

TBL's Expenses

August 25, 2004

1:30 p.m. - 4:30 p.m., One Park Place, Room 301
Phone Bridge (360)-418-8001, passcode2112#

Information Technology

Information Technology

	FY01	FY02	FY03	FY04 EOY Forecast 6/30/04	FY05 Forecast	FY06 Forecast	FY07 Forecast
<i>Information not on Original Request Information Technology</i>	5.5	6.6	6.1	6.5	7.8	10.1	10.2

Information Technology Expenses

- Computer Purchases for IT
 - Background
 - Desk top purchases for all of TBL
 - In FY03 desktop machines replacement cycle was changed from every three years to every five years.
 - Increase in to cover contingency of reverting to industry standard of 3 year replacement cycle.
- Capital to expense
 - Labor activities related to converting data are now being expensed due to Financial Accounting Standards (FAS) guidance.
- Business Systems
 - Recommendations from the Business Process Automation Team to improve efficiencies.

Environment

Environment

	FY01	FY02	FY03	FY04 EOY Forecast 6/30/04	FY05 Forecast	FY06 Forecast	FY07 Forecast
<i>Information not on Original Request Environment</i>	4.6	5.0	1.5	4.2	4.4	4.6	4.5

Environmental Expenditures

- Program Areas
 - Environmental Policy/Planning/Analysis
 - Pollution Prevention and Abatement
- Environmental Policy/Planning/Analysis
 - Addresses BPA's requirements under the National Environmental Policy Act (NEPA), Cultural Resources, Endangered Species, Wetland, and other regulatory requirements for TBL Expense Projects.
- Pollution Prevention and Abatement
 - Addresses BPA's regulatory compliance requirements and best management practices for the Operation and Maintenance of the Transmission System

Environmental Expenditures

- Primarily are for meeting BPA's Environmental Regulatory Compliance Requirements
- Continue to face increasing requirements associated with endangered species, cultural resources, water resource issues
- Proposed program levels are similar to historic actuals
 - Average expenditures for FY01-FY03 = \$4.6M
 - Proposed levels: FY05=\$4.4M; FY06=\$4.6M; FY07=\$4.6M

Business Strategy

Marketing

(Actuals & Forecasted)

\$ in Millions

Description	FY01	FY02	FY03	FY04	FY05	FY06	FY07
Contract Management	1.2	3.0	3.6	1.9	1.9	2.0	2.0
Business Strategy & Assessment	2.4	0.5	0.4	2.1	2.1	2.2	2.2
Totals	3.6	3.4	3.9	4.1	4.1	4.2	4.2

Note: Numbers may not add due to rounding.

FY01-03 Actuals; FY04-07 Forecasted

Logistics

Business Support

(Actuals & Forecasted)

\$ in Millions

Description	FY01	FY02	FY03	FY04	FY05	FY06	FY07
Logistics Services	3.1	3.4	2.1	3.6	3.6	3.7	3.7

FY01-03 Actuals; FY04-07 Forecasted

Bonneville



Power Administration

Transmission

This information has been made publicly available by BPA on June 8, 2004 and does not contain Agency-approved Financial Information.

Logistics

- **FY 05 and Beyond Increase:**
 - Includes additional costs likely to switch from capital to expense, e.g., logistics support provided to the infrastructure projects may switch to expense in FY05 if planned future projects do not receive funding.
 - These costs may carry through the out years if BPA determines a need for more de-centralized storage of major equipment and materials
 - Expanded services with e-marketplace provider.

Logistics

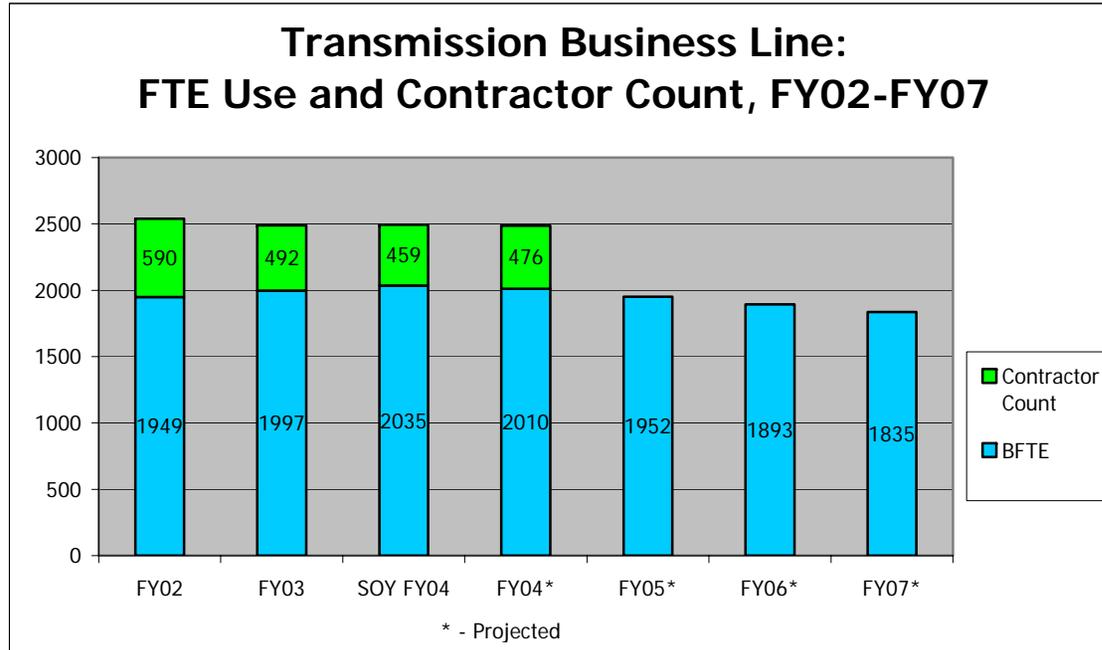
- Savings:
 - Spend Targets Established
 - Reverse Auctions
 - E-marketplace catalogs and streamlined purchasing
 - Reduced contract prices as a result of combining agency requirements.
 - Partnering with Corps of Engineers to pilot an effort where both agencies can use the same contracts, suppliers, and e-market site for mutual economic benefit
 - Strategic sourcing plan

Staffing Levels

TBL Staffing Levels: Introduction

- Implementation of 200 TBL FTE reduction has begun
 - Start of FY04 FTE Level: 2035
- Expediting proposed reduction to FY07
 - Previously reported in June/July PIR meetings that target would be met by FY08
 - Projected end of FY07 FTE Level: 1835

TBL Staffing Levels



BFTE

Org	FY02	FY03	SOY FY04	FY04*	FY05*	FY06*	FY07*
T	316	324	290	286	275	267	259
TF	903	912	937	926	901	874	847
TM	166	167	77	75	73	71	69
TN	314	336	338	333	324	314	304
TO	252	257	393	390	379	367	356
Total	1949	1997	2035	2010	1952	1893	1835

Contractor Count

Org	FY02	FY03	SOY FY04	FY04*
On Site	305	249	232	202
Off Site	285	243	227	274
Total	590	492	459	476

TBL Staffing Levels: Meeting the 10% Cut

- Executive Administrative Guidance:
 - Any backfill of positions will be scrutinized and only occur for core positions (schedulers, dispatchers, engineers, etc.)
 - External hires must be approved by Senior Vice President. All internal options must be exhausted.
- Attrition
 - Approximately 1 out of every 7 employees eligible for retirement
 - On average, 24 employees per year leave TBL for other reasons
- Headed in the Right Direction
 - Extrapolating the two most recent FY04 quarters to represent an entire fiscal year, TBL is already down to 1991 FTE