
Midway-Grandview No. 1 Line Upgrade	Rebuild 25 mile line to avoid risk of thermal overload.	\$ 18.6	\$ 13.1	\$ 3.6	4/30/18	4/30/18	
Kalispell - Hot Springs Fiber	Install fiber optic cable and associated SONET, RAS and transfer trip equipment.	\$ 7.9	\$ 7.3	\$ 0.1	6/30/19	6/30/19	
Steel Lines Sustain Program FY 2016	One-year asset replacement plan based on asset strategy analysis.	\$25.5 to \$28.5	\$ 14.5	\$ 14.5	9/30/16	9/30/16	
Wood Pole Lines Sustain Program FY 2016	One-year asset replacement plan based on asset strategy analysis.	\$47.5 to \$52.5	\$ 36.6	\$ 36.6	9/30/16	9/30/16	
Access Roads Sustain Program FY 2016	One-year asset replacement plan based on asset strategy analysis.	\$16.0 to \$18.0	\$ 7.8	\$ 7.8	9/30/16	9/30/16	
Land and Land Rights Sustain Program FY 2016	One-year asset replacement plan based on asset strategy analysis.	\$9.5 to \$10.5	\$ 5.9	\$ 5.9	9/30/16	9/30/16	
AC Substations Sustain Program FY 2016	One-year asset replacement plan based on asset strategy analysis.	\$52.5 to \$58.5	\$ 46.0	\$ 46.0	9/30/16	9/30/16	
System Telecommunications Sustain Program FY 2016	One-year asset replacement plan based on asset strategy analysis.	\$17.0 to \$19.0	\$ 12.0	\$ 12.0	9/30/16	9/30/16	
Power Systems Control Sustain Program FY 2016	One-year asset replacement plan based on asset strategy analysis.	\$20.0 to \$22.0	\$ 19.2	\$ 19.2	9/30/16	9/30/16	
System Protection and Control Sustain Program FY 2016	One-year asset replacement plan based on asset strategy analysis.	\$32.0 to \$36.0	\$ 24.6	\$ 24.6	9/30/16	9/30/16	
Control Center Sustain Program FY 2016	One-year asset replacement plan based on asset strategy analysis.	\$9.5 to \$10.5	\$ 6.9	\$ 6.9	9/30/16	9/30/16	
Federal Hydro							
Grand Coulee and Hungry Horse SCADA Replacement	Replace SCADA systems at Grand Coulee and Hungry Horse.	\$ 46.8	\$ 69.2	\$ 52.5	9/30/15	9/1/20	
Grand Coulee Pre Overhaul - Winding Replacement G19, G20	Replace the stator core and windings on units G19 and G20.	\$ 26.3	\$ 26.3	\$ 2.0	5/31/13	12/31/18	
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	\$ 0.3	12/2/23	7/2/29	
Grand Coulee Exciter Replacements G1-G18	Replace the excitation equipment for all 18 units.	\$ 50.6	\$ 26.6	\$ 0.3	12/2/23	7/2/29	
Grand Coulee Governor Replacements G1-G18	Replace the governors and related equipment for all 18 units.	\$ 10.9	\$ 10.9	\$ 0.2	12/2/23	7/2/29	
Grand Coulee Transformer Replacements G11-G18	Replace 24 single-phase transformers in the Right Powerhouse.	\$ 32.5	\$ 32.6	\$ 0.5	10/31/18	12/1/24	
Grand Coulee - Keys Pump Generating Station - Reliability	Replacements and upgrades to maintain current station capability.	\$ 66.6	\$ 66.3	\$ 10.1	9/30/24	9/30/24	
Grand Coulee G22 - G23 Wicket Gate Replacements	Replace the deteriorating wicket gates.	\$ 9.0	\$ 7.9	\$ 4.1	11/1/18	11/1/18	

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Major Capital Projects ¹ - End-of-Project Target Performance					Q4 2016	
Project	Description	Direct Capital \$M ²			In-Service Date	
		Target	Forecast	Actual ³	Target	Forecast
Federal Hydro - continued						
Grand Coulee Firehouse	Build a stand-alone fire station to replace the facility currently housed in the pump-generating plant.	\$ 14.6	\$ 14.6	\$ 1.5	1/1/18	1/1/18
Chief Joseph Turbine Runner Replacements Units 1 - 16	Replace the turbine runners and rehabilitate the turbines on units 1 - 16.	\$ 166.0	\$ 176.0	\$ 156.3	9/30/17	9/30/17
Chief Joseph Governor Replacement	Upgrade the 27 governors with digital controls and replace associated equipment.	\$ 10.7	\$ 10.7	\$ 7.2	8/19/17	4/7/17
The Dalles Transformer Replacements	Replace 7 transformer banks - TA, T1, T3, T5, T6, T7, T8	\$ 37.0	\$ 35.8	\$ 1.3	5/9/19	5/9/19
The Dalles Fish Unit Breaker Replacement	Replace the two fish attraction unit breakers and associated bus work.	N/A ⁴	N/A ⁴	\$ -	9/30/19	9/30/19
McNary Governor Replacement	Upgrade the 14 governors in the McNary powerhouse with digital controls.	N/A ⁴	N/A ⁴	\$ 2.2	1/29/18	4/30/19
McNary 4160/480V Station Service Upgrade	Replace and upgrade the station service distribution system.	\$ 36.0	\$ 45.1	\$ 27.5	12/3/18	12/3/18
Bonneville Powerhouse 1 Main Unit Breakers and Station Service	Replace oil-filled original equipment breakers and reconfigure and modernize the station service.	\$ 42.0	\$ 34.1	\$ 13.6	4/20/18	3/20/18
John Day Governor Upgrade	Upgrade of the governors with digital controls and replacement of associated components.	\$ 10.7	\$ 8.9	\$ 8.9	10/26/16	6/30/16
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.	N/A ⁴	N/A ⁴	\$ 1.1	12/31/18	11/5/22
John Day Draft Tube Bulkheads and Intake Gates	Purchase two sets of draft tube bulkheads and one set of intake gates for additional de-watering.	\$ 11.9	\$ 8.5	\$ 5.5	9/4/18	7/26/17
John Day Emergency Gantry Crane Replacement	Replace the 348 ton emergency intake gantry crane.	N/A ⁴	N/A ⁴	\$ 0.8	2/1/20	2/1/20
Dworshak U3 Stator and Coolers	Replace the winding, core and air coolers.	N/A ⁴	N/A ⁴	\$ 4.4	6/1/17	7/3/17
Ice Harbor Turbine Runner Replacement	Replace poor condition turbine runners in units 1, 2 & 3 with a more fish-friendly design.	\$ 97.0	\$ 97.0	\$ 32.1	3/31/20	3/31/20
Ice Harbor Stator Winding Replacements	Replace the stator windings for units 1,2 and 3.	N/A ⁴	N/A ⁴	\$ 0.5	3/31/20	4/1/19
Lower Granite U1 Linkage Upgrade	Upgrade the U1 turbine linkage to restore full Kaplan capability.	\$ 7.6	\$ 4.1	\$ 3.4	9/9/16	4/1/17
Lower Monumental U1 Linkage Refurbishment	Refurbish turbine linkage and rewind generator.	\$ 14.8	\$ 16.6	\$ 8.0	3/1/16	5/31/17
Hungry Horse Station Service Replacement	Replace station service switchgear distribution board/feeder cables and upgrade relay protection/metering.	\$ 8.1	\$ 7.5	\$ 7.5	1/31/15	7/30/16
Hills Creek Powerhouse Turbine and Unit Rehabilitation	Replace turbine runners and generator windings on units 1 and 2 at Hills Creek.	\$ 24.1	\$ 22.1	\$ 19.2	8/12/14	10/3/16
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.	\$ 36.8	\$ 40.5	\$ 7.1	12/31/14	9/1/19
Black Canyon Switchyard Replacement	Replace and relocate the switchyard.	N/A ⁴	N/A ⁴	\$ -	5/1/19	5/1/19

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² Direct capital costs exclude AFUDC and overheads

³ Actual costs are project costs to date.

⁴ Contracts have not been awarded - cost estimates are confidential

Major Capital Projects ¹ - End-of-Project Target Performance						Q4 2016	
Project	Description	Direct Capital \$M ²			In-Service Date		
		Target	Forecast	Actual ³	Target	Forecast	
Federal Hydro - continued							
Palisades Turbine Rehabilitation and Runner Replacement	Replace the turbine runners and rehabilitate the turbines on the four Palisades units.	\$ 28.8	\$ 30.2	\$ 29.6	5/31/16	5/31/17	
Willamette Valley and Lost Creek GDACS	Install Generic Data Acquisition and Control Systems to replace existing SCADA systems.	N/A ⁴	N/A ⁴	\$ 1.8	1/1/20	1/1/20	

Facilities						
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	\$ 17.3	\$ 17.3	12/31/13	7/29/16
Ross HMEM Garage	Construct a Heavy Mobile Equipment Mechanic facility on the Ross Complex.	N/A ⁴	N/A ⁴	\$ -	12/31/19	12/31/19
Ross Maintenance Headquarters	Construct a maintenance HQ office building, high-bay structure and lay-down storage area on the Ross complex.	\$ 20.6	\$ 19.1	\$ 4.3	12/31/17	12/15/17

Summary			
Transmission	\$ 1,443.8	\$ 1,386.9	\$ 1,165.4
Federal Hydro	911.8	914.5	409.5
IT	-	-	-
Facilities	34.8	36.4	21.6
Total	\$ 2,390.4	\$ 2,337.8	\$ 1,596.5

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²Direct capital costs exclude AFUDC and overheads

³Actual costs are project costs to date.

⁴Contracts have not been awarded - cost estimates are confidential

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

Jenny Hurlburt
Public Utilities Specialist

Janice Johnson
Accountant



Q1 Forecast of FY 2017 Slice True-Up Adjustment

	FY 2017 Forecast \$ in thousands
January 31, 2017 First Quarter Business Review	\$(2,381)*
May 2, 2017 Second Quarter Business Review	
Aug 1, 2017 Third Quarter Business Review	
October 31, 2017 Fourth Quarter Business Review	
Actual Slice True-Up Adjustment Charge/Credit	

*Negative = Credit; Positive = Charge

Summary of Differences From Q1 Forecast to FY 17(BP-16)

#		Composite Cost Pool True-Up Table Reference	QTR1 – Rate Case \$ in thousands
1	Total Expenses	Row 103	\$(427,772)
2	Total Revenue Credits	Rows 123 + 132	\$(15,301)
3	Minimum Required Net Revenue	Row 149	\$403,773
4	TOTAL Composite Cost Pool (1 - 2 + 3) \$(427,772K)-\$(15,301)+\$403,773K = \$(8,698K)	Row 154	\$(8,698)
5	TOTAL in line 4 divided by <u>0.9723750</u> sum of TOCAs \$(8,698) / <u>0.9723750</u> = \$(8,945)K	Row 157	\$(8,945)
6	QTR Forecast of FY 17 True-up Adjustment 26.61865 percent of Total in line 5 0.2661865* \$ (8,945K) = \$(2,381K)	Row 158	\$(2,381)

Line Item Impacts on Slice True-Up

#	Line Item	CCP Reference	\$\$ Impact in millions
1	Operating Generation	Row 8	(9.8)
2	Colville Generation Settlement	Row 10	(2.9)
3	Conservation	Row 33	(1.7)
4	Generation Project Coordination	Row 46	(2.7)
5	Marketing & Bus. Supp.	Row 59	(9.6)
6	3 rd Party GTA Wheeling	Row 63	16.3
7	Other Income, Expenses, Adjustment	Row 79	61.9
8	Net Interest Expense	Row 99	(71.8)
9	LDD	Row 100	(4.6)
10	Generation Inputs	Row 106	(3.9)
11	Downstream Benefits	Row 107	(1.2)
12	4h10C revenue credit	Row 108	11.5
13	DSI revenue credit	Row 132	10.6
	Total		(8.1)

FY17 Impacts of Debt Management Actions

#	Description	FY17 Q1 QBR	CCP	Delta from the FY17 rate case
1	Expense Offset			
2	FY17 Energy Efficiency offset	\$ (67,685,000)		
3	2017 DSR ^{Note 1}	\$ (30,103,995)		\$ (30,103,995)
4	Total Expense Offset	\$ (97,788,995)	row 80	
5	<u>MRNR Section of Composite Cost Pool Table</u>			
6	Principal Payment of Federal Debt			
7	2017 Regional Cooperation Debt (RCD)	\$ 117,168,241		\$ 117,168,241
8	2017 Debt Service Reassignment (DSR)	\$ 30,103,995		\$ 30,103,995
9	Prepay	\$ 81,611,293		\$ 81,611,293
10	Energy Northwest's Line Of Credit (LOC)	\$ 500,000,000		\$ 500,000,000
11	Rate Case Amount of scheduled Power Principal	\$ 109,429,000		
12	Total Principal Payment of Fed Debt ^{Note 2}	\$ 838,312,529	row 135	
13	Principal Payment of Non-Federal Debt (Energy Northwest 2016)	\$ 259,000,000	row 136	\$ 259,000,000
14	Customer Proceeds ^{Note 3}	\$ 81,611,293	row 142	\$ (81,611,293)
15	Non-Cash Expenses ^{Note 3}	\$ 500,000,000	row 143	\$ (500,000,000)
16	Energy Northwest Debt Service			
17	COLUMBIA GENERATING STATION DEBT SVC	\$ 117,474,000	row 83	\$ (9,991,867)
18	WNP-1 DEBT SVC	\$ 35,164,000	row 84	\$ (166,640,151)
19	WNP-3 DEBT SVC	\$ 58,131,000	row 85	\$ (198,200,827)

Note 1: We placed the DSR in the Expense Offset per the BP-16 rate case.

Note 2: At year end, the final number will match the appropriation payment number in the Final Amortization Plan for Power

Note 3: The Customer Proceeds and Non-Cash Expenses are subtracted from the payments in the MRNR section

Composite Cost Pool Interest Credit

Allocation of Interest Earned on the Bonneville Fund (\$ in thousands)

		<u>Q1 2017</u>
1	Fiscal Year Reserves Balance	570,255
2	Adjustments for pre-2002 Items	<u> -</u>
3	Reserves for Composite Cost Pool (Line 1 + Line 2)	570,255
4	Composite Interest Rate	0.43%
5	Composite Interest Credit	(2,452)
6	Prepay Offset Credit	(188)
7	Total Interest Credit for Power Services	(1,690)
8	Non-Slice Interest Credit (Line 7 – (Line 5 + Line 6))	949

Net Interest Expense in Slice True-Up Forecast

	FY17 Rate Case	Q1 Forecast
	<u>(\$ in thousands)</u>	<u>(\$ in thousands)</u>
• Federal Appropriation	186,051	115,583
• Capitalization Adjustment	(45,937)	(45,937)
• Borrowings from US Treasury	69,299	53,493
• Prepay Interest Expense	12,469	12,469
• Interest Expense	221,882	135,608
• AFUDC	(11,360)	(9,503)
• Interest Income (composite)	(15,226)	(2,452)
• Prepay Offset Credit	(0)	(188)
• Total Net Interest Expense	195,296	123,466

IPR 2 Update

Amy Attinasi
Financial Analyst



Workshop Schedule

- February 15
 - 9am – 11am: Columbia Generating Station
 - 11am – 12pm: Workforce
 - 1pm – 4pm: Fed Hydro
- February 16
 - 9am – 12pm: Commercial Operations
- Comment period will be open from February 15 – March 9.
- Close-out document will be released at the end of April.

- Notes from the December educational webinar sessions can be found on the [IPR webpage](#).

Appendix



Planned Network Additions Associated With Interconnection Requests

The following are planned* Network additions associated with requested line/load and generation interconnections that were recently approved:

No new updates this quarter.

*Construction is contingent upon the requestor signing a construction agreement.

Please direct inquiries to Jana Jusupovic in Customer Service Engineering at jdjusupovic@bpa.gov

Report ID: 0020FY17
 Requesting BL: CORPORATE BUSINESS UNIT
 Unit of measure: \$ Thousands

FCRPS Summary Statement of Revenues and Expenses
 Through the Month Ended December 31, 2016
 Preliminary/ Unaudited

Run Date/Run Time: January 23,2017/ 06:01
 Data Source: EPM Data Warehouse
 % of Year Elapsed = 25%

	FY 2016		FY 2017		FY 2017
	Actuals: FYTD	Actuals	SOY Budget	Current EOY Forecast	Actuals: FYTD
Operating Revenues					
1 Gross Sales (excluding bookout adjustment) <Note 3	\$ 824,492	\$ 3,305,572	\$ 3,420,217	\$ 3,463,054	\$ 833,526
2 Bookout adjustment to Sales	(2,756)	(22,064)	-	(2,633)	(2,633)
3 Miscellaneous Revenues	19,040	71,913	72,355	72,106	16,198
4 U.S. Treasury Credits	28,330	77,228	95,236	80,836	21,002
5 Total Operating Revenues	869,105	3,432,649	3,587,808	3,613,363	868,092
Operating Expenses					
Power System Generation Resources					
Operating Generation Resources					
6 Columbia Generating Station	57,477	258,587	319,053	319,053	85,545
7 Bureau of Reclamation	26,616	132,756	157,621	157,621	37,602
8 Corps of Engineers	48,085	237,966	250,981	250,981	49,699
9 Long-term Contract Generating Projects	6,853	20,455	15,546	11,152	2,996
10 Operating Generation Settlement Payment	4,913	17,496	22,234	16,667	4,913
11 Non-Operating Generation	449	1,239	1,482	1,482	188
12 Gross Contracted Power Purchases and Augmentation Power Purch	36,071	133,893	86,812	89,198	19,335
13 Bookout Adjustment to Power Purchases	(2,756)	(22,064)	-	(2,633)	(2,633)
14 Exchanges & Settlements <Note 3	54,518	218,717	219,003	219,003	54,616
15 Renewables	7,777	36,244	40,531	40,623	7,916
16 Generation Conservation	21,348	123,484	131,614	131,315	25,934
17 Subtotal Power System Generation Resources	261,352	1,158,774	1,244,877	1,234,462	286,109
18 Power Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 2	14,381	61,473	91,845	95,095	21,147
19 Power Services Non-Generation Operations	19,114	78,653	91,053	87,615	17,705
20 Transmission Operations	33,092	145,216	167,501	170,138	33,186
21 Transmission Maintenance	33,737	157,455	169,824	169,578	34,795
22 Transmission Engineering	8,642	51,168	57,929	58,228	10,930
23 Trans Services Transmission Acquisition and Ancillary Services - (3rd Party) <Note 2	2,297	13,856	30,873	26,813	1,886
24 Transmission Reimbursables	6,236	15,376	9,922	9,923	3,375
25 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	81,090	296,587	317,940	317,990	77,131
BPA Internal Support					
26 Additional Post-Retirement Contribution	9,572	34,183	35,671	29,530	8,918
27 Agency Services G&A	31,325	131,375	133,756	129,386	27,537
28 Other Income, Expenses & Adjustments	2,202	(7,161)	(38,288)	(11,624)	805
29 Non-Federal Debt Service	64,598	249,246	245,187	243,479	51,490
30 Depreciation & Amortization	113,971	471,118	490,550	490,550	120,975
31 Total Operating Expenses	681,608	2,857,318	3,048,640	3,051,162	695,989
32 Net Operating Revenues (Expenses)	187,497	575,331	539,168	562,201	172,103
Interest Expense and (Income)					
33 Interest Expense	86,136	353,834	293,757	286,300	70,842
34 AFUDC	(12,695)	(40,304)	(35,702)	(33,845)	(8,996)
35 Interest Income	(1,226)	(15,362)	(9,070)	(3,944)	(795)
36 Net Interest Expense (Income)	72,215	298,169	248,985	248,512	61,050
37 Net Revenues (Expenses)	\$ 115,282	\$ 277,161	\$ 290,183	\$ 313,689	\$ 111,053
38 Transmission Net Revenues (Expenses)	46,027	101,902	41,619	50,205	30,279
39 Power Net Revenues (Expenses)	71,138	182,805	268,125	271,370	82,743
40 Net Revenue Modifications <Note 4	(78,831)	(315,646)	(343,042)	(343,042)	(80,118)
41 Adjusted Net Revenues	\$ 38,334	\$ (30,939)	\$ (33,297)	\$ (21,467)	\$ 32,904

<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.

<4 Adjusted Net Revenues is a non-GAAP metric designed to report net revenues after removing the effect of certain debt management actions not considered to be related to ongoing FCRPS operations.

Report ID: 0060FY17

Power Services Detailed Statement of Revenues and Expenses

Run Date/Time: January 23, 2017 06:03

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended December 31, 2016

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 25%

	A	B	C	D <small><Note 1</small>	E	F
	FY 2016	FY 2017			FY 2017	FY 2017
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
Operating Revenues						
1 Gross Sales (excluding bookout adjustment) <Note 2	\$ 2,402,364	\$ 2,560,343	\$ 2,497,464	\$ 2,540,417	\$ 607,923	24%
2 Bookout Adjustment to Sales	(22,064)	-	-	(2,633)	(2,633)	100%
3 Miscellaneous Revenues	27,880	29,580	29,924	31,130	6,190	20%
4 Inter-Business Unit	115,354	115,750	118,991	119,742	27,496	23%
5 U.S. Treasury Credits	77,228	92,386	95,236	80,836	21,002	26%
6 Total Operating Revenues	2,600,762	2,798,058	2,741,615	2,769,493	659,978	24%
Operating Expenses						
Power System Generation Resources						
Operating Generation						
7 COLUMBIA GENERATING STATION	258,587	322,473	319,053	319,053	85,545	27%
8 BUREAU OF RECLAMATION	132,756	158,121	157,621	157,621	37,602	24%
9 CORPS OF ENGINEERS	237,966	250,981	250,981	250,981	49,699	20%
10 LONG-TERM CONTRACT GENERATING PROJECTS	20,455	17,034	15,546	11,152	2,996	27%
11 Sub-Total	649,764	748,609	743,201	738,807	175,841	24%
Operating Generation Settlements and Other Payments						
12 COLVILLE GENERATION SETTLEMENT	17,496	19,651	22,234	16,667	4,913	29%
13 Sub-Total	17,496	19,651	22,234	16,667	4,913	29%
Non-Operating Generation						
14 TROJAN DECOMMISSIONING	734	800	1,000	1,000	69	7%
15 WNP-1&3 O&M	506	1,063	482	482	119	25%
16 Sub-Total	1,239	1,863	1,482	1,482	188	13%
Gross Contracted Power Purchases (excluding bookout adjustments)						
17 PNCA HEADWATER BENEFITS	2,297	3,000	3,100	2,480	620	25%
18 PURCHASES FOR SERVICE AT TIER 2 RATES	22,057	26,582	24,382	26,582	4,985	19%
19 OTHER POWER PURCHASES - (e.g. Short-Term)	109,540	52,261	59,330	60,136	13,729	23%
20 Sub-Total	133,893	81,843	86,812	89,198	19,335	22%
21 Bookout Adjustments to Contracted Power Purchases	(22,064)	-	-	(2,633)	(2,633)	100%
Augmentation Power Purchases						
22 AUGMENTATION POWER PURCHASES	-	20,947	-	-	-	0%
23 Sub-Total	-	20,947	-	-	-	0%
Exchanges & Settlements						
24 RESIDENTIAL EXCHANGE PROGRAM <Note 2	218,717	219,003	219,003	219,003	54,616	25%
25 Sub-Total	218,717	219,003	219,003	219,003	54,616	25%
Renewable Generation						
26 RENEWABLES	36,284	41,641	40,623	40,623	7,919	19%
27 Sub-Total	\$ 36,284	\$ 41,641	\$ 40,623	\$ 40,623	\$ 7,919	19%

Report ID: 0060FY17

Power Services Detailed Statement of Revenues and Expenses

Run Date/Time: January 23, 2017 06:03

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended December 31, 2016

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 25%

	A	B	C	D <small><Note 1</small>	E	F
	FY 2016	FY 2017			FY 2017	FY 2017
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
Generation Conservation						
28 DSM TECHNOLOGY	\$ -	\$ -	\$ -	\$ -	\$ -	0%
29 CONSERVATION PURCHASES	76,758	-	76,323	76,072	16,269	21%
30 CONSERVATION INFRASTRUCTURE	22,826	104,702	26,925	26,942	3,594	13%
31 DR & SMART GRID	947	1,245	1,550	1,550	149	10%
32 LOW INCOME ENERGY EFFICIENCY	5,361	5,422	5,422	5,422	2,296	42%
33 REIMBURSABLE ENERGY EFFICIENCY DEVELOPMENT	4,812	7,000	8,000	7,936	335	4%
34 LEGACY	566	605	590	590	236	40%
35 MARKET TRANSFORMATION	12,213	12,691	12,803	12,803	3,056	24%
36 CONSERVATION RATE CREDIT (CRC)	-	-	-	-	-	0%
37 Sub-Total	123,484	131,665	131,614	131,315	25,934	20%
38 Power System Generation Sub-Total	1,158,813	1,265,221	1,244,969	1,234,462	286,113	23%
Power Non-Generation Operations						
Power Services System Operations						
39 INFORMATION TECHNOLOGY	5,904	5,910	7,198	6,881	1,189	17%
40 GENERATION PROJECT COORDINATION	5,894	7,845	6,296	5,182	941	18%
41 SLICE IMPLEMENTATION	810	1,131	953	789	163	21%
42 Sub-Total	12,608	14,886	14,447	12,852	2,292	18%
Power Services Scheduling						
43 OPERATIONS SCHEDULING	8,889	10,496	9,459	9,511	2,107	22%
44 OPERATIONS PLANNING	6,468	7,255	8,236	7,714	1,478	19%
45 Sub-Total	15,358	17,751	17,694	17,224	3,584	21%
Power Services Marketing and Business Support						
46 POWER R&D	6,033	6,046	4,791	4,774	1,213	25%
47 SALES & SUPPORT	19,886	24,765	22,265	22,512	4,900	22%
48 STRATEGY, FINANCE & RISK MGMT <Note 3	12,432	22,256	17,952	18,023	3,027	17%
49 EXECUTIVE AND ADMINISTRATIVE SERVICES	4,123	4,402	4,491	3,010	660	22%
50 CONSERVATION SUPPORT	8,224	9,731	9,412	9,219	2,028	22%
51 Sub-Total	50,698	67,199	58,911	57,538	11,829	21%
52 Power Non-Generation Operations Sub-Total	78,663	99,836	91,053	87,615	17,706	20%
Power Services Transmission Acquisition and Ancillary Services						
PBL Transmission Acquisition and Ancillary Services						
53 POWER SERVICES TRANSMISSION & ANCILLARY SERVICES	100,488	104,808	99,376	100,817	21,647	21%
54 3RD PARTY GTA WHEELING	58,453	76,521	89,594	92,844	20,142	22%
55 POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS	3,020	2,428	2,251	2,251	1,005	45%
56 GENERATION INTEGRATION / WIT-TS	12,952	12,074	12,074	12,074	3,019	25%
57 TELEMETERING/EQUIP REPLACEMT	-	-	-	-	-	0%
58 Power Svcs Trans Acquisition and Ancillary Services Sub-Tota	174,913	195,831	203,295	207,986	45,813	22%
Fish and Wildlife/USF&W/Planning Council/Environmental Req						
BPA Fish and Wildlife						
59 Fish & Wildlife	258,142	274,000	274,000	274,050	66,390	24%
60 USF&W Lower Snake Hatcheries	28,645	32,949	32,949	32,949	8,146	25%
61 Planning Council	10,720	11,446	11,590	11,590	2,525	22%
62 Fish and Wildlife/USF&W/Planning Council Sub-Total	\$ 297,508	\$ 318,395	\$ 318,539	\$ 318,589	\$ 77,061	24%

Report ID: 0060FY17

Power Services Detailed Statement of Revenues and Expenses

Run Date/Time: January 23, 2017 06:03

Requesting BL: POWER BUSINESS UNIT

Through the Month Ended December 31, 2016

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 25%

	A	B	C	D <Note 1	E	F
	FY 2016	FY 2017			FY 2017	FY 2017
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
BPA Internal Support						
63 Additional Post-Retirement Contribution	\$ 17,743	\$ 19,478	\$ 18,649	\$ 14,858	\$ 4,662	31%
64 Agency Services G&A (excludes direct project support)	60,230	55,168	60,109	59,075	12,549	21%
65 BPA Internal Support Sub-Total	77,974	74,646	78,758	73,933	17,211	23%
66 Bad Debt Expense	4	-	-	(3)	(3)	100%
67 Other Income, Expenses, Adjustments	(390)	(129,463)	(26,600)	118	118	100%
Non-Federal Debt Service						
Energy Northwest Debt Service						
68 COLUMBIA GENERATING STATION DEBT SVC	96,026	127,466	114,934	117,474	20,273	17%
69 WNP-1 DEBT SVC	43,227	201,804	31,590	35,164	8,531	24%
70 WNP-3 DEBT SVC	69,102	256,332	57,767	58,131	14,509	25%
71 Sub-Total	208,356	585,602	204,291	210,769	43,313	21%
Non-Energy Northwest Debt Service						
72 CONSERVATION DEBT SVC	-	-	-	-	-	0%
73 COWLITZ FALLS DEBT SVC	7,299	7,303	7,302	7,302	1,825	25%
74 NORTHERN WASCO DEBT SVC	1,931	1,935	1,935	1,935	483	25%
75 Sub-Total	9,231	9,237	9,237	9,237	2,309	25%
76 Non-Federal Debt Service Sub-Total	217,587	594,839	213,528	220,006	45,622	21%
77 Depreciation	138,546	143,468	143,468	143,468	35,397	25%
78 Amortization	88,414	85,034	87,534	87,534	21,374	24%
79 Total Operating Expenses	2,232,031	2,647,809	2,354,544	2,373,709	546,412	23%
80 Net Operating Revenues (Expenses)	368,730	150,249	387,071	395,784	113,566	29%
Interest Expense and (Income)						
81 Federal Appropriation	188,926	186,051	115,921	115,583	28,896	25%
82 Capitalization Adjustment	(45,937)	(45,937)	(45,937)	(45,937)	(11,484)	25%
83 Borrowings from US Treasury	50,330	69,299	53,048	53,493	13,225	25%
84 Customer Prepaid Power Purchases	13,273	12,469	12,469	12,469	3,194	26%
85 AFUDC	(9,262)	(11,360)	(11,360)	(9,503)	(2,822)	30%
86 Interest Income	(11,405)	(19,456)	(5,195)	(1,690)	(185)	11%
87 Net Interest Expense (Income)	185,925	191,065	118,947	124,414	30,823	25%
88 Total Expenses	2,417,957	2,838,874	2,473,490	2,498,123	577,235	23%
89 Net Revenues (Expenses)	\$ 182,805	\$ (40,815)	\$ 268,125	\$ 271,370	\$ 82,743	30%

- <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.
- <3 Strategy, Finance and Risk Management project reporting includes the four 2017 KSI projects Commercial Operations, Long-term Finance and Rates, Asset Management and Business Information Systems.

Report ID: 0061FY17

Transmission Services Detailed Statement of Revenues and Expenses

Run Date/Time: January 23, 2017 06:05

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended December 31, 2016

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 25%

	A	B	C	D <Note 1	E	F
	FY 2016	FY 2017			FY 2017	FY 2017
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
Operating Revenues						
Sales						
Network						
1 Network Integration	\$ 129,695	\$ 133,090	\$ 131,143	\$ 131,165	\$ 33,047	25%
2 Other Network	436,310	461,684	451,685	451,254	109,935	24%
3 Intertie	73,891	78,630	76,368	76,067	18,081	24%
4 Other Direct Sales	263,312	270,592	263,557	264,152	64,541	24%
5 Miscellaneous Revenues	44,033	39,154	42,431	40,976	10,008	24%
6 Inter-Business Unit Revenues	114,459	117,591	112,403	113,845	24,599	22%
7 Total Operating Revenues	1,061,700	1,100,742	1,077,587	1,077,458	260,210	24%
Operating Expenses						
Transmission Operations						
System Operations						
8 INFORMATION TECHNOLOGY	9,436	10,558	7,298	11,345	2,051	18%
9 POWER SYSTEM DISPATCHING	13,913	13,671	12,895	12,895	3,396	26%
10 CONTROL CENTER SUPPORT	23,066	18,757	25,178	25,054	5,968	24%
11 TECHNICAL OPERATIONS <Note 2	7,750	6,983	14,168	14,168	1,551	11%
12 STRATEGIC INTEGRATION	2,414	7,555	1,607	1,850	556	30%
13 SUBSTATION OPERATIONS	23,572	21,817	24,507	24,514	5,667	23%
14 Sub-Total	80,151	79,341	85,653	89,825	19,189	21%
Scheduling						
15 RESERVATIONS	1,167	1,383	1,227	1,227	285	23%
16 PRE-SCHEDULING	382	276	284	284	64	22%
17 REAL-TIME SCHEDULING	4,739	5,169	5,789	5,789	1,184	20%
18 SCHEDULING TECHNICAL SUPPORT	3,641	4,259	4,751	4,751	878	18%
19 SCHEDULING AFTER-THE-FACT	273	289	277	277	71	26%
20 Sub-Total	10,202	11,376	12,328	12,328	2,481	20%
Marketing and Business Support						
21 TRANSMISSION SALES	2,299	2,775	2,834	2,834	559	20%
22 MKTG TRANSMISSION FINANCE	-	-	-	-	-	0%
23 MKTG CONTRACT MANAGEMENT	4,453	4,984	4,946	4,941	1,194	24%
24 MKTG TRANSMISSION BILLING	2,318	3,377	2,433	2,433	545	22%
25 MKTG BUSINESS STRAT & ASSESS <Note 3	6,836	7,291	6,877	6,968	1,570	23%
26 Marketing Sub-Total	15,906	18,426	17,089	17,176	3,868	23%
27 EXECUTIVE AND ADMIN SERVICES	16,630	27,540	28,608	25,554	4,295	17%
28 LEGAL SUPPORT	2,611	3,548	1,641	1,641	466	28%
29 TRANS SERVICES INTERNAL GENERAL & ADMINISTRATIVE <Note 4	11,047	13,135	14,777	14,703	1,366	9%
30 AIRCRAFT SERVICES	1,094	2,230	2,489	2,489	203	8%
31 LOGISTICS SERVICES	6,685	4,488	4,354	5,863	1,162	20%
32 SECURITY ENHANCEMENTS	889	716	561	560	157	28%
33 Business Support Sub-Total	38,957	51,657	52,432	50,810	7,647	15%
34 Transmission Operations Sub-Total	\$ 145,216	\$ 160,800	\$ 167,501	\$ 170,138	\$ 33,186	20%

Report ID: 0061FY17

Transmission Services Detailed Statement of Revenues and Expenses

Run Date/Time: January 23, 2017 06:05

Requesting BL: TRANSMISSION BUSINESS UNIT

Through the Month Ended December 31, 2016

Data Source: EPM Data Warehouse

Unit of Measure: \$ Thousands

Preliminary/ Unaudited

% of Year Elapsed = 25%

	A	B	C	D <Note 1	E	F
	FY 2016	FY 2017			FY 2017	FY 2017
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
Transmission Maintenance						
System Maintenance						
35	NON-ELECTRIC MAINTENANCE	\$ 27,546	\$ 31,424	\$ 28,233	\$ 27,270	19%
36	SUBSTATION MAINTENANCE	31,125	29,043	32,267	32,267	22%
37	TRANSMISSION LINE MAINTENANCE	25,564	27,482	31,119	31,135	21%
38	SYSTEM PROTECTION CONTROL MAINTENANCE	13,222	13,741	14,198	14,199	24%
39	POWER SYSTEM CONTROL MAINTENANCE	19,095	18,507	19,706	19,707	22%
40	JOINT COST MAINTENANCE	230	113	8	7	898%
41	SYSTEM MAINTENANCE MANAGEMENT	8,555	9,556	9,495	10,195	19%
42	ROW MAINTENANCE	7,785	10,162	8,858	8,858	22%
43	HEAVY MOBILE EQUIP MAINT	312	()	()	-	0%
44	TECHNICAL TRAINING	2,719	2,418	2,735	2,735	23%
45	VEGETATION MANAGEMENT	16,489	17,039	18,480	18,481	15%
46	Sub-Total	152,640	159,485	165,098	164,852	21%
Environmental Operations						
47	ENVIRONMENTAL ANALYSIS	6	-	-	-	0%
48	POLLUTION PREVENTION AND ABATEMENT	4,808	4,787	4,726	4,726	16%
49	Sub-Total	4,815	4,787	4,726	4,726	16%
50	Transmission Maintenance Sub-Total	157,455	164,272	169,824	169,578	21%
Transmission Engineering						
System Development						
51	RESEARCH & DEVELOPMENT	7,458	9,555	6,961	6,909	16%
52	TS&D PLANNING AND ANALYSIS	18,059	16,738	25,241	25,571	21%
53	CAPITAL TO EXPENSE TRANSFER	8,951	4,351	4,211	4,211	16%
54	NERC / WECC COMPLIANCE	14,052	20,422	17,585	17,585	17%
55	ENVIRONMENTAL POLICY/PLANNING	1,251	1,642	1,633	1,656	17%
56	ENG RATING AND COMPLIANCE	1,399	2,207	2,298	2,298	22%
57	Sub-Total	51,168	54,915	57,929	58,228	19%
58	Transmission Engineering Sub-Total	51,168	54,915	57,929	58,228	19%
Trans. Services Transmission Acquisition and Ancillary Services						
BBL Acquisition and Ancillary Products and Services						
59	ANCILLARY SERVICES PAYMENTS	103,366	101,027	103,653	107,989	23%
60	OTHER PAYMENTS TO POWER SERVICES	9,393	9,617	9,395	9,393	25%
61	STATION SERVICES PAYMENTS	2,595	2,785	2,704	2,704	26%
62	Sub-Total	115,354	113,429	115,752	120,086	23%
Non-BBL Acquisition and Ancillary Products and Services						
63	LEASED FACILITIES	7,533	7,447	6,849	6,849	25%
64	GENERAL TRANSFER AGREEMENTS (SETTLEMENT)	1,344	18	2	2	187%
65	NON-BBL ANCILLARY SERVICES	4,932	18,560	18,865	13,207	1%
66	OVERSUPPLY DISPLACEMENT COSTS	-	-	-	-	0%
67	RELIABILITY DEMAND RESPONSE/REDISPATCH	46	1,328	5,155	6,755	2%
68	Sub-Total	13,856	27,353	30,872	26,813	7%
69	Trans. Svcs. Acquisition and Ancillary Services Sub-Total	129,210	140,782	146,623	146,899	20%
Transmission Reimbursables						
Reimbursables						
70	EXTERNAL REIMBURSABLE SERVICES	13,624	8,615	8,802	8,803	36%
71	INTERNAL REIMBURSABLE SERVICES	1,752	1,120	1,120	1,120	19%
72	Sub-Total	15,376	9,735	9,922	9,923	34%
73	Transmission Reimbursables Sub-Total	\$ 15,376	\$ 9,735	\$ 9,922	\$ 9,923	34%

Report ID: 0061FY17 **Transmission Services Detailed Statement of Revenues and Expenses** Run Date/Time: January 23, 2017 06:05
 Requesting BL: TRANSMISSION BUSINESS UNIT Through the Month Ended December 31, 2016 Data Source: EPM Data Warehouse
 Unit of Measure: \$ Thousands Preliminary/ Unaudited % of Year Elapsed = 25%

	A	B	C	D <Note 1	E	F
	FY 2016	FY 2017			FY 2017	FY 2017
	Actuals	Rate Case	SOY Budget	Current EOY Forecast	Actuals	Actuals per Forecast
BPA Internal Support						
74 Additional Post-Retirement Contribution	\$ 16,440	\$ 19,748	\$ 17,023	\$ 14,672	\$ 4,256	29%
75 Agency Services G & A (excludes direct project support)	71,144	64,775	73,647	70,311	14,988	21%
76 BPA Internal Support Subtotal	87,584	84,523	90,670	84,982	19,243	23%
Other Income, Expenses, and Adjustments						
77 Bad Debt Expense	10	-	-	-	5	0%
78 Other Income, Expenses, Adjustments	(6,737)	-	-	(51)	684	-1437%
79 Undistributed Reduction	-	(2,100)	(11,688)	(11,688)	-	0%
80 Depreciation	241,985	257,416	257,416	257,416	63,666	25%
81 Amortization	2,174	2,132	2,132	2,132	537	25%
82 Total Operating Expenses	823,440	872,475	890,328	887,557	195,804	22%
83 Net Operating Revenues (Expenses)	238,260	228,267	187,259	189,902	64,405	34%
Interest Expense and (Income)						
84 Federal Appropriation	14,059	8,954	8,628	8,628	2,157	25%
85 Capitalization Adjustment	(18,968)	(18,968)	(18,968)	(18,968)	(4,742)	25%
86 Borrowings from US Treasury	91,889	138,723	93,979	94,268	23,560	25%
87 Debt Service Reassignment	24,114	15,810	15,601	15,599	3,900	25%
88 Customer Advances	5,648	6,041	4,738	5,290	1,181	22%
89 Lease Financing	54,614	55,408	69,878	61,475	14,855	24%
90 AFUDC	(31,042)	(41,346)	(24,342)	(24,342)	(6,175)	25%
91 Interest Income	(3,957)	(16,310)	(3,875)	(2,253)	(610)	27%
92 Net Interest Expense (Income)	136,358	148,313	145,640	139,696	34,126	24%
93 Total Expenses	959,798	1,020,788	1,035,968	1,027,253	229,931	22%
94 Net Revenues (Expenses)	\$101,902	\$ 79,954	\$ 41,619	\$ 50,205	\$ 30,279	60%

<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 Technical Operations project reporting includes the 2017 KSI project Commercial Operations.

<3 Marketing Business Strategy and Assessment project reporting includes the three 2017 KSI projects Long-term Finance and Rates, Asset Management and Business Information Systems.

<4 Transmission Services Internal General & Administrative reporting includes the 2017 KSI project Safety and Occupational Health.

Report ID: 0067FY17
 Requesting BL: CORPORATE BUSINESS UNIT
 Unit of Measure: \$Thousands

BPA Statement of Capital Expenditures
 FYTD Through the Month Ended December 31, 2016
 Preliminary Unaudited

Run Date/Run Time: January 23, 2017/ 07:17
 Data Source: EPM Data Warehouse
 % of Year Elapsed = 25%

		A	B	C	D	E
		FY 2017		FY 2017	FY 2017	
		SOY Budget	Current EOY Forecast	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast
Transmission Business Unit						
<u>MAIN GRID</u>						
1	BIG EDDY-KNIGHT 500kv PROJECT	11,338	11,200	977	9%	9%
2	I-5 CORRIDOR UPGRADE PROJECT	12,306	12,157	4,623	38%	38%
3	CENTRAL FERRY- LOWER MONUMNTAL	-	-	4	0%	0%
4	MONTANA TO NW TRANS AREA	380	376	45	12%	12%
5	MISC. MAIN GRID PROJECTS	682	529	7	1%	1%
6	SEATTLE TO PORTLAND TRANS AREA	12,444	12,293	21	0%	0%
7	PUDGET SOUND TRANS AREA	4,701	4,644		0%	0%
8	TOTAL MAIN GRID	41,850	41,199	5,678	14%	14%
<u>AREA & CUSTOMER SERVICE</u>						
9	CITY OF CENTRALIA PROJECT	-	-	2	0%	0%
10	SOUTHERN IDAHO NW WYOMING AREA	22,814	22,538	723	3%	3%
11	LONGVIEW AREA	-	-	9	0%	0%
12	NW MONTANA AREA	1,936	1,912	102	5%	5%
13	MISC. AREA & CUSTOMER SERVICE	3,481	3,204	175	5%	5%
14	CENTRAL OREGON AREA	138	137	18	13%	13%
15	CENTRALIA-CHEHALIS AREA	1,037	1,024	2,433	235%	238%
16	DE MOSS-FOSSIL AREA	1,936	1,912	88	5%	5%
17	EUGENE AREA	1,072	1,059	1,061	99%	100%
18	HOOD RIVER-THE DALLES AREA	864	854	183	21%	21%
19	MID-COLUMBIA AREA	277	273	330	119%	121%
20	NORTH IDAHO AREA	35	34	2	7%	7%
21	NORTH OREGON COAST AREA	-	-	6	0%	0%
22	OLYMPIC PENINSULA AREA	35	34	318	920%	931%
23	PORTLAND AREA	35	34	15	44%	45%
24	SALEM-ALBANY AREA	1,348	1,332	43	3%	3%
25	SEATTLE-TACOMA-OLYMPIA AREA	23,505	23,220	2,791	12%	12%
26	SOUTH OREGON COAST AREA	-	-	38	0%	0%
27	SW WASHINGTON COAST AREA	104	102	(2)	-2%	-2%
28	SPOKANE-COLVILLE-BOUNDARY AREA	-	-	6	0%	0%
29	TRI-CITES SERVICE AREA	9,264	9,152	5,855	63%	64%
30	VANCOUVER AREA	173	171	76	44%	44%
31	WALLA WALLA AREA	35	34	(0)	0%	0%
32	TOTAL AREA & CUSTOMER SERVICE	\$ 68,086	\$ 67,027	\$ 14,268	21%	21%

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BPA Statement of Capital Expenditures
 FYTD Through the Month Ended December 31, 2016
 Preliminary Unaudited

Run Date/Run Time: January 23, 2017/ 07:17
 Data Source: EPM Data Warehouse
 % of Year Elapsed = 25%

	FY 2017		FY 2017	FY 2017		
	SOY Budget	Current EOY Forecast	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast	
Transmission Business Unit (Continued)						
SYSTEM REPLACEMENTS						
33	TEAP - TOOLS	\$ 1,000	\$ 1,366	\$ 68	7%	5%
34	TEAP - EQUIPMENT	8,336	8,469	(153)	-2%	-2%
35	SPC - SER	1,037	1,024	461	44%	45%
36	SPC - METERING	1,106	1,093	52	5%	5%
37	SPC - CONTROL AND INDICATION	277	273	49	18%	18%
38	SPC - RELAYS	21,708	21,445	5,295	24%	25%
39	PSC - TELEPHONE SYSTEMS	1,659	1,639	328	20%	20%
40	PSC - TRANSFER TRIP	7,052	6,966	2,526	36%	36%
41	PSC - FIN/OP NETWORKS	104	102	44	42%	43%
42	PSC - TLECOM TRANSPORT	1,279	1,263	260	20%	21%
43	PSC - SCADA/TELEMTRY/SUP CNTRL	4,010	3,961	1,524	38%	38%
44	PSC- TELECOM SUPPORT EQUIPMENT	1,106	1,093	726	66%	66%
45	SUB DC - SUSTAIN	830	820	54	7%	7%
46	SUB AC- BUS & STRUCTURES	2,212	2,185	60	3%	3%
47	SUB AC - LOW VOLTAGE AUX.	17,283	17,074	5,368	31%	31%
48	SUB AC- SHUNT CAPACITORS	1,797	1,776	213	12%	12%
49	SUB AC-CIRCUIT BRKR & SWTCH GR	20,740	20,489	6,278	30%	31%
50	SUB AC - CVT/PT/CT & ARRESTERS	2,765	2,732	574	21%	21%
51	SUB AC-TRANSFORMERS & REACTORS	20,049	19,806	777	4%	4%
52	LINES STEEL - SUSTAIN	20,463	20,215	1,043	5%	5%
53	LINES WOOD POLES - SUSTAIN	59,454	58,734	11,374	19%	19%
54	SYSTEM TELECOM - SUSTAIN	30,418	30,050	9,869	32%	33%
55	MISC. REPLACEMENT PROJECTS	3,311	2,187	-	0%	0%
56	MISC FACILITIES- NON-ELECTRIC	5,116	4,917	269	5%	5%
57	SECURITY ENHANCEMENTS	11,368	10,927	1,225	11%	11%
58	ACCESS ROADS	31,110	30,733	7,020	23%	23%
59	CC SYSTEM INFRASTRUCTURE	2,627	2,595	1,847	70%	71%
60	LAND RIGHTS - SUSTAIN	11,300	15,435	1,070	9%	7%
61	LINE - RATINGS PROGRAM	1,002	990	860	86%	87%
62	SPC - BUILDINGS	7,605	7,513	409	5%	5%
63	AIRCRAFT - FIXED WING	6,566	6,830	-	0%	0%
64	AIRCRAFT - HELICOPTER	5,253	5,464	-	0%	0%
65	TOTAL SYSTEM REPLACEMENTS	\$ 309,943	\$ 310,165	\$ 59,492	19%	19%

Report ID: 0067FY17

Requesting BL: CORPORATE BUSINESS UNIT

Unit of Measure: \$Thousands

BPA Statement of Capital Expenditures

FYTD Through the Month Ended December 31, 2016

Preliminary Unaudited

Run Date/Run Time: January 23, 2017/ 07:17

Data Source: EPM Data Warehouse

% of Year Elapsed = 25%

		A	B	C	D	E
		FY 2017		FY 2017	FY 2017	
		SOY Budget	Current EOY Forecast	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast
Transmission Business Unit (Continued)						
<u>UPGRADES & ADDITIONS</u>						
66	IT PROJECTS	\$ 5,382	\$ 2,058	\$ 471	9%	23%
67	SUB AC - UPGRADES & ADDITIONS	2,765	2,732	1,094	40%	40%
68	SUB DC - UPGRADES & ADDITIONS	2,351	2,322	3,761	160%	162%
69	CONTROL CENTERS-UPGRADE & ADD	-	-	29	0%	0%
70	SYSTEM TELECOM - UPGRADE & ADD	34,843	34,421	7,809	22%	23%
71	MISC. UPGRADES AND ADDITIONS	937	653	35	4%	5%
72	FACILITIES NON-ELECTRIC EXPAND	32,399	31,143	6,073	19%	19%
73	TOTAL UPGRADES & ADDITIONS	78,677	73,329	19,272	24%	26%
<u>ENVIRONMENT CAPITAL</u>						
74	MISC. ENVIRONMENT PROJECTS	7,779	7,478	1,850	24%	25%
75	TOTAL ENVIRONMENT CAPITAL	7,779	7,478	1,850	24%	25%
76	CAPITAL DIRECT	506,335	499,198	100,559	20%	20%
<u>PFIA</u>						
77	MISC. PFIA PROJECTS	18,385	19,123	2,260	12%	12%
78	GENERATOR INTERCONNECTION	9,679	9,561	(114)	-1%	-1%
79	SPECTRUM RELOCATION	1,983	2,063	56	3%	3%
80	TOTAL PFIA	30,046	30,747	2,202	7%	7%
81	CAPITAL INDIRECT		-	(3,601)	0%	0%
82	LAPSE FACTOR	-	-	-	0%	0%
83	TOTAL Transmission Business Unit	\$ 536,381	\$ 529,945	\$ 99,160	18%	19%

Report ID: 0067FY17	BPA Statement of Capital Expenditures	Run Date/Run Time: January 23, 2017/ 07:17
Requesting BL: CORPORATE BUSINESS UNIT	FYTD Through the Month Ended December 31, 2016	Data Source: EPM Data Warehouse
Unit of Measure: \$Thousands	Preliminary Unaudited	% of Year Elapsed = 25%

		A	B	C	D	E
		FY 2017		FY 2017	FY 2017	
		SOY Budget	Current EOY Forecast	Actuals: FYTD	Actuals / SOY Budget	Actuals / Forecast
Power Business Unit						
84	BUREAU OF RECLAMATION <Note 1	\$ 49,642	\$ 45,920	\$ 7,574	15%	16%
85	CORPS OF ENGINEERS <Note 1	167,631	166,453	37,142	22%	22%
86	GENERATION CONSERVATION	-	-	-	0%	0%
87	POWER INFORMATION TECHNOLOGY	5,000	7,625	607	12%	8%
88	FISH & WILDLIFE <Note 2	44,602	40,602	2,338	5%	6%
89	LAPSE FACTOR	-	-	-	0%	0%
90	TOTAL Power Business Unit	266,875	260,600	47,661	18%	18%
Corporate Business Unit						
91	CORPORATE BUSINESS UNIT	15,460	6,273	718	5%	11%
92	TOTAL Corporate Business Unit	15,460	6,273	718	5%	11%
93	TOTAL BPA Capital Expenditures	\$ 818,716	\$ 796,818	\$ 147,539	18%	19%

< 1 Excludes projects funded by federal appropriations.
 < 2 Amounts are reported as regulatory assets and not utility plant

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

Dates	Agenda
January 31, 2017	First Quarter Business Review Meeting with customers
May 2, 2017	Second Quarter Business Review Meeting with customers
August 1, 2017	Third Quarter Business Review Meeting with customers
October 2017	BPA External CPA firm conducting audit for fiscal year end
Mid-October 2017	Recording the Fiscal Year End Slice True-Up Adjustment Accrual
End of October	Final audited actual financial data is expected to be available
October 31, 2017	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; the final actual number may be different)
November 15, 2017	Mail notification to Slice Customers of the Slice True-Up Adjustment for the Composite Cost Pool
November 17, 2017	BPA to post Composite Cost Pool True-Up Table containing actual values and the Slice True-Up Adjustment
December 11, 2017	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 BPA posting of Composite Cost Pool Table containing actual values and the Slice True-Up Adjustment)
December 26, 2017	BPA posts a response to customer questions (Attachment A does not specify an exact date)
January 10, 2018	Customer comments are due on the list of tasks (The deadline can not exceed 10 days from BPA posting)
January 31, 2018	BPA finalizes list of questions about actual lines items in the Composite Cost Pool True-Up Table for the AUPs

Composite Cost Pool True-Up Table

COMPOSITE COST POOL TRUE-UP TABLE				
		Q1FY17 (\$000)	Rate Case forecast for FY 2017 (\$000)	Q1FY17- Rate Case Difference
1	Operating Expenses			
2	Power System Generation Resources			
3	Operating Generation			
4	COLUMBIA GENERATING STATION (WNP-2)	\$ 319,053	\$ 322,473	\$ (3,420)
5	BUREAU OF RECLAMATION	\$ 157,621	\$ 158,121	\$ (500)
6	CORPS OF ENGINEERS	\$ 250,981	\$ 250,981	\$ -
7	LONG-TERM CONTRACT GENERATING PROJECTS	\$ 11,152	\$ 17,034	\$ (5,882)
8	Sub-Total	\$ 738,807	\$ 748,609	\$ (9,802)
9	Operating Generation Settlement Payment and Other Payments			
10	COLVILLE GENERATION SETTLEMENT	\$ 16,667	\$ 19,651	\$ (2,984)
11	SPOKANE LEGISLATION PAYMENT	\$ -	\$ -	\$ -
12	Sub-Total	\$ 16,667	\$ 19,651	\$ (2,984)
13	Non-Operating Generation			
14	TROJAN DECOMMISSIONING	\$ 1,000	\$ 800	\$ 200
15	WNP-1&3 DECOMMISSIONING	\$ 482	\$ 1,063	\$ (581)
16	Sub-Total	\$ 1,482	\$ 1,863	\$ (381)
17	Gross Contracted Power Purchases			
18	PNCA HEADWATER BENEFITS	\$ 2,480	\$ 3,000	\$ (520)
19	OTHER POWER PURCHASES (omit, except Designated Obligations or Purchases)	\$ 429	\$ -	\$ 429
20	Sub-Total	\$ 2,909	\$ 3,000	\$ (91)
21	Bookout Adjustment to Power Purchases (omit)			
22	Augmentation Power Purchases (omit - calculated below)			
23	AUGMENTATION POWER PURCHASES	\$ -	\$ -	\$ -
24	Sub-Total	\$ -	\$ -	\$ -
25	Exchanges and Settlements			
26	RESIDENTIAL EXCHANGE PROGRAM (REP)	\$ 219,003	\$ 219,003	\$ (0)
27	OTHER SETTLEMENTS	\$ -	\$ -	\$ -
28	Sub-Total	\$ 219,003	\$ 219,003	\$ (0)
29	Renewable Generation			
30	RENEWABLES (excludes Kill)	\$ 30,712	\$ 31,483	\$ (771)
31	Sub-Total	\$ 30,712	\$ 31,483	\$ (771)
32	Generation Conservation			
33	CONSERVATION ACQUISITION (Conseravtion infr and purchases)	\$ 103,014	\$ 104,702	\$ (1,688)
34	LOW INCOME WEATHERIZATION & TRIBAL	\$ 5,422	\$ 5,422	\$ -
35	ENERGY EFFICIENCY DEVELOPMENT	\$ 7,936	\$ 7,000	\$ 936
36	DR & SMART GRID	\$ 1,550	\$ 1,245	\$ 305
37	LEGACY	\$ 590	\$ 605	\$ (15)
38	MARKET TRANSFORMATION	\$ 12,803	\$ 12,691	\$ 113
39	Sub-Total	\$ 131,315	\$ 131,665	\$ (350)
40	Power System Generation Sub-Total	\$ 1,140,894	\$ 1,155,273	\$ (14,379)
41				

COMPOSITE COST POOL TRUE-UP TABLE				
		Q1FY17 (\$000)	Rate Case forecast for FY 2017 (\$000)	Q1FY17- Rate Case Difference
42	Power Non-Generation Operations			
43	Power Services System Operations			
44	EFFICIENCIES PROGRAM	\$ -	\$ -	\$ -
45	INFORMATION TECHNOLOGY	\$ 6,881	\$ 5,910	\$ 971
46	GENERATION PROJECT COORDINATION	\$ 5,182	\$ 7,845	\$ (2,662)
47	SLICE IMPLEMENTATION	\$ 789	\$ 1,131	\$ (342)
48	Sub-Total	\$ 12,852	\$ 14,886	\$ (2,034)
49	Power Services Scheduling			
50	OPERATIONS SCHEDULING	\$ 9,511	\$ 10,496	\$ (985)
51	OPERATIONS PLANNING	\$ 7,714	\$ 7,255	\$ 459
52	Sub-Total	\$ 17,224	\$ 17,751	\$ (527)
53	Power Services Marketing and Business Support			
54	POWER R&D	\$ 4,774	\$ 6,046	\$ (1,272)
55	SALES & SUPPORT	\$ 25,296	\$ 24,854	\$ 441
56	STRATEGY, FINANCE & RISK MGMT (REP support costs included here)	\$ 15,239	\$ 22,166	\$ (6,927)
57	EXECUTIVE AND ADMINISTRATIVE SERVICES (REP support costs include)	\$ 3,010	\$ 4,402	\$ (1,392)
58	CONSERVATION SUPPORT	\$ 9,219	\$ 9,731	\$ (512)
59	Sub-Total	\$ 57,538	\$ 67,199	\$ (9,661)
60	Power Non-Generation Operations Sub-Total	\$ 87,615	\$ 99,836	\$ (12,222)
61	Power Services Transmission Acquisition and Ancillary Services			
62	TRANSMISSION and ANCILLARY Services - System Obligations	\$ 35,073	\$ 35,073	\$ -
63	3RD PARTY GTA WHEELING	\$ 92,844	\$ 76,521	\$ 16,323
64	POWER SERVICES - 3RD PARTY TRANS & ANCILLARY SVCS (omit)	\$ -	\$ -	\$ -
65	TRANS ACQ GENERATION INTEGRATION	\$ 12,074	\$ 12,074	\$ -
66	TELEMETERING/EQUIP REPLACEMT	\$ -	\$ -	\$ -
67	Power Services Trans Acquisition and Ancillary Serv Sub-Total	\$ 139,991	\$ 123,668	\$ 16,323
68	Fish and Wildlife/USF&W/Planning Council/Environmental Req			
69	Fish & Wildlife	\$ 274,050	\$ 274,000	\$ 50
70	USF&W Lower Snake Hatcheries	\$ 32,949	\$ 32,949	\$ -
71	Planning Council	\$ 11,590	\$ 11,446	\$ 144
72	Environmental Requirements	\$ -	\$ -	\$ -
73	Fish and Wildlife/USF&W/Planning Council Sub-Total	\$ 318,589	\$ 318,395	\$ 194
74	BPA Internal Support			
75	Additional Post-Retirement Contribution	\$ 14,858	\$ 19,478	\$ (4,620)
76	Agency Services G&A (excludes direct project support)	\$ 59,075	\$ 55,168	\$ 3,907
77	BPA Internal Support Sub-Total	\$ 73,933	\$ 74,646	\$ (713)
78	Bad Debt Expense	\$ -	\$ -	\$ -
79	Other Income, Expenses, Adjustments	\$ -	\$ (61,926)	\$ 61,926
80	Expense Offset	\$ (97,789)	\$ (67,685)	\$ (30,104)
81	Non-Federal Debt Service			
82	Energy Northwest Debt Service			
83	COLUMBIA GENERATING STATION DEBT SVC	\$ 117,474	\$ 127,466	\$ (9,992)
84	WNP-1 DEBT SVC	\$ 35,164	\$ 201,804	\$ (166,640)
85	WNP-3 DEBT SVC	\$ 58,131	\$ 256,332	\$ (198,201)
86	EN RETIRED DEBT	\$ -	\$ -	\$ -
87	Sub-Total	\$ 210,769	\$ 585,602	\$ (374,833)

COMPOSITE COST POOL TRUE-UP TABLE

	Q1FY17 (\$000)	Rate Case forecast for FY 2017 (\$000)	Q1FY17- Rate Case Difference
88 Non-Energy Northwest Debt Service			\$ -
89 CONSERVATION DEBT SVC	\$ -	\$ -	\$ -
90 COWLITZ FALLS DEBT SVC	\$ 7,302	\$ 7,303	\$ (1)
91 NORTHERN WASCO DEBT SVC	\$ 1,935	\$ 1,935	\$ 0
92 Sub-Total	\$ 9,237	\$ 9,237	\$ (0)
93 Non-Federal Debt Service Sub-Total	\$ 220,006	\$ 594,839	\$ (374,833)
94 Depreciation	\$ 143,468	\$ 143,468	\$ (0)
95 Amortization	\$ 87,534	\$ 85,034	\$ 2,500
96 Total Operating Expenses	\$ 2,114,242	\$ 2,465,550	\$ (351,308)
97			\$ -
98 Other Expenses			\$ -
99 Net Interest Expense	\$ 123,466	\$ 195,296	\$ (71,830)
100 LDD	\$ 35,830	\$ 40,464	\$ (4,634)
101 Irrigation Rate Discount Costs	\$ 22,146	\$ 22,146	\$ 0
102 Sub-Total	\$ 181,442	\$ 257,906	\$ (76,464)
103 Total Expenses	\$ 2,295,684	\$ 2,723,456	\$ (427,772)
104			\$ -
105 Revenue Credits			\$ -
106 Generation Inputs for Ancillary, Control Area, and Other Services Revenues	\$ 119,742	\$ 115,750	\$ 3,992
107 Downstream Benefits and Pumping Power revenues	\$ 18,450	\$ 17,219	\$ 1,231
108 4(h)(10)(c) credit	\$ 76,236	\$ 87,786	\$ (11,549)
109 Colville and Spokane Settlements	\$ 4,600	\$ 4,600	\$ -
110 Energy Efficiency Revenues	\$ 7,936	\$ 7,000	\$ 936
111 Large Project Revenues	\$ -	\$ -	\$ -
112 Miscellaneous revenues	\$ 5,811	\$ 5,800	\$ 11
113 Renewable Energy Certificates	\$ 648	\$ 648	\$ 0
114 Pre-Subscription Revenues (Big Horn/Hungry Horse)	\$ 1,435	\$ 1,506	\$ (71)
115 Net Revenues from other Designated BPA System Obligations (Upper Baker)	\$ 313	\$ 466	\$ (153)
116 WNP-3 Settlement revenues	\$ 35,441	\$ 34,537	\$ 904
117 RSS Revenues	\$ 3,468	\$ 3,468	\$ -
118 Firm Surplus and Secondary Adjustment (from Unused RHWM)	\$ 2,744	\$ 2,744	\$ -
119 Balancing Augmentation Adjustment	\$ 10,543	\$ 10,543	\$ -
120 Transmission Loss Adjustment	\$ 29,437	\$ 29,437	\$ -
121 Tier 2 Rate Adjustment	\$ 835	\$ 835	\$ -
122 NR Revenues	\$ 1	\$ 1	\$ -
123 Total Revenue Credits	\$ 317,641	\$ 322,340	\$ (4,699)

COMPOSITE COST POOL TRUE-UP TABLE

	Q1FY17 (\$000)	Rate Case forecast for FY 2017 (\$000)	Q1FY17- Rate Case Difference	
124			\$ -	
125	Augmentation Costs (not subject to True-Up)			
126	Tier 1 Augmentation Resources (includes Augmentation RSS and Augmentation RSC)	\$ 12,603	\$ 12,603	\$ -
127	Augmentation Purchases	\$ 20,960	\$ 20,960	\$ -
128	Total Augmentation Costs	\$ 33,564	\$ 33,564	\$ -
129			\$ -	
130	DSI Revenue Credit		\$ -	
131	Revenues 10 aMW @ IP rate	\$ 22,866	\$ 33,469	\$ (10,602)
132	Total DSI revenues	\$ 22,866	\$ 33,469	\$ (10,602)
133			\$ -	
134	Minimum Required Net Revenue Calculation			
135	Principal Payment of Fed Debt for Power	\$ 838,313	\$ 109,429	\$ 728,884
136	Principle Payment of Non-Federal Debt for Power	\$ 259,000		\$ 259,000
137	Irrigation assistance	\$ 51,482	\$ 51,482	\$ -
138	Sub-Total	\$ 1,148,794	\$ 160,911	\$ 987,884
139	Depreciation	\$ 143,468	\$ 143,468	\$ (0)
140	Amortization	\$ 87,534	\$ 85,034	\$ 2,500
141	Capitalization Adjustment	\$ (45,937)	\$ (45,937)	\$ -
142	Non-Cash Expenses	\$ 500,000	\$ -	\$ 500,000
143	Customer Proceeds	\$ 81,611	\$ -	\$ 81,611
144	Bond Call Premium/Discount	\$ -	\$ -	\$ -
145	PGE WNP3 Settlement	\$ (3,524)	\$ (3,524)	\$ -
146	Prepay Revenue Credits	\$ (30,600)	\$ (30,600)	\$ -
147	Non-Federal Interest (Prepay)	\$ 12,469	\$ 12,469	\$ -
148	Sub-Total	\$ 745,021	\$ 160,910	\$ 584,111
149	Principal Payment of Fed Debt plus Irrigation assistance exceeds non cash expense	\$ 403,773	\$ 0	\$ 403,773
150	Minimum Required Net Revenues	\$ 403,773	\$ 0	\$ 403,773
151				
152	Annual Composite Cost Pool (Amounts for each FY)	\$ 2,392,514	\$ 2,401,211	\$ (8,698)
153				
154	SLICE TRUE-UP ADJUSTMENT CALCULATION FOR COMPOSITE COST POOL			
155	TRUE-UP AMOUNT (Diff. between Rate Case and Forecast)	(8,698)		
156	Sum of TOCAs	0.9723750		
157	Adjustment of True-Up Amount when actual TOCAs < 100 percent	(8,945)		
158	TRUE-UP ADJUSTMENT CHARGE BILLED (26.61865 percent)	(2,381)		

Financial Disclosure

- The information contained in slides 3-14, 17-20, 26-32 and 37-53 was made publicly available by BPA on January 27, 2017 and contains BPA-approved financial information.
- The information contained in slides 15-16, 21-25 and 33-36 was made publicly available by BPA on January 27, 2017 and contains information not sourced directly from BPA financial statements.