



**ENERGY
NORTHWEST**

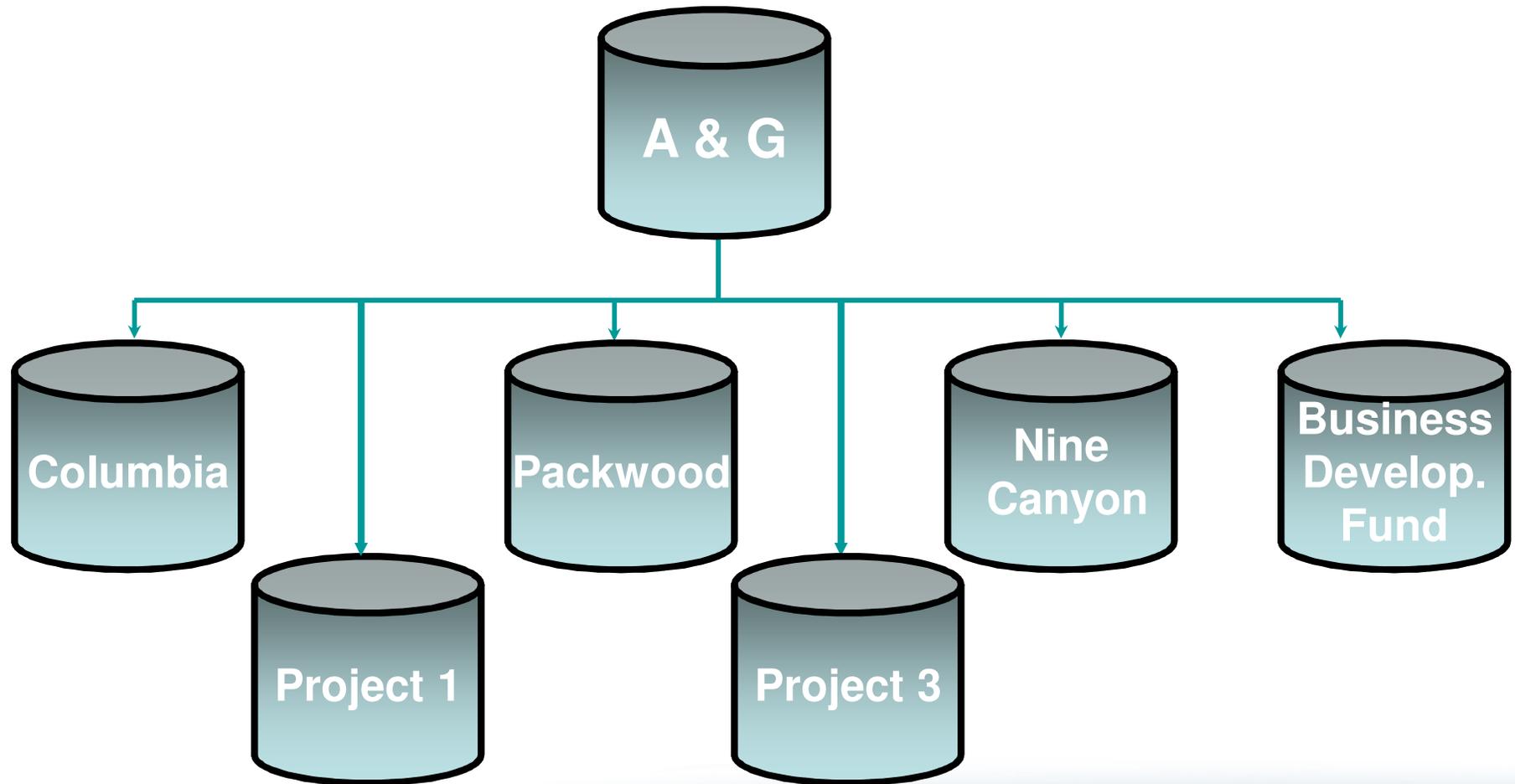
Budget Overview

**Brent Ridge
VP/Chief Financial/Chief Risk Officer
March 20, 2012**

General Budget Information

- ✦ Budget documents include White Pages (cost basis) and Green Pages (cash basis)
- ✦ The Columbia Long-Range Plan is included in the Budget Book
- ✦ Both the budget documents and presentations will be available online on Thursday, March 29, 2012, after 3pm
 - ▣ <http://www.energy-northwest.com/who/> “2013 Annual Budget”

Business Units



Budget Highlights

- ✦ FY 2013 is an Outage Year for Columbia (CGS)
- ✦ Weighted Average Escalation is 3.9%
- ✦ Offset by Staffing Reductions of 20 Positions
- ✦ Continuing to Finance CGS Capital \$50 Million
- ✦ Living within FY2008 CGS Projected Long Range Plan for FY 2013
- ✦ Continued FY12 Cost Reductions into FY13 and Out Years
- ✦ Planned Reimbursement of Kalama Development Costs

Funding Requirements

(Dollars in Thousands)

<u>Funding Requirements</u>	<u>FY 2013 Budget</u>	<u>Original FY 2012 Budget</u>	<u>Variance</u>
Columbia	\$ 571,777	\$ 482,830	\$ 88,947
Packwood	2,898	2,318	580
Nine Canyon Wind Project	20,503	17,329	3,174
Project 1	341,902	322,533	19,369
Project 3	232,636	166,796	65,840
Business Development Fund	12,249	12,303	(54)
General Business Unit	124	-	124
Total Funding Requirements	<u>\$ 1,182,089</u>	<u>\$ 1,004,109</u>	<u>\$ 177,980</u>

Funding Sources

(Dollars in Thousands)

<u>Funding Sources</u>	<u>FY 2013 Budget</u>	<u>Original FY 2012 Budget</u>	<u>Variance</u>
Net Billing Revenues/Direct Pay	\$ 1,059,554	\$ 906,839	\$ 152,715
Excess Funds FY 2012	24,432	-	24,432
Bond Proceeds from Operations Financing	-	1,461	(1,461)
Bond Proceeds from Capital Financing	50,441	53,177	(2,736)
Revenues	29,616	27,557	2,059
Working Capital/Receipts from Participants	6,158	4,393	1,765
BPA Decommissioning	11,888	10,682	1,206
Total Funding Sources	<u>\$ 1,182,089</u>	<u>\$ 1,004,109</u>	<u>\$ 177,980</u>

Operating Costs by Business Unit*

(Dollars in Thousands)

<u>Operating Costs</u>	<u>FY 2013 Budget</u>	<u>Original FY 2012 Budget</u>	<u>Variance</u>
Columbia	\$ 518,046	\$ 475,187	\$ 42,859
Packwood	2,277	2,116	161
Nine Canyon Wind Project	20,094	19,192	902
Project 1	55,848	75,202	(19,354)
Project 3	58,383	67,586	(9,203)
Business Development Fund	12,039	12,182	(143)
Total Operating Costs	\$ 666,687	\$ 651,465	\$ 15,222

* Excludes Capital

Capital Costs by Business Unit

(Dollars in Thousands)

<u>Capital Costs</u>	<u>FY 2013 Budget</u>	<u>Original FY 2012 Budget</u>	<u>Variance</u>
Columbia	\$ 50,441	\$ 51,483	\$ (1,042)
Packwood	680	-	680
Nine Canyon Wind Project	40	100	(60)
Business Development Fund	210	121	89
Total Capital Costs	\$ 51,371	\$ 51,704	\$ (333)

Summary of Full Time Equivalent Positions by Business Unit(1)(2)

<u>Business Unit</u>	<u>FY 2013 Budget</u>	<u>FY 2012 Budget</u>	<u>Variance</u>
Columbia	1,148	1,164	(16)
Packwood	5	5	-
Nine Canyon Wind Project	13	13	-
Project 1	4	4	-
Project 3	1	1	-
Business Development Fund	38	42	(4)
Total Full Time Equivalent Regular Positions	<u>1,209</u>	<u>1,229</u>	<u>(20)</u>

(1) Includes Full Time Equivalent positions for transition of new employees taking positions of retiring employees.

(2) Corporate Programs (A&G) Full Time Equivalent positions of 81 in Fiscal Year 2013 and 87 in Fiscal Year 2012 have been allocated and are included in the Business Units above.

Summary of Changes in Full Time Equivalent Positions by Organization

<u>Organization Number</u>	<u>Organization Name</u>	<u>Change in FTE from PY</u>
42XXX	Supply Chain Services	(1)
43XXX	Facilities & Commercial Eng	(1)
50XXX	VP, NG/CNO	1
521XX	Training	(2)
5221X	Radiation Protection	(1)
5223X	Maintenance	(3)
5225X	Planning, Scheduling & Outage	(1)
525XX	Regulatory Affairs	(4)
5260X	Operations Support General Manager	1
5262X	Security	(3)
54XXX	Engineering	(1)
60XXX	Energy/Business Services	(3)
73XXX	Asset Manager/Controller	(1)
75XXX	Finance	(1)
Total		<u>(20)</u>