



2004 Operations Plan Project 184

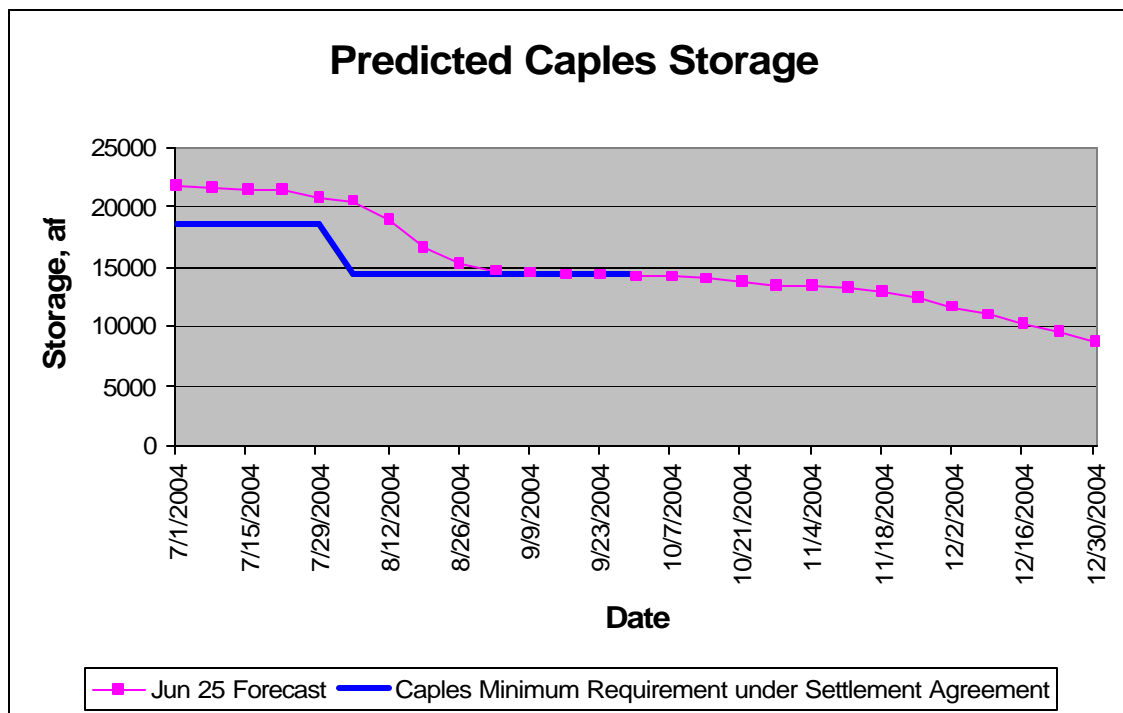
June 25, 2004

Operational Issues

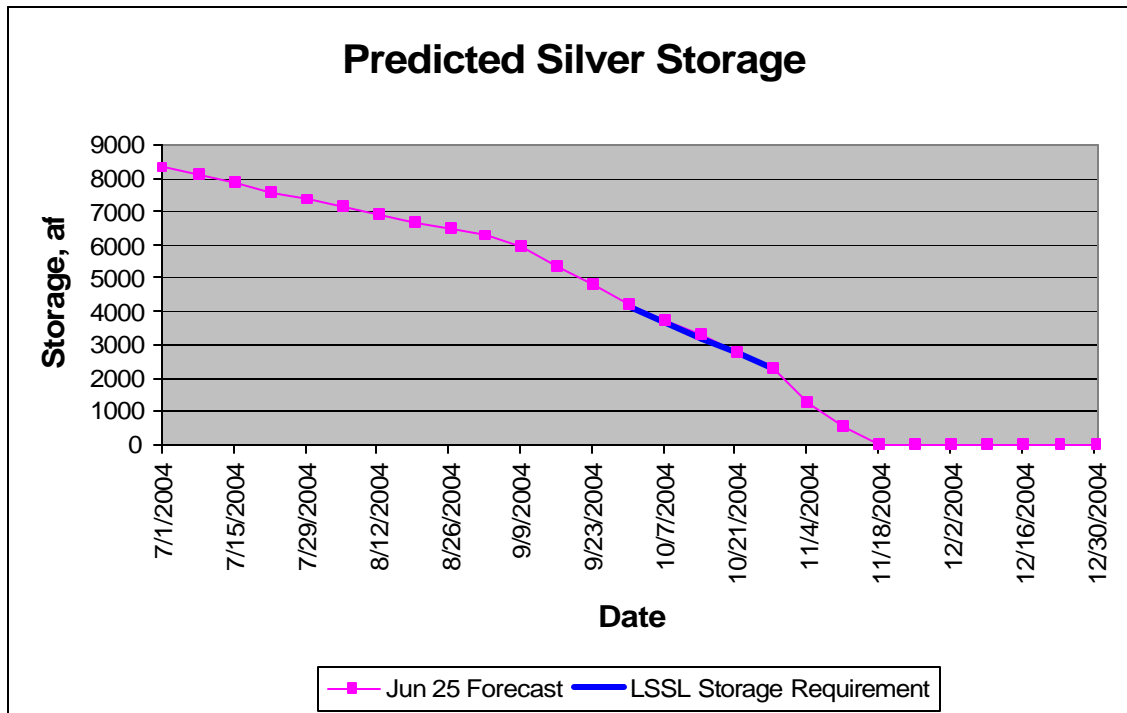
After an above normal start to the water year, the South Fork American River Basin experienced a very warm, dry Spring. The average temperatures this past March were record setters in some areas, causing significant early runoff that normally would come in the April-July period. Our forecast and DWR's Bulletin 120 both designate 2004 as a "DRY" year for the American River Basin. EID intended to operate to the Settlement Agreement this year meeting the dry year criteria. Delays in the issuance of the new FERC license obligates EID to operate to their old license until the new license is issued. EID anticipates the license will be issued sometime this Fall. Until the license is issued, EID intends to operate to the Settlement Agreement where feasible. Forecasts indicate there will be difficulties operating to the Caples Lake Storage targets and flow requirements below the Kyburz diversion dam. These issues were presented at the June 22 ERC meeting, discussed and resolved. This forecast illustrates the operational plan through the Fall of 2004.

Project 184 Forecasted Operations

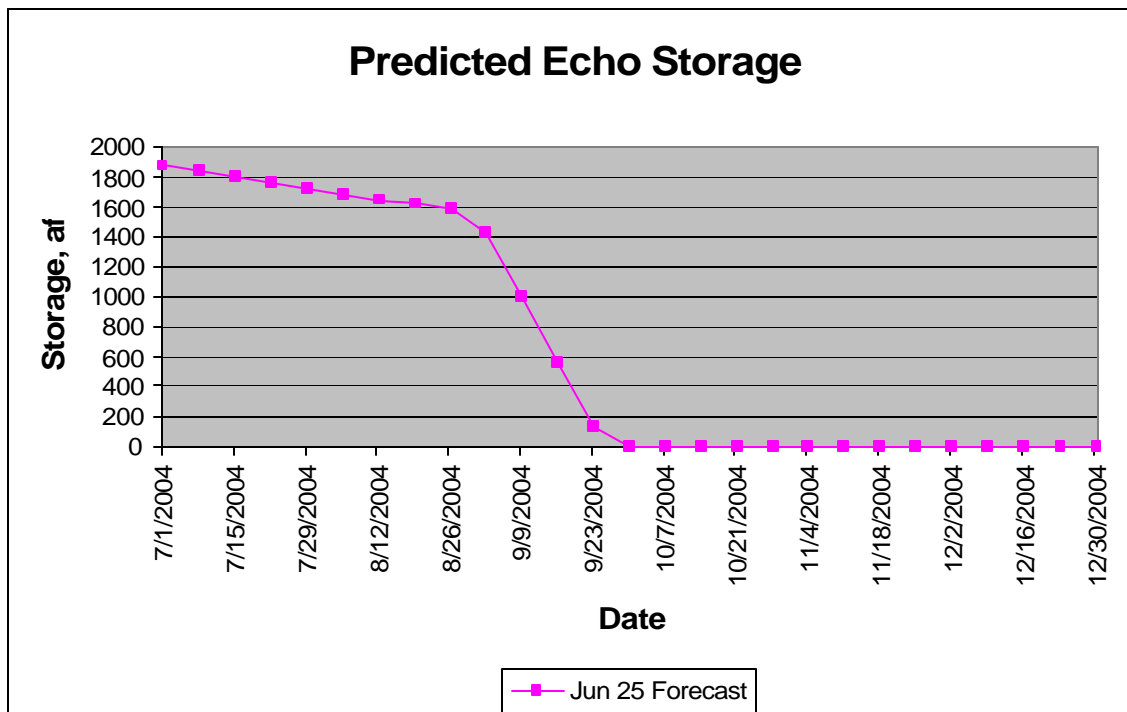
The following illustrate the forecast.



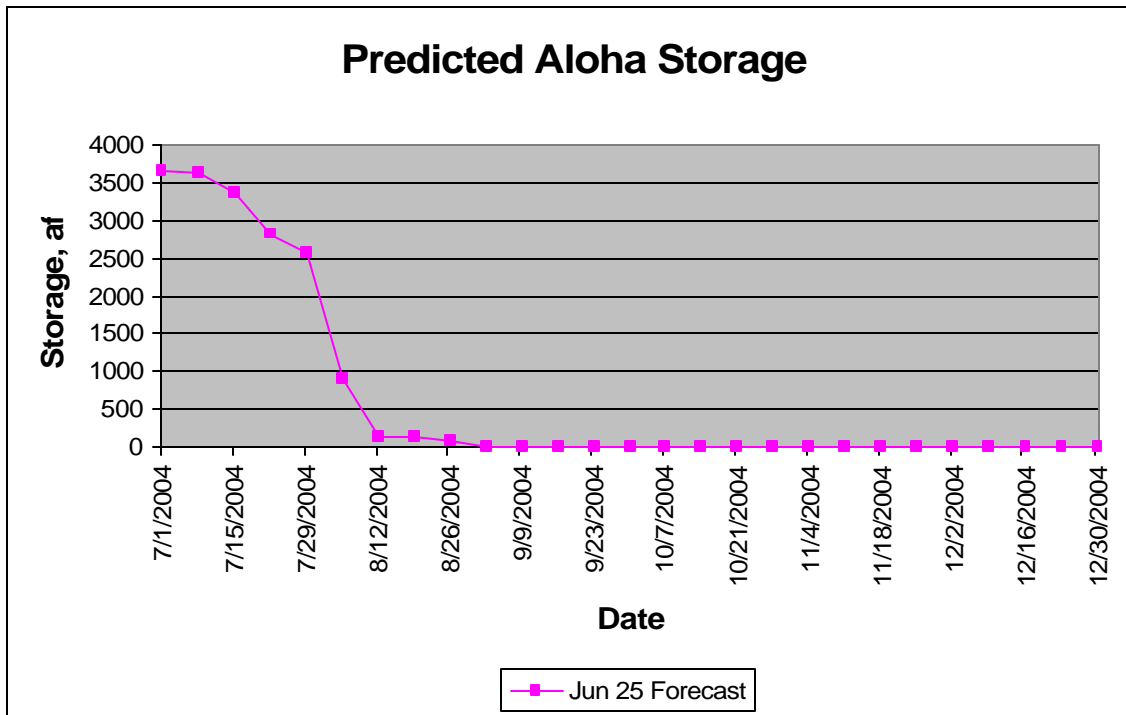
As of June 25th Caples Lake is nearly full, but the natural runoff into the lake is decreasing rapidly. In the chart above, the forecast shows that Caples Lake will likely meet the Alpine County storage targets through September. Because of the higher August-March Kyburz flow requirements associated with the old license, Caples Lake may be drawn down below the minimum storage target of 10,000 af, depending on the Fall precipitation and when the new license is issued.



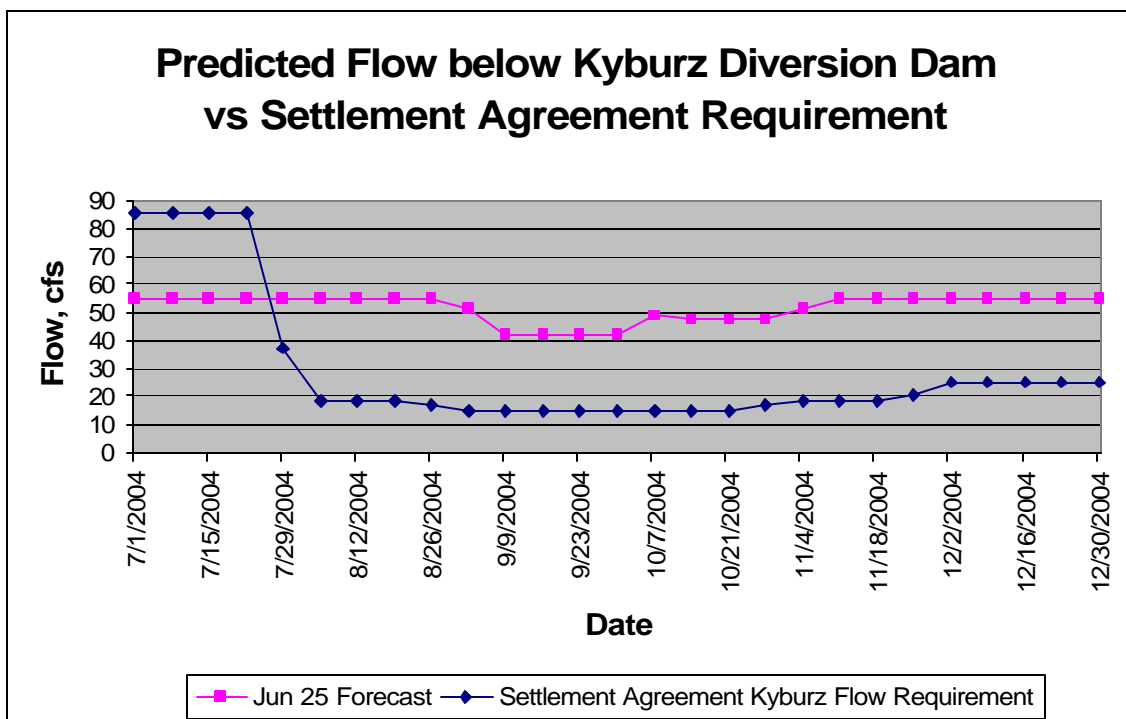
Silver Lake inflow has tapered off causing the lake to decrease in storage. The forecast shows that the operational agreement between League to Save Sierra Lakes and EID can most likely be met.



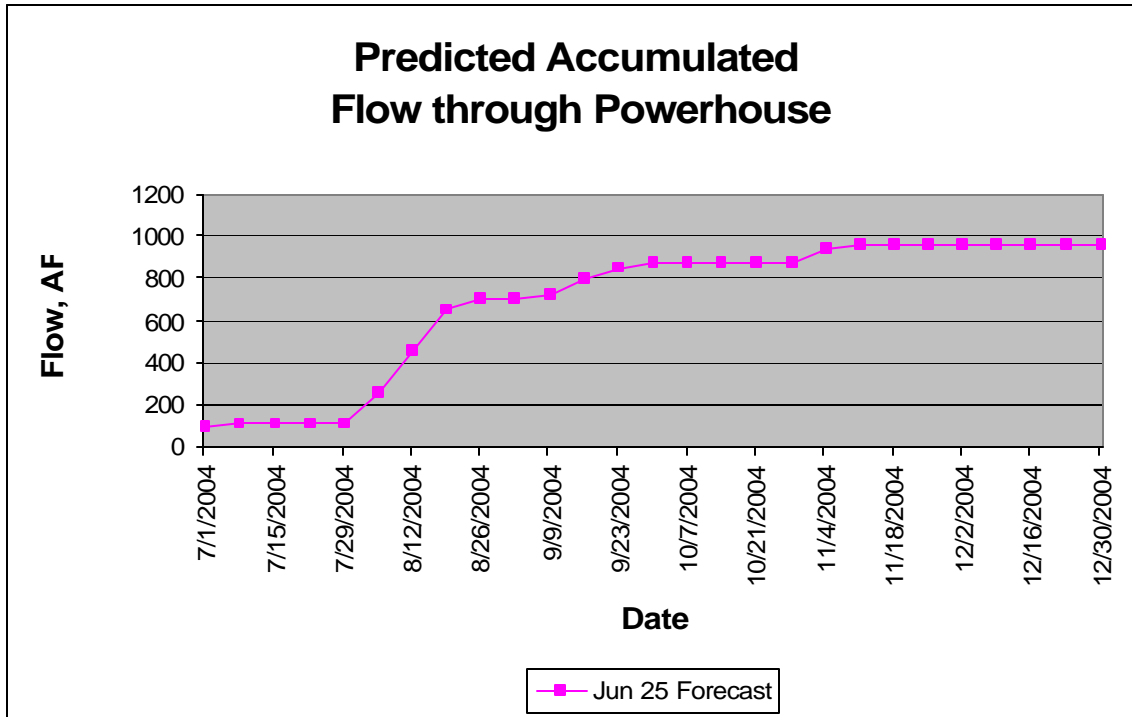
Inflow to Echo Lake is tapering off as well. The decrease in storage shown in the forecast is due to evaporation. EID anticipates importing water from the lake after Labor Day.



Lake Aloha is the first to be drawn down when storage releases are necessary. This year Lake Aloha's useable storage will be used in July and will likely be nearly empty by August 1st.



This plot shows the expected flow below the Kyburz diversion dam compared to the dry year flow requirements of the Settlement Agreement. The expected flows below the dam include a 10% increase to match actual operations. When the new license is issued, EID will change operations to meet the Settlement Agreement flow requirement.



As natural flow tapers off, storage releases for generation will increase. The timing of the releases will be based on the available storage and the price of power. The assumptions used in this forecast are that power prices will be greatest in August and that most of the generation will occur in August and September.