

Areas of Net Revenue Improvements for FY 2004-2005 that Impact the \$100 M Savings Target

- Starting Baseline for Target: August 28th Workshop expenses and revenues
- Driving Assumptions in Baseline:

Average water (weighted 50 water years)

Contractual Loads

Market price

Operate to BiOp

Previous cost cut efforts results

	<u>Counts</u>	<u>Does Not Count</u>
Revenues:	<ul style="list-style-type: none"> *Operational changes *New efficiency gains *New products 	<ul style="list-style-type: none"> *Change in market prices *Change in stream flows (maf)
Expenses:	<ul style="list-style-type: none"> *Total Expenses <u>less</u> ENW debt, FAS 133 & power purchases 	<ul style="list-style-type: none"> *Change in ENW debt *FAS 133