



Department of Energy
Bonneville Power Administration
P.O.Box 3621
Portland, Oregon 97208-3621

Environment, Fish and Wildlife

May 28, 2004

In reply refer to: KEWB-4

ADVANCED TELEMETRY SYSTEMS INC (ISANTI)
470 1ST AVE N
PO BOX 398
ISANTI MN 55040

With the requirement for Federal agencies to close their books sooner after the end of the fiscal year and provide audited financial statements, BPA needs to conduct a simulated year-end closing on June 30, 2004. This simulated closing will allow our independent auditors, PriceWaterhouseCoopers, to have the time necessary to test the processes used by BPA for the closing and preparation of the financial statements. In order to ensure that all expenses and liabilities are accounted for in the period in which they are incurred, the Fish and Wildlife program, along with all other programs within BPA, are asking our contractors to provide us with an estimate of contract performance that will occur prior to June 30, 2004, but will not be billed until July 1, 2004 or later. In August you will be asked to provide a second estimate for costs that will be incurred but not billed before September 30, 2004. It is critical that you participate in both accrual exercises in order for BPA to meet the requirements of it's auditors.

To accurately capture Fish & Wildlife Program costs through the end of June 2004, BPA is requesting your assistance in identifying a detailed listing of all contract work and expenses that meet the following criteria. Note that **both** of the following criteria must be met before an accrual may be processed for unbilled contract performance:

1. There must have been actual contract performance (services rendered or goods received) prior to July 1, 2004.
2. The invoice for the contract performance in question will not be received by BPA prior to the close of business on June 30, 2004. The work will be invoiced in the months following June 2004.

Again, if either of the above criteria is not true, then an accrual should not be reported. Do not double count expenses by including costs in the accrual estimate that have already been billed to BPA or will be before June 30th, or including expenses for work that will take place after June 30th.

Please include in your accrual estimate any indirect costs and any subcontractor costs that will be incurred but not billed before June 30, 2004. **The accrual estimate should be less than the contract balance and should not result in the spending cap being exceeded.** Please be as accurate as possible in making the accrual estimate. The accuracy of your best estimate of the accruals is extremely important, as our auditors

(PriceWaterhouseCoopers) will be reviewing these estimates later in the fiscal year.

In order to facilitate uniform reporting, please indicate the accrual estimate for each contract listed on the attached form. If you have a contract that meets the criteria listed above, but is not listed, please add it to the form. This year we've included a column that shows the status of the contract. If the contract status is closed, there may be a few instances where BPA has not received the final invoice and an accrual estimate is needed. In most cases, you can indicate \$0 for the closed contract. **If separate invoices will be submitted for multiple performance periods on a contract, please provide an estimate for each individual invoice.** For example, if you anticipate submitting an invoice for the month of May 2004 and an invoice for June 2004, list each of these performance periods and the corresponding estimate of the invoice amount. The performance period for an invoice is the period of time when the invoiced work was performed. Accurately indicating the performance period will allow BPA to match the accrual estimate to the actual invoice when it is submitted. **To help us match the actual invoice to the accrual estimate for invoices received after June 30th, please indicate on the invoice or transmittal letter, that portion of the invoice that relates to work performed on or before June 30th and label it "Cost for work prior to July 1, 2004".**

Please return the completed and signed form to BPA, ATTN: KEWB-4/Accrual Estimates, by June 18, 2004. The form may be faxed to BPA at (503) 230-3049, however we request that the original form still be mailed to BPA. Your attention to detail and cooperation is essential and appreciated. Running Balance Reports that show payment histories for each contract are available at the following location on the BPA website to assist you in calculating your accrual estimate:

http://www.efw.bpa.gov/cgi-bin/FW/Info_For_Fish_Wildlife_Contractors.cgi

Prior to the actual closing at September 30, 2004, we will be asking you once again to prepare accrual estimates. BPA realizes that preparing the accrual estimates twice this year is time consuming for our contractors, however at this point in time, you are the best source of information for these estimates. As mentioned in a previous letter to contractors, dated May 6, 2004, we will be phasing in a requirement for monthly spending plans beginning October 1, 2004. We are hoping that these monthly spending plans will be accurate enough that at the end of FY2005, we can use these plans to calculate the year-end accruals, thus eliminating the need to ask our contractors for this information. We may ask our contractors to review the estimates that we make for the first couple of years to help us ensure that our methodology is producing an accurate estimate.

Once again, I recognize the burden that calculating these estimates places on your staff and would like to thank you in advance for cooperating with us in ensuring that the numbers reported for the Fish and Wildlife program are the best that they can be. If you have questions, please contact Tracy Hursh at (503) 230-4532.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott R. Hampton", with a long horizontal line extending to the left.

Scott R. Hampton
EF&W Business Operations Support