Fiscal Year 2015
Business Development Fund
Annual Budget

ENERGY NORTHWEST

Table of Contents

Prepared 4/23/14

Summary

The Business Development Fund (BDF) was created by Executive Board Resolution No. 1006 in April 1997 for the purpose of holding, administering, disbursing, and accounting for Energy Northwest costs and revenues generated from engaging in new energy-related business opportunities.

The BDF is managed as an enterprise fund. The budgets are divided by business sector: Business Services, Facilities, Generation, and Professional Services. Each sector may have one or more programs that are managed as a unique business activity. Revenues, expenses, and margins are reported for each program and sector.

Business Unit Support captures costs associated with developing programs. For Fiscal Year 2015, the revenue for the BDF equals $7,666,000 and a total net margin of ($111,000) (See Table 1). Total funding requirements are $7,691,000 (See Table 5).

This document reflects budgets for programs associated with the Business Development Fund.

A comparison of the Fiscal Year 2015 Budget is made to the original budget issued for Fiscal Year 2014.

3

Key Assumptions/Qualifications

- Manage, operate, maintain, modify, and support facilities related to power generation.

- Assist members with generation resources, transmission integration, and power management issues.

- Offer cost competitive resource options that manage risk and promote environmental stewardship.

- The Business Development Fund will not require a general fund transfer from the Performance Fee Account.

Prepared 4/23/14

Table 1
Summary of Revenues and Expenses by Business Sector
(Dollars in Thousands)

Description	FY 2015 Budget		Original FY 2014 Budget		Variance	
Revenues						
Business Services	$	5,193	$	4,657	$	536
Facilities		553		510		43
Generation		1,221		838		383
Professional Services		699		2,211		(1,512)
Total Revenues	**$**	**7,666**	**$**	**8,216**	**$**	**(550)**
Expenses (1)						
Business Services (2)	$	4,957	$	4,382	$	575
Facilities		525		611		(86)
Generation		1,621		1,437		184
Professional Services (3)		674		2,210		(1,536)
Total Expenses	**$**	**7,777**	**$**	**8,640**	**$**	**(863)**
Net Margin	**$**	**(111)**	**$**	**(424)**	**$**	**313**

(1) Does not include capital expenses
(2) Includes $74,000 in depreciation
(3) Includes $12,000 in depreciation

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Table 2
Detailed Financial Summary
(Dollars in Thousands)

Description	FY 2015 Revenue	FY 2015 Cost	FY 2015 Margin
Business Services			
Columbia Calibration Services	$ 2,239	$ 2,239	$ -
Commercial Calibration Services	925	722	203
Environmental Laboratory Services	275	257	18
Columbia Environmental Laboratory	1,713	1,713	-
Misc Other	41	26	15
Total Business Services (1)	**$ 5,193**	**$ 4,957**	**$ 236**
Facilities			
IDC Leases	$ 546	$ 519	$ 27
Misc Other	7	6	1
Total Facilities	**$ 553**	**$ 525**	**$ 28**
Generation			
Demand Response	$ 916	$ 1,047	$ (131)
Distributed Storage	166	166	-
Energy Storage		78	(78)
Power Management & Supply	-	98	(98)
Neoen Solar	84	84	-
Solar	-	50	(50)
Wind Development	-	43	(43)
Modular Nuclear	55	55	-
Total Generation	**$ 1,221**	**$ 1,621**	**$ (400)**
Professional Services			
Tieton	$ 464	$ 428	$ 36
Engineering Services	60	60	-
Technical Services	78	78	-
Roving Work Force	96	96	-
White Bluffs Solar (2)	1	12	(11)
Total Professional Services	**$ 699**	**$ 674**	**$ 25**
Total	**$ 7,666**	**$ 7,777**	**$ (111)**

Margin - ( ) Unfavorable

(1) Includes depreciation of $74,000

(2) Includes depreciation of $12,000

Note: $2,051,000 in BDF Business Support is allocated to Energy/Business Services programs.

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Table 3
Summary of Capital
(Dollars in Thousands)

Description	FY 2015 Budget	Original FY 2014 Budget	Variance
Business Sector / Project			
Business Services			
Calibration Laboratory Services	$ -	$ 132	$ (132)
Environmental Laboratory Services	-	79	(79)
Total - Capital	**$ -**	**$ 211**	**$ (211)**

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Table 4
Summary of Full Time Equivalent Positions *

Description	FY 2015 Budget	Original FY 2014 Budget	Variance
Business Services Sector	25	26	(1)
Facilities / Leasing Sector	3	4	(1)
Generation Sector	3	2	1
Indirect Support	11	11	-
Professional Services Sector	1	3	(2)
Total Positions	**43**	**46**	**(3)**
Less: FTEs in Labs Supporting Columbia	20	20	-
Total Positions	**23**	**26**	**(3)**

* Includes Allocations of Corporate Full Time Equivalent Positions

Prepared 4/23/14

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Prepared 4/23/14

Table 5
Statement of Funding Requirements
(Dollars in Thousands)

Description		FY 2015 Budget		Original FY 2014 Budget		Variance
Funding Requirements						
Expense Requirements (1)	$	7,691	$	8,640	$	(949)
Capital Requirements		-		211		(211)
Total Funding Requirements	**$**	**7,691**	**$**	**8,851**	**$**	**(1,160)**
Funding Sources						
Revenues	$	7,666	$	8,216	$	(550)
Total Funding Sources	**$**	**7,666**	**$**	**8,216**	**$**	**(550)**
Change in Fund Balance	**$**	**(25)**	**$**	**(635)**	**$**	**610**

(1) Expenses exclude $86,000 of depreciation (non-cash item).

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Table 6
Business Development Fund - Cash Flow
(Dollars in Thousands)

Description	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY 2015 Total
Beginning Balance	$ 4,777	$ 4,774	$ 4,772	$ 4,770	$ 4,768	$ 4,766	$ 4,765	$ 4,763	$ 4,761	$ 4,759	$ 4,757	$ 4,755	$ 4,777
Receipts													
Revenues	$ 638	$ 639	$ 639	$ 639	$ 639	$ 639	$ 639	$ 639	$ 639	$ 639	$ 639	$ 638	$ 7,666
Total Receipts	$ 638	$ 639	$ 639	$ 639	$ 639	$ 639	$ 639	$ 639	$ 639	$ 639	$ 639	$ 638	$ 7,666
Disbursements													
Expense Requirements	$ 641	$ 641	$ 641	$ 641	$ 641	$ 641	$ 641	$ 641	$ 641	$ 641	$ 641	$ 641	$ 7,691
Capital Requirements	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements	$ 641	$ 641	$ 641	$ 641	$ 641	$ 641	$ 641	$ 641	$ 641	$ 641	$ 641	$ 641	$ 7,691
Ending Balance	$ 4,774	$ 4,772	$ 4,770	$ 4,768	$ 4,766	$ 4,765	$ 4,763	$ 4,761	$ 4,759	$ 4,757	$ 4,755	$ 4,752	$ 4,752

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Prepared 4/23/14