

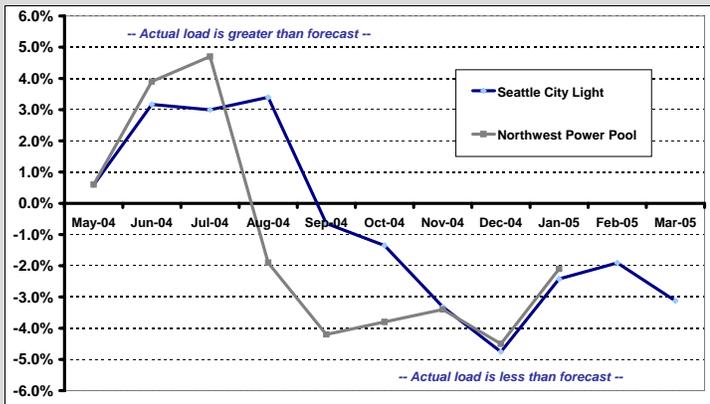


# Seattle City Light Operations Report

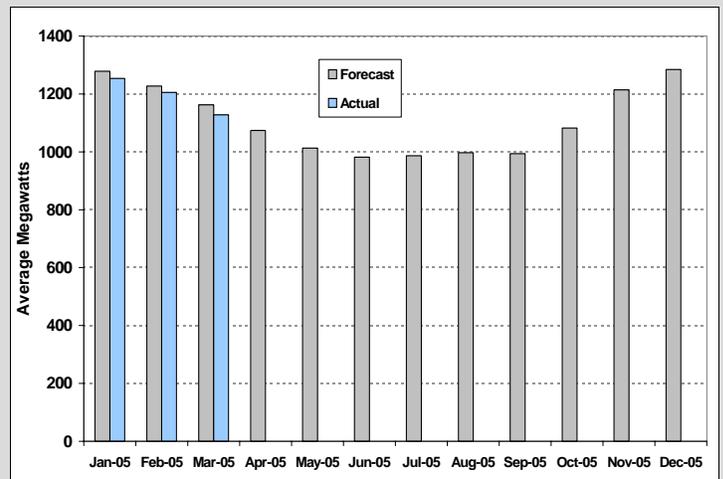
April 2005

## - Historic and Projected Load -

**Non-Weather Adjusted Load  
Forecast vs Actual  
SCL and NWPP**



**Forecast vs Actual YTD 2005**



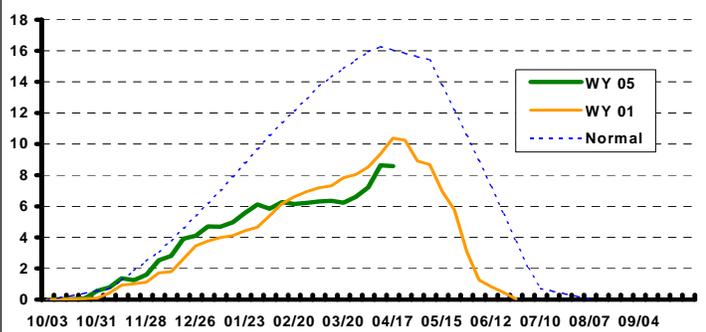
A "soft patch" in the economy and warmer weather effects have resulted in actual loads that are lower than expected. The Northwest Power Pool (major generating utilities serving the Northwestern U.S., British Columbia and Alberta) data show a similar pattern.

This graph compares the forecast of load for each month with actual load. The difference between forecast and actual can be due to weather and/or changes in the factors affecting load growth. This appears to be the effect of our warm winter.

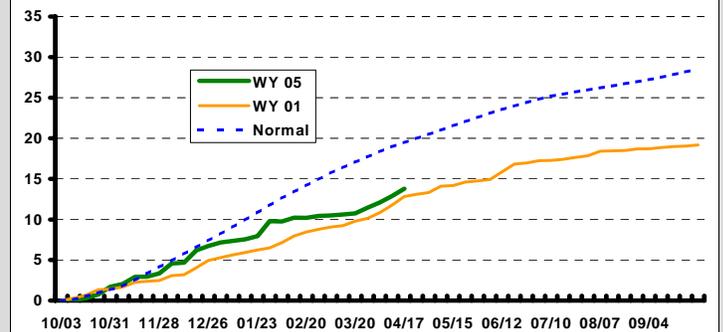
## - Hydro Resources: Rain and Snow -

### Snowpack and Precipitation Above Our Hydroelectric Projects as of April 11, 2005

**Cumulative Snowpack**  
Weighted Average Skagit/Pend Oreille

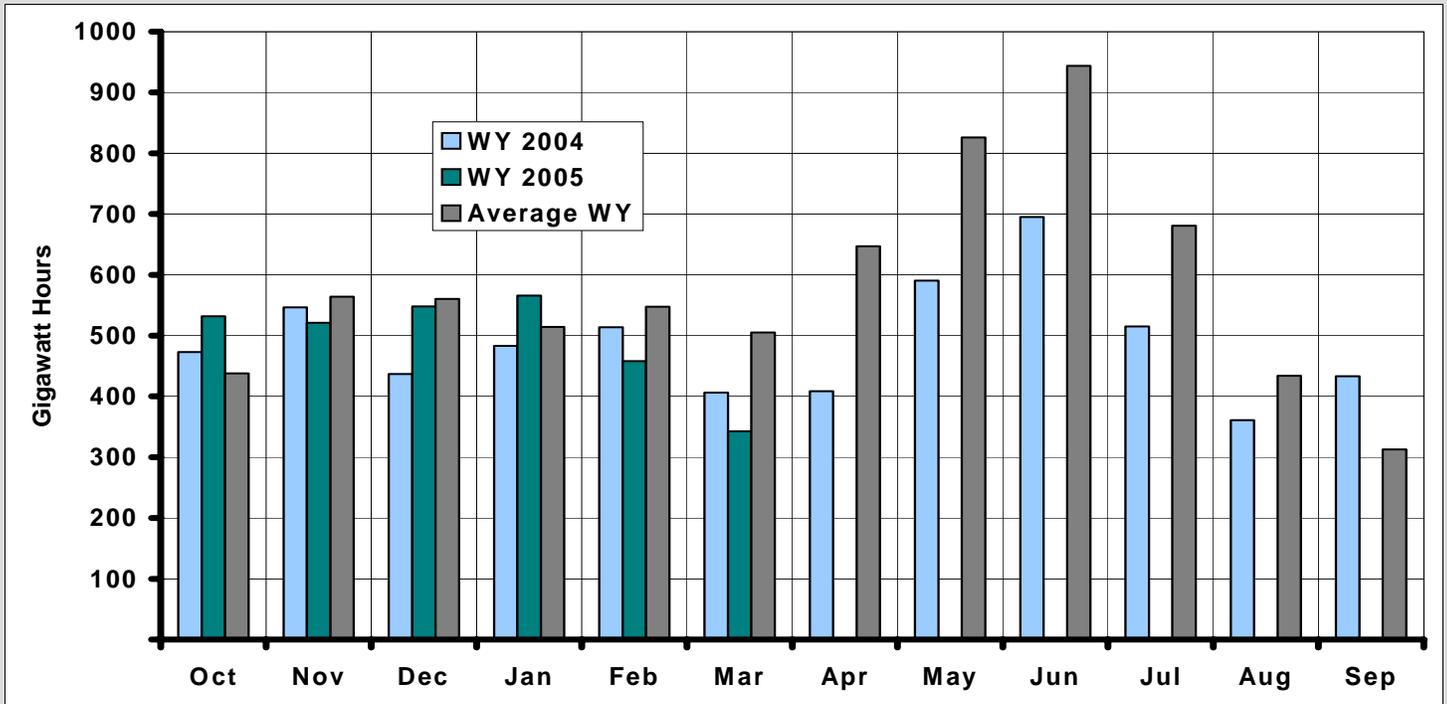


**Cumulative Precipitation**  
Weighted Average Skagit/Pend Oreille



The last two weeks have been very nice for the hydro system...cold and wet. This change in the weather had been anticipated by our forecasters. So even though the snowpack has climbed upward, there is little change in the outlook for Ross Lake operations. The odds of filling the lake to the top by July are only fifty-fifty in spite of the fact that system operators have kept so much water behind the dam this winter. The results of the April 1st manual survey of snow in the mountains at the Skagit became available this week. The snow water content, measured in inches, is the lowest ever recorded, 7.5 inches, far worse than the previous low in 1977 of 11.9 inches. Our biggest watershed, the Pend Oreille behind Boundary Dam, saw a solid snowpack gain in the last two weeks. Even so, it too is much below normal. The message we are sending is that there still appears to be sufficient water to meet both the electric needs of our customers and the water needs of the salmon and steelhead at the Skagit. We are cautioning recreational users of Ross Lake that there remains a chance that some boat docks and launches may be unusable this summer.

### - Generation - Monthly Net Generation



This chart compares City Light's monthly net generation from owned resources in the current 2005 water year to net generation figures from the previous water year (2004) and the average water year. Overall net generation from the start of the water year through the month of March is 2.95 million GWh (compare to 3.13 million GWh in an average year).

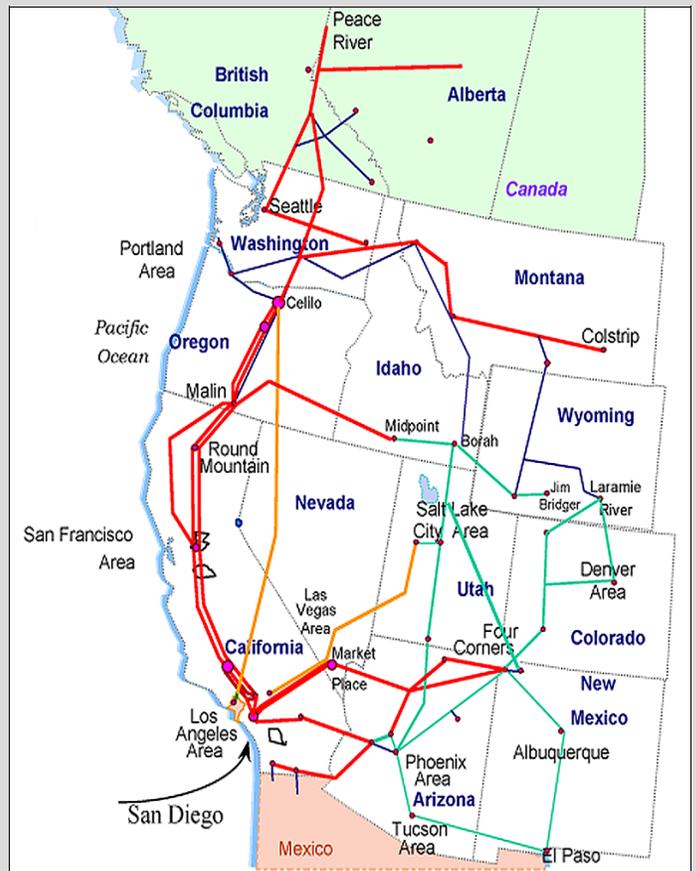
### - Transmission -

#### Underground Transmission



Seattle City Light maintains 498 miles of 230 kV and 136 miles of 115 kV transmission. Most of this is overhead, but 19 and 12 miles respectively is underground. The first underground transmission cables were installed in 1966 from East Pine to Broad and East Pine to the Beacon Hill terminus. These installations use high-pressure fluid-filled pipe-type cable. The above photo shows a cross section of a typical underground transmission cable, with the three AC phases (analogous to the familiar three phases in the overhead) contained in a protective pipe cover.

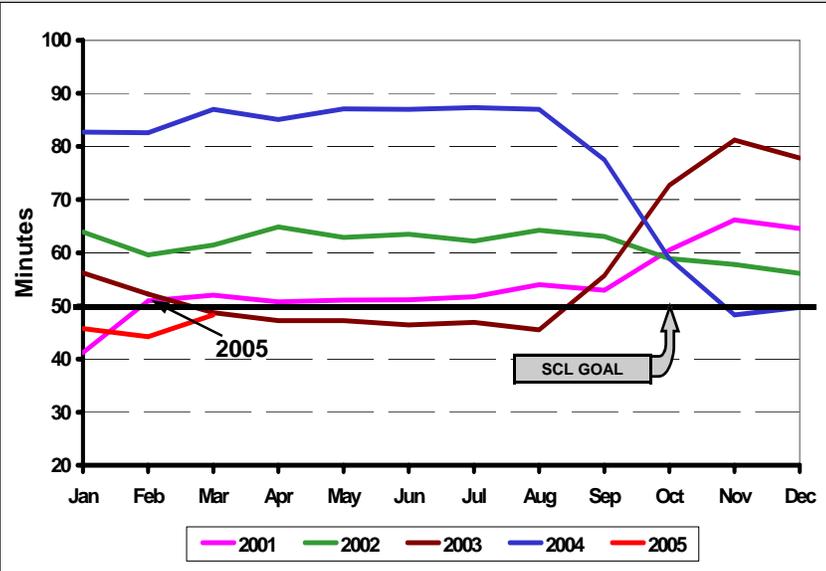
#### The Western Grid



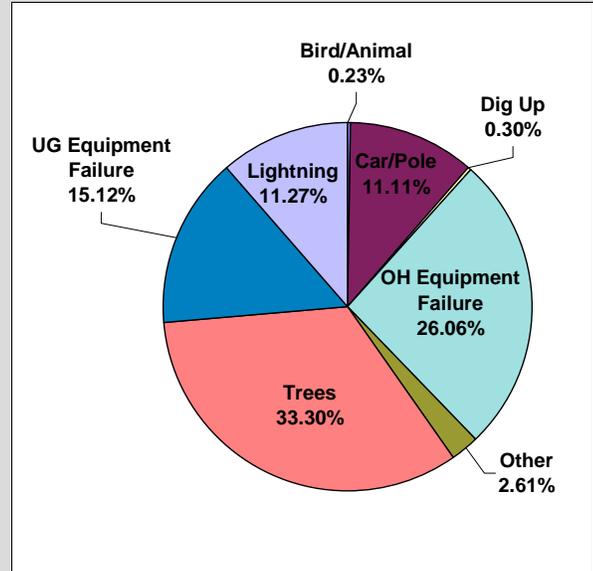
## - Distribution System Reliability -

SAIDI, the System Average Interruption Duration Index, is an industry standard reliability metric which reflects the average outage time for an average customer in minutes during the preceding 12 months. The lower the SAIDI figure, the better the reliability. Since 1998 City Light has had a SAIDI goal of 50 minutes or less. The SAIDI figure we report here excludes outage impact from Major Event Days (MED) as defined by the industry's leading professional organization, the Institute of Electrical and Electronics Engineers (IEEE). MEDs include severe weather or other events causing abnormal stress on the system.

### Average Customer Outage Minutes



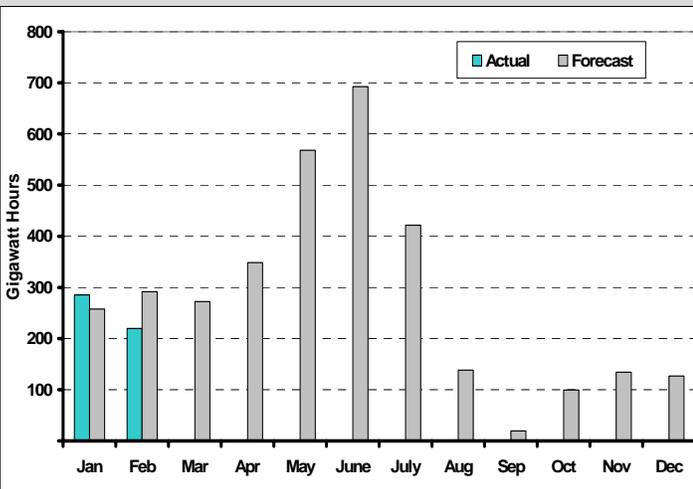
### Reasons for Outages



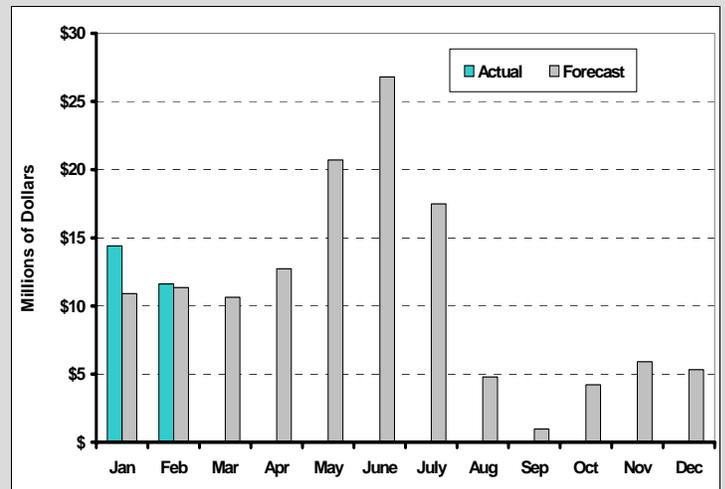
SAIDI for March was 9.5 minutes, yielding a total for the 12 months ending March 31st of 48.3 minutes, up 4.1 minutes from February but below the goal of 50. A series of wind and tree related outages early in the morning of Sunday March 20th were the largest outage impact, contributing about 2.2 minutes. A failed insulator on Saturday March 26th was the second largest outage, contributing about 2 minutes. The SAIDI figure which includes storms is 63.5 minutes. Non-storm SAIFI was 1.3989.

## - The Business: Wholesale Activity Feb 2005 -

### Net Wholesale Energy



### Net Wholesale Revenue



Actual net revenue from wholesale market transactions, at \$26.0 million, was \$3.8 million above forecast, despite a lower than anticipated net volume of energy sold, because of higher sales prices and lower purchase prices. Power generated at City Light-owned hydro resources and purchased under long-term contracts was 1.8% lower than forecast. Net surplus power available through the end of February was therefore 8.0% below forecast. The average sales price, \$50.60/MWh, was 21.1% higher than forecast while the average purchase price, \$46.64/MWh, was 0.5% lower than forecast. Net wholesale revenue in the month of February was \$11.6 million or \$0.3 million more than the forecast of \$11.3 million. The net volume of surplus energy available in February, 219,718 MWh, was 24.6% below forecast, the average sales price, \$51.61/MWh, was 27.4% above forecast and the average purchase price, \$46.42/MWh, was 2.1% below forecast.

## - Finances - Forecast to Actual, YTD 2005

Year-To-Date Through 2/28/05				
	Adopted Forecast	Actual	Actual - Adopted	Notes
<b>Operating Revenues</b>	<b>\$140.1</b>	<b>\$146.6</b>	<b>\$6.5</b>	
Retail Power Revenues	105.8	110.2	4.4	4
Wholesale Energy Sales	28.9	30.2	1.3	1
Other Power-Related Revenue	3.2	4.1	0.9	
Other Revenues	2.2	2.0	(0.1)	
<b>Operating Expenses</b>	<b>\$106.4</b>	<b>\$102.8</b>	<b>(\$3.5)</b>	
Generation	3.3	3.1	(0.2)	
Long-Term Purchased Power	46.1	44.1	(2.0)	2
Short-term Wholesale Energy Purch	6.6	4.2	(2.4)	1
Power-Related Wholesale Purch	0.3	0.1	(0.3)	
Amort. of Deferred Power Costs	0.0	0.0	0.0	
Other Power Costs	1.1	0.8	(0.3)	
Transmission and Wheeling	5.7	5.8	0.1	
Distribution	7.3	6.1	(1.2)	3
Customer Accounting	4.1	4.9	0.9	3
Conservation	1.9	1.7	(0.2)	3
Administration & General	5.8	7.1	1.3	3
Taxes	11.5	11.8	0.3	
Depreciation	12.7	13.2	0.5	
<b>Net Operating Income</b>	<b>\$33.7</b>	<b>\$43.8</b>	<b>\$10.0</b>	
<b>Other Deductions, Net</b>	<b>(\$4.1)</b>	<b>(\$10.3)</b>	<b>(\$6.2)</b>	
Investment Income	0.8	0.8	0.0	
Other Income (Expense), Net	0.3	(0.0)	(0.3)	
Interest Expense	(12.4)	(12.4)	0.0	
Contributions In Aid of Construction	7.1	0.9	(6.2)	5
Grants and Transfers	0.1	0.4	0.3	
<b>Net Income/ (Loss)</b>	<b>\$29.6</b>	<b>\$33.4</b>	<b>\$3.8</b>	

### NOTES

1. **Net Wholesale Revenue** – Actual net revenue from wholesale market transactions, at \$26.0 million, was \$3.8 million above forecast, despite a lower than anticipated net volume of energy sold, because of higher sales prices and lower purchase prices. Power generated at City Light-owned hydro resources and purchased under long-term contracts was 1.8% lower than forecast. Net surplus power available through the end of February was therefore 8.0% below forecast. The average sales price, \$50.60/MWh, was 21.1% higher than forecast while the average purchase price, \$46.64/MWh, was 0.5% lower than forecast.
2. **Long-Term Purchased Power** – Long term purchased power was \$2.0 million below forecast. million from a year earlier. Expenses for purchases from Bonneville were \$0.6 million higher than forecast, due to a \$2.1 million true-up payment for 2004 recorded in February 2005. Expenses for all other long-term power contracts were lower than forecast. Purchases from Stateline Wind, which showed the largest variance below forecast, were \$1.6 million below forecast, followed by Klamath Falls and Lucky Peak, each of which were \$0.4 million below forecast.
3. **Other Operations & Maintenance (O&M) Expenses** – Expenses in the categories of distribution, customer service, conservation and administration and general (A&G) were \$0.8 million, or 0.8%, higher than forecast. Distribution expense was \$1.2 million lower than forecast and conservation was \$0.2 million lower, but customer service and A&G expenses were both higher than forecast, by \$0.9 million and \$1.4 million, respectively. Distribution was lower than projected due to decreased expenditures for maintenance related to storm damage. Customer service expenses were higher than projected due to higher billing system costs. The above-forecast variance in A&G reflects year to year increases in expenses for the Summit system, governmental services and bond service maintenance, pensions and benefits expenses that have not declined despite declining staffing levels, and unallocated pensions and benefits expenses.
4. **Retail Revenues** – Retail revenues were \$5.6 million or 5.3% above forecast, due to both higher than projected energy consumption billed to customers and higher than projected average rates billed. Revenues from residential customers were \$1.0 million or 2.2% above forecast while revenues from nonresidential customers were above forecast by \$4.6 million or 7.7%. Total MWh billed to customers were 1.4%, reflecting a 5.6% drop in MWh of energy billed to residential customers while nonresidential MWh billed actually rose 1.4%.
5. **Contributions in Aid of Construction** – Contributions in aid of construction (CIAC) were \$6.2 million below forecast. \$1.8 million of this variance was due to an accounting change related to conversion to the new Summit accounts receivable module in October 2004. The remainder of the variance is mostly due to differences between the timing of actual receipts in 2005 and the monthly profile assumed in the forecast.

#### The Seattle City Light Operations Report

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