

## Other Projects

### Central Arizona Project

The Central Arizona Project is one of three related water development projects that make up the Colorado River Basin Project. The others are the Dixie and the Upper Basin projects. The Central Arizona Project was developed for Arizona and western New Mexico; the Dixie Project for southeastern Utah; and the Upper Basin Project for Colorado and New Mexico.

Congress authorized the project in 1968 to improve water resources in the Colorado River basin. Segments of the 1968 authorization allowed Federal participation in the Navajo Generating Station, which has three coal-fired steam electric generating units for a combined capacity of 2.25 million kW. Construction of the plant, located near Lake Powell at Page, Ariz., began in 1970. Navajo began generating in 1976.

The Federal share of 24.3 percent, or 546,750 kW, is used to power pumps that move Colorado River water through CAP canals. Surplus generation is currently marketed under the Navajo Power Marketing Plan adopted on Dec. 1, 1987.

About 400,000 kW is currently marketed as surplus, with 760 kWh of energy available annually with each kW of capacity. Western's Desert Southwest Customer Service Region markets Navajo power under the 1984 Hoover Power Plant Act.

As of June 1, 1994, Western, Reclamation, the Salt River Project and the Central Arizona Water Conservation District entered into an agreement in which the Salt River Project Agricultural Improvement and Power District in Arizona schedules and operates the Federal share of the Navajo generating station. This arrangement will remain in effect until Sept. 30, 2011.



In addition, an agreement was established in which all surplus spot market energy sales are now managed to benefit CAP. This agreement will remain in effect until Sept. 30, 2011. SRP pays a flat fee plus a variable energy charge (including a generation operating charge, generation energy charge, transmission operating charge and charge to cover Western and Reclamation costs).

Net operating revenue in FY 2005 was about \$118.9 million. The Federal share of Navajo net generation decreased from 4.3 million kWh in FY 2004 to 4.2 million kWh in FY 2005.

Current rates for firm and nonfirm transmission service over the 115-kV and 230-kV transmission lines went into effect on Jan. 1, 2001.

## Falcon-Amistad Project

Falcon-Amistad Project consists of two international dams located on the Rio Grande River between Texas and Mexico. The United States and Mexico share and operate separate powerplants on each side of the Rio Grande River. The power output is divided evenly between the two nations. The State Department's International Boundary and Water Commission operates the U.S. portion of the projects. Falcon Dam is located about 130 miles upstream from Brownsville, Texas. Congress authorized the United States' portion of construction, operation and maintenance in 1950. Construction was started in that year and completed in 1954. The United States' share of Falcon Powerplant capacity is 31,500 kW. The powerplant came on line in 1954.

Amistad Dam is located about 300 miles upstream from Falcon Dam. Amistad Powerplant was constructed by the U.S. Army Corps of Engineers, as agent for the IBWC. The United States' portion of construction, operation and maintenance was authorized by the Mexican-American Treaty Act of 1950. Amistad powerplant has a generation capacity of 66,000 kW. Construction was started in 1960 and completed in 1969. Its two generating units came on line in 1983.

Project power is marketed to two cooperatives in south Texas via Central Power and Light Company's transmission system. A total of 152 million kWh of energy was delivered in FY 2005.

The five-year net generation average is 108 million kWh. Repayment is made through annual installments. Western received \$5.4 million in FY 2005. These installments are established in advance by Western and the customers on or before Aug. 31 of the year preceding the appropriate fiscal year. Each annual installment pays the amortized portion of the U.S. investment in the Falcon and Amistad hydroelectric facilities with interest, and associated operation, maintenance and administrative costs. This repayment schedule does not depend upon the amount of power and energy delivered or the amount of generation each year.

## Pacific NW-SW Intertie Project

The Pacific Northwest-Pacific Southwest Intertie Project was authorized by Section 8 of the Pacific Northwest Power Marketing Act of Aug. 31, 1964. Originally, the Intertie was to be a combined AC and DC system, which was to connect the Pacific Northwest with the Desert Southwest. As authorized, the overall project was to be a cooperative

construction venture between Federal and non-Federal entities.

Due to delays in construction funding, the estimated in-service date of the Intertie was revised to the point that interest by potential users waned. These events resulted in the postponement of DC line construction. Consequently, the facilities constructed provide AC, convertible to DC, transmission service.

Western's portion of the Intertie consists of two parts, a northern portion and a southern portion. The northern portion is administered by Western's Sierra Nevada Region and is incorporated, for repayment and operation, with the Central Valley Project.

## California-Oregon Transmission Project

Included in the northern portion is the California-Oregon Transmission Project, a 350-mile 500-kV line running from Captain Jack Substation near Malin, Ore., to Tracy, Calif. Western is one of the COTP owners and has rights to 177 MW of the line's 1,600 MW rated capability. COTP transmission rates are seasonally set under Rate Schedule COTP-T1. When COTP was designed in the early 1900s, there were plans to build a 500-kV line from Los Banos to Gates substations in Central California to mitigate grid congestion on Path 15. This section wasn't constructed at the time for many reasons. The Los Banos-Gates No. 3 500-kV transmission line was completed in November 2005 and provides the congestion relief originally envisioned when the COTP was designed. Western owns the 84-mile 500-kV transmission line and 10 percent of the transmission system rights. Western intends to recover the initial Federal investment of \$1.328 million and any other actual expenses, but the cost recovery mechanism is involved in filings before the Federal Energy Regulatory Commission. Western operates and maintains both the COTP and Path 15 lines.

The southern portion is administered by Western's Desert Southwest Region and is treated as a separate (stand alone) project for repayment and operational purposes. It consists of a 238-mile, 345-kV line from Mead Substation (Nev.) to Liberty Substation (Ariz.), a 19-mile, 230-kV line from Liberty to Westwing Substation (Ariz.), a 22-mile, 230-kV line from Westwing to Pinnacle Peak Substation (Ariz.) and two segments that came on-line in April 1996: the 256-mile Mead-Phoenix Project 500-kV AC Transmission Line between Marketplace Substation (Nev.) and Perkins Substation (Ariz.) and the 202-mile Mead-Adelanto Project 500-kV AC Transmission Line, operated by Los Angeles Department of Water

and Power, between Marketplace and the existing Adelanto Switching Substation in southern California.

Current rates for the northern portion's firm and nonfirm transmission service went into effect on Feb. 1, 1996. Current rates for the southern portion's firm and nonfirm transmission over the 230-kV and 345-kV transmission lines were revised and became effective Jan. 1, 1999. Current rates for the southern portion's firm and nonfirm transmission over the 500-kV transmission lines were extended and became effective Oct. 1, 2000.

## Provo River Project

The Provo River Project was authorized in 1935. Construction on the project, which includes Deer Creek Dam and Powerplant on the Provo River in Utah, began in 1938 but, because of World War II, was not completed until 1951. The powerplant, authorized on Aug. 20, 1951, was completed and generation began in 1958. Its maximum operating capacity is 4,950 kW.

Provo River Project power is marketed independently from the Salt Lake City Area/Integrated Projects subsequent to a marketing plan approved and published in the *Federal Register* on Nov. 21, 1994. This marketing plan allows Western to market the output of the Provo River Project to customers of Utah Municipal Power Agency and Utah Associated Municipal Power Systems in the Provo River drainage.

The five-year generation average is 17 million kWh. A total of 21 million kWh of energy was sold and a total of \$306,048 in revenue was collected in FY 2005.

Provo River Project customers pay all operating, maintenance and replacement expenses of the project each year and, in return, receive all of the energy produced by the project.

## Washoe Project

The Washoe Project in west-central Nevada and east-central California was designed to improve the regulation of runoff from the Truckee and Carson river system and to provide supplemental irrigation water and drainage, as well as water for municipal, industrial and fishery use. Additionally, it offers flood protection, fish and wildlife benefits and recreation.

The project was authorized by the Washoe Project Act of Aug. 1, 1956, and was constructed between 1960 and 1976, with the powerplant at Stampede Dam added in 1986. Prosser Creek Dam, Marble Creek Dam and Pyramid Lake fishway are also part of the project. The powerplant at Stampede Dam has a maximum installed capacity of 3.6 MW.

Sierra Nevada Region markets excess energy after meeting project use load requirements and sets power rates for the project. FY 2005 net generation was 7.5 million kWh, compared to 13.5 million kWh in FY 2004. Historically, generation from Washoe Project's Stampede powerplant rate adjustment was sold as nonfirm power to Sierra Pacific Power Company. The floor and ceiling rates for nonfirm power are contained in Rate Schedule SNF-5, which became effective on Oct. 1, 2004. The Washoe floor rate is 17.89 mills/kWh and the ceiling rate is 90.07 mills. The Federal Energy Regulatory Commission approved the floor and ceiling rates on Oct. 19, 2001. ■

## OTHER PROJECTS

### Central Arizona Project



**State agency**

- 1 Salt River Project

### Provo River Project



**Municipalities**

- 1 Utah Assoc. Municipal Power Systems
- 2 Utah Municipal Power Agency

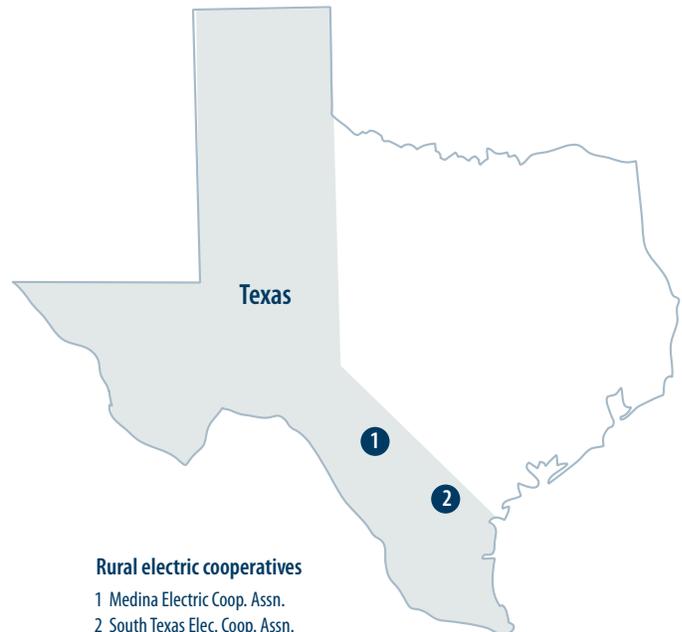
### Washoe Project



**Investor-owned utility**

- 1 Sierra-Pacific Power Co.

### Falcon-Amistad Project



**Rural electric cooperatives**

- 1 Medina Electric Coop. Assn.
- 2 South Texas Elec. Coop. Assn.

## Energy Resources and Disposition

	GWh	
	FY 2005	FY 2004
<b>Energy resources</b>		
Net generation	4,225	4,388
<b>Total energy resources</b>	<b>4,225</b>	<b>4,388</b>
<b>Energy disposition</b>		
Sales of electric energy		
Western sales	4,225	4,388
<b>Total energy sales</b>	<b>4,225</b>	<b>4,388</b>
<b>Total energy delivered</b>	<b>4,225</b>	<b>4,388</b>
System and contractual losses	0	100
<b>Total energy disposition</b>	<b>4,225</b>	<b>4,388</b>

## Facilities and Substations

Facility	FY 2005	FY 2004
<b>Substations</b>		
Number of substations <sup>1</sup>	6	6
Number of transformers <sup>2</sup>	0	0
Transformer capacity (kVA)	0	0
<b>Buildings and communications sites</b>		
Number of buildings	2	2
Number of communication sites <sup>3</sup>	6	6

<sup>1</sup> Western maintains an additional 6 substations owned by the Bureau of Reclamation.

<sup>2</sup> Western maintains an additional 2 transformers (152.3 MVA total capacity) owned by the Bureau of Reclamation.

<sup>3</sup> Western maintains an additional 7 communication sites owned by the Bureau of Reclamation.

Transmission lines<sup>1</sup>

Voltage Rating	Arizona		California		Total	
	FY 2005	FY 2004	FY 2005	FY 2004	FY 2005	FY 2004
<b>230-kV</b>						
Circuit miles <sup>2</sup>	0.00	10.10	0.00	0.00	0.00	10.10
Circuit kilometers	0.00	16.25	0.00	0.00	0.00	16.25
<b>115-kV</b>						
Circuit miles <sup>2</sup>	0.00	27.25	0.00	0.00	0.00	27.25
Circuit kilometers	0.00	43.85	0.00	0.00	0.00	43.85
<b>Totals</b>						
Circuit miles <sup>2</sup>	<b>0.00</b>	<b>37.35</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>37.35</b>
Circuit kilometers	<b>0.00</b>	<b>60.10</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>60.10</b>

<sup>1</sup> Western maintains 275 circuit miles of transmission line owned by the Bureau of Reclamation located in California, Nevada and Arizona. The 118.9-mile Parker-Liberty No.1 230-kV Transmission Line is maintained as part of the Parker-Davis Project. The Project has 165 MW of capacity in the line.

<sup>2</sup> All Central Arizona Project transmission lines are owned by the Bureau of Reclamation. Data correction made to the line ownership resulted in a loss of 37.35 miles.

## Powerplants

State/plant name	Operating agency	River	Initial In-service date	Existing number of units	Installed capability FY 2005 (MW)	Actual Operating Capability (MW)		Net generation (GWh)	
						7/1/05	7/1/04	FY 2005	FY 2004
<b>Arizona</b>									
Navajo	SRP	n/a <sup>1</sup>	May 74	3	547 <sup>2</sup>	547	547	4,225	4,388
<b>Central Arizona Total</b>				<b>3</b>	<b>547</b>	<b>547</b>	<b>547</b>	<b>4,225</b>	<b>4,388</b>

<sup>1</sup> Coal-fired powerplant.

<sup>2</sup> United States' share (24.3 percent) of 2,250 MW plant capability.

## Power Sales and Revenues

Customer	2005		2004	
	Energy (MWh)	Revenue (\$)	Energy (MWh)	Revenue (\$)
<b>State agencies</b>				
<b>Arizona</b>				
Salt River Project <sup>1</sup>	4,225,444	94,085,498	4,388,000	86,066,023
<b>Subtotal Arizona</b>	<b>4,225,444</b>	<b>94,085,498</b>	<b>4,388,000</b>	<b>86,066,023</b>
<b>Total state agencies</b>	<b>4,225,444</b>	<b>94,085,498</b>	<b>4,388,000</b>	<b>86,066,023</b>
<b>Central Arizona Project subtotal</b>	<b>4,225,444</b>	<b>94,085,498</b>	<b>4,388,000</b>	<b>86,066,023</b>
<b>Central Arizona Project total<sup>2</sup></b>	<b>4,225,444</b>	<b>94,085,498</b>	<b>4,388,000</b>	<b>86,066,023</b>

<sup>1</sup> Western contractually agreed for the Salt River Project to act as the scheduling entity and operating agent for the CAP portion of the Navajo generating station (547 MW) on June 1, 1994. SRP agreed to pay a monthly fixed and variable fee to meet repayment requirements.

<sup>2</sup> Project sales and revenue differs from the FY 2005 financial statements by \$895,000 due to accruals.

## Transmission Rate Provisions

Fiscal year	Rate schedule designation	Rate
2005	CAP-FT1	\$9.83kW/year
	CAP-NFT1	1.12 mills/kWh
	CAP-NITS1	Customer load ratio share x 1/12 annual revenue requirement.

## Transmission Revenues

Transmission service	FY 2005 Revenue (\$)	FY 2004 Revenue (\$)
Long-term firm point-to-point	25,508,679	25,059,466
Nonfirm point-to-point	265	0
<b>Total</b>	<b>25,508,944</b>	<b>25,059,466</b>

## 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-88	Central Arizona Project	Transmission Rate Methodology	5/24/00	CAP-FT1	1/1/01	N/A	Firm transmission	11/30/00
				CAP-NFT1	1/1/01		Non-firm transmission	11/30/00
				CAP-NITS1	1/1/01		Network transmission	11/30/00

## Status of Repayment (Dollars in thousands)

	Cumulative 2004 <sup>1</sup>	Adjustments <sup>1</sup>	Annual 2005	Cumulative 2005
<b>Revenue:</b>				
Gross operating revenue	1,979,465	0	119,137	2,098,602
Income transfers (net)	(1,137,589)	(1,078)	(118,902)	(1,257,569)
<b>Total operating revenue</b>	<b>841,876</b>	<b>(1,078)</b>	<b>235</b>	<b>841,033</b>
<b>Expenses:</b>				
O & M and other	842,764	(1,996)	235	841,033
Interest				
Federally financed	32	0	0	32
Non-Federally financed	0	(2)		(2)
Total Interest	32	(2)	0	30
<b>Total expense</b>	<b>842,796</b>	<b>(1,998)</b>	<b>235</b>	<b>841,033</b>
(Deficit)/surplus revenue	(920)	920	0	0

<sup>1</sup> Adjustments reflect FY 2001 and FY 2003 adjustments/corrections.

## Balance Sheets

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

	2005			2004		
	Western	Reclamation	Total	Western	Reclamation	Total
<b>Assets</b>						
<b>Utility plant:</b>						
Cash	\$ 2,029	\$ 0	\$ 2,029	\$ 1,407	\$ 0	\$ 1,407
Accounts receivable	8,092	0	8,092	8,714	0	8,714
Other assets	2,584	0	2,584	2,504	0	2,504
<b>Total assets</b>	<b>12,705</b>	<b>0</b>	<b>12,705</b>	<b>12,625</b>	<b>0</b>	<b>12,625</b>
<b>Federal investment &amp; liabilities</b>						
<b>Federal investment:</b>						
Congressional appropriations	176	0	176	132	0	132
Transfer of property & services, net	(2)	0	(2)	(2)	0	(2)
Gross Federal investment	174	0	174	130	0	130
Net outstanding Federal investment	174	0	174	130	0	130
<b>Total Federal investment</b>	<b>174</b>	<b>0</b>	<b>174</b>	<b>130</b>	<b>0</b>	<b>130</b>
<b>Liabilities:</b>						
Accounts payable	(19)	0	(19)	12	0	12
Other liabilities	12,550	0	12,550	12,483	0	12,483
Total liabilities	12,531	0	12,531	12,495	0	12,495
<b>Total Federal investment &amp; liabilities</b>	<b>\$ 12,705</b>	<b>\$ 0</b>	<b>\$ 12,705</b>	<b>\$ 12,625</b>	<b>\$ 0</b>	<b>\$ 12,625</b>

## 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
<b>Operating revenues:</b>						
Sales of electric power	\$ 94,981	\$ 0	\$ 94,981	\$ 85,427	\$ 0	\$ 85,427
Other operating income	24,157	0	24,157	25,285	0	25,285
Gross operating revenues	119,138	0	119,138	110,712	0	110,712
Income transfers, net	(118,902)	0	(118,902)	(110,448)	0	(110,448)
<b>Total operating revenues</b>	<b>236</b>	<b>0</b>	<b>236</b>	<b>264</b>	<b>0</b>	<b>264</b>
<b>Operating expenses:</b>						
Operation and maintenance	(31)	0	(31)	264	0	264
Administration and general	267	0	267	0	0	0
<b>Total operating expenses</b>	<b>236</b>	<b>0</b>	<b>236</b>	<b>264</b>	<b>0</b>	<b>264</b>
<b>Net operating revenues (deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Accumulated net revenues (deficit):</b>						
Balance, beginning of year	0	0	0	0	0	0
Balance, end of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

## Powerplants

State/plant name	Operating agency	River	Initial In-service date	Existing number of units	Installed capability <sup>1</sup> FY 2005 (MW)	Actual operating capability (MW)		Net generation (GWh) <sup>2</sup>	
						7/1/05	7/1/04	FY 2005	FY 2004
Texas									
Amistad	IBWC	Rio Grande	Jun 83	2	66 <sup>3</sup>	66	66	91	(1) <sup>4</sup>
Falcon	IBWC	Rio Grande	Oct 54	3	32 <sup>3</sup>	32	32	61	10
<b>Falcon-Amistad Total</b>				<b>5</b>	<b>98</b>	<b>98</b>	<b>98</b>	<b>152</b>	<b>9</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.

<sup>4</sup> Gross generation was 41,000 kWh and plant use was 858,000 kWh, for a net of (817,452 kWh).

## Rate Actions 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	Date of FERC confirmation
WAPA-111	Falcon-Amistad	Extension	N/A	N/A	6/8/04	N/A	Rate formula extension through 6/7/09	N/A	N/A

## Power Sales and Revenues

Customer <sup>1</sup>	2005		2004	
	Energy (MWh)	Revenues (\$)	Energy MWh	Revenues (\$)
<b>Rural electric cooperatives</b>				
Texas				
Medina Electric Cooperative and South Texas Electric Cooperative	151,599	5,371,985	9,237	4,454,758
<b>Subtotal Texas</b>	<b>151,599</b>	<b>5,371,985</b>	<b>9,237</b>	<b>4,454,758</b>
<b>Total cooperatives</b>	<b>151,599</b>	<b>5,371,985</b>	<b>9,237</b>	<b>4,454,758</b>
<b>Falcon-Amistad total</b>	<b>151,599</b>	<b>5,371,985</b>	<b>9,237</b>	<b>4,454,758</b>

<sup>1</sup> Falcon-Amistad power is sold to Medina Electric Coop Association and South Texas Electric Coop Association on a take-all, pay-all basis.

## Marketing Plan Summary

Project	Expiration date
Falcon-Amistad	June 8, 2033

<b>Status of Repayment (Dollars in thousands)</b>			
	<b>Cumulative 2004</b>	<b>Annual 2005</b>	<b>Cumulative 2005</b>
<b>Revenue:</b>			
Gross operating revenue	95,073	5,372	100,445
<b>Total operating revenue</b>	<b>95,073</b>	<b>5,372</b>	<b>100,445</b>
<b>Expenses:</b>			
O & M and other	30,233	2,006	32,239
Interest			
Federally financed	52,019	1,961	53,980
Total Interest	52,019	1,961	53,980
<b>Total expense</b>	<b>82,252</b>	<b>3,967</b>	<b>86,219</b>
(Deficit)/surplus revenue	(1,348)	958	(390)
<b>Investment:</b>			
Federally financed power	44,405	505	44,910
<b>Total investment</b>	<b>44,405</b>	<b>505</b>	<b>44,910</b>
<b>Investment repaid:</b>			
Federally financed power	14,169	447 <sup>1</sup>	14,616
<b>Total investment repaid</b>	<b>14,169</b>	<b>447</b>	<b>14,616</b>
<b>Investment unpaid:</b>			
Federally financed power	30,236	58	30,294
<b>Total investment unpaid</b>	<b>30,236</b>	<b>58</b>	<b>30,294</b>
<b>Percent of investment repaid to date:</b>			
Federal	31.91%		32.55%

<sup>1</sup> Includes required principal payments of \$447,459 for Amistad Project, Amistad penstocks and Falcon powerplant.

## Balance Sheets

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

	2005			2004		
	Western	IBWC	Total	Western	IBWC	Total
<b>Assets</b>						
<b>Utility plant:</b>						
Completed plant	\$ 0	\$ 44,862	\$ 44,862	\$ 0	\$ 44,356	\$ 44,356
Accumulated depreciation	0	(19,015)	(19,015)	0	(18,242)	(18,242)
Net completed plant	0	25,847	25,847	0	26,114	26,114
Net utility plant	0	25,847	25,847	0	26,114	26,114
Cash	2,114	(153)	1,961	2,075	(164)	1,911
Accounts receivable	282	265	547	0	150	150
Other assets	2	993	995	1	818	819
<b>Total assets</b>	<b>2,398</b>	<b>26,952</b>	<b>29,350</b>	<b>2,076</b>	<b>26,918</b>	<b>28,994</b>
<b>Federal investment &amp; liabilities</b>						
<b>Federal investment:</b>						
Congressional appropriations	18,822	59,254	78,076	16,017	59,091	75,108
Interest on Federal investment	0	53,978	53,978	0	52,017	52,017
Transfer of property & services, net	365	0	365	365	0	365
Gross Federal investment	19,187	113,232	132,419	16,382	111,108	127,490
Funds returned to U.S. Treasury	(47,016)	(54,299)	(101,315)	(41,644)	(54,299)	(95,943)
Net outstanding Federal investment	(27,829)	58,933	31,104	(25,262)	56,809	31,547
Accumulated net revenues (deficit)	29,960	(32,605)	(2,645)	27,186	(30,465)	(3,279)
<b>Total Federal investment</b>	<b>2,131</b>	<b>26,328</b>	<b>28,459</b>	<b>1,924</b>	<b>26,344</b>	<b>28,268</b>
<b>Liabilities:</b>						
Accounts payable	265	18	283	150	29	179
Other liabilities	2	606	608	2	545	547
Total liabilities	267	624	891	152	574	726
<b>Total Federal investment &amp; liabilities</b>	<b>\$ 2,398</b>	<b>\$ 26,952</b>	<b>\$ 29,350</b>	<b>\$ 2,076</b>	<b>\$ 26,918</b>	<b>\$ 28,994</b>

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

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

	2005			2004		
	Western	IBWC	Total	Western	IBWC	Total
<b>Operating revenues:</b>						
Sales of electric power	\$ 5,372	\$ 0	\$ 5,372	\$ 4,455	\$ 0	\$ 4,455
Gross operating revenues	5,372	0	5,372	4,455	0	4,455
Income transfers, net	(2,578)	2,578	0	(2,558)	2,558	0
<b>Total operating revenues</b>	<b>2,794</b>	<b>2,578</b>	<b>5,372</b>	<b>1,897</b>	<b>2,558</b>	<b>4,455</b>
<b>Operating expenses:</b>						
Operation and maintenance	14	1,932	1,946	(98)	2,533	2,435
Administration and general	6	53	59	6	47	53
Depreciation	0	773	773	0	747	747
<b>Total operating expenses</b>	<b>20</b>	<b>2,758</b>	<b>2,778</b>	<b>(92)</b>	<b>3,327</b>	<b>3,235</b>
<b>Net operating revenues (deficit)</b>	<b>2,774</b>	<b>(180)</b>	<b>2,594</b>	<b>1,989</b>	<b>(769)</b>	<b>1,220</b>
<b>Interest expenses:</b>						
Interest on Federal investment	0	1,960	1,960	0	1,979	1,979
<b>Net interest expenses</b>	<b>0</b>	<b>1,960</b>	<b>1,960</b>	<b>0</b>	<b>1,979</b>	<b>1,979</b>
<b>Net revenues (deficit)</b>	<b>2,774</b>	<b>(2,140)</b>	<b>634</b>	<b>1,989</b>	<b>(2,748)</b>	<b>(759)</b>
<b>Accumulated net revenues (deficit):</b>						
<b>Balance, beginning of year</b>	<b>27,186</b>	<b>(30,465)</b>	<b>(3,279)</b>	<b>25,197</b>	<b>(27,717)</b>	<b>(2,520)</b>
<b>Balance, end of year</b>	<b>\$ 29,960</b>	<b>\$ (32,605)</b>	<b>\$ (2,645)</b>	<b>\$ 27,186</b>	<b>\$ (30,465)</b>	<b>\$ (3,279)</b>

## Facilities and substations

Facility	FY 2005	FY 2004
<b>Substations</b>		
Number of substations	9	9
Number of transformers	9	9
Transformer capacity (kVA)	5,831,330	5,831,330
<b>Land (fee)</b>		
Acres	315.72	315.72
Hectares	127.82	127.82
<b>Land (easement)</b>		
Acres	85.64	85.64
Hectares	34.67	34.67
<b>Land (withdrawal)</b>		
Acres	4,402.55	4,402.55
Hectares	1,782.41	1,782.41
<b>Buildings and communications sites</b>		
Number of buildings	14	14
Number of communications sites	10	10

## Transmission Revenues

Transmission service	FY 2005 Revenue (\$)	FY 2004 Revenue (\$)
Long-term firm point-to-point	22,900,732	22,742,569
Nonfirm point-to-point	5,376,156	2,417,642
Short-term firm point-to-point	409,934	0
<b>Total</b>	<b>28,686,822</b>	<b>25,160,211</b>

## Transmission lines

Voltage rating	Arizona		California		Nevada		Total	
	FY 2005	FY 2004	FY 2005	FY 2004	FY 2005	FY 2004	FY 2005	FY 2004
<b>500-kV</b>								
Circuit miles <sup>1</sup>	231.90	232.00	372.40	288.40	24.00	24.10	628.30	544.50
Circuit kilometers	373.13	373.29	599.19	464.04	38.62	38.78	1,010.93	876.10
Acres	5,361.79	5,361.79	5,176.65	5,176.65	2,234.82	2,234.82	12,773.26	12,773.26
Hectares	2,170.77	2,170.77	2,095.81	2,095.81	904.79	904.79	5,171.37	5,171.37
<b>345-kV</b>								
Circuit miles	226.10	226.10	0.00	0.00	11.10	11.10	237.20	237.20
Circuit kilometers	363.79	363.79	0.00	0.00	17.86	17.86	381.65	381.65
Acres	4,117.50	4,127.41	0.00	0.00	185.40	185.40	4,302.90	4,312.81
Hectares	1,667.01	1,671.02	0.00	0.00	75.06	75.06	1,742.07	1,746.08
<b>230-kV</b>								
Circuit miles <sup>2</sup>	51.70	46.90	33.60	33.60	0.00	0.00	85.30	80.50
Circuit kilometers	83.19	75.46	54.06	54.06	0.00	0.00	137.25	129.52
Acres	384.77	384.77	572.84	572.84	0.00	0.00	957.61	957.61
Hectares	155.78	155.78	231.92	231.92	0.00	0.00	387.70	387.70
<b>69-kV and below</b>								
Circuit miles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Circuit kilometers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Acres	0.00	0.00	0.00	0.00	278.78	278.78	278.78	278.78
Hectares	0.00	0.00	0.00	0.00	112.87	112.87	112.87	112.87
<b>Totals</b>								
Circuit miles	509.70	505.00	406.00	322.00	35.10	35.20	950.80	862.20
Circuit kilometers	820.11	812.55	653.25	518.10	56.48	56.64	1,529.84	1,387.28
Acres	9,864.06	9,873.97	5,749.49	5,749.49	2,699.00	2,699.00	18,312.55	18,322.46
Hectares	3,993.56	3,997.57	2,327.73	2,327.73	1,092.71	1,092.71	7,414.00	7,418.02

<sup>1</sup> Increase in mileage due to Los Banos-Gates Transmission Line (Path 15).

<sup>2</sup> Data cleanup accounts for a mileage increase of 4.8 miles.

## 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-108	Intertie	Transmission	5/23/03	INT-FT2/FT3	12/31/03	\$0	Rate Extension	9/12/03

## Transmission and Ancillary Services Rate Provisions

Fiscal year 2005	Rate Schedule Designation	Rate	
	INT-FT3, firm point-to-point transmission; 230/345 kV transmission system	\$12 per kW per year (\$1 per kW per month)	12/31/03
	INT-FT3, short-term firm point-to-point transmission; 230/345-kV transmission system.	Yearly	\$12 per kW 12/31/03
		Monthly	\$1 per kW
		Weekly	\$0.23 per kW
		Daily	\$0.03 per kW
		Hourly	\$0.00137 per kWh
	INT-NTS1, network transmission service	Product of the network customer's load ratio share times 1/12 of the total net annual transmission revenue requirement.	12/31/03
	DSW-SD1, Scheduling, System Control & Dispatch Ancillary Service <sup>1</sup>	per schedule/per day	
	Existing No SCADA programming or intra-bus transfer <sup>1</sup>	\$53.82	10/1/03
	Existing, No SCADA programming. Requires intra-bus transfer <sup>1</sup>	\$71.18	10/1/03
	New schedule w/SCADA, no Inter-bus transfer <sup>1</sup>	\$49.84	10/1/03
	New schedule w/SCADA, and Inter-bus transfer <sup>1</sup>	\$73.38	10/1/03
	DSW-RS1, Reactive Supply and Voltage Control Ancillary Service <sup>1</sup>	\$0.05/kW-mo	10/1/03
	DSW-EI1, Energy Imbalance Ancillary Service <sup>1</sup>	100 mills penalty may be charged	10/1/03
	DSW-FR1, Regulation & Frequency Response Ancillary Service <sup>1</sup>	If available, equal to capacity charge of project	10/1/03
	DSW-SPR1, Spinning & Supplemental Reserve Ancillary Service <sup>1</sup>	None available on long-term basis; Market price if available on non-firm basis; or procurement cost plus 10% administrative charge.	10/1/03
	DSW-SUR1, Supplemental Reserve Ancillary Service <sup>1</sup>	None available on long-term basis; Market price if available on non-firm basis; or procurement cost plus 10% administrative charge.	10/1/03

<sup>1</sup> Western Area Lower Colorado Ancillary Service—These service charges apply to AC Intertie, Parker-Davis, Salt Lake City Area/Integrated Project and Central Arizona Project transmission systems for transactions under Western's Open Access Transmission Tariff.

## Status of Repayment (Dollars in thousands)

	Cumulative 2004	Adjustments <sup>1</sup>	Annual 2005	Cumulative 2005
<b>Revenue:</b>				
Gross operating revenue	241,146	0	23,669	264,815
<b>Total operating revenue</b>	<b>241,146</b>	<b>0</b>	<b>23,669</b>	<b>264,815</b>
<b>Expenses:</b>				
O & M and other	91,753	0	5,702	97,455
Purchase power and other	700	0	350	1,050
Interest				
Federally financed	199,537	0	20,458	219,995
Total Interest	199,537	0	20,458	219,995
<b>Total expense</b>	<b>291,990</b>	<b>0</b>	<b>26,510</b>	<b>318,500</b>
(Deficit)/surplus revenue	(52,833)	3	(2,841)	(55,671)
<b>Investment:</b>				
Federally financed power	232,507	0	947	233,454
<b>Total investment</b>	<b>232,507</b>	<b>0</b>	<b>947</b>	<b>233,454</b>
<b>Investment repaid:</b>				
Federally financed power	1,989	(3)	0	1,986
<b>Total investment repaid</b>	<b>1,989</b>	<b>(3)</b>	<b>0</b>	<b>1,986</b>
<b>Investment unpaid:</b>				
Federally financed power	230,518	3	947	231,468
<b>Total investment unpaid</b>	<b>230,518</b>	<b>3</b>	<b>947</b>	<b>231,468</b>
<b>Percent of investment repaid to date:</b>				
Federal	0.86%			0.85%

<sup>1</sup> Adjustments reflect the FY 2004 crosswalk.

## Balance Sheets

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

	2005			2004		
	Western	Reclamation	Total	Western	Reclamation	Total
<b>Assets</b>						
<b>Utility plant:</b>						
Completed plant	\$ 231,807	\$ 0	\$ 231,807	\$ 230,941	\$ 0	\$ 230,941
Accumulated depreciation	(83,100)	0	(83,100)	(77,504)	0	(77,504)
Net completed plant	148,707	0	148,707	153,437	0	153,437
Construction work-in-progress	1,552	0	1,552	1,229	0	1,229
Net utility plant	150,259	0	150,259	154,666	0	154,666
Cash	17,839	0	17,839	11,102	0	11,102
Accounts receivable	1,748	0	1,748	4,145	0	4,145
Other assets	16,435	0	16,435	17,323	0	17,323
<b>Total assets</b>	<b>186,281</b>	<b>0</b>	<b>186,281</b>	<b>187,236</b>	<b>0</b>	<b>187,236</b>
<b>Federal investment &amp; liabilities</b>						
<b>Federal investment:</b>						
Congressional appropriations	210,792	52,181	262,973	205,699	52,181	257,880
Interest on Federal investment	254,371	0	254,371	236,093	0	236,093
Transfer of property & services, net	43,754	(44,070)	(316)	43,643	(44,070)	(427)
Gross Federal investment	508,917	8,111	517,028	485,435	8,111	493,546
Funds returned to U.S. Treasury	(220,418)	(8,111)	(228,529)	(201,015)	(8,111)	(209,126)
Net outstanding Federal investment	288,499	0	288,499	284,420	0	284,420
Accumulated net revenues (deficit)	(137,714)	0	(137,714)	(129,277)	0	(129,277)
<b>Total Federal investment</b>	<b>150,785</b>	<b>0</b>	<b>150,785</b>	<b>155,143</b>	<b>0</b>	<b>155,143</b>
<b>Liabilities:</b>						
Accounts payable	424	0	424	310	0	310
Other liabilities	35,072	0	35,072	31,783	0	31,783
Total liabilities	35,496	0	35,496	32,093	0	32,093
<b>Total Federal investment &amp; liabilities</b>	<b>\$ 186,281</b>	<b>\$ 0</b>	<b>\$ 186,281</b>	<b>\$ 187,236</b>	<b>\$ 0</b>	<b>\$ 187,236</b>

## 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
<b>Operating revenues:</b>						
Other operating income	\$ 24,697	\$ 0	\$ 24,697	\$ 30,410	\$ 0	\$ 30,410
Gross operating revenues	24,697	0	24,697	30,410	0	30,410
Income transfers, net	(1,028)	0	(1,028)	(3,767)	0	(3,767)
<b>Total operating revenues</b>	<b>23,669</b>	<b>0</b>	<b>23,669</b>	<b>26,643</b>	<b>0</b>	<b>26,643</b>
<b>Operating expenses:</b>						
Operation and maintenance	4,660	0	4,660	6,362	0	6,362
Administration and general	1,042	0	1,042	1,162	0	1,162
Purchased power	350	0	350	350	0	350
Depreciation	5,597	0	5,597	6,031	0	6,031
<b>Total operating expenses</b>	<b>11,649</b>	<b>0</b>	<b>11,649</b>	<b>13,905</b>	<b>0</b>	<b>13,905</b>
<b>Net operating revenues (deficit)</b>	<b>12,020</b>	<b>0</b>	<b>12,020</b>	<b>12,738</b>	<b>0</b>	<b>12,738</b>
<b>Interest expenses:</b>						
Interest on Federal investment	18,617	0	18,617	18,355	0	18,355
Interest on non-federally financed funding	1,933	0	1,933	1,654	0	1,654
Allowance for funds used during construction	(93)	0	(93)	0	0	0
<b>Net interest expenses</b>	<b>20,457</b>	<b>0</b>	<b>20,457</b>	<b>20,009</b>	<b>0</b>	<b>20,009</b>
<b>Net revenues (deficit)</b>	<b>(8,437)</b>	<b>0</b>	<b>(8,437)</b>	<b>(7,271)</b>	<b>0</b>	<b>(7,271)</b>
<b>Accumulated net revenues (deficit):</b>						
<b>Balance, beginning of year</b>	<b>(129,277)</b>	<b>0</b>	<b>(129,277)</b>	<b>(122,006)</b>	<b>0</b>	<b>(122,006)</b>
<b>Balance, end of year</b>	<b>\$ (137,714)</b>	<b>\$ 0</b>	<b>\$ (137,714)</b>	<b>\$ (129,277)</b>	<b>\$ 0</b>	<b>\$ (129,277)</b>

## Powerplants

State/plant name	Operating agency	River	Initial In-service date	Existing number of units	Installed capability <sup>1</sup> FY 2005 (MW)	Actual operating capability (MW)		Net generation (GWh) <sup>2</sup>	
						7/1/05	7/1/04	FY 2005	FY 2004
<b>Utah</b>									
Deer Creek	PRWUA	Provo	Feb 58	2	5	5	5	21	14
<b>Provo River Total</b>				<b>2</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>21</b>	<b>14</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 is 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.

## Marketing Plan Summary

Project	Expiration date
Provo River	Sept. 30, 2024

## Rate Actions 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 increment	Notes	Date submitted to FERC
WAPA-116	Provo	Extension	N/A	N/A	4/1/2005	N/A	Rate formula extension through 3/31/2010	12/1/2004

## Power Sales and Revenues

Customer	2005		2004	
	Energy (MWh) <sup>1</sup>	Revenues (\$)	Energy (MWh) <sup>1</sup>	Revenues (\$)
<b>Municipalities</b>				
<b>Utah</b>				
Utah Associated Municipal Power Systems	3,330	91,812	8,087	88,032
Utah Municipal Power Agency	7,898	214,237	6,486	205,404
<b>Subtotal Utah</b>	<b>11,228</b>	<b>306,049</b>	<b>14,573</b>	<b>293,436</b>
<b>Total municipalities</b>	<b>11,228</b>	<b>306,049</b>	<b>14,573</b>	<b>293,436</b>
<b>Provo River Project subtotal</b>	<b>11,228</b>	<b>306,049</b>	<b>14,573</b>	<b>293,436</b>
<b>Provo River Project total</b>	<b>11,228</b>	<b>306,049</b>	<b>14,573</b>	<b>293,436</b>

<sup>1</sup> Total energy differs from generation reports because of a deviation account with the customers.

## Status of Repayment (Dollars in thousands)

	Cumulative 2004	Adjustments	Annual 2005	Cumulative 2005
<b>Revenue:</b>				
Gross operating revenue	7,723	0	306	8,029
<b>Total operating revenue</b>	<b>7,723</b>	<b>0</b>	<b>306</b>	<b>8,029</b>
<b>Expenses:</b>				
O & M and other	4,541	0	283	4,824
Purchase power and other	203	0	0	203
Interest				
Federally financed	923	0	7	930
Total Interest	923	0	7	930
<b>Total expense</b>	<b>5,667</b>	<b>0</b>	<b>290</b>	<b>5,957</b>
(Deficit)/surplus revenue	262	0	(132)	130
<b>Investment:</b>				
Federally financed power	1,750	0	0	1,750
Nonpower	192	0	0	192
<b>Total investment</b>	<b>1,942</b>	<b>0</b>	<b>0</b>	<b>1,942</b>
<b>Investment repaid:</b>				
Federally financed power	1,602	0	148	1,750
Nonpower	192	0	0	192
<b>Total investment repaid</b>	<b>1,794</b>	<b>0</b>	<b>148</b>	<b>1,942</b>
<b>Investment unpaid:</b>				
Federally financed power	148	0	(148)	0
<b>Total investment unpaid</b>	<b>148</b>	<b>0</b>	<b>(148)</b>	<b>0</b>
<b>Percent of investment repaid to date:</b>				
Federal	91.54%			100.00%
Nonpower	100.00%			100.00%

## Balance Sheets

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

	2005			2004		
	Western	Reclamation	Total	Western	Reclamation	Total
<b>Assets</b>						
<b>Utility plant:</b>						
Completed plant	\$ 179	\$ 1,516	\$ 1,695	\$ 179	\$ 1,516	\$ 1,695
Accumulated depreciation	(22)	(880)	(902)	(17)	(855)	(872)
Net completed plant	157	636	793	162	661	823
Net utility plant	157	636	793	162	661	823
Cash	1	78	79	1	138	139
Accounts receivable	26	0	26	24	0	24
Other assets	2	12	14	2	7	9
<b>Total assets</b>	<b>186</b>	<b>726</b>	<b>912</b>	<b>189</b>	<b>806</b>	<b>995</b>
<b>Federal investment &amp; liabilities</b>						
<b>Federal investment:</b>						
Congressional appropriations	764	4,620	5,384	750	4,449	5,199
Interest on Federal investment	34	903	937	34	896	930
Transfer of property & services, net	5,578	(5,577)	1	5,167	(5,166)	1
Gross Federal investment	6,376	(54)	6,322	5,951	179	6,130
Funds returned to U.S. Treasury	(5,893)	(505)	(6,398)	(5,588)	(506)	(6,094)
Net outstanding Federal investment	483	(559)	(76)	363	(327)	36
Accumulated net revenues (deficit)	(300)	1,223	923	(176)	1,114	938
<b>Total Federal investment</b>	<b>183</b>	<b>664</b>	<b>847</b>	<b>187</b>	<b>787</b>	<b>974</b>
<b>Liabilities:</b>						
Accounts payable	0	36	36	0	14	14
Other liabilities	3	26	29	2	5	7
Total liabilities	3	62	65	2	19	21
<b>Total Federal investment &amp; liabilities</b>	<b>\$ 186</b>	<b>\$ 726</b>	<b>\$ 912</b>	<b>\$ 189</b>	<b>\$ 806</b>	<b>\$ 995</b>

## 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
<b>Operating revenues:</b>						
Sales of electric power	\$ 305	\$ 0	\$ 305	\$ 293	\$ 0	\$ 293
Gross operating revenues	305	0	305	293	0	293
Income transfers, net	(410)	410	0	(446)	337	(109)
<b>Total operating revenues</b>	<b>(105)</b>	<b>410</b>	<b>305</b>	<b>(153)</b>	<b>337</b>	<b>184</b>
<b>Operating expenses:</b>						
Operation and maintenance	9	269	278	7	113	120
Administration and general	6	0	6	4	0	4
Depreciation	4	25	29	4	25	29
<b>Total operating expenses</b>	<b>19</b>	<b>294</b>	<b>313</b>	<b>15</b>	<b>138</b>	<b>153</b>
<b>Net operating revenues (deficit)</b>	<b>(124)</b>	<b>116</b>	<b>(8)</b>	<b>(168)</b>	<b>199</b>	<b>31</b>
<b>Interest expenses:</b>						
Interest on Federal investment	0	7	7	(5)	24	19
<b>Net interest expenses</b>	<b>0</b>	<b>7</b>	<b>7</b>	<b>(5)</b>	<b>24</b>	<b>19</b>
<b>Net revenues (deficit)</b>	<b>(124)</b>	<b>109</b>	<b>(15)</b>	<b>(163)</b>	<b>175</b>	<b>12</b>
<b>Accumulated net revenues (deficit):</b>						
<b>Balance, beginning of year</b>	<b>(176)</b>	<b>1,114</b>	<b>938</b>	<b>(13)</b>	<b>939</b>	<b>926</b>
<b>Balance, end of year</b>	<b>\$ (300)</b>	<b>\$ 1,223</b>	<b>\$ 923</b>	<b>\$ (176)</b>	<b>\$ 1,114</b>	<b>\$ 938</b>

## Energy Resources and Disposition

	GWh	
	FY 2005	FY 2004
<b>Energy resources</b>		
Net generation	8	14
<b>Total energy resources</b>	<b>8</b>	<b>14</b>
<b>Energy disposition</b>		
Sales of electric energy		
Western sales	8	14
<b>Total energy sales</b>	<b>8</b>	<b>14</b>
<b>Total energy delivered</b>	<b>8</b>	<b>14</b>
<b>Total energy disposition</b>	<b>8</b>	<b>14</b>

## Marketing Plan Summary

Project	Expiration date
Washoe Project	Dec. 31, 2004

## Powerplants

State/plant name	Operating agency	River	Initial In-service date	Existing number of units	Installed capability (MW)	Actual Operating Capability (MW)		Net generation (GWh) <sup>1</sup>	
						7/1/05	7/1/04	FY 2005	FY 2004
<b>California</b>									
Stampede	Reclamation	Little Truckee	Dec 86	1	4	3	3	8	14
<b>Washoe Total</b>				<b>1</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>8</b>	<b>14</b>

<sup>1</sup> Net generation is gross plant generation less station service use.

## Non 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	SNF-5	None	Formula rate. Floor: 17.89 mills/kWh, Ceiling: 90.07 mills/kWh	10/1/04	N/A

## Power Sales and Revenues

Customer	2005		2004	
	Energy (MWh)	Revenue (\$)	Energy (MWh)	Revenue (\$)
<b>Investor-owned utilities</b>				
<b>Nevada</b>				
Sierra-Pacific Power Co.	7,522	134,576	13,523	241,931
<b>Subtotal Nevada</b>	<b>7,522</b>	<b>134,576</b>	<b>13,523</b>	<b>241,931</b>
<b>Total investor-owned utilities</b>	<b>7,522</b>	<b>134,576</b>	<b>13,523</b>	<b>241,931</b>
<b>Washoe Project total</b>	<b>7,522</b>	<b>134,576</b>	<b>13,523</b>	<b>241,931</b>

## Status of Repayment (Dollars in thousands)

	Cumulative 2004	Adjustments <sup>1</sup>	Annual 2005	Cumulative 2005
<b>Revenue:</b>				
Gross operating revenue	3,415	118	89	3,622
<b>Total operating revenue</b>	<b>3,415</b>	<b>118</b>	<b>89</b>	<b>3,622</b>
<b>Expenses:</b>				
O & M and other	3,126	(51)	251	3,327
Interest				
Federally financed	4,259	228	2	4,489
Total interest	4,259	228	2	4,489
<b>Total expense</b>	<b>7,385</b>	<b>177</b>	<b>253</b>	<b>7,816</b>
(Deficit)/surplus revenue	(3,970)	(59)	(164)	(4,194)
<b>Investment:</b>				
Federally financed power	4,510	0	0	4,510
<b>Total investment</b>	<b>4,510</b>	<b>0</b>	<b>0</b>	<b>4,510</b>
<b>Investment unpaid:</b>				
Federally financed power	4,510	0	0	4,510
<b>Total investment unpaid</b>	<b>4,510</b>	<b>0</b>	<b>0</b>	<b>4,510</b>
<b>Percent of investment repaid to date:</b>				
Federal	0.00%			0.00%

<sup>1</sup> Revenues/expenses are adjusted for the difference between the FY05 financial statements and the FY05 power repayment study.

## Balance Sheets

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

	2005			2004		
	Western	Reclamation	Total	Western	Reclamation	Total
<b>Assets</b>						
<b>Utility plant:</b>						
Completed plant	\$ 216	\$ 8,459	\$ 8,675	\$ 216	\$ 8,459	\$ 8,675
Accumulated depreciation	(84)	(2,293)	(2,377)	(78)	(2,162)	(2,240)
Net completed plant	132	6,166	6,298	138	6,297	6,435
Net utility plant	132	6,166	6,298	138	6,297	6,435
Cash	6	1,441	1,447	5	2,466	2,471
Other assets	455	16	471	366	19	385
<b>Total assets</b>	<b>593</b>	<b>7,623</b>	<b>8,216</b>	<b>509</b>	<b>8,782</b>	<b>9,291</b>
<b>Federal investment &amp; liabilities</b>						
<b>Federal investment:</b>						
Congressional appropriations	374	11,745	12,119	337	12,601	12,938
Interest on Federal investment	161	5,988	6,149	384	5,764	6,148
Transfer of property & services, net	1,863	(2,019)	(156)	1,873	(2,028)	(155)
Gross Federal investment	2,398	15,714	18,112	2,594	16,337	18,931
Funds returned to U.S. Treasury	(1,445)	(26)	(1,471)	(1,445)	(26)	(1,471)
Net outstanding Federal investment	953	15,688	16,641	1,149	16,311	17,460
Accumulated net revenues (deficit)	(362)	(8,153)	(8,515)	(643)	(7,572)	(8,215)
<b>Total Federal investment</b>	<b>591</b>	<b>7,535</b>	<b>8,126</b>	<b>506</b>	<b>8,739</b>	<b>9,245</b>
<b>Liabilities:</b>						
Accounts payable	2	21	23	3	0	3
Other liabilities	0	67	67	0	43	43
Total liabilities	2	88	90	3	43	46
<b>Total Federal investment &amp; liabilities</b>	<b>\$ 593</b>	<b>\$ 7,623</b>	<b>\$ 8,216</b>	<b>\$ 509</b>	<b>\$ 8,782</b>	<b>\$ 9,291</b>

## 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
<b>Operating revenues:</b>						
Sales of electric power	\$ 22	\$ 0	\$ 22	(\$ 197)	\$ 0	(\$ 197)
Other operating income	67	0	67	(24)	0	(24)
Gross operating revenues	89	0	89	(221)	0	(221)
Income transfers, net	10	(10)	0	(48)	48	0
<b>Total operating revenues</b>	<b>99</b>	<b>(10)</b>	<b>89</b>	<b>(269)</b>	<b>48</b>	<b>(221)</b>
<b>Operating expenses:</b>						
Operation and maintenance	28	217	245	7	254	261
Administration and general	7	0	7	1	0	1
Depreciation	5	130	135	5	130	135
<b>Total operating expenses</b>	<b>40</b>	<b>347</b>	<b>387</b>	<b>13</b>	<b>384</b>	<b>397</b>
<b>Net operating revenues (deficit)</b>	<b>59</b>	<b>(357)</b>	<b>(298)</b>	<b>(282)</b>	<b>(336)</b>	<b>(618)</b>
<b>Interest expenses:</b>						
Interest on Federal investment	(222)	224	2	234	228	462
<b>Net interest expenses</b>	<b>(222)</b>	<b>224</b>	<b>2</b>	<b>234</b>	<b>228</b>	<b>462</b>
<b>Net revenues (deficit)</b>	<b>281</b>	<b>(581)</b>	<b>(300)</b>	<b>(516)</b>	<b>(564)</b>	<b>(1,080)</b>
<b>Accumulated net revenues (deficit):</b>						
<b>Balance, beginning of year</b>	<b>(643)</b>	<b>(7,572)</b>	<b>(8,215)</b>	<b>(127)</b>	<b>(7,008)</b>	<b>(7,135)</b>
<b>Balance, end of year</b>	<b>\$ (362)</b>	<b>\$ (8,153)</b>	<b>\$ (8,515)</b>	<b>\$ (643)</b>	<b>\$ (7,572)</b>	<b>\$ (8,215)</b>