

# Council Budget Limitation

June 9, 2004

# BPA Firm Sales Forecast History

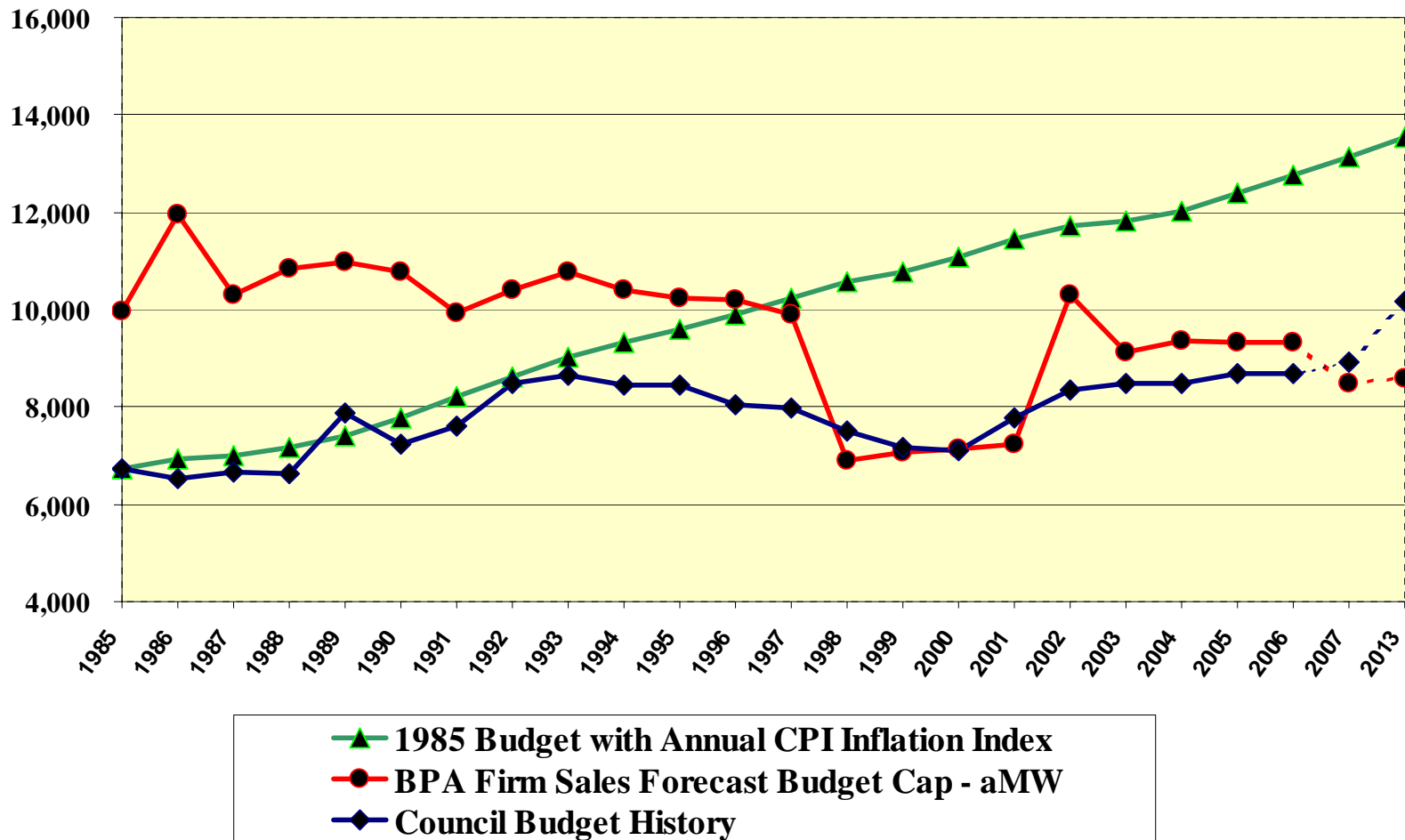
<u>Year</u>	<u>Sales aMW</u>	<u>Budget Cap</u>
1982	10,100	\$8,900,000
1986	13,600	\$11,900,000
1990	12,300	\$10,800,000
1994	11,900	\$10,400,000
1998	8,900*	\$7,800,000
	*RPSA - Terminations	
2002	9,400	\$8,200,000
2007	8,500	\$7,400,000
2013	8,600	\$7,500,000

# Council Budget History

(000's)

	1985	2005	Change
Personal Services (FTE's)	\$2,074 (52.5)	\$4,631 (52.0)	+123%
Travel	\$222	\$176	-21%
Contracts	\$1,635	\$368	-77%
Other	\$994	\$909	-5%
States	\$1,813	\$2,616	+40%
<b>Total</b>	<b>\$6,738</b>	<b>\$8,700</b>	<b>+29%</b>

## Council Budget / Firm Sales History



# Federal System Resources

White Book 2002 - (000's)

Federal firm resources:	2004	2007
–Hydro	6,978 aMW	7,028 aMW
–Nuclear	1,000 aMW	877 aMW
–Firm contracts/small thermal	1,948 aMW	890 aMW
Subtotal	9,926 aMW	8,795 aMW
–Less: Transmission Loss	-280 aMW	-248 aMW
Total Resources	9,646 aMW	8,547 aMW
Equivalent budget cap	\$8,450	\$7,490

# Funding Limitation Alternative #1

- Bonneville base data other than Forecasted Firm Sales
  - Revenues
  - Rates
  - Expenditures
  - Other (FTE's / \$\$)

# Funding Limitation Alternative #2

- Council base expenditure data with Consumer Price Index
  - Previous 5-year average annual expenditures
  - Adjusted by 5-year projected Consumer Price Index increase

# Funding Limitation Alternative #3

- Use the formula as applied from the Act
  - Firm Sales (Federal Based System)
  - IOU Benefits (financial or power deliveries)
  - Bilateral (tiered-rate) Contracts



# Funding Limitation Alternative #4

- “Negotiated” 5-year limitation agreement
  - Current method
  - Should not be arbitrary
  - Use one of the other alternatives to define the agreement methodology and supporting data

# Funding Limitation Alternative #5

- Budget offsets and credits applied to formula in the Act
  - Credit against the budget cap for acquired conservation -- 800aMW (\$700,000)
  - Council's F&W budget funded from other source(s) – 2,600aMW (\$2,290,000 FY06)
  - Bilateral contracts w/BPA for Council major projects (Subbasin Planning, C&RD)
  - Reduced Council funding per BPA's future role

# Federal System Loads

White Book 2002 - (000's)

	2004	2007
Federal firm Loads	9,523 aMW	8,632 aMW
Equivalent budget cap	\$8,340	\$7,490
A. IOU allocation		2,200 aMW
Additional budget cap		\$1,930
B. Conservation (in-lieu sales)		800 aMW
Additional budget cap		\$700
C. Council's F&W Costs – FY06		\$2,290
Equivalent budget cap		2,000 aMW

# Federal System Loads

White Book 2002 - (000's)

	2004	2007
Federal firm Loads	9,523 aMW	8,632 aMW
Equivalent budget cap	\$8,340	\$7,490
D. DSI load projections		700 aMW
Equivalent budget cap		\$600
E. ESA/Biop FCRPS Degradation		935 aMW
Additional budget cap		\$820