

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 nearly 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 Reclamation, is 50 percent of the capacity or up to 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. Reclamation has increased the five generation units' operating capacity from 232,000 kW to 236,000 kW due to completion of a rewind to Unit No. 1.

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 1,568 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 million acre-feet and Davis Dam released 7.7 million acre-feet in FY 2005. Storage in Lakes Mohave and Havasu was near normal at 2.1 million acre-feet combined at the end of the fiscal year.

In FY 2005, net generation decreased by about 2 percent from 1.397 billion kWh in FY 2004 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. Power purchases increased from almost none in FY 2004 to 123.4 million kWh in FY 2005.

Parker-Davis is operationally integrated with Hoover Powerplant. Parker-Davis generation is banked in Lake Mead during times of surplus. This surplus is drawn down when 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, criteria provide for marketing 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).

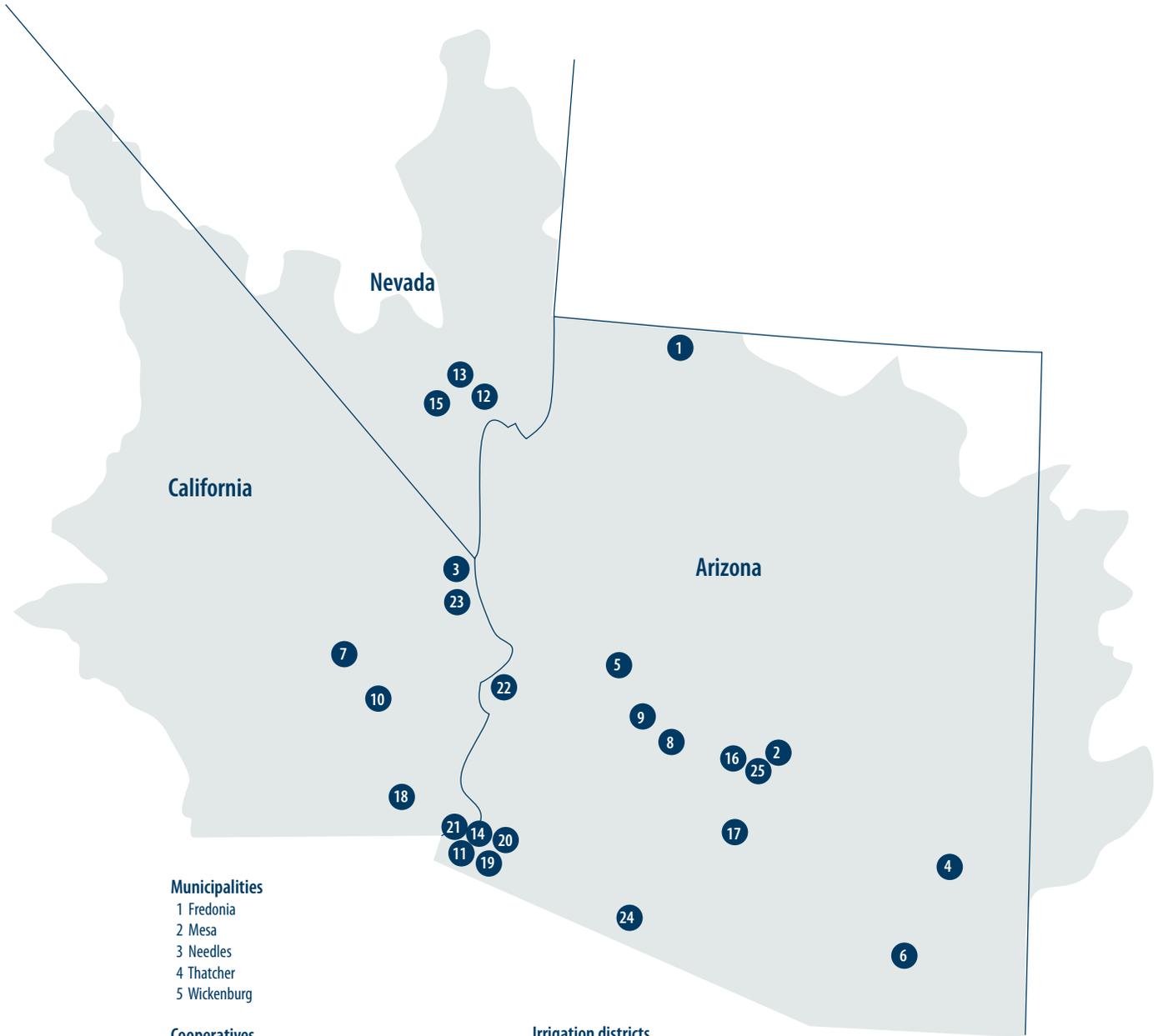
A portion of the resource marketed is reserved for United States'

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 26 customers, with about 50 percent of the energy going to Arizona.

Energy sales decreased by about 2 percent from 1,370 million kWh in FY 2004 to 1,344 million kWh in FY 2005. Revenue from the sale of electricity stayed roughly the same at \$7.5 million.

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

PARKER-DAVIS PROJECT



Municipalities

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

Cooperatives

- 6 Arizona Electric Power Coop.

Federal agencies

- 7 Edwards Air Force Base
- 8 Gila Bend (Luke) Air Force Auxiliary
- 9 Luke Air Force Base
- 10 March Air Force 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 of Nevada
- 16 Salt River Project

Irrigation districts

- 17 ED-1 and ED-3 Pinal
- 18 Imperial Irrigation District
- 19 Wellton—Mohawk Irrigation and Drainage District
- 20 Yuma County Water Users' Assoc.
- 21 Yuma Irrigation District

Native American tribes

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

Note: Does not include interproject customers.

PARKER-DAVIS PROJECT

Energy Resources and Disposition

	GWh	
	FY 2005	FY 2004
Energy resources		
Net generation	1,166	1,397
Interchange ¹		
Received	55	0
Delivered	0	27
Net purchases	55	(27)
Western	18	0
NonWestern	105	0
Total purchases	123	0
Total energy resources	1,344	1,370
Energy disposition		
Sales of electric energy		
Western sales	1,149	1,174
Project use sales	195	195
Total energy sales	1,344	1,370
Total energy delivered	1,344	1,370
Total energy disposition	1,344	1,370

¹ Western Area Lower Colorado interchange..

Facilities and Substations

Facility	FY 2005	FY 2004
Substations		
Number of substations ¹	46	45
Number of transformers ²	27	25
Transformer capacity (kVA) ²	1,652,500	1,633,500
Land (fee)		
Acres	322.74	321.96
Hectares	130.66	130.35
Land (easement)		
Acres	63.15	63.15
Hectares	25.57	25.57
Land (withdrawal)		
Acres	115.00	115.00
Hectares	46.56	46.56
Buildings and communication sites		
Number of buildings	58	58
Number of communications sites ¹	52	51
Land (easement)		
Acres	6.96	6.96
Hectares	2.82	2.82

¹ A new substation/communication site (Test Track A) was added.

² Replacement of a transformer, the addition of a substation (Wellton Mohawk) and a new unit at Phoenix Substation resulted in an increase of 2 units (19 MVA).

Transmission lines

Voltage rating	Arizona		California		Nevada		Total	
	FY 2005	FY 2004	FY 2005	FY 2004	FY 2005	FY 2004	FY 2005	FY 2004
230-kV								
Circuit miles ¹	651.59	640.34	3.06	3.06	99.55	99.23	754.20	742.63
Circuit kilometers	1,048.41	1,030.31	4.92	4.92	160.18	159.66	1,213.51	1,194.89
Acres	6,913.43	6,911.05	0.00	0.00	2,046.87	2,042.04	8,960.30	8,953.09
Hectares	2,798.97	2,798.00	0.00	0.00	828.69	826.74	3,627.66	3,624.74
161-kV								
Circuit miles ²	154.70	154.30	203.46	203.56	0.00	0.00	358.16	357.86
Circuit kilometers	248.91	248.27	327.37	327.53	0.00	0.00	576.28	575.80
Acres	4,042.05	4,048.75	2,739.67	2,739.67	0.00	0.00	6,781.72	6,788.42
Hectares	1,636.46	1,639.17	1,109.18	1,109.18	0.00	0.00	2,745.64	2,748.35
115-kV								
Circuit miles ³	305.57	345.30	0.00	0.00	0.00	0.00	305.57	345.30
Circuit kilometers	491.66	555.59	0.00	0.00	0.00	0.00	491.66	555.59
Acres	3,963.82	3,963.82	0.00	0.00	0.00	0.00	3,963.82	3,963.82
Hectares	1,604.79	1,604.79	0.00	0.00	0.00	0.00	1,604.79	1,604.79
69-kV and below								
Circuit miles ²	117.85	117.78	1.40	1.40	3.40	3.40	122.65	122.58
Circuit kilometers	189.62	189.51	2.25	2.25	5.47	5.47	197.34	197.23
Acres	1,158.85	1,158.85	81.07	81.07	29.65	29.65	1,269.57	1,269.57
Hectares	469.17	469.17	32.82	32.82	12.00	12.00	514.00	514.00
Totals								
Circuit miles	1,229.71	1,257.72	207.92	208.02	102.95	102.63	1,540.58	1,568.37
Circuit kilometers	1,978.60	2,023.67	334.54	334.70	165.65	165.13	2,478.79	2,523.51
Acres	16,078.15	16,082.47	2,820.74	2,820.74	2,076.52	2,071.69	20,975.41	20,974.90
Hectares	6,509.39	6,511.14	1,142.00	1,142.00	840.70	838.74	8,492.09	8,491.88

¹ Change in mileage due to a re-route through the new Test Track substation.

² Data corrections account for the increase in mileage.

³ Transmission line retirements account for the decrease in mileage.

PARKER-DAVIS PROJECT

Powerplants

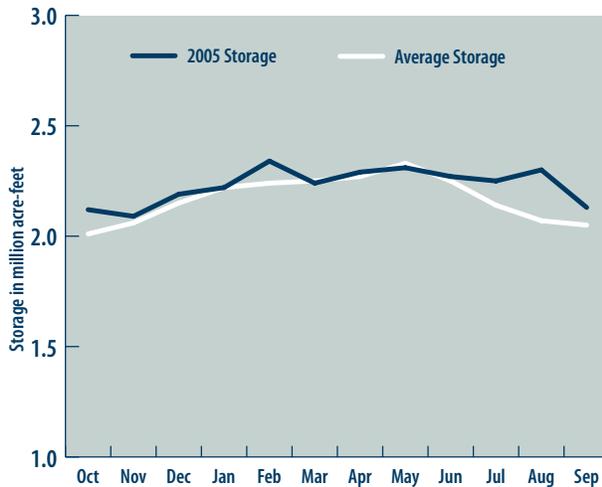
State/plant name	Operating agency	River	Initial In-service date	Existing number of units	Installed capability ¹ FY 2005 (MW)	Actual operating capability (MW)		Net generation (GWh) ²	
						7/1/05	7/1/04	FY 2005	FY 2004
Arizona									
Davis	Reclamation	Colorado	Jan 51	5	255	255	255	968	1,169
California									
Parker	Reclamation	Colorado	Dec 42	4	60 ³	54	54	198	228
Parker-Davis Total				9	315	309	309	1,166	1,397

¹ 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 is independent of water constraints.

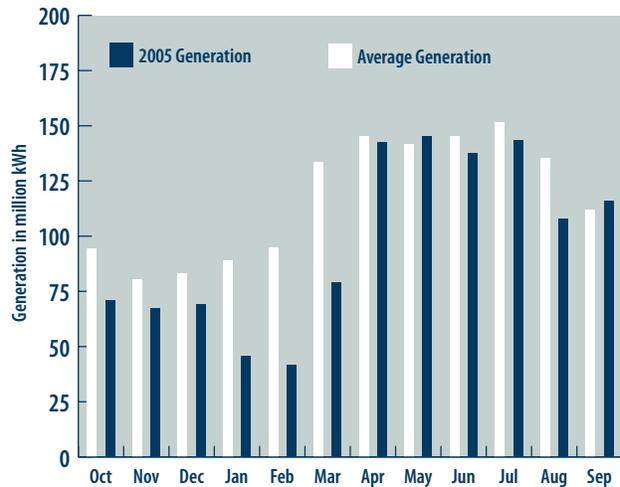
² Net generation is gross plant generation less plant use. These amounts have not been reduced by other priorities such as project pumping energy.

³ 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
2005	PD-F6	1.22-Generation 1.08-Transmission	2.78 mills/kWh	10/1/04	8.03 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 113	Parker-Davis (Extension of WAPA-75)	Extension	N/A	PD-F6	10/1/04	n/a	Power	9/14/04
		Extension	N/A	PD-FT6	10/1/04	n/a	Transmission	9/14/04
		Extension	N/A	PD-NFT6	10/1/04	n/a	Nonfirm Transmission	9/14/04
		Extension	N/A	PD-FCT6	10/1/04	n/a	Transmission	9/14/04

*Parker-Davis Project rate methodology approved via WAPA-75 extended via WAPA-98 through 9/20/2004 and through 9/30/2006 via WAPA-113. WAPA 113 was submitted to FERC 9/14/2004.

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Transmission Rate Provisions

Fiscal year	Rate schedule designation	Rate
2005	PD-FT6, Firm Transmission Service	\$12.96 per kW per year
2005	PD-NFT6, Nonfirm Transmission Svc	2.47 mills per kWh
2005	PD-FACT6, Transmission Svc SLCA/IP	\$6.48 per kW per year-summer, \$6.48 per kW per year-winter

Marketing Plan Summary

Project	Expiration date
Parker-Davis	Sept. 30, 2008

Transmission Revenues

Transmission service	FY 2005 Revenue (\$)	FY 2004 Revenue (\$)
Firm network	116,146	0
Long-term firm point-to-point	33,230,986	32,331,680
Nonfirm point-to-point	792,295	1,070,016
Total	34,139,427	33,401,696

Ancillary Services Revenues

Ancillary service	FY 2005 Revenue (\$)	FY 2004 Revenue (\$)
Scheduling and dispatch service	0	41,232
Reactive supply and voltage control service	109,214	0
Total	109,214	41,232

Firm and Nonfirm Energy Sales by State

	FY 2005		FY 2004	
	Firm	Total	Firm	Total
Arizona				
Energy sales - MWh	556,308	556,308	572,609	572,609
Power revenues - \$	3,099,282	3,099,282	3,119,416	3,119,416
California				
Energy sales - MWh	300,732	300,732	305,411	305,411
Power revenues - \$	1,676,445	1,676,445	1,679,508	1,679,508
Nevada				
Energy sales - MWh	291,649	291,649	296,476	296,476
Power revenues - \$	1,622,938	1,622,938	1,621,771	1,621,771
Total Parker-Davis¹				
Energy sales - MWh	1,148,689	1,148,689	1,174,496	1,174,496
Power revenues - \$	6,398,665	6,398,665	6,420,695	6,420,695

¹ 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 2005		FY 2004	
	Firm	Total	Firm	Total
Municipalities				
Energy sales - MWh	92,403	92,403	95,827	95,827
Revenues - \$	514,460	514,460	520,905	520,905
Cooperatives				
Energy sales - MWh	113,231	113,231	114,816	114,816
Revenues - \$	630,274	630,274	630,946	630,946
Federal agencies				
Energy sales - MWh	185,346	185,346	189,823	189,823
Revenues - \$	1,037,807	1,037,807	1,039,107	1,039,107
State agencies				
Energy sales - MWh	413,202	413,202	418,969	418,969
Revenues - \$	2,293,184	2,293,184	2,295,646	2,295,646
Native American tribes				
Energy sales - MWh	144,998	144,998	147,806	147,806
Revenues - \$	805,340	805,340	808,373	808,373
Irrigation districts				
Energy sales - MWh	199,509	199,509	207,255	207,255
Revenues - \$	1,117,600	1,117,600	1,125,718	1,125,718
Total¹				
Energy sales - MWh	1,148,689	1,148,689	1,174,496	1,174,496
Revenues - \$	6,398,665	6,398,665	6,420,695	6,420,695

¹ Excludes energy sales and power revenues to interdepartmental, interproject and project use customers.

Purchased Power

	FY 2005		FY 2004	
	Energy (MWh)	Costs (\$000)	Energy (MWh)	Costs (\$000)
NonWestern suppliers				
Aggregated Energy Services	36,820	1,861	0	0
Burbank	10,305	575	0	0
Calpine	36	2	0	0
Constellation	375	24	0	0
Colorado River Agency	6,339	326	0	0
PacifiCorp	2,440	130	0	0
PowerEx	1,862	123	0	0
Public Service Co. of NM	16,755	885	0	0
Resource Management Services	1,274	56	0	0
Salt River Project	28,528	1,810	0	0
Subtotal	104,734	5,794	0	0
Western suppliers				
SLCA/IP	18,660	1,101	0	0
Subtotal	18,660	1,101	0	0
Transaction Fees ¹	0	5	0	0
Total²	123,394	6,900	0	0

¹ Charges associated with the direct marketing and implementation of purchase schedules.

² Purchased power was financed through energy banking arrangements, access to receipts for purchase power and customer financing.

PARKER-DAVIS PROJECT

Sales by State and Customer Category

State/Type of customer	FY 2005		FY 2004	
	Energy sales (MWh)	Revenue (\$)	Energy sales (MWh)	Revenue (\$)
Arizona				
Municipalities	67,850	377,858	70,352	382,555
Cooperatives	113,231	630,274	114,816	630,946
Federal agencies	48,938	273,441	51,261	278,261
State agencies	147,397	817,732	149,454	818,612
Native American tribes	136,176	756,670	138,462	758,543
Irrigation districts	42,716	243,307	48,264	250,499
Project use sales	195,267	1,088,962	195,376	1,089,450
Total Arizona	751,575	4,188,244	767,985	4,208,866
California				
Municipalities	24,553	136,602	25,475	138,350
Federal agencies	110,564	616,880	111,601	616,109
Native American tribes	8,822	48,670	9,344	49,830
Irrigation districts	156,793	874,293	158,991	875,219
Total California	300,732	1,676,445	305,411	1,679,508
Nevada				
Federal agencies	25,844	147,486	26,961	144,737
State agencies	265,805	1,475,452	269,515	1,477,034
Total Nevada	291,649	1,622,938	296,476	1,621,771
Total Parker-Davis				
Municipalities	92,403	514,460	95,827	520,905
Cooperatives	113,231	630,274	114,816	630,946
Federal agencies	185,346	1,037,807	189,823	1,039,107
State agencies	413,202	2,293,184	418,969	2,295,646
Native American tribes	144,998	805,340	147,806	808,373
Irrigation districts	199,509	1,117,600	207,255	1,125,718
Project use sales	195,267	1,088,962	195,376	1,089,450
Total Parker-Davis	1,343,956	7,487,627	1,369,872	7,510,145

Top 5 Customers in Firm Energy Sales

FY 2005 Rank	Customer	(MWh)	Percent of total firm sales
1	Colorado River Commission	265,805	23.1
2	Imperial Irrigation District	156,793	13.6
3	Salt River Project	147,387	12.8
4	Arizona Electric Power Coop	113,231	9.9
5	Edwards Air Force Base	87,834	7.6
Total		771,050	67.1

Top 5 Customers in Firm Energy Revenue

Rank	Customer	(\$)	Percent of total firm revenue
1	Colorado River Commission	1,475,452	23.1
2	Imperial Irrigation District	874,293	13.7
3	Salt River Project	817,732	12.8
4	Arizona Electric Power Coop	630,274	9.9
5	Edwards Air Force Base	489,574	7.7
Total		4,287,325	67.0

PARKER-DAVIS PROJECT

Customers by State and Customer Category

State/Category	2005				2004			
	Firm only	Firm & nonfirm	Nonfirm only	Total	Firm only	Firm & nonfirm	Nonfirm only	Total
Arizona								
Municipalities	4	0	0	4	4	0	0	4
Cooperatives	1	0	0	1	1	0	0	1
Federal agencies	4	0	0	4	4	0	0	4
State agencies	1	0	0	1	1	0	0	1
Irrigation districts	3	0	0	3	4	0	0	4
Native American tribes	3	0	0	3	3	0	0	3
California								
Municipalities	1	0	0	1	1	0	0	1
Federal agencies	2	0	0	2	2	0	0	2
Irrigation districts	1	0	0	1	1	0	0	1
Native American tribes	1	0	0	1	1	0	0	1
Nevada								
Federal agencies	2	0	0	2	2	0	0	2
State agencies	1	0	0	1	1	0	0	1
Subtotal	24	0	0	24	25	0	0	25
Project use sales	2	0	0	2	2	0	0	2
Subtotal	26	0	0	26	27	0	0	27
Total	26	0	0	26	27	0	0	27

Summary by state

State	2005				2004			
	Firm only	Firm & nonfirm	Nonfirm only	Total	Firm only	Firm & nonfirm	Nonfirm only	Total
Arizona	16	0	0	16	17	0	0	17
California	5	0	0	5	5	0	0	5
Nevada	3	0	0	3	3	0	0	3
Total	24	0	0	24	25	0	0	25

Summary by customer category

Category	2005				2004			
	Firm only	Firm & nonfirm	Nonfirm only	Total	Firm only	Firm & nonfirm	Nonfirm only	Total
Municipalities	5	0	0	5	5	0	0	5
Cooperatives	1	0	0	1	1	0	0	1
Federal agencies	8	0	0	8	8	0	0	8
State agencies	2	0	0	2	2	0	0	2
Irrigation districts	4	0	0	4	5	0	0	5
Native American tribes	4	0	0	4	4	0	0	4
Subtotal	24	0	0	24	25	0	0	25
Project use sales	2	0	0	2	2	0	0	2
Subtotal	26	0	0	26	27	0	0	27
Total	26	0	0	26	27	0	0	27

PARKER-DAVIS PROJECT

Power Sales and Revenues

	Contract rate of delivery		FY 2005		FY 2004	
	Summer (kW)	Winter (kW)	Energy (MWh)	Revenue (\$)	Energy (MWh)	Revenue (\$)
Municipalities						
Arizona						
Fredonia	1,577	1,342	7,711	43,093	8,184	44,145
Thatcher	350	250	1,630	9,046	1,871	9,660
Mesa (Arizona Power Pooling Authority)	10,450	8,000	49,582	275,882	50,854	277,778
Wickenburg	1,837	1,530	8,927	49,837	9,443	50,972
Subtotal Arizona			67,850	377,858	70,352	382,555
California						
Needles	5,100	4,064	24,553	136,602	25,475	138,350
Subtotal California			24,553	136,602	25,475	138,350
Total municipalities			92,403	514,460	95,827	520,905
Cooperatives						
Arizona						
Arizona Electric Power Co-op (Arizona Power Pooling Authority)	23,800	18,400	113,231	630,274	114,816	630,946
Subtotal Arizona			113,231	630,274	114,816	630,946
Total cooperatives			113,231	630,274	114,816	630,946
Federal agencies						
Arizona						
Gila Bend (Luke) Air Force Auxiliary	394	395	2,028	11,413	2,288	12,066
Luke Air Force Base	2,227	2,235	11,469	64,537	12,044	65,747
Marine Corps Air Station—Yuma	2,157	1,795	10,479	58,502	11,039	59,708
Yuma Proving Grounds	5,235	4,080	24,962	138,989	25,890	140,740
Subtotal Arizona			48,938	273,441	51,261	278,261
California						
Edwards Air Force Base	18,285	14,630	87,834	489,574	88,871	489,556
March Air Force Base	4,570	4,113	22,730	127,306	22,730	126,553
Subtotal California			110,564	616,880	111,601	616,109
Nevada						
Nellis Air Force Base	2,887	2,630	14,413	80,766	15,068	82,103
Nevada Operations Office—DOE	2,244	2,178	11,431	66,720	11,893	62,634
Subtotal Nevada			25,844	147,486	26,961	144,737
Total Federal agencies			185,346	1,037,807	189,823	1,039,107
State agencies						
Arizona						
Salt River Project	31,700	22,500	147,397	817,732	149,454	818,612
Subtotal Arizona			147,397	817,732	149,454	818,612
Nevada						
Colorado River Commission of Nevada	56,950	41,010	265,805	1,475,452	269,515	1,477,034
Subtotal Nevada			265,805	1,475,452	269,515	1,477,034
Total state agencies			413,202	2,293,184	418,969	2,295,646
Native American tribes						
Arizona						
Colorado River Agency—BIA	8,900	5,940	40,741	225,499	41,886	227,344
San Carlos Irrigation Project—BIA	17,185	13,130	81,494	453,406	82,635	453,893
Tohono O'odham Nation	2,887	2,353	13,941	77,765	13,941	77,306
Subtotal Arizona			136,176	756,670	138,462	758,543

PARKER-DAVIS PROJECT

Power Sales and Revenues, continued

	Contract rate of delivery		FY 2005		FY 2004	
	Summer (kW)	Winter (kW)	Energy (MWh)	Revenue (\$)	Energy (MWh)	Revenue (\$)
California						
Ft. Mohave Indian Tribe	1,970	1,200	8,822	48,670	9,344	49,830
Subtotal California			8,822	48,670	9,344	49,830
Total Native American tribes			144,998	805,340	147,806	808,373
Irrigation districts						
Arizona						
ED-1 & ED-3 Pinal	5,200	4,230	25,097	139,981	26,335	142,582
Wellton-Mohawk Irrigation & Drainage District	3,100	2,445	14,831	82,619	17,927	83,981
Yuma County Water Users Assn	0	0	0	0	869	2,407
Yuma Irrigation District	960	780	2,788	20,707	3,133	21,529
Subtotal Arizona			42,716	243,307	48,264	250,499
California						
Imperial Irrigation District	32,550	26,300	156,793	874,293	158,991	875,219
Subtotal California			156,793	874,293	158,991	875,219
Total irrigation districts			199,509	1,117,600	207,255	1,125,718
Parker-Davis subtotal			1,148,689	6,398,665	1,174,496	6,420,695
Project use sales ^{1,2}	40,500	32,828	195,267	1,088,962	195,376	1,089,450
Parker-Davis Project total³			1,343,956	7,487,627	1,369,872	7,510,145

¹ Data for FY 2005 and contract rate of delivery are reported under project use sales.

² Does not include transmission revenue associated with these sales.

³ Project sales and revenue total differs from the FY 2005 financial statements by \$69,000 due to accruals.

PARKER-DAVIS PROJECT

Status of Repayment (Dollars in thousands)

	Cumulative 2004	Annual 2005	Cumulative 2005
Revenue:			
Gross operating revenue	1,027,288	46,169	1,073,457
Income transfers (net)	7,863	4,764	12,627
Total operating revenue	1,035,151	50,933	1,086,084
Expenses:			
O & M and other	536,346	27,897	564,243
Purchase power and other	29,686	8,639	38,325
Interest			
Federally financed	213,086	14,266	227,352
Non-Federally financed	1,040	288	1,328
Total interest	214,126	14,554	228,680
Total expense	780,158	51,090	831,248
(Deficit)/surplus revenue	24,968	(1,771)	23,197
Investment:			
Federally financed power	384,653	5,039	389,692
Non-Federally financed power	9,549	8	9,557
Federally financed nonpower	33,174	263	33,437
Non-Federally financed nonpower	1,160	2	1,162
Total investment	428,536	5,311	433,847
Investment repaid:			
Federally financed power	196,352	1,605	197,957
Non-Federally financed power	5,743	8	5,751
Federally financed nonpower	26,770	0	26,770
Non-Federally financed nonpower	1,160	2	1,162
Total investment repaid	230,025	1,615	231,640
Investment unpaid:			
Federally financed power	188,301	3,434	191,735
Non-Federally financed power	3,806	0	3,806
Federally financed nonpower	6,404	263	6,667
Total investment unpaid	198,511	3,696	202,207
Percent of investment repaid to date:			
Federal	51.05%		50.80%
Non-Federal	60.14%		60.18%
Federally financed nonpower	80.70%		80.06%
Non-Federally financed nonpower	100.00%		100.00%

PARKER-DAVIS PROJECT

Balance Sheets

As of September 30, 2005 and 2004 (in thousands)

	2005			2004		
	Western	Reclamation	Total	Western	Reclamation	Total
Assets						
Utility plant:						
Completed plant	\$ 302,469	\$ 80,977	\$ 383,446	\$ 298,023	\$ 85,389	\$ 383,412
Accumulated depreciation	(125,810)	(76,445)	(202,255)	(117,763)	(77,010)	(194,773)
Net completed plant	176,659	4,532	181,191	180,260	8,379	188,639
Construction work-in-progress	21,723	7,702	29,425	15,006	1,382	16,388
Net utility plant	198,382	12,234	210,616	195,266	9,761	205,027
Cash	26,639	5,064	31,703	24,485	10,230	34,715
Accounts receivable	6,168	6	6,174	13,045	10	13,055
Other assets	17,132	2,184	19,316	17,844	1,630	19,474
Total assets	248,321	19,488	267,809	250,640	21,631	272,271
Federal investment & liabilities						
Federal investment:						
Congressional appropriations	647,761	294,245	942,006	612,861	294,052	906,913
Interest on Federal investment	232,176	34,925	267,101	217,070	34,837	251,907
Transfer of property & services, net	110,397	(112,303)	(1,906)	109,712	(111,879)	(2,167)
Gross Federal investment	990,334	216,867	1,207,201	939,643	217,010	1,156,653
Funds returned to U.S. Treasury	(749,585)	(230,221)	(979,806)	(710,962)	(230,221)	(941,183)
Net outstanding Federal investment	240,749	(13,354)	227,395	228,681	(13,211)	215,470
Accumulated net revenues (deficit)	(19,762)	28,380	8,618	(10,553)	28,257	17,704
Total Federal investment	220,987	15,026	236,013	218,128	15,046	233,174
Liabilities:						
Accounts payable	3,714	810	4,524	1,893	218	2,111
Other liabilities	23,620	3,652	27,272	30,619	6,367	36,986
Total liabilities	27,334	4,462	31,796	32,512	6,585	39,097
Total Federal investment & liabilities	\$ 248,321	\$ 19,488	\$ 267,809	\$ 250,640	\$ 21,631	\$ 272,271

Statements of Revenues and Expenses, and Accumulated Net Revenues

For the Years Ended September 30, 2005 and 2004 (in thousands)

	2005			2004		
	Western	Reclamation	Total	Western	Reclamation	Total
Operating revenues:						
Sales of electric power	\$ 7,418	\$ 0	\$ 7,418	\$ 7,313	\$ 0	\$ 7,313
Other operating income	38,285	467	38,752	37,393	37	37,430
Gross operating revenues	45,703	467	46,170	44,706	37	44,743
Income transfers, net	91	4,673	4,764	1,539	5,464	7,003
Total operating revenues	45,794	5,140	50,934	46,245	5,501	51,746
Operating expenses:						
Operation and maintenance	17,841	4,534	22,375	19,358	2,806	22,164
Administration and general	5,232	288	5,520	5,349	194	5,543
Purchased power	8,639	0	8,639	3,452	0	3,452
Purchased transmission services	0	0	0	0	0	0
Depreciation	8,824	107	8,931	10,391	109	10,500
Total operating expenses	40,536	4,929	45,465	38,550	3,109	41,659
Net operating revenues (deficit)	5,258	211	5,469	7,695	2,392	10,087
Interest expenses:						
Interest on Federal investment	15,107	88	15,195	16,028	82	16,110
Interest on non-federally financed funding	288	0	288	299	0	299
Allowance for funds used during construction	(928)	0	(928)	(577)	0	(577)
Net interest expenses	14,467	88	14,555	15,750	82	15,832
Net revenues (deficit)	(9,209)	123	(9,086)	(8,055)	2,310	(5,745)
Accumulated net revenues (deficit):						
Balance, beginning of year	(10,553)	28,257	17,704	(2,498)	25,947	23,449
Balance, end of year	\$ (19,762)	\$ 28,380	\$ 8,618	\$ (10,553)	\$ 28,257	\$ 17,704