

FY 2005 Annual Performance Plan Highlights...

PERFORMANCE TARGETS AT A GLANCE

| Performance Category | Performance Measures | FY 2005 Performance Targets |
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| <p>Power System Reliability</p> <p>With more than 17,000 miles of high-voltage transmission lines spanning most of the western half of the United States, Western markets approximately 40 billion kilowatthours of Federal hydropower annually to more than 680 wholesale utility customers. This hydroelectric resource is an important component of our customers' energy mix. They rely on this power for residential, commercial, agricultural and municipal uses. Uninterrupted delivery of power is a key result for Western.</p> | <p>North American Electric Reliability Council control area performance standards 1 and 2</p> <p>Measures power system error frequency, or Western's ability to match generation to load and magnitude of unscheduled power flows.</p> | <p>Meet or exceed NERC standards for control areas</p> <ul style="list-style-type: none"> ■ CPS 1: Minimum compliance level—100%; maximum—200%. ■ CPS 2: Minimum compliance level—90%; maximum—100%. |
| | <p>Accountable transmission system outages</p> <p>Quantifies the efficiency of Western's efforts to reduce/eliminate avoidable outages (those caused by human error through improper or incorrect equipment operation, installation or maintenance).</p> | <p>Total FY 2005 outages will not exceed the average number of outages for the past five years (average of 23)</p> |

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| | <p>Ratio of unanticipated repair work hours to total maintenance hours</p> <p>Although some emergency work is weather-related and beyond Western's control, unanticipated repair work related to equipment failure is always undesirable and something to be minimized by keeping equipment in good repair.</p> | <p>Ratio of unanticipated repair work hours to total maintenance hours for FY 2005 will be maintained at 16 percent or less</p> |
| <p>Investment Repayment</p> <p>Western must repay the U.S. Treasury approximately \$9 billion of investment costs. So far, nearly \$2.9 billion has been repaid.</p> | <p>Ratio of unpaid investment to allowable unpaid investment</p> <p>Western assesses long-term cumulative repayment performance as part of its annual rate-setting. For every year that unpaid investment is less than or equal to allowable investment, repayment is on or ahead of schedule. If for any year, the unpaid investment exceeds that allowable, cost recovery requirements are not being met.</p> | <p>Achieve a repayment ratio of unpaid investment-to-allowable investment for FY 2005 that is less than or equal to 1.0</p> |
| <p>Safety</p> <p>Ensure all Western employees are aware of and committed to creating a safe work environment.</p> | <p>Recordable Accident Frequency Rate</p> <p>Recordable accidents include injuries or illnesses that result in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, loss of consciousness, or significant injuries or illnesses diagnosed by a physician or other licensed health care professional.</p> | <p>Recordable accident frequency rate equal to or less than 3.3</p> |