

Attachment 3

Expense Reductions, Deferrals & Other Actions^{1/2}

	FY03 Only	Total FY03-06	Average Annual Reduction ³	FY03 Percent Reduction Compared to August 2002 Forecast	Total FY03-06 Percent Reduction Compared to August 2002 Forecast
Highly Probable Actions (\$ in Millions)					
Expense Reductions Impacting PBL Net Revenue					
PBL Internal Operations	26	107	27	14%	15%
Agency Internal Operations	8	30	7	16%	14%
Energy Web	1	4	1	33%	33%
ConAug	1	13	3	4%	35%
Corps/Reclamation	10	20	5	7%	4%
Columbia Generating Station	1	15	4	11%	10%
Incentive Payments (Corps/Reclamation/ENW)	7	24	6	50%	50%
Renewables	1	4	1	4%	4%
Other	1	4	1	4%	4%
Subtotal	55	220	55		
Expense Deferrals Impacting PBL Net Revenue					
CGS Fuel Strategy	23	37	9		
CGS Condenser Tube Replacement	0	35	9		
Benefits to Residential/Small Farm Consumers (IOU) ³	55	0	0		
Subtotal	78	72	18		
Other Actions Impacting Financial Condition					
ENW Bond Reserve Fund Free-ups for FY03	56	56	14		
Subtotal	56	56	14		
Highly Probable Actions Total	189	348	87		
Additional Possible Reductions					
Expense Reductions Impacting PBL Net Revenue					
Fish Program Budget & River Operations		60 - 160		0%	0%
Contract Renegotiations		30			
Other Debt Service Reductions		30 - 60			
Internal "Common Function" Efficiencies		10 - 50		0%	0%
Additional CGS O&M Reductions		20		0%	0%
Subtotal		150 - 320			
Expense Deferrals Impacting PBL Net Revenue					
Benefits to Residential/Small Farm Consumers (IOU) ³		165			
Subtotal		165			
Other Actions Impacting Financial Condition					
Settlement of Public/IOU Litigation		200		0%	0%
ENW Bond Reserve Fund Free-ups for FY04-06		76			
ENW Refinancings ⁴		0			
Subtotal		276			
Additional Possible Reductions		591 - 761			
Total of Selected Actions	189 - 189	939 - 1109			

¹ Reductions from Financial Choices package.

² These numbers do not include revenue changes and also do not reflect the total PBL budget.

³ Highly Probable case assumes deferral will be credited towards future SN CRAC. Use of amount of credit still under discussion.

⁴ Assumes that planned FY03 advanced Treasury payments are made during the FY04-06 period.