

BPA Integrated Program Review For FY2010-2011 Rate Period

Summary and Recommendations for CBFWA Member Involvement

CBFWA Summer Member's Meeting

June 2008

Kah-nee-ta, Oregon



**COLUMBIA BASIN
FISH AND WILDLIFE
AUTHORITY**

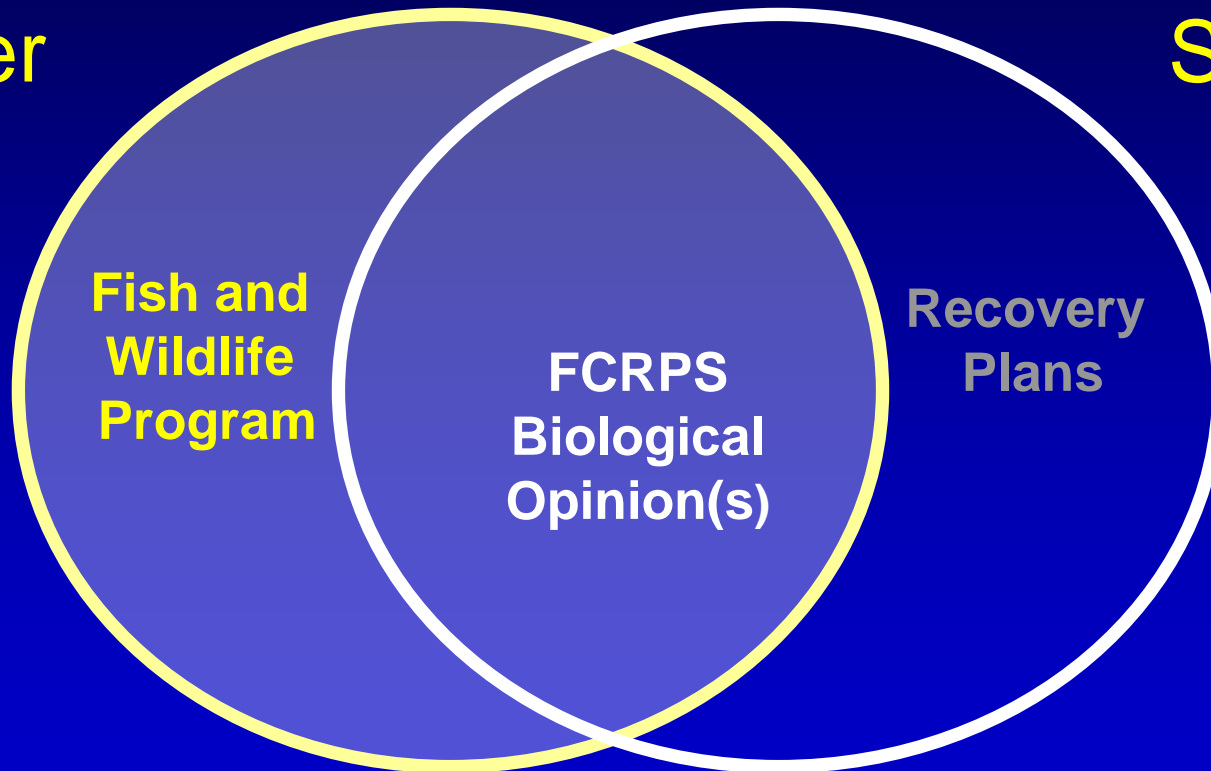
FY 2010-11 Schedule

- BPA Integrated Program Review
- F&W Cost presentation on May 21 and June 12
- Comments Due August 15, 2008
- Formal Rate Case Begins in Fall 2008

BPA Legal Mandates

Northwest
Power
Act

Endangered
Species
Act



BPA Tribal Policy

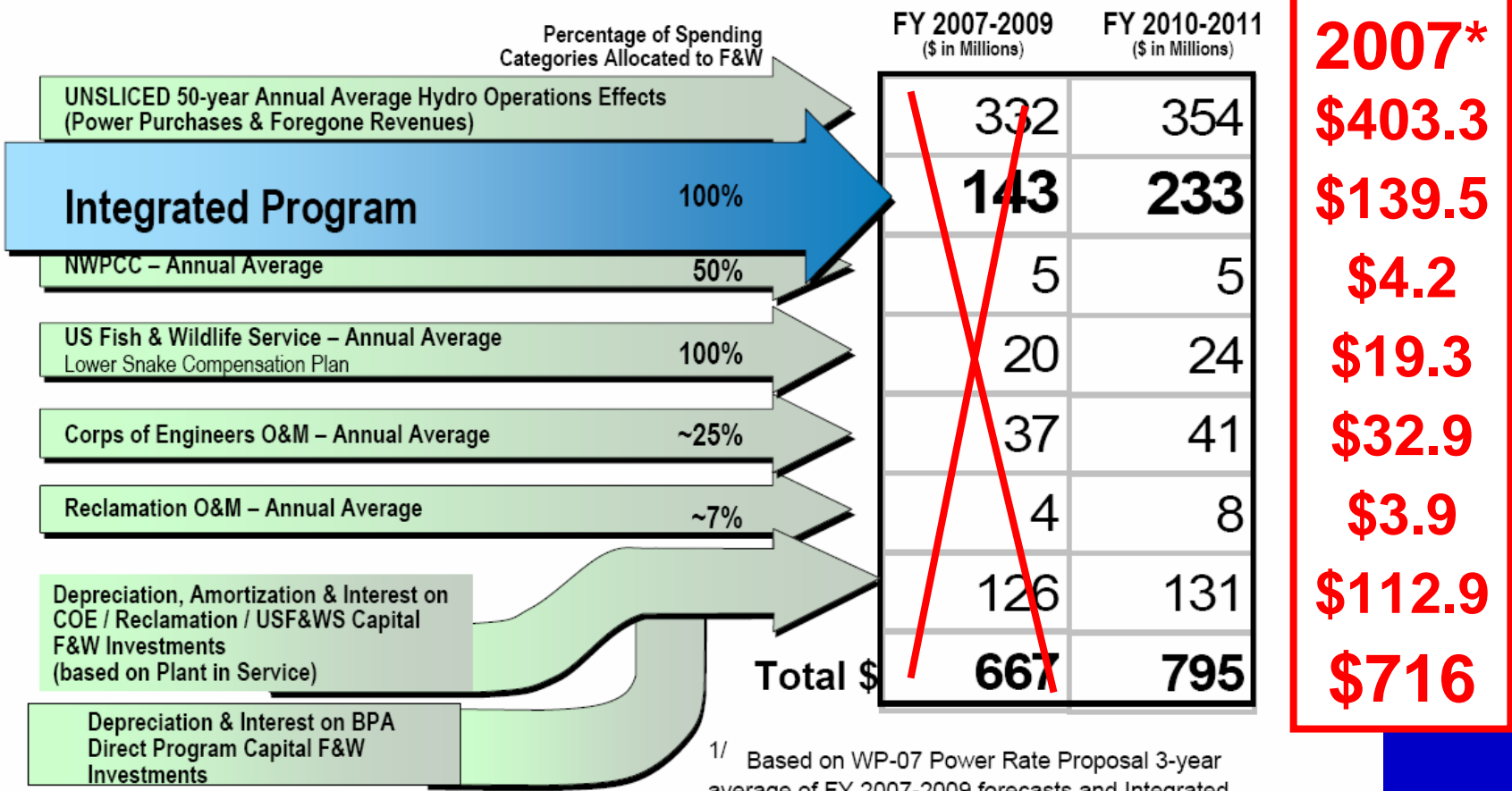
Components of BPA Proposed Costs

- **Integrated Program**
 - Council's Fish and Wildlife Program
- **Debt Service**
 - Amortization, depreciation, and interest for BPA, USCOE, and USBOR borrowing (i.e., CFRM)
- **Fish related O&M**
 - USCOE, USBOR, NPCC, and USFWS (i.e., Leavenworth Complex, LSRCP, etc.)
- **River Operations**
 - Forgone revenue and power purchases

River Of Costs



Total Annual Average Cost of BPA Fish and Wildlife Actions



1/ Based on WP-07 Power Rate Proposal 3-year average of FY 2007-2009 forecasts and Integrated Program Review for FY 2010-2011 spending forecasts. Does not reflect 4(h)(10)(C) credits.

FY 2010 Integrated Program Expense Estimates*

- Base program = \$147 million
 - Ongoing BiOp work (\$84m)
 - Ongoing MOA work
 - Ongoing non-BiOp work (\$63m)
- New BiOp Work = \$63 million
 - New MOA BiOp work (\$43m)
 - New BiOp RPA work (\$20m)
- New non-BiOp MOA projects = \$20 million
 - New MOA resident fish and wildlife projects

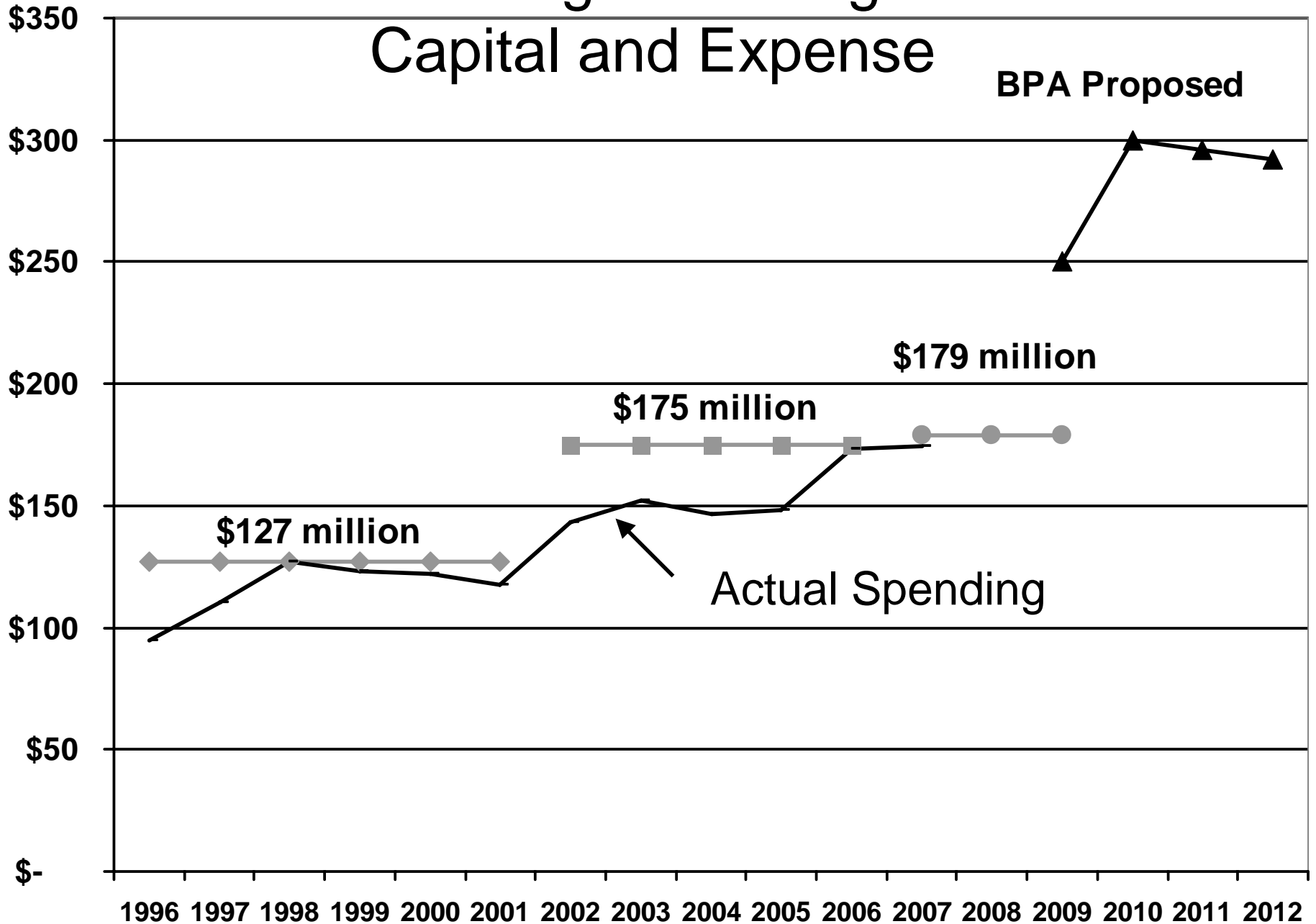
Total \$230 million for FY2010

*FY2011 Estimates add 2.5% inflation adjustment to \$236 million

FY 2010-11 Integrated Program Capital Estimates

FY2008	FY2009	FY2010	FY2011	FY2012
\$36	\$50	\$70	\$60	\$50

BPA Integrated Program Capital and Expense



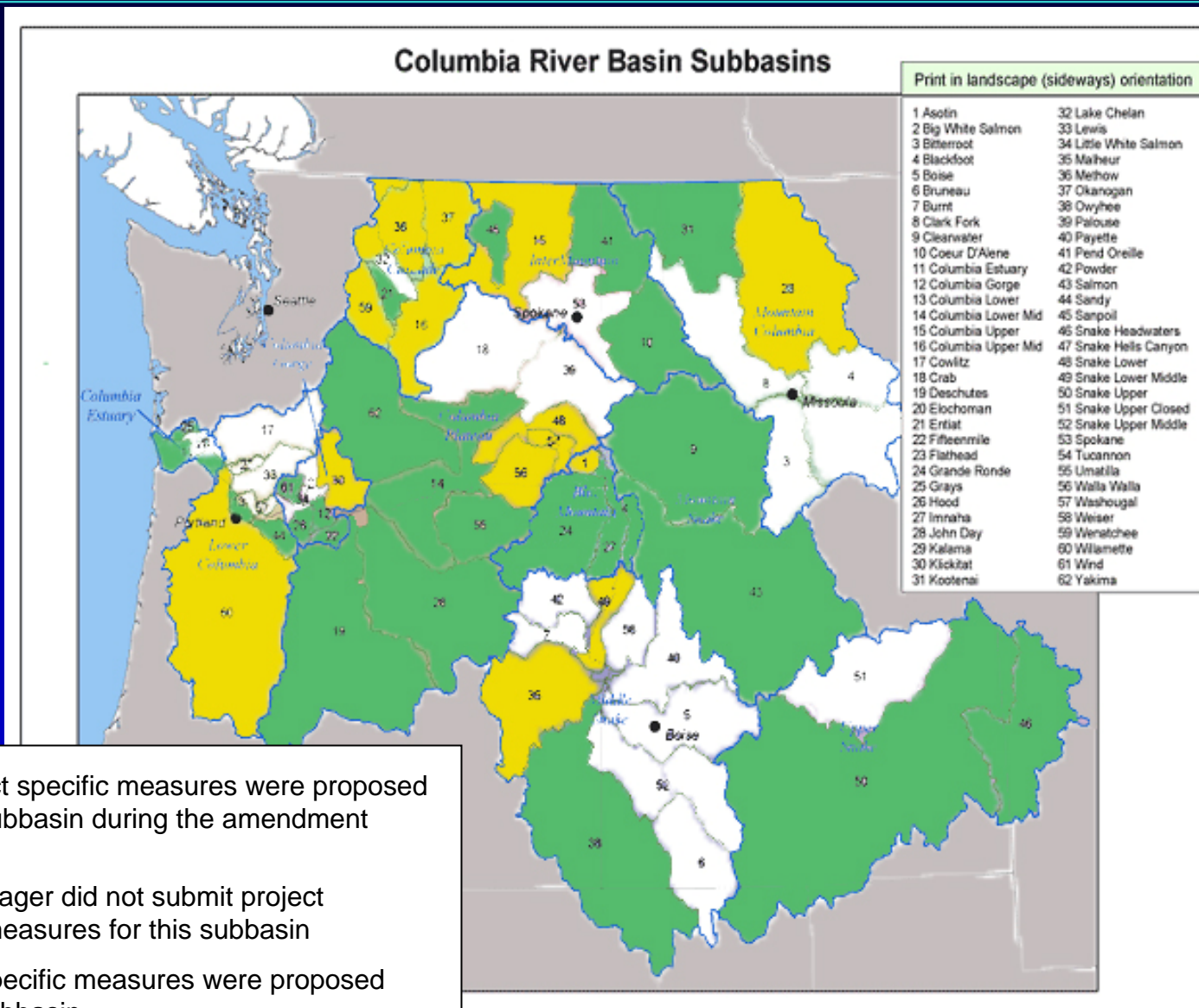
Appropriate Integrated Program Funding Level?

- Best available information:
 - » CBFWA FY09 Critical and Essential Projects List
 - » Columbia Basin Fish Accords
 - » FCRPS Biological Opinions
 - » Agencies' and Tribe's Program Amendment Recommendations
 - » BPA FY09 Implementation Plan (July 2007)

Additional Information

- FY2007-2009 BPA Budget (July 2007)
- FY2007-2009 CBFWA Critical and Essential projects list

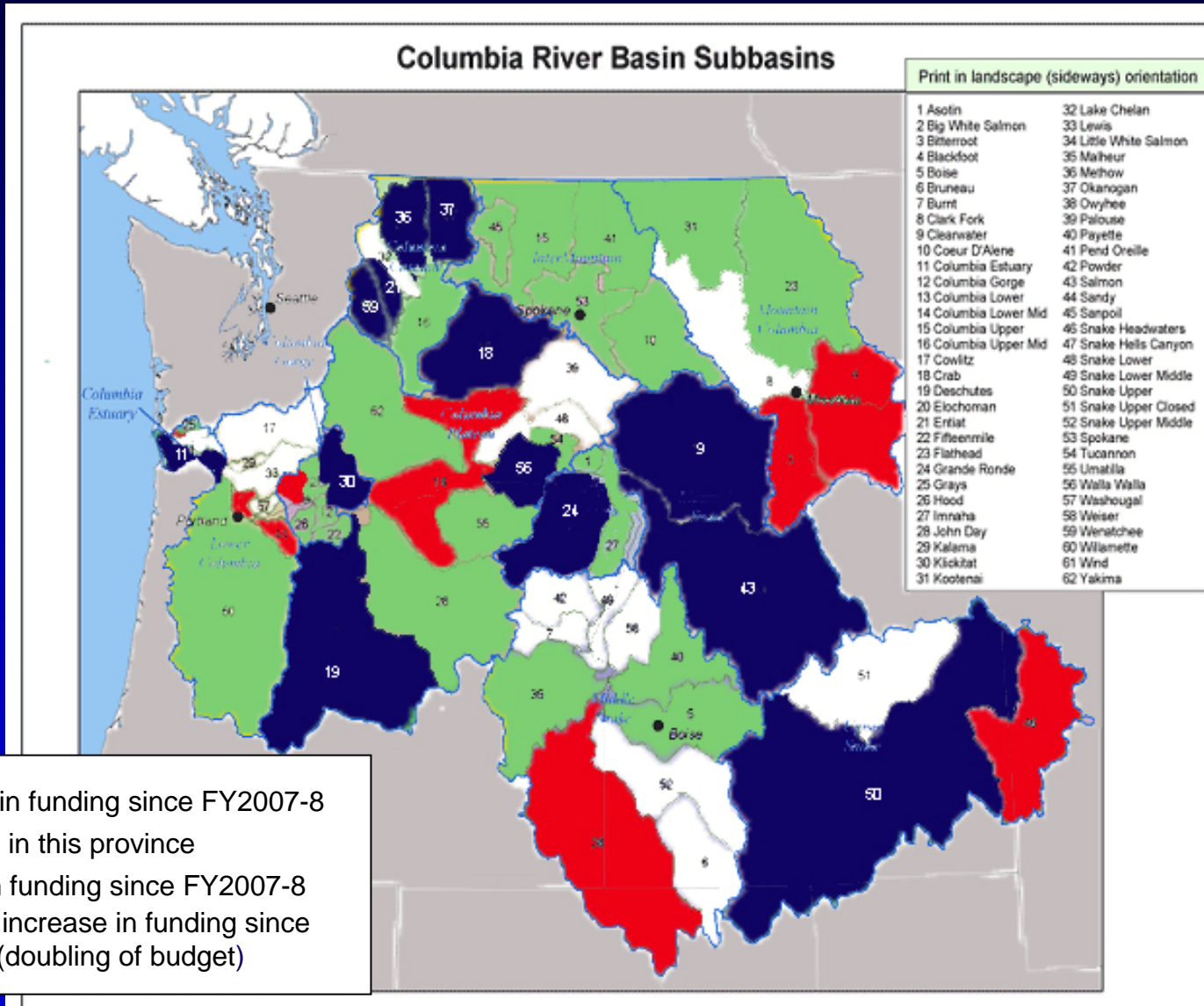
Available Information



Results

	FY2010 Expense	FY2011 Expense	FY2010 Capital	FY2011 Capital
CBFWA Staff Projection	\$255	\$259	\$101	\$73
BPA proposed	\$230	\$236	\$70	\$60
BPA + 10%	\$253	\$260	?	?

Subbasin Impacts



Conclusion

- Current BPA rate proposal may be adequate (within 10% of critical and essential activities)
- BPA could add \$23 million in IPR, or
 - Use flexibility in planning budget (consistent with FY2007-2009 budget process), or
 - Use flexibility but maintain a contingency fund for overages.

Historic Planning Versus Actual Expense

	Planned Expense ¹	Actual Expense ²	%
FY 2004	\$152.9	\$137.9	90
FY 2005	\$155.4	\$135.8	87
FY 2006	\$158	\$137.9	87
FY 2007	\$161.3	\$139.5	87

1 – BPA Budget to Actuals Report(s)

2 – NPCC 2007 Seventh Annual Report

Recommendation

Staff recommends that the CBFWA members support BPA's proposed IPR fish and wildlife costs with one exception, CBFWA members should recommend that BPA:

- 1) Establish a planning budget that is 10% greater than their proposed spending in the IPR,
- 2) Work with the fish and wildlife managers to allocate the funding, and
- 3) Create a \$10 million contingency fund in case spending accelerates compared with historical.