



## FINANCIAL STATEMENTS

SEPTEMBER 2008

*(Unaudited)*

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## Financial Highlights September 2008



Issue date: 10/27/08

Financial highlights for the month of September:

- District operations resulted in a decrease in net assets of \$1.6 million for the month bringing year-to-date net income to \$5.8 million.
- The \$11 million payment for the White Creek Wind Project was made to Klickitat PUD at the end of September. The payment was recorded as a deferred purchased power cost on the balance sheet and will be amortized over the 20-year term of the power purchase agreement.
- The temporary rate credit implemented in June returned \$370,000 to customers in September as a result of the BPA Residential Exchange settlement.
- The average temperature of 66° was 0.1° above normal, and 0.2° warmer than last September. Despite slightly warmer temperatures, timing caused cumulative cooling degree days for the billing cycle to be down 14% from last year.
- Total retail kWh billed during September was down 5% from last year.
- Net power supply costs were \$4.8 million for the month with sales for resale of \$4.6 million and an average price of \$72 per MWh.

Year-to-date financial results:

- Retail revenues and net power costs are on target with the amended budget.
- Non-power operating costs before taxes and depreciation are below the amended budget by 5%.
- Capital expenditures of \$6.6 million are below budget by \$2.9 million or 30%.
- \$1.9 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)				\$5,814	
Budget	\$1,210	\$161	\$683	(\$11)	(\$29)	\$735	\$1,300	\$1,777	(\$1,282)				\$4,545	\$5,494

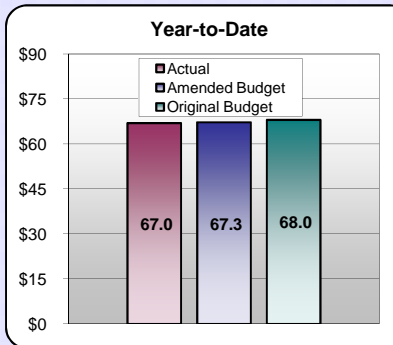
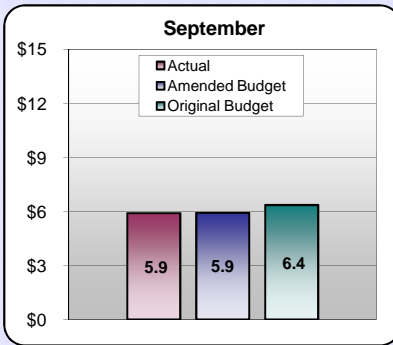
(1) The cumulative YTD impact of budget amendments approved at the August 26 Commission meeting are reflected in the August report.

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				\$80,532	\$81,770
Less: Sales for Resale	(5,502)	(5,822)	(6,072)	(6,448)	(3,849)	(2,620)	(5,024)	(4,005)	(4,657)				(43,999)	(34,906)
Net Power Costs	\$3,717	\$3,138	\$3,508	\$5,872	\$3,311	\$3,059	\$3,867	\$5,278	\$4,784				\$36,534	\$46,864

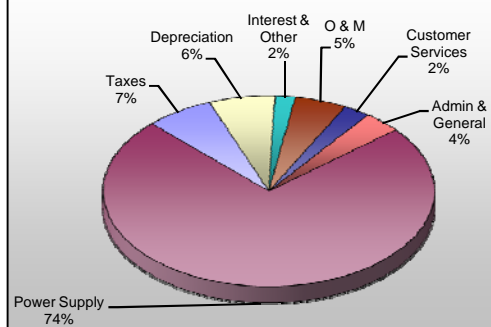
Net Capital Costs	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Amended Budget
Capital Expenditures	\$474	\$618	\$876	\$884	\$773	\$799	\$907	\$637	\$627				\$6,595	\$13,952
Less: Capital Contributions	(31)	(243)	(121)	(197)	(278)	(203)	(231)	(55)	(36)				(1,395)	(2,533)
Net Capital Costs	\$443	\$375	\$755	\$687	\$495	\$595	\$676	\$582	\$592				\$5,199	\$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				199	187
aMW - Sales for Resale	97	119	112	103	107	130	90	73	87				102	73

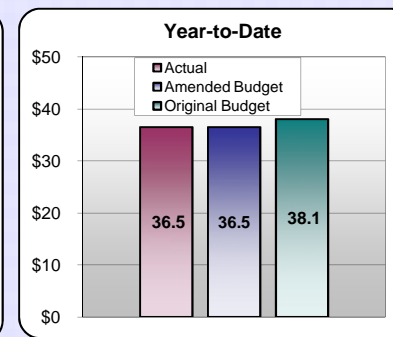
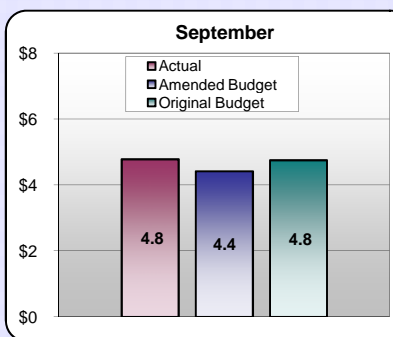
**Total Retail Revenue**  
(in millions of dollars)



**Total Expenses**



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



**Key Ratios**

Current Ratio	2.90 : 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	\$ 29.0 million
Rate Stabilization Account (designated)	\$ 5.1 million
Bond Principal & Interest (restricted)	\$ 3.3 million
Net Utility Plant	\$ 109.1 million
Long-Term Debt	\$ 56.5 million
Active Service Agreements*	46,722
Employees (FTE's)	153

\* 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**

	9/30/2008			9/30/2007	
	ACTUAL	AMENDED BUDGET	PCT VAR	ACTUAL	PCT VAR
<b>OPERATING REVENUES</b>					
Energy Sales - Retail	\$5,909,570	\$5,925,770	0%	\$7,424,226	-20%
Energy Sales for Resale	4,642,334	4,109,416	13%	3,324,064	40%
Transmission of Power for Others	14,445	-	n/a	65,684	-78%
Broadband Revenue	98,776	72,273	37%	66,029	50%
Other Revenue	90,601	102,584	-12%	116,628	-22%
<b>TOTAL OPERATING REVENUES</b>	<b>10,755,725</b>	<b>10,210,043</b>	<b>5%</b>	<b>10,996,631</b>	<b>-2%</b>
<b>OPERATING EXPENSES</b>					
Purchased Power	8,564,111	7,650,845	12%	7,656,904	12%
Purchased Transmission & Ancillary Services	794,920	850,015	-6%	833,387	-5%
Generation	-	-	n/a	6,594	n/a
Conservation Program	81,455	27,606	195%	(1,357)	n/a
Total Power Supply	9,440,486	8,528,467	11%	8,495,528	11%
Transmission Operation & Maintenance	408	2,779	-85%	221	85%
Distribution Operation & Maintenance	579,305	551,110	5%	460,945	26%
Broadband Expense	51,857	66,284	-22%	51,182	1%
Customer Accounting, Collection & Information	307,832	343,881	-10%	270,897	14%
Administrative & General	356,597	480,628	-26%	391,366	-9%
Subtotal before Taxes & Depreciation	1,295,999	1,444,682	-10%	1,174,611	10%
Taxes	710,248	675,361	5%	866,849	-18%
Depreciation & Amortization	783,221	819,454	-4%	805,865	-3%
Total Other Operating Expenses	2,789,468	2,939,497	-5%	2,847,325	-2%
<b>TOTAL OPERATING EXPENSES</b>	<b>12,229,954</b>	<b>11,467,963</b>	<b>7%</b>	<b>11,342,853</b>	<b>8%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,474,229)</b>	<b>(1,257,920)</b>	<b>17%</b>	<b>(346,222)</b>	<b>n/a</b>
<b>NONOPERATING REVENUES &amp; EXPENSES</b>					
Interest Income	103,412	125,000	-17%	167,400	-38%
Other Income	5,448	208	n/a	1,609	n/a
Other Expense	-	-	n/a	-	n/a
Interest Expense	(202,612)	(204,758)	-1%	(215,586)	-6%
Debt Discount & Expense Amortization	(3,402)	(4,163)	-18%	1,107	n/a
Loss in Joint Ventures/Special Assessments	(30,133)	(30,133)	0%	(35,500)	-15%
<b>TOTAL NONOPERATING REVENUES &amp; EXPENSES</b>	<b>(127,288)</b>	<b>(113,846)</b>	<b>12%</b>	<b>(80,971)</b>	<b>57%</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS &amp; EXTRAORDINARY ITEMS</b>	<b>(1,601,516)</b>	<b>(1,371,765)</b>	<b>17%</b>	<b>(427,192)</b>	<b>n/a</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>35,870</b>	<b>90,244</b>	<b>-60%</b>	<b>1,246,980</b>	<b>-97%</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>(\$1,565,646)</b>	<b>(\$1,281,521)</b>	<b>22%</b>	<b>\$819,787</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**

	9/30/2008			9/30/2007	
	ACTUAL	AMENDED BUDGET	PCT VAR	ACTUAL	PCT VAR
<b>OPERATING REVENUES</b>					
Energy Sales - Retail	\$66,971,791	\$67,250,178	0%	\$70,745,624	-5%
Energy Sales for Resale	43,866,341	27,844,854	58%	32,224,606	36%
Transmission of Power for Others	132,492	-	n/a	193,891	-32%
Broadband Revenue	654,890	650,457	1%	540,988	21%
Other Revenue	1,150,784	1,192,145	-3%	1,420,456	-19%
<b>TOTAL OPERATING REVENUES</b>	<b>112,776,298</b>	<b>96,937,634</b>	<b>16%</b>	<b>105,125,566</b>	<b>7%</b>
<b>OPERATING EXPENSES</b>					
Purchased Power	72,652,501	56,397,508	29%	61,398,264	18%
Purchased Transmission & Ancillary Services	7,926,243	7,719,060	3%	7,448,517	6%
Generation	-	-	n/a	154,043	n/a
Conservation Program	(46,597)	248,457	-119%	(228,264)	-80%
Total Power Supply	80,532,147	64,365,025	25%	68,772,560	17%
Transmission Operation & Maintenance	12,674	25,013	-49%	14,351	-12%
Distribution Operation & Maintenance	5,040,570	4,992,538	1%	4,682,452	8%
Broadband Expense	485,590	596,965	-19%	525,933	-8%
Customer Accounting, Collection & Information	2,830,440	3,119,144	-9%	2,682,140	6%
Administrative & General	4,024,536	4,330,743	-7%	3,829,282	5%
Subtotal before Taxes & Depreciation	12,393,811	13,064,403	-5%	11,734,158	6%
Taxes	7,268,336	7,375,433	-1%	7,523,007	-3%
Depreciation & Amortization	7,021,285	7,375,086	-5%	7,652,782	-8%
Total Other Operating Expenses	26,683,432	27,814,922	-4%	26,909,947	-1%
<b>TOTAL OPERATING EXPENSES</b>	<b>107,215,579</b>	<b>92,179,947</b>	<b>16%</b>	<b>95,682,507</b>	<b>12%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>5,560,719</b>	<b>4,757,687</b>	<b>17%</b>	<b>9,443,058</b>	<b>-41%</b>
<b>NONOPERATING REVENUES &amp; EXPENSES</b>					
Interest Income	968,625	1,125,000	-14%	1,283,257	-25%
Other Income	42,675	1,872	n/a	8,709	n/a
Other Expense	(460)	-	n/a	-	n/a
Interest Expense	(1,851,063)	(1,842,825)	0%	(1,928,589)	-4%
Debt Discount & Expense Amortization	(30,619)	(37,467)	-18%	(14,272)	115%
Loss in Joint Ventures/Special Assessments	(271,197)	(271,200)	0%	(325,500)	-17%
<b>TOTAL NONOPERATING REVENUES &amp; EXPENSES</b>	<b>(1,142,039)</b>	<b>(1,024,620)</b>	<b>11%</b>	<b>(976,395)</b>	<b>17%</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS &amp; EXTRAORDINARY ITEMS</b>	<b>4,418,680</b>	<b>3,733,067</b>	<b>18%</b>	<b>8,466,664</b>	<b>-48%</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>1,395,238</b>	<b>812,196</b>	<b>72%</b>	<b>3,225,357</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>5,813,918</b>	<b>4,545,263</b>	<b>28%</b>	<b>1,936,717</b>	<b>n/a</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>\$100,422,106</b>	<b>\$99,153,451</b>	<b>1%</b>	<b>\$92,510,146</b>	<b>9%</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				\$66,971,791
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				43,866,341
Transmission of Power for Others	15,200	15,200	15,200	15,200	15,200	13,856	13,746	14,445	14,445				132,492
Broadband Revenue	67,736	67,556	69,798	67,934	69,372	69,534	71,145	73,041	98,776				654,892
Other Electric Revenue	362,034	109,134	134,723	92,054	78,221	102,505	86,582	94,929	90,601				1,150,783
<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>112,776,299</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				72,652,502
Purchased Transmission & Ancillary Services	860,265	845,575	901,033	929,894	801,508	1,002,857	956,349	833,844	794,920				7,926,245
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				(46,598)
<b>Total Power Supply</b>	<b>9,218,944</b>	<b>8,960,075</b>	<b>9,580,537</b>	<b>12,319,915</b>	<b>7,159,460</b>	<b>5,678,919</b>	<b>8,890,740</b>	<b>9,283,073</b>	<b>9,440,486</b>	-	-	-	<b>80,532,149</b>
Transmission Operation & Maintenance	1,202	1,887	1,103	1,632	1,198	4,347	490	408	408				12,675
Distribution Operation & Maintenance	525,786	528,281	456,704	659,465	660,028	493,101	609,082	528,819	579,305				5,040,571
Broadband Expense	51,245	53,187	66,573	51,848	50,061	49,393	52,507	58,919	51,857				485,590
Customer Accounting, Collection & Information	310,380	289,646	309,576	331,462	330,481	326,703	329,711	294,650	307,832				2,830,441
Administrative & General	486,640	511,081	303,014	489,157	426,250	511,024	572,545	368,228	356,597				4,024,536
<b>Subtotal before Taxes &amp; Depreciation</b>	<b>1,375,253</b>	<b>1,384,082</b>	<b>1,136,970</b>	<b>1,533,564</b>	<b>1,468,018</b>	<b>1,384,568</b>	<b>1,564,335</b>	<b>1,251,024</b>	<b>1,295,999</b>	-	-	-	<b>12,393,813</b>
Taxes	962,503	946,908	816,784	759,907	701,315	720,587	835,381	814,703	710,248				7,268,336
Depreciation & Amortization	774,017	774,017	788,399	775,841	779,272	781,584	782,653	782,281	783,221				7,021,285
<b>Total Other Operating Expenses</b>	<b>3,111,773</b>	<b>3,105,007</b>	<b>2,742,153</b>	<b>3,069,312</b>	<b>2,948,605</b>	<b>2,886,739</b>	<b>3,182,369</b>	<b>2,848,008</b>	<b>2,789,468</b>	-	-	-	<b>26,683,434</b>
<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>107,215,583</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>5,560,716</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				968,627
Other Income	5,619	38	8	2,723	28	16,177	12,609	25	5,448				42,675
Other Expense	-	-	-	-	-	-	-	(460)	-				(460)
Interest Expense	(206,743)	(206,964)	(206,933)	(206,949)	(206,287)	(205,925)	(204,797)	(203,856)	(202,612)				(1,851,066)
Debt Discount & Expense Amortization	(3,402)	(3,402)	(3,402)	(3,402)	(3,402)	(3,402)	(3,402)	(3,402)	(3,402)				(30,618)
Loss in Joint Ventures/Special Assessments	(30,133)	(30,133)	(30,133)	(30,133)	(30,133)	(30,133)	(30,133)	(30,133)	(30,133)				(271,197)
<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>(1,142,039)</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>4,418,677</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>1,395,239</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>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,813,916</b>

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

	9/30/2008	9/30/2007	Increase/(Decrease)	
			Amount	Percent
<b>CURRENT ASSETS</b>				
Cash & Working Funds	\$2,898,964	\$2,713,233	\$185,731	
Temporary Investments	31,203,600	26,291,813	4,911,787	
Bond Fund Principal & Interest	3,345,033	4,921,543	(1,576,509)	
Construction Account	-	2,758,521	(2,758,521)	
Notes Receivable, City of Richland	650,000	650,000	-	
Accounts Receivable, net	11,403,158	15,281,924	(3,878,766)	
Accrued Unbilled Revenue	1,265,000	1,580,000	(315,000)	
Inventory Materials & Supplies	2,932,284	2,837,055	95,229	
Prepayments	101,244	132,464	(31,220)	
Accrued Electric Revenue	4,189,387	2,974,421	1,214,966	
<b>Total Current Assets</b>	<b>57,988,670</b>	<b>60,140,973</b>	<b>(2,152,303)</b>	<b>-4%</b>
<b>NONCURRENT ASSETS</b>				
Bond Reserve	-	812,537	(812,537)	
Other Receivables	-	650,000	(650,000)	
Ownership Interest in GHFB, LLP	66,514	189,500	(122,986)	
Unamortized Debt Expense	711,726	818,179	(106,452)	
Preliminary Surveys	255,610	164,235	91,375	
Deferred Regulatory Charges	1,181,354	441,234	740,120	
Deferred Purchased Power Costs	12,613,972	1,908,285	10,705,687	
Deferred Conservation Costs	-	138,516	(138,516)	
Other Deferred Charges	(209,034)	(112,153)	(96,881)	
	<b>14,620,142</b>	<b>5,010,332</b>	<b>9,609,810</b>	<b>192%</b>
<b>Utility Plant</b>				
Land and Intangible Plant	3,022,392	2,924,697	97,695	
Electric Plant in Service	211,815,948	201,034,692	10,781,256	
Construction Work in Progress	5,112,599	5,931,566	(818,967)	
Accumulated Depreciation	(110,900,418)	(102,148,387)	(8,752,031)	
<b>Net Utility Plant</b>	<b>109,050,521</b>	<b>107,742,569</b>	<b>1,307,953</b>	<b>1%</b>
<b>Total Noncurrent Assets</b>	<b>123,670,664</b>	<b>112,752,901</b>	<b>10,917,762</b>	<b>10%</b>
<b>TOTAL ASSETS</b>	<b>\$181,659,333</b>	<b>\$172,893,874</b>	<b>\$8,765,459</b>	<b>5%</b>

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

	9/30/2008	9/30/2007	Increase/(Decrease)	
			Amount	Percent
<b>CURRENT LIABILITIES</b>				
Warrants Outstanding	\$253,999	\$398,926	(\$144,926)	
Accounts Payable	10,632,114	9,671,790	960,324	
Customer Deposits	1,213,371	1,382,161	(168,790)	
Accrued Taxes Payable	1,985,804	2,193,414	(207,610)	
Other Current & Accrued Liabilities	2,335,472	2,476,484	(141,013)	
Accrued Interest Payable	1,131,283	1,213,626	(82,343)	
Revenue Bonds, Current Portion	2,415,000	4,045,000	(1,630,000)	
<b>Total Current Liabilities</b>	<b>19,967,043</b>	<b>21,381,401</b>	<b>(1,414,357)</b>	<b>-7%</b>
<b>NONCURRENT LIABILITIES</b>				
2001 Bond Issue	27,800,000	29,270,000	(1,470,000)	
2002 Bond Issue	17,305,000	17,305,000	-	
2005 Bond Issue	8,290,000	9,235,000	(945,000)	
Unamortized Premium & Discount	1,019,817	1,165,935	(146,117)	
Unamortized Loss on Defeased Debt	(340,391)	(417,921)	77,530	
Deferred Revenue	482,228	606,831	(124,603)	
Deferred Regulatory Credits	5,386,625	1,208,177	4,178,448	
Other Liabilities	1,326,904	629,306	697,598	
<b>Total Noncurrent Liabilities</b>	<b>61,270,184</b>	<b>59,002,327</b>	<b>2,267,857</b>	<b>4%</b>
<b>Total Liabilities</b>	<b>81,237,227</b>	<b>80,383,728</b>	<b>853,500</b>	<b>1%</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	54,774,845	54,418,530	356,316	
Unrestricted	45,647,261	38,091,617	7,555,644	
<b>Total Net Assets</b>	<b>100,422,106</b>	<b>92,510,147</b>	<b>7,911,959</b>	<b>9%</b>
<b>TOTAL NET ASSETS AND LIABILITIES</b>	<b>\$181,659,333</b>	<b>\$172,893,874</b>	<b>\$8,765,459</b>	<b>5%</b>
<b>CURRENT RATIO:</b>	<b>2.90:1</b>	<b>2.81:1</b>		
<b>(Current Assets / Current Liabilities)</b>				
<b>WORKING CAPITAL:</b>	<b>\$38,021,626</b>	<b>\$38,759,573</b>	<b>(\$737,946)</b>	<b>-2%</b>
<b>(Current Assets less Current Liabilities)</b>				

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

	9/30/2008			9/30/2007	
	ACTUAL	AMENDED BUDGET	PCT VAR	ACTUAL	PCT VAR
<b>ENERGY SALES RETAIL - REVENUE</b>					
Residential	\$2,701,670	\$2,829,567	-5%	\$3,228,705	-16%
Small General Service	512,458	531,692	-4%	640,863	-20%
Medium General Service	705,395	759,883	-7%	845,468	-17%
Large General Service	935,148	942,713	-1%	1,161,104	-19%
Large Industrial	65,061	106,421	-39%	145,976	-55%
Small Irrigation	139,078	131,965	5%	144,817	-4%
Large Irrigation	1,474,142	1,286,626	15%	1,452,452	1%
Street Lights	33,050	32,551	2%	33,922	-3%
Security Lights	15,900	16,273	-2%	16,524	-4%
Unmetered Accounts	11,565	11,588	0%	11,968	-3%
<b>Billed Revenues Before Taxes</b>	<b>\$6,593,466</b>	<b>\$6,649,278</b>	<b>-1%</b>	<b>\$7,681,799</b>	<b>-14%</b>
City Occupation Taxes	305,104	261,053	17%	372,427	-18%
Bad Debt Expense (reduced from .4% to .3% of retail sales in July 2007)	(25,000)	(20,561)	22%	(25,000)	0%
Unbilled Revenue	(964,000)	(964,000)	0%	(605,000)	59%
<b>TOTAL SALES - REVENUE</b>	<b>\$5,909,570</b>	<b>\$5,925,770</b>	<b>0%</b>	<b>\$7,424,226</b>	<b>-20%</b>
<b>ENERGY SALES RETAIL - kWh</b>					
Residential	43,970,846	46,480,270	-5%	48,243,351	-9%
Small General Service	9,626,841	10,128,558	-5%	10,901,901	-12%
Medium General Service	14,835,007	14,547,971	2%	15,976,529	-7%
Large General Service	20,603,640	20,271,959	2%	22,862,320	-10%
Large Industrial	1,306,740	3,152,143	-59%	3,881,355	-66%
Small Irrigation	2,308,886	2,194,237	5%	2,225,321	4%
Large Irrigation	34,451,232	29,925,754	15%	30,240,318	14%
Street Lights	351,835	348,495	1%	347,713	1%
Security Lights	86,814	84,946	2%	84,510	3%
Unmetered Accounts	237,134	237,922	0%	237,356	0%
<b>TOTAL kWh SOLD</b>	<b>127,778,975</b>	<b>127,372,255</b>	<b>0%</b>	<b>135,000,674</b>	<b>-5%</b>
<b>NET POWER COST</b>					
BPA Power Costs					
Slice	\$2,792,543	\$2,719,194	3%	\$2,799,149	0%
Block	2,073,532	2,076,182	0%	2,223,100	-7%
Subtotal	4,866,075	4,795,376	1%	5,022,249	-3%
Other Power Purchases	899,076	181,858	394%	476,470	89%
Frederickson	2,798,960	2,673,611	5%	2,158,185	30%
Transmission	630,278	670,032	-6%	634,633	-1%
Ancillary	164,642	179,983	-9%	198,754	-17%
Generation	-	-	n/a	6,594	n/a
Conservation Program	81,455	27,606	195%	(1,357)	-6103%
Gross Power Costs	9,440,486	8,528,467	11%	8,495,528	11%
Less Sales for Resale-Energy	(4,501,547)	(4,109,416)	10%	(3,182,650)	41%
Less Sales for Resale-Gas	(140,787)	-	n/a	(141,414)	0%
Less Transmission of Power for Others	(14,445)	-	n/a	(65,684)	-78%
<b>NET POWER COSTS</b>	<b>\$4,783,707</b>	<b>\$4,419,050</b>	<b>8%</b>	<b>\$5,105,779</b>	<b>-6%</b>
<b>NET POWER - kWh</b>					
BPA Power Costs					
Slice	64,464,000	71,688,241	-10%	60,594,000	6%
Block	79,200,000	79,200,000	0%	79,200,000	0%
Subtotal	143,664,000	150,888,241	-5%	139,794,000	3%
Other Power Purchases	14,286,000	4,575,616	212%	8,730,000	64%
Frederickson	31,528,000	36,000,000	-12%	34,545,000	-9%
Generation	-	-	n/a	-	n/a
Gross Power kWh	189,478,000	191,463,857	-1%	183,069,000	4%
Less Sales for Resale	(62,456,000)	(63,383,594)	-1%	(56,174,000)	11%
Less Transmission Losses/Imbalance	(2,400,000)	(3,110,885)	-23%	(2,271,000)	6%
<b>NET POWER - kWh</b>	<b>124,622,000</b>	<b>124,969,378</b>	<b>0%</b>	<b>124,624,000</b>	<b>0%</b>
<b>COST PER MWh: (dollars)</b>					
Gross Power Cost (average)	\$49.82	\$44.54		\$46.41	7%
Net Power Cost	\$38.39	\$35.36		\$40.97	-6%
BPA Power Cost	\$33.87	\$31.78		\$35.93	-6%
Sales for Resale	\$72.08	\$52.70		\$56.66	27%
<b>ACTIVE SERVICE AGREEMENTS:</b>					
Residential	38,942			38,121	2%
Small General Service	4,414			4,322	2%
Medium General Service	679			663	2%
Large General Service	131			129	2%
Large Industrial	3			3	0%
Small Irrigation	621			613	1%
Large Irrigation	124			112	11%
Street Lights	9			9	0%
Security Lights	1,445			1,451	0%
Unmetered Accounts	354			355	0%
<b>TOTAL</b>	<b>46,722</b>			<b>45,778</b>	<b>2%</b>

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

	9/30/2008			9/30/2007	
	ACTUAL	AMENDED BUDGET	PCT VAR	ACTUAL	PCT VAR
<b>ENERGY SALES RETAIL - REVENUE</b>					
Residential	\$31,504,366	\$31,627,687	0%	\$32,392,715	-3%
Small General Service	4,859,795	4,903,997	-1%	5,262,081	-8%
Medium General Service	6,197,956	6,248,706	-1%	6,606,276	-6%
Large General Service	7,452,450	7,491,477	-1%	8,355,467	-11%
Large Industrial	1,256,858	1,284,325	-2%	1,276,528	-2%
Small Irrigation	701,131	702,622	0%	738,313	-5%
Large Irrigation	13,467,257	13,336,647	1%	14,247,263	-5%
Street Lights	297,099	296,685	0%	303,618	-2%
Security Lights	146,003	146,074	0%	145,740	0%
Unmetered Accounts	104,182	103,923	0%	107,737	-3%
<b>Billed Revenues Before Taxes</b>	<b>\$65,987,097</b>	<b>\$66,142,144</b>	<b>0%</b>	<b>\$69,435,737</b>	<b>-5%</b>
City Occupation Taxes	3,129,694	3,255,783	-4%	3,222,888	-3%
Bad Debt Expense (reduced from .4% to .3% of retail sales in July 20)	(215,000)	(217,749)	-1%	(269,000)	-20%
Unbilled Revenue	(1,930,000)	(1,930,000)	0%	(1,644,000)	17%
<b>TOTAL SALES - REVENUE</b>	<b>\$66,971,791</b>	<b>\$67,250,178</b>	<b>0%</b>	<b>\$70,745,624</b>	<b>-5%</b>
<b>ENERGY SALES RETAIL - kWh</b>					
Residential	503,428,630	506,140,739	-1%	488,164,031	3%
Small General Service	88,038,264	89,019,916	-1%	88,188,019	0%
Medium General Service	127,679,739	127,313,452	0%	124,375,033	3%
Large General Service	163,751,940	164,621,012	-1%	166,060,890	-1%
Large Industrial	37,174,560	38,418,700	-3%	35,904,690	4%
Small Irrigation	14,927,771	15,039,809	-1%	14,784,413	1%
Large Irrigation	366,587,940	365,645,331	0%	367,276,465	0%
Street Lights	3,157,947	3,111,841	1%	3,102,457	2%
Security Lights	775,593	771,126	1%	766,242	1%
Unmetered Accounts	2,131,525	2,131,928	0%	2,134,387	0%
<b>TOTAL kWh SOLD</b>	<b>1,307,653,909</b>	<b>1,312,213,854</b>	<b>0%</b>	<b>1,290,756,627</b>	<b>1%</b>
<b>NET POWER COST</b>					
BPA Power Costs					
Slice	\$25,507,766	\$25,397,455	0%	\$25,499,774	0%
Block	15,513,527	15,419,307	1%	16,031,981	-3%
Subtotal	41,021,293	40,816,762	1%	41,531,755	-1%
Other Power Purchases	14,010,708	2,909,324	382%	8,533,305	64%
Frederickson	17,620,500	12,671,422	39%	11,333,204	55%
Transmission	6,073,729	6,030,288	1%	5,732,969	6%
Ancillary	1,852,514	1,688,772	10%	1,715,548	8%
Generation	-	-	n/a	154,043	n/a
Conservation Program	(46,597)	248,457		(228,264)	
Gross Power Costs	80,532,147	64,365,025	25%	68,772,560	17%
Less Sales for Resale-Energy	(42,605,389)	(27,018,602)	58%	(31,144,721)	37%
Less Sales for Resale-Gas	(1,260,952)	(826,252)	53%	(1,079,885)	17%
Less Transmission of Power for Others	(132,492)	-	n/a	(193,891)	-32%
<b>NET POWER COSTS</b>	<b>\$36,533,315</b>	<b>\$36,520,171</b>	<b>0%</b>	<b>\$36,354,063</b>	<b>0%</b>
<b>NET POWER - kWh</b>					
BPA Power Costs					
Slice	936,229,000	971,049,338	-4%	904,930,000	3%
Block	762,555,000	762,648,000	0%	759,939,000	0%
Subtotal	1,698,784,000	1,733,697,338	-2%	1,664,869,000	2%
Other Power Purchases	167,953,000	65,323,425	157%	180,532,000	-7%
Frederickson	164,891,000	110,400,000	49%	107,744,000	53%
Generation	-	-	n/a	547,000	n/a
Gross Power kWh	2,031,628,000	1,909,420,763	6%	1,953,692,000	4%
Less Sales for Resale	(668,824,000)	(535,187,779)	25%	(605,458,000)	10%
Less Transmission Losses/Imbalance	(27,784,000)	(32,700,975)	-15%	(39,171,000)	-29%
<b>NET POWER - kWh</b>	<b>1,335,020,000</b>	<b>1,341,532,009</b>	<b>0%</b>	<b>1,309,063,000</b>	<b>2%</b>
<b>COST PER MWh: (dollars)</b>					
Gross Power Cost (average)	\$39.64	\$33.71		\$35.20	13%
Net Power Cost	\$27.37	\$27.22		\$27.77	-1%
BPA Power Cost	\$24.15	\$23.54		\$24.95	-3%
Sales for Resale	\$63.70	\$43.77		\$51.44	24%
<b>AVERAGE ACTIVE SERVICE AGREEMENTS:</b>					
Residential	38,791			37,876	2%
Small General Service	4,371			4,286	2%
Medium General Service	674			651	4%
Large General Service	131			128	3%
Large Industrial	3			3	0%
Small Irrigation	615			606	1%
Large Irrigation	121			108	12%
Street Lights	9			9	0%
Security Lights	1,454			1,436	1%
Unmetered Accounts	354			354	0%
<b>TOTAL</b>	<b>46,522</b>			<b>45,456</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	53,772,772	39,619,749	40,175,032	50,892,623	53,086,233	43,970,846				503,428,630
<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				88,038,264
<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				127,679,739
<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				163,751,940
<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				37,177,560
<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				14,927,771
<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				366,587,940
<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	335,955	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				3,157,947

**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				775,593
<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				2,131,525
<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				1,307,656,909

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

	BALANCE 8/31/2008	ADDITIONS	RETIREMENTS	BALANCE 9/30/2008
<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	3,710,237	3,438	-	3,713,675
Overhead Conductor & Devices	2,921,515	(1,277)	-	2,920,238
<b>TOTAL</b>	<b>7,576,306</b>	<b>2,161</b>	<b>-</b>	<b>7,578,467</b>
<b>DISTRIBUTION PLANT:</b>				
Land & Land Rights	1,279,573	569	-	1,280,143
Structures & Improvements	232,936	-	-	232,936
Station Equipment	29,951,368	-	-	29,951,368
Poles, Towers & Fixtures	14,688,620	78,728	(2,254)	14,765,093
Overhead Conductor & Devices	10,015,952	89,489	-	10,105,441
Underground Conduit	25,652,621	26,158	-	25,678,778
Underground Conductor & Devices	32,775,902	25,529	(11,453)	32,789,978
Line Transformers	22,580,300	41,314	-	22,621,614
Services-Overhead	2,543,102	2,741	(1,352)	2,544,491
Services-Underground	14,807,320	47,013	(1,276)	14,853,057
Meters	4,123,153	6,941	-	4,130,094
Security Lighting	862,690	-	-	862,690
Street Lighting	1,059,240	-	-	1,059,240
SCADA System	1,501,263	-	-	1,501,263
<b>TOTAL</b>	<b>162,074,037</b>	<b>318,483</b>	<b>(16,334)</b>	<b>162,376,186</b>
<b>GENERAL PLANT:</b>				
Land & Land Rights	1,128,959	-	-	1,128,959
Structures & Improvements	17,161,955	-	-	17,161,955
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	-	-	426,855
Laboratory Equipment	519,859	-	-	519,859
Communication Equipment	1,810,819	-	-	1,810,819
Broadband Equipment	7,744,165	23,572	-	7,767,736
Miscellaneous Equipment	66,628	-	-	66,628
Allowance for Funds Used During Construction	1,547,416	23,645	-	1,571,061
<b>TOTAL</b>	<b>42,986,250</b>	<b>47,217</b>	<b>-</b>	<b>43,033,467</b>
<b>TOTAL ELECTRIC PLANT ACCOUNTS</b>	<b>214,098,225</b>	<b>367,861</b>	<b>(16,334)</b>	<b>214,449,751</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>4,853,018</b>	<b>259,581</b>	<b>-</b>	<b>5,112,599</b>
<b>TOTAL CAPITAL</b>	<b>\$219,339,832</b>	<b>\$627,442</b>	<b>(\$16,334)</b>	<b>\$219,950,939</b>

**\$994,061 Amended Budget**

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

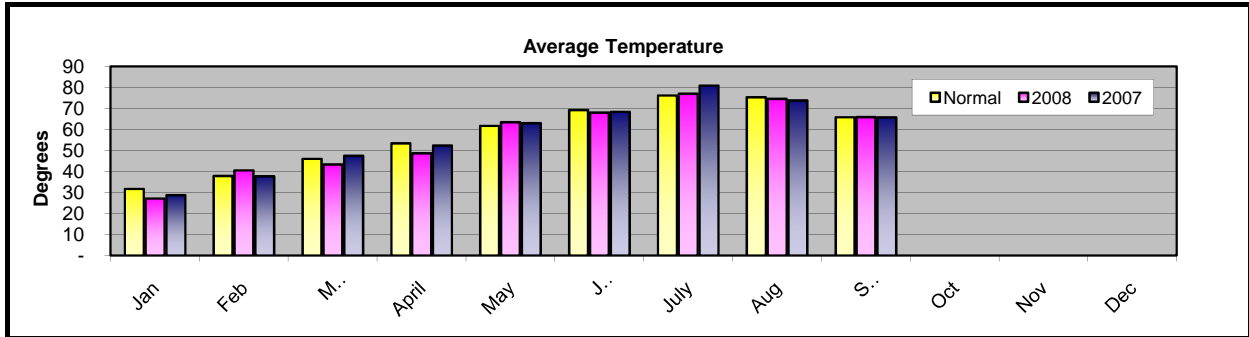
	BALANCE 12/31/2007	ADDITIONS	RETIREMENTS	BALANCE 9/30/2008
<b>INTANGIBLE PLANT:</b>				
Organizations	\$28,379	\$0	\$0	\$28,379
Franchises & Consents	322	-	-	322
Miscellaneous & Intangible Plant	29,078	-	-	29,078
<b>TOTAL</b>	<b>57,780</b>	<b>-</b>	<b>-</b>	<b>57,780</b>
<b>GENERATION PLANT:</b>				
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	6,073	-	1,280,143
Structures & Improvements	228,831	4,105	-	232,936
Station Equipment	29,682,229	282,652	(13,514)	29,951,368
Poles, Towers & Fixtures	14,282,734	600,305	(117,946)	14,765,093
Overhead Conductor & Devices	9,714,401	517,596	(126,556)	10,105,441
Underground Conduit	25,157,753	627,590	(106,565)	25,678,778
Underground Conductor & Devices	31,953,697	976,773	(140,491)	32,789,978
Line Transformers	22,146,489	576,727	(101,602)	22,621,614
Services-Overhead	2,526,593	28,328	(10,430)	2,544,491
Services-Underground	14,385,927	477,334	(10,204)	14,853,057
Meters	4,029,977	100,117	-	4,130,094
Security Lighting	866,922	5,889	(10,121)	862,690
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>4,203,514</b>	<b>(638,113)</b>	<b>162,376,186</b>
<b>GENERAL PLANT:</b>				
Land & Land Rights	1,128,959	-	-	1,128,959
Structures & Improvements	17,118,236	43,719	-	17,161,955
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	13,906	(7,771)	426,855
Laboratory Equipment	519,859	-	-	519,859
Communication Equipment	1,825,703	(14,884)	-	1,810,819
Broadband Equipment	7,371,736	400,278	(4,278)	7,767,736
Miscellaneous Equipment	66,628	-	-	66,628
Allowance for Funds Used During Construction	1,385,814	185,247	-	1,571,061
<b>TOTAL</b>	<b>41,896,125</b>	<b>1,325,421</b>	<b>(188,079)</b>	<b>43,033,467</b>
<b>TOTAL ELECTRIC PLANT ACCOUNTS</b>	<b>209,802,355</b>	<b>5,510,979</b>	<b>(863,583)</b>	<b>214,449,751</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>1,083,656</b>	<b>-</b>	<b>5,112,599</b>
<b>TOTAL CAPITAL</b>	<b>\$214,219,887</b>	<b>\$6,594,636</b>	<b>(\$863,583)</b>	<b>\$219,950,939</b>

**\$9,470,757 Amended Budget**

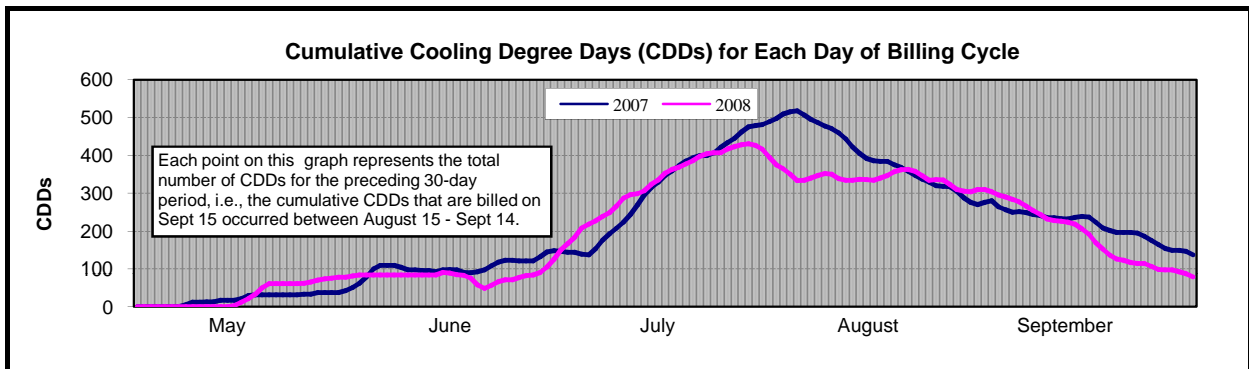
**PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY  
STATEMENT OF CASH FLOWS**

	<b>YTD 09/30/2008</b>	<b>Monthly 09/30/2008</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers and Counterparties	\$112,001,371	\$12,312,483
Cash Paid to Suppliers and Counterparties	(88,519,920)	(22,197,308)
Cash Paid to Employees	(8,130,741)	(870,295)
Taxes Paid	(7,878,906)	(650,265)
<b>Net Cash Provided by Operating Activities</b>	<b>7,471,804</b>	<b>(11,405,385)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Other Income	42,675	5,448
Other Expense	(460)	0
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>42,215</b>	<b>5,448</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of Capital Assets	(6,016,699)	(496,114)
Bond Principal Paid	(1,811,250)	(201,250)
Bond Interest Paid	(2,036,310)	(226,257)
Capital Contributions	1,395,239	35,870
Sale of Assets	696,410	20,522
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(7,772,610)</b>	<b>(867,229)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Income	968,625	103,410
Proceeds from Sale of Investments	45,834,813	15,590,451
Purchase of Investments	(48,817,762)	(2,086,817)
Joint Venture Net Revenue (Expense)	(271,197)	(30,133)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(2,285,522)</b>	<b>13,576,910</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(2,544,113)</b>	<b>1,309,744</b>
<b>CASH BALANCE, BEGINNING OF YEAR</b>	<b>5,443,077</b>	<b>1,589,220</b>
<b>CASH BALANCE, END OF YEAR</b>	<b>\$2,898,964</b>	<b>\$2,898,964</b>
<b>RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Net Operating Revenues	\$5,560,716	(\$1,474,228)
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation & Amortization	7,021,285	783,221
Unbilled Revenues	1,930,000	964,000
Decrease (Increase) in Accounts Receivable	(2,704,928)	592,757
Decrease (Increase) in Inventories	(287,426)	(98,172)
Decrease (Increase) in Prepaid Expenses	(39,933)	18,369
Decrease (Increase) in Accrued Electric Revenue	(1,148,671)	(931,170)
Decrease (Increase) in Miscellaneous Assets	135,534	(14,658)
Decrease (Increase) in Deferred Purchased Power Expense	(9,189,469)	(10,979,136)
Decrease (Increase) in Deferred Regulatory Charges	471,598	71,525
Increase (Decrease) in Deferred Regulatory Credits	2,595,554	(559,956)
Increase (Decrease) in Warrants Outstanding	15,644	44,541
Increase (Decrease) in Accounts Payable	4,172,195	240,015
Increase (Decrease) in Accrued Taxes Payable	(610,570)	59,983
Increase (Decrease) in Customer Deposits	130,974	(9,072)
Increase (Decrease) in Other Current Liabilities	(104,382)	(50,346)
Increase (Decrease) in Deferred Credits	(476,317)	(63,058)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$7,471,804</b>	<b>(\$11,405,385)</b>

**PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY**  
**WEATHER STATISTICS**  
 September 30, 2008

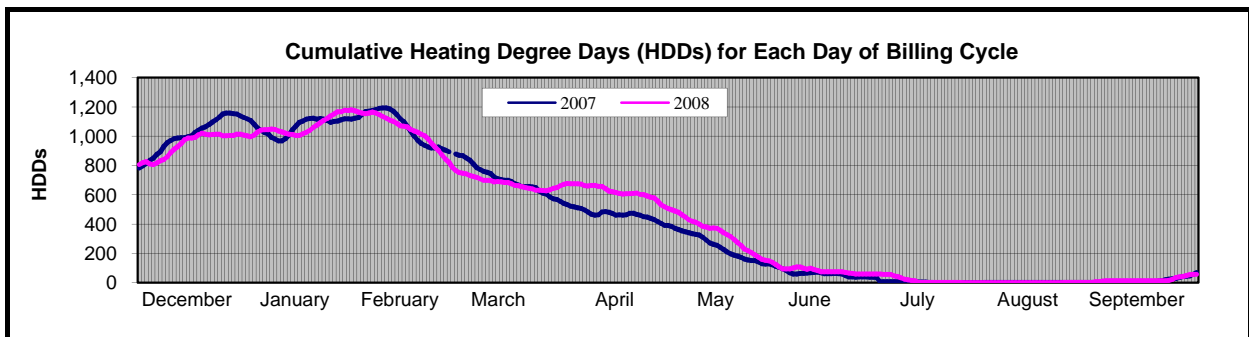


Average Temperature													
Year	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Annual
Normal	31.8	37.9	46.1	53.5	61.8	69.3	76.3	75.4	65.9	53.0	40.1	31.7	53.6
2008	27.2	40.6	43.4	48.8	63.6	68.1	77.1	74.7	66.0				
2007	28.8	37.8	47.5	52.4	63.1	68.5	81.0	73.9	65.8	51.1	39.2	32.7	53.5



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				988
2007	-	-	-	-	51	137	497	280	105	-	-	-	1,070
2006	-	-	-	1	88	171	471	312	123	-	-	-	1,166

Cumulative CDDs in Billing Cycle													
Year	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
2008	-	-	-	-	926	2,447	10,155	10,499	5,445				29,472
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



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				3,267
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													
Year	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
2008	33,034	30,216	21,091	18,699	10,176	2,400	426	14	607				116,663
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

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

**September Highlights**

Benton County Emergency Services (BCES) elected to pay all their capital costs up front and signed a five year agreement for broadband services. New fiber connection made to Kennewick General Hospital's Clinic on Kennewick Avenue, Children's Center and Ben Franklin Head Start. Community First Bank upgrade an existing connection and is the second upgrade for them this year.

<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				\$225,276		
TDM	-	7,854	7,854	7,854	8,490	7,854	9,652	8,604	8,604	8,604				75,369		
Wireless	-	297	299	295	281	294	294	294	294	294				2,640		
Co-Location	-	215	215	215	215	215	215	215	215	215				1,935		
Internet Transport Service	-	26,740	26,140	26,616	24,530	25,988	25,276	26,435	27,374	25,693				234,791		
Fixed Wireless	-	10,207	9,520	10,167	10,022	9,539	9,345	9,456	9,515	10,824				88,595		
Broadband Revenue - Other	-	460	304	493	207	196	187	221	269	46				2,382		
<i>Subtotal</i>		67,525	67,836	70,088	67,507	69,652	69,814	71,435	73,341	73,790	-	-	-	630,988		
NoaNet Maintenance Revenue	-	490	-	-	706	-	-	-	-	286				1,482		
Bad Debt Expense	-	(280)	(280)	(290)	(280)	(280)	(280)	(290)	(300)	(300)				(2,580)		
<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	-	-	-	629,890	<b>237,380</b>	<b>2,058,221</b>
<b>OPERATING EXPENSES</b>																<b>2,869,468</b>
Marketing & Business Development	60,000	4,857	4,377	7,049	4,292	4,837	5,753	6,355	4,374	5,050				46,945	13,055	
General Expenses	633,882	38,277	40,689	40,471	35,044	33,260	32,787	34,580	46,250	34,555				335,912	297,970	
Other Maintenance	50,012	1,781	1,597	11,894	5,301	5,237	3,333	2,363	1,631	5,780				38,917	11,095	
NOC Maintenance	39,500	4,960	4,844	4,890	5,466	4,472	4,957	5,394	4,860	4,715				44,558	(5,058)	
Wireless Maintenance	-	1,370	1,588	1,684	1,745	2,254	2,266	3,138	1,493	1,188				16,725	(16,725)	
<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	-	-	-	483,057	<b>300,337</b>	
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				510,822	171,981	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	-	-	-	996,413	<b>480,765</b>	<b>5,108,895</b>
<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)	-	-	-	(366,522)	<b>243,386</b>	<b>(3,050,674)</b>
<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)				(381,944)	148,932	(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	<b>(1,415,391)</b>	<b>150,495</b>
<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)	\$0	\$0	\$0	(\$713,857)	<b>(\$1,023,073)</b>	<b>(\$4,611,124)</b>
<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				\$271,197		\$2,497,336
Membership Support		108	651	640	330	375	24	279	24	667				3,098		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	\$0	\$0	\$0	\$274,295	<b>\$87,305</b>	<b>\$2,559,181</b>
<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				\$518,597	<b>\$2,139,324</b>	<b>\$7,761,353</b>
<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	\$0	\$0	\$0	\$613,982		<b>\$10,770,987</b>

(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



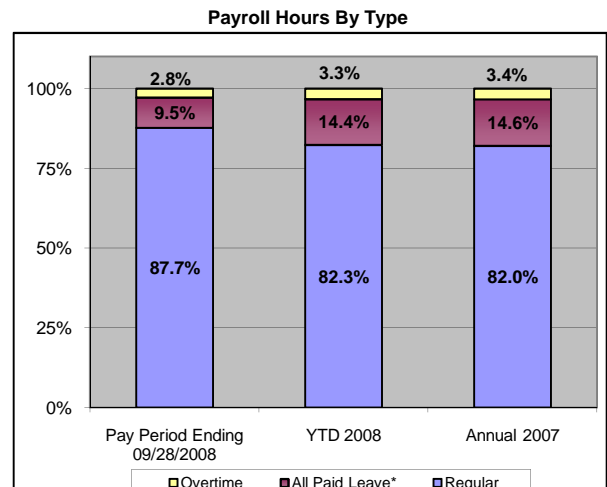
# Payroll Report

Pay Period Ending September 28, 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	28.0	-
<b>Engineering</b>				
	Engineering	8.0	8.0	-
	Customer Engineering	10.0	10.0	-
<b>Operations</b>				
	Operations	7.0	7.0	-
	General Foreman	27.0	28.0	1.0
	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>153.0</b>	<b>-</b>

Contingent Positions					
Position	Department	Hours			% YTD to Budget
		2008 Budget	Pay Period Ending 09/28/2008	2008 Actual YTD	
HR Intern	Human Resources	520	-	-	-
PC Support Specialist	Information Systems	-	80	112	-
Meter Readers On-Call	Customer Service	1,040	440	3,220	310%
NECA Lineman	Operations	2,080	219	1,393	67%
CSR On-Call - Prosser	Prosser Branch	1,560	42	1,763	113%
CSR On-Call - Kennewick	Customer Service	1,040	55	1,455	140%
<b>Total All Contingent Positions</b>		<b>6,240</b>	<b>836</b>	<b>7,942</b>	<b>127%</b>

2008 Labor Budget			
As of 09/30/2008			75% through the year
Labor Type	2008 Amended Budget	YTD Actual	% Spent
Regular	\$10,538,790	\$7,791,535	74%
Overtime	525,971	405,911	77%
Subtotal	11,064,761	8,197,447	74%
Less: Mutual Aid	-	-	-
<b>Total</b>	<b>\$11,064,761</b>	<b>\$8,197,447</b>	<b>74%</b>



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