



## FINANCIAL STATEMENTS

OCTOBER 2008

*(Unaudited)*

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### Table of Contents

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	<u>Page</u>
<b>Monthly Financial Highlights</b>	2
<b>Statement of Revenues, Expenses and Changes in Net Assets</b>	
Current Month	3
Year-to-Date	4
2008 Monthly Activity	5
<b>Comparative Balance Sheet</b>	6 - 7
<b>Energy Statistical Data</b>	
Current Month	8
Year-to-Date	9
kWh Sales - Monthly Activity	10 - 11
<b>Plant Additions and Retirements</b>	
Current Month	12
Year-to-Date	13
<b>Statement of Cash Flows</b>	14
<b>Weather Statistics</b>	15
<b>Broadband Summary</b>	16
<b>Payroll Report</b>	17



## Financial Highlights October 2008



Issue date: 11/24/08

**Financial highlights for the month of October:**

- District operations resulted in a decrease in net assets of \$592,000 for the month bringing year-to-date net income to \$5.2 million.
- The temporary rate credit returned \$355,000 to customers in October as a result of the BPA Residential Exchange settlement.
- The average temperature of 52.3° was 0.7° below normal and 1.2° warmer than last October.
- Total retail kWh billed during October was up 17% from last year with an 8% increase in the residential customer class and a 44% increase in the large irrigation customer class.
- Net power supply costs were \$4.9 million for the month with sales for resale of \$3.7 million and an average price of \$65 per MWh.

**Year-to-date financial results:**

- Retail revenues are on target with the amended budget.
- Net power costs are 2% higher than the amended budget while non-power operating costs are below the amended budget by 5%.
- Capital expenditures of \$7.4 million are below budget by \$3.5 million or 32%.
- \$2.2 million has been returned to customers through a temporary rate credit as a result of the BPA Residential Exchange settlement.

(in thousands of dollars)

Change in Net Assets	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug <sup>(1)</sup>	Sep	Oct	Nov	Dec	Total	Amended Budget
Actual	\$1,758	\$1,477	\$1,523	(\$1,609)	\$362	\$1,616	\$2,029	\$223	(\$1,566)	(\$592)			\$5,222	
Budget	\$1,210	\$161	\$683	(\$11)	(\$29)	\$735	\$1,300	\$1,777	(\$1,282)	(\$262)			\$4,283	\$5,494

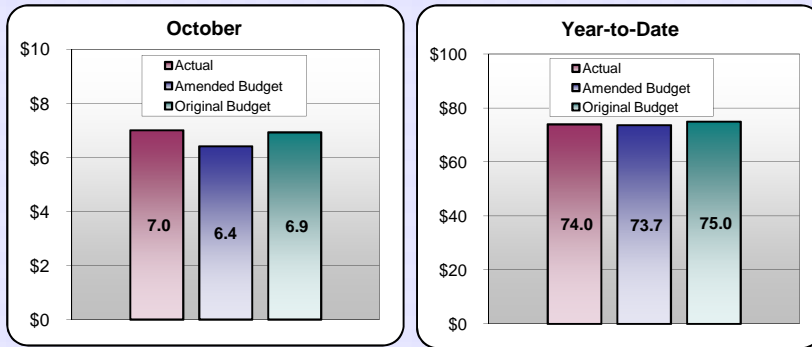
(1) The cumulative YTD impact of budget amendments approved at the August 26 Commission meeting are reflected in the August report.

Net Power Costs	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Amended Budget
Power Supply Costs	\$9,219	\$8,960	\$9,581	\$12,320	\$7,159	\$5,679	\$8,891	\$9,283	\$9,441	\$8,598			\$89,130	\$81,770
Less: Sales for Resale	(5,502)	(5,822)	(6,072)	(6,448)	(3,849)	(2,620)	(5,024)	(4,005)	(4,657)	(3,673)			(47,672)	(34,906)
Net Power Costs	\$3,717	\$3,138	\$3,508	\$5,872	\$3,311	\$3,059	\$3,867	\$5,278	\$4,784	\$4,925			\$41,459	\$46,864

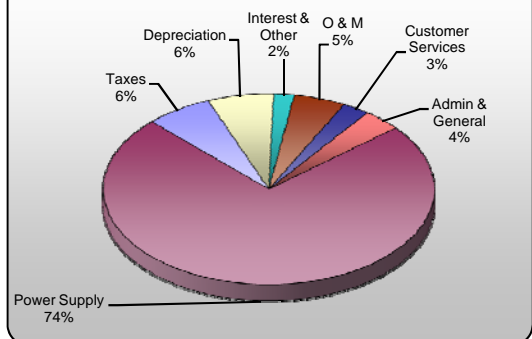
Net Capital Costs	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Amended Budget
Capital Expenditures	\$474	\$618	\$876	\$884	\$773	\$799	\$907	\$637	\$627	\$824			\$7,418	\$13,952
Less: Capital Contributions	(31)	(243)	(121)	(197)	(278)	(203)	(231)	(55)	(36)	(195)			(1,591)	(2,533)
Net Capital Costs	\$443	\$375	\$755	\$687	\$495	\$595	\$676	\$582	\$592	\$628			\$5,828	\$11,419

Load Statistics	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Amended Budget
aMW - Retail Sales	176	188	148	182	192	228	262	235	177	149			194	187
aMW - Sales for Resale	97	119	112	103	107	130	90	73	87	75			99	73

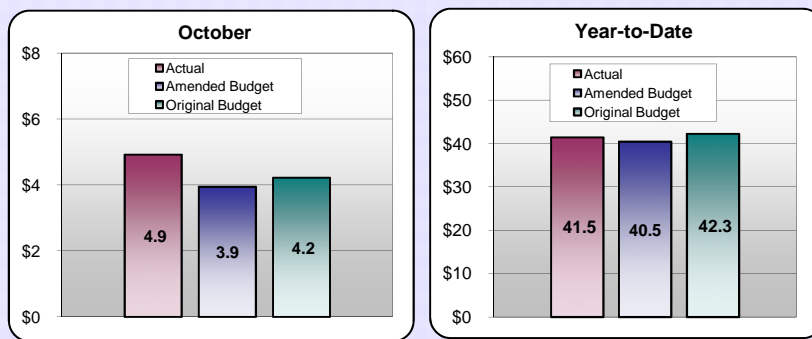
**Total Retail Revenue**  
(in millions of dollars)



**Total Expenses**



**Net Power Supply Costs**  
(in millions of dollars)



**Key Ratios**

Current Ratio	3.21 : 1
Debt Service Coverage (2005 actual)	3.17
Debt Service Coverage (2006 actual)	2.97
Debt Service Coverage (2007 actual)	4.12
Debt Service Coverage (2008 budget)	3.31

*(includes capital contributions)*

**Other Statistics**

Unrestricted Undesignated Reserves	\$ 29.3 million
Rate Stabilization Account (designated)	\$ 5.1 million
Bond Principal & Interest (restricted)	\$ - million
Net Utility Plant	\$ 109.1 million
Long-Term Debt	\$ 54.1 million
Active Service Agreements*	46,782
Employees (FTE's)	152

\* Effective January 2008, meters with a "pending stop" status are included in this count resulting in a one-time increase of 252.

**PUBLIC UTILITY DISTRICT NO.1 OF BENTON COUNTY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**CURRENT MONTH**

	10/31/2008			10/31/2007	
	ACTUAL	AMENDED BUDGET	PCT VAR	ACTUAL	PCT VAR
<b>OPERATING REVENUES</b>					
Energy Sales - Retail	\$7,002,692	\$6,414,201	9%	\$6,429,450	9%
Energy Sales for Resale	3,658,332	2,534,604	44%	4,232,595	-14%
Transmission of Power for Others	14,445	-	n/a	15,200	-5%
Broadband Revenue	55,174	72,273	-24%	66,974	-18%
Other Revenue	86,425	102,584	-16%	100,658	-14%
<b>TOTAL OPERATING REVENUES</b>	<b>10,817,069</b>	<b>9,123,662</b>	<b>19%</b>	<b>10,844,877</b>	<b>0%</b>
<b>OPERATING EXPENSES</b>					
Purchased Power	7,792,924	5,589,453	39%	7,375,558	6%
Purchased Transmission & Ancillary Services	799,462	866,826	-8%	823,540	-3%
Generation	-	-	n/a	4,870	n/a
Conservation Program	5,585	27,606	-80%	(23,715)	-124%
Total Power Supply	8,597,971	6,483,885	33%	8,180,252	5%
Transmission Operation & Maintenance	2,766	2,780	0%	887	n/a
Distribution Operation & Maintenance	518,904	587,766	-12%	608,436	-15%
Broadband Expense	56,467	67,484	-16%	70,155	-20%
Customer Accounting, Collection & Information	363,423	354,134	3%	369,170	-2%
Administrative & General	505,489	495,786	2%	710,522	-29%
Subtotal before Taxes & Depreciation	1,447,049	1,507,950	-4%	1,759,171	-18%
Taxes	616,641	550,970	12%	660,054	-7%
Depreciation & Amortization	784,456	819,454	-4%	805,865	-3%
Total Other Operating Expenses	2,848,147	2,878,374	-1%	3,225,090	-12%
<b>TOTAL OPERATING EXPENSES</b>	<b>11,446,118</b>	<b>9,362,259</b>	<b>22%</b>	<b>11,405,342</b>	<b>0%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(629,049)</b>	<b>(238,597)</b>	<b>164%</b>	<b>(560,466)</b>	<b>12%</b>
<b>NONOPERATING REVENUES &amp; EXPENSES</b>					
Interest Income	76,338	125,000	-39%	152,137	-50%
Other Income	4	208	-98%	8	-42%
Other Expense	-	-	n/a	-	n/a
Interest Expense	(201,402)	(204,761)	-2%	(208,345)	-3%
Debt Discount & Expense Amortization	(3,402)	(4,163)	-18%	1,107	n/a
Loss in Joint Ventures/Special Assessments	(30,133)	(30,134)	0%	(35,500)	-15%
<b>TOTAL NONOPERATING REVENUES &amp; EXPENSES</b>	<b>(158,594)</b>	<b>(113,850)</b>	<b>39%</b>	<b>(90,594)</b>	<b>75%</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS &amp; EXTRAORDINARY ITEMS</b>	<b>(787,643)</b>	<b>(352,446)</b>	<b>123%</b>	<b>(651,060)</b>	<b>21%</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>195,276</b>	<b>90,244</b>	<b>116%</b>	<b>504,732</b>	<b>-61%</b>
<b>EXTRAORDINARY ITEMS</b>	<b>-</b>	<b>-</b>	<b>n/a</b>	<b>-</b>	<b>n/a</b>
<b>CHANGE IN NET ASSETS</b>	<b>(\$592,368)</b>	<b>(\$262,202)</b>	<b>126%</b>	<b>(\$146,328)</b>	<b>n/a</b>

**PUBLIC UTILITY DISTRICT NO.1 OF BENTON COUNTY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**YEAR TO DATE**

	10/31/2008			10/31/2007	
	ACTUAL	AMENDED BUDGET	PCT VAR	ACTUAL	PCT VAR
<b>OPERATING REVENUES</b>					
Energy Sales - Retail	\$73,974,484	\$73,664,379	0%	\$77,175,074	-4%
Energy Sales for Resale	47,524,672	30,379,458	56%	36,457,201	30%
Transmission of Power for Others	146,937	-	n/a	209,091	-30%
Broadband Revenue	710,065	722,730	-2%	607,962	17%
Other Revenue	1,237,209	1,294,729	-4%	1,521,114	-19%
<b>TOTAL OPERATING REVENUES</b>	<b>123,593,366</b>	<b>106,061,296</b>	<b>17%</b>	<b>115,970,442</b>	<b>7%</b>
<b>OPERATING EXPENSES</b>					
Purchased Power	80,445,425	61,986,960	30%	68,773,822	17%
Purchased Transmission & Ancillary Services	8,725,706	8,585,886	2%	8,272,057	5%
Generation	-	-	n/a	158,912	n/a
Conservation Program	(41,012)	276,063	-115%	(251,978)	-84%
Total Power Supply	89,130,119	70,848,910	26%	76,952,812	16%
Transmission Operation & Maintenance	15,440	27,793	-44%	15,238	1%
Distribution Operation & Maintenance	5,559,474	5,580,305	0%	5,290,888	5%
Broadband Expense	542,057	664,449	-18%	596,088	-9%
Customer Accounting, Collection & Information	3,193,863	3,473,278	-8%	3,051,310	5%
Administrative & General	4,530,024	4,826,529	-6%	4,539,805	0%
Subtotal before Taxes & Depreciation	13,840,860	14,572,353	-5%	13,493,329	3%
Taxes	7,884,977	7,926,403	-1%	8,183,061	-4%
Depreciation & Amortization	7,805,741	8,194,540	-5%	8,458,647	-8%
Total Other Operating Expenses	29,531,578	30,693,296	-4%	30,135,038	-2%
<b>TOTAL OPERATING EXPENSES</b>	<b>118,661,697</b>	<b>101,542,206</b>	<b>17%</b>	<b>107,087,850</b>	<b>11%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>4,931,669</b>	<b>4,519,090</b>	<b>9%</b>	<b>8,882,593</b>	<b>-44%</b>
<b>NONOPERATING REVENUES &amp; EXPENSES</b>					
Interest Income	1,044,963	1,250,000	-16%	1,435,394	-27%
Other Income	42,679	2,080	n/a	8,717	n/a
Other Expense	(460)	-	n/a	-	n/a
Interest Expense	(2,052,465)	(2,047,586)	0%	(2,136,934)	-4%
Debt Discount & Expense Amortization	(34,021)	(41,630)	-18%	(13,165)	158%
Loss in Joint Ventures/Special Assessments	(301,330)	(301,334)	0%	(361,000)	-17%
<b>TOTAL NONOPERATING REVENUES &amp; EXPENSES</b>	<b>(1,300,633)</b>	<b>(1,138,470)</b>	<b>14%</b>	<b>(1,066,989)</b>	<b>22%</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS &amp; EXTRAORDINARY ITEMS</b>	<b>3,631,036</b>	<b>3,380,620</b>	<b>7%</b>	<b>7,815,604</b>	<b>-54%</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>1,590,514</b>	<b>902,440</b>	<b>76%</b>	<b>3,730,089</b>	<b>-57%</b>
<b>EXTRAORDINARY ITEMS</b>	<b>-</b>	<b>-</b>	<b>n/a</b>	<b>(9,755,303)</b>	<b>n/a</b>
<b>CHANGE IN NET ASSETS</b>	<b>5,221,551</b>	<b>4,283,060</b>	<b>22%</b>	<b>1,790,389</b>	<b>192%</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>94,608,188</b>	<b>94,608,188</b>	<b>0%</b>	<b>90,573,429</b>	<b>4%</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$99,829,739</b>	<b>\$98,891,248</b>	<b>1%</b>	<b>\$92,363,818</b>	<b>8%</b>

**PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**MONTHLY ACTIVITY**

	January	February	March	April	May	June	July	August	September	October	November	December	Total
<b>OPERATING REVENUES</b>													
Energy Sales - Retail	\$8,217,009	\$7,420,879	\$7,575,983	\$7,203,203	\$6,233,247	\$7,325,230	\$8,814,948	\$8,271,722	\$5,909,570	\$7,002,692			\$73,974,483
Energy Sales for Resale	5,486,540	5,807,158	6,056,917	6,432,714	3,833,633	2,606,546	5,010,072	3,990,427	4,642,334	3,658,332			47,524,673
Transmission of Power for Others	15,200	15,200	15,200	15,200	15,200	13,856	13,746	14,445	14,445	14,445			146,937
Broadband Revenue	67,736	67,556	69,798	67,934	69,372	69,534	71,145	73,041	98,776	55,174			710,066
Other Electric Revenue	362,034	109,134	134,723	92,054	78,221	102,505	86,582	94,929	90,601	86,425			1,237,208
<b>TOTAL OPERATING REVENUES</b>	<b>14,148,519</b>	<b>13,419,927</b>	<b>13,852,621</b>	<b>13,811,105</b>	<b>10,229,673</b>	<b>10,117,671</b>	<b>13,996,493</b>	<b>12,444,564</b>	<b>10,755,726</b>	<b>10,817,068</b>	<b>-</b>	<b>-</b>	<b>123,593,367</b>
<b>OPERATING EXPENSES</b>													
Purchased Power	8,405,727	8,149,564	8,702,360	11,419,062	6,351,793	4,699,792	7,937,840	8,422,253	8,564,111	7,792,924			80,445,426
Purchased Transmission & Ancillary Services	860,265	845,575	901,033	929,894	801,508	1,002,857	956,349	833,844	794,920	799,462			8,725,707
Generation	691	380	(1,071)	-	-	-	-	-	-	-			
Conservation Program	(47,739)	(35,444)	(21,785)	(29,041)	6,159	(23,730)	(3,449)	26,976	81,455	5,585			(41,013)
Total Power Supply	9,218,944	8,960,075	9,580,537	12,319,915	7,159,460	5,678,919	8,890,740	9,283,073	9,440,486	8,597,971	-	-	89,130,120
Transmission Operation & Maintenance	1,202	1,887	1,103	1,632	1,198	4,347	490	408	408	2,766			15,441
Distribution Operation & Maintenance	525,786	528,281	456,704	659,465	660,028	493,101	609,082	528,819	579,305	518,904			5,559,475
Broadband Expense	51,245	53,187	66,573	51,848	50,061	49,393	52,507	58,919	51,857	56,467			542,057
Customer Accounting, Collection & Information	310,380	289,646	309,576	331,462	330,481	326,703	329,711	294,650	307,832	363,423			3,193,864
Administrative & General	486,640	511,081	303,014	489,157	426,250	511,024	572,545	368,228	356,597	505,489			4,530,025
Subtotal before Taxes & Depreciation	1,375,253	1,384,082	1,136,970	1,533,564	1,468,018	1,384,568	1,564,335	1,251,024	1,295,999	1,447,049	-	-	13,840,862
Taxes	962,503	946,908	816,784	759,907	701,315	720,587	835,381	814,703	710,248	616,641			7,884,977
Depreciation & Amortization	774,017	774,017	788,399	775,841	779,272	781,584	782,653	782,281	783,221	784,456			7,805,741
Total Other Operating Expenses	3,111,773	3,105,007	2,742,153	3,069,312	2,948,605	2,886,739	3,182,369	2,848,008	2,789,468	2,848,146	-	-	29,531,580
<b>TOTAL OPERATING EXPENSES</b>	<b>12,330,717</b>	<b>12,065,082</b>	<b>12,322,690</b>	<b>15,389,227</b>	<b>10,108,065</b>	<b>8,565,658</b>	<b>12,073,109</b>	<b>12,131,081</b>	<b>12,229,954</b>	<b>11,446,117</b>	<b>-</b>	<b>-</b>	<b>118,661,700</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,817,802</b>	<b>1,354,845</b>	<b>1,529,931</b>	<b>(1,578,122)</b>	<b>121,608</b>	<b>1,552,013</b>	<b>1,923,384</b>	<b>313,483</b>	<b>(1,474,228)</b>	<b>(629,049)</b>	<b>-</b>	<b>-</b>	<b>4,931,667</b>
<b>NONOPERATING REVENUES &amp; EXPENSES</b>													
Interest Income	143,924	119,635	112,867	10,210	201,491	84,404	100,053	92,631	103,412	76,338			1,044,965
Other Income	5,619	38	8	2,723	28	16,177	12,609	25	5,448	4			42,679
Other Expense	-	-	-	-	-	-	-	(460)	-	-			(460)
Interest Expense	(206,743)	(206,964)	(206,933)	(206,949)	(206,287)	(205,925)	(204,797)	(203,856)	(202,612)	(201,402)			(2,052,468)
Debt Discount & Expense Amortization	(3,402)	(3,402)	(3,402)	(3,402)	(3,402)	(3,402)	(3,402)	(3,402)	(3,402)	(3,402)			(34,020)
Loss in Joint Ventures/Special Assessments	(30,133)	(30,133)	(30,133)	(30,133)	(30,133)	(30,133)	(30,133)	(30,133)	(30,133)	(30,133)			(301,330)
<b>TOTAL NONOPERATING REV/EXP</b>	<b>(90,735)</b>	<b>(120,826)</b>	<b>(127,593)</b>	<b>(227,551)</b>	<b>(38,303)</b>	<b>(138,879)</b>	<b>(125,670)</b>	<b>(145,195)</b>	<b>(127,287)</b>	<b>(158,595)</b>	<b>-</b>	<b>-</b>	<b>(1,300,634)</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	<b>1,727,067</b>	<b>1,234,019</b>	<b>1,402,338</b>	<b>(1,805,673)</b>	<b>83,305</b>	<b>1,413,134</b>	<b>1,797,714</b>	<b>168,288</b>	<b>(1,601,515)</b>	<b>(787,644)</b>	<b>-</b>	<b>-</b>	<b>3,631,033</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>30,897</b>	<b>242,904</b>	<b>121,059</b>	<b>196,816</b>	<b>278,377</b>	<b>203,356</b>	<b>231,028</b>	<b>54,932</b>	<b>35,870</b>	<b>195,276</b>			<b>1,590,515</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$1,757,964</b>	<b>\$1,476,923</b>	<b>\$1,523,397</b>	<b>(\$1,608,857)</b>	<b>\$361,682</b>	<b>\$1,616,490</b>	<b>\$2,028,742</b>	<b>\$223,220</b>	<b>(\$1,565,645)</b>	<b>(\$592,368)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,221,548</b>

**PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY  
COMPARATIVE BALANCE SHEET  
ASSETS**

	10/31/2008	10/31/2007	Increase/(Decrease)	
			Amount	Percent
<b>CURRENT ASSETS</b>				
Cash & Working Funds	\$2,215,580	\$6,271,404	(\$4,055,824)	
Temporary Investments	32,188,257	22,891,573	9,296,684	
Bond Fund Principal & Interest	-	-	-	
Construction Account	-	2,609,630	(2,609,630)	
Notes Receivable, City of Richland	650,000	650,000	-	
Accounts Receivable, net	9,659,052	12,701,807	(3,042,755)	
Accrued Unbilled Revenue	2,230,000	1,910,000	320,000	
Inventory Materials & Supplies	2,853,534	2,755,983	97,550	
Prepayments	82,876	108,605	(25,729)	
Accrued Electric Revenue	3,183,075	4,013,011	(829,936)	
<b>Total Current Assets</b>	<b>53,062,373</b>	<b>53,912,012</b>	<b>(849,639)</b>	<b>-2%</b>
<b>NONCURRENT ASSETS</b>				
Other Receivables	54,150	650,000	(595,850)	
Ownership Interest in GHFB, LLP	66,514	189,500	(122,986)	
Unamortized Debt Expense	702,972	808,722	(105,750)	
Preliminary Surveys	260,779	173,030	87,748	
Deferred Regulatory Charges	1,181,354	276,465	904,889	
Deferred Purchased Power Costs	11,949,826	1,728,599	10,221,227	
Deferred Conservation Costs	(135)	92,344	(92,479)	
Other Deferred Charges	(205,368)	(218,411)	13,043	
	<b>14,010,092</b>	<b>3,700,249</b>	<b>10,309,843</b>	<b>n/a</b>
<b>Utility Plant</b>				
Land and Intangible Plant	3,022,894	2,926,104	96,790	
Electric Plant in Service	212,354,302	201,514,875	10,839,428	
Construction Work in Progress	5,365,297	7,534,662	(2,169,365)	
Accumulated Depreciation	(111,671,997)	(102,807,147)	(8,864,850)	
<b>Net Utility Plant</b>	<b>109,070,496</b>	<b>109,168,493</b>	<b>(97,997)</b>	<b>0%</b>
<b>Total Noncurrent Assets</b>	<b>123,080,589</b>	<b>112,868,743</b>	<b>10,211,846</b>	<b>9%</b>
<b>TOTAL ASSETS</b>	<b>\$176,142,962</b>	<b>\$166,780,755</b>	<b>\$9,362,207</b>	<b>6%</b>

**PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY  
COMPARATIVE BALANCE SHEET  
LIABILITIES AND NET ASSETS**

	10/31/2008	10/31/2007	Increase/(Decrease)	
			Amount	Percent
<b>CURRENT LIABILITIES</b>				
Warrants Outstanding	\$130,812	\$34,464	\$96,348	
Accounts Payable	8,309,339	9,884,174	(1,574,835)	
Customer Deposits	1,208,332	1,302,641	(94,309)	
Accrued Taxes Payable	2,014,831	2,156,480	(141,649)	
Other Current & Accrued Liabilities	2,322,695	2,435,651	(112,956)	
Accrued Interest Payable	-	-	-	
Revenue Bonds, Current Portion	2,530,000	2,415,000	115,000	
<b>Total Current Liabilities</b>	<b>16,516,010</b>	<b>18,228,409</b>	<b>(1,712,400)</b>	<b>-9%</b>
<b>NONCURRENT LIABILITIES</b>				
2001 Bond Issue	26,265,000	27,800,000	(1,535,000)	
2002 Bond Issue	17,305,000	17,305,000	-	
2005 Bond Issue	7,295,000	8,290,000	(995,000)	
Unamortized Premium & Discount	1,007,709	1,153,415	(145,706)	
Unamortized Loss on Defeased Debt	(333,635)	(415,965)	82,330	
Deferred Revenue	382,041	560,283	(178,242)	
Deferred Regulatory Credits	6,547,427	1,028,491	5,518,936	
Other Liabilities	1,328,672	467,303	861,369	
<b>Total Noncurrent Liabilities</b>	<b>59,797,214</b>	<b>56,188,527</b>	<b>3,608,687</b>	<b>6%</b>
<b>Total Liabilities</b>	<b>76,313,224</b>	<b>74,416,936</b>	<b>1,896,287</b>	<b>3%</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	55,001,422	55,230,673	(229,251)	
Unrestricted	44,828,317	37,133,146	7,695,171	
<b>Total Net Assets</b>	<b>99,829,738</b>	<b>92,363,819</b>	<b>7,465,920</b>	<b>8%</b>
<b>TOTAL NET ASSETS AND LIABILITIES</b>	<b>\$176,142,962</b>	<b>\$166,780,755</b>	<b>\$9,362,207</b>	<b>6%</b>
<b>CURRENT RATIO:</b>	<b>3.21:1</b>	<b>2.96:1</b>		
<b>(Current Assets / Current Liabilities)</b>				
<b>WORKING CAPITAL:</b>	<b>\$36,546,364</b>	<b>\$35,683,603</b>	<b>\$862,761</b>	<b>2%</b>
<b>(Current Assets less Current Liabilities)</b>				

**PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY  
ENERGY STATISTICAL DATA  
CURRENT MONTH**

	10/31/2008			10/31/2007	
	ACTUAL	AMENDED BUDGET	PCT VAR	ACTUAL	PCT VAR
<b>ENERGY SALES RETAIL - REVENUE</b>					
Residential	\$2,383,661	\$2,244,217	6%	\$2,446,027	-3%
Small General Service	464,403	479,086	-3%	494,596	-6%
Medium General Service	706,369	713,442	-1%	760,127	-7%
Large General Service	1,010,850	950,857	6%	1,118,946	-10%
Large Industrial	170,294	103,573	64%	51,796	229%
Small Irrigation	71,678	67,938	6%	74,807	-4%
Large Irrigation	913,640	621,788	47%	818,473	12%
Street Lights	33,088	32,751	1%	34,107	-3%
Security Lights	16,083	16,054	0%	16,258	-1%
Unmetered Accounts	11,565	11,617	0%	11,927	-3%
<b>Billed Revenues Before Taxes</b>	<b>\$5,781,631</b>	<b>\$5,241,324</b>	<b>10%</b>	<b>\$5,827,064</b>	<b>-1%</b>
City Occupation Taxes	275,061	224,287	23%	291,386	-6%
Bad Debt Expense (reduced from .4% to .3% of retail sales in July 20)	(19,000)	(16,410)	16%	(19,000)	0%
Unbilled Revenue	965,000	965,000	0%	330,000	192%
<b>TOTAL SALES - REVENUE</b>	<b>\$7,002,692</b>	<b>\$6,414,201</b>	<b>9%</b>	<b>\$6,429,450</b>	<b>9%</b>
<b>ENERGY SALES RETAIL - kWh</b>					
Residential	38,072,079	35,532,238	7%	35,242,949	8%
Small General Service	8,684,988	8,986,935	-3%	8,146,746	7%
Medium General Service	13,874,446	13,943,365	0%	13,061,604	6%
Large General Service	22,055,080	20,350,765	8%	20,521,740	7%
Large Industrial	4,917,565	2,771,588	77%	1,249,625	294%
Small Irrigation	1,082,788	1,009,557	7%	1,054,836	3%
Large Irrigation	21,588,462	13,895,189	55%	14,964,523	44%
Street Lights	353,131	349,376	1%	349,729	1%
Security Lights	86,706	85,747	1%	87,156	-1%
Unmetered Accounts	238,862	238,523	0%	237,356	1%
<b>TOTAL kWh SOLD</b>	<b>110,954,107</b>	<b>97,163,283</b>	<b>14%</b>	<b>94,916,264</b>	<b>17%</b>
<b>NET POWER COST</b>					
BPA Power Costs					
Slice	\$2,916,391	\$2,868,198	2%	\$2,328,394	25%
Block	1,515,279	1,692,346	-10%	1,832,559	-17%
Subtotal	4,431,671	4,560,544	-3%	4,160,953	7%
Other Power Purchases	1,280,547	159,086	705%	710,680	80%
Frederickson	2,080,706	869,822	139%	2,503,925	-17%
Transmission	634,980	690,133	-8%	634,990	0%
Ancillary	164,482	176,693	-7%	188,550	-13%
Generation	-	-	n/a	4,870	n/a
Conservation Program	5,585	27,606	-80%	(23,715)	-124%
Gross Power Costs	8,597,971	6,483,885	33%	8,180,252	5%
Less Sales for Resale-Energy	(3,658,332)	(2,534,604)	44%	(4,232,595)	-14%
Less Sales for Resale-Gas	-	-	n/a	-	n/a
Less Transmission of Power for Others	(14,445)	-	n/a	(15,200)	-5%
<b>NET POWER COSTS</b>	<b>\$4,925,195</b>	<b>\$3,949,281</b>	<b>25%</b>	<b>\$3,932,457</b>	<b>25%</b>
<b>NET POWER - kWh</b>					
BPA Power Costs					
Slice	75,366,000	84,238,759	-11%	68,368,000	10%
Block	63,240,000	63,240,000	0%	63,240,000	0%
Subtotal	138,606,000	147,478,759	-6%	131,608,000	5%
Other Power Purchases	12,733,000	3,435,479	271%	8,814,000	44%
Frederickson	25,672,000	-	n/a	35,450,000	-28%
Generation	-	-	n/a	-	n/a
Gross Power kWh	177,011,000	150,914,238	17%	175,872,000	1%
Less Sales for Resale	(56,023,000)	(36,917,519)	52%	(67,768,000)	-17%
Less Transmission Losses/Imbalance	(1,664,000)	(2,689,168)	-38%	(2,972,000)	-44%
<b>NET POWER - kWh</b>	<b>119,324,000</b>	<b>111,307,551</b>	<b>7%</b>	<b>105,132,000</b>	<b>13%</b>
<b>COST PER MWh: (dollars)</b>					
Gross Power Cost (average)	\$48.57	\$42.96		\$46.51	4%
Net Power Cost	\$41.28	\$35.48		\$37.40	10%
BPA Power Cost	\$31.97	\$30.92		\$31.62	1%
Sales for Resale	\$65.30	\$56.83		\$62.46	5%
<b>ACTIVE SERVICE AGREEMENTS:</b>					
Residential	38,997			38,219	2%
Small General Service	4,419			4,320	2%
Medium General Service	681			664	3%
Large General Service	131			129	2%
Large Industrial	3			3	0%
Small Irrigation	621			612	1%
Large Irrigation	124			112	11%
Street Lights	9			9	0%
Security Lights	1,443			1,457	-1%
Unmetered Accounts	354			354	0%
<b>TOTAL</b>	<b>46,782</b>			<b>45,879</b>	<b>2%</b>

**PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY**  
**ENERGY STATISTICAL DATA**  
**YEAR TO DATE**

	10/31/2008			10/31/2007	
	ACTUAL	AMENDED BUDGET	PCT VAR	ACTUAL	PCT VAR
<b>ENERGY SALES RETAIL - REVENUE</b>					
Residential	\$33,888,027	\$33,871,904	0%	\$34,838,741	-3%
Small General Service	5,324,199	5,383,083	-1%	5,756,677	-8%
Medium General Service	6,904,324	6,962,148	-1%	7,366,403	-6%
Large General Service	8,463,300	8,442,334	0%	9,474,413	-11%
Large Industrial	1,427,152	1,387,899	3%	1,328,324	7%
Small Irrigation	772,809	770,560	0%	813,120	-5%
Large Irrigation	14,380,897	13,958,435	3%	15,065,735	-5%
Street Lights	330,187	329,437	0%	337,725	-2%
Security Lights	162,086	162,127	0%	161,997	0%
Unmetered Accounts	115,747	115,540	0%	119,664	-3%
<b>Billed Revenues Before Taxes</b>	<b>\$71,768,728</b>	<b>\$71,383,468</b>	<b>1%</b>	<b>\$75,262,800</b>	<b>-5%</b>
City Occupation Taxes	3,404,756	3,480,070	-2%	3,514,273	-3%
Bad Debt Expense (reduced from .4% to .3% of retail sales in July 20)	(234,000)	(234,159)	0%	(288,000)	-19%
Unbilled Revenue	(965,000)	(965,000)	0%	(1,314,000)	-27%
<b>TOTAL SALES - REVENUE</b>	<b>\$73,974,484</b>	<b>\$73,664,379</b>	<b>0%</b>	<b>\$77,175,074</b>	<b>-4%</b>
<b>ENERGY SALES RETAIL - kWh</b>					
Residential	541,500,709	541,672,977	0%	523,406,980	3%
Small General Service	96,723,252	98,006,852	-1%	96,334,765	0%
Medium General Service	141,554,185	141,256,817	0%	137,436,637	3%
Large General Service	185,807,020	184,971,778	0%	186,582,630	0%
Large Industrial	42,095,125	41,190,288	2%	37,154,315	13%
Small Irrigation	16,010,559	16,049,365	0%	15,839,249	1%
Large Irrigation	388,176,402	379,540,523	2%	382,240,988	2%
Street Lights	3,511,078	3,461,219	1%	3,452,186	2%
Security Lights	862,299	856,874	1%	853,398	1%
Unmetered Accounts	2,370,387	2,370,448	0%	2,371,743	0%
<b>TOTAL kWh SOLD</b>	<b>1,418,611,016</b>	<b>1,409,377,141</b>	<b>1%</b>	<b>1,385,672,891</b>	<b>2%</b>
<b>NET POWER COST</b>					
BPA Power Costs					
Slice	\$28,424,158	\$28,265,653	1%	\$27,828,168	2%
Block	17,028,806	17,111,653	0%	17,864,540	-5%
Subtotal	45,452,964	45,377,306	0%	45,692,708	-1%
Other Power Purchases	15,291,255	3,068,410	398%	9,243,985	65%
Frederickson	19,701,206	13,541,244	45%	13,837,129	42%
Transmission	6,708,709	6,720,421	0%	6,367,959	5%
Ancillary	2,016,997	1,865,465	8%	1,904,097	6%
Generation	-	-	n/a	158,912	n/a
Conservation Program	(41,012)	276,063		(251,978)	
Gross Power Costs	89,130,119	70,848,910	26%	76,952,812	16%
Less Sales for Resale-Energy	(46,263,720)	(29,553,206)	57%	(35,377,316)	31%
Less Sales for Resale-Gas	(1,260,952)	(826,252)	53%	(1,079,885)	17%
Less Transmission of Power for Others	(146,937)	-	n/a	(209,091)	-30%
<b>NET POWER COSTS</b>	<b>\$41,458,509</b>	<b>\$40,469,452</b>	<b>2%</b>	<b>\$40,286,520</b>	<b>3%</b>
<b>NET POWER - kWh</b>					
BPA Power Costs					
Slice	1,011,595,000	1,055,288,097	-4%	973,298,000	4%
Block	825,795,000	825,888,000	0%	823,179,000	0%
Subtotal	1,837,390,000	1,881,176,097	-2%	1,796,477,000	2%
Other Power Purchases	180,686,000	68,758,904	163%	189,346,000	-5%
Frederickson	190,563,000	110,400,000	73%	143,194,000	33%
Generation	-	-	n/a	547,000	n/a
Gross Power kWh	2,208,639,000	2,060,335,001	7%	2,129,564,000	4%
Less Sales for Resale	(724,847,000)	(572,105,298)	27%	(673,226,000)	8%
Less Transmission Losses/Imbalance	(29,448,000)	(35,390,143)	-17%	(42,143,000)	-30%
<b>NET POWER - kWh</b>	<b>1,454,344,000</b>	<b>1,452,839,560</b>	<b>0%</b>	<b>1,414,195,000</b>	<b>3%</b>
<b>COST PER MWh: (dollars)</b>					
Gross Power Cost (average)	\$40.36	\$34.39		\$36.14	12%
Net Power Cost	\$28.51	\$27.86		\$28.49	0%
BPA Power Cost	\$24.74	\$24.12		\$25.43	-3%
Sales for Resale	\$63.83	\$44.85		\$52.55	21%
<b>AVERAGE ACTIVE SERVICE AGREEMENTS:</b>					
Residential	38,812			37,910	2%
Small General Service	4,376			4,289	2%
Medium General Service	674			652	3%
Large General Service	131			128	3%
Large Industrial	3			3	0%
Small Irrigation	615			607	1%
Large Irrigation	121			108	12%
Street Lights	9			9	0%
Security Lights	1,453			1,438	1%
Unmetered Accounts	354			354	0%
<b>TOTAL</b>	<b>46,548</b>			<b>45,498</b>	<b>2%</b>

**PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY**  
**KWH SALES**  
**MONTHLY ACTIVITY**

	January	February	March	April	May	June	July	August	September	October	November	December	Total
<b>Residential</b>													
2004	95,569,316	71,372,409	54,426,955	40,932,070	33,583,837	33,298,806	48,155,700	55,286,524	43,706,397	32,888,688	50,369,427	61,796,367	621,386,496
2005	85,502,404	65,757,872	54,867,121	45,210,519	33,476,737	36,401,361	47,060,797	53,802,668	41,855,095	33,143,677	48,014,586	77,545,757	622,638,594
2006	77,065,711	62,799,696	63,613,232	44,924,203	34,866,230	38,366,099	49,735,292	52,750,137	44,919,739	34,641,585	50,817,564	77,713,170	632,212,658
2007	87,319,056	77,441,820	56,474,817	43,084,827	36,121,426	40,215,039	47,242,403	52,021,292	48,243,351	35,242,949	52,390,988	68,594,080	644,392,048
2008	81,834,824	84,141,448	55,935,103	53,772,722	39,619,749	40,175,032	50,892,623	53,086,233	43,970,846	38,072,079			541,500,709
<b>Small General Service</b>													
2004	12,521,729	10,268,574	8,801,447	8,294,850	7,972,369	8,582,655	10,420,125	11,760,180	10,154,894	8,263,709	9,091,346	9,441,907	115,573,785
2005	12,185,616	9,518,205	8,889,152	8,461,985	8,229,499	9,086,621	11,118,911	11,124,407	9,610,735	7,916,513	8,219,252	10,348,629	114,709,525
2006	10,568,130	9,321,984	9,271,670	7,868,940	7,824,298	8,857,198	10,468,926	10,922,820	10,165,839	8,039,168	8,612,604	10,783,271	112,704,848
2007	11,256,612	10,343,708	8,733,903	8,119,138	8,313,731	9,397,207	10,106,012	11,015,807	10,901,901	8,146,746	8,846,386	9,868,202	115,049,353
2008	10,544,341	10,991,837	8,654,561	8,716,841	8,285,116	9,271,114	10,580,487	11,367,126	9,626,841	8,684,988			96,723,252
<b>Medium General Service</b>													
2004	16,247,598	14,515,280	12,880,552	12,543,850	12,073,921	13,104,210	15,106,886	16,658,197	14,860,999	13,079,306	13,868,845	12,682,815	167,622,459
2005	15,786,408	12,751,305	12,735,808	12,705,928	12,289,204	13,797,709	15,391,965	15,271,190	14,211,227	12,621,897	12,678,751	13,801,160	164,042,552
2006	13,913,591	12,596,239	12,696,858	11,695,360	11,421,328	13,151,237	14,897,579	15,273,401	14,332,565	12,540,496	13,243,400	14,677,493	160,439,547
2007	14,913,657	13,577,225	12,228,448	12,096,295	11,997,041	13,564,289	14,436,738	15,584,811	15,976,529	13,061,604	13,718,800	14,030,066	165,185,503
2008	14,649,772	14,786,039	12,583,516	12,763,063	12,405,653	14,158,639	15,565,070	15,932,980	14,835,007	13,874,446			141,554,185
<b>Large General Service</b>													
2004	19,172,300	18,662,420	18,015,560	20,827,940	16,873,710	17,332,910	20,465,960	23,034,440	22,583,920	22,378,080	22,703,410	18,140,950	240,191,600
2005	20,761,670	18,772,730	20,076,680	19,804,880	18,832,500	19,409,810	20,839,500	23,463,050	22,068,240	21,367,890	19,526,860	17,631,660	242,555,470
2006	19,832,950	18,239,350	19,646,330	17,341,230	17,936,450	17,996,050	20,597,180	22,501,350	21,723,470	22,443,270	19,391,470	19,258,660	236,907,760
2007	19,480,750	18,469,340	17,423,960	16,320,080	15,174,720	16,287,400	17,696,340	22,345,980	22,862,320	20,521,740	19,368,500	17,365,400	223,316,530
2008	18,167,040	18,756,160	16,161,280	16,847,540	17,175,560	17,827,280	18,762,140	19,451,300	20,603,640	22,055,080			185,807,020
<b>Large Industrial</b>													
2004	6,057,145	6,247,565	5,538,360	3,837,395	5,914,950	5,914,880	6,379,465	5,964,275	6,506,375	5,993,050	4,826,035	6,299,090	69,478,585
2005	5,373,760	3,694,860	6,258,110	5,484,725	5,886,780	4,448,090	6,170,725	5,764,190	1,497,835	1,911,635	4,880,190	1,914,895	53,285,795
2006	2,128,100	5,456,800	1,515,205	5,818,020	1,457,800	4,605,710	1,514,515	5,065,895	1,470,265	3,455,900	1,227,080	3,740,625	37,455,915
2007	1,536,265	3,787,470	5,981,625	5,629,710	1,237,860	5,044,550	5,726,400	3,079,455	3,881,355	1,249,625	5,818,330	6,072,505	49,045,150
2008	5,084,745	1,333,010	5,715,080	5,770,360	3,687,305	4,613,435	5,317,785	4,346,100	1,309,740	4,917,565			42,095,125
<b>Small Irrigation</b>													
2004	29	253	500,338	1,360,889	1,700,350	2,503,239	2,966,943	2,601,054	2,113,536	1,159,826	130,737	34,036	15,071,230
2005	6,517	14,976	651,505	1,121,891	1,596,562	2,945,392	2,799,953	3,545,175	2,192,846	812,699	32,915	3,938	15,724,369
2006	2,729	1,971	315,648	633,768	2,039,638	2,197,808	2,857,543	3,346,252	1,928,953	964,486	13,051	3,171	14,305,018
2007	13,587	3,264	324,859	1,048,748	2,478,748	2,534,384	3,157,675	2,997,827	2,225,321	1,054,836	7,932	1,577	15,848,758
2008	1,895	3,199	318,941	1,331,496	2,063,697	2,518,611	3,466,289	2,914,757	2,308,886	1,082,788			16,010,559
<b>Large Irrigation</b>													
2004	166,433	194,653	8,752,704	30,241,420	52,964,489	70,703,250	89,907,044	56,549,188	27,904,666	18,883,555	3,593,216	431,335	360,291,953
2005	231,531	254,699	17,496,942	27,406,963	50,993,704	78,390,337	86,139,997	73,287,026	30,506,261	13,971,670	2,971,403	276,568	381,927,101
2006	297,170	394,668	7,900,410	20,103,497	55,631,376	73,692,156	85,591,196	63,139,831	28,522,718	14,907,418	3,213,942	348,665	353,743,047
2007	343,922	324,365	8,328,773	24,977,896	63,671,284	81,463,666	90,029,116	67,897,125	30,240,318	14,964,523	2,787,826	1,373,246	386,402,060
2008	274,289	480,150	9,558,415	31,319,266	58,696,314	75,080,959	89,956,008	66,771,307	34,451,232	21,588,462			388,176,402
<b>Street Lights</b>													
2004	328,362	328,290	328,218	328,218	328,941	328,941	330,777	330,741	331,137	331,137	331,029	331,389	3,957,180
2005	339,983	339,983	342,773	343,637	343,565	342,971	336,041	334,349	335,955	335,865	335,865	335,865	4,066,942
2006	335,757	335,757	340,041	340,041	340,041	340,041	340,041	340,041	342,057	342,633	343,101	344,109	4,083,660
2007	344,217	344,217	344,217	344,217	344,217	344,217	344,721	344,721	347,713	349,729	349,729	349,477	4,151,392
2008	350,611	350,611	350,611	350,611	350,791	350,791	351,079	351,007	351,835	353,131			3,511,078

**PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY**  
**KWH SALES**  
**MONTHLY ACTIVITY**

	January	February	March	April	May	June	July	August	September	October	November	December	Total
<b>Security Lights</b>													
2004	91,152	91,152	91,188	91,188	90,864	90,900	90,900	90,900	90,936	90,828	90,540	90,432	1,090,980
2005	90,396	89,820	89,820	89,892	90,000	90,000	89,100	89,028	88,128	87,912	86,346	85,878	1,066,320
2006	85,734	85,626	85,374	85,374	85,410	85,410	85,446	85,158	85,266	85,266	85,302	85,194	1,024,560
2007	85,158	85,194	85,194	85,122	85,122	85,302	85,302	85,338	84,510	87,156	87,084	87,084	1,027,566
2008	79,929	87,138	87,102	86,994	86,994	86,958	86,850	86,814	86,814	86,706			862,299
<b>Unmetered</b>													
2004	197,736	197,736	197,736	197,736	197,736	197,736	197,736	198,305	200,897	200,897	200,899	204,355	2,389,505
2005	205,091	206,387	206,387	206,387	206,999	206,999	206,999	206,999	208,562	210,290	210,290	210,290	2,491,680
2006	235,524	235,524	235,524	235,524	235,524	235,524	235,524	236,129	237,079	237,079	237,079	237,079	2,833,113
2007	237,079	237,079	237,079	237,079	237,079	236,924	237,356	237,356	237,356	237,356	237,356	237,356	2,846,455
2008	234,224	237,363	237,134	237,134	237,134	237,134	237,134	237,134	237,134	238,862			2,370,387
<b>Total</b>													
2004	150,351,800	121,878,332	109,533,058	118,655,556	131,701,167	152,057,527	194,021,536	172,473,804	128,453,757	103,269,076	105,205,484	109,452,676	1,597,053,773
2005	140,483,376	111,400,837	121,614,298	120,836,807	131,945,550	165,119,290	190,153,988	186,888,082	122,574,884	92,380,138	96,956,458	122,154,640	1,602,508,348
2006	124,465,396	109,467,615	115,620,292	109,045,957	131,838,095	159,527,233	186,323,242	173,661,014	123,727,951	97,657,301	97,184,593	127,191,437	1,555,710,126
2007	135,530,303	124,613,682	110,162,875	111,943,112	139,661,228	169,172,978	189,062,063	175,609,712	135,000,674	94,916,264	103,612,931	117,978,993	1,607,264,815
2008	131,221,670	131,166,955	109,601,743	131,196,077	142,608,313	164,319,953	195,215,465	174,544,758	127,781,975	110,954,107			1,418,611,016

**PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY  
CAPITAL ADDITIONS AND RETIREMENTS  
CURRENT MONTH**

	BALANCE 9/30/2008	ADDITIONS	RETIREMENTS	BALANCE 10/31/2008
<b>INTANGIBLE PLANT:</b>				
Organizations	\$28,379	\$0	\$0	\$28,379
Franchises & Consents	322	-	-	322
Miscellaneous & Intangible Plant	29,078	-	-	29,078
<b>TOTAL</b>	<b>57,780</b>	<b>-</b>	<b>-</b>	<b>57,780</b>
<b>GENERATION PLANT:</b>				
Land & Land Rights	-	-	-	-
Structures & Improvements	1,141,911	-	-	1,141,911
Fuel Holders & Accessories	-	-	-	-
Other Electric Generation	261,940	-	-	261,940
Accessory Electric Equipment	-	-	-	-
Miscellaneous Power Plant Equipment	-	-	-	-
<b>TOTAL</b>	<b>1,403,851</b>	<b>-</b>	<b>-</b>	<b>1,403,851</b>
<b>TRANSMISSION PLANT:</b>				
Land & Land Rights	156,400	-	-	156,400
Clearing Land & Right Of Ways	10,521	-	-	10,521
Transmission Station Equipment	777,633	-	-	777,633
Towers & Fixtures	-	-	-	-
Poles & Fixtures	3,713,675	-	-	3,713,675
Overhead Conductor & Devices	2,920,238	-	-	2,920,238
<b>TOTAL</b>	<b>7,578,467</b>	<b>-</b>	<b>-</b>	<b>7,578,467</b>
<b>DISTRIBUTION PLANT:</b>				
Land & Land Rights	1,280,143	502	-	1,280,645
Structures & Improvements	232,936	-	-	232,936
Station Equipment	29,951,368	84,510	-	30,035,878
Poles, Towers & Fixtures	14,765,093	49,018	(12,261)	14,801,851
Overhead Conductor & Devices	10,105,441	31,433	(528)	10,136,346
Underground Conduit	25,678,778	69,467	(8,711)	25,739,535
Underground Conductor & Devices	32,789,978	77,979	(4,260)	32,863,698
Line Transformers	22,621,614	6,982	-	22,628,595
Services-Overhead	2,544,491	10,131	(1,352)	2,553,270
Services-Underground	14,853,057	90,643	(2,551)	14,941,149
Meters	4,130,094	18,611	-	4,148,705
Security Lighting	862,690	1,062	(2,536)	861,216
Street Lighting	1,059,240	-	-	1,059,240
SCADA System	1,501,263	-	-	1,501,263
<b>TOTAL</b>	<b>162,376,186</b>	<b>440,338</b>	<b>(32,198)</b>	<b>162,784,326</b>
<b>GENERAL PLANT:</b>				
Land & Land Rights	1,128,959	-	-	1,128,959
Structures & Improvements	17,161,955	642	-	17,162,597
Information Systems & Technology	6,516,529	-	-	6,516,529
Transportation Equipment	6,008,955	-	-	6,008,955
Stores Equipment	54,108	-	-	54,108
Tools, Shop & Garage Equipment	426,855	37,069	-	463,925
Laboratory Equipment	519,859	-	-	519,859
Communication Equipment	1,810,819	36,225	-	1,847,044
Broadband Equipment	7,767,736	31,925	-	7,799,661
Miscellaneous Equipment	66,628	-	-	66,628
Allowance for Funds Used During Construction	1,571,061	24,855	-	1,595,916
<b>TOTAL</b>	<b>43,033,467</b>	<b>130,716</b>	<b>-</b>	<b>43,164,183</b>
<b>TOTAL ELECTRIC PLANT ACCOUNTS</b>	<b>214,449,751</b>	<b>571,054</b>	<b>(32,198)</b>	<b>214,988,607</b>
<b>PLANT HELD FOR FUTURE USE</b>	<b>388,589</b>	<b>-</b>	<b>-</b>	<b>388,589</b>
<b>CONSTRUCTION WORK IN PROGRESS</b>	<b>5,112,599</b>	<b>252,698</b>	<b>-</b>	<b>5,365,297</b>
<b>TOTAL CAPITAL</b>	<b>\$219,950,939</b>	<b>\$823,752</b>	<b>(\$32,198)</b>	<b>\$220,742,493</b>

**\$1,494,164 Amended Budget**

**PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY  
CAPITAL ADDITIONS AND RETIREMENTS  
YEAR TO DATE**

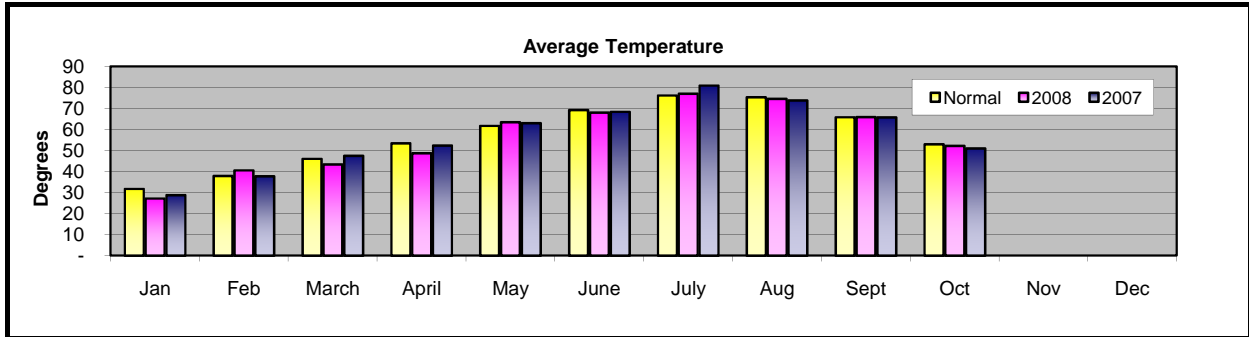
	BALANCE 12/31/2007	ADDITIONS	RETIREMENTS	BALANCE 10/31/2008
<b>INTANGIBLE PLANT:</b>				
Organizations	\$28,379	\$0	\$0	\$28,379
Franchises & Consents	322	-	-	322
Miscellaneous & Intangible Plant	29,078	-	-	29,078
<b>TOTAL</b>	<b>57,780</b>	<b>-</b>	<b>-</b>	<b>57,780</b>
<b>GENERATION PLANT:</b>				
Land & Land Rights	-	-	-	-
Structures & Improvements	1,141,911	-	-	1,141,911
Fuel Holders & Accessories	-	-	-	-
Other Electric Generation	261,940	-	-	261,940
Accessory Electric Equipment	-	-	-	-
Miscellaneous Power Plant Equipment	-	-	-	-
<b>TOTAL</b>	<b>1,403,851</b>	<b>-</b>	<b>-</b>	<b>1,403,851</b>
<b>TRANSMISSION PLANT:</b>				
Land & Land Rights	156,400	-	-	156,400
Clearing Land & Right Of Ways	10,521	-	-	10,521
Transmission Station Equipment	777,633	-	-	777,633
Towers & Fixtures	82,425	(82,425)	-	-
Poles & Fixtures	3,688,914	29,779	(5,017)	3,713,675
Overhead Conductor & Devices	2,917,921	34,691	(32,374)	2,920,238
<b>TOTAL</b>	<b>7,633,814</b>	<b>(17,956)</b>	<b>(37,391)</b>	<b>7,578,467</b>
<b>DISTRIBUTION PLANT:</b>				
Land & Land Rights	1,274,070	6,575	-	1,280,645
Structures & Improvements	228,831	4,105	-	232,936
Station Equipment	29,682,229	367,162	(13,514)	30,035,878
Poles, Towers & Fixtures	14,282,734	649,324	(130,207)	14,801,851
Overhead Conductor & Devices	9,714,401	549,029	(127,084)	10,136,346
Underground Conduit	25,157,753	697,057	(115,275)	25,739,535
Underground Conductor & Devices	31,953,697	1,054,752	(144,751)	32,863,698
Line Transformers	22,146,489	583,709	(101,602)	22,628,595
Services-Overhead	2,526,593	38,459	(11,782)	2,553,270
Services-Underground	14,385,927	567,977	(12,755)	14,941,149
Meters	4,029,977	118,728	-	4,148,705
Security Lighting	866,922	6,951	(12,657)	861,216
Street Lighting	1,059,900	25	(685)	1,059,240
SCADA System	1,501,263	-	-	1,501,263
<b>TOTAL</b>	<b>158,810,785</b>	<b>4,643,853</b>	<b>(670,311)</b>	<b>162,784,326</b>
<b>GENERAL PLANT:</b>				
Land & Land Rights	1,128,959	-	-	1,128,959
Structures & Improvements	17,118,236	44,361	-	17,162,597
Information Systems & Technology	6,297,001	231,235	(11,707)	6,516,529
Transportation Equipment	5,707,360	465,919	(164,323)	6,008,955
Stores Equipment	54,108	-	-	54,108
Tools, Shop & Garage Equipment	420,720	50,976	(7,771)	463,925
Laboratory Equipment	519,859	-	-	519,859
Communication Equipment	1,825,703	21,341	-	1,847,044
Broadband Equipment	7,371,736	432,203	(4,278)	7,799,661
Miscellaneous Equipment	66,628	-	-	66,628
Allowance for Funds Used During Construction	1,385,814	210,102	-	1,595,916
<b>TOTAL</b>	<b>41,896,125</b>	<b>1,456,136</b>	<b>(188,079)</b>	<b>43,164,183</b>
<b>TOTAL ELECTRIC PLANT ACCOUNTS</b>	<b>209,802,355</b>	<b>6,082,033</b>	<b>(895,781)</b>	<b>214,988,607</b>
<b>PLANT HELD FOR FUTURE USE</b>	<b>388,589</b>	<b>-</b>	<b>-</b>	<b>388,589</b>
<b>CONSTRUCTION WORK IN PROGRESS</b>	<b>4,028,943</b>	<b>1,336,354</b>	<b>-</b>	<b>5,365,297</b>
<b>TOTAL CAPITAL</b>	<b>\$214,219,887</b>	<b>\$7,418,388</b>	<b>(\$895,781)</b>	<b>\$220,742,493</b>

**\$10,964,921 Amended Budget**

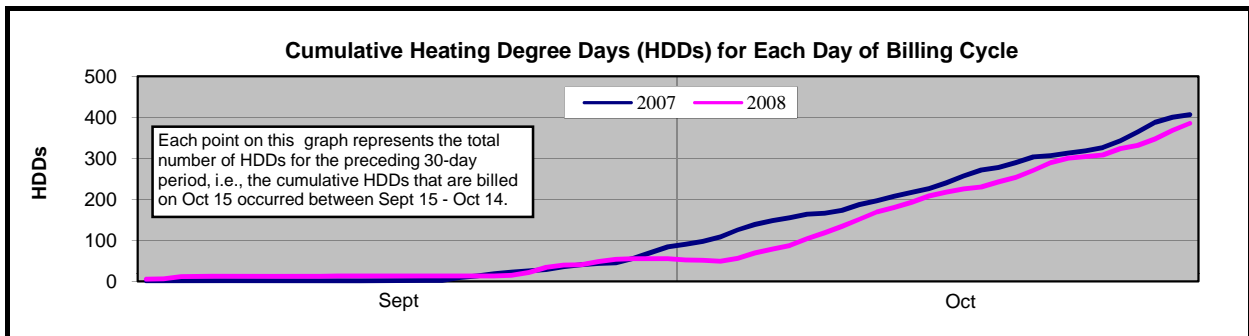
**PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY  
STATEMENT OF CASH FLOWS**

	YTD 10/31/2008	Monthly 10/31/2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers and Counterparties	\$121,667,545	\$9,666,174
Cash Paid to Suppliers and Counterparties	(95,047,170)	(6,527,250)
Cash Paid to Employees	(9,415,180)	(1,284,439)
Taxes Paid	(8,466,520)	(587,614)
<b>Net Cash Provided by Operating Activities</b>	<b>8,738,675</b>	<b>1,266,871</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Other Income	42,679	4
Other Expense	(460)	0
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>42,219</b>	<b>4</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of Capital Assets	(6,802,904)	(786,204)
Bond Principal Paid	(2,012,500)	(201,250)
Bond Interest Paid	(2,262,567)	(226,257)
Capital Contributions	1,590,515	195,276
Sale of Assets	703,036	6,626
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(8,784,420)</b>	<b>(1,011,809)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Income	1,044,965	76,340
Proceeds from Sale of Investments	50,421,629	4,586,817
Purchase of Investments	(54,389,236)	(5,571,474)
Joint Venture Net Revenue (Expense)	(301,330)	(30,133)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(3,223,971)</b>	<b>(938,450)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(3,227,497)</b>	<b>(683,384)</b>
<b>CASH BALANCE, BEGINNING OF YEAR</b>	<b>5,443,077</b>	<b>2,898,964</b>
<b>CASH BALANCE, END OF YEAR</b>	<b>\$2,215,580</b>	<b>\$2,215,580</b>
<b>RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Net Operating Revenues	\$4,931,667	(\$629,049)
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation & Amortization	7,805,741	784,456
Unbilled Revenues	965,000	(965,000)
Decrease (Increase) in Accounts Receivable	(960,822)	1,744,106
Decrease (Increase) in Inventories	(208,676)	78,750
Decrease (Increase) in Prepaid Expenses	(21,565)	18,368
Decrease (Increase) in Accrued Electric Revenue	(142,359)	1,006,312
Decrease (Increase) in Miscellaneous Assets	72,684	(62,850)
Decrease (Increase) in Deferred Purchased Power Expense	(8,525,323)	664,146
Decrease (Increase) in Deferred Regulatory Charges	471,598	-
Increase (Decrease) in Deferred Regulatory Credits	3,756,356	1,160,802
Increase (Decrease) in Warrants Outstanding	(107,543)	(123,187)
Increase (Decrease) in Accounts Payable	1,849,420	(2,322,775)
Increase (Decrease) in Accrued Taxes Payable	(581,543)	29,027
Increase (Decrease) in Customer Deposits	125,935	(5,039)
Increase (Decrease) in Other Current Liabilities	(117,159)	(12,777)
Increase (Decrease) in Deferred Credits	(574,736)	(98,419)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$8,738,675</b>	<b>\$1,266,871</b>

**PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY  
WEATHER STATISTICS  
October 31, 2008**

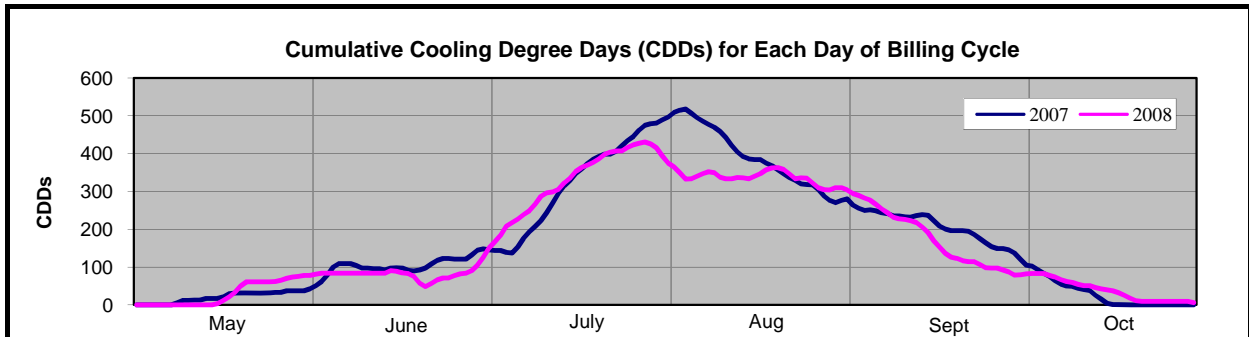


Average Temperature													
Year	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Annual
Normal	31.8	37.9	46.1	53.5	61.8	69.3	76.3	75.4	65.9	53.0	40.1	31.7	53.6
2008	27.2	40.6	43.4	48.8	63.6	68.1	77.1	74.7	66.0	52.3			
2007	28.8	37.8	47.5	52.4	63.1	68.5	81.0	73.9	65.8	51.1	39.2	32.7	53.5



Heating Degree Days by Month													
Year	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
2008	1,172	708	670	481	123	56	-	5	52	396			3,663
2007	1,121	761	540	376	110	33	-	1	84	419	777	1,001	5,223
2006	825	802	625	383	163	6	1	6	71	390	751	1,117	5,140

Cumulative HDDs in Billing Cycle													
2008	33,034	30,216	21,091	18,699	10,176	2,400	426	14	607	6,144			122,807
2007	33,206	29,723	21,851	14,093	7,579	1,777	427	12	424	7,276	17,388	29,141	162,897
2006	29,524	23,220	25,059	15,392	8,649	1,973	79	33	1,001	6,020	16,626	31,250	158,826



Cooling Degree Days by Month													
Year	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
2008	-	-	-	-	81	148	375	304	80	3			991
2007	-	-	-	-	51	137	497	280	105	-	-	-	1,070
2006	-	-	-	1	88	171	471	312	123	-	-	-	1,166

Cumulative CDDs in Billing Cycle													
2008	-	-	-	-	926	2,447	10,155	10,499	5,445	1,245			30,717
2007	-	-	-	-	630	3,123	9,861	12,233	6,357	966	-	-	33,170
2006	-	-	-	1	1,156	3,123	10,964	12,467	7,226	1,209	-	-	36,146

**PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY  
BROADBAND SUMMARY**

**October Highlights**

TRIDEC, Tri-Cities Visitor and Convention Bureau and Tri-City Chamber were connected to the fiber network in their new offices by the Toyota Center. The Prosser School District also was connected to the fiber network in their new administration office building. NTI, one of our large Carriers, added three more T-1's to the network for Verizon. Fourteen net new fixed wireless connections were made in October.

<b>A C T U A L S</b>																
	2008 Budget	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	YTD	Budget Variance	Inception to Date
<b>OPERATING REVENUES</b>	<b>\$867,270</b>															
Ethernet	-	\$21,752	\$23,504	\$24,447	\$23,763	\$25,567	\$24,847	\$26,211	\$27,071	\$28,115	\$28,127			\$253,403		
TDM	-	7,854	7,854	7,854	8,490	7,854	9,652	8,604	8,604	8,604	12,135			87,504		
Wireless	-	297	299	295	281	294	294	294	294	294	294			2,933		
Co-Location	-	215	215	215	215	215	215	215	215	215	215			2,150		
Internet Transport Service	-	26,740	26,140	26,616	24,530	25,988	25,276	26,435	27,374	25,693	26,948			261,739		
Fixed Wireless	-	10,207	9,520	10,167	10,022	9,539	9,345	9,456	9,515	10,824	10,690			99,285		
Broadband Revenue - Other	-	460	304	493	207	196	187	221	269	46	3			2,385		
<i>Subtotal</i>		67,525	67,836	70,088	67,507	69,652	69,814	71,435	73,341	73,790	78,411	-	-	709,399		
NoaNet Maintenance Revenue	-	490	-	-	706	-	-	-	-	286	2,083			3,565		
Bad Debt Expense	-	(280)	(280)	(290)	(280)	(280)	(280)	(290)	(300)	(300)	(320)			(2,900)		
<i>Total Operating Revenues</i>	<b>867,270</b>	67,736	67,556	69,798	67,934	69,372	69,534	71,145	73,041	73,776	80,174	-	-	710,065	157,206	2,058,221
<b>OPERATING EXPENSES</b>																2,869,468
Marketing & Business Development	60,000	4,857	4,377	7,049	4,292	4,837	5,753	6,355	4,374	5,050	5,071			52,016	7,984	
General Expenses	633,882	38,277	40,689	40,471	35,044	33,260	32,787	34,580	46,250	34,555	40,118			376,030	257,852	
Other Maintenance	50,012	1,781	1,597	11,894	5,301	5,237	3,333	2,363	1,631	5,780	2,804			41,720	8,292	
NOC Maintenance	39,500	4,960	4,844	4,890	5,466	4,472	4,957	5,394	4,860	4,715	5,394			49,951	(10,451)	
Wireless Maintenance	-	1,370	1,588	1,684	1,745	2,254	2,266	3,138	1,493	1,188	3,081			19,807	(19,807)	
<i>Subtotal</i>	<b>783,394</b>	51,245	53,094	65,989	51,848	50,061	49,096	51,829	58,608	51,288	56,467	-	-	539,524	243,870	
NoaNet Maintenance Expense	10,981	-	93	585	-	-	298	678	310	570				2,533	8,448	
Depreciation	682,803	56,327	56,327	56,142	56,569	56,636	56,707	56,850	57,471	57,793	57,935			568,757	114,046	2,239,427
<i>Total Operating Expenses</i>	<b>1,477,178</b>	107,572	109,514	122,715	108,417	106,696	106,100	109,357	116,390	109,651	114,402	-	-	1,110,815	366,363	5,108,895
<b>OPERATING INCOME (LOSS)</b>	<b>(609,908)</b>	(39,836)	(41,959)	(52,917)	(40,484)	(37,324)	(36,566)	(38,213)	(43,349)	(35,875)	(34,228)	-	-	(400,750)	209,158	(3,050,674)
<b>NONOPERATING REVENUES &amp; EXPENSES</b>																
Internal Interest due to Power Business Unit <sup>(1)</sup>	(530,876)	(41,285)	(41,424)	(41,746)	(42,060)	(42,329)	(42,621)	(43,326)	(43,473)	(43,680)	(43,891)			(425,835)	105,041	(1,921,244)
Other Revenues & Expenses - Inception to Date																210,299
City of Kennewick HUD Grant														-		
<b>CAPITAL CONTRIBUTIONS</b>	<b>1,450,000</b>	-	-	-	3,921	-	-	5,688	-	25,000	-			34,609	(1,415,391)	150,495
<b>INTERNAL NET INCOME (LOSS)</b>	<b>\$309,216</b>	(\$81,121)	(\$83,383)	(\$94,663)	(\$78,623)	(\$79,653)	(\$79,187)	(\$75,851)	(\$86,822)	(\$54,555)	(\$78,119)	\$0	\$0	(\$791,976)	(\$1,101,192)	(\$4,611,124)
<b>NOANET COSTS</b>																
Member Assessments	\$361,600	\$30,133	\$30,133	\$30,133	\$30,133	\$30,133	\$30,133	\$30,133	\$30,133	\$30,133	\$30,133			\$301,330		\$2,497,336
Membership Support		108	651	640	330	375	24	279	24	667	300			3,398		61,845
<i>Total NoaNet Costs</i>	<b>\$361,600</b>	\$30,241	\$30,784	\$30,773	\$30,463	\$30,508	\$30,157	\$30,412	\$30,157	\$30,800	\$30,433	\$0	\$0	\$304,728	\$56,872	\$2,559,181
<b>CAPITAL EXPENDITURES</b>	<b>\$2,657,921</b>	\$25,432	\$16,706	\$50,009	\$64,805	\$53,347	\$60,457	\$162,788	\$19,195	\$65,857	\$43,918			\$562,515	\$2,095,406	\$7,761,353
<b>NET CASH FUNDING OF BROADBAND<sup>(2)</sup></b>		\$39,182	\$33,123	\$77,558	\$75,262	\$64,543	\$70,473	\$168,874	\$35,230	\$49,738	\$50,644	\$0	\$0	\$664,626		\$10,770,987

(1) Internal interest budget is estimated based on cash flow projections

(2) Includes excess of operating costs over revenues, capital expenditures and NoaNet assessments; excludes depreciation and internal interest to Electric System



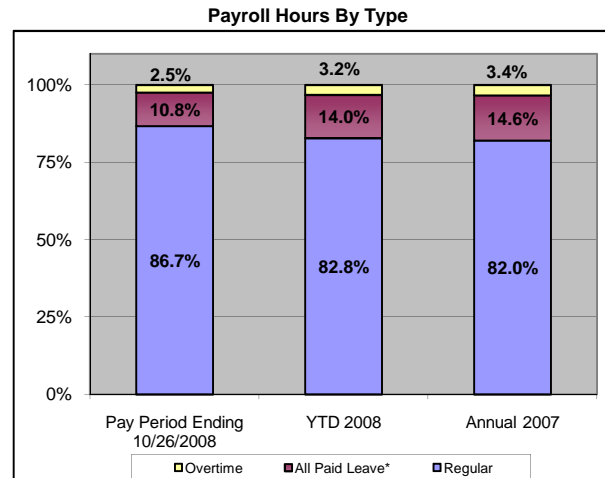
# Payroll Report

Pay Period Ending October 26, 2008

Headcount				
Directorate	Department	2008 Budget	2008 Actual	Over (Under) Actual to Budget
<b>Executive Administration</b>		7.0	8.0	1.0
<b>Finance &amp; Business Services</b>				
	Director of Finance	5.0	5.0	-
	Accounting	7.0	7.0	-
	Information Systems	7.0	7.0	-
	Key Accounts	4.0	4.0	-
	Customer Service	28.0	29.0	1.0
<b>Engineering</b>				
	Engineering	8.0	8.0	-
	Customer Engineering	10.0	10.0	-
<b>Operations</b>				
	Operations	7.0	6.0	(1.0)
	General Foreman	27.0	27.0	-
	Supervisor of Operations	2.0	2.0	-
	Meter Shop	5.0	5.0	-
	Transformer Shop	7.0	6.0	(1.0)
	Automotive Shop	4.0	4.0	-
	Warehouse	7.0	7.0	-
	Prosser Branch	6.0	5.0	(1.0)
	Broadband	4.0	4.0	-
<b>Power Management</b>				
	Director of Power Management	4.0	4.0	-
	Products & Services	4.0	4.0	-
<b>Total Positions</b>		<b>153.0</b>	<b>152.0</b>	<b>(1.0)</b>

Contingent Positions					
Position	Department	Hours			% YTD to Budget
		2008 Budget	Pay Period Ending 10/26/2008	2008 Actual YTD	
HR Intern	Human Resources	520	-	-	-
PC Support Specialist	Information Systems	-	80	272	-
Meter Readers On-Call	Customer Service	1,040	146	3,491	336%
NECA Lineman	Operations	2,080	97	1,856	89%
CSR On-Call - Prosser	Prosser Branch	1,560	59	1,890	121%
CSR On-Call - Kennewick	Customer Service	1,040	45	1,556	150%
<b>Total All Contingent Positions</b>		<b>6,240</b>	<b>427</b>	<b>9,064</b>	<b>145%</b>

2008 Labor Budget			
As of 10/31/2008			83% through the year
Labor Type	2008 Amended Budget	YTD Actual	% Spent
Regular	\$10,538,790	\$8,704,381	83%
Overtime	525,971	450,808	86%
Subtotal	11,064,761	9,155,189	83%
Less: Mutual Aid	-	-	-
<b>Total</b>	<b>\$11,064,761</b>	<b>\$9,155,189</b>	<b>83%</b>



\* All Paid Leave includes personal leave, holidays, short-term disability, jury duty pay, and military leave pay.