

1998 accomplishments far-reaching

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From BIDSS to Y2K, Western had a busy and eventful year in 1998. Take a look back at some of these highlights while you prepare for the year ahead.

Business process improvements:

We continued successful implementation of a new, Y2K-compliant financial management system—the Business Information Decision Support System. Employee teams began examining the use of shared services to further reduce costs and streamline activities. Several program area evaluations have been completed, resulting in \$10.8 million in cost savings. Additional studies will be completed in 1999.

Control center consolidation:

Last April, Western consolidated three control areas into two. The consolidation enhances coordination with emerging regional transmission groups, increases dispatchers' operational flexibility and eliminates the need to replace computerized control hardware at one control center. Savings from the consolidation add up to more than \$5 million a year.

Functional separation: Western worked to comply with FERC requirements to separate power marketing and system operations functions. Western is sharing

transmission availability and price information with all market participants through a Web-based information system. Western filed its Standards of Conduct for power marketing and operations employees with FERC in December 1998.

Interconnected system reliability:

In FY 1997, Western developed and began operating one of four regional security coordination centers in the West. We also played a major role in developing the Reliability Management System used within Western Systems Coordinating Council. RMS is the first contract-based approach to ensure the reliability of the interconnected transmission system. We also achieved North American Electric Reliability Council Honor Roll status for exceeding reliability criteria for control area operations.

New Corporate Services Office: We brought to a successful conclusion, through the General Services Administration, a contract for a new Corporate Services Office facility. The new building will reduce lease costs by \$50,000 annually. Ground-breaking was held Sept. 23, 1998, and move-in is scheduled for late FY 1999.

Open Access Transmission

Service Tariff: Western developed an open access transmission service tariff that governs how utilities and power marketers will gain access to Western's transmission. FERC's outline was designed for utilities that most often operate a single integrated power system. Our challenge was to integrate the legal requirements of 13 separate systems into one single tariff, while accommodating the diverse nature of the 15 projects from which we market power and/or transmission services.

Personnel management initiatives:

Western exceeded Welfare-to-Work hiring initiatives by hiring six individuals into entry-level jobs. We supported DOE efforts to implement improved personnel management practices by leading development efforts on several modules of the Department's new Computerized Human Resources Information System. We also successfully implemented an automated, user-friendly time and attendance system.



CSO employees celebrate the new building groundbreaking in September with an appropriate Western formation.

(see next page)

Employees work hard getting BIDSS online in 1998. From left, **Charles Tally, CSO**; **Raylene Froman, Oracle**; **Rodney Simoneau, CSO**; **Debbie Cochran (standing), CSO**; and **Cheryl Thies, CSO**.



Rate actions and power marketing:

To provide customers with stable rates, Western committed to meeting rate targets for each of our major projects during the next five years. These commitments call for maintaining or cutting rates. To that end, in FY 1998 Western submitted 14 power and transmission rate actions to FERC for approval. Twelve of these were for rate decreases or extensions and two were for rate increases to meet project repayment needs. All were approved. We completed contracts to sell Federal power to 26 Native American tribes in the Upper Midwest as part of the Pick-Sloan Missouri Basin Program's Post-2000 marketing program.

Procurement honors: We received DOE's Small Business Award in recognition of our commitment to contract with small and disadvantaged businesses. Our efforts to reduce regulatory hurdles and barriers in government procurement processes resulted in two "Hammer" awards from Vice President Al Gore's National Performance Review.

Safety and accident prevention: We continued to exceed agency and industry-wide safety goals, reducing accident and severity rates to an all-time low. Western's

safety and maintenance managers also refocused our safety efforts to ensure every employee is taking personal responsibility for working safely.

Sales/revenue/planned repayment:

In FY 1998, Western sold 45 billion kilowatt-hours of power, collected \$720 million in revenue and planned to make principal payments of \$ 44.5 million to the U.S. Treasury.

Staffing cuts and cost reductions:

We decreased our staff by 25 percent, or 75 Federal and 340 contractor positions over the past three years—all without Federal reductions-in-force. In recognition of these efforts, DOE honored Western's Human Resources staff with a HEROS award.

Y2K readiness: In addition to ensuring our mission-critical systems are ready for Year 2000, we are working with the Bureau of Reclamation and the U.S. Army Corps of Engineers to ensure that both generation agency power and related systems are Y2K compliant.

