

Statistical Appendix to the Annual Report

2001: The Year in Review

BIDSS/Maximo implementation and upgrade

Information technology staff continued to improve Western's integrated financial support system (BIDDS), maintenance information system (Maximo) and time and attendance system (RITA).

Western completed a major upgrade to Maximo, designed to make the system more user-friendly for maintenance staff and to help them prepare for eventual upgrade to an Internet version.

Bonus Program goals

As senior managers keep raising the bar, reaching Bonus Program goals gets more challenging. In FY 2001, Western employees achieved 100 percent of the Bonus Goal of reducing motor vehicle accidents to eight or fewer and 50 percent of the goal of decreasing accountable outages to 27 or fewer. Employees did not achieve the cost containment goal of keeping program costs to \$134.5 million or less or safety goals of reducing recordable injuries or reducing lost or restricted workdays.

Cyber Security

In FY 2001, Western significantly improved protection of its mission-critical Supervisory Control and Data Acquisition/Automatic Generation Control computer systems by implementing intrusion detection systems at all network entry points. Western also implemented multilayer virus protection across the organization and developed policies for virus protection and information technology system backup and recovery.

Endangered species studies

Western and the U.S. Fish and Wildlife Service are studying why piping plovers, a threatened species, have been found dead under transmission lines in North Dakota at the Audubon causeway that passes through Audubon National Wildfire Refuge. The studies will determine if the birds fly into and collide with the lines or are hit by vehicles on a nearby highway. Western has also formed a partnership with the Rural Utilities Service, the U.S. Fish and Wildlife Service and several nongovernmental organizations to provide workshops on bird mortality associated with electric facilities.

Energy Services

Western's Energy Services Program continued to help customers improve energy efficiency by expanding its equipment loan program, Power Line/Energy Information Clearinghouse services and Web site features. Special projects conducted through the clearinghouse in FY 2001 included the addition of an air conditioning calculator, heating system fuel cost calculator and e-mail handling software for the *Energy Services Bulletin* and *Energy-Ag Newsbrief*.

Human Capital Management Initiative

Last spring, Western's newly appointed Human Capital Initiatives manager began a multiyear effort to help Western retain qualified employees well into the future, despite an aging workforce. Many potential retirements, combined with fewer younger employees joining Western, have led to concerns about retaining employees' technical skills in a competitive market for skilled workers. Five areas were identified for action to address in Western's plan: performance management; recruitment and retention; diversity; employee development; leadership development and succession planning.

Integrated Resource Planning

Because Western revised the criteria for integrated resource planning requirements, 624 firm power customers and customer members tailored their IRP reports in FY 2001. Western received 107 IRP progress reports from individual customers, 25 integrated resource plans from cooperatives, 21 minimum investment reports and 101 small customer plans.

Interconnections

Western currently manages more than 30 requests for interconnection to our transmission system—requests that in some cases may require system upgrades to accommodate additional capacity. These proposed interconnections include requests from merchant plants, which sell generation directly into the market. In Western's service territory, about 14 merchant plants with generating capacity of 7,775 MW are planned or under construction. Of this, about 760 MW is proposed wind generation. In FY 2001, two merchant plants in two regions were in the process of interconnecting with our system. Two began commercial service in FY 2001: the Sutter Power Plant (525 MW) near Yuba City, Calif., and the Southpoint Energy plant (520 MW) in Topock, Ariz. Under Western's existing General Requirements for Interconnection, entities requesting new interconnections must fund the incremental costs of interconnection.

National Achievement Track

The Environmental Protection Agency's Region 8 officials recognized Western as a charter member of the National Achievement Track Program on Feb. 21, 2001. The program recognizes an organization's commitment to instituting proactive environmental management programs. As a program participant, Western will benefit from reduced reporting requirements and streamlined administrative procedures.

Navy assistance

Western's Desert Southwest Region worked with the U.S. Navy Department in southern California to develop power supply alternatives to reduce the agency's soaring energy costs. Through an interagency agreement with the Department of Defense, Western helped the Naval Facilities Engineering Command-Southwest Division and the Marine Corps' Public Works Center in San Diego determine optimum purchase power quantities and helped negotiate price reductions with the Navy's supplier. Western helped the Navy to contract with the supplier for a long-term purchase of energy for up to four years, which will stabilize 70 percent of the Navy's energy costs in Southern California.

Non-Hydro Renewable Resource Program

Western's Non-Hydro Renewable Resource Program continued to provide industry leadership in FY 2001. Subscribers to the program's *Green Power and Market Research* newsletter increased to 1,100 last year. Western continued to act as utility outreach advisor on the Department's Wind Powering America Program and GeoPowering the West Program strategy teams. In addition, Western is leading a Power Partnership Program effort for DOE with the National Rural Electric Cooperative Association and the American Public Power Association. Western helped to develop the Public Renewable Partnerships. The group received about \$6 million from the California Energy Commission to investigate renewable energy development opportunities for California. PRP also received a \$75,000 grant from APPA to support its Web site development. The program communicates with a variety of stakeholders, including Western utility customers, renewable energy developers, state and Federal representatives.

Path 15

Energy Secretary Spencer Abraham directed Western in May to lead construction of Path 15, a critical transmission path between Los Banos and Coalinga, Calif., that connects the northern and southern parts of the state. A new 500-kV line will help the state avoid the rolling blackouts that occurred in early 2001 because it will allow power to be transferred up north, especially during peak demand. The new line will increase the capacity from 3,900 MW to 5,400 MW. In FY 2001, Western prepared a *Federal Register* Notice seeking statements of interest to provide non-Federal financing.

PG&E Section 205 case

PG&E filed a request with the Federal Energy Regulatory Commission seeking approval to amend its integration contract with Western under Section 205 of the Federal Power Act to recover costs associated with its 1967 integration contract with Western, which expires Dec. 31, 2004. In its filing, PG&E proposed numerous changes to contract terms, rates and charges, including calculating the rates for energy purchases not on average thermal production costs but on market-based rates. On Sept. 21, 2001, FERC issued a summary judgment in Western's favor, saying PG&E did not have the right to change the energy pricing under the contract. The contract requires the parties to jointly review cost-of-service data before PG&E can make a filing.

PMA peer review

In collaboration with the Department's Chief Information Office and Inspector General, Western and Bonneville Power Administration successfully conducted peer reviews of each other's mission-critical systems (Supervisory Control and Data Acquisition/automatic generation control) to comply with the Government Information Security Reform Act. The Department's Acting Chief Information Officer endorsed the idea, and the Inspector General agreed to proceed with the in-house review, resulting in cost savings for the Department of about \$500,000. While the team found no major vulnerabilities, Western's Information Technology staff is now working on enhancing existing cyber security tools, plans and procedures. Because of the team's success, future peer reviews are planned.

Rate changes

Western's overall rates strategy is to establish and meet targets for each project that match customer needs and cost-recovery requirements. FY 2001 rates for the Parker-Davis Project decreased from 7.63 mills per kWh in FY 2000 to 2.97 mills per kWh without firm power transmission and 5.45 mills with firm power transmission. They are projected to remain the same until Sept. 30, 2002. Boulder Canyon Project rates increased in FY 2000 from 8.89 mills/kWh to 9.75 mills in FY 2001. Rates for the Pick-Sloan/Missouri Basin Program (14.54 mills) and Loveland Area Projects (21.70 mills) are projected to remain the same until Sept. 30, 2003. Salt Lake City Area Integrated Project rates (17.57 mills) are projected to remain in effect until Oct. 1, 2003. Central Valley Project rates increased to 20.08 mills/kWh (with transmission revenue requirement included) on April 1, 2001 from 18.56 mills/kWh during the first half of FY 2001 and are projected to increase in FY 2002 due to higher purchase power expenses.

Regional transmission entities

Western actively participated in or monitored several evolving regional transmission entities, including regional transmission organizations, independent system operators and independent transmission companies in FY 2001. RTOs, ISOs and ITCs are independent entities that operate and manage access to regional transmission. Western continues to evaluate existing and evolving regional transmission entities,

such as the California Independent System Operator, the Midwest Independent System Operator, TransLink ITC, Crescent Moon RTO, WestConnect RTO (formerly Desert STAR), RTO West and TransConnect ITC. Before joining an RTO, ISO or ITC, Western would conduct a public process, including environmental and economic evaluations.

Western actively participates in the formation of the Western Electricity Coordinating Council. WECC is being formed through the merger of the Western Systems Coordinating Council, the Western Regional Transmission Association and the Southwest Regional Transmission Association. WECC's mission is to ensure the reliability of and the nondiscriminatory access to transmission in the Western Interconnection.

Responding to the California energy crisis

To help the state avert rolling blackouts last winter, Western responded to the California Independent System Operator's emergency requests for energy. When the ISO declared Stage III emergencies, which are called when electricity reserves dip below 1.5 percent, Western responded by offering additional energy in coordination with the U.S. Bureau of Reclamation or asking customers to shed load. For example, on Dec. 20, 2000, Western offered an additional 550 MW of emergency energy from the Central Valley Project. On Jan. 17, 2001, we asked customers to shed load, in addition to offering 2,629 MWh of emergency energy. On Jan. 18, 2001, we offered 2,996 MWh of emergency energy. On Jan. 19, 2001, we offered 1,768 MWh from Trinity River powerplants and an additional 740 MWh from the New Melones powerplant. About 400 MW of emergency assistance from Glen Canyon powerplant was also made available to California to prevent blackout conditions within the state, following certain emergency release criteria agreed to between Western and Reclamation.

Tribal allocations

Under the Power Marketing Initiative of Western's Energy Planning and Management Program, Western began delivering the benefits of Federal power to tribes in FY 2001. Twenty-four tribes in the Upper Great Plains Region began receiving 65 MW of power from the Pick Sloan Missouri Basin Program—Eastern Division. Allocation efforts also continued in FY 2001. Fifty-one allocations were proposed for tribes in the Salt Lake City Area Integrated Projects marketing territory and five allocations to Native Americans were proposed in the Rocky Mountain Region, with service beginning in 2004 when existing commitments expire. Four tribes have signed contracts for 4 MW of power from Western's Sierra Nevada Region; deliveries will start in 2005.

Windsource Program

Western's Corporate Services Office joined 30 other agencies of the Denver Federal Executive Board to purchase 100-kWh "blocks" of windpower through Xcel Energy's Windsource Program for an additional 2.5 cents per kWh. These agencies joined to commit to a combined 10-megawatt wind energy purchase. Western agreed to purchase 500 wind energy "blocks" for a total of 50,000 kWh for CSO's 97,000-square-foot building in Lakewood, Colo. This represents about 25 percent of CSO's 200,000 kWh monthly energy use.