



# Customer Collaborative Meeting

## Financial Overview through March 31, 2004

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- If ENW debt optimization and FAS 133 accounting are excluded:
  - Projected expenses are down \$112 million from the Rate case forecast and are up \$8 million from the First Quarter forecast (an increase of: \$36 million in Power Purchases, \$21 million in Fish & Wildlife expenses; offset by \$49 million of reductions in interest, transmission and power related expenses.)
  - Projected revenues are down \$216 million from the Rate case forecast and \$57.5 million from the First Quarter forecast. The primary driver of the decline is reduced secondary revenues, which resulted from reduced snow-pack.
  - As a result, projected Modified Net Revenues are down \$104 million from the Rate case forecast and \$65.6 million from First Quarter forecast.
- Projected cash remains at approximately the same level as the First Quarter forecast and is \$44 million higher than the Rate case. This is primarily due to the commitment of ENW to proceed with debt optimization for FY 05.
- The use of a new accounting standard (EITF 03-11 requiring that book-out transactions be presented net) alters revenue and expenses by equal amounts, which therefore has no impact on net revenues.

This information has been made publicly available by BPA on May 04, 2004 and is consistent with the Customer Collaborative reports and contains Agency-approved Financial Information