



2009 Preliminary Budget (\$000s)

	2009 Budget Preliminary	2008 Forecast	2008 Budget Current	2009 budget vs 2008 forecast		2009 budget vs 2008 budget	
				Inc/Dec	%	Inc/Dec	%
Distribution System							
Op Revenues	\$128,759	\$142,191	\$134,210	\$(13,433)	-9%	\$(5,451)	-4%
Purchased Power	90,876	101,426	82,496	(10,551)	-10%	8,380	10%
Op Expenses (excl Depr/Amort)	33,091	32,282	33,320	809	3%	(229)	-1%
Depreciation/Amortization	8,191	7,534	7,240	658	9%	952	13%
Non-Op Exp (Inc)	(7,148)	(11,120)	(11,267)	3,972	-36%	4,119	-37%
Net Revenue	3,749	12,070	22,422	(8,321)	-69%	(18,673)	-83%
Capital Contributions	2,762	3,573	3,573	(812)	-23%	(812)	-23%
Incr / (Decr) In Net Assets	6,511	15,643	25,995	(9,132)	-58%	(19,485)	-75%
Capital & Deferred	21,858	21,345	23,000	513	2%	(1,142)	-5%
Networks							
Op Revenues	\$5,600	\$5,156	\$4,794	\$444	9%	\$805	17%
Op Expenses (excl Depr/Amort)	4,112	3,980	4,160	132	3%	(48)	-1%
Depreciation/Amortization	4,333	3,976	4,529	357	9%	(196)	-4%
Non-Op Exp (Inc)	4,205	4,208	4,567	(2)	0%	(362)	-8%
Net Revenue	(7,051)	(7,008)	(8,462)	(44)	1%	1,411	-17%
Capital Contributions	0	0	0	0		0	
Incr / (Decr) In Net Assets	(7,051)	(7,008)	(8,462)	(44)	1%	1,411	-17%
Capital & Deferred	9,930	12,515	12,546	(2,585)	-21%	(2,616)	-21%
Water System							
Op Revenues	\$4,328	\$4,046	\$4,312	\$283	7%	\$16	0%
Op Expenses (excl Depr/Amort)	3,938	3,612	3,595	326	9%	343	10%
Depreciation/Amortization	1,351	1,072	1,048	279	26%	303	29%
Non-Op Exp (Inc)	203	148	78	55	37%	125	161%
Net Revenue	(1,164)	(787)	(409)	(377)	48%	(755)	185%
Capital Contributions	763	6,493	6,617	(5,730)	-88%	(5,854)	-88%
Incr / (Decr) In Net Assets	(401)	5,706	6,208	(6,107)	-107%	(6,609)	-106%
Capital & Deferred	6,795	6,232	7,700	563	9%	(905)	-12%

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Wastewater System							
Op Revenues	\$445	\$420	\$438	\$25	6%	\$7	2%
Op Expenses (excl Depr/Amort)	632	617	617	15	2%	15	3%
Depreciation/Amortization	237	230	230	8	3%	8	3%
Non-Op Exp (Inc)	11	(23)	(42)	35	-149%	53	-127%
Net Revenue	(435)	(403)	(366)	(32)	8%	(69)	19%
Capital Contributions	49	100	48	(51)	-51%	1	2%
Incr / (Decr) In Net Assets	(386)	(303)	(318)	(83)	27%	(68)	21%
Capital & Deferred	59	77	200	(18)	-24%	(141)	-71%
Treasury Services							
Operating Expense	0	1	8	(1)	-100%	(8)	-100%
Non-Op Exp (Inc)	(1,634)	(870)	(1,521)	(765)	88%	(113)	7%
Net Revenue	1,634	869	1,513	(2,503)	-288%	121	8%
<i>UTILITY SVCS/ISS Operating Ratio</i>	<i>101.4%</i>	<i>97.8%</i>	<i>91.4%</i>				
<i>UTILITY SVCS/ISS Chg in NR</i>	<i>(3,769)</i>	<i>4,400</i>	<i>14,239</i>	<i>(8,169)</i>	<i>-186%</i>	<i>(18,008)</i>	<i>-126%</i>
Rocky Reach Hydro							
Op Revenues	\$80,080	\$77,478	\$79,203	\$2,601	3%	\$876	1%
Op Expenses (excl Depr/Amort)	45,881	44,034	46,026	1,847	4%	(145)	0%
Depreciation/Amortization	18,779	16,909	17,033	1,870	11%	1,747	10%
Non-Op Exp (Inc)	18,226	18,114	17,753	112	1%	473	3%
Net Revenue	(2,807)	(1,579)	(1,608)	(1,228)	78%	(1,199)	75%
Capital & Deferred	5,543	7,449	7,000	(1,906)	-26%	(1,457)	-21%
Rock Island Hydros							
Op Revenues	\$81,525	\$74,442	\$75,252	\$7,084	10%	\$6,273	8%
Op Expenses (excl Depr/Amort)	43,151	38,413	39,577	4,738	12%	3,574	9%
Depreciation/Amortization	10,476	9,610	9,798	866	9%	678	7%
Non-Op Exp (Inc)	25,142	23,635	23,423	1,506	6%	1,718	7%
Net Revenue	2,756	2,782	2,454	(26)	-1%	303	12%
Capital & Deferred	20,613	24,566	19,000	(3,953)	-16%	1,613	8%
Lake Chelan Hydro							
Op Revenues	\$8,822	\$7,469	\$7,609	\$1,353	18%	\$1,213	16%
Op Expenses (excl Depr/Amort)	4,196	3,784	4,137	412	11%	59	1%
Depreciation/Amortization	904	842	877	61	7%	27	3%
Non-Op Exp (Inc)	2,797	2,086	2,208	711	34%	589	27%
Net Revenue	925	756	387	169	22%	538	139%
Capital & Deferred	24,605	25,253	23,000	(648)	-3%	1,605	7%

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ISS System							
Op Revenues	\$6,254	\$6,991	\$7,122	\$(737)	-11%	\$(868)	-12%
Op Expenses (excl Depr/Amort)	707	639	639	69	11%	69	11%
Depreciation/Amortization	4,420	5,045	5,298	(625)	-12%	(878)	-17%
Non-Op Exp (Inc)	1,628	1,649	1,645	(20)	-1%	(16)	-1%
Net Revenue	(502)	(341)	(459)	(161)	47%	(42)	9%
Capital & Deferred	3,074	3,769	4,400	(695)	-18%	(1,326)	-30%
Financing Facilities (Non-Op Exp/Inc)	0	0	0	0		0	
Tot Oper Exp (no PP/depr) before Intra-District Transactions	135,708	127,362	132,078	8,346	7%	3,630	3%
Intra-District Transactions							
Revenue	\$(90,809)	\$(84,661)	\$(86,837)	\$(6,148)	7%	\$(3,973)	5%
Power Supply Expenses	(81,939)	(75,133)	(77,276)	(6,807)	9%	(4,663)	6%
Operating Expenses	(8,870)	(9,529)	(9,560)	659	-7%	690	-7%
Total District							
Revenues	225,003	233,531	226,104	(8,528)	-4%	(1,100)	0%
Expenses (excl Purch Pwr/Depr)	126,838	117,833	122,518	9,005	8%	4,321	4%
Power Supply Expense	8,936	26,294	5,219	(17,357)	-66%	3,717	71%
Depreciation/Amortization	48,692	45,218	46,051	3,474	8%	2,640	6%
Non-Op Exp (Inc)	43,431	37,826	36,844	5,604	15%	6,587	18%
Subtotal Expenses	227,897	227,172	210,632	726	0%	17,265	8%
Net Revenue	(2,894)	6,359	15,471	(9,253)	-146%	(18,365)	-119%
Capital Contributions	3,574	10,166	10,238	(6,593)	-65%	(6,665)	-65%
Incr / (Decr) In Net Assets	679	16,525	25,709	(15,846)	-96%	(25,030)	-97%
Capital & Deferred	92,478	101,207	96,846	(8,729)	-9%	(4,368)	-5%
Total Expenditures (Subtot Exp + Cap/Def - Cap Contributions) *	<u>\$316,802</u>	<u>\$318,213</u>	<u>\$297,240</u>	(1,411)	0%	19,562	7%

Total District Expenditures reconciliation to OMT Expenses

	2009 Preliminary Budget	2008 Current Budget	Increase (Decrease)		
			\$	%	
Total Expenditures	\$316,823	\$297,240	19,583	7%	
Less: Capital & Deferred	92,499	96,846	(4,347)	-4%	Increases at Rock Island & Lake Chelan due to modernization projects are offset by decreases in other systems.
Add: Capital Contributions	3,574	10,238	(6,665)	-65%	Decrease primarily due to \$5.2M Monitor Water System Grants/LUD budgeted in 2008.
Less: Non-Op Exp (Inc)	43,431	36,844	6,587	18%	Additional interest expense at RI & LC due to modernizations (and LC license implementation), and DS due to \$55M in notes, as well as, decreased interest income due to lower yields on investments.
Less: Depreciation/Amortization	48,692	46,051	2,640	6%	Capitalization of assets placed in service in 2008.
Less: Purchased Power	8,936	5,219	3,717	71%	Forward purchases (\$2.4M Morgan Stanley buybacks for credit mitigation) and additional \$1.7M Alcoa Supplemental purchases flow thru (offset by increase in sales for resale).
Add: Intra-District Transactions	(8,870)	(9,529)	659	-7%	Decrease in intersystem rents (some shared assets fully depreciated).
OMT Expenses <i>(before Intra-District transactions)</i>	<u>135,709</u>	<u>132,047</u>	<u>3,662</u>	<u>3%</u>	Primarily due to \$3.6M increase at Rock Island for modernization and hatchery costs.