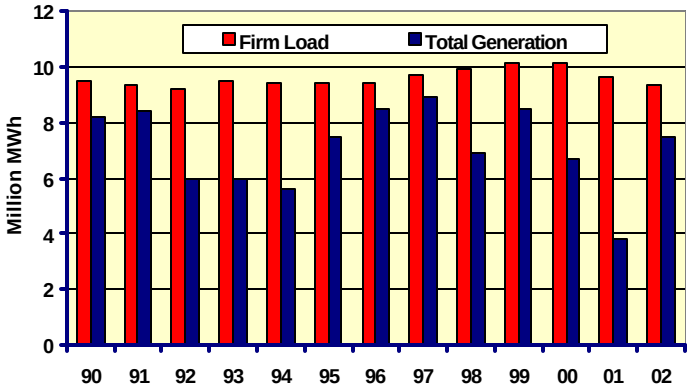
How our resource plan works

Seattle City Light

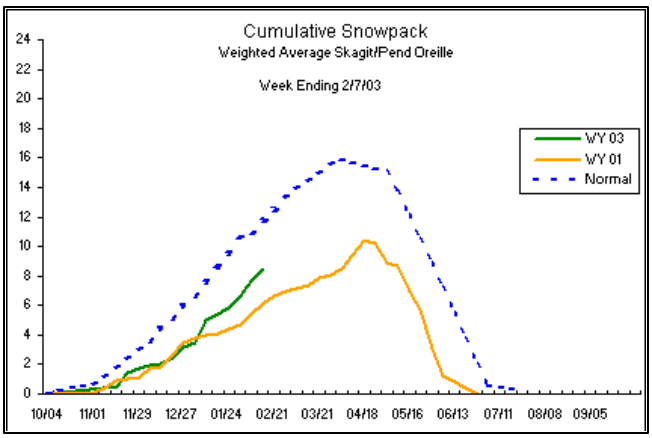
OUR OWNED RESOURCES

While City Light's own resources supply about 75% of its customers' needs over time, yearly variations are significant, from nearly 95% of of yearly load to less than 40% in 2001.



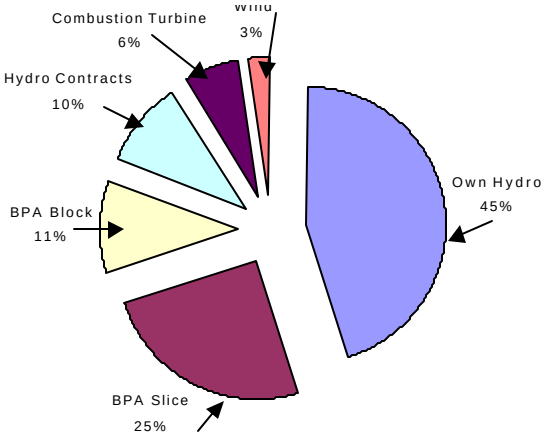
WATER CONDITIONS

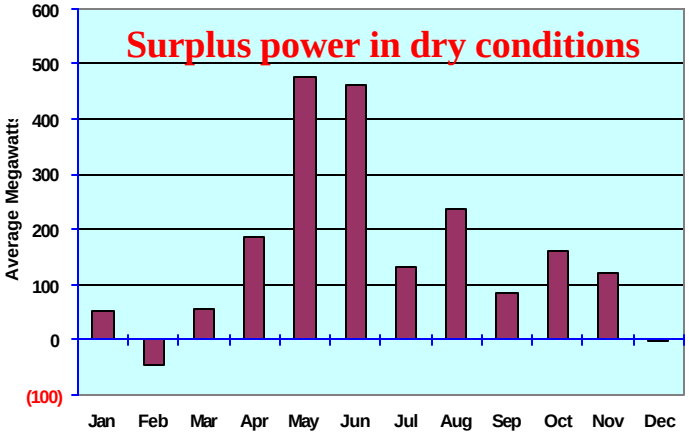
While there have been recent improvements in water conditions, it is late in the season and conditions are expected to be closer to the hard drought of 2000-2001 than to a normal year represented by the blue line.



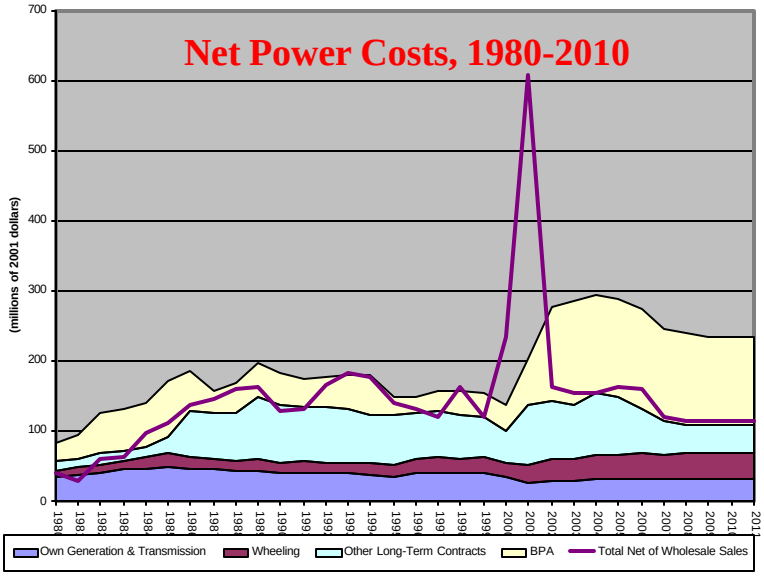
OUR NEW RESOURCE PORTFOLIO

To deal with this variability, City Light has purchased a portfolio of supplemental resources that provide considerable insurance against these yearly and seasonal variations. This portfolio provides enough energy in every month to meet all of City Light's customer demand in every month. February's small deficit is easily covered by borrowing from the preceding month.



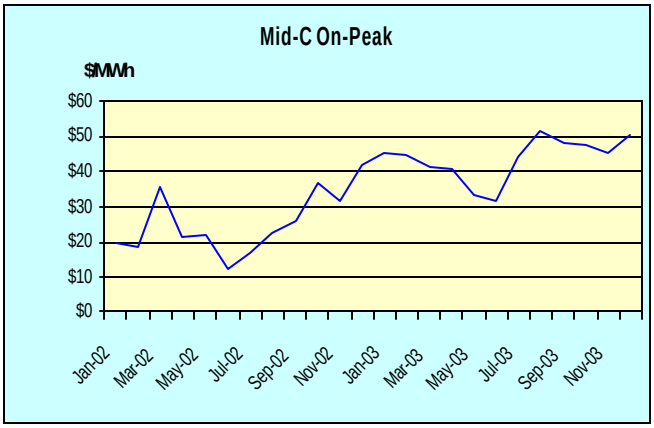


How our resource plan works



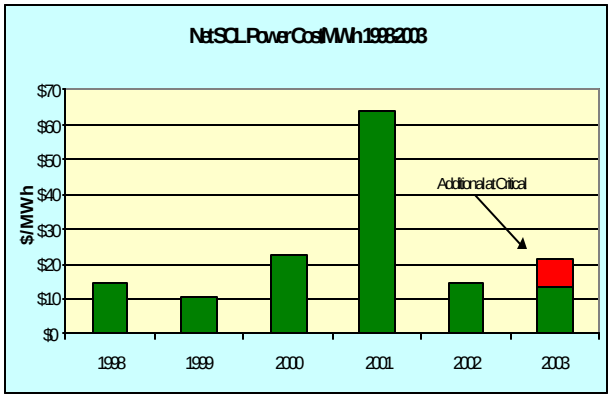
RESOURCE INSURANCE PROVIDES OTHER BENEFITS FOR CUSTOMERS

Historically, City Light has been a net seller of electricity except during the 2000-2001 energy crisis when prices in the west went out of control. The new resource plan insures against drought but produces low net power costs through surpluses in more normal water years.



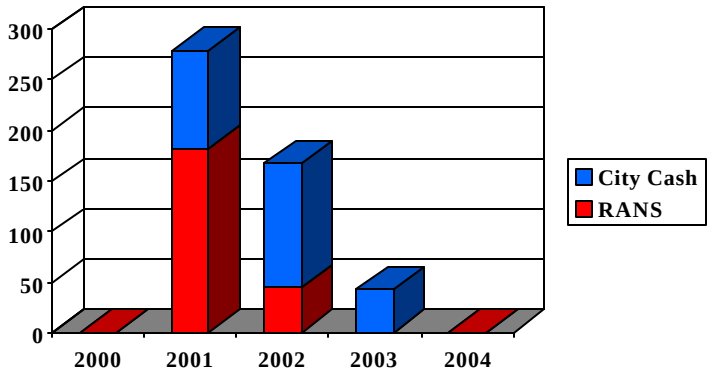
POWER MARKET STABILIZING

Even when water conditions are lower than normal, the increase in prices experienced in those conditions can help keep revenues stable. Prices at the Mid-Columbia power trading hub have been firming for the past several months due to higher natural gas prices and low water. While SCL has less energy to sell, it is receiving a better price for it.



SURPLUS SALES HELP BUY DOWN THE ENERGY CRISIS DEBT

Unlike many other utilities who purchased long term contracts that are now well above market with terms well into the future, City Light made short term loans that are now being rapidly paid off. By mid-2004, when the short term borrowing is paid off, the Mayor and Council likely will conduct a new rate review that takes into account new, more conservative financial policies.



CITY LIGHT POWER COSTS REMAIN COMPETITITVE

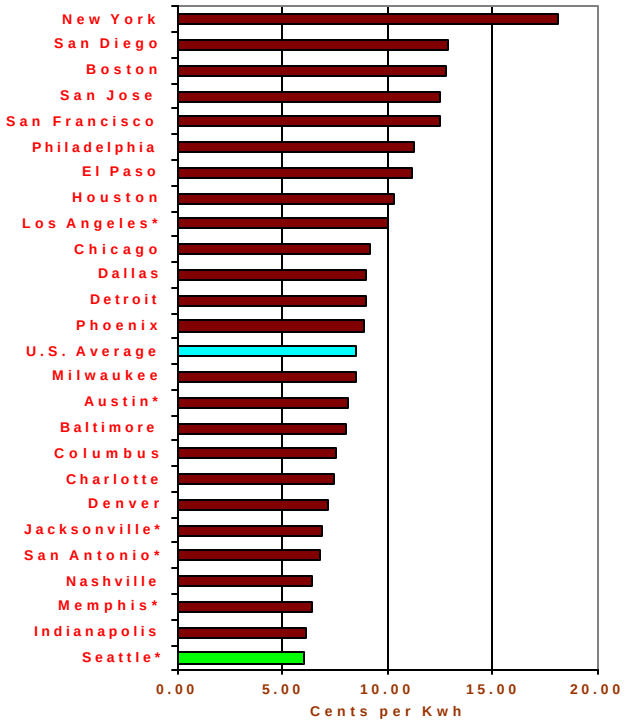
Even under the worst water conditions, the cost of City Light's resource package is well-below the market level of $30/Mwh. In more normal conditions, the cost is even lower.

Seattle City Light

How City Light Stacks Up

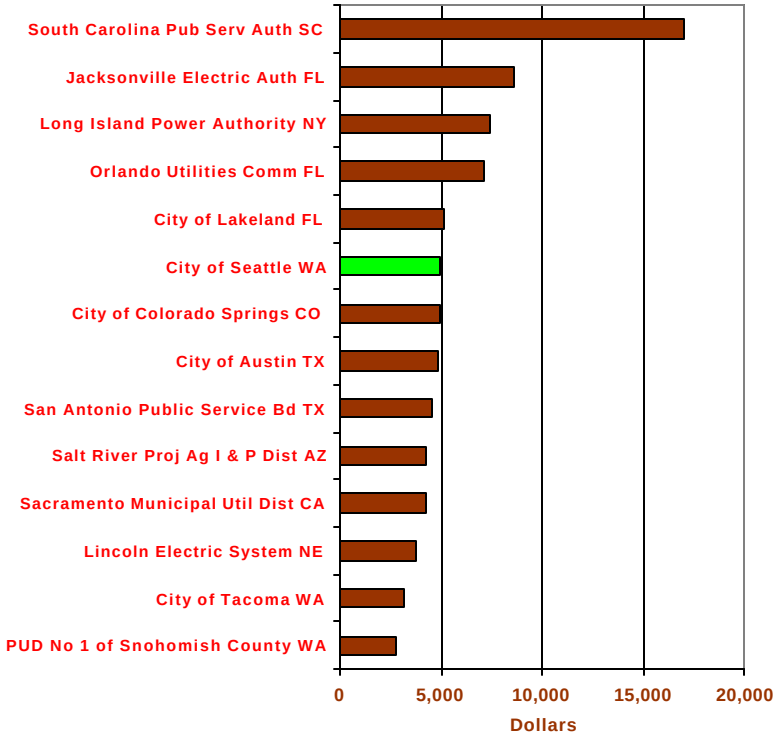
RATES: 25 LARGEST US CITIES

Seattle continues to offer its residents the lowest cost power in urban America.



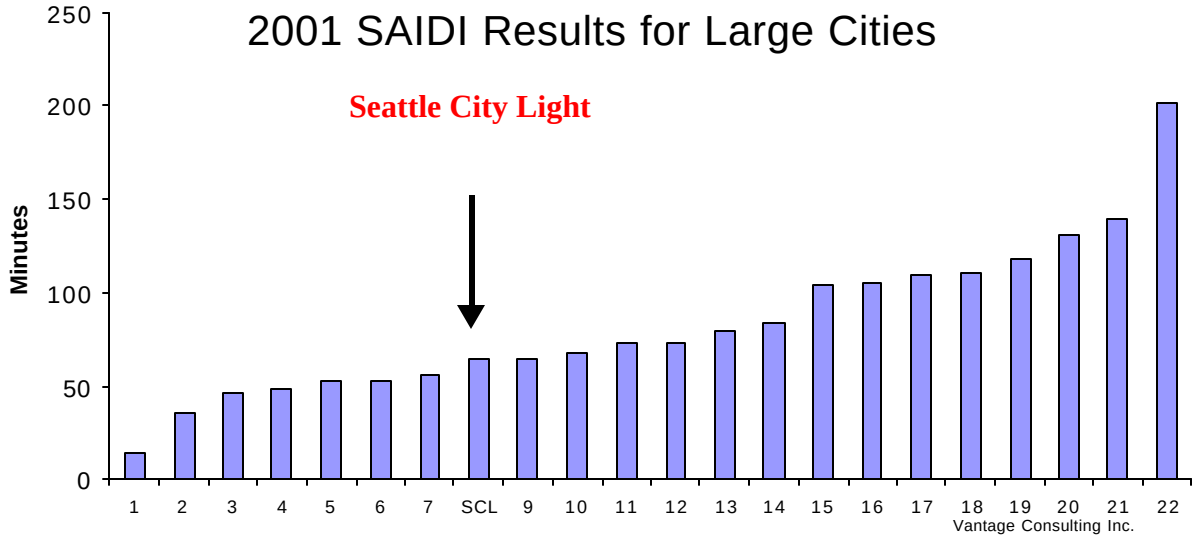
LONG-TERM DEBT PER CUSTOMER

City Light ranks in the middle of the pack among the 20 largest public utilities in the country.



RELIABILITY

The System Average Interruption Duration Index (SAIDI) measures the average number of minutes customers will be without power over the course of a year.

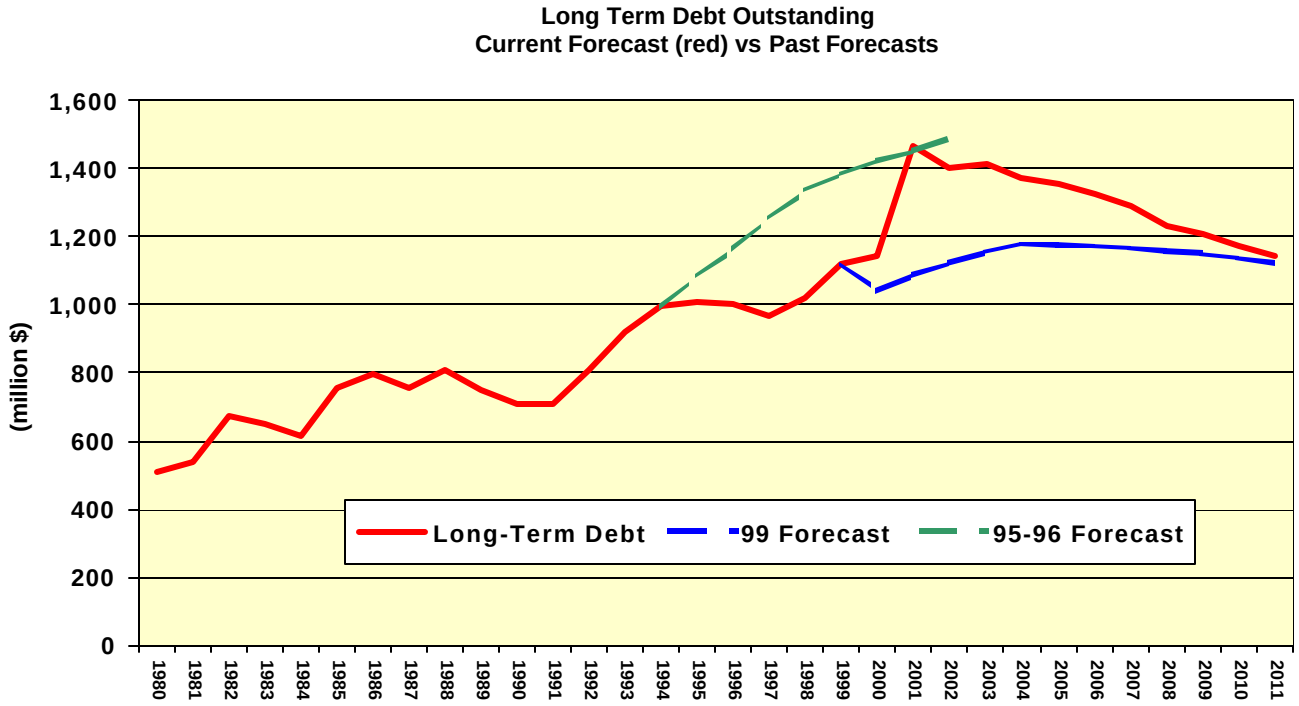


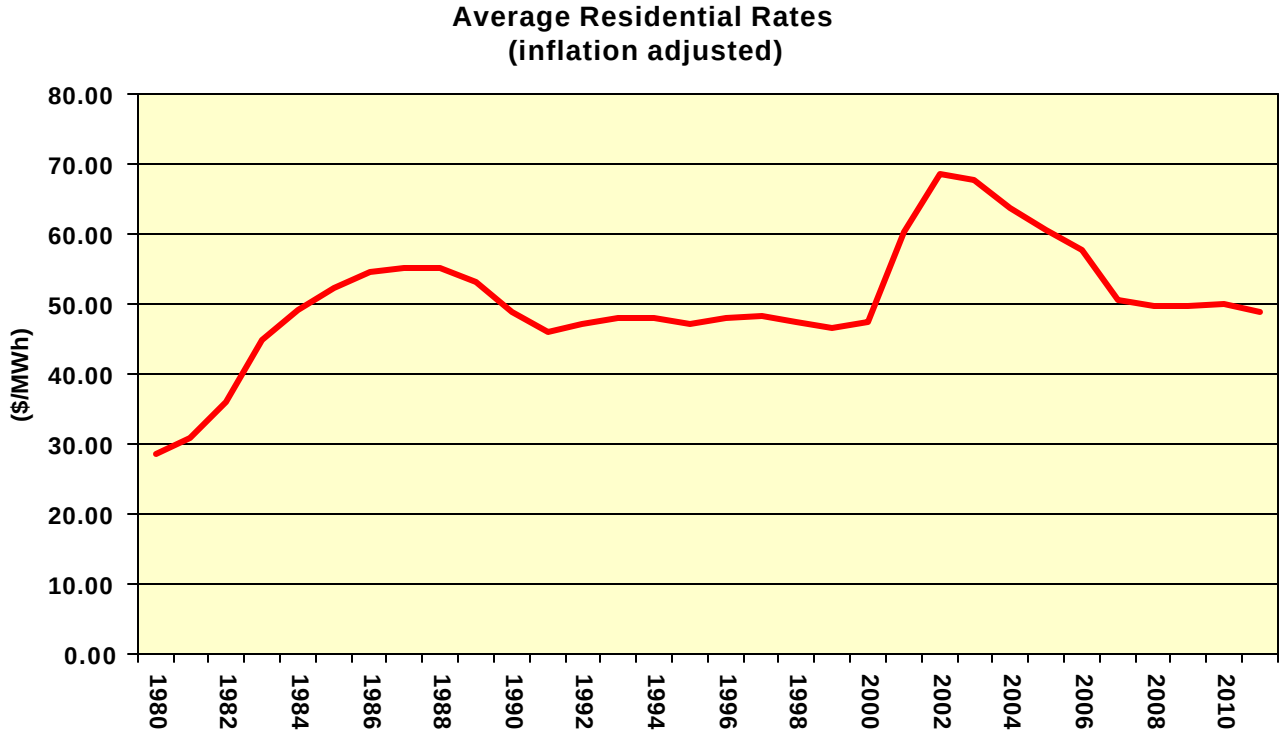
*** Publicly Owned Electric Systems**

Seattle City Light

Debt and Rates

Beginning in the 90s, the City Council and several of its customer groups engaged in a discussion about City Light debt policies. City Light rates had risen believed that the City Light's debt policies were too restrictive and led to higher than necessary rates.





Seattle City Light