



Customer Collaborative Meeting

Financial Overview through October 31, 2004

- Based on our analysis of October 2004 actuals, we are on course with expectations presented in the FY '05 Start of Year (SOY) budget. SOY represents PBL power rate decisions made in September 2004 for FY '05, and consistent with FY '05 information presented in the TBL Programs in Review process, with perhaps some optimism regarding hydro conditions and secondary sales prices.
- FCRPS Net Revenues are currently \$72.8 million, compared to \$51.1 million at this time in FY '04, primarily due to lower costs and somewhat higher secondary sales.
- FCRPS Revenues are currently \$267.9 million, compared to \$248.7 million at this time in FY '04. Revenues are currently on track, however secondary sales are at risk should lower stream-flow conditions develop.
- FCRPS Operating Expenses and Interest are \$195.1 million, compared to \$197.6 million at this time in FY '04. Current actual expenditures compared to forecasted expenditures do not indicate a substantial difference in expected year end results.



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- It is too early in the year to have a steadfast forecast of stream-flows. Uncertainties include:
 - Stream-Flow
 - Highly unpredictable. In the 1929 to 2002 history, the smallest stream-flow was 79 maf and the largest stream-flow was 194 maf.
 - Drives the power output of the system.
 - Prices
 - Risk level varies with market price assumptions.
 - Temperatures
 - Load increases and stream flow availability.
 - Can affect loads and resource availability.
- Other factors that may impact the year:
 - Judge Redden's decision on the Biological Opinion could have significant impact on our river operation.
 - Columbia Generating Station operations.