

## PARKER-DAVIS PROJECT

The Parker-Davis Project was formed by consolidating two projects, Davis Dam and Parker Dam, under terms of the Act of May 28, 1954. Parker Dam and Powerplant, which created Lake Havasu 155 miles below Hoover Dam on the Colorado River, was authorized by the Rivers and Harbors Act of Aug. 30, 1935. The Bureau of Reclamation constructed the project partly with funds advanced by the Metropolitan Water District of Southern California, which now diverts up to 1.2 million acre-feet each year by pumping it from Lake Havasu. The Cooperative Contract for Construction and Operation of Parker Dam was agreed to in 1933. MWD receives half of the capacity and energy from four generating units. The Federal share of Parker powerplant capacity, as determined by the Bureau of Reclamation, is 54,000 kW.

Davis Dam, on the Colorado River 67 miles below Hoover Dam, created Lake Mohave. The project was authorized under the Reclamation Project Act of 1939. Construction began in 1941, but due to delays caused by World War II, it wasn't completed until 1953. Davis Dam has a storage capacity of 1.8 million acre-feet. The Bureau of Reclamation raised the five generation units' operating capacity from 232,000 kW to 255,000 kW after completing rewinds on four of the five generating units in 2002.

Parker-Davis Project is operated in conjunction with the other generating installations in the Colorado River Basin. It supplies the electrical needs of more than 300,000 people. The project includes 1,602 circuit-miles of high-voltage transmission lines in Arizona, southern Nevada and along

the Colorado River in California. Parker-Davis Project's power marketing criteria are part of the 1984 Conformed General Consolidated Power Marketing Criteria of the Boulder City Area Office (now Western's Desert Southwest Customer Service Region).

Water demands in the Lower Colorado River Basin and releases from Hoover Dam determine operation of the Parker-Davis Project. Parker Dam released 6.8 million acre-feet and Davis Dam released 9.1 million acre-feet in FY 2003. Storage in Lakes Mohave and Havasu was near normal at 2.2 million acre-feet combined at the end of the fiscal year.

In FY 2003, net generation decreased by about 10 percent from 1.522 billion kWh in FY 2002 to 1.374 billion kWh. This is the result of annual water release targets established by the Secretary of the Interior and weather conditions along the Colorado River. In FY 2003, power purchases increased from almost 1 million kWh in FY 2002 to 97.4 million kWh.

Parker-Davis is operationally integrated with Hoover Powerplant. In the event Parker-Davis generation is not sufficient to meet firm contractual obligations, Hoover generation may be used, or Western may purchase power from other resources.

Power generated from the Parker-Davis Project is marketed to customers in Nevada, Arizona and California. Excluding project use power, Western markets 185,530 kW of capacity in the winter season and 242,515 kW capacity in the summer season. Customers receive 1,703 kWh (winter season) and 3,441 kWh (summer season) of energy



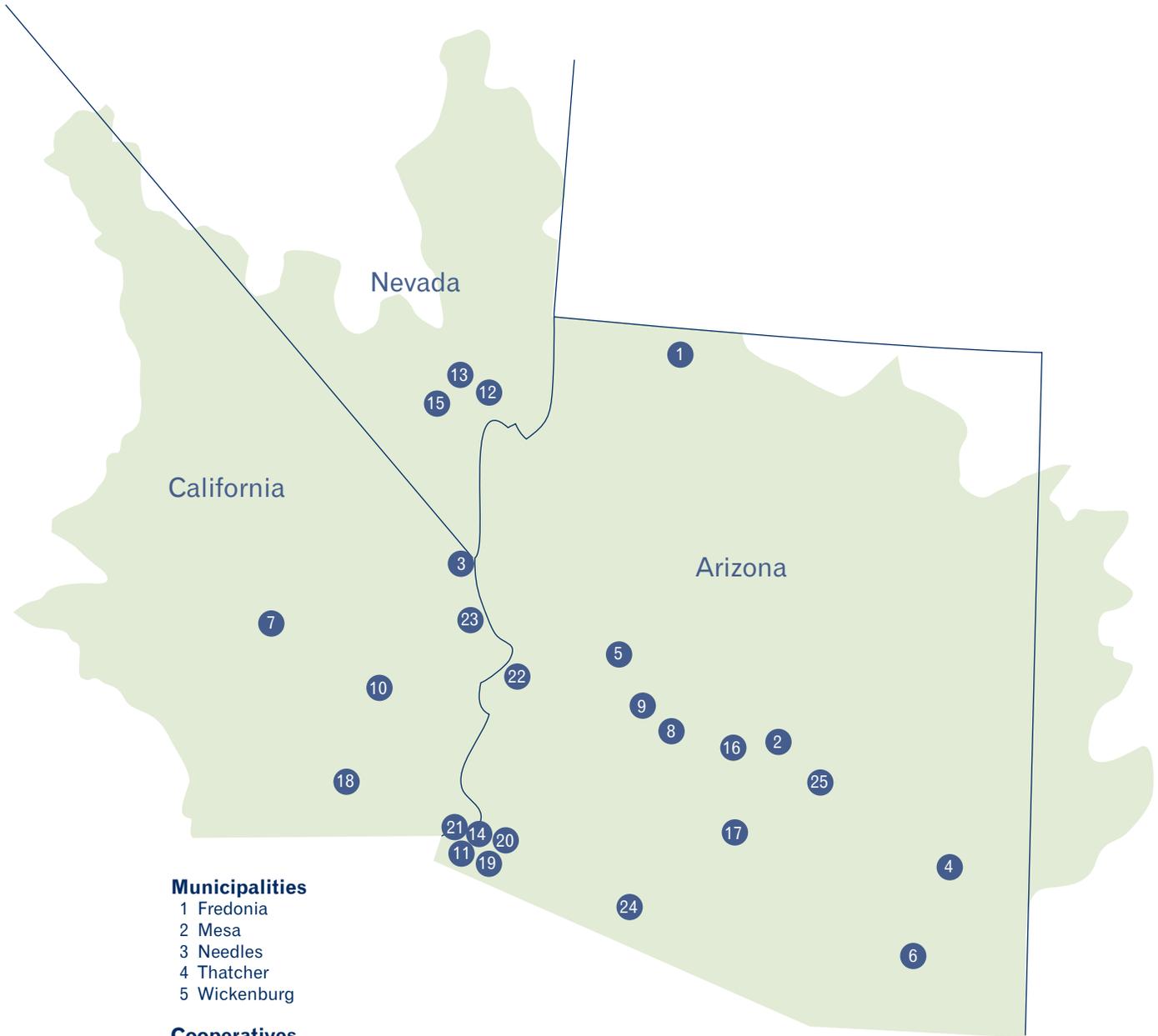
with each kW of capacity. Excluding project use, total marketable energy is 316 million kWh (winter season) and 835 million kWh (summer season).

A portion of the resource marketed is reserved for United States' priority use but is not presently needed. This portion—9,460 kW of capacity and associated energy in the winter season and 16,030 kW of capacity and associated energy in the summer season—is withdrawable from existing customers upon two years' written notice. Existing Parker-Davis Project firm power contracts expire on Sept. 30, 2008. About 72 percent of Parker-Davis firm energy sales are made to five of the 46 customers, with about 50 percent of the energy going to Arizona.

In FY 2003, energy sales decreased by about 14 percent from 1,808 million kWh in FY 2002 to 1,555 million kWh. Revenue from the sale of electricity increased by about 27 percent from \$6.0 million in FY 2002 to \$7.6 million in FY 2003, due to higher firm power rates and higher nonfirm energy prices.

The methodologies to calculate rates for firm power, firm transmission service, and nonfirm transmission service have been in effect since Nov. 1, 1997. ▼

Firm Power Customers and Marketing Area



**Municipalities**

- 1 Fredonia
- 2 Mesa
- 3 Needles
- 4 Thatcher
- 5 Wickenburg

**Cooperatives**

- 6 Arizona Electric Power Co-op.

**Federal agencies**

- 7 Edwards Air Force Base
- 8 Gila Bend (Luke) Air Force Auxiliary
- 9 Luke Air Force Base
- 10 March Air Reserve Base
- 11 Marine Corps Air Station–Yuma
- 12 Nellis Air Force Base
- 13 Nevada Operations Office—DOE
- 14 Yuma Proving Grounds

**State agencies**

- 15 Colorado River Commission
- 16 Salt River Project

**Irrigation districts**

- 17 ED-1 and ED-3 Pinal
- 18 Imperial ID
- 19 Wellton–Mohawk I&DD
- 20 Yuma County Water Users' Assoc.
- 21 Yuma ID

**Native American tribes**

- 22 Colorado River Agency
- 23 Fort Mojave Indian Tribe
- 24 Tohono O'Odham Nation
- 25 San Carlos Irrigation Project

Note: Does not include interproject and Bureau of Reclamation project use customers.

## Energy Resources and Disposition

	GWh	
	FY 2003	FY 2002
<b>Energy resources</b>		
Net generation	1,374	1,522
Interchange <sup>1</sup>		
Received	88	550
Delivered	4	31
Net	84	519
Purchases		
Western <sup>2</sup>	97	1
<b>Total purchases</b>	<b>97</b>	<b>1</b>
<b>Total energy resources</b>	<b>1,555</b>	<b>2,042</b>
<b>Energy disposition</b>		
Sales of electric energy		
Western sales	1,343	1,601
Project use sales	195	195
<b>Total energy sales</b>	<b>1,539</b>	<b>1,796</b>
Other		
Interproject sales	16	12
OEA <sup>3</sup>	0	73
<b>Total other</b>	<b>16</b>	<b>85</b>
<b>Total energy delivered</b>	<b>1,555</b>	<b>1,881</b>
System and contractual losses	0	161
<b>Total energy disposition</b>	<b>1,555</b>	<b>2,042</b>

<sup>1</sup> Western Area Lower Colorado scheduled interchange.

<sup>2</sup> Operating Energy Account & Southwest Operating Group Deposits.

<sup>3</sup> Energy withdrawn from energy banks.

## Facilities and Substations

	FY 2003	FY 2002
<b>Substations</b>		
Number of substations <sup>1</sup>	45	44
Number of transformers	24	24
Transformer capacity (kVA)	1,583,500	1,584,000
<b>Land (fee)</b>		
Acres	316.10	316.10
Hectares	127.98	127.98
<b>Land (easement)</b>		
Acres	62.23	62.23
Hectares	25.19	25.19
<b>Land (withdrawal)</b>		
Acres	115.00	115.00
Hectares	46.56	46.56
<b>Buildings and communications sites</b>		
Number of buildings	58	58
Number of Communications sites	51	51
<b>Land (easement)</b>		
Acres	6.96	6.96
Hectares	2.82	2.82

<sup>1</sup> A new substation was added (North Havasu).

## Transmission Lines

Voltage Rating	Arizona		California		Nevada		Total	
	FY 2003	FY 2002	FY 2003	FY 2002	FY 2003	FY 2002	FY 2003	FY 2002
<b>230-kV</b>								
Circuit miles	637.74	645.10	3.06	70.80	87.29	87.29	728.09	803.19
Circuit kilometers	1,026.12	1,037.97	4.92	113.92	140.45	140.45	1,171.50	1,292.33
Acres	6,903.68	6,890.28	0.00	0.00	2,035.36	2,035.36	8,939.04	8,925.64
Hectares	2,795.02	2,789.59	0.00	0.00	824.03	824.03	3,619.05	3,613.63
<b>161-kV</b>								
Circuit miles	154.30	154.30	202.70	202.70	0.00	0.00	357.00	357.00
Circuit kilometers	248.27	248.27	326.14	326.14	0.00	0.00	574.41	574.41
Acres	4,044.96	4,048.75	2,739.67	2,739.67	0.00	0.00	6,784.63	6,788.42
Hectares	1,637.64	1,639.17	1,109.18	1,109.18	0.00	0.00	2,746.82	2,748.35
<b>115-kV</b>								
Circuit miles	394.40	394.40	0.00	0.00	0.00	0.00	394.40	394.40
Circuit kilometers	634.59	634.59	0.00	0.00	0.00	0.00	634.59	634.59
Acres	3,964.47	3,963.42	0.00	0.00	0.00	0.00	3,964.47	3,963.42
Hectares	1,605.05	1,604.63	0.00	0.00	0.00	0.00	1,605.05	1,604.63
<b>69-kV and below</b>								
Circuit miles	117.78	117.98	1.40	1.20	3.40	3.40	122.58	122.58
Circuit kilometers	189.51	189.83	2.25	1.93	5.47	5.47	197.23	197.23
Acres	915.58	913.98	81.07	81.07	29.65	29.65	1,026.30	1,024.70
Hectares	370.68	370.03	32.82	32.82	12.00	12.00	415.51	414.86
<b>Totals<sup>1</sup></b>								
<b>Circuit miles</b>	<b>1,304.22</b>	<b>1,311.78</b>	<b>207.16</b>	<b>274.70</b>	<b>90.69</b>	<b>90.69</b>	<b>1,602.07</b>	<b>1,677.17</b>
<b>Circuit kilometers</b>	<b>2,098.49</b>	<b>2,110.65</b>	<b>333.32</b>	<b>441.99</b>	<b>145.92</b>	<b>145.92</b>	<b>2,577.73</b>	<b>2,698.57</b>
<b>Acres</b>	<b>15,828.69</b>	<b>15,816.43</b>	<b>2,820.74</b>	<b>2,820.74</b>	<b>2,065.01</b>	<b>2,065.01</b>	<b>20,714.44</b>	<b>20,702.18</b>
<b>Hectares</b>	<b>6,408.39</b>	<b>6,403.43</b>	<b>1,142.00</b>	<b>1,142.00</b>	<b>836.04</b>	<b>836.04</b>	<b>8,386.43</b>	<b>8,381.47</b>

<sup>1</sup> Transmission line mileage now includes all mileage that Western owns or partially owns.

# PARKER-DAVIS PROJECT

## Powerplants

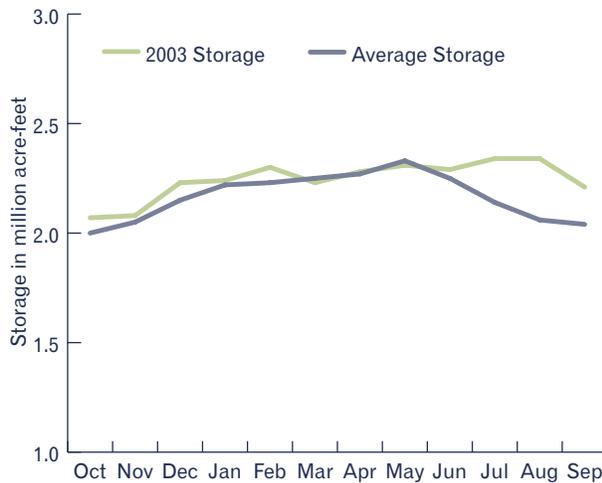
Project/state/ plant name	Operating agency	River	Initial In-service date	Existing number of units	Installed capability <sup>1</sup> FY 2003 (MW)	Actual operating capability (MW)		Net generation (GWh) <sup>2</sup>	
						7/1/03	7/1/02	FY 2003	FY 2002
<b>Arizona</b>									
Davis	Reclamation	Colorado	Jan 51	5	255	255	251	1,142	1,280
<b>California</b>									
Parker	Reclamation	Colorado	Dec 42	4	54 <sup>3</sup>	54	54	231	242
<b>Parker-Davis Total</b>				<b>9</b>	<b>309</b>	<b>309</b>	<b>305</b>	<b>1,374</b>	<b>1,522</b>

<sup>1</sup> Installed 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.

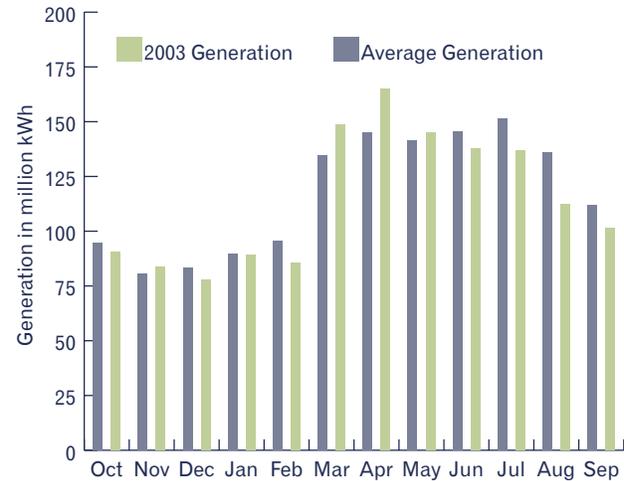
<sup>2</sup> Net generation is gross plant generation less plant use. These amounts have not been reduced by other priorities such as project pumping energy.

<sup>3</sup> United States' share (50 percent) of plant capability.

## Storage



## Generation



## Firm Power Rate Provisions

Fiscal year	Rate schedule designation	Capacity charge (\$/kW of billing demand)	Energy charge not in excess of delivery obligations	Effective date	Annual composite rate
2003	PD-F6	0.77- Generation 1.08- Transmission	1.75 mills/kWh	10/1/02	5.89 mills/kWh

## Rate Action 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
WAPA 98	Parker-Davis (Extension of WAPA-75)	Extension	N/A	PD-6	10/1/02	n/a	Power	9/13/02
		Extension	N/A	PD-FT6 <sup>1</sup>	10/2/02	n/a	Transmission	9/14/02
		Extension	N/A	PD-NFT6 <sup>1</sup>	10/3/02	n/a	Nonfirm Transmission	9/15/02
		Extension	N/A	PD-FCT6 <sup>1</sup>	10/4/02		Transmission	9/16/02

<sup>1</sup> There was an overall decrease in the annual revenue requirement, but the rate increased due to a decrease in firm transmission sales used to calculate the rate.

# PARKER-DAVIS PROJECT

## Transmission Rate Provisions

Fiscal year	Rate schedule designation	Rate
2003	PD-FT6, Firm Transmission Service	\$12.99 per kW per year

## Marketing Plan Summary

Project	Expiration date
Parker-Davis	Sept. 30, 2008

## Firm and Nonfirm Energy Sales by State

State	FY 2003			FY 2002		
	Firm	Nonfirm	Total	Firm	Nonfirm	Total
<b>Arizona</b>						
Energy sales - MWh	624,172	6,679	630,851	722,543	35,196	757,739
Power revenues - \$	2,072,312	164,484	2,236,796	1,719,814	446,256	2,166,070
<b>California</b>						
Energy sales - MWh	321,119	57,832	378,951	356,267	83,218	439,485
Power revenues - \$	1,092,381	1,552,219	2,644,600	845,346	1,063,567	1,908,913
<b>Connecticut</b>						
Energy sales - MWh	0	557	557	0	4,000	4,000
Power Revenues-\$	0	13,599	13,599	0	32,400	32,400
<b>Florida</b>						
Energy sales - MWh	0	6,044	6,044	0	0	0
Power Revenues-\$	0	180,929	180,929	0	0	0
<b>Georgia</b>						
Energy sales - MWh	0	0	0	0	38,905	38,905
Power Revenues-\$	0	0	0	0	406,562	406,562
<b>Montana</b>						
Energy sales - MWh	0	0	0	0	44	44
Power revenues - \$	0	0	0	0	880	880
<b>Nevada</b>						
Energy sales - MWh	313,115	2,525	315,640	347,609	0	347,609
Power revenues - \$	1,058,967	72,535	1,131,502	820,063	0	820,063
<b>New Mexico</b>						
Energy sales - MWh	0	250	250	0	12,740	12,740
Power revenues - \$	0	3,000	3,000	0	190,385	190,385
<b>Oregon</b>						
Energy sales - MWh	0	0	0	0	445	445
Power revenues - \$	0	0	0	0	7,045	7,045
<b>Texas</b>						
Energy sales - MWh	0	7,208	7,208	0	40	40
Power revenues - \$	0	197,844	197,844	0	440	440
<b>Canada</b>						
Energy sales - MWh	0	3,930	3,930	0	0	0
Power revenues - \$	0	65,945	65,945	0	0	0
<b>Total Parker-Davis <sup>1</sup></b>						
<b>Energy sales - MWh</b>	<b>1,258,406</b>	<b>85,025</b>	<b>1,343,431</b>	<b>1,426,419</b>	<b>174,588</b>	<b>1,601,007</b>
<b>Power revenues - \$</b>	<b>4,223,660</b>	<b>2,250,555</b>	<b>6,474,215</b>	<b>3,385,223</b>	<b>2,147,535</b>	<b>5,532,758</b>

<sup>1</sup> Excludes energy sales and power revenues to interdepartmental, interproject and project use customers.

# PARKER-DAVIS PROJECT

## Firm and Nonfirm Energy Sales by Customer Category

Type of Customer	FY 2003			FY 2002		
	Firm	Nonfirm	Total	Firm	Nonfirm	Total
<b>Municipalities</b>						
Energy sales - MWh	107,191	57,832	165,023	123,827	82,736	206,563
Revenues - \$	350,155	1,552,219	1,902,374	277,968	1,059,153	1,337,121
<b>Cooperatives</b>						
Energy sales - MWh	119,730	965	120,695	134,329	10,841	145,170
Revenues - \$	408,649	20,257	428,906	318,100	103,026	421,126
<b>Federal agencies</b>						
Energy sales - MWh	206,390	4,016	210,406	229,282	1,342	230,624
Revenues - \$	689,412	102,657	792,069	534,486	20,279	554,765
<b>State agencies</b>						
Energy sales - MWh	436,856	1,615	438,471	486,117	22,756	508,873
Revenues - \$	1,486,836	39,230	1,526,066	1,152,427	310,765	1,463,192
<b>Native American tribes <sup>1</sup></b>						
Energy sales - MWh	157,196	53	157,249	177,446	271	177,717
Revenues - \$	528,969	1,590	530,559	413,543	8,632	422,175
<b>Irrigation districts</b>						
Energy sales - MWh	231,043	0	231,043	275,418	0	275,418
Revenues - \$	759,639	0	759,639	688,699	0	688,699
<b>Investor-owned <sup>1</sup></b>						
Energy sales - MWh	0	2,805	2,805	0	52,642	52,642
Revenues - \$	0	76,285	76,285	0	613,280	613,280
<b>Marketers <sup>1</sup></b>						
Energy sales - MWh	0	17,739	17,739	0	4,000	4,000
Revenues - \$	0	458,317	458,317	0	32,400	32,400
<b>Total <sup>2</sup></b>						
Energy sales - MWh	<b>1,258,406</b>	<b>85,025</b>	<b>1,343,431</b>	<b>1,426,419</b>	<b>174,588</b>	<b>1,601,007</b>
Revenues - \$	<b>4,223,660</b>	<b>2,250,555</b>	<b>6,474,215</b>	<b>3,385,223</b>	<b>2,147,535</b>	<b>5,532,758</b>

<sup>1</sup> Sales to Mirant Corporation were previously classified under investor-owned utilities. These sales are now under the power marketer category.

<sup>2</sup> Excludes energy sales and power revenues to interdepartmental, interproject and project use customers.

## Sales by State and Customer Category

State/Type of customer	FY 2003		FY 2002	
	Energy sales (MWh)	Revenue (\$)	Energy sales (MWh)	Revenue (\$)
<b>Arizona</b>				
Municipalities	78,345	256,539	91,165	207,693
Cooperatives	120,695	428,906	145,170	421,126
Federal agencies <sup>1</sup>	62,991	292,579	67,317	168,452
State agencies	157,444	569,419	196,396	715,002
Native American tribes	146,113	495,832	166,471	396,585
Irrigation districts	65,233	192,771	90,752	249,243
Investor-owned utilities	30	750	468	7,968
Project use sales	195,158	686,209	195,267	251,894
<b>Total Arizona</b>	<b>826,009</b>	<b>2,923,005</b>	<b>953,006</b>	<b>2,417,964</b>
<b>California</b>				
Municipalities	86,678	1,645,835	115,398	1,129,428
Federal agencies <sup>2</sup>	115,327	397,170	127,495	306,540
State agencies	0	0	680	7,900
Native American tribes	11,136	34,727	11,246	25,590
Irrigation districts	165,810	566,868	184,666	439,456
<b>Total California</b>	<b>378,951</b>	<b>2,644,600</b>	<b>439,485</b>	<b>1,908,913</b>
<b>Colorado</b>				
Interproject	16,397	448,600	12,476	226,606
<b>Total Colorado</b>	<b>16,397</b>	<b>448,600</b>	<b>12,476</b>	<b>226,606</b>

Sales by State and Customer Category, continued

State/Type of customer	FY 2003		FY 2002	
	Energy sales (MWh)	Revenue (\$)	Energy sales (MWh)	Revenue (\$)
<b>Connecticut</b>				
Power marketers	557	13,599	4,000	32,400
<b>Total Connecticut</b>	<b>557</b>	<b>13,599</b>	<b>4,000</b>	<b>32,400</b>
<b>Florida</b>				
Power Marketers	6,044	180,929	0	0
<b>Total Florida</b>	<b>6,044</b>	<b>180,929</b>	<b>0</b>	<b>0</b>
<b>Georgia</b>				
Investor-owned utilities <sup>1</sup>	0	0	38,905	406,562
<b>Total Georgia</b>	<b>0</b>	<b>0</b>	<b>38,905</b>	<b>406,562</b>
<b>Montana</b>				
Investor-owned utilities	0	0	44	880
<b>Total Montana</b>	<b>0</b>	<b>0</b>	<b>44</b>	<b>880</b>
<b>Nevada</b>				
Federal agencies	32,088	102,320	35,812	79,773
State agencies	281,027	956,647	311,797	740,289
Investor-owned utilities	2,525	72,535	0	0
<b>Total Nevada</b>	<b>315,640</b>	<b>1,131,502</b>	<b>347,609</b>	<b>820,063</b>
<b>New Mexico</b>				
Investor-owned utilities	250	3,000	12,740	190,385
<b>Total New Mexico</b>	<b>250</b>	<b>3,000</b>	<b>12,740</b>	<b>190,385</b>
<b>Oregon</b>				
Investor-owned utilities	0	0	445	7,045
<b>Total Oregon</b>	<b>0</b>	<b>0</b>	<b>445</b>	<b>7,045</b>
<b>Texas</b>				
Investor-owned utilities	0	0	40	440
Power marketers	7,208	197,844	0	0
<b>Total Texas</b>	<b>7,208</b>	<b>197,844</b>	<b>40</b>	<b>440</b>
<b>Canada</b>				
Power marketers	3,930	65,945	0	0
<b>Total Canada</b>	<b>3,930</b>	<b>65,945</b>	<b>0</b>	<b>0</b>
<b>Total Parker-Davis</b>				
Municipalities	165,023	1,902,374	206,563	1,337,121
Cooperatives	120,695	428,906	145,170	421,126
Federal agencies	210,406	792,069	230,624	554,765
State agencies	438,471	1,526,066	508,873	1,463,192
Native American tribes	157,249	530,559	177,717	422,175
Irrigation districts	231,043	759,639	275,418	688,699
Investor-owned utilities <sup>1</sup>	2,805	76,285	52,642	613,280
Power marketers <sup>1</sup>	17,739	458,317	4,000	32,400
Interproject	16,397	448,600	12,476	226,606
Project use sales	195,158	686,209	195,267	251,894
<b>Total Parker-Davis</b>	<b>1,554,986</b>	<b>7,609,024</b>	<b>1,808,750</b>	<b>6,011,258</b>

<sup>1</sup> Sales to Mirant Corporation were previously classified under investor-owned utilities in Georgia. Its sales are now classified under power marketers.

**Top 5 Customers in Firm Energy Sales**

<b>FY 2003 Rank</b>	<b>Customer</b>	<b>(MWh)</b>	<b>Percent of total firm sales</b>
1	Colorado River Commission	281,027	22.3%
2	Imperial Irrigation District	165,810	13.2%
3	Salt River Project	155,829	12.4%
4	Arizona Electric Power Coop	119,730	9.5%
5	Edwards AFB	92,597	7.4%
<b>Total</b>		<b>814,993</b>	<b>64.8%</b>

**Top 5 Customers in Firm Energy Revenue**

<b>Rank</b>	<b>Customer</b>	<b>(\$)</b>	<b>Percent of total firm revenue</b>
1	Colorado River Commission	956,647	22.6%
2	Imperial Irrigation District	566,868	13.4%
3	Salt River Project	530,189	12.6%
4	Arizona Electric Power Coop	408,649	9.7%
5	Edwards AFB	316,925	7.5%
<b>Total</b>		<b>2,779,278</b>	<b>65.8%</b>

**Top 5 Customers in Nonfirm Energy Sales**

<b>Rank</b>	<b>Customer</b>	<b>(MWh)</b>	<b>Percent of total nonfirm sales</b>
1	Los Angeles Dept of Water & Power	54,487	64.1%
2	Coral Power LLL	6,286	7.4%
3	Florida Power and Light	5,919	7.0%
4	Yuma Desalting Plant/US Bureau of Reclamation	4,016	4.7%
5	Powerex	3,930	4.6%
<b>Total</b>		<b>74,638</b>	<b>87.8%</b>

**Top 5 Customers in Nonfirm Energy Revenue**

<b>Rank</b>	<b>Customer</b>	<b>(\$)</b>	<b>Percent of total nonfirm revenue</b>
1	Los Angeles Dept of Water & Power	1,449,555	64.4%
2	Florida Power and Light	176,479	7.8%
3	Coral Power LLL	174,510	7.8%
4	Burbank, Calif.	102,664	4.6%
5	Yuma Desalting Plant/US Bureau of Reclamation	102,657	4.6%
<b>Total</b>		<b>2,005,865</b>	<b>89.1%</b>

Customers by State and Customer Category

State/Category	2003				2002			
	Firm only	Firm & nonfirm	Nonfirm only	Total	Firm only	Firm & nonfirm	Nonfirm only	Total
<b>Arizona</b>								
Municipalities	4	0	0	4	3	1	0	4
Cooperatives	0	1	1	2	0	1	2	3
Federal agencies	4	0	1	5	4	0	1	5
State agencies	0	1	0	1	0	1	0	1
Irrigation district	4	0	0	4	3	0	0	3
Investor-owned utilities	0	0	1	1	0	0	1	1
Native American tribes	2	1	0	3	2	1	0	3
<b>California</b>								
Municipalities	1	0	2	3	1	0	2	3
Federal agencies	2	0	0	2	2	0	0	2
State agencies	0	0	0	0	0	0	2	2
Irrigation district	1	0	0	1	1	0	0	1
Native American tribes	1	0	0	1	1	0	0	1
<b>Connecticut</b>								
Power marketers	0	0	1	1	0	0	1	1
<b>Florida</b>								
Power marketers	0	0	2	2	0	0	0	0
<b>Georgia</b>								
Investor-owned utilities <sup>1</sup>	0	0	0	0	0	0	1	1
<b>Montana</b>								
Investor-owned utilities	0	0	0	0	0	0	1	1
<b>New Mexico</b>								
Investor-owned utilities	0	0	1	1	0	0	1	1
<b>Nevada</b>								
Federal agencies	2	0	0	2	2	0	0	2
State agencies	1	0	0	1	1	0	0	1
Investor-owned utilities	0	0	1	1	0	0	0	0
<b>Oregon</b>								
Investor-owned utilities	0	0	0	0	0	0	1	1
<b>Texas</b>								
Investor-owned utilities	0	0	0	0	0	0	1	1
Power marketers	0	0	2	2	0	0	0	0
<b>Canada</b>								
Power marketers	0	0	1	1	0	0	0	0
<b>Subtotal</b>	<b>22</b>	<b>3</b>	<b>13</b>	<b>38</b>	<b>20</b>	<b>4</b>	<b>14</b>	<b>38</b>
Project use sales	2	0	0	2	2	0	0	2
<b>Subtotal</b>	<b>24</b>	<b>3</b>	<b>13</b>	<b>40</b>	<b>22</b>	<b>4</b>	<b>14</b>	<b>40</b>
Interproject sales	0	0	1	1	0	0	1	1
<b>Total</b>	<b>24</b>	<b>3</b>	<b>14</b>	<b>41</b>	<b>22</b>	<b>4</b>	<b>15</b>	<b>41</b>

<sup>1</sup> Mirant Corporation was previously classified as an IOU. It is now classified as a power marketer.

### Summary by state

State	2003				2002			
	Firm only	Firm & nonfirm	Nonfirm only	Total	Firm only	Firm & nonfirm	Nonfirm only	Total
Arizona	14	3	3	20	12	4	4	20
California	5	0	2	7	5	0	4	9
Connecticut	0	0	1	1	0	0	1	1
Florida	0	0	2	2	0	0	0	0
Georgia	0	0	0	0	0	0	1	1
Montana	0	0	0	0	0	0	1	1
New Mexico	0	0	1	1	0	0	1	1
Nevada	3	0	1	4	3	0	0	3
Oregon	0	0	0	0	0	0	1	1
Texas	0	0	2	2	0	0	1	1
Canada	0	0	1	1	0	0	0	0
<b>Total</b>	<b>22</b>	<b>3</b>	<b>13</b>	<b>38</b>	<b>20</b>	<b>4</b>	<b>14</b>	<b>38</b>

### Summary by customer category

Category	2003				2002			
	Firm only	Firm & nonfirm	Nonfirm only	Total	Firm only	Firm & nonfirm	Nonfirm only	Total
Municipalities	5	0	2	7	4	1	2	7
Cooperatives	0	1	1	2	0	1	2	3
Federal agencies	8	0	1	9	8	0	1	9
State agencies	1	1	0	2	1	1	2	4
Irrigation districts	5	0	0	5	4	0	0	4
Investor-owned utilities <sup>1</sup>	0	0	3	3	0	0	6	6
Power marketers <sup>1</sup>	0	0	6	6	0	0	1	1
Public utilities districts	0	0	0	0	0	0	0	0
Native American tribes	3	1	0	4	3	1	0	4
<b>Subtotal</b>	<b>22</b>	<b>3</b>	<b>13</b>	<b>38</b>	<b>20</b>	<b>4</b>	<b>14</b>	<b>38</b>
Project use sales	2	0	0	2	2	0	0	2
<b>Subtotal</b>	<b>24</b>	<b>3</b>	<b>13</b>	<b>40</b>	<b>22</b>	<b>4</b>	<b>14</b>	<b>40</b>
Interproject sales	0	0	1	1	0	0	1	1
<b>Total</b>	<b>24</b>	<b>3</b>	<b>14</b>	<b>41</b>	<b>22</b>	<b>4</b>	<b>15</b>	<b>41</b>

<sup>1</sup> Mirant Corporation was previously classified under IOUs. It is now classified as a power marketer.

### Purchased Power

Supplier	FY 2003		FY 2002	
	Energy (MWh)	Costs (\$000)	Energy (MWh)	Costs (\$000)
<b>NonWestern suppliers</b>				
Calpine	0	0	100	2
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>2</b>
<b>Western suppliers</b>				
Reliability Energy Account <sup>1</sup>	97,406	2,596	727	23
<b>Subtotal</b>	<b>97,406</b>	<b>2,596</b>	<b>727</b>	<b>23</b>
<b>Total <sup>2</sup></b>	<b>97,406</b>	<b>2,596</b>	<b>827</b>	<b>25</b>

<sup>1</sup> Energy is brought back into the control area through loss payback, deviations or interchanges.

<sup>2</sup> Purchased power was financed through energy banking arrangements and did not use appropriated funds.

### Transmission Revenues

Transmission service	FY 2003 Revenue (\$)	FY 2002 Revenue (\$)
Wheeling/Transmission Service	3,487,313	2,628,351
Long-term firm point-to-point	31,101,528	27,815,868
Nonfirm point-to-point	1,113,355	1,174,919
<b>Total</b>	<b>35,702,196</b>	<b>31,619,138</b>

### Ancillary Services Revenues

Ancillary service	FY 2003 Revenue (\$)	FY 2002 Revenue (\$)
Scheduling and dispatch service	40,752	52,944
Energy imbalance service	0	445
Operating reserves - spinning	42,600	91,750
<b>Total</b>	<b>83,352</b>	<b>145,139</b>

DSW changed 7092 Energy Imbalance to Transmission Losses under FERC 45645 from Oct. 2002 through February 2003.

### Power Sales and Revenues

	Contract rate of delivery		FY 2003		FY 2002	
	Summer (kW)	Winter (kW)	Energy (MWh)	Revenue (\$)	Energy (MWh)	Revenue (\$)
<b>Municipalities</b>						
<b>Arizona</b>						
Fredonia	1,577	1,342	9,895	30,983	10,603	23,617
Thatcher	350	250	2,064	6,462	2,436	8,445
Mesa	10,450	8,000	55,190	183,709	65,764	148,200
Wickenburg	1,837	1,530	11,196	35,385	12,362	27,431
<b>Subtotal Arizona</b>			<b>78,345</b>	<b>256,539</b>	<b>91,165</b>	<b>207,693</b>
<b>California</b>						
Burbank			3,345	102,664	46,140	637,400
Los Angeles Dept. of Water & Power			54,487	1,449,555	36,398	418,267
Needles	5,100	4,064	28,846	93,616	32,860	73,761
<b>Subtotal California</b>			<b>86,678</b>	<b>1,645,835</b>	<b>115,398</b>	<b>1,129,428</b>
<b>Total municipalities</b>			<b>165,023</b>	<b>1,902,374</b>	<b>206,563</b>	<b>1,337,121</b>
<b>Cooperatives</b>						
<b>Arizona</b>						
Arizona Electric Power Co-op	23,800	18,400	120,419	420,506	137,078	357,259
Aggregated Energy Services			0	0	656	5,180
Resource Management Services			276	8,400	7,436	58,687
<b>Subtotal Arizona</b>			<b>120,695</b>	<b>428,906</b>	<b>145,170</b>	<b>421,126</b>
<b>Total Cooperatives</b>			<b>120,695</b>	<b>428,906</b>	<b>145,170</b>	<b>421,126</b>
<b>Federal agencies</b>						
<b>Arizona</b>						
Gila Bend (Luke) Air Force Auxiliary	394	395	2,589	8,176	3,056	6,593
Luke Air Force Base	2,235	2,227	13,906	44,945	16,348	36,077
Marine Corps Air Station—Yuma	2,157	1,795	13,202	41,640	14,308	31,939
Yuma Desalting Plant/USBR Proj Off.			4,016	102,657	1,342	20,279
Yuma Proving Grounds	5,235	4,080	29,278	95,161	32,263	73,564
<b>Subtotal Arizona</b>			<b>62,991</b>	<b>292,579</b>	<b>67,317</b>	<b>168,452</b>
<b>California</b>						
Edwards Air Force Base	18,285	14,630	92,597	316,925	104,765	247,788
March Air Force Base	4,570	4,113	22,730	80,245	22,730	58,752
<b>Subtotal California</b>			<b>115,327</b>	<b>397,170</b>	<b>127,495</b>	<b>306,540</b>

# PARKER-DAVIS PROJECT

## Power Sales and Revenues, continued

	Contract rate of delivery		FY 2003		FY 2002	
	Summer (kW)	Winter (kW)	Energy (MWh)	Revenue (\$)	Energy (MWh)	Revenue (\$)
<b>Nevada</b>						
Nellis Air Force Base	2,887	2,630	17,793	56,824	19,878	44,324
Nevada Operations Office - DOE	2,244	2,178	14,295	45,496	15,934	35,449
<b>Subtotal Nevada</b>			<b>32,088</b>	<b>102,320</b>	<b>35,812</b>	<b>79,773</b>
<b>Total Federal agencies</b>			<b>210,406</b>	<b>792,069</b>	<b>230,624</b>	<b>554,765</b>
<b>State agencies</b>						
<b>Arizona</b>						
Salt River Project	31,700	22,500	157,444	569,419	196,396	715,002
<b>Subtotal Arizona</b>			<b>157,444</b>	<b>569,419</b>	<b>196,396</b>	<b>715,002</b>
<b>California</b>						
Metropolitan Water Dist of So. Calif.			0	0	340	2,040
California Dept of Water Resources			0	0	340	5,860
<b>Subtotal California</b>			<b>0</b>	<b>0</b>	<b>680</b>	<b>7,900</b>
<b>Nevada</b>						
Colorado River Commission	56,950	41,010	281,027	956,647	311,797	740,289
<b>Subtotal Nevada</b>			<b>281,027</b>	<b>956,647</b>	<b>311,797</b>	<b>740,289</b>
<b>Total State agencies</b>			<b>438,471</b>	<b>1,526,066</b>	<b>508,873</b>	<b>1,463,192</b>
<b>Native American tribes</b>						
<b>Arizona</b>						
Colorado River Agency-BIA	8,900	5,940	45,952	151,255	52,848	119,694
San Carlos Project-BIA	17,185	13,130	86,220	295,560	97,412	238,073
Tohono O'Odham Nation	2,887	2,353	13,941	49,017	16,211	38,818
<b>Subtotal Arizona</b>			<b>146,113</b>	<b>495,832</b>	<b>166,471</b>	<b>396,585</b>
<b>California</b>						
Ft. Mohave Indian Tribe	1,970	1,200	11,136	34,727	11,246	25,590
<b>Subtotal California</b>			<b>11,136</b>	<b>34,727</b>	<b>11,246</b>	<b>25,590</b>
<b>Total Native American tribes</b>			<b>157,249</b>	<b>530,559</b>	<b>177,717</b>	<b>422,175</b>
<b>Irrigation districts</b>						
<b>Arizona</b>						
ED-1 & ED-3 (APA) Pinal	5,200	4,230	29,396	95,756	33,874	75,925
Wellton-Mohawk I&DD & (PUP) <sup>1</sup>	39,000	31,544	28,218	75,504	54,549	89,366
Yuma Cty Water Users (PUP)	4,600	3,729	4,156	7,273	0	0
Yuma Irrigation District	960	780	3,463	14,238	2,329	8,952
Yuma Mesa Irr & DD <sup>2</sup>			0	0	0	75,000
<b>Subtotal Arizona</b>			<b>65,233</b>	<b>192,771</b>	<b>90,752</b>	<b>249,243</b>
<b>California</b>						
Imperial Irrigation District	32,550	26,300	165,810	566,868	184,666	439,456
<b>Subtotal California</b>			<b>165,810</b>	<b>566,868</b>	<b>184,666</b>	<b>439,456</b>
<b>Total irrigation districts</b>			<b>231,043</b>	<b>759,639</b>	<b>275,418</b>	<b>688,699</b>
<b>Investor-owned utilities</b>						
<b>Arizona</b>						
Arizona Public Service			30	750	0	0
PPL Sundance Energy, LLC			0	0	468	7,968
<b>Subtotal Arizona</b>			<b>30</b>	<b>750</b>	<b>468</b>	<b>7,968</b>
<b>Georgia</b>						
Mirant Corporation <sup>2</sup>			0	0	38,905	406,562
<b>Subtotal Georgia</b>			<b>0</b>	<b>0</b>	<b>38,905</b>	<b>406,562</b>

# PARKER-DAVIS PROJECT

## Power Sales and Revenues, continued

	Contract rate of delivery		FY 2003		FY 2002	
	Summer (kW)	Winter (kW)	Energy (MWh)	Revenue (\$)	Energy (MWh)	Revenue (\$)
<b>Montana</b>						
PPL Energy Plus LLC			0	0	44	880
<b>Subtotal Montana</b>			<b>0</b>	<b>0</b>	<b>44</b>	<b>880</b>
<b>New Mexico</b>						
Public Service Co. of New Mexico			250	3,000	12,740	190,385
<b>Subtotal New Mexico</b>			<b>250</b>	<b>3,000</b>	<b>12,740</b>	<b>190,385</b>
<b>Nevada</b>						
Nevada Power Company			2,525	72,535	0	0
<b>Subtotal Nevada</b>			<b>2,525</b>	<b>72,535</b>	<b>0</b>	<b>0</b>
<b>Oregon</b>						
PacifiCorp			0	0	445	7,045
<b>Subtotal Oregon</b>			<b>0</b>	<b>0</b>	<b>445</b>	<b>7,045</b>
<b>Texas</b>						
Calpine Construction Financing			0	0	40	440
<b>Subtotal Texas</b>			<b>0</b>	<b>0</b>	<b>40</b>	<b>440</b>
<b>Total investor-owned utilities <sup>2</sup></b>			<b>2,805</b>	<b>76,285</b>	<b>52,642</b>	<b>613,280</b>
<b>Power marketers</b>						
<b>Canada</b>						
PowerEx			3,930	65,945	0	0
<b>Subtotal Canada</b>			<b>3,930</b>	<b>65,945</b>	<b>0</b>	<b>0</b>
<b>Connecticut</b>						
Sempra Energy Trading			557	13,599	4,000	32,400
<b>Subtotal Connecticut</b>			<b>557</b>	<b>13,599</b>	<b>4,000</b>	<b>32,400</b>
<b>Florida</b>						
FPL Energy (Blythe Energy)			5,919	0	0	0
Teco Energy			125	0	0	0
<b>Subtotal Florida</b>			<b>6,044</b>	<b>180,929</b>	<b>0</b>	<b>0</b>
<b>Texas</b>						
Calpine Construction Financing			922	23,334	0	0
Coral Power LLL			6,286	174,510	0	0
<b>Subtotal Texas</b>			<b>7,208</b>	<b>197,844</b>	<b>0</b>	<b>0</b>
<b>Total power marketers</b>			<b>17,739</b>	<b>458,317</b>	<b>4,000</b>	<b>32,400</b>
<b>Parker-Davis subtotal</b>			<b>1,343,431</b>	<b>6,474,215</b>	<b>1,601,007</b>	<b>5,532,758</b>
Project use sales (2 customers)			195,158	686,209	195,267	251,894
<b>Interproject sales</b>						
<b>Colorado</b>						
Loveland Area Projects			0	0	0	0
SLCA/IP			16,397	448,600	12,476	226,606
<b>Subtotal Colorado</b>			<b>16,397</b>	<b>448,600</b>	<b>12,476</b>	<b>226,606</b>
<b>Total interproject sales</b>			<b>16,397</b>	<b>448,600</b>	<b>12,476</b>	<b>226,606</b>
<b>Parker-Davis Project total</b>			<b>1,554,986</b>	<b>7,609,024</b>	<b>1,808,750</b>	<b>6,011,258</b>

<sup>1</sup> Does not include transmission revenue associated with these sales.

<sup>2</sup> Sales to Mirant Corporation are now reported under the power marketer category. It was previously classified under investor-owned utilities.

Status of Repayment (Dollars in thousands)

	Cumulative 2002 <sup>1</sup>	Prior Year Adjustment <sup>2</sup>	Annual 2003 <sup>3</sup>	Cumulative 2003
<b>Revenue:</b>				
Gross operating revenue	933,401	0	49,143	982,544
Income transfers (net)	1,917	0	(1,057)	860
<b>Total operating revenue</b>	<b>935,318</b>	<b>0</b>	<b>48,086</b>	<b>983,404</b>
<b>Expenses:</b>				
O & M and other	481,629	1,588	25,412	508,629
Purchase power and other	23,891	0	2,347	26,238
Interest				
Federally financed	182,430	(3,961)	14,160	192,629
Non-Federally financed	399	0	318	717
Total Interest	182,829	(3,961)	14,478	193,346
<b>Total expense</b>	<b>688,349</b>	<b>(2,373)</b>	<b>42,237</b>	<b>728,213</b>
Surplus revenue	21,618	10,064	3,387	35,069
<b>Investment:</b>				
Federally financed power	369,027	(1,402)	14,371	381,996
Non-Federally financed power	7,916	(32)	1,677	9,561
Federally financed Nonpower	32,522	0	681	33,203
Non-Federally financed Nonpower	822	0	339	1,161
<b>Total investment</b>	<b>410,287</b>	<b>(1,434)</b>	<b>17,068</b>	<b>425,921</b>
<b>Investment repaid:</b>				
Federally financed power	193,681	(7,691)	446	186,436
Non-Federally financed power	4,078	0	1,677	5,755
Federally financed Nonpower	26,770	0	0	26,770
Non-Federally financed Nonpower	822	0	339	1,161
<b>Total investment repaid</b>	<b>225,351</b>	<b>(7,691)</b>	<b>2,462</b>	<b>220,122</b>
<b>Investment unpaid:</b>				
Federally financed power	175,346	6,289	13,925	195,560
Non-Federally financed power	3,838	(32)	0	3,806
Federally financed Nonpower	5,752	0	681	6,433
<b>Total investment unpaid</b>	<b>184,936</b>	<b>6,257</b>	<b>14,606</b>	<b>205,799</b>
<b>Percent of investment repaid to date:</b>				
Federal	52.48%			48.81%
Non-Federal	51.52%			60.19%
Federally financed Nonpower	82.31%			80.63%
Non-Federally financed Nonpower	100.00%			100.00%

<sup>1</sup> This column ties to the cumulative FY 2002 numbers on page 118 of the FY 2002 Annual Report Statistical Appendix.

<sup>2</sup> Adjustments reflect the FY 2002 crosswalk.

<sup>3</sup> Based on the FY 2003 audited financial statements.

## Balance Sheet

As of September 30, 2003 (in thousands)

	2003		
	Western	Reclamation	Total
<b>Assets</b>			
<b>Utility plant:</b>			
Completed plant	\$ 301,398	\$ 85,397	\$ 386,795
Accumulated depreciation	(118,406)	(76,901)	(195,307)
Net completed plant	182,992	8,496	191,488
Construction work-in-progress	14,063	320	14,383
Net utility plant	197,055	8,816	205,871
Cash	20,412	7,388	27,800
Accounts receivable	13,360	0	13,360
Other assets	19,112	2,198	21,310
<b>Total assets</b>	<b>249,939</b>	<b>18,402</b>	<b>268,341</b>
<b>Federal investment &amp; liabilities</b>			
<b>Federal investment:</b>			
Congressional appropriations	582,803	293,830	876,633
Interest on Federal investment	201,041	34,755	235,796
Transfer of property & services, net	110,209	(111,879)	(1,670)
Gross Federal investment	894,053	216,706	1,110,759
Funds returned to U.S. Treasury	(674,218)	(230,221)	(904,439)
Net outstanding Federal investment	219,835	(13,515)	206,320
Accumulated net revenues (deficit)	(2,498)	25,947	23,449
<b>Total Federal investment</b>	<b>217,337</b>	<b>12,432</b>	<b>229,769</b>
<b>Liabilities:</b>			
Accounts payable	4,086	140	4,226
Other liabilities	28,516	5,830	34,346
Total liabilities	32,602	5,970	38,572
<b>Total Federal investment &amp; liabilities</b>	<b>\$ 249,939</b>	<b>\$ 18,402</b>	<b>\$ 268,341</b>

## Statement of Revenues and Expenses, and Accumulated Net Revenues

For the year ended September 30, 2003 (in thousands)

	2003		
	Western	Reclamation	Total
<b>Operating revenues:</b>			
Sales of electric power	\$ 10,281	\$ 0	\$ 10,281
Other operating income	38,833	29	38,862
Gross operating revenues	49,114	29	49,143
Income transfers, net	(6,467)	5,410	(1,057)
<b>Total operating revenues</b>	<b>42,647</b>	<b>5,439</b>	<b>48,086</b>
<b>Operating expenses:</b>			
Operation and maintenance	16,534	3,651	20,185
Administration and general	5,108	120	5,228
Purchased power	2,347	0	2,347
Purchased transmission services	0	0	0
Depreciation	9,065	112	9,177
<b>Total operating expenses</b>	<b>33,054</b>	<b>3,883</b>	<b>36,937</b>
<b>Net operating revenues (deficit)</b>	<b>9,593</b>	<b>1,556</b>	<b>11,149</b>
<b>Interest expenses:</b>			
Interest on Federal investment	13,017	0	13,017
Interest on customer funded financing	318	0	318
Allowance for funds used during construction	1,143	0	1,143
<b>Net interest expenses</b>	<b>14,478</b>	<b>0</b>	<b>14,478</b>
<b>Net revenues (deficit)</b>	<b>(4,885)</b>	<b>1,556</b>	<b>(3,329)</b>
<b>Accumulated net revenues (deficit):</b>			
Balance, beginning of year	2,387	24,391	26,778
Balance, end of year	\$ (2,498)	\$ 25,947	\$ 23,449