



**ENERGY  
NORTHWEST**

# Investments/Debt Service

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# Debt Service

## Project 1, Columbia and Project 3

- ✦ Assumes \$146.3 Million Fiscal Year 2008 Principal is Extended
- ✦ Assumes \$239.1 Million of Auction Rate Bonds are Refinanced to Fixed Rate.
- ✦ Taxable Financing for “Cost of Issuance”
- ✦ Assumes Interest on \$50.0 Million of New Money to Finance Fiscal Year 2009 Columbia Capital Projects (Spring 2008)

## Debt Service

### Project 1, Columbia and Project 3

- ✦ Interest Rate on Variable Rate Debt was reduced from 4.00% to 3.50%
- ✦ Interest Rate on the Note was reduced from 5.80% to 3.50%
  - Assumes Project 1 and 3 will not need a note in Fiscal Year 2009

## Bond Principal\*

### Project 1, Columbia and Project 3

(Dollars in Thousands)

|              | <u>Retiring</u>                | <u>Extending</u>               |
|--------------|--------------------------------|--------------------------------|
| Project 1    | \$ 52,915                      | \$ 36,990                      |
| Columbia     | 28,000                         | 96,295                         |
| Project 3    | <u>101,735</u>                 | <u>-</u>                       |
| <b>Total</b> | <b><u><u>\$182,650</u></u></b> | <b><u><u>\$133,285</u></u></b> |

\*Total Fiscal Year 2009 Maturities of \$315.9 Million

# Packwood Hydroelectric Project

- ✦ **Assumes No Payment of Principal on Packwood Line of Credit During Fiscal Year 2009**
  
- ✦ **Assumes All Packwood Bonds are Paid Off in March 2009**
  - **Additional Bonds Paid Early with Use of Bond Reserve**
  - **Savings of Approximately \$90,000**

# Investment Income

- ✦ **Investment Income Totals \$5.6 Million**
  - **Assumed Rates = 2.50%**  
(down from 4.75% in FY08)
  - **All Investments less than 1-year maturities**

# Treasury Related Expenses

(Dollars in Thousands)

| <u>Description</u>       | <u>FY 2009<br/>Budget</u> | <u>Original<br/>FY 2008<br/>Budget</u> | <u>Variance</u>           |
|--------------------------|---------------------------|--|---------------------------|
| Interest Expense/Note    | \$ 324,792                | \$ 331,058                             | \$ (6,266)                |
| Amortized Financing Cost | (4,389)                   | 8,495                                  | (12,884)                  |
| Investment Income        | (5,284)                   | (8,118)                                | 2,834                     |
| Treasury Services        | 4,300                     | 5,173                                  | (873)                     |
| <b>Total Costs</b>       | <b><u>\$ 319,419</u></b>  | <b><u>\$ 336,608</u></b>               | <b><u>\$ (17,189)</u></b> |

# Treasury Services Costs

(Dollars in Thousands)

| <u>Description</u>              | <u>FY 2009<br/>Budget</u> | <u>Original<br/>FY 2008<br/>Budget</u> | <u>Variance</u> |
|---------------------------------|---------------------------|--|-----------------|
| Banking/Trustee/Operating Costs | \$ 1,058                  | \$ 1,017                               | \$ 41           |
| Annual VRD Project Costs        | 1,809                     | 2,339                                  | (530)           |
| Refinancing/Legal/Advisors      | 1,433                     | 1,817                                  | (384)           |
| <b>Total</b>                    | <b>\$ 4,300</b>           | <b>\$ 5,173</b>                        | <b>\$ (873)</b> |

## BPA Debt Optimization Program (DOP) Results

- ✦ **To Date Approximately \$2 Billion of ENW Debt has been Extended to allow BPA to Pay Down Additional Treasury Debt**
- ✦ **Additionally, \$0.3 Billion of Advanced Refunded Debt will also be applied to Pay Down Additional Treasury Debt**