

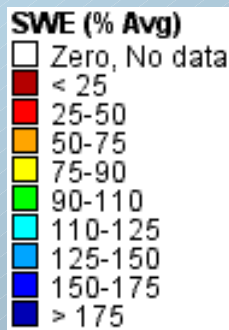
Northwest Power Supply Outlook 2005

**NW Power and
Conservation
Council**

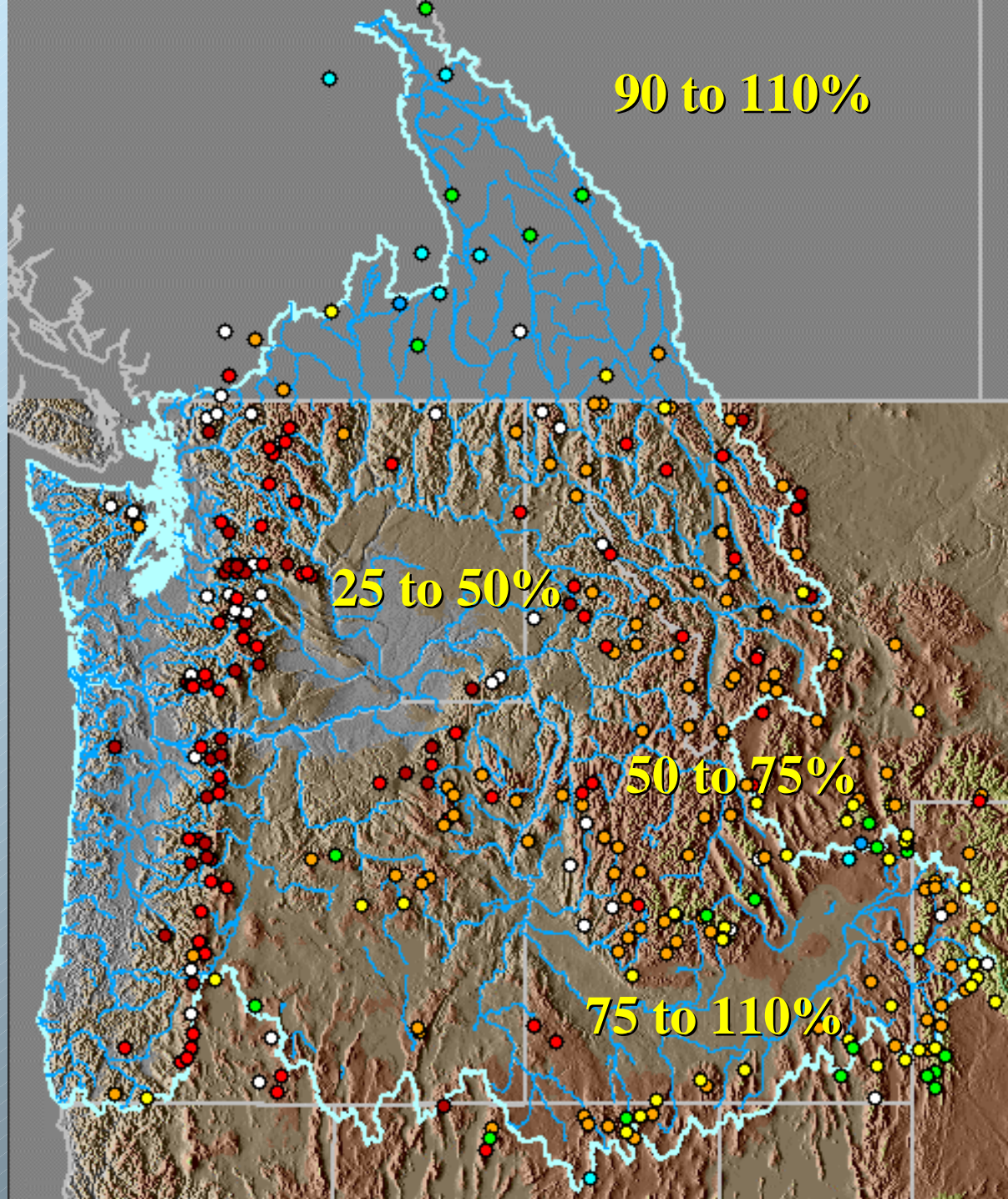


Current Snow Pack Levels

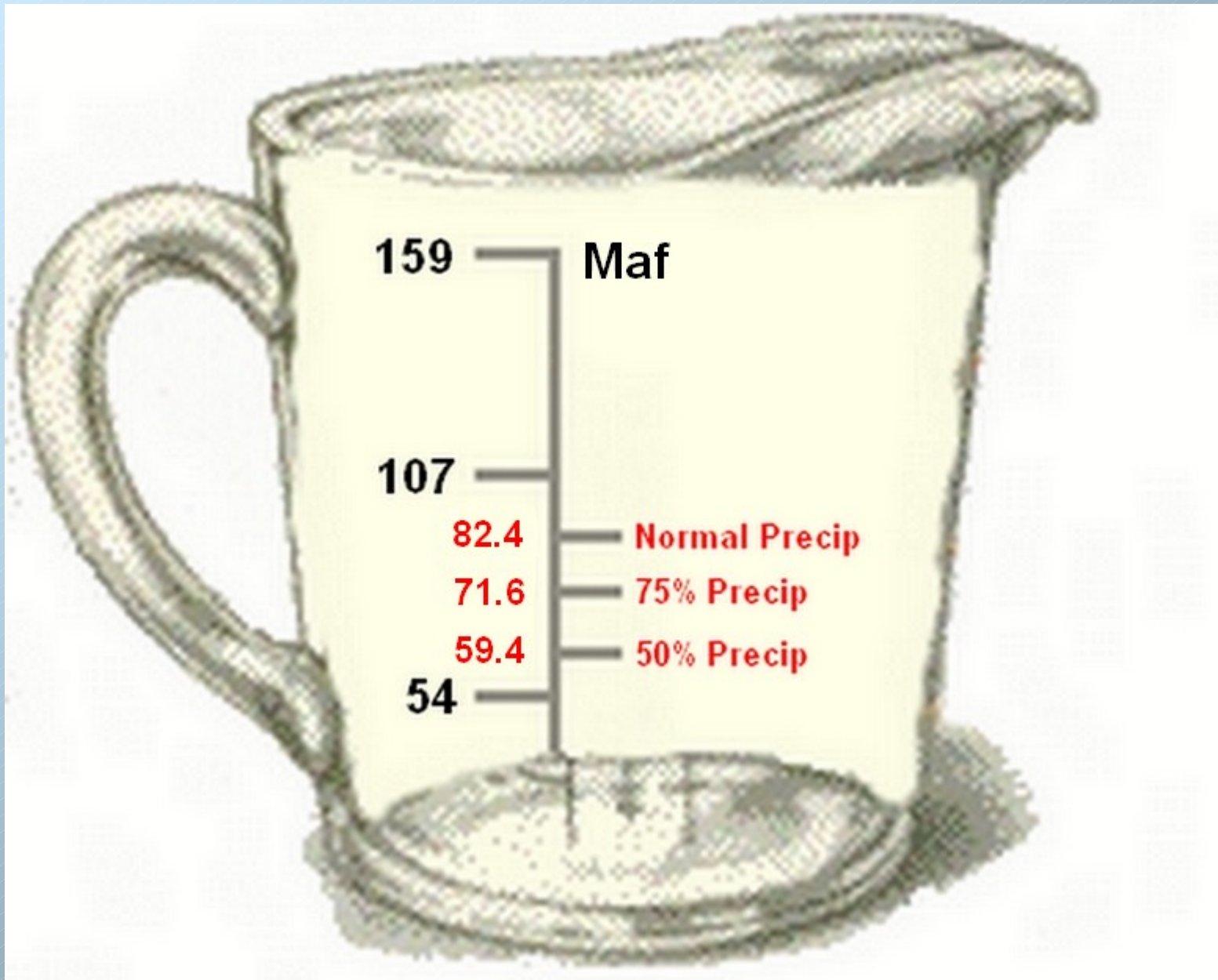
2/08/05



NW River Forecast Center

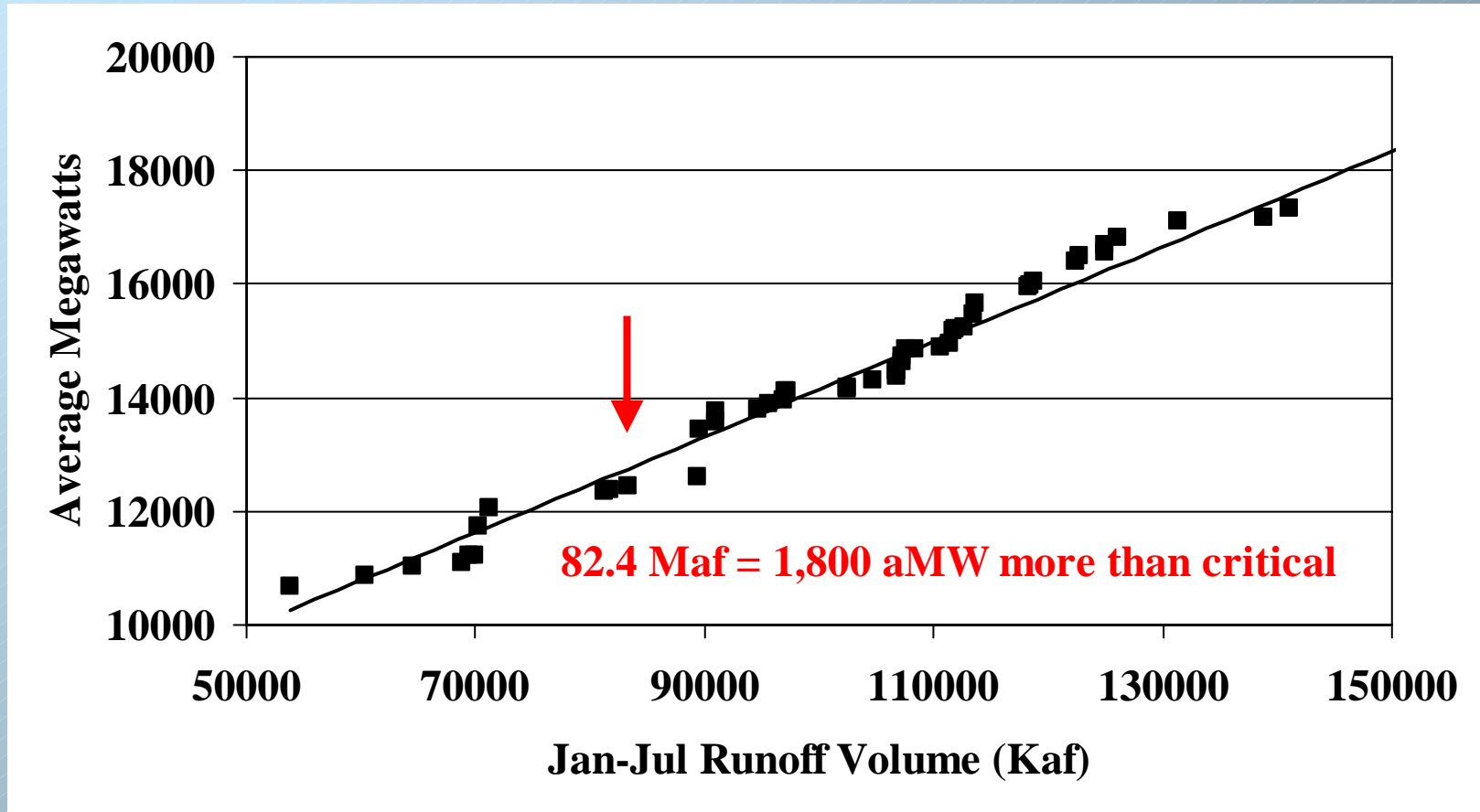


2/08/05 Jan-Jul Runoff Forecast at The Dalles



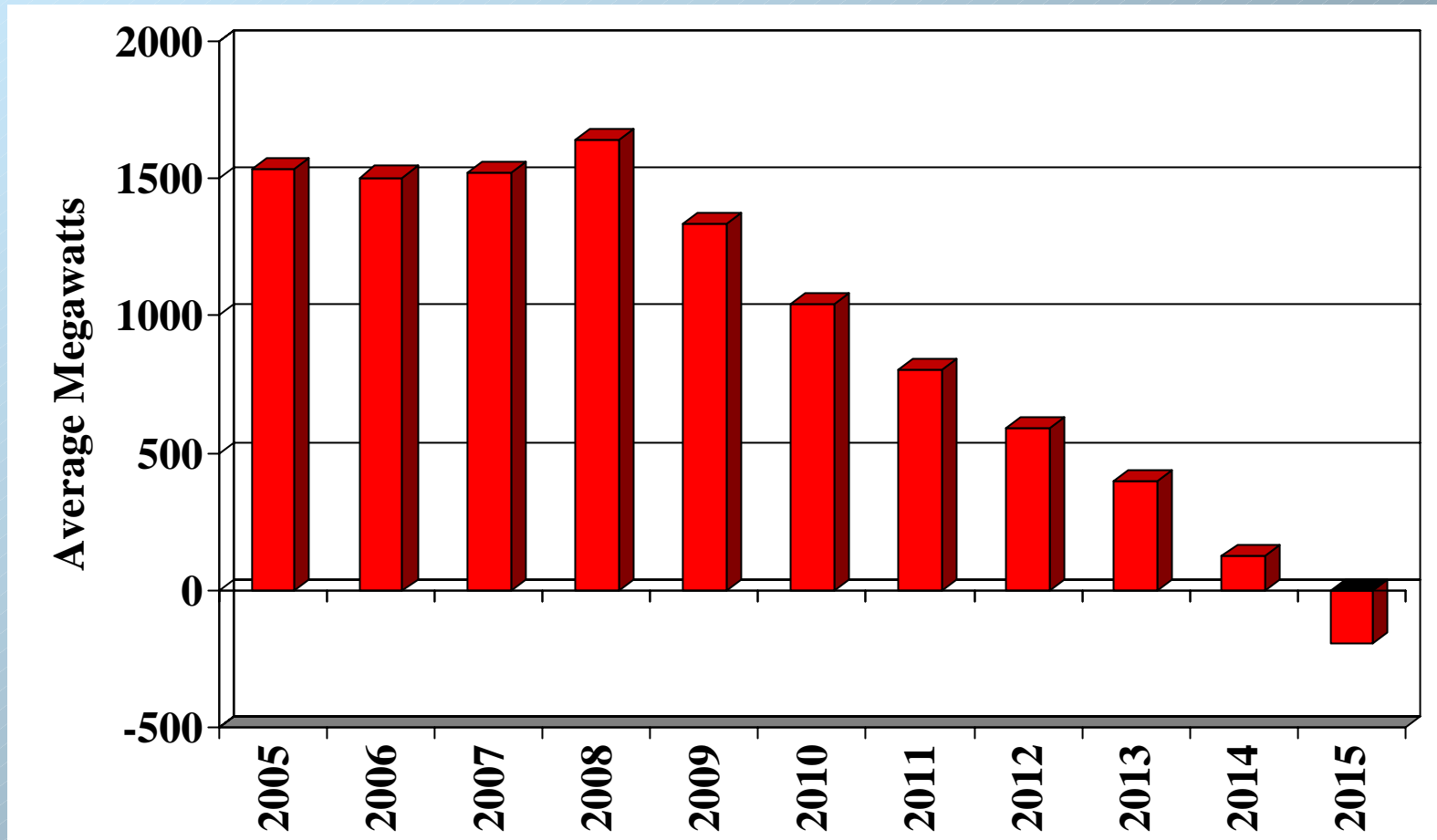
Annual Hydro Generation

(Regulated Projects Only, 1929-78 Historical Conditions)



Load/Resource Balance

Critical Water, Medium Load Forecast, Existing Resources Only



Difference from 2001

- Then - **4,000 aMW critical water deficit**
Now - **1,500 aMW critical water surplus**
(Counting resources in or committed to region)
- California in better shape (in terms of surplus capacity for export)
- No danger of blackouts (due to poor water)
- No danger of extreme prices spikes (due to poor water)

Consequences of Poor Water

- Will likely cause some increase in electricity prices
- Will likely reduce BPA's spring and summer revenues (from spot market sales)
- Should not affect end-of-summer reservoir elevations
- Not likely to meet BiOp target flows

Overall Probability of Meeting Target Flows

(Over the historical water record - not for 2005)

	Jul	Aug1	Aug2	Target (Kcfs)
McNary	62 %	40 %	8 %	200
Lower Granite	48 %	0 %	0 %	50

Projected Summer Flows

(Rough Estimate Based on Historic Flows)

(in Kcfs)	Jul	Aug1	Aug2	Target
McNary	167	149	120	200
Lower Granite	38	32	22	50

Cost of F&W Operations

- Based on very rough estimates (high uncertainty)
- Assuming a \$43/MW-Hr market price
- **Costs will be about 10% higher than average**
- Or, about \$40 million more (avg. cost ~ \$400)
- This does not include the price effects of poor water conditions (that is, higher prices)
- **Will put more pressure on BPA's finances but not in danger of missing Treasury payment**