



# Response to Data Request

Data Request: What would be the consequences of constructing a DO plan in which all individual 20 years show a neutral to positive benefit to revenue requirements?

- We have no Transmission repayment studies in which all *individual* 20 years show a neutral to positive benefit to revenue requirements, i.e. in each year, total debt service with projected DO is equal to or less than total debt service without projected DO.
- Our analysis shows that when DO is reduced, total 20-year debt service savings decrease (see table below & next page for more details).
- Our analysis indicates that reducing DO by \$50m results in a negative impact to revenue requirements in one year. The potential consequences would be \$50m less borrowing authority restored and therefore higher borrowing costs on that amount, which are not factored into the numbers shown in the table below. We estimate that 3<sup>rd</sup> party financing is approximately 45 to 105 basis points higher than BPA's Treasury financing rate.

20-year Repayment Study Comparisons	Current DO plan (equal to that shown at January 23 <sup>rd</sup> meeting)	\$50m reduction to current DO plan	\$100m reduction to current DO plan
Number of individual years with negative impact	2	1	2
Negative impact in individual year(s)	FY12 = \$3.3m FY24 = \$2.6m	FY25 = \$1.8m	FY24 = \$3.3m FY25 = \$1.6m
Negative impact over rate period(s)	FY12/13 = \$1.4m FY24/25 = \$1.0m	FY 24/25 = \$0.7m	FY24/25 = \$4.9m
Total reduction to debt service over the 20-year period	\$52.2m	\$50.6m	\$42.0m
NPV <sup>1</sup> Discount Rates =			
5.08%	\$40.1m	\$39.0m	\$33.6m
9.00%	\$33.9m	\$33.0m	\$28.8m

Consistent with the materials presented publicly on January 23, BPA maintains that not all years must show a neutral to positive benefit to revenue requirements to meet the "rates no higher" test.

<sup>1</sup> NPV values noted under the current DO plan match corrected materials posted January 25, 2007.



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## Transmission Summary of Repayment (*\$ in 000s*)

### DO Reduced by \$50M from Plan

Date	Base Total Debt Service	Debt Opt Total Debt Service	Delta
09/30/2007	353,381	348,608	(4,773)
09/30/2008	365,777	358,604	(7,173)
09/30/2009	383,563	376,207	(7,356)
09/30/2010	400,580	392,836	(7,744)
09/30/2011	414,242	406,411	(7,831)
09/30/2012	430,144	427,407	(2,737)
09/30/2013	449,210	448,330	(880)
09/30/2014	467,689	466,518	(1,171)
09/30/2015	484,958	483,782	(1,176)
09/30/2016	507,864	506,691	(1,173)
09/30/2017	526,032	524,860	(1,172)
09/30/2018	538,381	537,208	(1,173)
09/30/2019	550,531	549,385	(1,146)
09/30/2020	563,103	561,961	(1,142)
09/30/2021	576,795	575,711	(1,084)
09/30/2022	590,622	589,488	(1,134)
09/30/2023	606,322	605,191	(1,131)
09/30/2024	621,399	620,274	(1,125)
09/30/2025	638,082	639,883	1,801
09/30/2026	655,398	654,070	(1,328)
<b>Total 20-year Difference</b>			<b>(50,648)</b>

**Net Present Value<sup>1</sup>** (39,019)  
**Net Present Value<sup>2</sup>** (32,966)

### DO Reduced by \$100M from Plan

Date	Base Total Debt Service	Debt Opt Total Debt Service	Delta
09/30/2007	353,381	348,608	(4,773)
09/30/2008	365,777	359,786	(5,991)
09/30/2009	383,563	377,436	(6,127)
09/30/2010	400,580	394,065	(6,515)
09/30/2011	414,242	407,634	(6,608)
09/30/2012	430,144	426,806	(3,338)
09/30/2013	449,210	448,092	(1,118)
09/30/2014	467,689	466,592	(1,097)
09/30/2015	484,958	483,861	(1,097)
09/30/2016	507,864	506,770	(1,094)
09/30/2017	526,032	524,939	(1,093)
09/30/2018	538,381	537,287	(1,094)
09/30/2019	550,531	549,460	(1,071)
09/30/2020	563,103	562,035	(1,068)
09/30/2021	576,795	575,609	(1,186)
09/30/2022	590,622	589,573	(1,049)
09/30/2023	606,322	605,275	(1,047)
09/30/2024	621,399	624,690	3,291
09/30/2025	638,082	639,676	1,594
09/30/2026	655,398	653,841	(1,557)
<b>Total 20-year Difference</b>			<b>(42,037)</b>

**Net Present Value<sup>1</sup>** (33,556)  
**Net Present Value<sup>2</sup>** (28,765)

NOTE: In the delta column, a negative number denotes a decrease in debt service; a positive number an increase in debt service.

1 Discount Rate = WAI on Treasury Bonds Outstanding at 9/30/06 = 5.08%

2 Discount Rate = 9.00%