



**Bonneville Power Administration
Integrated Program Review**

Technical Workshop # 10:

**FY 2010-11 Fish and Wildlife
Program Costs**

June 12, 2008



Fish & Wildlife Direct Program

\$ in Thousands	Actuals		SOY	Rate Case Average	Rate Case	IPR	IPR	IPR
	FY 2006	FY 2007	FY 2008	FY 2007-09	FY 2009	FY 2009	FY 2010	FY 2011
Program Level Spending	137,900	139,500	143,000	143,000	143,000	200,000	230,000	236,000
Increase/Decrease *		1,600	3,500		0	57,000	30,000	6,000

* for FY 2006-2008, Rate Case FY 2009, 2010 and 2011, change is from the prior year. For FY 2009 Forecast, change is calculated from "Rate Case".

Program Background:

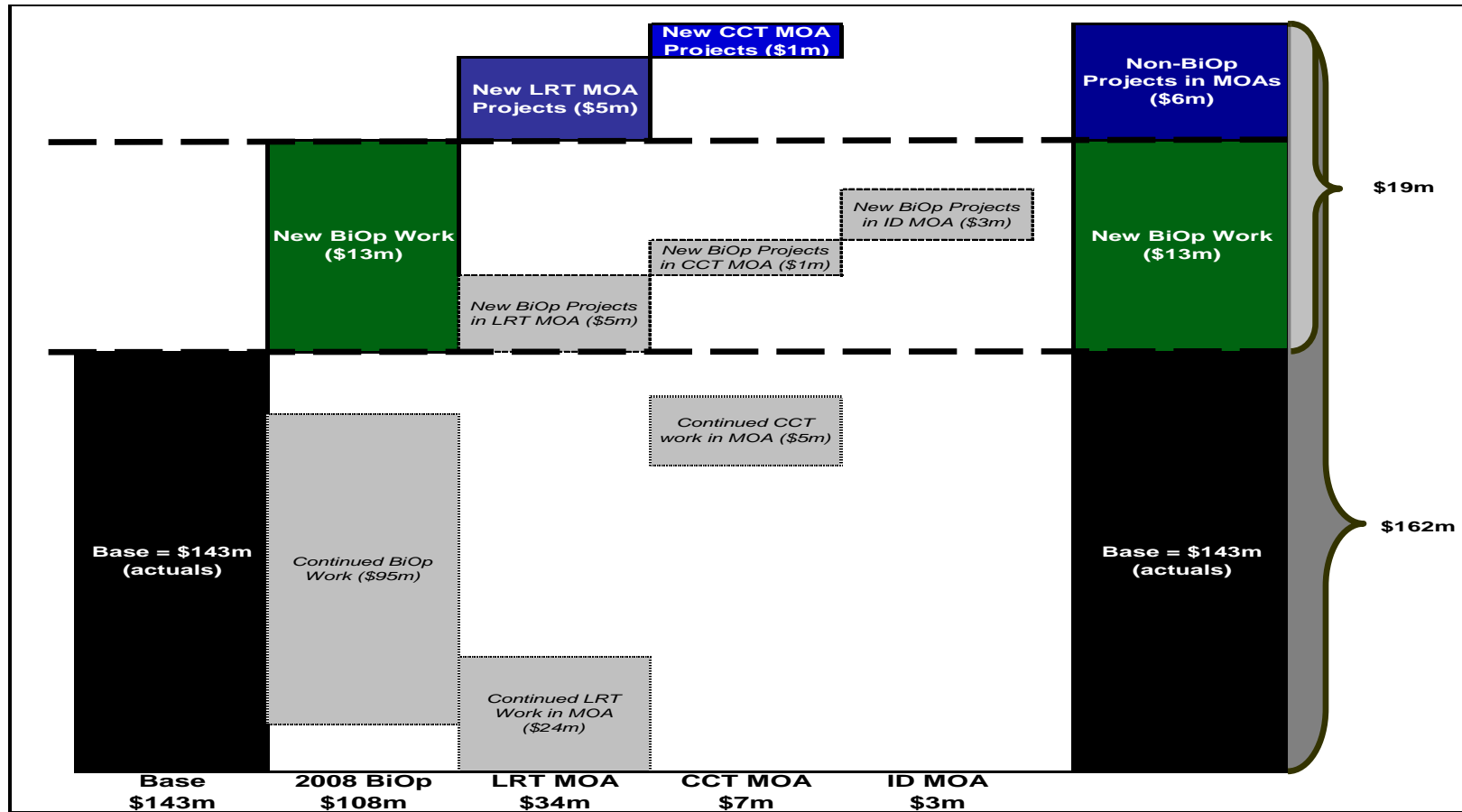
This program represents BPA's Direct Fish and Wildlife Program which manages projects intended to meet BPA's mitigation objectives under the Northwest Power Act, consistent with the Northwest Power and Conservation Council, as well as BPA's Endangered Species Act offsite fish and wildlife requirements under biological opinions from the U.S. Fish and Wildlife Service and National Oceanic and Atmospheric Administration (NOAA) Fisheries.

Drivers of Change:

- New Biological Opinions require increased costs for hydro system operations, habitat restoration, research, monitoring and evaluation.
- The 2008 Columbia Basin Accords, agreements with States and Tribes on Fish and Wildlife costs, include some costs necessary for implementing the Bi-Op, but also have incremental costs. These agreements benefit the agency and the region, by: moving key players from adversaries to partners, ending years of divisiveness; including accountability for results; including defined biological objectives, so that the actions will be measured for their effectiveness against those objectives; providing known costs which will mean more stable rates. The projects are expected to produce biological benefits and cost less than litigation.
- These increased costs are partially offset by 4(h)(10)(C) credits, which in essence reimburse BPA for the portion of these costs that are attributable to non-power purposes of the FCRPS.



FY08 Expense Estimates

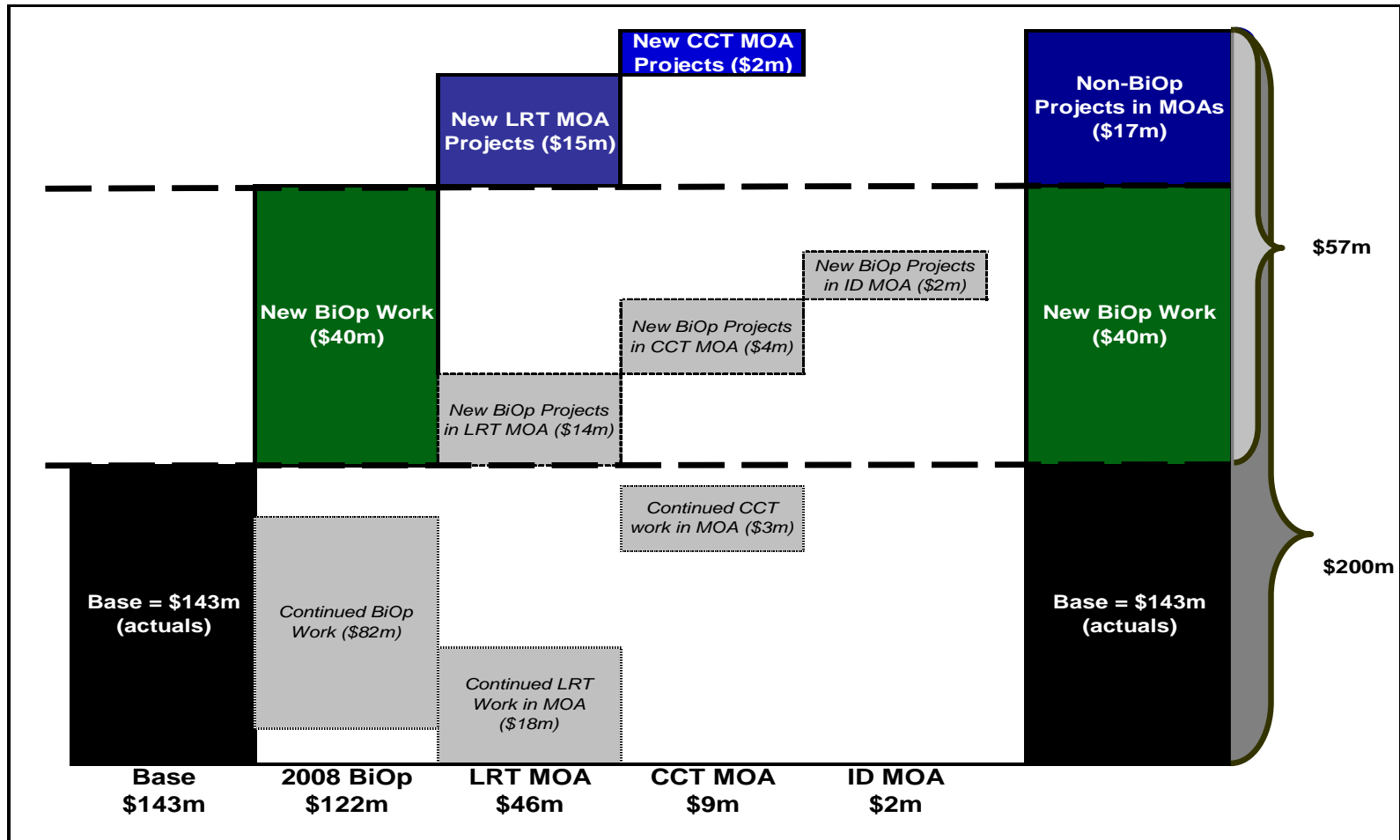


Assumptions

- Ramp-up results in spending on new BiOp and MOA work at 33% of planning levels



FY09 Expense Estimates

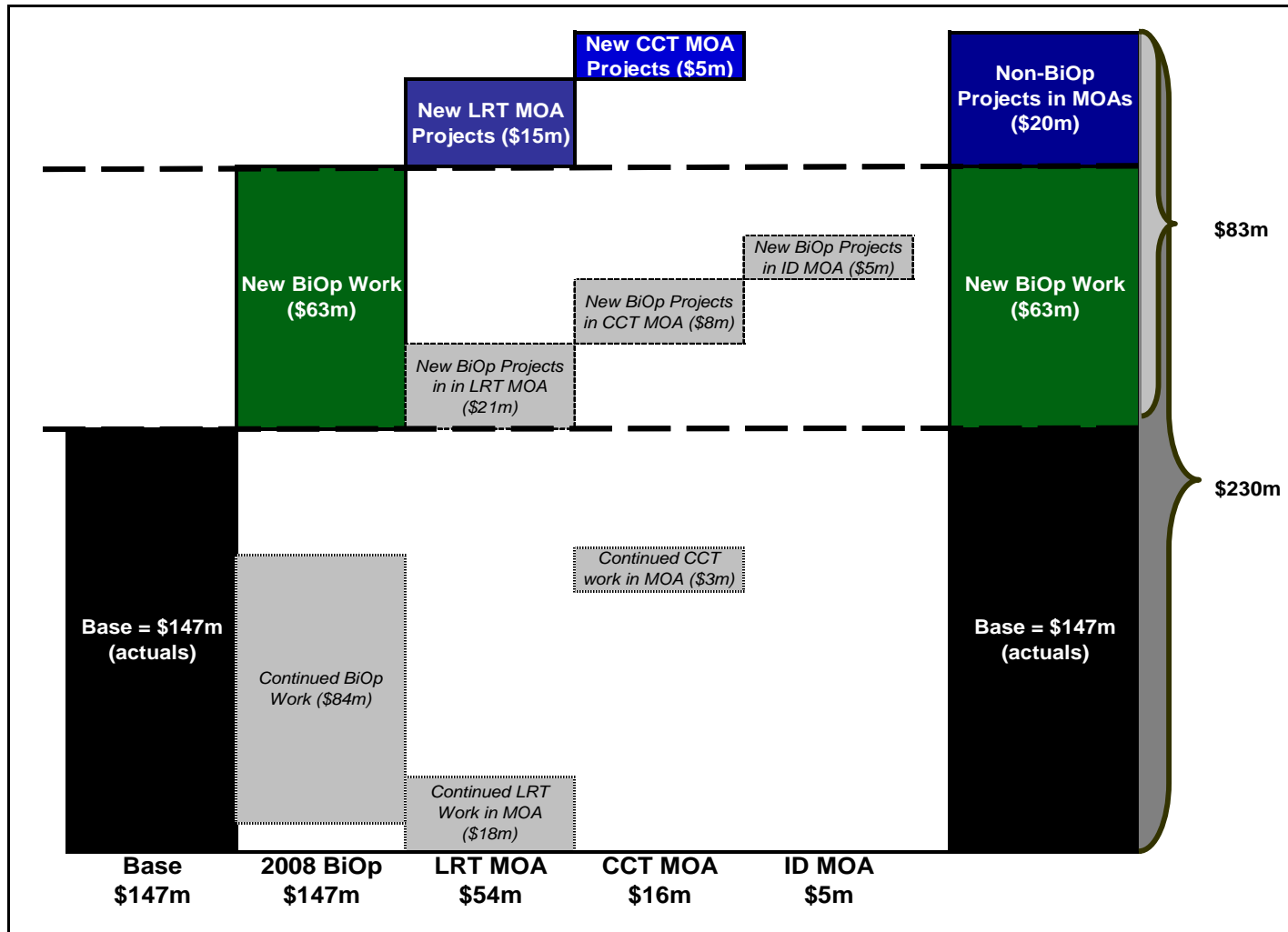


Assumptions

- Ramp-up result in spending on new BiOp and MOA work at 75% of planning levels



FY10 Expense Estimates

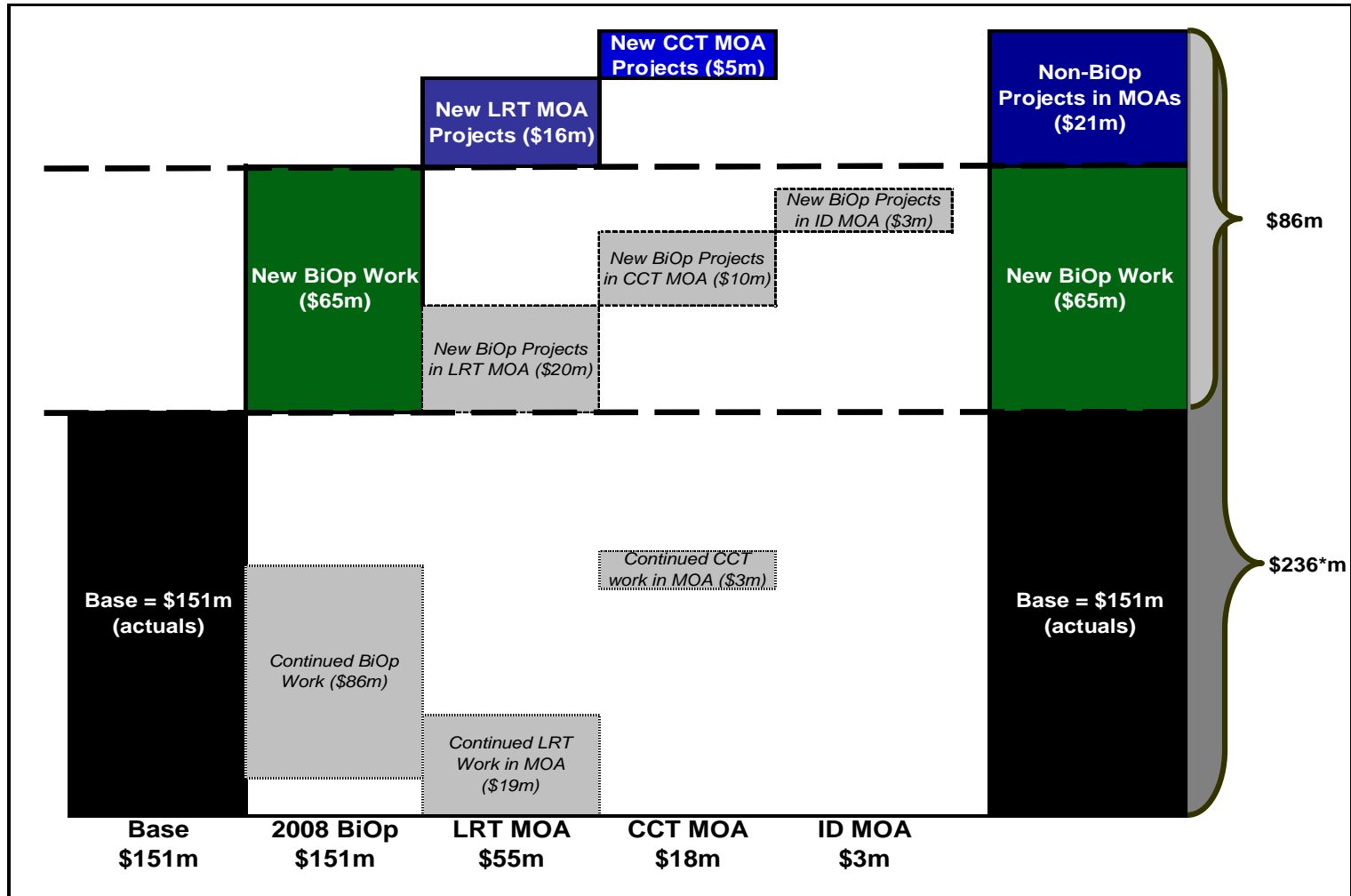


Assumptions

- Inflation applied to \$143 base and expansions at 2.5%



FY11 Expense Estimates



Assumptions: Inflation applied to \$143 base and expansions at 2.5%

*Note: Not \$ 237 due to rounding.