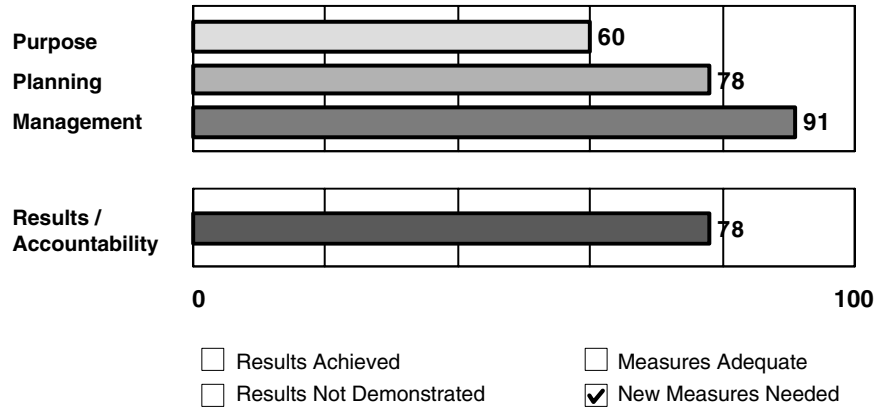


Program: Western Area Power Administration

Agency: Department of Energy

Bureau: Power Marketing Administration



Key Performance Measures

Year Target Actual

	Year	Target	Actual
Long-term Measures: Measures under development			
Annual Measures: Achieve high ratings for: Efficiency (actual generation output in cycles/second [cps] vs the 60 cps goal); and Reliability (% of operating time generation is within electricity production tolerances) based on nat'l standards Adopt industry-wide measures of efficiency, such as the cost of generating and transmitting power per kilowatthour	2001	100	187
	2001	90	98
	2003	TBD	
Annual Measures: Make scheduled debt payments to the Treasury to repay the long-term cost of building hydropower facilities Recover subsidies identified by GAO incurred during construction of hydropower facilities	2001	\$62.6 M	\$11.9 M
	2002	\$26.2 M	
	2003		

Rating: Moderately Effective

Program Type: Capital Assets

Program Summary:

The Western Area Power Administration (Western) markets all available power generated at Corps of Engineers and Bureau of Reclamation dams located in the Northern Midwest states extending through the Southwestern United States. Western is responsible for recovering, through sales to customers, all costs of producing and transmitting power.

The assessment found that Western is effective in planning and managing its activities. It meets national standards for providing dependable power. Additional findings include:

1. Western conducts annual financial audits and management reviews to ensure that its activities are conducted according to sound financial and accounting standards.
2. Its system for reviewing and adopting construction projects is rigorous.
3. Western's role in marketing power makes no unique contribution to solving a problem in the industry and the program, though largely in accordance with the law, is not optimally designed. The process of allocating power sales on preference basis to special customers (rather than to bidders) is time consuming and administratively burdensome (allocations sometimes take years to develop and adjust). Also, according to the General Accounting Office (GAO), Western does not recover all its costs.
4. Western competes with private industry by purchasing unneeded power to resell.
5. Western lacks adequate statements of long and short term goals, targets and measures.

As a result of these findings:

1. The Budget proposes that Western continue current operations and modestly increase construction expenditures for scheduled substation equipment replacements and the ongoing replacement of transmission line facilities and housekeeping needs such as a new roof on one of their buildings.
2. The Administration will develop and collect data on efficiency measures comparable to those used by private industry.
3. Western will review its activities and develop recommendations for improving its record of Treasury repayments and the marketing and delivery of power.
4. Western will develop long-term goals, targets and measures.

(For more information, see Department of Energy chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

<u>2002 Actual</u>	<u>2003 Estimate</u>	<u>2004 Estimate</u>
172	163	171