



# Customer Collaborative Meeting

## Financial Overview Through July 31, 2004

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- With the exception of Power Purchases, actual expenditures through July 31<sup>st</sup> are on track to achieve the reductions through the Sounding Board process as identified in the 3<sup>rd</sup> Quarter Review.
- While revenues through July 31<sup>st</sup> are on track with the 3<sup>rd</sup> Quarter Review expectations, court ordered continuation of summer spill and the loss of CGS during most of August is expected to reduce net revenue below former expectations.
- Nevertheless, we still expect FY 2005 power rates to drop between 5 to 7.5 percent starting Oct. 1. This is made possible by reserve levels that are sufficient to sustain an 86.2 percent\* TPP for FY 2005-2006.

*\* 86.2% is the 2-year equivalent of a 3-year TPP target of 80%*