

# PROJECT DATA

## Boulder Canyon Project

**H**oover Dam, the highest and third largest concrete dam in the United States, sits on the Colorado River along the Arizona-Nevada border. Lake Mead, the reservoir formed behind Hoover Dam, is still the nation's largest manmade reservoir. It can hold a two-year supply of the average flow of the Colorado River with its storage capacity of 27.38 million acre-feet.

This enormous project began with 1928 legislation approving construction of the Boulder Canyon Project. Hoover Powerplant has 19 generating units (two for plant use) and an installed capacity of 2,078,800 kW (4,800 kW for plant use). High-voltage transmission lines and substations make it possible for people from Las Vegas, Phoenix and Los Angeles to receive power from the project.

Since the start of commercial power generation in 1936, Hoover, with yearly average generation of 4.3 billion kWh, has served the annual electrical needs of nearly 8 million people. This power is marketed under the Hoover Power Plant Act of 1984 and the 1984 Conformed General Consolidated Power Marketing Criteria and Regulations for Boulder City Area Projects. Western's Desert Southwest Region markets and transmits Boulder Canyon power.

The Hoover Power Plant Act of 1984 sets forth the amounts of Hoover power to be sold to customers after June 1, 1987. The marketing criteria have been amended to reflect the Act's provisions.

Power from the Boulder Canyon Project is marketed as long-term contingent capacity with associated energy. This contingent capacity and associated energy are available as long as, among other restrictions, sufficient water in the reservoir allows Western to meet its power delivery obligations. If sufficient power to support the customer capacity entitlements is not available, each customer's capacity



entitlement is temporarily reduced. Customers are entitled to receive 4.527 billion kWh of energy (associated with contingent capacity) each year. If generation at Hoover Powerplant is insufficient, Western can purchase energy to make up the shortfall at individual customers' request on a pass-through cost basis.

The Boulder Canyon Project obligation to provide power is limited to the available output of Hoover Powerplant. Consequently, power purchases are not needed to meet contractual obligations for the energy associated with contingent capacity. However, power purchases are made for those customers requesting purchases.

Project power is sold in three states: Arizona, California and Nevada. About 55 percent of Boulder Canyon Project energy sales revenue came from California customers. Of the Boulder Canyon Project's 15 customers, 11 are municipalities. These municipalities, however, provide only 28

percent of the energy revenue. Four customers accounted for 82 percent of power revenue from the project. These are the Metropolitan Water District of Southern California, Colorado River Commission of Nevada, Arizona Power Authority and Los Angeles Department of Water and Power. Existing power contracts for the Boulder Canyon Project expire on Sept. 30, 2017.

In FY 2005, Boulder Canyon Project energy sales revenue increased about 11.5 percent from FY 2004. Based on the existing rate methodology and customer billing methods instituted in FY 1996, power customers are billed based on annual revenue requirements and their respective percentage of the entitlement, not on actual energy delivered. The FY 2005 revenue requirement was about \$5.9 million more than that in FY 2004.

Net generation from Hoover Powerplant decreased 19 percent from FY 2004. FY 2005 generation was about 23.8 percent below the long-term average. FY 2005 generation was characterized by improved hydrologic conditions in the Colorado River Basin, 105 percent of the average unregulated flow into Lake Powell (which is upstream of Lake Mead and Hoover Dam), and increased storage in the Upper Colorado reservoirs. This is slightly increased from FY 2004, which was 51 percent of the average unregulated flow into Lake Powell. The timing of FY 2005 generation was affected by downstream water orders, variable precipitation patterns and by release and fill patterns in Upper Colorado River Basin reservoirs.

Storage in Lake Mead at the end of FY 2005 was 15.2 million acre-feet, which is 59.1 percent of capacity (77.6 percent of conservation capacity). ■



**Municipalities**

- California**
- 1 Anaheim
- 2 Azusa
- 3 Banning
- 4 Burbank
- 5 Colton
- 6 Glendale
- 7 Los Angeles  
Dept. of Water and Power
- 8 Pasadena
- 9 Riverside
- 10 Vernon
- Nevada**
- 11 Boulder City

**State agencies**

- 12 Arizona Power Authority
- 13 Colorado River Commission of Nevada
- 14 Metropolitan Water District of So. California

**Investor-owned utilities**

- 15 Southern California Edison Co.

## BOULDER CANYON PROJECT

### Energy Resources and Disposition

	GWh	
	FY 2005	FY 2004
<b>Energy resources</b>		
Net generation	3,255	4,021
<b>Total energy resources</b>	<b>3,255</b>	<b>4,021</b>
<b>Energy disposition</b>		
Sales of electric energy		
Western sales	3,129	3,898
<b>Total energy sales</b>	<b>3,129</b>	<b>3,898</b>
<b>Total energy delivered<sup>1</sup></b>	<b>3,129</b>	<b>3,898</b>
System and contractual losses	126	123
<b>Total energy disposition</b>	<b>3,255</b>	<b>4,021</b>

<sup>1</sup> Energy deliveries are billed on master schedule (estimated) deliveries, not actuals, and do not match energy sales.

### Facilities and substations

Facility	FY 2005	FY 2004
<b>Substations</b>		
Number of substations	4	4
Number of transformers	1	1
Transformer capacity (kVA)	125,000	125,000
<b>Land (easement)</b>		
Acres	0	2.57
Hectares	0	1.04
<b>Buildings and communication sites</b>		
Number of communication sites	3	3

### Powerplants

State/plant name	Operating agency	River	Initial In-service date	Existing number of units	Installed capability <sup>1</sup> FY 2005 (MW)	Actual operating capability (MW)		Net generation (GWh) <sup>2</sup>	
						07/1/05	07/1/04	FY 2005	FY 2004
<b>Arizona-Nevada</b>									
Hoover	Reclamation	Colorado	Sep 36	19	2,079 <sup>3</sup>	1,840	1,731	3,255	4,021
<b>Boulder Canyon Total</b>				<b>19</b>	<b>2,079</b>	<b>1,840</b>	<b>1,731</b>	<b>3,255</b>	<b>4,021</b>

<sup>1</sup> Installed operating capability is the maximum generating capability of the units at unity power factor without exceeding the specified heat rise on each unit and is independent of water constraints.

<sup>2</sup> Net generation is gross plant generation less plant use. These amounts have not been reduced by other priorities such as project pumping energy.

<sup>3</sup> Includes 4.8 MW reserved for plant use but included in number of units.

### Transmission lines<sup>1</sup>

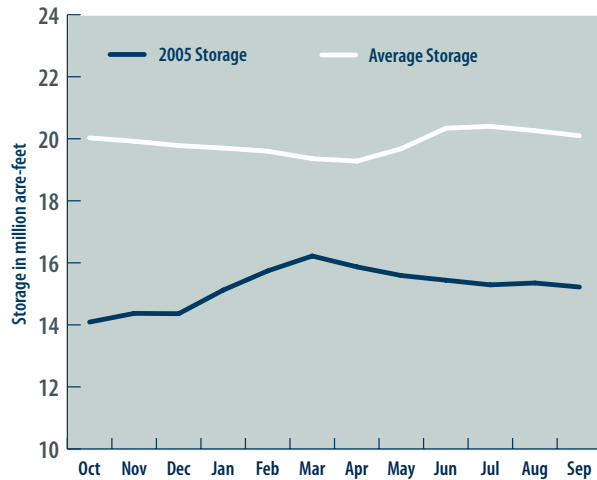
Voltage rating	Arizona		Nevada		Totals	
	FY 2005	FY 2004	FY 2005	FY 2004	FY 2005	FY 2004
<b>230-kV</b>						
Circuit miles <sup>2</sup>	0.10	0.00	53.30	53.20	53.30	53.20
Circuit kilometers <sup>2</sup>	0.16	0.00	85.76	85.60	85.76	85.60
Acres	0.00	0.00	1,135.88	1,135.88	1,135.88	1,135.88
Hectares	0.00	0.00	459.87	459.87	459.87	459.87
<b>69-kV</b>						
Circuit miles	0.00	0.00	0.00	0.00	0.00	0.00
Circuit kilometers	0.00	0.00	0.00	0.00	0.00	0.00
Acres	0.00	0.00	32.17	32.17	32.17	32.17
Hectares	0.00	0.00	13.02	13.02	13.02	13.02
<b>Totals</b>						
<b>Circuit miles</b>	<b>0.10</b>	<b>0.00</b>	<b>53.30</b>	<b>53.20</b>	<b>53.30</b>	<b>53.20</b>
<b>Circuit kilometers</b>	<b>0.16</b>	<b>0.00</b>	<b>85.76</b>	<b>85.60</b>	<b>85.76</b>	<b>85.60</b>
<b>Acres</b>	<b>0.00</b>	<b>0.00</b>	<b>1,168.05</b>	<b>1,168.05</b>	<b>1,168.05</b>	<b>1,168.05</b>
<b>Hectares</b>	<b>0.00</b>	<b>0.00</b>	<b>472.90</b>	<b>472.90</b>	<b>472.90</b>	<b>472.90</b>

<sup>1</sup> The Boulder Canyon Project does not have traditional transmission lines. The sole purpose of the lines identified in this table is to transport Hoover generation to Mead Substation.

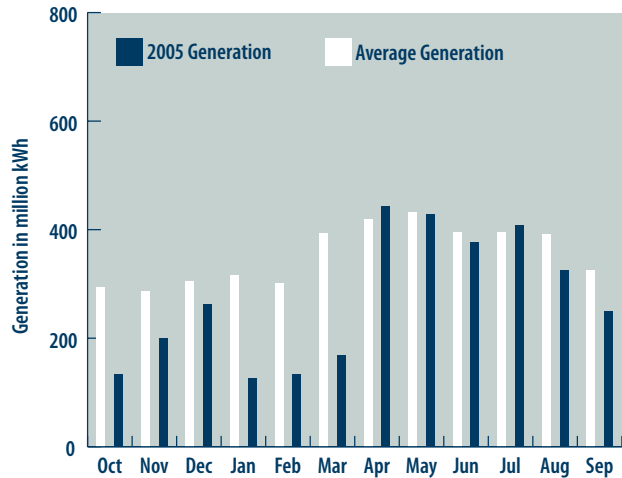
<sup>2</sup> Data cleanup accounts for a mileage increase of 0.1 circuit miles of the Hoover-to-Mead 230-kV transmission lines in Arizona.

# BOULDER CANYON PROJECT

## Storage



## Generation



## Firm Power Rate Provisions

Fiscal year	Rate schedule designation	Capacity charge (\$/kW of billing demand)	Energy charge not in excess of delivery obligations	Effective date	Annual composite rate
2005	BCP-F6	\$1.39	7.41 mills/kWh	10/1/04	14.82 mills/kWh

## Rate Actions Summary

Rate order no.	Project	Type of rate action	Date of notice of public participation	Rate schedule designation	Effective date of rate (first day of first full billing period)	Incremental changes to the annual revenue requirements \$(000)	Notes	Date submitted to FERC
WAPA-94	Boulder Canyon	Increase	2/18/04	BCP-F6	10/1/04	5,936	Power	8/5/04

## Marketing Plan Summary

Project	Expiration Date
Boulder Canyon	Sept. 30, 2017

## Firm and Nonfirm Sales by Customer Category

Type of customer	FY 2005			FY 2004		
	Firm	Nonfirm	Total	Firm	Nonfirm <sup>1</sup>	Total
<b>Municipalities</b>						
Energy sales - MWh	771,845	0	771,845	924,884	0	924,884
Revenues - \$	16,732,427	0	16,732,427	15,010,376	0	15,010,376
<b>State agencies</b>						
Energy sales - MWh	2,313,172	0	2,313,172	2,762,196	0	2,762,196
Revenues - \$	35,225,627	0	35,225,627	31,599,113	0	31,599,113
<b>Investor-owned utilities<sup>2</sup></b>						
Energy sales - MWh	65,545	0	65,545	210,042	0	210,042
Revenues - \$	5,749,110	0	5,749,110	5,159,842	0	5,159,842
<b>Total</b>						
Energy sales - MWh	3,150,562	0	3,150,562	3,897,122	0	3,897,122
Revenues - \$	57,707,164	0	57,707,164	51,769,331	0	51,769,331

<sup>1</sup> The Boulder Canyon Project had excess energy that was delivered to Arizona Power Authority and the Colorado River Commission under Schedule C, First Priority. All other Boulder Canyon Project customers received less energy in the same amount as these two customer's excess. The total net amount of excess energy is equal to zero.

<sup>2</sup> Southern California Edison has an entitlement to Boulder Canyon Project firm power.

## BOULDER CANYON PROJECT

### Ancillary Services Revenues

Object Class	Ancillary service	FY 2005 Revenue (\$)	FY 2004 Revenue (\$)
6079	Reactive supply and voltage control service	670,348	0
6091	Regulation and frequency response	148,151	0
<b>Total</b>		<b>818,499</b>	<b>0</b>

### Firm and Nonfirm Sales by State

State	FY 2005			FY 2004		
	Firm	Nonfirm	Total	Firm	Nonfirm	Total
<b>Arizona</b>						
Energy sales - MWh	649,775	0	649,775	772,303	0	772,303
Power revenues - \$	11,033,982	0	11,033,982	9,898,022	0	9,898,022
<b>California</b>						
Energy sales - MWh	1,749,837	0	1,749,837	2,208,263	0	2,208,263
Power revenues - \$	33,560,691	0	33,560,691	30,108,193	0	30,108,193
<b>Nevada</b>						
Energy sales - MWh	750,950	0	750,950	916,556	0	916,556
Power revenues - \$	13,112,491	0	13,112,491	11,763,116	0	11,763,116
<b>Total Boulder Canyon</b>						
Energy sales - MWh	3,150,562	0	3,150,562	3,897,122	0	3,897,122
Power revenues - \$	57,707,164	0	57,707,164	51,769,331	0	51,769,331

### Sales by State and Customer Category

Type of customer	FY 2005		FY 2004	
	Energy sales MWh	Revenue (\$)	Energy sales MWh	Revenue (\$)
<b>Arizona</b>				
State agencies	649,775	11,033,982	772,303	9,898,022
<b>Total Arizona</b>	<b>649,775</b>	<b>11,033,982</b>	<b>772,303</b>	<b>9,898,022</b>
<b>California</b>				
Municipalities	711,618	15,927,481	854,942	14,287,731
State agencies	972,674	11,884,100	1,143,279	10,660,620
Investor-owned utilities <sup>1</sup>	65,545	5,749,110	210,042	5,159,842
<b>Total California</b>	<b>1,749,837</b>	<b>33,560,691</b>	<b>2,208,263</b>	<b>30,108,193</b>
<b>Nevada</b>				
Municipalities	60,227	804,946	69,942	722,645
State agencies	690,723	12,307,545	846,614	11,040,471
<b>Total Nevada</b>	<b>750,950</b>	<b>13,112,491</b>	<b>916,556</b>	<b>11,763,116</b>
<b>Total Boulder Canyon</b>				
Municipalities	771,845	16,732,427	924,884	15,010,376
State agencies	2,313,172	35,225,627	2,762,196	31,599,113
Investor-owned utilities <sup>1</sup>	65,545	5,749,110	210,042	5,159,842
<b>Total Boulder Canyon</b>	<b>3,150,562</b>	<b>57,707,164</b>	<b>3,897,122</b>	<b>51,769,331</b>

<sup>1</sup> Southern California Edison has an entitlement to Boulder Canyon Project firm power.

## BOULDER CANYON PROJECT

### Top 5 Customers in Firm Energy Sales

Rank	Customer	MWh	Percent of total sales
1	Metropolitan Water District	972,674	31
2	Colorado River Commission of Nevada	690,723	22
3	Arizona Power Authority	649,775	21
4	Los Angeles Dept. of Water & Power	492,508	16
5	Southern California Edison <sup>1</sup>	65,545	2
<b>Total</b>		<b>2,871,225</b>	<b>91</b>

<sup>1</sup> Southern California Edison has an entitlement to Boulder Canyon Project firm power.

### Top 5 Customers in Firm Energy Revenue

Rank	Customer	(\$)	Percent of total revenue
1	Colorado River Commission of Nevada	12,307,545	21
2	Metropolitan Water District	11,884,100	21
3	Los Angeles Dept. of Water & Power	11,669,029	20
4	Arizona Power Authority	11,033,982	19
5	City of Anaheim	922,187	2
<b>Total</b>		<b>47,816,843</b>	<b>83</b>

### Customers by State and Customer Category

	2005				2004			
	Firm only	Firm & nonfirm	Nonfirm only	Total	Firm only	Firm & nonfirm	Nonfirm only	Total
<b>Arizona</b>								
State agencies	1	0	0	1	1	0	0	1
<b>California</b>								
Municipalities	10	0	0	10	10	0	0	10
State agencies	1	0	0	1	1	0	0	1
Investor-owned	1	0	0	1	1	0	0	1
<b>Nevada</b>								
Municipalities	1	0	0	1	1	0	0	1
State agencies	1	0	0	1	1	0	0	1
<b>Total</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>15</b>

### Summary by state

	2005				2004			
	Firm only	Firm & nonfirm	Nonfirm only	Total	Firm only	Firm & nonfirm	Nonfirm only	Total
Arizona	1	0	0	1	1	0	0	1
California	12	0	0	12	12	0	0	12
Nevada	2	0	0	2	2	0	0	2
<b>Total</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>15</b>

### Summary by customer category

	2005				2004			
	Firm only	Firm & nonfirm	Nonfirm only	Total	Firm only	Firm & nonfirm	Nonfirm only	Total
Municipalities	11	0	0	11	11	0	0	11
State agencies	3	0	0	3	3	0	0	3
Investor-owned utilities	1	0	0	1	1	0	0	1
<b>Total</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>15</b>

## BOULDER CANYON PROJECT

### Power Sales and Revenues

Customer	FY 2005		FY 2004	
	Energy (MWh)	Revenue (\$)	Energy (MWh)	Revenue (\$)
<b>Municipalities</b>				
<b>California</b>				
Anaheim	39,249	922,187	46,535	827,247
Azusa	3,771	90,921	4,969	81,561
Banning	1,505	42,290	1,782	37,936
Burbank	20,048	466,743	22,881	418,692
Colton	2,946	69,820	3,551	62,632
Glendale	54,161	753,114	63,346	675,580
Los Angeles Dept. of Water and Power	492,508	11,699,029	593,122	10,494,602
Pasadena	46,568	688,397	59,354	617,526
Riverside	29,334	691,626	34,425	620,422
Vernon	21,528	503,354	24,977	451,533
<b>Subtotal California</b>	<b>711,618</b>	<b>15,927,481</b>	<b>854,942</b>	<b>14,287,731</b>
<b>Nevada</b>				
Boulder City	60,227	804,946	69,942	722,645
<b>Subtotal Nevada</b>	<b>60,227</b>	<b>804,946</b>	<b>69,942</b>	<b>722,645</b>
<b>Total municipalities</b>	<b>771,845</b>	<b>16,732,427</b>	<b>924,884</b>	<b>15,010,376</b>
<b>State agencies</b>				
<b>Arizona</b>				
Arizona Power Authority	649,775	11,033,982	772,303 <sup>1</sup>	9,898,022
<b>Subtotal Arizona</b>	<b>649,775</b>	<b>11,033,982</b>	<b>772,303</b>	<b>9,898,022</b>
<b>California</b>				
Metropolitan Water Dist. of So. Calif.	972,674	11,884,100	1,143,279	10,660,620
<b>Subtotal California</b>	<b>972,674</b>	<b>11,884,100</b>	<b>1,143,279</b>	<b>10,660,620</b>
<b>Nevada</b>				
Colorado River Commission of Nevada	690,723	12,307,545	846,614 <sup>1</sup>	11,040,471
<b>Subtotal Nevada</b>	<b>690,723</b>	<b>12,307,545</b>	<b>846,614</b>	<b>11,040,471</b>
<b>Total state agencies</b>	<b>2,313,172</b>	<b>35,225,627</b>	<b>2,762,196</b>	<b>31,599,113</b>
<b>Investor-owned utilities</b>				
<b>California</b>				
Southern California Edison Co <sup>2</sup>	65,545	5,749,110	210,042	5,159,842
<b>Subtotal California</b>	<b>65,545</b>	<b>5,749,110</b>	<b>210,042</b>	<b>5,159,842</b>
<b>Total investor-owned utilities</b>	<b>65,545</b>	<b>5,749,110</b>	<b>210,042</b>	<b>5,159,842</b>
<b>Boulder Canyon Project subtotal</b>	<b>3,150,562</b>	<b>57,707,164</b>	<b>3,897,122</b>	<b>51,769,331</b>
<b>Boulder Canyon Project total<sup>3</sup></b>	<b>3,150,562</b>	<b>57,707,164</b>	<b>3,897,122</b>	<b>51,769,331</b>

<sup>1</sup> Excess Boulder Canyon Project energy was delivered to Arizona Power Authority and the Colorado River Commission under Schedule C, First Priority. All other Boulder Canyon Project customers received less energy in the same amount as these two customers' excess. The total net amount of excess energy equals zero.

<sup>2</sup> Southern California Edison has an entitlement to Boulder Canyon Project firm power.

<sup>3</sup> Project sales and revenue total differs from FY 2005 financial statements by \$3,000 due to reclassification adjustments.



## BOULDER CANYON PROJECT

### Status of Repayment (Dollars in thousands)

	Cumulative 2004	Adjustments	Annual 2005	Cumulative 2005
<b>Revenue:</b>				
Gross operating revenue	1,460,095	0	70,500	1,530,595
Income transfers (net)	8,104	(2)	509	8,611
<b>Total operating revenue</b>	<b>1,468,199</b>	<b>(2)</b>	<b>71,009</b>	<b>1,539,206</b>
<b>Expenses:</b>				
O & M and other	725,679	(5,719) <sup>1</sup>	45,502	765,462
Purchase power and other	11,472	0	0	11,472
Interest				
Federally financed	267,662	13 <sup>2</sup>	11,420	279,095
Non-Federally financed	158,346	114 <sup>2</sup>	6,383	164,843
Total interest	426,008	127	17,803	443,938
<b>Total expense</b>	<b>1,163,159</b>	<b>(5,592)</b>	<b>63,305</b>	<b>1,220,872</b>
(Deficit)/surplus revenue	0	0	0	0
<b>Investment:</b>				
Federally financed power	384,696	4,465 <sup>1</sup>	2,529	391,690
Non-Federally financed power	169,047	0	0	169,047
Nonpower	25,000	0	0	25,000
<b>Total investment</b>	<b>578,743</b>	<b>4,465</b>	<b>2,529</b>	<b>585,737</b>
<b>Investment repaid:</b>				
Federally financed power	249,726	4,465 <sup>1</sup>	1,498	255,689
Non-Federally financed power	50,864	0	4,082	54,946
Nonpower	141	0	0	141
<b>Total investment repaid</b>	<b>300,731</b>	<b>4,465</b>	<b>5,580</b>	<b>310,776</b>
<b>Investment unpaid:</b>				
Federally financed power	134,970	0	1,031	136,001
Non-Federally financed power	118,183	0	(4,082)	114,101
Nonpower	24,859	0	0	24,859
<b>Total investment unpaid</b>	<b>278,012</b>	<b>0</b>	<b>(3,051)</b>	<b>274,961</b>
<b>Fund balances:</b>				
Colorado River Dam	2,709	1,125	2,124	5,958
Working Capital	1,600	0	0	1,600
<b>Percent of investment repaid to date:</b>				
Federal	64.92%			65.28%
Non-Federal	30.09%			32.50%
Nonpower	0.56%			0.56%

<sup>1</sup> Replacements and an adjustment for a contingent liability included in FY 05 Financial Statements but not in the power repayment study and replacements included as expenses in the repayment study but capital investment in the status of repayment table.

<sup>2</sup> Other Interest included in Total Interest Expense in the power repayment study but included in O&M in Financial Statements and adjustments to uprating interest.

## BOULDER CANYON PROJECT

### Balance Sheets

As of September 30, 2005 and 2004 (in thousands)

	2005			2004		
	Western	Reclamation	Total	Western	Reclamation	Total
<b>Assets</b>						
<b>Utility plant:</b>						
Completed plant	\$ 32,737	\$ 367,309	\$ 400,046	\$ 32,739	\$ 366,785	\$ 399,524
Accumulated depreciation	(14,847)	(149,211)	(164,058)	(13,706)	(137,776)	(151,482)
Net completed plant	17,890	218,098	235,988	19,033	229,009	248,042
Construction work-in-progress	0	1	1	0	520	520
Net utility plant	17,890	218,099	235,989	19,033	229,529	248,562
Cash	701	21,273	21,974	468	15,508	15,976
Accounts receivable	5,173	4,328	9,501	3,622	3,555	7,177
Other assets	291	13,348	13,639	260	10,178	10,438
<b>Total assets</b>	<b>24,055</b>	<b>257,048</b>	<b>281,103</b>	<b>23,383</b>	<b>258,770</b>	<b>282,153</b>
<b>Federal investment &amp; liabilities</b>						
<b>Federal investment:</b>						
Congressional appropriations	1,364	601,336	602,700	57,927	584,170	642,097
Interest on Federal investment	0	323,032	323,032	0	311,889	311,889
Transfer of property & services, net	101,490	(101,489)	1	142,149	(142,261)	(112)
Gross Federal investment	102,854	822,879	925,733	200,076	753,798	953,874
Funds returned to U.S. Treasury	(101,490)	(640,617)	(742,107)	(101,490)	(668,901)	(770,391)
Net outstanding Federal investment	1,364	182,262	183,626	98,586	84,897	183,483
Accumulated net revenues (deficit)	14,309	(56,714)	(42,405)	(79,778)	42,418	(37,360)
<b>Total Federal investment</b>	<b>15,673</b>	<b>125,548</b>	<b>141,221</b>	<b>18,808</b>	<b>127,315</b>	<b>146,123</b>
<b>Liabilities:</b>						
Accounts payable	92	1,886	1,978	145	1,221	1,366
Other liabilities	8,290	129,614	137,904	4,430	130,234	134,664
Total liabilities	8,382	131,500	139,882	4,575	131,455	136,030
<b>Total Federal investment &amp; liabilities</b>	<b>\$ 24,055</b>	<b>\$ 257,048</b>	<b>\$ 281,103</b>	<b>\$ 23,383</b>	<b>\$ 258,770</b>	<b>\$ 282,153</b>

### Statements of Revenues and Expenses, and Accumulated Net Revenues

For the Years Ended September 30, 2005 and 2004 (in thousands)

	2005			2004		
	Western	Reclamation	Total	Western	Reclamation	Total
<b>Operating revenues:</b>						
Sales of electric power	\$ 57,704	\$ 0	\$ 57,704	\$ 51,770	\$ 0	\$ 51,770
Other operating income	1,308	11,488	12,796	374	12,368	12,742
Gross operating revenues	59,012	11,488	70,500	52,144	12,368	64,512
Income transfers, net	(59,012)	59,521	509	(52,158)	54,724	2,566
<b>Total operating revenues</b>	<b>0</b>	<b>71,009</b>	<b>71,009</b>	<b>(14)</b>	<b>67,092</b>	<b>67,078</b>
<b>Operating expenses:</b>						
Operation and maintenance	2,673	31,211	33,884	3,375	26,872	30,247
Administration and general	(56)	11,674	11,618	443	10,458	10,901
Purchased power	0	0	0	0	0	0
Purchased transmission services	0	0	0	0	0	0
Depreciation	1,141	11,608	12,749	1,141	3,594	4,735
<b>Total operating expenses</b>	<b>3,758</b>	<b>54,493</b>	<b>58,251</b>	<b>4,959</b>	<b>40,924</b>	<b>45,883</b>
<b>Net operating revenues (deficit)</b>	<b>(3,758)</b>	<b>16,516</b>	<b>12,758</b>	<b>(4,973)</b>	<b>26,168</b>	<b>21,195</b>
<b>Interest expenses:</b>						
Interest on Federal investment	0	17,803	17,803	0	11,823	11,823
Interest on non-federally financed funding	0	0	0	0	6,353	6,353
<b>Net interest expenses</b>	<b>0</b>	<b>17,803</b>	<b>17,803</b>	<b>0</b>	<b>18,176</b>	<b>18,176</b>
<b>Net revenues (deficit)</b>	<b>(3,758)</b>	<b>(1,287)</b>	<b>(5,045)</b>	<b>(4,973)</b>	<b>7,992</b>	<b>3,019</b>
<b>Accumulated net revenues (deficit):</b>						
Balance, beginning of year, as previously reported	(79,778)	42,418	(37,360)	(74,805)	34,426	(40,379)
Adjustment	97,845	(97,845)	0	0	0	0
<b>Balance, beginning of year</b>	<b>18,067</b>	<b>(55,427)</b>	<b>(37,360)</b>	<b>(74,805)</b>	<b>34,426</b>	<b>(40,379)</b>
<b>Balance, end of year</b>	<b>\$ 14,309</b>	<b>\$ (56,714)</b>	<b>\$ (42,405)</b>	<b>\$ (79,778)</b>	<b>\$ 42,418</b>	<b>\$ (37,360)</b>