VI. Fish and Wildlife Funding Agreement

Actual expenditures for different budget categories are likely to fall short of the MOA levels by 2001, some by a small amount and others by a considerable magnitude. Spending in the direct program and the reimbursable budgets is anticipated to come remarkably close to expectations, approaching the total of $840 million. The capital funding reallocated to the direct program ($27 million per year) was also generally spent, but overall the capital repayment budget is likely to fall short of the anticipated spending level by as much as $192 million. The reason for the shortfall is primarily due to Congress appropriating less money for retrofitting dams for salmon passage than originally expected. Because Bonneville pays interest and amortization to the U.S. Treasury for these expenditures, Bonneville's capital funding was lower than budgeted.

In a separate category, Bonneville estimated that river operations would cost $183 million per year for a total of $1.098 billion over the six-year period. In reality, water conditions were relatively good and the price of power in the wholesale markets reflected a regional surplus during most of these years. Thus, the calculated costs of river operations now are anticipated to be $649 million, or $449 million less than originally estimated. These forecasts are highly dependent on future water conditions.

While the MOA provides some budget certainty, there have been no official discussions to date about renewing or renegotiating the MOA when it expires. As noted earlier, it is anticipated that direct-program costs will rise in the future as the result of new projects approved for funding through the Council's program and requirements that may be imposed on Bonneville by federal fish and wildlife agencies under the Endangered Species Act.

FIG 20

BPA Fish and Wildlife

Budgeted, Actual and Estimated Expenditures

1996-2001

(Memorandum of Agreement)