

Fiscal Year 2007 Columbia Generating Station Annual Operating Budget

Table of Contents

	<u>Table</u>	<u>Page</u>
Summary		3
Key Assumptions/Qualifications		4
Memorandum of Agreement (MOA)	Table 1	5
Columbia Station Costs - Memorandum of Agreement Comparison	Table 2	6
Summary of Costs	Table 3	7
Processes		
Costs by Process	Table 4	8
Costs by Sub-Process	Table 4A	9
Staffing by Process	Table 4B	11
Projects	Table 5	12
Capital Projects	Table 5A	13
Expense Projects	Table 5B	15
Incremental Outage	Table 6	17
Treasury Related Expenses	Table 7	18
Total Columbia Staffing	Table 8	19
Cost-to-Cash Reconciliation	Table 9	20
Statement of Funding Requirements	Table 10	21
Monthly Statement of Funding Requirements	Table 11	22

Summary

Energy Northwest's Columbia Generating Station (Columbia) is a 1,150 megawatt boiling water nuclear power station utilizing a General Electric nuclear steam supply system. The project is located on the Department of Energy's Hanford Reservation near Richland, Washington. The project began commercial operation in December 1984.

This Columbia Generating Station Fiscal Year 2007 Annual Operating Budget has been prepared by Energy Northwest pursuant to the requirements of Board of Directors Resolution No. 640, the Project Agreement, and the Net Billing Agreements. This document includes all capitalized and non-capitalized costs associated with the project for Fiscal Year 2007. In addition this document includes all funding requirements.

Comparison of the Fiscal Year 2007 budget to the Fiscal Year 2006 Long Range Plan for Fiscal Year 2007 is included (Table 1).

The total cost budget for Fiscal Year 2007 for Expense and Capital related costs are estimated at \$488,340,000 (Table 3). Using the Memorandum of Agreement basis for measuring Columbia's costs, budget requirements for Fiscal Year 2007 have been established at \$282,674,000 (Table 1) including escalation. In Fiscal Year 2007, Bonneville Power Administration will be directly paying the funding requirements on a monthly basis under the provisions of the Direct Pay Agreements. This will take the net billing requirements to zero, for the statements which are normally sent to participants in the project, and will be paid in accordance with the terms of the Net Billing Agreements. The Net Billing Agreements are still in place, but the direct cash payments from Bonneville Power Administration will simply take the participant payment amounts to zero. In the Direct Pay Agreements, Energy Northwest agreed to promptly bill each participant its share of the costs of the project under the Net Billing Agreements, if Bonneville fails to make a payment when due under the Direct Pay Agreements. Total direct pay requirements of \$417,590,000 (Table 10) will be the basis for billing directly to Bonneville Power Administration.

Comparison of the Fiscal Year 2007 budget is made to the original budget for Fiscal Year 2006 dated May 5, 2005.

This budget is presented on a cost basis and includes a cost to cash reconciliation (Table 9) converting cost data to a cash basis. Cost and cash data are presented on white and green pages, respectively. The Fiscal Year Columbia Generating Station's Annual Budget (Table 10) is required by the various project agreements.

Key Assumptions/Qualifications

This budget is based upon the following key assumptions and qualifications:

- Fiscal Year 2007 cost of power is based on net generation of 8,450 GWh.
- A 38 day refueling outage is planned in Fiscal Year 2007.
- Management reserves consist of a total of \$2,400,000.
- Controllable cost and cash are equal due to the decision to Direct Pay and the institution of contractor time and labor.
- Energy Northwest will finance some long-lived capital projects in the Fiscal Year 2007 budget, which will be funded by the issuance of bonds. The current estimate is for \$54,000,000 of bond funding in Fiscal Year 2006.
- There are no dollars included in this budget for any potential NRC mandated Security Design Basis changes.
- There are no dollars included to cover potential Washington taxes on GE settlement items.
- Interest on Debt includes interest on \$106,150,000 of principal maturing in July 2006 that will be refunded in the spring of 2006.
- Interest on Debt includes interest on \$60,500,000 of new money to finance FY 2006 and FY 2007 capital projects.
- Refunding bonds totaling \$454,935,000 will be issued in the spring of 2006.
- All assumptions associated with Nuclear Fuel are referenced in the Columbia Fuel Plan Section.
- Other Specific Inclusions:
 - Sales tax calculated at 8.3 percent for appropriate items
 - Employee benefits at 27.0% for Fiscal Year 2006
 - Escalation of approximately \$1.5 million as follows:
 - Energy Northwest labor at 3.2% for 75% of the year (based on salary increases effective in October).
 - There is no escalation added in Fiscal Year 2007 for non-labor costs.

Table 1
Memorandum of Agreement (MOA) (1)
(Dollars in Thousands)

<u>Budget Line Items</u>	<u>FY 2007 Budget</u>	<u>FY 2006 LRP for FY 2007 (2)</u>	<u>Variance</u>
Baseline Costs	\$ 126,017	\$ 137,811	\$ (11,794)
Projects/Programs	121,382	17,108	104,274
Fuel Related Costs	35,520	44,368	(8,848)
Total - MOA	\$ 282,919	\$ 199,287	\$ 83,632
Net Generation (GWh)	8,450	9,556	(1,106)

- (1) Columbia costs as defined by the Memorandum of Agreement between Energy Northwest and BPA. This measure includes operations and maintenance, capital additions and fuel related costs as well as an appropriate allocation of indirect costs (such as employee benefits, A&G, and information technology expenses).
- (2) Fiscal Year 2006 Long Range Plan for Fiscal Year 2007.

Table 2
Columbia Station Costs - Memorandum of Agreement Comparison (1)
(Dollars in Thousands)

<u>Budget Line Items</u>	<u>FY 2007</u> <u>Budget</u>	<u>Original</u> <u>FY 2006</u> <u>Budget</u>	<u>Variance</u>
<u>Controllable Costs:</u>			
Baseline Costs	\$ 126,017	\$ 137,811	\$ (11,794)
Outage Costs	25,005	-	25,005
Projects-Expense	42,181	8,673	33,508
Projects - Capital	54,196	8,435	45,761
Subtotal - Controllable	<u>\$ 247,399</u>	<u>\$ 154,919</u>	<u>\$ 92,480</u>
<u>Fuel-Related Costs:</u>			
Nuclear Fuel Amortization	\$ 32,180	\$ 35,836	\$ (3,656)
Spent Fuel Fee	8,222	9,078	(856)
Loaned Fuel Revenues	(5,269)	(903)	(4,366)
UEDD*	387	357	30
Subtotal - Fuel-Related	<u>\$ 35,520</u>	<u>\$ 44,368</u>	<u>\$ (8,848)</u>
Columbia Costs	<u>\$ 282,919</u>	<u>\$ 199,287</u>	<u>\$ 83,632</u>
Net Generation (GWh)	<u>8,450</u>	<u>9,556</u>	<u>(1,106)</u>
Cost of Power (\$/MWh)	<u>\$ 33.48</u>	<u>\$ 20.85</u>	<u>\$ 12.63</u>

(1) Columbia Costs as defined by the Memorandum of Agreement between Energy Northwest and BPA. This cost measure includes operations and maintenance and capital additions, fuel related costs as well as an appropriate allocation of indirect costs (such as employee benefits, and corporate programs).

* Uranium Enrichment Decontamination & Decommissioning

Summary of Costs
(Dollars in Thousands)

<u>Budget Line Items</u>	<u>FY 2007 Budget</u>	<u>Original FY 2006 Budget</u>	<u>Variance</u>
<u>Controllable - Expense :</u>			
Baseline Costs (1)	\$ 126,017	\$ 137,811	\$ (11,794)
Projects	42,181	8,673	33,508
Outage Costs	25,005	-	25,005
Subtotal -Controllable	\$ 193,203	\$ 146,484	\$ 46,719
<u>Incremental :</u>			
Nuclear Fuel Amortization	\$ 32,180	\$ 35,836	\$ (3,656)
Spent Fuel Disposal Fee	8,222	9,078	(856)
Loaned Fuel Revenues	(5,269)	(903)	(4,366)
Generation Taxes	3,008	3,018	(10)
Subtotal - Incremental	\$ 38,141	\$ 47,029	\$ (8,888)
<u>Fixed :</u>			
Treasury Related Expenses (2)	\$ 124,631	\$ 115,234	\$ 9,397
Decommissioning (3)	5,885	5,513	372
UEDD*	387	357	30
Depreciation	72,142	72,178	(36)
Subtotal - Fixed	\$ 203,045	\$ 193,282	\$ 9,763
Total Costs - Expense	\$ 434,389	\$ 386,795	\$ 47,594
<u>Capital :</u>			
Critical Spare Parts	\$ 714	\$ 650	\$ 64
Downtown Buildings	345	80	265
Capital Projects-Controllable	53,137	7,705	45,432
Total Costs - Capital (4)	\$ 54,196	\$ 8,435	\$ 45,761
Total Expense and Capital	\$ 488,585	\$ 395,230	\$ 93,355

(1) See Table 4 (page 8).

(2) See Table 7 (page 18).

(3) Includes ISFSI Decommissioning.

(4) See Table 5A (page 13).

* Uranium Enrichment Decontamination & Decommissioning

Table 4
Costs by Process
(Dollars in Thousands)

<u>Baseline Operations (1)</u>	<u>FY 2007 Budget</u>
Configuration Management	\$ 4,715
Equipment Reliability	5,263
Loss Prevention	36,976
Materials and Services	4,263
Nuclear Fuel	49
Operate Plant	16,959
Downtown Buildings (net)	(477)
Support Services	22,877
Training	12,310
Work Management	22,680
Management Reserves	450
Total Baseline Operations	<u>\$ 126,065</u>
<u>Projects</u>	
Expense Projects	42,106
Capital Projects	52,915
Critical Spares	714
Downtown Buildings-Capital	345
Total Projects	<u>\$ 96,080</u>
<u>Incremental Outage</u>	<u>\$ 25,009</u>
Total Controllable Costs	<u>\$ 247,154</u>

(1) Baseline costs include operations, maintenance, and overhead costs. They are presented by process categories in accordance with the activity based management structure adopted by Energy Northwest. A listing of activities within each process can be found at the end of the glossary.

Table 4A
Costs by Sub-Process
(Dollars in Thousands)

	FY 2007
	Budget
<u>Configuration Management</u>	
Evaluate Problem or Desired Change	\$ 1,319
Change Design Requirements	2,354
Change Physical Configuration	334
Change Facility Configuration Information	708
Total Configuration Management	\$ 4,715
<u>Equipment Reliability</u>	
Life Cycle Management	\$ 1,645
Performance Monitoring	2,768
Continuous ER Improvement	839
Perform Predictive Maintenance	11
Total Equipment Reliability	\$ 5,263
<u>Loss Prevention</u>	
Provide Security Measures	\$ 12,774
Provide Performance Monitoring&Improvement Services	7,032
Provide Safety Services	1,980
Maintain License and Permits	9,082
Emergency Operations and Preparedness/ERO	3,876
Provide Fire Protection	2,267
Total Loss Prevention	\$ 37,011
<u>Materials and Services</u>	
Provide Inventory Management	\$ 514
Procure Materials	1,702
Procure Services	799
Provide Warehousing	991
Repairs, Refurbishment & Returns	46
Disposition of Unneeded Material	206
Total Materials and Services	\$ 4,258
<u>Nuclear Fuel</u>	
Fuel Management	\$ 2
Provide and Transport Fuel	41
Provide Handling, Storage, & Disposal of Fuel	6
Total Nuclear Fuel	\$ 49

Table 4A
Costs by Sub-Process (Con't)
(Dollars in Thousands)

	FY 2007
	Budget
<u>Operate Plant</u>	
Operate & Monitor Structures, Systems, and Components	\$ 11,599
Monitor and Control Effluents	3,093
Monitor and Control Plant Chemistry	2,259
Total Operate Plant	\$ 16,951
<u>Downtown Buildings</u>	
Costs & Revenues associated with the Downtown Bldgs	\$ (473)
<u>Support Services</u>	
Provide Information Technology Services	\$ 1,859
Provide Business Services	5,618
Provide Information Management Services	3,423
Provide Human Resources Services	2,363
Maintain Facilities & Grounds	4,475
Support Community & Government Relations	101
Support of Nuclear Industry, Professional & Trade Assoc	5,037
Total Support Services	\$ 22,876
<u>Training</u>	
Develop Training Programs	\$ 3,954
Conduct Training	1,265
Attend Training	7,092
Total Training	\$ 12,311
<u>Work Management</u>	
Perform Planning	\$ 3,693
Performing Scheduling	2,927
Perform Preventive Maintenance	2,394
Perform Corrective Maintenance	4,380
Maintain Non-Plant Equipment	2,045
Perform Plant Improvement Maintenance	398
Monitor & Control Radiation Exposure	3,359
Monitor & Control Contamination	1,086
Perform Minor Maintenance/Fix-It-Now Maintenance	2,324
Total Work Management	\$ 22,606
<u>Management Reserve</u>	
Management Reserve for Baseline Operations	\$ 450

Table 4B
Staffing by Process
(Full Time Equivalents)

<u>Baseline Operations (1)</u>	<u>FY 2007</u> <u>Budget</u>
Configuration Management	15
Equipment Reliability	40
Loss Prevention	231
Materials and Services	33
Nuclear Fuel	1
Operate Plant	86
Downtown Buildings	17
Support Services	124
Training	94
Work Management	131
Total Baseline Operations	<u>772</u>

Table 5
Projects
(Dollars in Thousands)

<u>Item/Description</u>	<u>FY 2007</u> <u>Budget</u>	<u>Original</u> <u>FY 2006</u> <u>Budget</u>	<u>Variance</u>
<u>Capital Projects</u>			
Plant Modifications	\$ 49,273	\$ 6,197	\$ 43,077
Facilities Modifications	591	965	(374)
Information Technology	3,273	543	2,730
Priority 1 - Critical Spares	714	650	64
Downtown Buildings	345	80	265
Subtotal Capital Projects	<u>\$ 54,196</u>	<u>\$ 8,435</u>	<u>\$ 45,761</u>
<u>Expense Projects</u>			
Plant Modifications	\$ 40,851	\$ 7,958	32,893
Facilities Modifications	1,079	645	434
Information Technology	251	70	181
Subtotal Expense Projects	<u>\$ 42,181</u>	<u>\$ 8,673</u>	<u>\$ 33,508</u>
 Total Projects	 <u>\$ 96,377</u>	 <u>\$ 17,108</u>	 <u>\$ 79,269</u>

Table 5A
Capital Projects
(Dollars in Thousands)

<u>Plant Modifications</u>	<u>FY 2007 Budget</u>
Digital Electro-Hydraulic Upgrade	\$ 14,014
Replace Feedwater Heaters 6A & 6B	10,539
Independent Spent Fuel Storage Cask Loading	3,544
Reactor Recirculation Motor Refurbishment	2,811
Control Rod Blade Procurement	1,947
Process Radiation Monitor Replacement	1,455
High Pressure Core Spray Pump/Motor	1,349
Local Power Range Meter Procurement	1,268
Condensate Pump/Booster Replacement	1,225
Service Water Pump & Motor Refurbishment	1,222
Plant License Extension	962
Design Basis Upgrade	943
Moveable/Other Capital	916
Normal Transformer Replacement	914
Primary Access Area Search Equipment	846
Management Reserve	500
Stud Tensioner System Upgrade	477
Main Steam Line Plug Replacement	468
Condensate Pump Motor Replacement	452
Drywell Material Condition	441
Turbine Building Level 501 Camera	325
Reapplication of NobleChem	313
Breaker Program	308
Tower Makeup Pump & Motor	263
Reactor Core Isolation Cooling Valve	250
Fuel Grapple Replacement	240
Circulating Water Inlet Filter Screens	200
Projects < \$200k	1081
Subtotal Plant Modifications	\$ 49,273

Table 5A
Capital Projects (Con't)
(Dollars in Thousands)

	FY 2007
	Budget
<u>Facilities Projects</u>	
Uninterruptable Power Supply Unit	\$ 180
Substation Breaker	179
Telecommunications Storage Facility	152
Building Modifications	80
Subtotal Facilities Projects	<u>\$ 591</u>
<u>Information Technology Projects</u>	
Long Range Plan/Budget Database Upgrade	\$ 1,240
CGS Portion of Corporate IT Projects	1,129
Cyber Security	301
Additional Radio Channel for Security	266
Cable & Raceway Penetration System Upgrade	174
Plant Data Instrumentation Survey Historical Engine	130
Kalsi VLV & Actuator Software	33
Subtotal Information Technology Projects	<u>\$ 3,273</u>
<u>Critical Spares</u>	<u>\$ 714</u>
<u>Downtown Buildings</u>	<u>\$ 345</u>
Total Capital Projects (1)	<u>\$ 54,196</u>

Table 5B
Expense Projects
(Dollars in Thousands)

<u>Plant Modifications & Major Maintenance(MM)</u>	<u>FY 2007</u> <u>Budget</u>
Vessel Services	\$ 6,148
Inservice Inspection/Non-Destructive Examination	4,195
Main Turbine Inspection	3,369
Chemical Decontamination	2,798
Motor Operated Valve Maintenance & Testing	2,355
Control Rod Drive Parts Procurement	2,041
Balance of Plant Valve Inspection & Repair	1,682
Throttle Valve/Governor Valve Inspections	1,577
Management Reserve	1,500
Main Steam Isolation Valve Inspection	1,350
Cooling Tower Preventive Maintenance	1,207
Independent Spent Fuel Storage Cask Loading	984
Main Safety Relief Valve Maintenance	977
Flow Accelerated Corrosion Pipe Exchange	888
Eddy Current Test Heat Exchange	730
Spent Fuel Pool Cleanup	706
Condenser Eddy Current Support	654
Bypass Valve Inspection	568
Probability Risk Assessment Upgrade	481
Fire Protection Hot Short Vulnerability	432
Main Steam Leakage Control Deactivation	389
Reactor Feedwater Valve Repair/Replacement	379
Enhanced Air Operated Valve Program	338
Main Generator Lead Box Seal Repair	320

Table 5B
Expense Projects (Con't)
(Dollars in Thousands)

	<u>FY 2007 Budget</u>
Hydrogen Recombiner Removal	277
Hydraulic Control Unit Maintenance	262
Heat Exchanger Inspection	257
Whittaker Cable Support Replacement	235
Control Rod Drive Mechanism Parts Reverse Eng.	208
Projects < \$200k	2,945
Subtotal Plant Modifications & MM	<u>\$ 40,851</u>
<u>Facilities Projects</u>	
Minor Facilities Projects	\$ 264
Facilities Configuration	240
West Gravel Parking Lot	194
Building Maintenance	123
Uncommitted Facilities	92
Building 11 Roof Repair	71
Substation Grounding Repair	67
Building 1 Efficiency Measures	28
Subtotal Facilities Projects	<u>\$ 1,079</u>
<u>Information Technology</u>	
Telecommunications Infrastructure	\$ 221
Plant Tracking Log Update	30
Subtotal Information Technology	<u>\$ 251</u>
Total Expense Projects	<u>\$ 42,181</u>

Table 6
Incremental Outage (R18)
(Dollars in Thousands)

<u>Controllable:</u>	FY 2007
	Budget
Energy Northwest Overtime	\$ 5,318
Materials & Supplies	4,275
Temporary Energy Northwest Labor	3,319
Support Service Contractor	3,246
Outside Engineering and Maintenance Contractors	3,007
Health Physics Contract Support (Bartlett)	2,132
Benefits & Other Corporate Allocations	1,622
Quality/Processing/Occupational Health	1,151
Radwaste Disposal	688
Monitoring Equipment and Equipment Leasing	247
Total Incremental Departmental Outage Costs	\$ 25,005

Table 7
Treasury Related Expenses
(Dollars in Thousands)

<u>Treasury Related Expenses</u>	FY 2007	Original FY 2006	Variance
	<u>Budget</u>	<u>Budget</u>	
Interest Expense/Note (1)	\$ 126,300	\$ 118,608	\$ 7,692
Amortized Financing Cost	231	326	(95)
Investment Income (2)	(2,961)	(4,627)	1,666
Treasury Svcs/Paying Agent Fees (3)	1,061	927	134
Total Treasury Related Expenses	<u>\$ 124,631</u>	<u>\$ 115,234</u>	<u>\$ 9,397</u>

Assumptions

- (1) Interest on variable rate debt was increased from 3.60% to 4.00%. Interest on the Note was increased from 4.65% to 5.60%. Interest expense includes interest on \$60,500,000 of new money to finance Fiscal Year 2006 and Fiscal Year 2007 capital projects. Interest expense includes interest on \$106,150,000 maturing in July 2006 that will be refunded. Fiscal Year 2006 budget did not include interest on \$91,890,000 of bonds issued in 2005 to fund the purchase of Fuel (Series 2005C).
- (2) Includes income on investment of monies held in the Interest and Principal Accounts and the Reserve and Contingency Fund which is transferred to the Revenue Fund. The budget assumes that the Direct Pay Agreement will be approved, thus significantly reducing the average balance in the Revenue Fund. Projected investment income earning rates are 4.46%.
- (3) Includes annual cost of variable rate debt program and internal labor and overheads of \$222,000.

Table 8
Total Columbia Staffing (1)
 (Full Time Equivalents)

<u>Item/Activity</u>	<u>FY 2007 Budget</u>	<u>Original FY 2006 Budget</u>	<u>Variance</u>
Baseline Operations	772	888	(116)
Capital Projects	56	9	47
Expense Projects (2)	90	-	90
Nuclear Fuels	7	10	(3)
Treasury	2	1	1
Calibration & Environmental Labs (3)	17	16	1
Corporate Programs (4)	80	90	(10)
Total	<u>1,024</u>	<u>1,014</u>	<u>10</u>

(1) Reflects average staffing for regular (non-temporary) employees.

(2) Included in Baseline Operations in 2006

(3) Energy/Business Services provides support to Columbia.

(4) Represents Columbia's share of Corporate Programs staffing.

Table 9
Cost-to-Cash Reconciliation
(Dollars in Thousands)

Description	FY 2007 Total Cost	Non-Cash Items	Non-Cost Items	Deferred Cash Requirements	Prior Year Commitments	FY 2007 Total Cash	Annual Funding Requirements
<u>Operating</u>							
Controllable - Expense	\$ 193,203	\$ -	\$ -	\$ -	\$ -	\$ 193,203	\$ 193,203
Controllable - Capital	54,196	-	-	-	-	54,196	54,196
Nuclear Fuel	32,180	(32,180)	101,035	-	-	101,035	101,035
Spent Fuel Disposal Fee	8,222	(8,222)	8,658	-	-	8,658	8,658
Loaned Fuel Revenues	(5,269)	-	-	-	-	(5,269)	(5,269)
Spares		-	7,300	-	-	7,300	7,300
Generation Taxes	3,008	-	-	-	(414)	2,594	2,594
Subtotal Operating	\$ 285,540	\$ (40,402)	\$ 116,993	\$ -	\$ (414)	\$ 361,717	\$ 361,717
<u>Fixed Expenses</u>							
Treasury Related Expense							
Interest on Bonds	\$ 122,803	\$ -	\$ -	\$ (1,161)	\$ -	121,642	121,642
Interest on Note	3,497	-	-	-	-	3,497	3,497
Amortized Cost	231	(231)	-	-	-	-	-
Investment Income-Revenue Fund	(2,961)	-	-	549	(515)	(2,927)	(2,927)
Treasury Services	1,061	-	-	-	-	1,061	1,061
Reserve & Contingency Fund (R&C)	-	-	17,571	-	-	17,571	17,571
Prior Year's R&C Fund Surplus	-	-	(11,019)	-	-	(11,019)	(11,019)
UEDD*	387	(387)	-	-	1,298	1,298	1,298
Decommissioning(1)	5,775	(5,775)	6,478	-	-	6,478	-
ISFSI Decommissioning	110	(110)	88	-	-	88	88
Depreciation	72,142	(72,142)	-	-	-	-	-
Subtotal Fixed Expenses	\$ 203,045	\$ (78,645)	\$ 13,118	\$ (612)	\$ 783	\$ 137,689	\$ 131,211
Total	\$ 488,585	\$ (119,047)	\$ 130,111	\$ (612)	\$ 369	\$ 499,406	\$ 492,928

*Uranium Enrichment Decontamination & Decommissioning

(1) Decommissioning paid directly by the Bonneville Power Administration

Note: Controllable cost and cash is equal due to BPA decision to Direct Pay and the institution of contractor time & labor.

Table 10
Annual Budget
Statement of Funding Requirements (Revenue Fund)
(Dollars in Thousands)

Item/Description	Original		Variance
	FY 2007	FY 2006	
	<u>Budget</u>	<u>Budget</u>	
<u>Operating</u>			
Controllable - Expense	\$ 193,203	\$ 168,984	\$ 24,220
Controllable - Capital	54,196	8,435	45,761
Nuclear Fuel	101,035	55,693	45,342
Spent Fuel Disposal	8,658	8,201	457
Loaned Fuel Revenues	(5,269)	(903)	(4,366)
Spares	7,300	6,000	1,300
Generation Taxes	2,594	2,630	(36)
Subtotal Operating Requirements	<u>\$ 361,717</u>	<u>\$ 249,040</u>	<u>\$ 112,678</u>
<u>Fixed</u>			
Treasury Related Expenses			
Interest on Bonds	\$ 121,642	\$ 113,718	\$ 7,924
Interest on Note	3,497	2,539	958
Investment Income-Revenue Fund	(2,927)	(4,540)	1,613
Treasury Services/Paying Agent Fees	1,061	927	134
Reserve & Contingency Fund (R&C)	17,571	14,019	3,552
Prior Year's R&C Surplus	(11,019)	(15,060)	4,041
UEDD Assessment *	1,298	1,267	31
Decommissioning Costs (1)	6,478	6,093	385
ISFSI Decommissioning Costs	88	-	88
Subtotal Fixed	<u>\$ 137,689</u>	<u>\$ 118,963</u>	<u>\$ 18,726</u>
Total Funding Requirements	<u>\$ 499,406</u>	<u>\$ 368,003</u>	<u>\$ 131,404</u>
<u>Funding Sources</u>			
Annual Net Billing	\$-	\$ 308,110	\$ (308,110)
Direct Pay from BPA (2)	414,002	-	417,836
Bond Financing of Capital Programs/Fuel	78,926	53,800	21,293
Bonneville Direct Funding Decommissioning	6,478	6,093	385
Total Funding Sources	<u>\$ 499,406</u>	<u>\$ 368,003</u>	<u>\$ 131,404</u>

- (1) BPA directly funds the requirements for the Decommissioning Fund on behalf of Energy Northwest.
- (2) Bonneville will direct pay the monthly funding requirements under the provisions of the Direct Pay Agreement.

Table 11
Monthly Statement of Funding Requirements
(Dollars in Thousands)

Item/Description	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY 2007 Total
Beginning Balance	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
<u>Disbursements</u>													
<u>Operating</u>													
Controllable - Expense	15,900	19,900	14,500	20,700	16,900	14,500	12,800	16,300	10,800	13,100	13,400	24,403	193,203
Controllable - Capital	1,250	1,250	1,250	2,200	2,200	2,200	3,000	3,200	3,700	4,874	8,850	20,222	54,196
Nuclear Fuel In Process	43,591	977	977	17,910	977	977	12,762	977	977	977	19,244	689	101,035
Spent Fuel Disposal	-	2,189	-	-	2,180	-	-	2,180	-	-	2,109	-	8,658
Loaned Fuel Revenues	-	-	(1,317)	-	-	(1,317)	-	-	(1,317)	-	-	(1,318)	(5,269)
Spares	100	100	100	100	100	2,000	100	100	100	1,200	1,600	1,700	7,300
Generation Taxes	-	-	-	-	-	-	-	-	-	-	-	2,594	2,594
Subtotal Operating	60,841	24,416	15,510	40,910	22,357	18,360	28,662	22,757	14,260	20,151	45,203	48,290	361,717
<u>Fixed</u>													
Treasury Related Expenses													
Interest on Bonds	3,276	3,275	3,276	3,276	3,276	44,442	3,276	3,276	3,275	3,276	3,276	44,442	121,642
Bond Retirement (1)	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Note	-	52	104	156	207	259	311	368	425	482	538	595	3,497
Investment Income	(515)	(50)	(50)	(50)	(50)	(910)	(212)	(50)	(50)	(50)	(50)	(890)	(2,927)
Treasury Services	258	28	29	78	28	29	78	28	29	118	68	68	839
Treasury Services (Labor)	18	18	18	18	18	18	19	19	19	19	19	19	222
R&C Fund (2)	1,411	1,411	1,411	1,411	1,411	1,411	1,517	1,518	1,517	1,518	1,517	1,518	17,571
Prior Year R&C Surplus	(11,019)	-	-	-	-	-	-	-	-	-	-	-	(11,019)
Reserve Fund Freeups	-	-	-	-	-	-	-	-	-	-	-	-	-
UEDD Assessment	-	-	-	1,298	-	-	-	-	-	-	-	-	1,298
Decommissioning	540	540	540	540	540	539	540	540	540	540	540	539	6,478
ISFSI Decommissioning	7	7	8	7	7	8	7	7	8	7	7	8	88
Subtotal Fixed	(6,024)	5,281	5,336	6,734	5,437	45,796	5,536	5,706	5,763	5,910	5,915	46,299	137,689
Total Disbursements	54,817	29,697	20,846	47,644	27,794	64,156	34,198	28,463	20,023	26,061	51,118	94,589	499,406
<u>Funding Sources</u>													
BPA Direct Pay	28,297	27,907	19,056	44,904	25,054	61,417	30,658	24,723	15,783	20,647	41,728	73,828	414,002
Bond Proceeds	25,980	1,250	1,250	2,200	2,200	2,200	3,000	3,200	3,700	4,874	8,850	20,222	78,926
BPA - Decommissioning	540	540	540	540	540	539	540	540	540	540	540	539	6,478
Total Funding Sources	54,817	29,697	20,846	47,644	27,794	64,156	34,198	28,463	20,023	26,061	51,118	94,589	499,406
Ending Balance	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000

(1) The Bond Retirement requirements will be funded from bond proceeds and extended.
(2) Newer bond resolutions eliminated R&C Requirements. Budgets reflect R&C for prior lien bonds only.

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