



**ENERGY  
NORTHWEST**

# Debt Service / Investments

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# Debt Service

## Project 1, Columbia and Project 3

- ✦ Energy Northwest and BPA have Opportunities to Impact Rate Levels in the Upcoming Rate Period.
- ✦ Financing Plan FY 2011 & FY 2012
  - ✦ Extend Maturing & Callable Columbia Debt
  - ✦ Move Project 1 & 3 Debt within 2018
  - ✦ Suspend Refinancing for Savings Targets
    - ✦ Create Rate Period Reductions
- ✦ Budget Includes Assumptions on Both FY 2011 & FY 2012 Bond Transactions.

# Debt Service

## Project 1, Columbia and Project 3

- ✦ **Spring 2011 Financing – Face Value of \$371 Million**
  - **Extend CGS Debt - 2019-2024 Maturities**
    - **Maturing \$94.4 Million**
    - **Callable \$186.6 Million**
  - **Move Project 1 & 3 Debt within 2018**
    - **Callable \$105.1 Million of Project 3**
    - **Call & Retire Debt**
      - **Project 1 - \$73.0 Million**
      - **Project 3 - \$21.4 Million**

# Debt Service

## Project 1, Columbia and Project 3

- ✦ **Spring 2012 Financing – Face Value of \$758 Million**
  - **Extend CGS Debt - 2019-2024 Maturities**
    - **Maturing \$266.6 Million**
    - **Callable \$281.1 Million**
    - **Finance CGS Capital Projects \$19.2 Million**
  - **Move Project 1 & 3 Debt within 2018**
    - **Callable \$170.4 Million of Project 1**
    - **Callable \$75.4 Million of Project 3**
    - **Call & Retire Debt**
      - **Project 1 - \$180.0 Million**

# Bond Principal

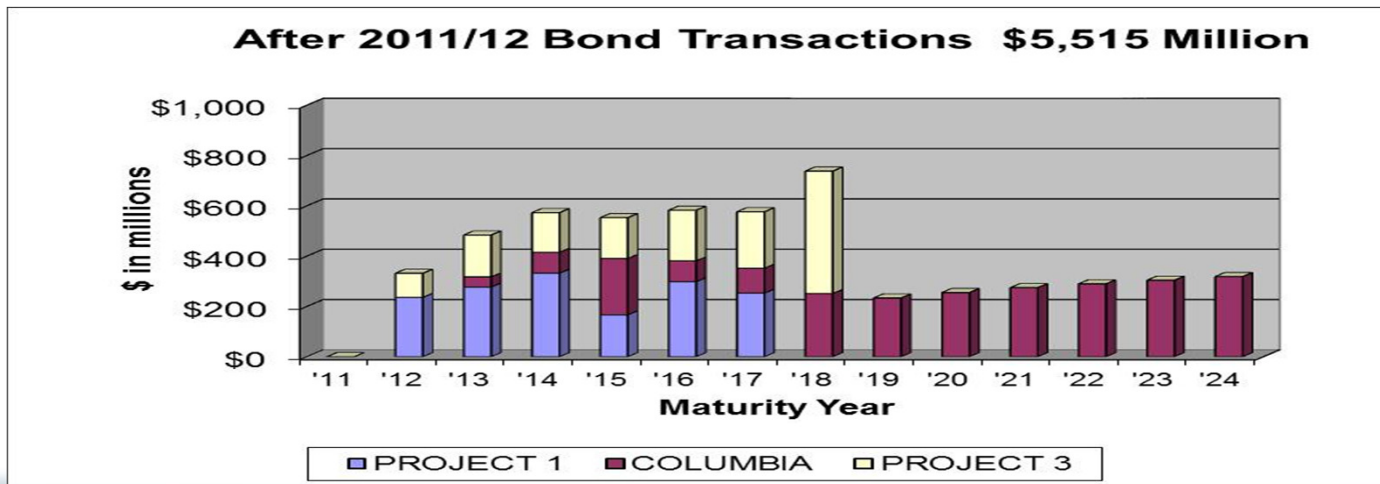
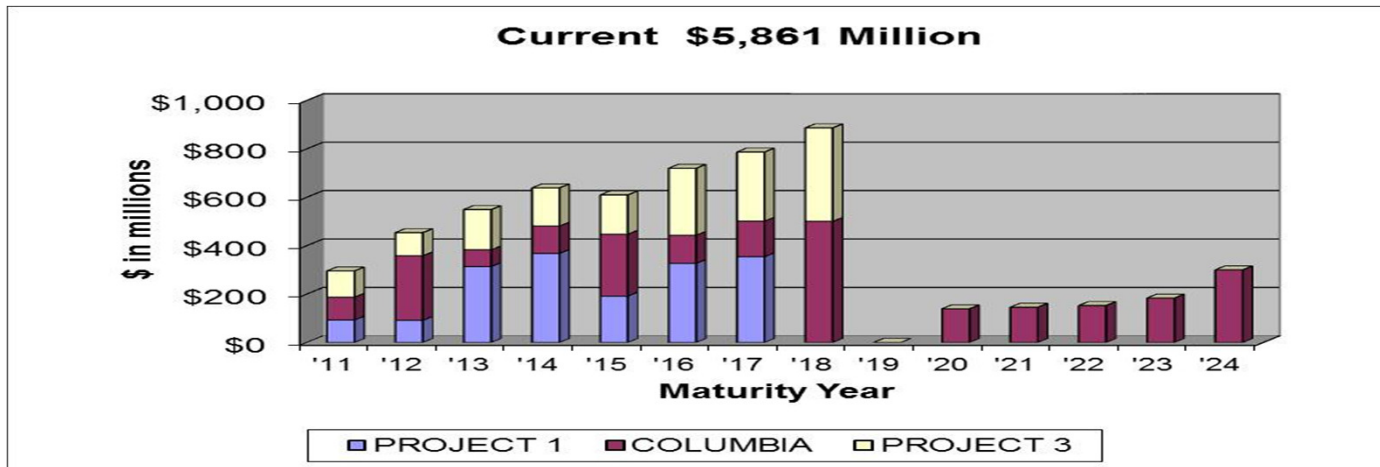
## Project 1, Columbia and Project 3

(Dollars in Millions)

### Fiscal Year 2012 Maturities of \$418.3 Million

	<u>Retiring</u>	<u>Extended</u>
Project 1	\$ 56.0	\$ -
Columbia	0.2	266.6
Project 3	95.5	-
<b>Total</b>	<b>\$ 151.7</b>	<b>\$ 266.6</b>

# Total Outstanding Principal Project 1, Columbia and Project 3



# Treasury Related Expenses

## All Business Units

(Dollars in Thousands)

<u>Description</u>	FY 2012	FY 2011	Variance
	<u>Budget</u>	<u>Budget</u>	
Interest Expense (1)	\$ 306,085	\$ 305,936	\$ 149
Build America Bond Subsidy (2)	(4,387)	(1,033)	(3,354)
Interest on Note (3)	2,597	-	2,597
Amortized Financing Cost (4)	(31,575)	(21,946)	(9,629)
Investment Income (5)	(904)	(1,354)	450
Treasury Services (6)	2,202	2,410	(208)
<b>Total</b>	<b>\$ 274,018</b>	<b>\$ 284,013</b>	<b>\$ (9,995)</b>

### Assumptions

- (1) Budget Assumes Both FY11 & FY12 Bond Transactions for Rate Case Restructuring.
- (2) Build America Bonds Receive a Subsidy from the Treasury for 35% of the Interest Payments.
- (3) Assumes 3.0% Interest Rate on Note for Senior Lien Principal.
- (4) Amortized Financing Costs Driven by Premium Bonds Sold During Recent Years.
- (5) Investment Income: Assumed Rate Decrease from 0.625% in FY 2011 to 0.440% in FY 2012.
- (6) Includes all non-interest costs of fixed rate debt and internal labor and overheads.



# Treasury Costs / Staffing

<u>Description</u>	FY 2012	FY 2011	
	Budget	Budget	Variance
Trustee & Banking Fees	\$ 402	\$ 479	\$ (77)
Refinancing/Legal/Advisors	1,124	1,169	(45)
Operating Costs	676	762	(86)
<b>Total</b>	<b>\$ 2,202</b>	<b>\$ 2,410</b>	<b>\$ (208)</b>

<u>Description</u>	FY 2012	FY 2011	
	Budget	Budget	Variance
Treasury Services	3.4	4.1	(0.7)
Energy / Business Services	1.8	2.1	(0.3)
Other	0.8	0.8	-
<b>Total Treasury Staffing</b>	<b>6.0</b>	<b>7.0</b>	<b>(1.0)</b>





# Treasury Related Expenses

## Project 1

(Dollars in Thousands)

<u>Description</u>	FY 2012		FY 2011	
	<u>Budget</u>		<u>Budget</u>	<u>Variance</u>
Interest Expense (1)	\$ 84,749	\$	\$ 91,136	\$ (6,387)
Amortized Financing Cost (2)	(11,051)		(7,827)	(3,224)
Investment Income (3)	(103)		(177)	74
Treasury Services (4)	561		427	134
<b>Total</b>	<b>\$ 74,156</b>	<b>\$</b>	<b>\$ 83,559</b>	<b>\$ (9,403)</b>

### Assumptions

- (1) Budget Assumes Both FY11 & FY12 Bond Transactions for Rate Case Restructuring.
- (2) Amortized Financing Costs Driven by Premium Bonds Sold During Recent Years.
- (3) Investment Income: Assumed Rate Decrease from 0.625% in FY 2011 to 0.440% in FY 2012.
- (4) Includes all non-interest costs of fixed rate debt and internal labor and overheads of \$167,000.  
The increase is due to cost of issuance related to the spring 2012 bond transaction.

# Treasury Related Expenses Columbia Generating Station

(Dollars in Thousands)

<u>Description</u>	FY 2012		FY 2011	
	<u>Budget</u>		<u>Budget</u>	<u>Variance</u>
Interest Expense (1)	\$ 134,939	\$	120,543	\$ 14,396
Build America Bond Subsidy (2)	(4,387)		(1,033)	(3,354)
Interest on Note (3)	2,597		-	2,597
Amortized Financing Cost (4)	(7,784)		(7,806)	22
Investment Income (5)	(478)		(664)	186
Treasury Services (6)	1,139		1,523	(384)
<b>Total</b>	<b>\$ 126,026</b>	<b>\$</b>	<b>112,563</b>	<b>\$ 13,463</b>

## Assumptions

- (1) Budget Assumes Both FY11 & FY12 Bond Transactions for Rate Case Restructuring.
- (2) Build America Bonds Receive a Subsidy from the Treasury for 35% of the Interest Payments.
- (3) Assumes 3.0% Interest Rate on Note for Senior Lien Principal.
- (4) Amortized Financing Costs Driven by Premium Bonds Sold During Recent Years.
- (5) Investment Income: Assumed Rate Decrease from 0.625% in FY 2011 to 0.440% in FY 2012.
- (6) Includes all non-interest costs of fixed rate debt and internal labor and overheads.

# Treasury Related Expenses

## Project 3

(Dollars in Thousands)

<u>Description</u>	FY 2012	FY 2011	<u>Variance</u>
	<u>Budget</u>	<u>Budget</u>	
Interest Expense (1)	\$ 79,818	\$ 87,454	\$ (7,636)
Amortized Financing Cost (2)	(12,494)	(6,058)	(6,436)
Investment Income (3)	(187)	(274)	87
Treasury Services (4)	449	402	47
<b>Total</b>	<b>\$ 67,586</b>	<b>\$ 81,524</b>	<b>\$ (13,938)</b>

### Assumptions

- (1) Budget Assumes Both FY11 & FY12 Bond Transactions for Rate Case Restructuring.
- (2) Amortized Financing Costs Driven by Premium Bonds Sold During Recent Years.
- (3) Investment Income: Assumed Rate Decrease from 0.625% in FY 2011 to 0.440% in FY 2012.
- (4) Includes all non-interest costs of fixed rate debt and internal labor and overheads of \$167,000.  
The increase is due to cost of issuance related to the spring 2012 bond transaction.