



Department of Energy

Bonneville Power Administration
P.O. Box 61409
Vancouver, WA 98666-1409

TRANSMISSION BUSINESS LINE

December 31, 2002

In reply refer to: TM-OPP-2

Dear Programs in Review Participant:

SUBJECT: Correction to Appendixes

On December 19, 2002, the Bonneville Power Administration distributed a close-out letter to customers regarding the Transmission Business Line's (TBL) Programs in Review (PIR) process, which included decisions on TBL's program level expenditures for Fiscal Years 2004 and 2005. It has come to our attention that the Appendixes included with the original letter were earlier versions that had not been finalized. However, the financial figures in the body of the letter were correct. We are attaching corrected versions of the Appendixes.

We hope that these corrections have not caused you any inconvenience. If you have any questions, please contact either your Account Executive or Kevin Prickett at (360) 619-6017. Thank you for your involvement and interest in the TBL's PIR process.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert C. Lahmann", with a long horizontal flourish extending to the right.

Robert C. Lahmann
Acting Transmission Sales Manager
Transmission Marketing & Sales

2 Enclosures:

Appendix 1 – TBL Expense Levels – Programs in Review

Appendix 2 – TBL – Capital Program

TBL Expense Levels - Programs In Review (\$ in thousands)

Program & Other Operating Costs	Averages Across FY 2004-05		
	Initial PIR	Final PIR	Savings
Transmission G&A	22,701.3	17,699.3	(5,002.0)
CSRS Pension Expense	14,350.0	14,350.0	0.0
Transmission Marketing	15,004.1	15,565.5	561.4
Transmission Scheduling	8,705.9	8,473.1	(232.8)
Transmission System Operations	40,563.0	37,922.8	(2,640.2)
Transmission System Maintenance	88,633.8	80,995.6	(7,638.1)
Transmission System Development	13,885.4	12,983.9	(901.5)
Wheeling/Leases	5,973.8	6,105.4	131.6
Environment (Includes Environment Org)	4,538.9	4,551.1	12.2
Transmission Support Services	19,603.3	17,854.9	(1,748.5)
Total System O & M	233,959.4	216,501.4	(17,458.0)
Between Business Line Expenses			
Ancillary Services	71,495.3	71,495.3	0.0
Corps/Bureau/Network/Delivery Facilities	4,084.0	4,084.0	0.0
Station Service	1,723.6	1,723.6	0.0
Total BBL Expense	77,302.9	77,302.9	0.0
Corporate Expenses			
Legal Support - Expense	2,023.0	2,023.0	0.0
Shared Services Costs	37,355.0	37,355.0	0.0
Corporate Overhead Distributions	23,360.0	23,360.0	0.0
Total Corporate Charges	62,738.0	62,738.0	0.0
Total Transmission Operating Expense	374,000.3	356,542.3	(17,458.0)

TBL - Capital Program
 FY2004 and FY2005 Projections
 (\$ in Thousands)

	G-			
	PROJECT	Need Date	FY 2004	FY 2005
MAIN GRID				
Project Name				
Puget Sound Area Additions	G-1	2004	7,368.7	0.0
Schultz-Wautoma 500 kV line	G-2	2004	50,138.9	0.0
McNary-John Day 500 kV line	G-3	2004	0.0	0.0
Low Mon-Starbucks 500 kV	G-4	2004	0.0	10,904.7
McNary-Smiths Harbor 500 kV	G-5	2004	0.0	0.0
Schultz 500 KV series caps	G-6	2003	3,000.1	0.0
Echo Lake-Monroe 500 kV	G-8	2007	0.0	5,414.4
Coulee-Bell 500 kV (WOH Ph 1)	G-9	2004	61,255.2	0.0
Line Relocation (Nisqually Reservation)			0.0	0.0
Line Relocations on Tribal Lands			3,158.0	3,248.7
Columbia Falls - Kerr Reconductor			0.0	0.0
Seattle Area 500/230 kV Bank	G-11	2006	0.0	1,082.9
Pearl 500/230 KV bank	G-10	2003	0.0	0.0
Chemawa 230/115 kV Bank			0.0	0.0
Santiam-Bethel Tap 230 Line #2			0.0	0.0
Olympia 230/115KV Bank #3			0.0	0.0
Olympia-Shelton 500KV	G-12	2006	252.6	10,828.9
Fairmount Shunt Cap			0.0	0.0
Shelton-Fairmount 230KV line			0.0	0.0
Hanford-Ost. tap to Big Eddy	G-14	2008	1,052.7	3,248.7
N. Cross Cascades SC 500 KV			0.0	5,414.4
Ponderosa 500/230 KV bk #2			0.0	0.0
North Noxon Reinforcement (WOH Ph1)	G-20	2007	631.6	7,580.2
L Goose-Starbucks 500 kV (WOH Ph2)	G-17	2008	0.0	0.0
Big -Eddy-Ostrander 500KV			0.0	0.0
McNary-Brownlee 230 KV (PNW-ID)	G-19	2006	6,316.1	33,569.5
Hatwai-Lolo 230 kV (PNW-ID)	G-18	2007	0.0	0.0
McNary-Tap on Ashe-Marion 500 kV	G-16	2007	421.1	6,497.3
N. Idaho Reinforcement (Lib-Bonnars)	G-15	2007	0.0	584.8
Walla Walla 115/69 Bank Repl			0.0	0.0
Santiam-Chemawa 230 Line#2			0.0	0.0
Other Associated gen Integration			3,158.0	4,331.5
NERC Criteria Compliance			2,105.4	2,165.8
Fire Suppression			0.0	0.0
System Reactive Facilities			5,000.0	5,000.0
Various Additions			5,000.0	5,000.0
Total Main Grid			148,858.4	104,871.7
AREA & CUSTOMER SERVICE				
Project Name				
Albany-Eugene Rebuild			0.0	0.0
Kitsap Penin Reinf			0.0	0.0
Red Mountain 115 kV Sub			0.0	0.0
Walla Walla 115/69 Bank Repl			0.0	0.0
Franklin Area Reinf (recond)			0.0	0.0
SW Ore Coast (Bandon-Rogue)			315.8	1,840.9
Goshen-Drummond Upgrade&Tx			0.0	0.0
Trentwood 230/115kv bk/line			0.0	0.0
Fairview SVC			0.0	0.0
Vintage Valley			0.0	0.0
Port Angeles SVC			0.0	0.0

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	G- PROJECT	Need Date	FY 2004	FY 2005
Harney system 138 kV upgrade			0.0	0.0
Driscoll/Clatsop 230/115KV Tx			0.0	0.0
Longview 230/115-kV Bank #2			105.3	541.4
Redmond 230/115KV Bank #2			0.0	0.0
Palisades-Snake River 115 line			0.0	108.3
Palisades-Goshen 161KV line/TX			1,052.7	4,331.5
East Omak 230/115KV Bank			0.0	0.0
Libby-Bonnars Ferry 115 Recond			0.0	0.0
Libby-Troy Line Purchase			0.0	0.0
Minidoka Substation Reguild			0.0	0.0
Victor Tap - Goab Switch			0.0	0.0
Alvey-Eugene 1 & 2 TT Addition			0.0	0.0
Addy Sub - Retire Delivery Facilities			0.0	0.0
Potholes Sub - 115KV Bus Tie Addition			126.3	0.0
Duckabush Sub - Repl. Transf.			0.0	0.0
Hampton Sub - Repl. Transf.			0.0	0.0
Vintage Valley- 230 & 115 KV Term. Add.			0.0	0.0
Red Mtn.- 2-115 KV Terminal Add.			1,052.7	0.0
McNary Sub - 115 KV Term. (Benton PUD)			421.1	0.0
Metering Data Upgrade - BPA System			1,052.7	0.0
White Bluffs-Richland -relocate 1 mile substation X (U.S. Navy)			105.3	0.0
			0.0	0.0
Misc. Line Upgrade/Cap Additions for Wind Projects			4,210.7	3,032.1
Customer Service Items			2,947.5	3,248.7
Total Area & Customer Srvc			11,389.9	13,102.9
UPGRADES & ADDITIONS				
Project Name				
System Controls			10,526.8	12,994.6
Business System Develop.			8,474.0	8,663.1
Trans. System IT Develop.			4,210.7	5,414.4
Ftathhead Valley Reinf (RAS)			0.0	0.0
Fiber Optics (Incls Terminations)			13,684.8	12,994.6
Misc Line & Sub Additions			3,158.0	3,248.7
Total Upgrades & Additions			40,054.3	43,315.5
SYSTEM REPLACEMENTS				
Project Name				
Nonelectric Plant Replcmts			6,316.1	6,497.3
Transmission Line Replcmts			0.0	0.0
Substation Replcmts			0.0	0.0
System Protection Replcmts			0.0	0.0
Pwr Sys Cntrl Replcmts			0.0	0.0
Total M3C, M4C, M5C, M6C			13,684.8	12,994.6
Celilo upgrades	G-7	2003	6,642.4	0.0
Tools and Equipment			5,500.0	5,000.0
Emergency Funds			10,000.0	10,000.0
Total System Replacements			42,143.2	34,492.0
ENVIRONMENT				

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	G-PROJECT	Need Date	FY 2004	FY 2005
Project Name				
PP&A--Fire Prot/Sec Contain				0.0
PP&A--PCB Capacitor Replac				0.0
PP&A--Restoration				0.0
Total VR2C, VR4C, VR7C			7,368.7	5,414.4
Cap ADP Equip--Environment			0.0	0.0
Total Environment (PP&A)			7,368.7	5,414.4
ALL OTHER DIRECT CAPITAL				
Project Name				
Capital ADP Equipment			736.9	758.0
Completion of Prior Yr Items			100.0	100.0
Cap-to-Exp Adjustments			(3,000.0)	(3,000.0)
<i>Undistributed Funding (Reduction)</i>			0.0	0.0
Total All Other Capital			(2,163.1)	(2,142.0)
SUB TOTAL TBL CAPITAL (DIRECT)			247,651.4	199,054.5
INDIRECTS				
TSD Program Indirect			20,802.4	21,322.4
TSD MS&A			8,405.0	8,615.1
Support Services Cap Distribution			10,086.0	10,338.2
Total TBL Indirects			39,293.4	40,275.7
AFUDC				
AFUDC			22,957.0	23,148.0
Total AFUDC			22,957.0	23,148.0
CORPORATE OVERHEAD <u>1/</u>				
Corporate Distributions			7,080.0	7,300.0
Corporate Shared Services			9,910.0	10,380.0
Corporate Legal Support			98.2	100.7
Total Corporate Overhead			17,088.2	17,780.7
SUB TOTAL TBL CAPITAL (INDIRECT)			79,338.6	81,204.4
TOTAL TBL CAPITAL			326,990.0	280,258.9
Non-Borrowing Authority Items				
Plant Funded from Revenues				
Paul-Troutdale 500 kV	G-13	2005	51,581.1	54,761.6
McNary-Smiths Harbor 500 kV	G-5	2004	9,474.1	0.0
McNary-John Day 500 kV line	G-3	2004	47,370.4	0.0
Total Plant Funded from Revenues			108,425.5	54,761.6
Projects Funded in Advance				
Smiths Harbor Sub/Line			20,000.0	20,000.0
Retirements/Sale of Facilities			5,600.0	0.0
Total Non-Borrowing Authority Items			30,600.0	25,000.0
TOTAL TBL CAPITAL			466,015.5	360,020.5