

ANNUAL EMBEDDED COSTS
12 MTH END SEPTEMBER 2004
AVERAGE BALANCE

Company Owned Hydro - West

Account	Description	Amount	Mwh	\$/Mwh	Differential	Reference
535 - 545	Hydro Operation & Maintenance Expense	26,846,775				Tab 2, Page 2.8, West only
403HP	Hydro Depreciation Expense	10,410,576				Tab 2, Page 2.16, West only
404IP	Hydro Relicensing Amortization	2,337,542				Tab 2, Page 2.17, West only
	Total West Hydro Operating Expense	39,594,892				
330 - 336	Hydro Electric Plant in Service	420,892,521				Tab 2, Page 2.24, West only
302	Hydro Relicensing	47,108,368				Tab 2, Page 2.30, West only
108HP	Hydro Accumulated Depreciation Reserve	(180,820,497)				Tab 2, Page 2.35, West only
1111P	Hydro Relicensing Accumulated Reserve	(4,234,672)				Tab 2, Page 2.38, West only
154	Materials and Supplies	(13,500)				Tab 2, Page 2.32, West only
	West Hydro Net Rate Base	282,932,220				
	Pre-tax Return	12.17%				
	Rate Base Revenue Requirement	34,423,408				
	Annual Embedded Cost					
	West Hydro-Electric Resources	74,018,300	3,917,609	18.89	(58,119,439)	MWh from GRID

Mid C Contracts

Account	Description	Amount	Mwh	\$/Mwh	Differential	Reference
555	Annual Mid-C Contracts Costs	22,560,283	1,745,235	12.93	(36,305,051)	Amount from GRID MWh from GRID

Qualified Facilities

Account	Description	Amount	Mwh	\$/Mwh	Differential	Reference
555	Utah Annual Qualified Facilities Costs	24,067,544	388,463	61.96	10,965,014	
555	Oregon Annual Qualified Facilities Costs	39,221,508	333,266	117.69	27,980,707	
555	Idaho Annual Qualified Facilities Costs	3,496,594	75,730	46.17	942,296	
555	WYU Annual Qualified Facilities Costs	-	-	-	-	
555	WYP Annual Qualified Facilities Costs	578,883	11,639	49.74	186,302	
555	California Annual Qualified Facilities Costs	3,684,232	35,981	102.39	2,470,624	
555	Washington Annual Qualified Facilities Costs	1,693,532	13,847	122.30	1,226,477	
	Total Qualified Facilities Costs	72,742,292	858,926	84.69	43,771,420	Amount from GRID MWh from GRID

All Other Generation Resources
(Excl. West Hydro, Mid C, and QF)

Account	Description	Amount	Mwh	\$/Mwh	Differential	Reference
500 - 514	Steam Operation & Maintenance Expense	715,685,505				Tab 2, Page 2.6
535 - 545	East Hydro Operation & Maintenance Expense	11,918,919				Tab 2, Page 2.8, East only
546 - 554	Other Generation Operation & Maintenance Expense	206,840,627				Tab 2, Page 2.9
555	Other Purchased Power Contracts	790,254,978				Tab 2, Page 2.10, Less QF and Mid-C
4118	SO2 Emission Allowances	(4,777,847)				Tab 2, Page 2.5
403SP	Steam Depreciation Expense	132,335,460				Tab 2, Page 2.16
403HP	East Hydro Depreciation Expense	3,023,967				Tab 2, Page 2.16, East only
403OP	Other Generation Depreciation Expense	22,062,933				Tab 2, Page 2.16
403MP	Mining Depreciation Expense	0				Tab 2, Page 2.16
404IP	East Hydro Relicensing Amortization	376,784				Tab 2, Page 2.17, East only
406	Amortization of Plant Acquisition Costs	5,479,353				Tab 2, Page 2.17
	Total All Other Operating Expenses	1,883,200,679				
310 - 316	Steam Electric Plant in Service	4,292,115,253				Tab 2, Page 2.22
330 - 336	East Hydro Electric Plant in Service	109,664,005				Tab 2, Page 2.24, East only
302	East Hydro Relicensing	8,302,562				Tab 2, Page 2.30, East only
340 - 346	Other Electric Plant in Service	638,902,211				Tab 2, Page 2.25
399	Mining	305,960,063				Tab 2, Page 2.29
108SP	Steam Accumulated Depreciation Reserve	(2,069,218,607)				Tab 2, Page 2.35
108OP	Other Generation Accumulated Depreciation Reserve	(59,357,704)				Tab 2, Page 2.35
108MP	Other Accumulated Depreciation Reserve	(157,611,352)				Tab 2, Page 2.37
108HP	East Hydro Accumulated Depreciation Reserve	(39,840,920)				Tab 2, Page 2.35, East only
1111P	East Hydro Relicensing Accumulated Reserve	(1,486,107)				Tab 2, Page 2.38, East only
114	Electric Plant Acquisition Adjustment	157,193,780				Tab 2, Page 2.31
115	Accumulated Provision Acquisition Adjustment	(64,820,594)				Tab 2, Page 2.31
151	Fuel Stock	53,142,764				Tab 2, Page 2.31
253.16 - 253.19	Joint Owner WC Deposit	(3,271,750)				Tab 2, Page 2.31
253.99	SO2 Emission Allowances	(41,085,692)				
154	Materials & Supplies	48,245,843				Tab 2, Page 2.32
154	East Hydro Materials & Supplies					
	Total Net Rate Base	3,176,833,755				
	Pre-tax Return	12.17%				
	Rate Base Revenue Requirement	386,514,639				
	Annual Embedded Cost					
	All Other Generation Resources	2,269,715,318	67,292,342	33.73		MWh from GRID
Total Annual Embedded Costs		2,439,036,194	73,814,113	33.04		

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12 MTH END SEPTEMBER 2004
AVERAGE BALANCE

Company Owned Hydro - West

Account	Description	Amount	Mwh	\$/Mwh	Differential	Reference
535 - 545	Hydro Operation & Maintenance Expense	26,511,795				Tab 2, Page 2.8, West only
403HP	Hydro Depreciation Expense	11,663,806				Tab 2, Page 2.16, West only
404IP	Hydro Relicensing Amortization	2,337,542				Tab 2, Page 2.17, West only
	Total West Hydro Operating Expense	40,513,142				
330 - 336	Hydro Electric Plant in Service	429,327,296				Tab 2, Page 2.24, West only
302	Hydro Relicensing	47,108,368				Tab 2, Page 2.30, West only
108HP	Hydro Accumulated Depreciation Reserve	(175,292,439)				Tab 2, Page 2.35, West only
1111P	Hydro Relicensing Accumulated Reserve	(4,234,672)				Tab 2, Page 2.38, West only
154	Materials and Supplies	(13,500)				Tab 2, Page 2.32, West only
	West Hydro Net Rate Base	296,895,053				
	Pre-tax Return	12.17%				
	Rate Base Revenue Requirement	36,122,219				
	Annual Embedded Cost					
	West Hydro-Electric Resources	76,635,361	3,917,609	19.56	(51,428,597)	MWh from GRID

Mid C Contracts

Account	Description	Amount	Mwh	\$/Mwh	Differential	Reference
555	Annual Mid-C Contracts Costs	22,560,283	1,745,235	12.93	(34,490,244)	Amount from GRID MWh from GRID

Qualified Facilities

Account	Description	Amount	Mwh	\$/Mwh	Differential	Reference
555	Utah Annual Qualified Facilities Costs	24,067,544	388,463	61.96	11,368,962	
555	Oregon Annual Qualified Facilities Costs	39,221,508	333,266	117.69	28,327,259	
555	Idaho Annual Qualified Facilities Costs	3,496,594	75,730	46.17	1,021,045	
555	WYU Annual Qualified Facilities Costs	-	-	-	-	
555	WYP Annual Qualified Facilities Costs	578,883	11,639	49.74	198,405	
555	California Annual Qualified Facilities Costs	3,684,232	35,981	102.39	2,508,039	
555	Washington Annual Qualified Facilities Costs	1,693,532	13,847	122.30	1,240,876	
	Total Qualified Facilities Costs	72,742,292	858,926	84.69	44,664,586	Amount from GRID MWh from GRID

All Other Generation Resources
(Excl. West Hydro, Mid C, and QF)

Account	Description	Amount	Mwh	\$/Mwh	Differential	Reference
500 - 514	Steam Operation & Maintenance Expense	699,153,102				Tab 2, Page 2.6
535 - 545	East Hydro Operation & Maintenance Expense	11,872,848				Tab 2, Page 2.8, East only
546 - 554	Other Generation Operation & Maintenance Expense	207,495,441				Tab 2, Page 2.9
555	Other Purchased Power Contracts	762,427,156				Tab 2, Page 2.10, Less QF and Mid-C
4118	SO2 Emission Allowances	(4,777,847)				Tab 2, Page 2.5
403SP	Steam Depreciation Expense	134,189,794				Tab 2, Page 2.16
403HP	East Hydro Depreciation Expense	2,835,104				Tab 2, Page 2.16, East only
403OP	Other Generation Depreciation Expense	18,804,508				Tab 2, Page 2.16
403MP	Mining Depreciation Expense	0				Tab 2, Page 2.16
404IP	East Hydro Relicensing Amortization	376,784				Tab 2, Page 2.17, East only
406	Amortization of Plant Acquisition Costs	5,479,353				Tab 2, Page 2.17
	Total All Other Operating Expenses	1,837,856,243				
310 - 316	Steam Electric Plant in Service	4,211,687,660				Tab 2, Page 2.22
330 - 336	East Hydro Electric Plant in Service	101,933,421				Tab 2, Page 2.24, East only
302	East Hydro Relicensing	8,302,562				Tab 2, Page 2.30, East only
340 - 346	Other Electric Plant in Service	610,160,792				Tab 2, Page 2.25
399	Mining	305,960,063				Tab 2, Page 2.29
108SP	Steam Accumulated Depreciation Reserve	(2,133,496,085)				Tab 2, Page 2.35
108OP	Other Generation Accumulated Depreciation Reserve	(79,040,503)				Tab 2, Page 2.35
108MP	Other Accumulated Depreciation Reserve	(157,611,352)				Tab 2, Page 2.37
108HP	East Hydro Accumulated Depreciation Reserve	(41,423,246)				Tab 2, Page 2.35, East only
1111P	East Hydro Relicensing Accumulated Reserve	(1,486,107)				Tab 2, Page 2.38, East only
114	Electric Plant Acquisition Adjustment	157,193,780				Tab 2, Page 2.31
115	Accumulated Provision Acquisition Adjustment	(64,820,594)				Tab 2, Page 2.31
151	Fuel Stock	53,142,764				Tab 2, Page 2.31
253.16 - 253.19	Joint Owner WC Deposit	(3,271,750)				Tab 2, Page 2.31
253.99	SO2 Emission Allowances	(41,085,692)				
154	Materials & Supplies	48,245,843				Tab 2, Page 2.32
154	East Hydro Materials & Supplies					
	Total Net Rate Base	2,974,391,556				
	Pre-tax Return	12.17%				
	Rate Base Revenue Requirement	361,884,180				
	Annual Embedded Cost					
	All Other Generation Resources	2,199,740,423	67,292,342	32.69		MWh from GRID
Total Annual Embedded Costs		2,371,678,360	73,814,113	32.13		