



BPA Transmission Briefing for the Kyrgyzstan Delegation

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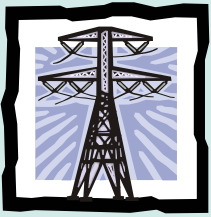
SVP, Transmission Business Line

October 16, 2006



Federal Columbia River Transmission System

- BPA owns and operates 75% of the Pacific Northwest's high voltage electrical transmission system:
 - Including more than 15,000 miles of transmission line and 285 substations.
 - Across 300,000 square miles in Oregon, Washington, Idaho, Montana and sections of Wyoming, Nevada, Utah and California.
 - Enabling a peak loading of about 30,000 megawatts and generating about \$650 million a year.
 - Operating under an Open Access Transmission Tariff based on FERC's pro forma tariff as a non-jurisdictional entity.

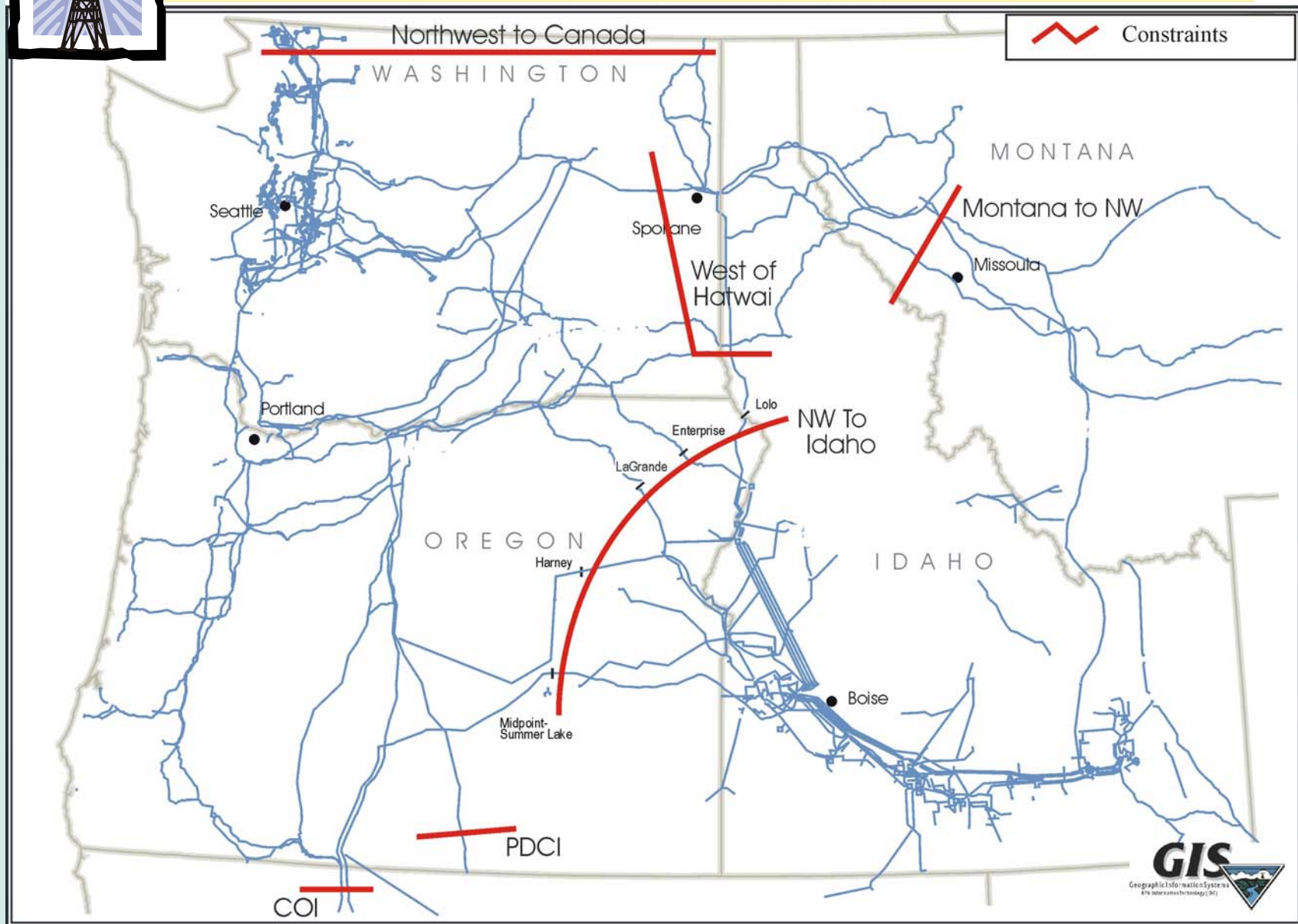


Constraints & Plans to Address Them

- Congestion has increased over the past 10 years
- BPA is using 3 approaches to manage:
 1. Infrastructure Additions
 2. Managing Transactions
 3. Potential New Transmission Products

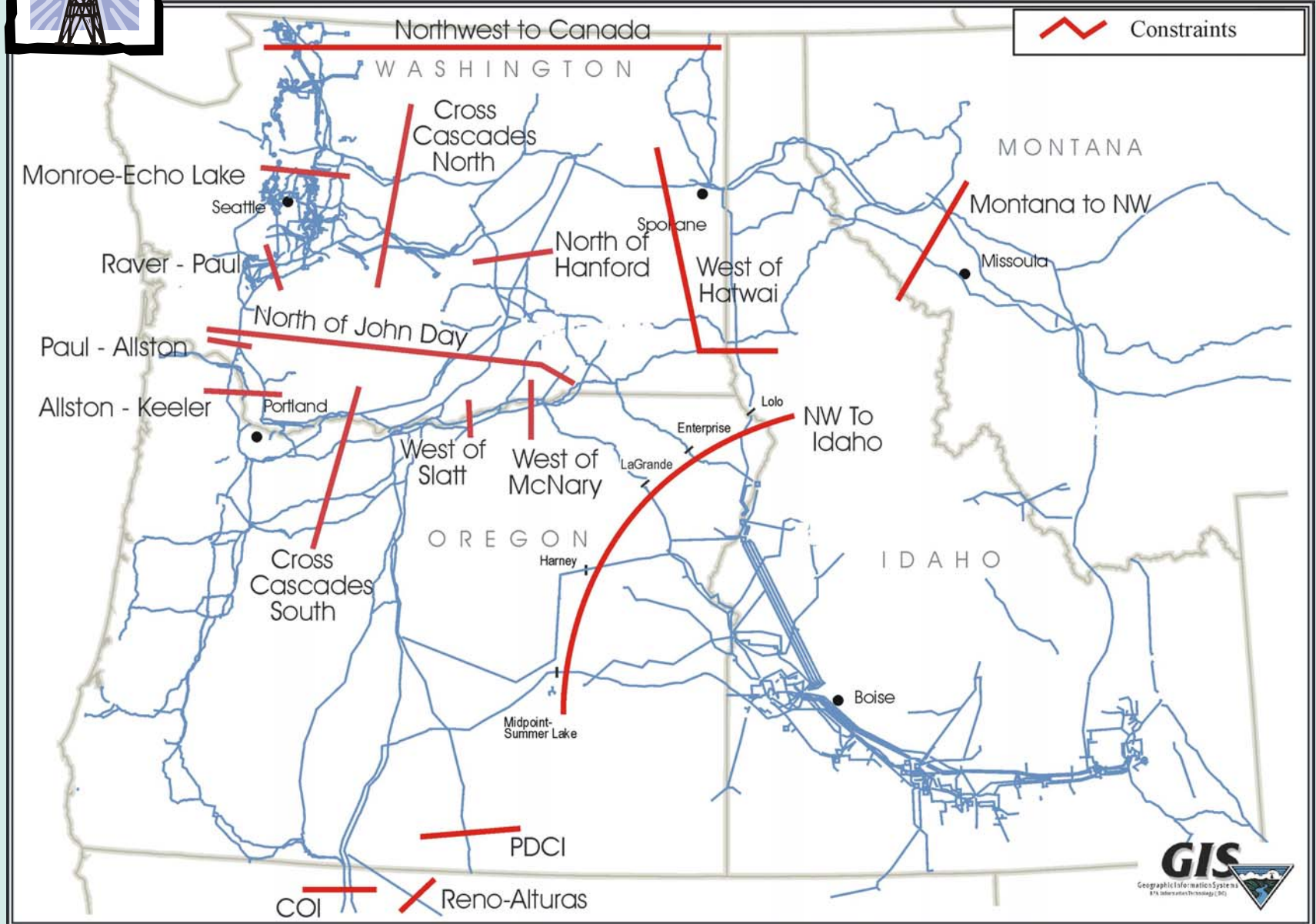


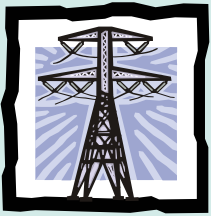
1994 NW Constraints





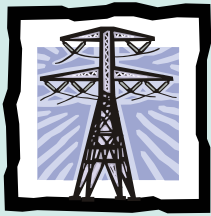
2002 NW Constraints





1. Infrastructure Program

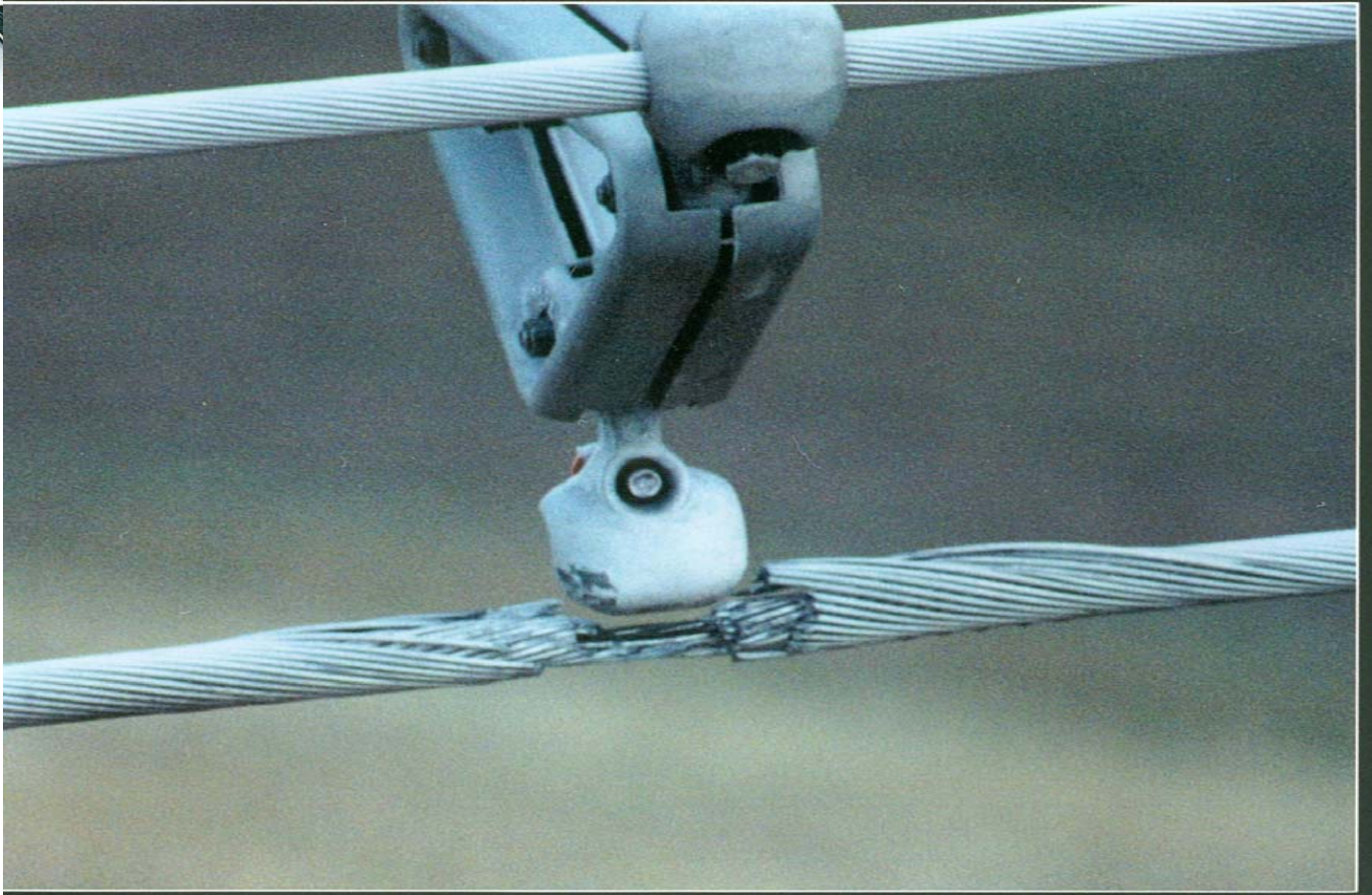
- To ensure adequate and secure access to electric supply for the health and growth of the Regional economy, BPA developed an infrastructure program in 2001 to focus on:
 - Maintaining reliable transmission service to population centers.
 - Restoring or enhancing transfer capability across key paths.
 - Provide margin so the system can be maintained.

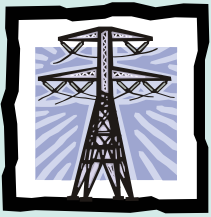


Infrastructure Program

Bonneville

Power Administration



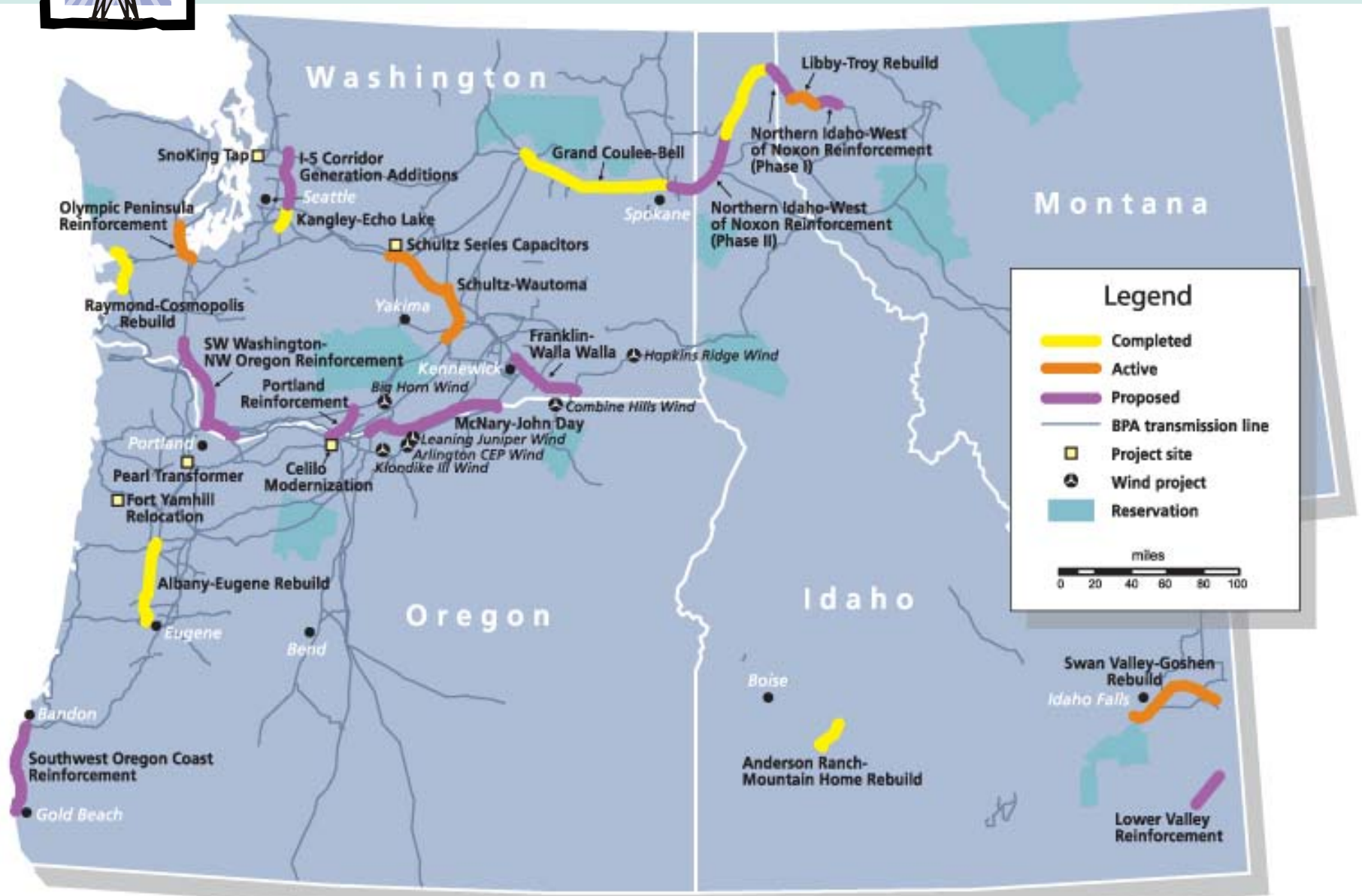


Infrastructure Accomplishments

- First major line construction in the Northwest since 1987.
- Invested more than \$1 billion over four years.
- Three 500-kV lines completed.
- Modernized the nation's largest direct current terminal (Celilo Converter - 3100 MW).
- Several projects to upgrade local load service.

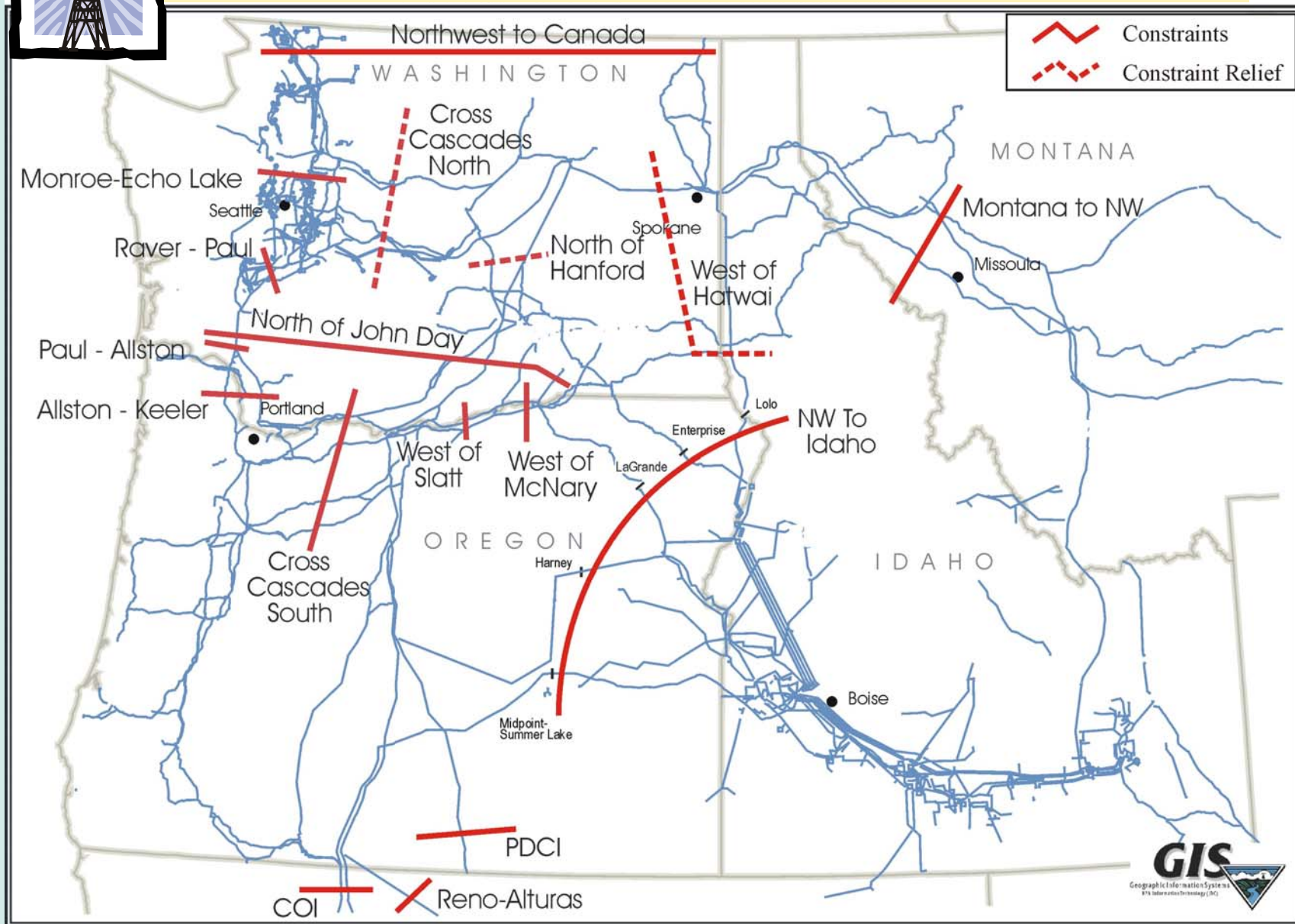


Status of BPA Infrastructure Additions





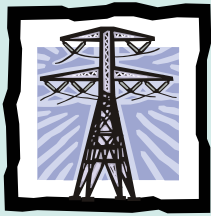
2005 NW Constraints





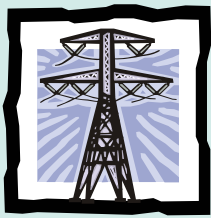
2. Managing Transactions

- Moved from rights based on contract path to rights based on how power flows across paths
- When there's trouble, identifying and curtailing schedules that are effective in relieving the problem
- Automating this process for a high volume of daily transactions (up to 2500 per day)



3. Potential New Products

- Conditional Firm Transmission
- Relieving Transmission Constraints Through the Adjustment of Generator Output



2006 Estimated Income Statement

Operating Revenues	\$769M
Minus:	

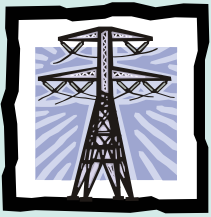
Operating Expenses	\$373M
Equals:	

Net Operating Margin	\$396M
Less:	

Depreciation	\$155M
And	

Net Interest	\$138M
Equals:	

Net Revenues	\$ 84M
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Rates

- Set to Recover Revenue Requirement
- Small Net Revenue for Risk
- Rate Case Every 2 Years
- FERC Review Ensures Revenue Requirement Recovery