



EXCERPTS FROM THE 1997 ANNUAL REPORT AND APPENDIX

ANNUAL REPORT

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WESTERN AT A GLANCE ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

MARKETING PROFILE

Firm energy revenue	\$604 million
Nonfirm energy revenue	\$136 million
Project use revenue	\$11 million
Total energy sales	45.8 billion kWh
Composite rate	16.62 mills
Coincident peak load	6.871 MW

CUSTOMER PROFILE

	Number	Sales (billion kWh)	Revenue (million \$)
Municipalities	284	9.4	165.9
Cooperatives	46	8.8	151.1
Public utility districts	17	2.0	39.9
Federal agencies	58	11.2	147.1
State agencies	52	4.5	142.3
Irrigation districts	50	0.8	10.8
Investor-owned utilities	30	6.1	87.9
Power marketers	23	1.6	21.5
Project use (Reclamation)	77	1.5	11.1
Interdepartmental	1	— ¹	— ¹
Firm customers	565	36.3	603.9
Nonfirm customers	179	9.4	135.8
Total customers	638	45.8	739.7

¹ Energy sales were 744,000 kWh and revenues were \$6,696.

IRP PROFILE

IRPs submitted	178
Small customer plans submitted	122
Customer annual updates	80

REPAYMENT PROFILE

Principal repaid in FY 1997	\$109.0 million
Deficit repaid in FY 1997	\$79.0 million
Total investment	\$8.7 billion
Total repaid	\$2.4 billion

FINANCIAL PROFILE

Assets	\$ 4,266,520,000
Liabilities	\$ 300,008,000
Gross operating revenues	\$ 881,578,000
Sales of electric power	\$ 723,696,000
Other operating income	\$ 157,882,000
Operating expenses	\$ 527,699,000
Operation and maintenance	\$ 209,846,000
Administration and general	\$ 41,999,000
Purchased power	\$ 149,038,000
Purchased transmission	\$ 32,127,000
Depreciation	\$ 94,689,000
Net interest expense	\$ 178,316,000

RESOURCE PROFILE

Hydro powerplants	55
Thermal powerplants	1
Total powerplants	56
Maximum operating capability	10,605 MW
Total units	181
Net generation	43,554 MWh
Purchased power	5.35 billion kWh

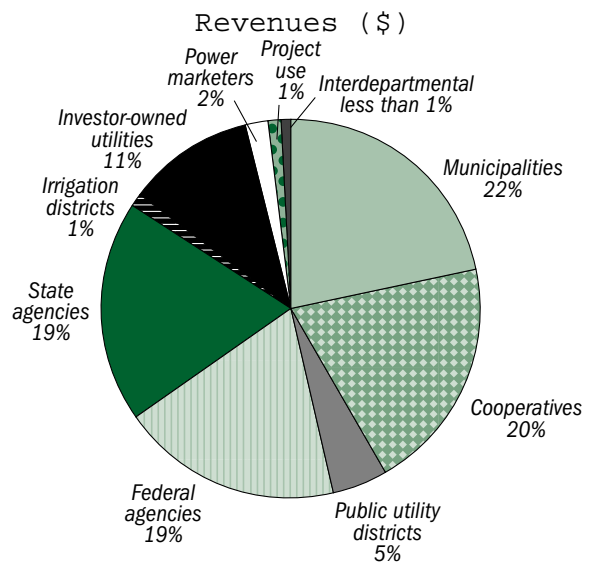
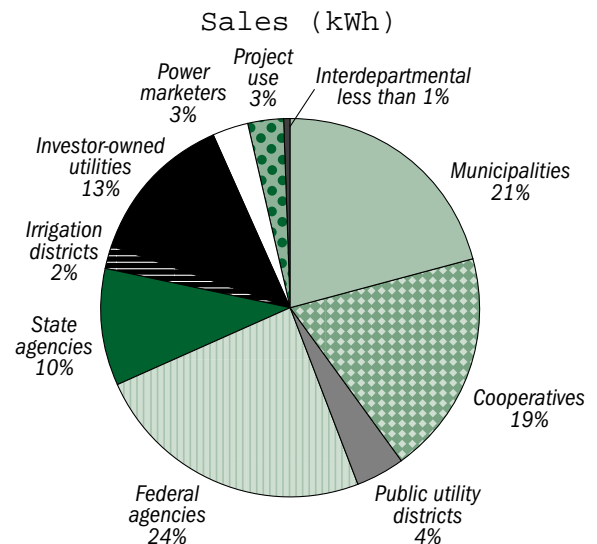
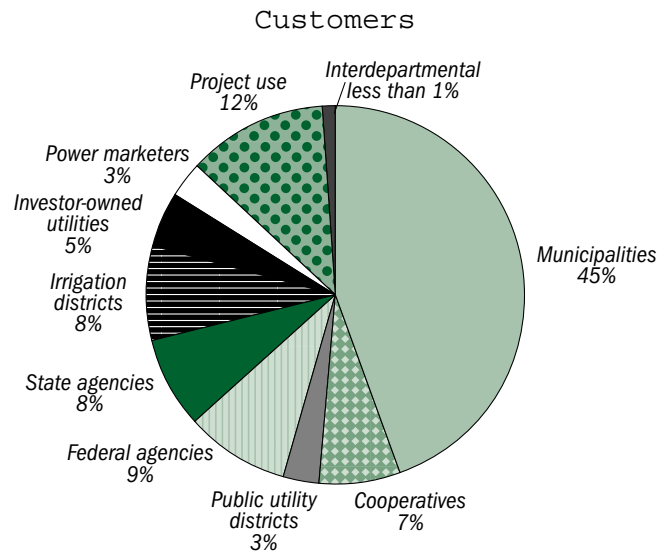
TRANSMISSION SYSTEM PROFILE

Communication sites	358
Substations	258
Transmission lines	16,857 miles
Transformer capacity	26,369,098 kVa

EMPLOYEE PROFILE

Federal	1,284
Contractor	304

POWER SALES



FROM THE ADMINISTRATOR ■ ■ ■ ■ ■

The Honorable Federico Peña
Secretary of Energy
Washington, D.C. 20585

Dear Mr. Secretary:

I am pleased to submit our FY 1997 Annual Report, reflecting our accomplishments and the challenges we are meeting in response to changes in government, operational needs and the rapid deregulation of the electric utility industry. This report recognizes our commitment to meet the needs of our more than 600 power customers in a cost-effective manner while assuring repayment of the Federal investment in power facilities, maximizing the value of Federal power in a competitive energy arena and minimizing impacts on the nation's environment.



Much of our service area had abundant water runoff in FY 1997, resulting in our collecting \$882 million in gross operating revenues. This was \$80 million, or 10 percent, more than we collected in either of the past two years. Of this revenue, we used \$528 million for operating expenses and \$178 million for interest on investment.

We repaid \$109 million for the investment in power facilities and \$79 million for operating deficits incurred during recent droughts across our service area. We also transferred \$88 million to the generating agencies to meet their operating expenses.

This report offers a few highlights of the many ways we are in partnership with our customers and the generating agencies to provide reliable Federal hydropower across our 1.3 million square-mile service area. Western is the third largest seller of bulk energy and the third largest transmission system operator in the nation. As such, we have a considerable presence in the wholesale power market. With that presence comes a responsibility to provide leadership in shaping the competitive electric utility industry, primarily as an advocate for power system reliability.

A major focus this year was to carry out our blueprint to succeed in a more competitive, restructured electric utility industry. We are a major participant in planning for the formation of four independent system operators. We operate an open access same-time information system to provide real-time transmission information. These two new concepts promise to become industry standards and will govern how all electric utilities operate in the future.

We developed and began operating one of four regional security coordination centers in the West in response to the Department's initiative on electric reliability as part of our commitment to be a leader in promoting power system reliability. And we developed an open access transmission service tariff that governs how utilities and power marketers will gain access to Western's transmission. FERC's order was designed for utilities that

most often operate a single integrated power system. Our challenge was to integrate the unique characteristics of each of our separate systems into one single tariff, while accommodating the diverse nature of the 15 projects from which we market power and/or transmission services.

Limiting increases in annual operating expenses to keep our rates and those of our customers competitive in the markets we serve is our primary cost goal. In line with this goal, we made significant progress on our internal restructuring efforts. This resulted in decreasing our operating expenses by 15 percent over the past two years and decreasing our staff by 25 percent—or 339 Federal and contractor positions.

We are meeting the challenges of budget reductions and maintaining power system reliability by exploring alternative funding mechanisms and by enhancing workforce productivity to improve service to our customers. As part of this effort, we are streamlining work processes and seeking relief from burdensome regulations.

We expect this next year to bring further changes in the electric utility industry. We are prepared to meet these challenges and continue to operate a reliable, high-quality, cost-effective, environmentally-sound power system that delivers competitive, efficient energy to our customers across the West, thus helping ensure their continued competitiveness in this era of utility restructuring.



Michael S. Hacskeylo
Acting Administrator

ACCOMPLISHMENTS ■

In FY 1997, we:

- marketed low-cost, reliable hydroelectric power to 638 power customers.
- provided system operations and load dispatching, power billing and collection, power marketing, power resource planning, energy services, technology transfer, security and emergency management for 15 separate power projects.
- sold 45.8 billion kilowatthours of energy—enough to serve 13.5 million households for a year.
- operated and maintained 16,857 miles (27,123 km) of high-voltage transmission lines, 258 substations and associated power system, control, communication and electrical facilities located across 15 western states.
- collected \$882 million in gross operating revenue.
- repaid \$105 million of investment in Federal power facilities, \$2 million in non-Federally financed power facilities and \$2 million in irrigation facilities.
- completed work on our draft transmission service tariff. This Westernwide tariff outlines how we will sell transmission service on an open and equal basis. The tariff will be finalized and filed with the Federal Energy Regulatory Commission in early FY 1998.
- neared completion of our Transformation process developed to equip Western to compete in the changing utility industry and support Administration efforts to streamline government. As a result of these efforts, our operating expenses decreased \$20 million and our staffing is down 25 percent from FY 1995.
- reviewed 178 integrated resource plans from individual customers and IRP cooperatives and 122 small customer plans.
- continued our efforts to improve our partnering initiatives with the generating agencies. These efforts have resulted in agreements from customers to provide advance funding for operations and maintenance expenses in three power projects.
- continued participation in the development of independent system operators across our service area. These are the California ISO, Desert STAR in the Desert Southwest, IndeGO across the Rocky Mountain states and the MAPP ISO in the Upper Great Plains.
- continued operating an Open Access Same Time Information System to provide real-time transmission access information in our Desert Southwest Region.
- began developing one of four regional security centers in the Western Systems Coordinating Council's area. The Rocky Mountain Security Center is located in our Rocky Mountain Regional Office. Security Center staff actively monitor system conditions within the subregion on a real-time basis to observe and mitigate potential problems as well as react to system emergencies.
- initiated a Year 2000 project to identify and correct potential problems relating to the millennium rollover for our mission-essential systems and other equipment and software.
- began implementing an on-line time and attendance system to replace a paper-based system.
- were recognized on the North American Electric Reliability Council's Honor Roll for meeting control center criteria 97.2% of the time throughout the year.
- initiated seven rate adjustment processes and made a commitment to maintain rate stability across our major systems through FY 2002.

IRP SUMMARY ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

Western completed a number of actions in 1997 to support the Integrated Resource Planning requirements outlined in the Energy Policy Act of 1992. These included:

- developing and distributing IRP annual reporting spreadsheets for individual and cooperative/member-based associations to assist customers in compiling and submitting annual IRP progress reports.
- providing IRP-related publications and information to customers through various sources, including Western’s Energy Services Website (www.energy.wsu.edu/org/western/), articles in the *Energy Services Bulletin*, a summary of integrated resource plan holdings and public request procedures, a checklist for the development of small customer plans and an IRP/small customer plan graphical time line.
- providing The Power Line customized technical assistance telephone hotline (at 1-800-POWERLN).
- sponsoring the Energy Ideas Clearinghouse electronic bulletin board and website (at www.energy.wsu.edu/org/western) that contain energy-related information for customer use, including discussion forums, training events and downloadable software.
- loaning various technical equipment to customers, such as infrared cameras and demand analyzers, to help customers increase their efficiency levels.
- providing varying levels of direct and indirect technical assistance to help customers with integrated resource planning and energy services. Examples from our regions and customer service center include:

Upper Great Plains Region

- Technical workshops on efficient lighting and “tools for competition”
- Energy Efficient Building Association Conference co-sponsorship
- Scholarships for customer attendance at other conferences
- Direct IRP assistance to customers
- Customer service representative added and stationed in Lincoln, Neb.

Rocky Mountain Region

- Technical workshops on power factor
- Distribution system improvements
- Electrotechnologies conference sponsorship
- Technical and financial assistance for customer use of ground source heat pumps
- Technical assistance to assess and develop plans for enhancing competitiveness using energy and customer services
- Irrigation efficiency assistance
- Direct IRP assistance to customers

Desert Southwest Region

- Southwest Public Power and Water Symposium and 1997 Energy Management Conference sponsorship
- Direct IRP assistance to customers

Sierra Nevada Region

- Technical workshops on metering, utility restructuring and competition, and photovoltaics
- Partnerships with customers to promote the use of photovoltaics on Western and customer facilities
- Irrigation efficiency assistance
- Direct IRP assistance to customers

Colorado River Storage Project

- Technical workshops on residential energy auditing and infrared cameras
- Utility PhotoVoltaic Group Annual Conference and Southwest Indian Energy Conference sponsorship
- Technical evaluation of tribal photovoltaics project
- Customer assistance on time-of-use rates
- Direct IRP assistance to customers

This was the first year most Western customers began providing data on IRPs in response to our IRP regulations. We received a total of 178 IRPs from individual customers and IRP cooperatives and 122 small customer plans. These integrated resource and small customer plans represent 699 customers and customer members as shown here:

<i>Region</i>	<i>Individual IRPs</i>	<i>IRP Cooperatives</i>	<i>Small Customer Plans</i>
UGP	71	11 representing 192 customers/members	41
RMR	17	9 representing 136 customers/members	22
DSW	33	7 representing 20 customers/members	16
SNR	4	6 representing 17 customers/members	39
CRSP	10	10 representing 77 customers/members	4

A number of customers submitted initial IRPs last fiscal year, in advance of the requirement. This year, they in turn, submitted their first annual progress reports on those plans. Eighty customers submitted IRP annual progress reports and small customer plan annual update letters in this reporting period as shown here:

<i>Region</i>	<i>UGP</i>	<i>RM</i>	<i>DSW</i>	<i>SN</i>	<i>CRSP</i>
Customers reporting	43	3	23	11	0

IRP SUMMARY, cont. ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

Customer IRPs and annual reports showed a wide variety of demand-side and renewable activities. Highlights include:

UGP

- Energy-efficient measures integrated into disaster recovery in communities following flooding along the Missouri and Red rivers
- Wind energy monitoring and development in Iowa and Nebraska
- Super-efficient heat pump design, manufacturing, and use in South Dakota

RM

- Award-winning wind power green pricing programs
- Innovative ground-source heat pump/water and space conditioning program
- Collaborative energy/environment community assistance/information office

DSW

- Off-grid photovoltaics applications by rural electric cooperatives in Arizona
- Use of (grid-tied) photovoltaics on residential and commercial structures in Arizona
- Evaluation of energy efficiency and renewable energy use in light of restructuring in Southern California

SN

- Commercial rooftop photovoltaics applications
- Solar electric vehicle charging station applications
- Award-winning large-scale commercial fuel cell demonstration project

CRSP

- Off-grid photovoltaics applications by rural electric cooperatives in New Mexico
- Small-scale hydropower applications in Utah
- Off-grid residential photovoltaics applications on tribal land in Arizona

REPAYMENT SUMMARY ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

STATUS OF REPAYMENT AS OF SEPTEMBER 30, 1997 ¹

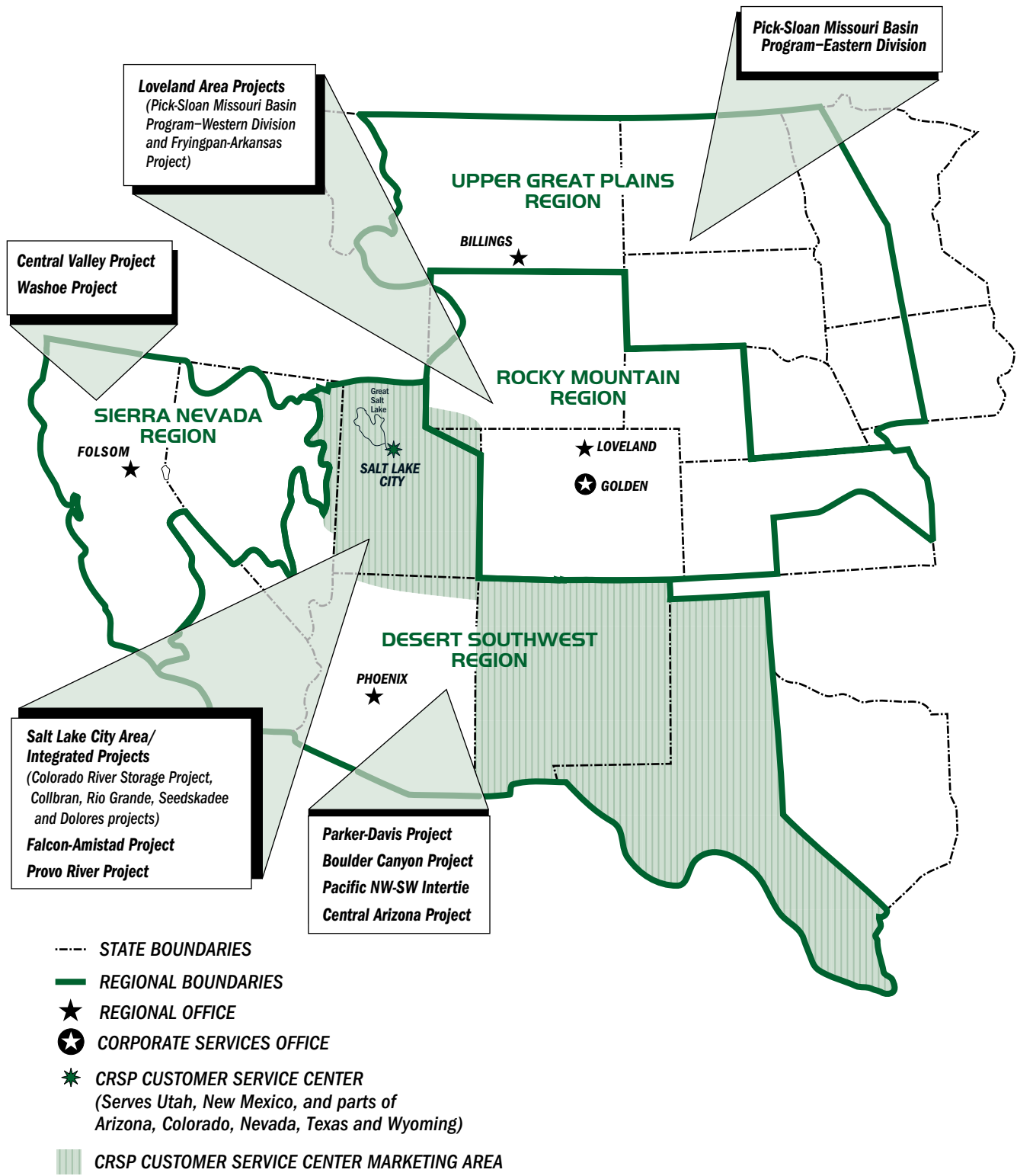
(dollars in millions)

	Cumulative 1996	Adjustments	Annual 1997	Cumulative 1997
Revenue:				
Gross operating revenue	13,615	(11)	881	14,486
Income transfers (net)	(334)	8	(88)	(413)
Total operating revenue	13,282	(3)	793	14,072
Expenses:				
O & M and other	5,058	(94)	252	5,216
Purchase power and other	3,527	91	181	3,800
Interest				
Federally financed	2,388	2	168	2,557
Non-Federally financed	98	0	11	109
Total interest	2,485	2	179	2,666
Total expense	11,071	(1)	612	11,682
(Deficit)/surplus revenue	(73)	(14)	79	(8)
Investment:				
Federally financed power	4,777	(12)	227	4,991
Non-Federally financed power	194	0	0	194
Nonpower	1,668	1,874 ²	21	3,563
Total investment	6,639	1,862	248	8,748
Investment repaid:				
Federally financed power	2,215	0	105	2,320
Non-Federally financed power	30	0	2	32
Nonpower	33	0	2	35
Total investment repaid	2,277	0	109	2,387
Investment unpaid:				
Federally financed power	2,562	(12)	121	2,671
Non-Federally financed power	165	0	(2)	163
Nonpower	1,635	1,874	19	3,528
Total investment unpaid	4,362	1,862	140	6,362
Fund balances:				
Colorado River Development	3	12	(4)	11
Working capital	3	0	(2)	1
Percent of power investment repaid to date:				
Federal	46.37%			46.48%
Non-Federal	15.46%			15.98%
Nonpower	1.98%			0.98%

¹ Sums may not total because of rounding.

² Includes irrigation assistance to the Central Utah Project's Bonneville Unit. These sunk costs are based on an interim cost allocation of the unit prepared in 1997.

MARKETING AREAS



MANAGEMENT OVERVIEW ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

OUTLOOK

Throughout 1997, we continued to make progress in carrying out our mission of marketing and delivering reliable, cost-based Federal hydroelectric power to meet the needs of our power customers. Most activities in the utility environment begin or end with this customer service function. Western, in partnership with its customers, provides cost-effective resources and transmission alternatives to ensure stability of the long-term power supply. Partnerships between Western and our customers are in place in each of our regions, the Customer Service Center and the Corporate Services Office to accomplish these goals.

Fundamental changes continue to occur throughout the electric utility industry as it moves toward deregulation with customer choice and increased competition becoming realities. Contributing to this new environment, the Federal Energy Regulatory Commission issued Orders No. 888 and 889 requiring utilities to provide open-access transmission services and real-time transmission availability information. Western has assessed its excess transmission capability and restructured its marketing and transmission functions to meet the requirements of the FERC orders.

We are progressing with our efforts to replace our current financial management system with a new Business Information Decision Support System which will incorporate new technological advancements aimed at enhancing our level of customer service. The system will streamline operations, reduce financial management costs and provide managers valuable support for future decision making. It is scheduled to go on-line on Oct. 1, 1998.

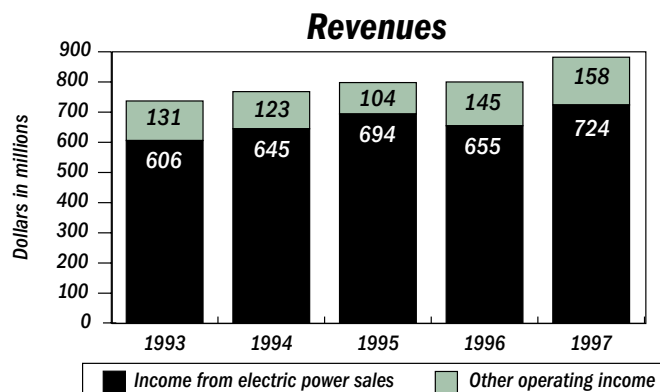
To ensure that Western's essential systems are Year 2000 compliant, Western's senior managers designated a project manager to lead a team in planning and managing our Year 2000 effort. The scope of this effort encompasses all Western systems, programs, operating environments, data, software, equipment and other technical issues that have the potential for being impacted by the millennium date roll-over. Modification efforts continued system by system throughout fiscal year 1997 and will continue into FY 1998. Testing of the modifications will be completed by September 1999.

RESULTS OF OPERATIONS

FY 1997 was a good year operationally for Western and the generating agencies. Another above-average water year resulted in greater production efficiencies, achieved by the higher water levels, which provided increases in both actual operating capacity and energy sales. Generation was 43,554 GWh (up 9 percent) resulting in higher sales for the combined power systems. Operating deficits were reduced to \$15.9 million from \$81.4 million in FY 1996. Additionally, we were able to repay \$109 million toward investments in FY 1997 compared to \$14 million in FY 1996.

REVENUES

Total operating revenues in FY 1997 increased \$80.9 million (11 percent) compared to FY 1996. The above-average water year led to increased electric power sales of \$68.5 million with major increases in the Central Valley Project (\$19.6 million), the Colorado River Storage Project (\$21 million) and the Pick-Sloan Missouri Basin Program (\$6.3 million). These three projects were primarily responsible for the 11 percent increase in generation over FY 1996, and each had 10 percent more water available in FY 1997 as compared to FY 1996.



EXPENSES

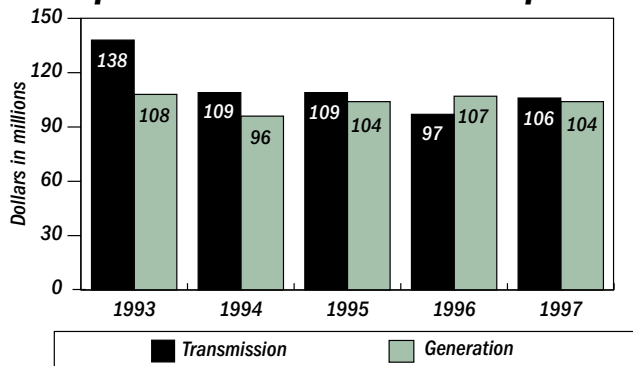
Total operating expenses in FY 1997 were \$527.7 million, up \$23.2 million (5 percent) from FY 1996. Significantly impacting total operating expense was an increase in purchased power of \$19.9 million (15 percent). This was largely attributable to purchased power increases at P-SMBP of \$11.2 million due to the settlement of interchange energy accounts.

FY 1997 operation and maintenance expense increased \$5.1 million. Impacting comparability between FY 1997 and FY 1996 was a one-time adjustment in FY 1996 to account for an abandoned transmission line that was part of the Pacific Northwest-Pacific Southwest Intertie Project. After omitting the effect of this event, FY 1997 O&M expense decreased \$8.4 million (4 percent).

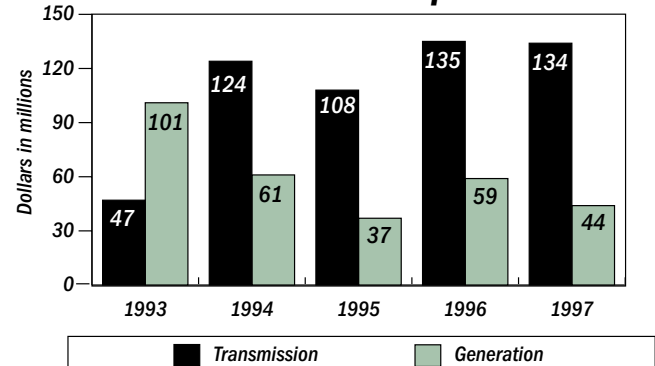
Offsetting the overall increase in total operating expenses, administrative and general expense was down \$3.2 million (7 percent) from FY 1996. Western's AGE declined \$3.9 million partially due to continued cost containment efforts resulting from our Transformation process.

Net interest expense decreased by \$15.4 million from FY 1996. The largest decrease was \$7.6 million in CRSP due to the adoption of interest credit methodology.

Operation and Maintenance Expense



Net interest expense



CAPITAL EXPENDITURES

In FY 1997, net utility plant increased \$10.3 million to \$3.7 billion. The Bureau of Reclamation had plant increases in the CVP of approximately \$33 million primarily resulting from the reallocation of project use costs and a change in the overall project cost allocations. Western's plant increases (station equipment, towers and fixtures, conductors, etc.) at other projects included additions at Flaming Gorge Dam (\$8.6 million), the Mead-Phoenix 500-kV transmission line (\$103.3 million) and Henderson Substation (\$10 million) and replacements at Sioux City Substation (\$8.7 million). Offsetting this was a decrease in Western CVP plant of approximately \$20.7 million due to retirements of plant assets. Major retirements were the Cottonwood-Tracy 230-kV transmission line (\$5.5 million), miscellaneous equipment at the Keswick Substation (\$5.1 million) and the Keswick-Elverta 230-kV transmission line (\$2.1 million), all due to expiration of useful service lives.

Offsetting the increases to net utility plant, construction work in progress was down \$126.3 million (42 percent) in FY 1997. Most of the decrease—\$103.3 million—was due to completion of the Mead-Phoenix 500-kV transmission line within the Pacific NW-SW Intertie Project. Also, CVP CWIP decreased \$19.2 million largely from a change in Reclamation's project cost allocations. Parker-Davis Project CWIP decreased \$10.4 million due to transfers to plant. Offsetting the overall decrease was an increase in P-SMBP CWIP (\$9.7 million) due to significant construction activity in both the Rocky Mountain and the Upper Great Plains regions. Two examples include replacing three 161-kV breakers (\$3.2 million) at Denison Substation in the UGP and adding a transformer (\$2.5 million) at Lovell Substation in RM.

CASH AND OTHER ASSETS

Nonplant assets (cash, accounts receivable, and other assets) cumulatively increased \$37.7 million (7 percent) from FY 1996 balances. Accounts receivable increased \$41 million (35 percent) from the FY 1996 level. Increases occurred in CVP (\$19.6 million) primarily due to residual customer credits being used. Other increases occurred in CRSP (\$9.9 million) and P-SMBP (\$7.5 million) due to increased energy sales.

LIABILITIES

The combined power system liability accounts remained relatively flat, increasing \$9.7 million (3 percent) in FY 1997 to \$300 million.

PERFORMANCE MEASUREMENTS ■ ■ ■

The Chief Financial Officers Act of 1990 required Federal entities to develop performance measures to assist managers in evaluating the efficiency and effectiveness of their programs. This requirement was further stressed in the Government Performance and Results Act of 1993. The performance measures outlined here are linked to Western's organizational objectives and management responsibilities and were selected from industry standard financial and operating ratios used by public power systems to assess electric utility performance.

FINANCIAL PERFORMANCE MEASUREMENTS

The debt service coverage ratio measures revenues in excess of operating expenses available to make principal and interest payments. A ratio of 1.0 indicates sufficient cash flow to make payments on unpaid investment, in addition to all other cash expenses. The debt service coverage ratio changed to 1.62 in FY 1997 from 1.37 in FY 1996 due to relatively flat operating expenses and an increase in net revenues resulting from higher power sales.

The ratio of cumulative principal paid as a percent of total Federal investment, including aid to irrigation, measures the percentage of repaid Federal investment at the end of each year. The FY 1997 rate of 27.25 percent decreased from the FY 1996 rate of 34.30 percent mainly as a result of a \$1.9 billion increase in nonpower investment (aid to irrigation). During FY 1997, Western repaid \$105 million of Federally financed power investment (to a level of 46.41 percent), \$2 million non-Federally financed power investment, (to a level of 15.98 percent) and \$2 million of non-power investment (to a level of 0.98 percent) for a combined Federal investment repaid of \$109 million to a rate of 27.25 percent.

The variance in principal payments indicator measures the variance (144.57 percent in FY 1997 vs. -56.02 percent in FY 1996) of actual from planned principal payments to the U.S. Department of the Treasury. The indicator is zero if the actual payment is equal to the planned payment. As a result of an above-average water year and higher power sales, Western's power generation and transmission activities provided \$109 million (compared to \$14 million in FY 1996) for repayment of unpaid investment during FY 1997. This is approximately \$64.4 million more than planned.

Western also tracks several measures to compare its efficiency and effectiveness against other utilities. The most recent industry statistics are listed in Selected Financial and Operating Ratios of Public Power Systems, 1995, published in February 1997 by the American Public Power Association. Statistics are calculated based on data from more than 400 of the largest publicly owned electric utilities in the United States.

O&M and AGE costs per firm MWh sold is a measure of the cost to operate and maintain the generation and transmission systems, based on firm energy sales, and is measured as a cost per MWh sold. The ratio, and subsequently the cost, decreased in FY 1997 to \$0.0080/MWh as compared with \$0.0083/MWh in FY 1996 primarily due to flat O&M and AGE and an increase in MWhs sold. The FY 1995 industry average was \$0.046/MWh.

The operating ratio measures the proportion of revenues received from electricity sales, rate adjustments, and other activities required to cover operating costs (which include O&M, AGE, purchased power, and purchased transmission) associated with producing and selling electricity. Western's FY 1997 rate of 0.545 decreased from the FY 1996 rate of 0.569 due predominantly to an increase in electric power sales resulting from improved water conditions and higher generation. The FY 1995 industry rate was 0.776.

Western's revenue received from each MWh of electricity sold remained constant from FY 1996 to FY 1997 at \$0.016/MWh. Proportionately higher revenues and increased MWh sales in FY 1997 kept the ratio steady. The FY 1995 industry rate was \$0.060/MWh.

CONSOLIDATED FINANCIAL PERFORMANCE INDICATORS

(Dollars in thousands)

	1997	1996		1997	1996
Debt service coverage ratio			Operating ratio		
Ratio	1.6194	1.3678	Ratio	0.5446	0.5689
Net revenue, net interest, depreciation	360,759	309,000	O&M, AGE, PP, PT	431,498	407,745
Planned principal payment, net interest	222,773	225,908	Revenue total	792,257	716,745
Investment repaid			Revenues per MWh sold		
Ratio	0.2725	0.3430	Ratio	0.0162	0.0156
Paid investment	2,386,154	2,277,406	Revenues (sales)	657,002	594,858
Total investment	8,755,514	6,639,080	MWh sold	40,668,030	38,081,260
Variance in principal payments			Total power supply expenses per MWh sold		
Ratio	1.4457	(0.5602)	Ratio	0.0106	0.0107
Actual principal payment less planned principal payment	64,366	(18,057)	O&M, AGE, PP, PT	431,498	407,745
Planned principal payment	44,523	32,235	MWh sold	40,668,030	38,081,260
O&M cost per firm MWh sold			Note: Western's financial performance indicators exclude Central Arizona Project assets, liabilities and operating expenses. Western, as the marketing agent, transfers all CAP revenue collected to Reclamation, after deducting Western's associated costs.		
Ratio	0.0080	0.0083			
O&M, AGE	250,333	248,680			
MWh sold firm	31,215,156	29,875,592			

Total power supply expenses (O&M, AGE, PP, and PT expenses) per MWh sold measures all power supply costs, including generation and purchased power, associated with the sale of each MWh of electricity. Western's FY 1997 cost, as compared to FY 1996, remained constant (\$0.011/MWh) as power supply costs increased proportionately to increases in MWhs sold. The FY 1995 industry average was \$0.037/MWh.

OPERATIONAL PERFORMANCE MEASUREMENTS

Western is committed to maintaining a safe, accident-free work place. This commitment is demonstrated by Western's Safety and Health Committee which is dedicated to increasing awareness of safe work practices and the inclusion of safety goals in Western's Bonus Goals Program. Western is also committed to a safe, efficient, and reliable transmission system. To help track these goals, we report on a number of operational measures for occupational safety and health and transmission system efficiency.

Occupational safety and health measures, as adopted by DOE for occupational injuries and illnesses, are recognized throughout the electric utility industry and by statistical gathering entities to include the National Safety Council, Bureau of Labor Statistics and National Institute for Occupational Safety and Health. Industry statistics are provided on a calendar-year basis. Accordingly, Western's measures have been calculated for the same time frame.

Lost workday case rate, or the lost-time injury frequency rate, measures the number of accidents (cases) per 200,000 hours worked. Western's CY 1997 rate of 0.5 compares favorably with the industry average of 1.3 for the same period.

Total recordable case rate measures the recordable accident frequency rate by multiplying the number of recordable injuries by 200,000, then dividing by the total hours worked. Western's CY 1997 rate of 1.9 is well under the industry average of 5.7.

The motor vehicle accident (frequency) rate measures the agency's accident frequency by multiplying the number of recordable accidents by 1 million (rate calculated per million miles driven), and then dividing by the recorded miles driven. This rate does not distinguish between "preventable" and "non-preventable" accidents. Western's CY 1997 rate of 1.1 remains below the DOE average of 2.5.

Western also tracks one transmission system performance measure and area control error. ACE measures the instantaneous difference between loads and generation, accounting for power interchange using deviation from 60 hertz frequency. Each control area should be in compliance with specified criteria at least 90 percent of the time as required by the North American Electric Reliability Council.

Control criteria compliance is a measure used to determine if utility employees, control equipment and generation are responsive to the minute-by-minute load changes throughout the year. Good control performance is required to maintain system reliability and to reduce losses, as well as a matter of equity among interconnected systems. Western's rate for FY 1997 was 97.2, well exceeding the minimum requirement and the industry average of 92.0.

Western's operations improved in FY 1997 as reflected in the financial indicators. By successfully partnering with the generating agencies and controlling rate-impacting expenses, Western continues to provide reliable, cost-effective electricity to our power customers.

INDEPENDENT AUDITORS' REPORT ■ ■ ■ ■

The Administrator
Western Area Power Administration
United States Department of Energy:

We have audited the accompanying combined power system statements of assets, Federal investment, and liabilities of the Western Area Power Administration (Western) as of September 30, 1997 and 1996, and the related combined power system statements of revenues, expenses, and accumulated net revenues, and cash flows for the years then ended. These combined power system financial statements are the responsibility of Western's management. Our responsibility is to express an opinion on these combined power system financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin 93-06, *Audit Requirements for Federal Financial Statements*, as amended. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined power system financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined power system financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial combined power system statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined power system statements referred to above present fairly, in all material respects, the financial position of Western as of September 30, 1997 and 1996, and the results of its operations and changes in accumulated net revenues, and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued reports dated December 12, 1997, on our consideration of Western's internal control over financial reporting and on its compliance with laws and regulations.

Our audits were conducted for the purpose of forming an opinion on the combined power system financial statements taken as a whole. The accompanying combining information is presented for purposes of additional analysis of the combined power system financial statements rather than to present the financial position, results of operations, and cash flows of individual projects. The combining information has been subjected to the auditing procedures applied in the audits of the combined power system financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined power system financial statements taken as a whole.

The information presented in management's *Overview and Performance Measurements* is not a required part of the combined power system financial statements, but is supplementary information required by OMB Bulletin 94-01 and 97-01, *Form and Content of Agency Financial Statements*. We have considered whether this information is materially inconsistent with the combined power system financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the combined power system financial statements and, accordingly, we do not express an opinion on it. The performance information included in management's *Overview and Performance Measurements* is addressed in our auditors' report on internal control over financial reporting in accordance with OMB Bulletin 93-06.

This report is intended for the information of the management of Western and the United States Department of Energy. However, this report is a matter of public record and its distribution is not limited.



KPMG Peat Marwick LLP

Salt Lake City, Utah

December 12, 1997

COMBINED POWER SYSTEM STATEMENTS OF ASSETS, FEDERAL INVESTMENT, AND LIABILITIES

September 30, 1997 and 1996

(In thousands)

	<u>1997</u>	<u>1996</u>
Assets		
<i>Utility plant:</i>		
Completed plant	\$ 5,176,139	5,052,625
Accumulated depreciation	(1,656,408)	(1,669,491)
	<u>3,519,731</u>	<u>3,383,134</u>
Construction work-in-progress	174,885	301,231
Net utility plant	<u>3,694,616</u>	<u>3,684,365</u>
Cash	285,007	312,578
Accounts receivable	157,304	116,294
Other assets	129,593	105,371
Total assets	<u>\$ 4,266,520</u>	<u>4,218,608</u>
Federal Investment and Liabilities		
<i>Federal investment:</i>		
Congressional appropriations	\$ 8,701,121	8,385,061
Interest on Federal investment	3,179,470	2,985,635
Transfer of property and services, net	517,115	582,765
Gross Federal investment	<u>12,397,706</u>	<u>11,953,461</u>
Funds returned to U.S. Treasury	(8,820,931)	(8,327,705)
Net outstanding Federal investment	<u>3,576,775</u>	<u>3,625,756</u>
Accumulated net revenues	389,737	302,526
Total Federal investment	<u>3,966,512</u>	<u>3,928,282</u>
Commitments and contingencies (notes 5, 7, and 8)		
Liabilities		
Accounts payable	63,756	66,490
Other liabilities	236,252	223,836
Total liabilities	<u>300,008</u>	<u>290,326</u>
Total Federal investment and liabilities	<u>\$ 4,266,520</u>	<u>4,218,608</u>

The accompanying notes are an integral part of these combined power system financial statements.

COMBINED POWER SYSTEM STATEMENTS OF REVENUES, EXPENSES, AND ACCUMULATED NET REVENUES

Years ended September 30, 1997 and 1996
(In thousands)

	1997	1996
Operating revenues:		
Sales of electric power	\$ 723,696	655,177
Other operating income	157,882	144,586
Gross operating revenues	881,578	799,763
Income transfers, net	(88,352)	(87,485)
Total operating revenues	793,226	712,278
 Operating expenses:		
Operation and maintenance	209,846	204,753
Administration and general	41,999	45,245
Purchased power	149,038	129,136
Purchased transmission services	32,127	29,929
Depreciation	94,689	95,437
Total operating expenses	527,699	504,500
Net operating revenues	265,527	207,778
 Interest on Federal investment:		
Interest on Federal investment	196,594	211,350
Allowance for funds used during construction	(18,278)	(17,677)
Net interest expense	178,316	193,673
Net revenues	87,211	14,105
 Accumulated net revenues:		
Balance, beginning of year	302,526	288,421
Balance, end of year	\$ 389,737	302,526

The accompanying notes are an integral part of these combined power system financial statements.

COMBINED POWER SYSTEM STATEMENTS OF CASH FLOWS

Years ended September 30, 1997 and 1996

(In thousands)

	<u>1997</u>	<u>1996</u>
Cash flows from operating activities:		
Net revenues	\$ 87,211	14,105
Adjustments to reconcile net revenues to net cash provided by operating activities:		
Depreciation	94,689	95,437
Interest on Federal investment	169,827	184,070
Write-on of recoverable asset	—	(13,052)
(Increase) decrease in assets:		
Accounts receivable	(41,010)	26,942
Other assets	(15,537)	4,474
Increase (decrease) in liabilities:		
Accounts payable	(2,734)	26,099
Other liabilities	14,159	(34,358)
	<u>306,605</u>	<u>303,717</u>
Net cash provided by operating activities		
	306,605	303,717
Cash flows used in investing activities—		
Investment in utility plant	(72,900)	(100,431)
Cash flows from financing activities:		
Congressional appropriations	233,694	248,366
Funds returned to U.S. Treasury	(493,226)	(478,866)
Customer advances	—	400
Principal payments to upraters	(1,744)	(2,263)
	<u>(261,276)</u>	<u>(232,363)</u>
Net cash used in financing activities		
	(261,276)	(232,363)
Decrease in cash	(27,571)	(29,077)
Cash at beginning of year	312,578	341,655
Cash at end of year	<u>\$ 285,007</u>	<u>312,578</u>

Supplemental Schedule of Noncash Investing and Financing Activities

Capitalized interest during construction	\$ 18,278	17,677
Transfer of construction work-in-progress to completed plant	183,004	213,460

The accompanying notes are an integral part of these combined power system financial statements.

SYSTEM PROFILE



SYSTEM PROFILE AS OF SEPTEMBER 30, 1997

	Boulder Canyon	Central Arizona (Navajo)	Central Valley Project¹	Falcon-Amistad	Loveland Area Projects	Pacific NW-SW Intertie	Parker-Davis	Pick-Sloan Missouri Basin – Eastern Division	Provo River	Salt Lake City Integrated Projects	Washoe	Other	Total Western
Transmission lines													
Circuit miles	57	0	855	0	3,494	763	1,537	7,745	0	2,406	0	0	16,857
Circuit kilometers	92	0	1,376	0	5,450	1,228	2,473	12,462	0	3,871	0	0	26,952
Land													
Acres	35	0	13,033	0	37,330	21,951	12,396	94,672	0	33,103	0	160	212,680
Hectares	13	0	5,277	0	15,113	8,887	5,018	38,329	0	13,402	0	65	86,104
Number of substations	3	1	15	0	80	3	32	99	0	25	0	0	258
Number of powerplants	1	1	10	2	19.5	0	2	7.5	1	11	1	0	56.0
Total energy sales (MWh)	5,184,693	3,626,309	9,062,902	96,194	2,339,808	0	1,845,246	15,097,136	36,611	8,510,897	9,000	0	45,808,796
Firm sales (MWh)	5,184,693	3,626,000	7,303,692	0	2,330,238	0	1,508,381	8,922,952	0	5,965,202	0	0	34,841,158
Nonfirm sales (MWh)	0	0	411,949	96,194	0	0	334,485	6,141,683	36,611	2,422,952	9,000	0	9,452,874
Project Use sales (MWh)	0	309	1,347,261	0	9,570	0	1,636	32,501	0	114,865	0	0	1,506,142
Interdepartmental sales (MWh)	0	0	0	0	0	0	744	0	0	0	0	0	744
Interarea transfers (MWh)	0	0	0	0	0	0	0	0	0	7,878	0	0	7,878
Total power revenues (\$)	44,437,488	66,694,098	193,612,100	3,552,348	47,466,718	0	14,838,482	221,932,658	332,538	146,817,692	21,000	0	739,705,122
Firm power revenues (\$)	44,437,488	66,687,199	173,635,177	0	47,440,454	0	9,305,078	137,429,493	0	114,172,920	0	0	593,107,809
Nonfirm power revenues (\$)	0	0	10,616,923	3,552,348	0	0	5,514,703	84,378,048	332,538	30,904,170	21,000	0	135,319,730
Project use revenues (\$)	0	6,899	9,360,000	0	26,264	0	12,005	125,117	0	1,551,926	0	0	11,082,211
Interdepartmental revenues (\$)	0	0	0	0	0	0	6,696	0	0	0	0	0	6,696
Interarea transfers (\$)	0	0	0	0	0	0	0	0	0	188,676	0	0	188,676
Number of customers ¹	15	2	120	2	40	0	46	321	0	144	1	0	638

¹ The sum of the projects' number of customers does not equal the total because some customers buy power from more than one project.

FACILITIES

BUILDINGS AND COMMUNICATIONS SITES

Project	Number of buildings	Number of communications sites	Fee area		Withdrawal area ¹		Easement area	
			Acres	Hectares	Acres	Hectares	Acres	Hectares
Central Arizona (Navajo)	1	-	-	-	-	-	-	-
Central Valley	27	16	-	-	-	-	-	-
Loveland Area Projects	190	79	-	-	-	-	-	-
Pacific NW-SW Intertie	9	-	-	-	-	-	-	-
Parker-Davis	66	53	-	-	-	-	291	118
Pick-Sloan Missouri Basin Eastern Division	230	145	228	92	2	1	420	170
Salt Lake City Area Integrated	77	65	2	1	-	-	114	46
Western total	600	358	230	93	2	1	825	334

¹ Areas that have been set aside by the Bureau of Land Management for Western transmission and substation use.

SUBSTATIONS

Project	Number of substations	Number of buildings	Transformers		Fee area		Withdrawal area ¹		Easement area	
			Number	Capacity (kVa)	Acres	Hectares	Acres	Hectares	Acres	Hectares
Boulder Canyon	3		9	1,798,999	-	-	-	-	3	4
Central Arizona (Navajo)	1		5	228,000	-	-	-	-	-	-
Central Valley	15	21	16	2,162,216	271	435.47	-	-	1	1
Loveland Area Projects	80	1	73	2,208,308	11	17.35	-	-	6	10
Pacific NW-SW Intertie	3	12	5	5,131,167	286	460.53	4,243	6,828	117	189
Parker-Davis	32	37	38	1,905,874	277	446.38	115	185	114	183
Pick-Sloan Missouri Basin Eastern Division	99	225	125	8,006,639	2,022	3,254.21	21	34	248	400
Salt Lake City Area Integrated	25	33	38	4,927,895	527	847.64	129	207	513	826
Western total	258	329	309	26,369,098	3,394	5,461.58	4,507	7,253	1002	1612

¹ Areas that have been set aside by the Bureau of Land Management for Western transmission and substation use.

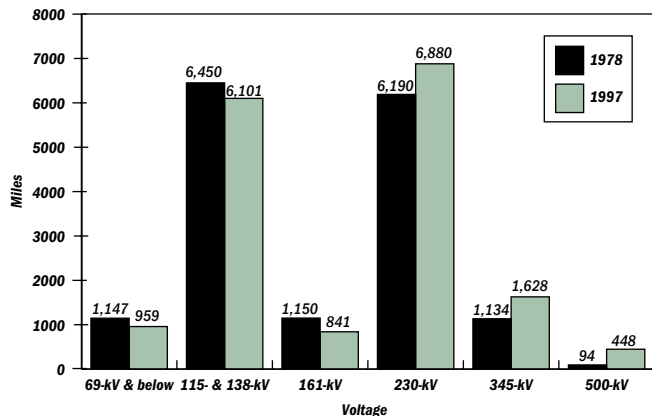
TRANSMISSION LINE SUMMARY

(In circuit miles)

State	500-kV		345-kV		230-kV		161-kV	
	Miles	Kilometers	Miles	Kilometers	Miles	Kilometers	Miles	Kilometers
Arizona	-	-	703.97	1,132.69	805.70	1,296.37	143.01	230.10
California	448.27	721.27	-	-	838.13	1,348.55	204.19	328.54
Colorado	-	-	392.98	632.30	857.00	1,378.91	-	-
Iowa	-	-	20.33	32.71	164.52	264.71	192.23	309.30
Minnesota	-	-	-	-	247.33	397.95	-	-
Missouri	-	-	-	-	-	-	17.95	28.88
Montana	-	-	-	-	559.95	900.96	283.28	445.80
Nebraska	-	-	136.99	220.42	106.06	170.65	-	-
Nevada	-	-	11.40	18.34	147.43	237.21	-	-
New Mexico	-	-	44.00	70.80	67.39	108.43	-	-
North Dakota	-	-	40.74	65.55	983.30	1,582.13	-	-
South Dakota	-	-	260.33	418.87	1,766.12	2,841.69	-	-
Utah	-	-	17.60	28.32	-	-	-	-
Wyoming	-	-	-	-	337.20	542.55	-	-
Total	448.27	721.27	1,628.34	2,620.00	6,880.13	11,070.11	840.66	1,342.62

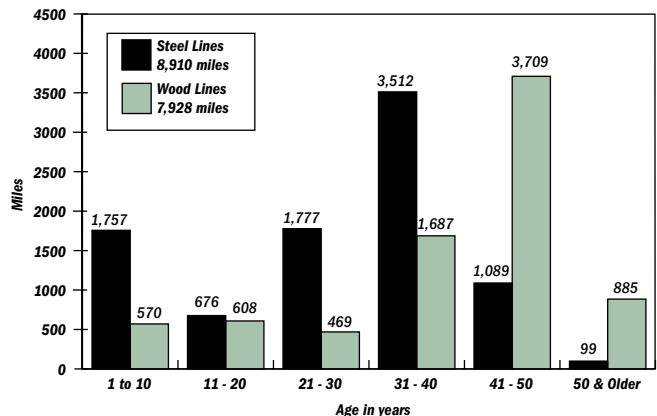
State	138-kV		115-kV		69-kV & Below		Total Western	
	Miles	Kilometers	Miles	Kilometers	Miles	Kilometers	Miles	Kilometers
Arizona	-	-	373.60	601.12	111.71	179.74	2,137.99	3,440.03
California	-	-	7.37	11.86	48.26	77.65	1,546.22	2,487.87
Colorado	212.19	341.41	764.78	1,230.53	93.38	150.25	2,320.33	3,733.41
Iowa	-	-	-	-	-	-	377.08	606.72
Minnesota	-	-	14.99	24.12	-	-	262.32	422.07
Missouri	-	-	-	-	-	-	17.95	28.88
Montana	-	-	529.40	851.80	73.86	118.84	1,446.49	2,327.40
Nebraska	-	-	479.48	771.48	75.26	121.09	797.79	1,283.64
Nevada	-	-	-	-	3.40	5.47	162.23	261.03
New Mexico	-	-	-	-	2.70	4.34	114.09	183.57
North Dakota	-	-	886.27	1,426.01	145.86	234.69	2,056.17	3,308.38
South Dakota	-	-	1,343.15	2,161.13	7.06	11.36	3,376.66	5,433.05
Utah	117.40	188.90	-	-	0.32	0.51	135.32	217.73
Wyoming	-	-	1,371.71	2,207.08	397.55	639.66	2,106.46	3,389.29
Total	329.59	530.31	5,770.75	9,285.13	959.36	1,543.60	16,857.10	27,123.07

TRANSMISSION LINE IN SERVICE



Total miles of lines
 1978 - 16,165 miles
 1997 - 16,857 miles

TRANSMISSION LINE AGE as of 1997



Service life:
 40 years for wood pole lines, 100 years for structures and
 50 years for conductor insulator assemblies on steel lines.
 This graph includes only wood and steel line structures.

INTERCONNECTIONS ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

Western has a total of 164 control area interconnections with 21 entities. This includes four ties between the four Western control areas including two direct current links. Western also has a DC link with the Nebraska Public Power District.

Control Area	Regional Office	Number of Control Area Interconnections
WAPA (East-MAPP)	Upper Great Plains	81
WAUM (West-WSCC)	Upper Great Plains	9
WALC (WSCC)	Desert Southwest	32
WACM (WSCC)	Rocky Mountain and CRSP Customer Service Center	42
	Total	164

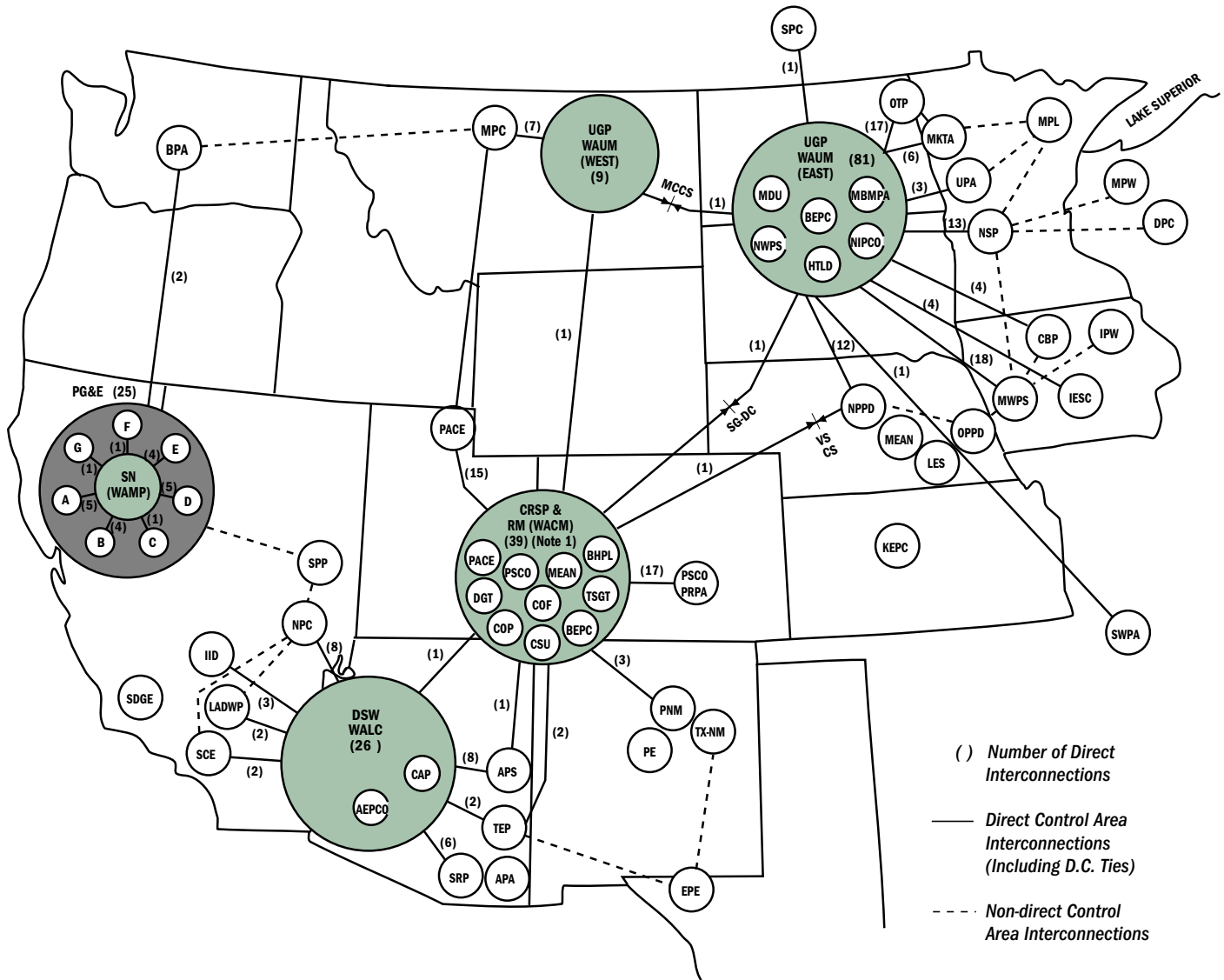
The Upper Great Plains Region operates two control areas – one in the eastern interconnection and one in the western interconnection. The Desert Southwest Region operates a control area in the western interconnection. The Colorado River Storage Project Customer Service Center and the Rocky Mountain Region operate a combined control area in the western interconnection.

The Sierra Nevada Region operates inside Pacific Gas and Electric Company’s control area. Sierra Nevada has 50 interconnections with 11 entities. Although not a control area, most directly-connected customers coordinate energy scheduling through the Sierra Nevada control center.

Western regularly schedules energy with 23 load-serving entities with which it does not have a direct interconnection. Transactions are scheduled on an irregular basis with 75 other load serving entities with which we do not have direct interconnections. Additional schedules are also occurring with power marketers and brokers.

Western has more than 1,700 active contract agreements with utilities in 18 states which include our more than 600 power customers. There are 1,402 load serving interconnections with 382 customers inside the load control boundaries.

Region	Load Serving Interconnections
Upper Great Plains	991
Rocky Mountain	232
Desert Southwest	121
Sierra Nevada	21
CRSP Customer Service Center	38
Total	1,403



() Number of Direct Interconnections
 — Direct Control Area Interconnections (Including D.C. Ties)
 - - - Non-direct Control Area Interconnections

Company

- A** Sacramento Municipal Utilities District
- B** Redding Electric Department
- C** City of Shasta Lake
- D** Roseville Electric Department
- E** Contra Costa Water District
- F** DOE-Lawrence Livermore Nat'l Labs
- G** Turlock Irrigation District
- AEPCO** Arizona Electric Power Cooperative
- APA** Arizona Power Authority
- APS** Arizona Public Service Company
- BEPC** Basin Electric Power Cooperative
- BHPL** Black Hills Power and Light
- BPA** Bonneville Power Administration
- CAP** Central Arizona Project
- CBP** Cornbelt Power Cooperative
- COF** City of Farmington
- COP** City of Page
- CSU** Colorado Springs Utilities
- DGT** Deseret Generation and Transmission
- DPC** Dairyland Power Cooperative

- EPE** El Paso Electric Company
- HTLD** Heartland Consumers Power District
- IESC** Iowa Electric L&P; Iowa Southern Utilities; Central Iowa Power Cooperative
- IID** Imperial Irrigation District
- IPW** Interstate Power Company
- KEPC** Kansas Electric Power Cooperative
- LADWP** Los Angeles Department of Water and Power
- LES** Lincoln Electric Service
- MBMPA** Missouri Basin Municipal Power Authority
- MDU** Montana-Dakota Utilities
- MEAN** Municipal Energy Agency of Nebraska
- MKTA** Minnkota Power Cooperative
- MPC** Montana Power Company
- MPL** Minnesota Power and Light
- MPW** Muscatine Power and Water
- MWPS** Midwest Power Systems, Inc.
- NIPCO** Northwest Iowa Power Cooperative
- NPC** Nevada Power Company
- NPPD** Nebraska Public Power District

- NSP** Northern States Power
- NWPS** Northwestern Public Service
- OPPD** Omaha Public Power District
- OTP** Ottertail Power Company
- PE** Plains Electric (New Mexico)
- PG&E** Pacific Gas and Electric
- PNM** Public Service of New Mexico
- PP&L** Pacific Power and Light
- PRPA** Platte River Power Authority
- PSCO** Public Service Company of Colorado
- SCE** Southern California Edison
- SDGE** San Diego Gas and Electric
- SPC** Saskatchewan Power Corporation
- SPP** Sierra Pacific Power Company
- SRP** Salt River Project
- SWPA** Southwestern Power Administration
- TEP** Tucson Electric Power Company
- TSGT** Tri-State Generation and Transmission
- TX-NM** Texas-New Mexico Power Company
- UPA** United Power Authority

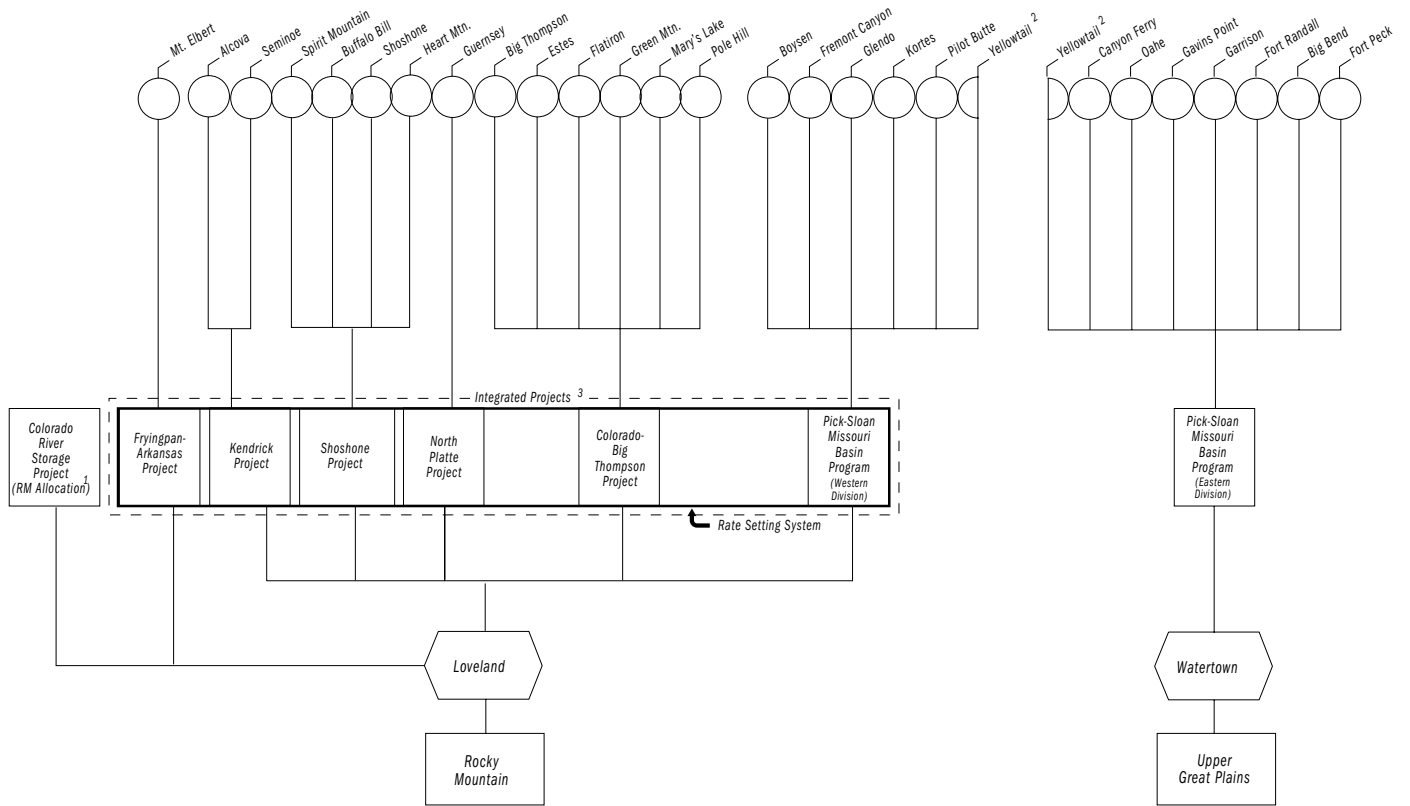
DC Tie Information

- MCCS** Miles City Converter Station
- VSCS** Virginia Smith Converter Station
- SG-DC** Stegall DC tie (David Hamil Converter Station)

Capacity	East to West	West to East
	200 MW	150 MW
	200 MW	200 MW
	100 MW	100 MW

NOTE: 1. The Colorado River Storage Project and Rocky Mountain Region formed a combined control area on September 1, 1993. The new control area is designated WACM replacing the former WAUC and WALM.

POWER MARKETING SYSTEM ■ ■ ■ ■ ■



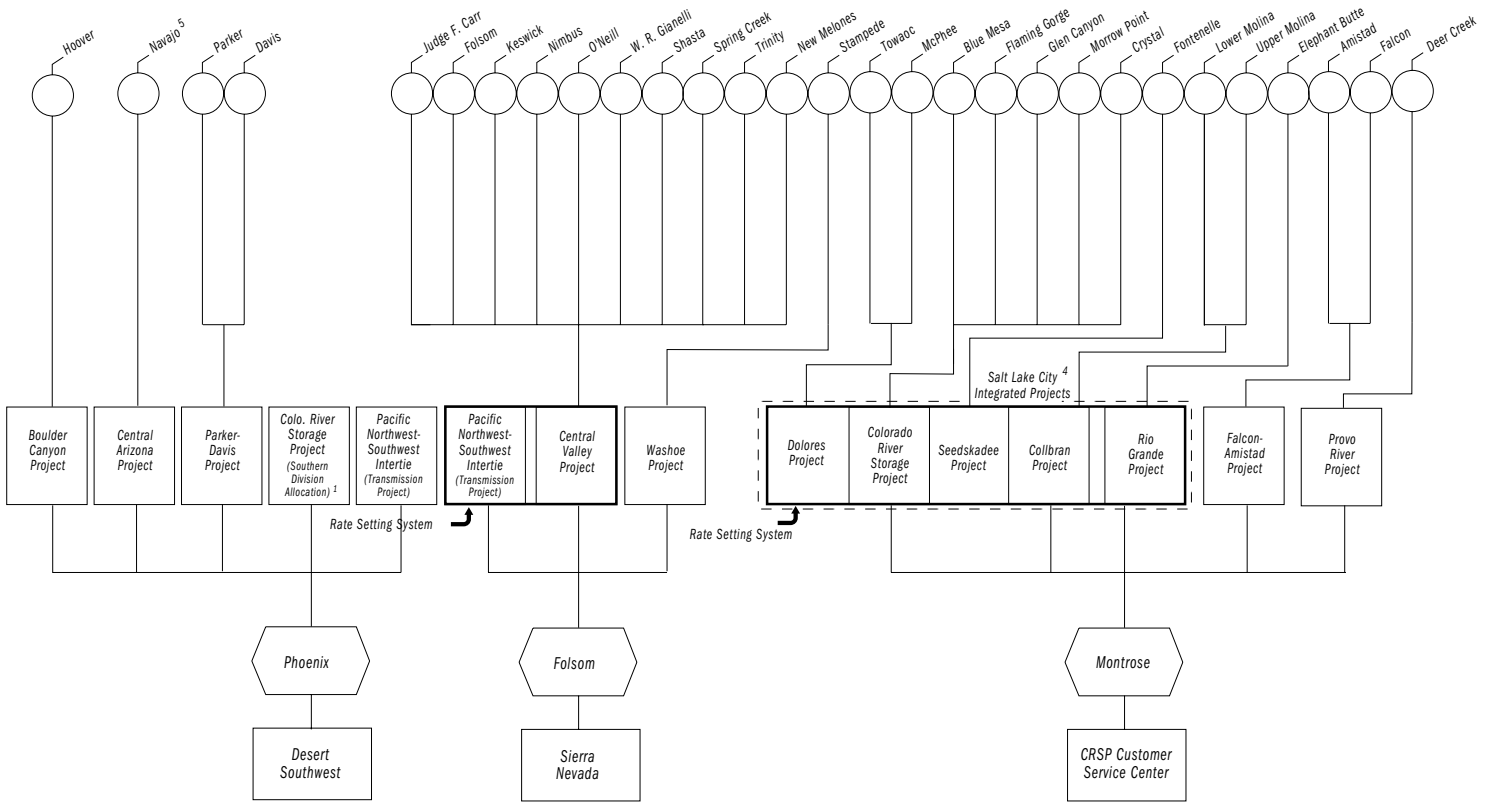
¹ Power marketed from Colorado River Storage Project resources.





² Generation from units 1 and 2 are marketed by the Rocky Mountain Region; from units 3 and 4 by the Upper Great Plains Region. Yellowtail is controlled by Rocky Mountain.

³ The resources from the projects are integrated for marketing, operation and repayment purposes.

⁴ The resources from the projects are integrated for marketing and operation purposes.

⁵ Coal-fired generation.



-  Project or Power System
-  Dispatch and/or Billing Office
-  Regional Office / Customer Service Center
-  Power Resources

EXISTING POWERPLANTS AS OF SEPTEMBER 30, 1997

Project/State/ Plant name	Operating agency	River	Initial in-service date	Existing number of units	Installed capability ¹ FY 1997 (MW)	Actual Operating capability (MW)		Net generation GWh ²	
						July 1, 1997	July 1, 1996	FY 1997	FY 1996
Boulder Canyon									
Arizona, Nevada									
Hoover	BuRec	Colorado	Sep 36	19	2,074 ³	1,909 ³	1,729	5,284	4,738
Boulder Canyon total				19	2,074	1,909	1,729	5,284	4,738
Central Arizona									
Arizona									
Navajo	SRP ⁴	n/a	May 74	3	547 ⁵	543	401	3,627	3,514
Central Arizona total				3	547	543	401	3,627	3,514
Central Valley									
California									
J.F. Carr	BuRec	Clear Creek Tun.	May 63	2	154	142	147	456	573
Folsom	BuRec	American	May 55	3	215	180	202	644	716
Keswick	BuRec	Sacramento	Oct 49	3	105	89	90	483	464
New Melones	BuRec	Stanislaus	Jun 79	2	383	360	383	975	595
Nimbus	BuRec	American	May 55	2	14	9	9	56	78
O'Neill ⁶	BuRec	San Luis Creek	Nov 67	6	29	28	28	5	2
Shasta	BuRec	Sacramento	Jun 44	7	578	451 ⁷	572	2,218	1,457
Spring Creek	BuRec	Spring Creek Tun.	Jan 64	2	200	184	190	565	681
Trinity	BuRec	Trinity	Feb 64	3	140 ⁸	130	135	586	545
Gianelli ⁹	CDWR ¹⁰	San Luis Creek	Mar 68	8	202 ¹¹	107	124	189	187
Central Valley total				38	2,020	1,680	1,880	6,177	5,298
Falcon-Amistad									
Texas									
Amistad	IBWC	Rio Grande	Jun 83	2	66 ¹²	23	22	66	82
Falcon	IBWC	Rio Grande	Oct 54	3	32 ¹²	14	16	32	39
Falcon-Amistad total				5	98	37	38	98	121
Loveland Area Projects									
Colorado									
Big Thompson	BuRec	Trans. Mtn. Div.	Apr 59	1	5	5	5	14	12
Estes	BuRec	Trans. Mtn. Div.	Sep 50	3	51	51	51	100	91
Flatiron ⁶	BuRec	Trans. Mtn. Div.	Jan 54	3 ¹³	95	86	86	208	166
Green Mountain	BuRec	Blue	May 43	2	30	26	30	83	97
Mary's Lake	BuRec	Trans. Mtn. Div.	May 51	1	8	8	6	39	34
Mount Elbert ⁶	BuRec	Arkansas	Oct 81	2	206	206	206	240	178
Pole Hill	BuRec	Trans. Mtn. Div.	Jan 54	1	33	33	33	165	120
Montana									
Yellowtail ¹⁴	BuRec	Big Horn	Aug 66	2	144	130	144	650	570
Wyoming									
Alcova	BuRec	North Platte	Jul 55	2	40	40	38	155	134
Boysen	BuRec	Wind	Aug 52	2	18	0	18	91	86
Buffalo Bill	BuRec	Shoshone	May 95	3	18	18	18	109	96
Fremont Canyon	BuRec	North Platte	Dec 60	2	66	66	66	325	296
Glendo	BuRec	North Platte	Dec 58	2	38	36	36	131	103
Guemsey	BuRec	North Platte	27 Jul	2	7	7	7	24	22
Heart Mountain	BuRec	Shoshone	Dec 48	1	5	5	5	17	16
Kortes	BuRec	North Platte	Jun 50	3	39	39	39	194	176
Pilot Butte	BuRec	Wind	25 Jan	2	2	2	2	4	3
Seminole	BuRec	North Platte	Aug 39	3	51	51	51	207	194
Shoshone	BuRec	Shoshone	May 95	1	3	3	3	21	22
Spirit Mountain	BuRec	Shoshone	May 95	1	5	5	5	14	12
Loveland Area Projects total				39	864	817	849	2,792	2,428
Parker-Davis									
Arizona									
Davis	BuRec	Colorado	Jan 51	5	269	243	246	1,337	1,223
California									
Parker	BuRec	Colorado	Dec 42	4	69 ¹²	50	50	551	470
Parker-Davis total				9	338	293	296	1,888	1,694

Project/State/ Plant name	Operating agency	River	Initial in-service date	Existing number of units	Installed capability ¹ FY 1997 (MW)	Actual Operating capability (MW)		Net generation GWh ²	
						July 1, 1997	July 1, 1996	FY 1997	FY 1996
Pick-Sloan Eastern Division									
Montana									
Canyon Ferry	BuRec	Missouri	Dec 53	3	60	60	60	447	453
Fort Peck	Corps	Missouri	Jul 43	5	218	219	218	1,333	1,521
Yellowtail ¹⁴	BuRec	Big Horn	Aug 66	2	144	130	115	650	570
North Dakota									
Garrison	Corps	Missouri	Jan 56	5	546	530	511	3,082	3,350
South Dakota									
Big Bend	Corps	Missouri	Oct 64	8	538	381	443	1,477	1,412
Fort Randall	Corps	Missouri	Mar 54	8	387	375	375	2,539	2,387
Gavins Point	Corps	Missouri	Sep 56	3	122	110	111	821	864
Oahe	Corps	Missouri	Apr 62	7	786	762	765	4,593	4,154
Pick-Sloan Eastern Division total				41	2,801	2,567	2,598	14,942	14,711
Provo River									
Utah									
Deer Creek	PWUA	Provo	Feb 58	2	5	5	5	37	28
Provo River Total				2	5	5	5	37	28
Salt Lake City Integrated Projects									
Arizona									
Glen Canyon	BuRec	Colorado	Sep 64	8	1,356	1,288	1,288	6,700	5,506
Colorado									
Blue Mesa	BuRec	Gunnison	Sep 67	2	96	86	86	372	366
Crystal	BuRec	Gunnison	Sep 78	1	28	28	28	218	216
Lower Molina	BuRec	Pipeline	Dec 62	1	5	5	5	15	18
McPhee	BuRec	Dolores	Jun 93	1	1	1	1	1	0
Morrow Point	BuRec	Gunnison	Dec 70	2	156	156	156	481	467
Towaoc	BuRec	Canal	Jun 93	1	11	11	11	9	20
Upper Molina	BuRec	Pipeline	Dec 62	1	9	9	9	32	30
New Mexico									
Elephant Butte	BuRec	Rio Grande	Nov 40	3	28	28	28	109	97
Utah									
Flaming Gorge	BuRec	Green	Nov 63	3	152	152	152	691	667
Wyoming									
Fontenelle	BuRec	Green	May 68	1	13	10	10	71	71
Salt Lake City Integrated Projects total				24	1,855	1,774	1,774	8,699	7,458
Washoe									
California									
Stampede	BuRec	Little Truckee	Dec 86	1	3	3	3	9	18
Washoe total				1	3	3	3	9	18
Grand total				181	10,605	9,628	9,573	43,554	40,007

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

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

³ Includes 4.8 MW reserved for plant use.

⁴ Salt River Project

⁵ United States' share (24.3 percent) of 2,250 MW plant capability.

⁶ Pump/generating plant.

⁷ Unit 5 out of service for generator rewind.

⁸ Includes 0.35 MW at Lewiston Powerplant.

⁹ Formerly San Luis Pump/Generating Plant.

¹⁰ California Department of Water Resources

¹¹ United States' share of 424 MW capability.

¹² United States' share (50 percent) of plant capability.

¹³ Only unit 3 has pump/generation capability.

¹⁴ Generation from units 1 and 2 is marketed by the Rocky Mountain Region, and from units 3 and 4 by the Upper Great Plains Region.

ENERGY RESOURCE & DISPOSITION

	(GWh)			(GWh)	
	FY 1997	FY 1996		FY 1997	FY 1996
Energy resource			Energy disposition		
Net generation ¹	43,359	39,818	Sales of electric energy		
Interchange			Western	44,294	41,629
Received	702	507	Project Use (Reclamation)	1,506	1,250
Delivered	959	1,096	Total sales of electric energy	45,800	42,878
Net	(257)	(589)	Other		
Purchases			Interarea/interproject/interdepartment	8	25
NonWestern	5,345	6,088	Other deliveries	320	230
Western	5	9	Total other	328	255
Total purchases	5,350	6,097	Total energy delivered	46,128	43,133
Total energy resources	48,452	45,326	System and contractual losses	2,324	2,192
			Total energy disposition	48,452	45,326

¹ Reduced by Gianelli and O'Neill generation (194 kWh).

CAPABILITY AND NET GENERATION

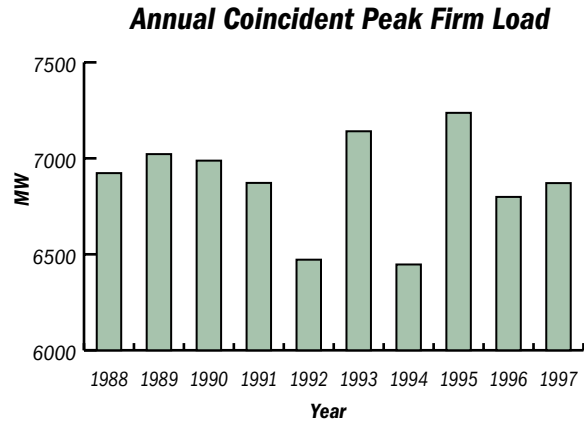
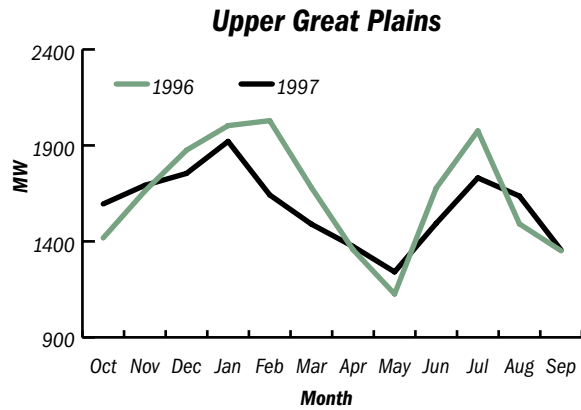
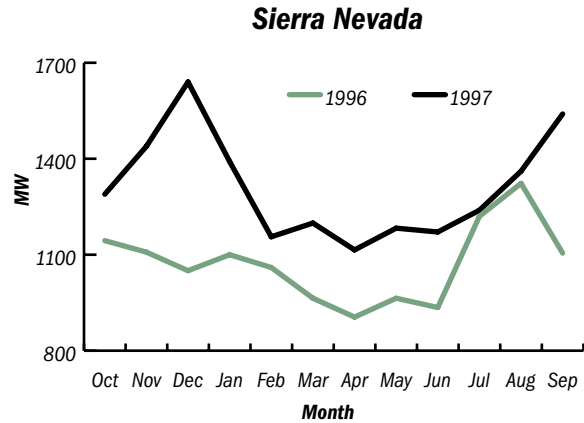
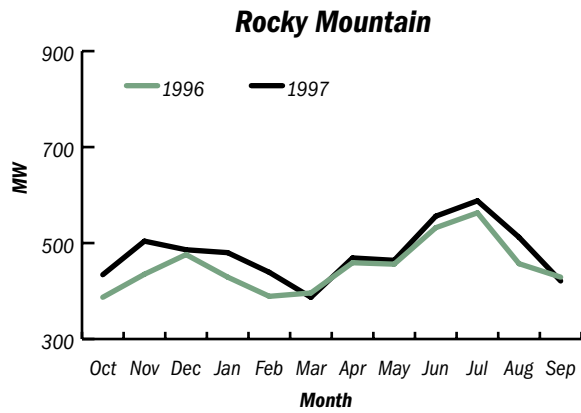
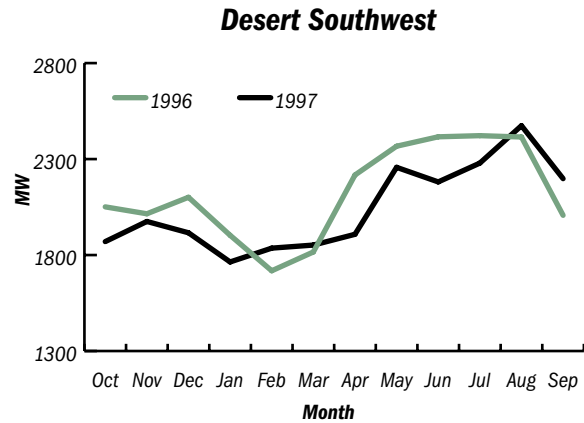
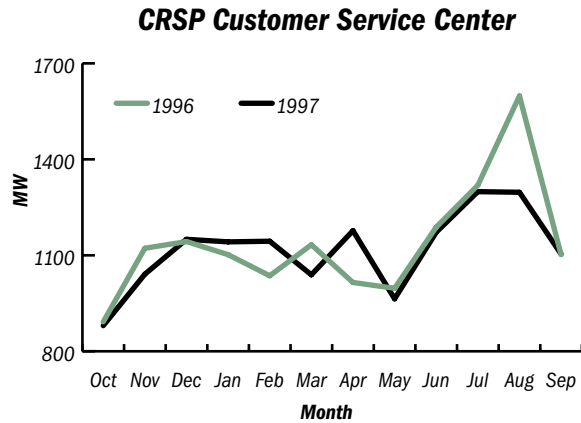
Rate setting system	FY 1996 Maximum operating capability (MW)	July 1, 1997 Actual operating capability (MW)	July 1, 1996 Actual operating capability (MW)	FY 1997 Net generation (GWh)	FY 1996 Net generation (GWh)
Boulder Canyon	2,074	1,909	1,729	5,284	4,738
Central Arizona Project (Navajo)	547	543	401	3,627	3,514
Central Valley	2,020	1,680	1,880	6,177	5,298
Falcon-Amistad	98	37	38	98	121
Loveland Area Projects	864	817	849	2,793	2,428
Parker-Davis	338	293	296	1,888	1,694
Pick-Sloan Missouri Basin Program (Eastern Division)	2,801	2,567	2,598	14,942	14,711
Provo	5	5	5	37	28
Salt Lake City Area Integrated Projects	1,855	1,774	1,774	8,699	7,458
Washoe	3	3	3	9	18
Total	10,605	9,628	9,573	43,554	40,007

CAPABILITY AND NET GENERATION BY STATE

State	Number of units	Maximum operating capability (MW)	Actual operating capability (MW)		Net generation (GWh)	
			July 1, 1997	July 1, 1996	FY 1997	FY 1996
Arizona*	26	3,196	3,017	2,789	14,276	12,584
California	43	2,093	1,733	1,933	6,738	5,787
Colorado	22	735	711	713	1,976	1,814
Montana	12	566	539	537	3,080	3,114
North Dakota	5	546	530	511	3,082	3,350
New Mexico	3	28	28	28	109	97
Nevada	9	1,049	966	875	2,673	2,396
South Dakota	26	1,833	1,628	1,694	9,431	8,817
Texas	5	98	37	38	98	121
Utah	5	157	157	157	727	695
Wyoming	25	303	282	298	1,364	1,232
Total	181	10,605	9,628	9,573	43,554	40,007

*Note: Includes Navajo Powerplant

PEAK FIRM LOADS



These graphs show monthly area at-plant coincident peak firm loads, except that Sierra Nevada Project Use loads may not be coincident with the load management loads. Amounts for Desert Southwest and Rocky Mountain exclude Salt Lake City Area Integrated Project loads. They are included in the CRSP amounts.

Our FY97 coincident firm and contingent peak load was 6,871 MW. The peak occurred on August 28 during the hour ending at 3 p.m. (MDT).

POWER SALES BY PROJECT ¹

Project	FY 1997		FY 1996	
	(MWh)	Revenues (\$)	(MWh)	Revenues (\$)
Boulder Canyon	5,184,693	44,437,488	4,748,412	45,161,449
Central Arizona (Navajo) ²	3,626,309	66,694,098	3,513,621	82,069,108
Central Valley	9,062,902	193,612,100 ³	8,459,533	174,043,559
Falcon-Amistad	96,194	3,552,348	120,153	3,220,356
Loveland Area Projects	2,339,808	47,466,718	2,338,820	47,405,791
Parker-Davis	1,845,246	14,838,482	1,455,881	11,207,361
Pick-Sloan Missouri Basin-Eastern Div	15,097,136	221,932,658	15,051,394	216,911,711
Provo River	36,611	332,538	27,670	279,192
Salt Lake City Area Integrated Projects	8,510,897	146,817,692	7,160,008	125,595,314
Washoe	9,000	21,000	18,390	187,498
Total Western	45,808,796	739,705,122	42,893,883	706,081,340

¹ Includes firm, nonfirm, Project Use, interdepartmental and interproject (reported as "Other Income" on Financial Statements) customers and energy sales to them.

² On June 1, 1994, Salt River Project began acting as the scheduling agent for the CAP portion of the Navajo Generating Station (547 MW). Western retains marketing and repayment responsibility and SRP pays Western monthly fixed and variable costs to meet repayment requirements.

³ Not reduced by a \$16 million adjustment to the financial statements to record costs associated with Shasta bypass, an interest charge from Bonneville Power Administration and miscellaneous adjustments.

SALES BY CUSTOMER CATEGORY

Project	FY 1997		FY 1996	
	(MWh)	Revenues (\$)	(MWh)	Revenues (\$)
Municipalities	9,390,374	165,878,376	9,269,716	158,239,273
Cooperatives	8,761,068	151,071,264	8,720,721	150,704,156
Federal agencies	1,998,948	39,888,217	2,072,445	42,263,549
State agencies	11,214,801	147,074,663	9,693,114	152,245,156
Public utility districts	4,509,676	104,293,881	4,059,748	88,232,321
Irrigation districts	779,360	10,796,869	680,530	9,900,895
Investor-owned utilities ¹	6,103,144	87,917,722	7,084,987	94,295,093
Power marketers	1,536,661	21,506,547	0	0
Subtotal	44,294,032	728,427,539	41,581,261	695,880,443
Project Use	1,506,142	11,082,211	1,255,011	9,683,023
Interdepartmental	744	6,696	4,128	0
Interproject ²	7,878	188,676	53,483	517,874
	45,808,796	739,705,122	42,893,883	706,081,340

¹ Western has two long-term firm investor-owned power customers. Southern California Edison has an entitlement to Boulder Canyon Project power. Western sells CVP firm power in excess of preference customer/requirements, through an energy banking arrangement (EA2), to Pacific Gas and Electric Company, and later, as needed, may repurchase this energy at discounted rates.

² Interproject sales are sales among the various projects. This income appears in the Other Income line of Western's Financial Statements.

POWER SALES BY STATE AND CUSTOMER CLASS

State	Municipalities	Cooperatives	Federal agencies	State agencies	Public utility districts	Irrigation districts	Investor-owned utilities	Power marketers	Inter-departmental	Inter-project	Project use	State total
Alabama												
Energy sales (MWh)	0	0	0	0	0	0	0	380,093	0	0	0	380,093
Power revenue (\$)	0	0	0	0	0	0	0	5,441,020	0	0	0	5,441,020
Arizona												
Energy sales (MWh)	47,132	2,275	490,571	6,761,560	0	300,709	239,436	2,596	0	2,612	1,945	7,848,836
Power revenue (\$)	571,209	37,985	4,918,794	95,541,731	0	3,083,355	3,995,804	35,916	0	28,316	18,904	108,232,014
California												
Energy sales (MWh)	3,363,092	58,655	1,217,793	1,650,511	2,664,460	474,660	1,364,583	2,000	0	0	1,347,261	12,143,015
Power revenue (\$)	67,224,731	1,432,797	29,447,934	15,369,826	71,319,869	7,674,698	21,703,943	28,400	0	0	9,360,000	223,562,198
Colorado												
Energy sales (MWh)	637,432	2,127,468	68,047	814,489	0	0	167,543	107,864	0	4,916	13,607	3,941,366
Power revenue (\$)	12,877,222	40,114,321	1,174,932	15,373,253	0	0	1,943,486	1,350,723	0	154,760	286,478	73,275,175
Georgia												
Energy sales (MWh)	0	0	0	0	0	0	0	46,474	0	0	0	46,474
Power revenue (\$)	0	0	0	0	0	0	0	1,134,266	0	0	0	1,134,266
Iowa												
Energy sales (MWh)	679,261	514,920	0	0	0	0	1,502,080	0	0	0	0	2,696,261
Power revenue (\$)	9,586,635	6,900,708	0	0	0	0	19,832,025	0	0	0	0	36,319,368
Idaho												
Energy sales (MWh)	0	0	0	0	0	0	17,544	0	0	0	0	17,544
Power revenue (\$)	0	0	0	0	0	0	158,396	0	0	0	0	158,396
Kansas												
Energy sales (MWh)	103,185	93,600	0	0	0	0	0	0	0	0	0	196,785
Power revenue (\$)	2,110,776	1,482,476	0	0	0	0	0	0	0	0	0	3,593,252
Minnesota												
Energy sales (MWh)	1,476,291	912,362	0	45,107	7,168	0	1,526,628	0	0	0	0	3,967,556
Power revenue (\$)	20,180,486	12,541,238	0	600,713	90,634	0	21,350,336	0	0	0	0	54,763,407
Missouri												
Energy sales (MWh)	0	0	0	0	0	0	379,321	359,913	0	0	0	739,234
Power revenue (\$)	0	0	0	0	0	0	4,618,135	4,307,810	0	0	0	8,925,945
Montana												
Energy sales (MWh)	0	728,499	2,123	3,926	0	3,754	187,838	0	0	350	23,169	949,659
Power revenue (\$)	0	10,565,434	5,478	38,975	0	33,895	2,654,701	0	0	5,600	59,240	13,363,323
North Dakota												
Energy sales (MWh)	193,597	1,058,175	3,335	95,511	0	0	18,196	6,697	0	0	4,692	1,380,203
Power revenue (\$)	2,851,829	19,189,036	51,262	1,416,354	0	0	246,695	136,732	0	0	27,528	23,919,436
Nebraska												
Energy sales (MWh)	614,344	232,346	0	135,986	1,716,416	0	0	113,035	0	0	2,409	2,814,536
Power revenue (\$)	10,834,802	4,883,944	0	1,840,005	31,170,607	0	0	1,565,837	0	0	6,186	50,301,381
New Mexico												
Energy sales (MWh)	200,556	923,828	115,997	0	0	0	100,437	0	0	0	100,509	1,441,327
Power revenue (\$)	4,069,280	16,550,754	2,863,684	0	0	0	1,405,061	0	0	0	1,231,375	26,120,154
Nevada												
Energy sales (MWh)	79,542	81,805	27,779	1,495,503	0	0	127,948	0	744	0	0	1,813,321
Power revenue (\$)	603,681	1,634,736	169,287	13,276,444	0	0	2,804,200	0	6,696	0	0	18,495,044
Oklahoma												
Energy sales (MWh)	0	0	0	0	0	0	0	69,442	0	0	0	69,442
Power revenue (\$)	0	0	0	0	0	0	0	1,166,803	0	0	0	1,166,803

POWER SALES BY STATE AND CUSTOMER CLASS, cont.

State	Municipalities	Cooperatives	Federal agencies	State agencies	Public utility districts	Irrigation districts	Investor-owned utilities	Power marketers	Inter-departmental	Inter-project	Project use	State total
Oregon												
Energy sales (MWh)	0	0	97	0	0	0	72,773	0	0	0	0	72,870
Power revenue (\$)	0	0	1,018	0	0	0	982,639	0	0	0	0	983,657
South Dakota												
Energy sales (MWh)	723,223	1,083,961	17,258	129,616	113,108	0	48,991	0	0	0	2,231	2,118,388
Power revenue (\$)	10,461,477	14,733,940	254,726	1,907,877	1,598,925	0	950,037	0	0	0	32,163	29,939,145
Texas												
Energy sales (MWh)	0	96,194	0	0	0	0	0	341,747	0	0	0	437,941
Power revenue (\$)	0	3,552,348	0	0	0	0	0	5,175,813	0	0	0	8,728,161
Utah												
Energy sales (MWh)	1,249,485	381,180	37,039	26,582	0	0	146,475	91,006	0	0	1,059	1,932,826
Power revenue (\$)	24,082,397	7,859,690	683,079	431,007	0	0	2,398,863	1,033,766	0	0	37,188	36,525,990
Washington												
Energy sales (MWh)	0	0	0	0	1,275	0	1,600	0	0	0	0	2,875
Power revenue (\$)	0	0	0	0	21,075	0	26,400	0	0	0	0	47,475
Wisconsin												
Energy sales (MWh)	0	0	0	0	7,249	0	201,751	15,794	0	0	0	224,794
Power revenue (\$)	0	0	0	0	92,771	0	2,847,001	129,461	0	0	0	3,069,233
Wyoming												
Energy sales (MWh)	23,234	465,800	18,909	56,010	0	237	0	0	744	7,878	9,260	573,450
Power revenue (\$)	423,851	9,591,857	318,023	1,278,478	0	4,921	0	0	6,696	188,676	23,149	11,640,279
Totals												
Energy sales (MWh)	9,390,374	8,761,068	1,998,948	11,214,801	4,509,676	779,360	6,103,144	1,536,661	5,660	2,962	1,506,142	45,808,796
Power revenue (\$)	165,878,376	151,071,264	39,888,217	147,074,663	104,293,881	10,796,869	87,917,722	21,506,547	161,456	33,916	11,082,211	739,705,122

CUSTOMER COUNT BY PROJECT

Project	1997				1996			
	Firm only	Firm & nonfirm	Nonfirm only	Total	Firm only	Firm & nonfirm	Nonfirm only	Total
Boulder Canyon	15	0	0	15	15	0	0	15
Total Boulder Canyon	15	0	0	15	15	0	0	15
Central Arizona	1	0	0	1	1	0	0	1
Reclamation sales	0	0	1	1	0	0	0	0
Total Central Arizona	1	0	1	2	1	0	0	1
Central Valley	74	8	4	86	76	5	4	85
Reclamation sales	34	0	0	34	34	0	0	34
Total Central Valley	108	8	4	120	110	5	4	119
Falcon-Amistad	0	0	1	1	0	0	2	2
Total Falcon-Amistad	0	0	1	1	0	0	2	2
Loveland Area Projects	31	0	0	31	31	0	0	31
Reclamation sales	9	0	0	9	9	0	0	9
Interproject	0	0	0	0	1	0	0	1
Total Loveland Area Projects	40	0	0	40	41	0	0	41
Parker-Davis	9	17	18	44	22	3	16	41
Reclamation sales	1	0	0	1	1	0	0	1
Interproject	0	0	1	1	0	0	1	1
Total Parker-Davis	10	17	19	46	23	3	17	43
Pick-Sloan—Eastern	245	9	39	293	244	9	27	280
Reclamation sales	28	0	0	28	29	0	0	29
Total Pick-Sloan—Eastern	273	9	39	321	273	9	27	309
Provo	0	0	2	2	0	0	2	2
Total Provo	0	0	2	2	0	0	2	2
Salt Lake Integrated Projects	45	65 ¹	27	137	56	56	31	143
Reclamation sales	3	0	1	4	4	0	0	4
Interproject	0	0	3	3	0	0	3	3
Total Salt Lake Integrated Projects	48	65	31	144	60	56	34	150
Washoe	0	0	1	1	0	0	1	1
Total Washoe	0	0	1	1	0	0	1	1

¹ Includes 33 members of Utah Association of Municipal Power Systems which purchase Western power.

CUSTOMERS BY CUSTOMER CATEGORY

Customer category	1997				1996			
	Firm only	Firm & nonfirm	Nonfirm only	Total	Firm only	Firm & nonfirm	Nonfirm only	Total
Municipalities	222	56 ¹	6	284	235	46	7	288
Cooperatives	34	9	3	46	36	11	2	49
Public utility districts	8	5	4	17	10	5	4	19
Federal agencies	42	14	2	58	49	4	2	55
State agencies	44	7	1	52	46	6	0	52
Irrigation districts	37	13 ²	0	50	44	3	1	48
Investor-owned utilities	0	2	28	30	1	1	23	25
Power marketers	0	1	22	23	0	0	26	26
Reclamation sales	75	0	2	77	73	0	1	74
Interdepartment sales	0	0	1	1	1	0	1	2
Subtotal	462	107	69	638	495	76	67	638
Interproject sales	0	0	3	3	6	0	0	6
Total	462	107	72	641	501	76	67	644

¹ Includes 30 municipalities who are members of the Utah Association of Municipal Power Systems and purchase Western power.

² Includes three irrigation districts who are UAMPS members and purchase Western power.

CUSTOMERS BY STATE

State	1997				1996			
	Firm Only	Firm & Nonfirm	Nonfirm Only	Total	Firm Only	Firm & Nonfirm	Nonfirm Only	Total
Alabama	0	0	1	1	0	0	1	1
Arizona	13	24	7	44	25	9	4	38
California	108	22	7	137	123	7	10	140
Colorado	36	2	4	42	33	8	3	44
Georgia	0	0	1	1	0	0	1	1
Iowa	48	0	4	52	47	0	4	51
Kansas	2	0	0	2	2	0	0	2
Idaho	0	0	1	1	0	0	0	0
Maryland	0	0	0	0	0	0	1	1
Massachusetts	0	0	0	0	0	0	1	1
Minnesota	50	3	5	58	51	3	6	60
Missouri	0	0	6	6	0	0	2	2
Montana	19	0	1	20	21	0	1	22
Nebraska	66	3	1	70	67	4	2	73
Nevada	2	3	4	9	5	1	2	8
New Mexico	4	10	2	16	5	9	2	16
North Dakota	39	2	2	43	36	2	2	40
Ohio	0	0	0	0	0	0	1	1
Oklahoma	0	1	0	1	0	0	1	1
Oregon	0	0	0	0	0	0	2	2
South Dakota	54	0	3	57	54	0	3	57
Texas	0	0	6	6	0	0	11	11
Utah	11	37 ¹	5	53	15	33	3	51
Washington	0	0	2	2	0	0	0	0
Wisconsin	0	0	7	7	0	0	3	3
Wyoming	10	0	0	10	12	0	0	12
Subtotal	462	107	69	638	496	76	66	638
Interproject sales	0	0	3	3	6	0	0	6
Total	462	107	72	641	502	76	66	644

¹ Includes 33 Utah Association of Municipal Power Systems members who purchased Western power.

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)	Annual incremental \$(000)	Notes	Date submitted to FERC	Date of FERC confirmation
WAPA-67	Washoe	Floor/Ceiling Update	6/5/95	SNF-4	10/1/96	None	Floor: 19.26 mills/kWh Ceiling: 80.44 mills/kWh	9/25/96	3/31/97
WAPA-68	Parker-Davis	Decrease	3/21/95	PD-F5	10/1/95	(6,222)	Power	9/30/95	4/19/96
		Increase	3/21/95	PD-FT5	10/1/95	1,791	Transmission	9/30/95	4/19/96
		Increase	3/21/95	PD-NFT5	10/1/95	96	Nonfirm Transmission	9/30/95	4/19/96
		Increase	3/21/95	PD-FCT5	10/1/95	200	Transmission	9/30/95	4/19/96
WAPA-70	Boulder Canyon	Decrease	5/7/97	BCP-F5-3rd Interim Yr	10/1/97	(1,127)	Power	9/29/97	N/A
WAPA-70	Boulder Canyon	Increase	5/22/96	BCP-F5-2nd Interim Yr	10/1/96	142	Power	9/23/96	N/A
WAPA-71	Intertie	Decrease	5/17/95	INT-FT2	2/1/96	(4,720)	Transmission	1/30/96	7/24/96
		Increase	5/17/95	INT-NFT2	2/1/96	324	Nonfirm Transmission	1/30/96	7/24/96
WAPA-74	Colorado River Storage Project	Extension	N/A	SP-FT4	10/1/97	None	Transmission	N/A	
WAPA-77	Central Valley Project	Power Decrease	3/4/97	CV-F9	10/1/98	(31,089) - 1998	Power Rate	9/29/97	
			3/4/97	CV-F9	10/1/98	(42,176) - 1999		9/29/97	
		Transmission	3/4/97	CV-F9	10/1/98	(42,176) - 2000		9/29/97	
		Increase	3/4/97	CV-F9	10/1/98	(47,351) - 2001		9/29/97	
			3/4/97	CV-F9	10/1/98	(36,863) - 2002		9/29/97	
			3/4/97	CV-FT3	10/1/98	1,140 - all years	Transmission Rate	9/29/97	
			3/4/97	CV-NFT3	10/1/98	- ¹	Nonfirm Transmission	9/29/97	
			3/4/97	CV-SPR1	10/1/98	- ¹	Spinning Reserve Service	9/29/97	
			3/4/97	CV-SUR1	10/1/98	- ¹	Supplemental Reserve Service	9/29/97	
			3/4/97	CV-RFS1	10/1/98	- ¹	Regulation and Frequency Response Service	9/29/97	
			3/4/97	CV-EID1	10/1/98	- ¹	Energy Imbalance Service	9/29/97	
			3/4/97	CV-PSS1	10/1/98	- ¹	Power Scheduling Service	9/29/97	
			3/4/97	CV-NWT1	10/1/98	- ¹	Network Transmission	9/29/97	
WAPA-78	SLCA/IP Colorado River Storage Project	Decrease	6/25/97	SLIP-F6	4/1/98	(12,000)	Power		
		Increase	6/25/97	SP-PTP5	4/1/98	8,000	Point-to-point Transmission		
		Extension	6/25/97	SP-NFT4	4/1/98	None	Nonfirm Transmission		
		New		SP-NW1	4/1/98	None	Network Transmission		
				SP-SD1	4/1/98		Scheduling and Dispatch Service		
				SP-EI1	4/1/98		Energy Imbalance Service		
				SP-RS1	4/1/98		Reactive Supply Service		
				SP-FR1	4/1/98		Regulation and Frequency Response Service		
				SP-SSR1	4/1/98		Spinning and Supplemental Reserve Service		
WAPA-79	Pick-Sloan – Eastern Division	Initiated Public Process for Open Access Transmission Rate Adjustment			9/15/97				
WAPA-80	Loveland Area Projects	Increase	9/19/97	4/1/98					
					L-FPT1	- 2,300	From all transmission schedules		
					L-NFPT1				
					L-NT1				
					L-AS1-6	1,900	Ancillary services		

¹ Revenue from nonfirm transmission and all ancillary services was not projected in the rate case as these are sold on an "as available" basis only.

MARKETING PLAN SUMMARY

Project	Expiration date	Project	Expiration date
Boulder Canyon	September 30, 2017	Pick-Sloan Missouri Basin Program – Eastern Division	December 31, 2020
Central Valley	December 31, 2004	Provo	September 30, 2008
Falcon-Amistad	June 8, 2033	Salt Lake City Area Integrated Projects	September 30, 2004
Loveland Area Projects	September 30, 2024	Washoe	September 30, 2000
Parker-Davis	September 30, 2008		

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SUMMARY OF CURRENT WHOLESALE RATE SCHEDULE PROVISIONS

Project	Rate schedule designation	Monthly Rate		Effective date	Annual composite rate
		Capacity charge \$/kW of billing demand	Energy charge not in excess of delivery obligations (mills/kWh)		
Boulder Canyon Project	BCP-F5 - 3rd interim year	0.92	5.28 mills/kWh. A Lower Colorado River Basin Development Fund Charge of 4.5 mills/kWh applies to purchases in Arizona, and 2.5 mills/kWh to purchases in California and Nevada	10/1/96	10.22 mills/kWh (without LCRBDF charge)
Central Valley Project	CV-F8	4.32	15.93 mills/kwh; Tier 26.27 mills kWh	10/1/96	25.00 mills/kwh
Loveland Area Projects	L-F4 (2nd Step)	2.85	10.85 mills/kWh	10/1/94	21.70 mills/kWh
Parker-Davis Project	PD-F5	1.92	1.95 mills/kWh	10/1/95	6.33 mills/kWh
Pick-Sloan Missouri Basin Program—Eastern Division	P-SED-F6	3.20	8.32 mills/kWh for all energy 3.38 mills/kWh for all energy above 60% load factor	10/1/94	14.23 mills/kWh
Salt Lake City Area Integrated Projects	SLIP-F5	3.83	8.9 mills/kWh	12/2/94	20.17 mills/kWh
Washoe Project	SNF-4		Floor Rate: 19.26 mills/kWh Ceiling Rate: 80.44 mills/kWh	7/1/94	

TRANSMISSION RATE PROVISIONS

Project	Rate schedule designation	Rate
Central Valley	CV-FT2	0.43 mills per kWh
Loveland Area Projects	L-T3, Firm Transmission Service	2.6 mills per kWh or \$22.52 per kW per year (\$1.88 per kW per month)
	L-T4, Nonfirm Transmission Service	2.6 mills per kWh
Parker-Davis	PD-FT5, Firm Transmission Service	\$11.51 per kW per year (\$0.96 per kW per month)
	PD-FCT5, Transmission Service of CRSP	Seasonal rate of \$5.76 per kW per season (\$0.96 per kW per month)
	PD-NFT5, Nonfirm Transmission Service	2.19 mills per kWh
Pick-Sloan—Eastern Division	Joint Transmission System	\$26.27/kW/year (applicable to all JTS users excluding 200 MW associated with base use charge) \$8.78/kW/year base use+C6 charge (applicable to only 200 MW of the Leland Olds plant) \$5.25/kW/year for transmission of peaking service
	Integrated System Network Transmission Rate	\$3.15/kW/Mo
	Integrated System Firm Point-to-Point Rate	\$2.71/kW/Mo
	Integrated System Nonfirm Point-to-Point Rate	\$3.71 mills/kWh
	Regulation and Frequency Response Service	0.22 mills/kWh
	Operating Reserve - Spinning Reserve Service	0.32 mills/kWh
	Operating Reserve - Supplemental Reserve Service	0.32 mills/kWh
	Scheduling, System Control and Dispatch Service	\$53.35/Schedule/Day
Reactive Supply & Voltage Control	0.25 mills/kWh	
Colorado River Storage Project	SP-FT4, Firm Transmission Service	\$22.68 per kW per year
	SP-NFT3, Nonfirm Transmission Service	Mutually agreed by Western and purchasing entity

FOR MORE INFORMATION ABOUT WESTERN, CALL OR WRITE:

Corporate Communications

Western Area Power Administration
P.O. Box 3402
Golden, CO 80401-0098
303-275-1234

Sierra Nevada Regional Office

Western Area Power Administration
114 Parkshore Drive
Folsom, CA 95630-4710
916-353-4418

Upper Great Plains Regional Office

Western Area Power Administration
P.O. Box 35800
Billings, MT 59107-5800
406-247-7402

Colorado River Storage Project

Customer Service Center
Western Area Power Administration
P.O. Box 11606
Salt Lake City, UT 84147-0606
801-524-5493

Rocky Mountain Regional Office

Western Area Power Administration
P.O. Box 3700
Loveland, CO 80539-3003
970-490-7200

Power Marketing Liaison Office

U.S. Department of Energy
Room 8G-027, Forrestal Building
1000 Independence Avenue, SW
Washington, DC 20585-0001
202-586-5581

Desert Southwest Regional Office

Western Area Power Administration
P.O. Box 6457
Phoenix, AZ 85005-6457
602-352-2525

SEND US E-MAIL AT: CorpComm@wapa.gov

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