

**2002 Quarterly Financial Report
Third Quarter**



**CHELAN COUNTY
PUBLIC UTILITY DISTRICT NO. 1
P.O. BOX 1231
WENATCHEE, WASHINGTON 98807-1231**

TREASURER'S MESSAGE

November 2002

Results of Operations:

The Chelan County Public Utility District posted strong financial results for the third quarter of 2002 despite lower power prices, which dipped as low as \$1.46 per megawatt hour in early July for high-load energy. Despite this temporary decline, the District recorded Net Revenues of \$9.6 million through the third quarter. This represents a decrease of \$19.6 million over the Net Revenues of \$29.2 million from the same period in 2001, when electricity prices were persistently strong. Electricity prices have stabilized as river flows have decreased and the weather has moderated throughout the West. Prices remained in the mid \$20s per megawatt hour for high load energy throughout September. With reservoirs much higher than last year, aluminum loads still curtailed, and new resources that have come on line during the past year, resources to serve loads are expected to be adequate for this winter.

As of September 30, 2002, the Retail Systems' financial condition remained solid, with Retail Systems' Net Revenues of \$1.8 million and unrestricted cash reserves of \$50.6 million. These positive operating results continue to contribute to the District's ability to keep rates low for customer/owners.

Significant Items:

Construction of the Juvenile Fish Bypass System to assist juvenile salmon and steelhead in their journey to the ocean continues on schedule at the Rocky Reach Hydro Project. After the juvenile fish migration was determined to be complete, crews began the shutdown and demolition work on the prototype fish bypass system. By September 30, demolition of the prototype fish bypass system was complete and core drilling through the forebay of the dam had begun. The opening in the dam's forebay wall will connect the surface collector to the large pipe that will carry young salmon and steelhead around the dam. Workers have installed most of the sections of the 4,600-foot-long pipe that will extend through the thick concrete of the forebay wall, around the powerhouse, and across the spillgates before it empties into the Columbia River. Work also continues on the collector portion of the system, where fish will be drawn into the pipe. The project should be completed by April 1, 2003.

Rehabilitation of the four largest generating units (C-8 to C-11) at the Rocky Reach Hydro Project was completed when Unit C-11 returned to service on August 18. The rehabilitation and related upgrades have increased the maximum capability of the plant by 78 megawatts. Each of the four larger units now has a maximum capability of 151.5 megawatts; although, the nameplate rating remains at 132 megawatts. The units will not be operated at full capacity at all times; the increased capability will be used when water conditions and the demand for power merit doing so. With the upgrade, maximum output capability at Rocky Reach totals 1,388 megawatts.

After years of collaborative negotiations, work on a license for the Lake Chelan Hydro Project is nearing completion. Under the current schedule of the Federal Energy Regulatory Commission, a final license for the project could be issued as early as April 2003. That would be almost a year before the expiration of the existing license. The positive outlook for the relicensing process is the result of concerted efforts to

work closely and openly with the many agencies and interest groups involved in the process.

A local school recently became the newest producer in the District's Sustainable Natural Alternative Power (SNAP) program in September, with the installation of four solar panels on the school. The four solar panels are capable of generating 600 watts of energy – about enough to run five computers. The power is not being used directly at the school, however, but is distributed to local customers through the city's electrical grid. Students will be able to monitor the output of their solar panels through a computer program. Donations from an employee group at the federal Environmental Protection Agency office in Seattle paid for the \$4,500 project. The school becomes the fifth producer of wind or solar energy under the District's SNAP program. The District's goal is eventually to have solar installations at all schools in Chelan County. The SNAP program links customers in Chelan County interested in purchasing locally produced alternative energy with their neighbors.

Production:

The District's Rocky Reach Hydro-Electric System delivered 1,462,000 megawatt hours of energy during the third quarter of 2002 at an average cost of 11.1 mills per kilowatt hour. The units were available for production 90.6 percent of the time and actual production averaged 55 percent of the rated capacity. This compares to 94.6 percent unit availability and 34 percent of the rated capacity reported for the third quarter of 2001. The decrease in availability was due to reduced unit availability due to the turbine replacement project. The increase in production is a result of increased river flows.

The Columbia River-Rock Island Hydro-Electric System delivered 696,000 megawatt hours of energy, at an average cost of 19.6 mills per kilowatt hour, during the third quarter of 2002. The units were available for production 98.9 percent of the time and actual production averaged 46 percent of the rated capacity, as compared to 99.9 percent availability and 30 percent of rated capacity during the third quarter of 2001. The increase in production is also a result of increased river flows.

The Lake Chelan Hydro-Electric System delivered 97,000 megawatt hours of energy during the third quarter of 2002 at an average cost of 11.5 mills per kilowatt hour. The units were available for production 99.9 percent of the time and actual production averaged 86 percent of the rated capacity, as compared to 100 percent unit availability and 65 percent of rated capacity for the third quarter of 2001. The District is operating the Lake Chelan plant at normal operating levels as compared to last year when the water supply was affected by the drought.



Joe O. Jarvis
Treasurer/Assistant General Manager
for Finance and Technology

CHELAN COUNTY PUBLIC UTILITY DISTRICT NO. 1

CONDENSED COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the nine months ended September 30, 2002
(amounts in thousands)

	Rocky Reach	Columbia River-Rock Island	Lake Chelan	Retail Systems	Intra-District Transactions (1)	Total	Financing Facilities	Internal Service	9 Months Ended 9/30/02	9 Months Ended 9/30/01	12 Months Ended 12/31/01
OPERATING REVENUES	\$ 48,611	\$ 41,908	\$ 3,279	\$ 85,918	\$ (35,870)	\$ 143,846	\$ -	\$ 3,318	\$ 147,164	\$ 359,524	\$ 406,824
OPERATING EXPENSES											
Purchased power and water	-	-	-	57,799	(33,329)	24,470	-	-	24,470	202,336	216,392
Other operation and maintenance	22,292	19,824	2,141	18,923	(2,541)	60,639	-	653	61,292	67,346	90,254
Operating taxes	956	508	70	2,700	-	4,234	-	-	4,234	3,856	4,884
Depreciation and amortization	5,474	5,128	697	5,191	-	16,490	-	1,294	17,784	31,033	42,332
NET OPERATING REVENUES	19,889	16,448	371	1,305	-	38,013	-	1,371	39,384	54,953	52,962
OTHER INCOME (EXPENSE)											
Interest on long-term debt	(616)	(14,053)	-	(64)	-	(14,733)	(23,217)	-	(37,950)	(37,291)	(49,948)
Interest income	2,958	1,751	44	2,405	-	7,158	2,568	79	9,805	13,699	17,945
Interest on intersystem loans	(14,541)	(4,970)	(683)	(1,283)	-	(21,477)	22,061	(584)	-	-	-
Amortization of deferred debt costs	(849)	(379)	(18)	(68)	-	(1,314)	(38)	(2)	(1,354)	(1,247)	(1,662)
Other	1,174	723	25	(539)	-	1,383	(1,442)	(249)	(308)	(909)	(1,263)
NET REVENUES (EXPENSES)	8,015	(480)	(261)	1,756	-	9,030	(68)	615	9,577	29,205	18,034
CAPITAL CONTRIBUTIONS	11	-	168	1,294	-	1,473	-	-	1,473	1,502	2,009
TOTAL NET ASSETS											
Beginning of period	165,292	(3,868)	12,937	230,705	-	405,066	4,334	2,187	411,587	391,544	391,544
TOTAL NET ASSETS											
End of period	\$ 173,318	\$ (4,348)	\$ 12,844	\$ 233,755	\$ -	\$ 415,569	\$ 4,266	\$ 2,802	\$ 422,637	\$ 422,251	\$ 411,587

NOTES TO FINANCIAL STATEMENTS

(1) Eliminating entries reduce operating revenue and expense to account for intradistrict sales and rents.

OPERATING HIGHLIGHTS

	2002	2001	%	COMMENTS
Operating Revenues	\$147,164	\$359,524	(59.1)	The overall decrease is primarily due to decreased market prices for Distribution System wholesale sales.
Purchased Power	(24,470)	(202,336)	(87.9)	The overall decrease is due mainly to decreased Distribution System wholesale purchased power costs.
Other Operating Expenses	(83,310)	(102,235)	(18.5)	The overall decrease is primarily due to the elimination of diesel generation related expenses.
Interest Expense	(37,950)	(37,291)	1.8	The increase is due to the issuance of new debt.
Interest Income	9,805	13,699	(28.4)	The decrease is primarily due to lower investment yields.
Other Income (Expense)	(1,662)	(2,156)	(22.9)	The decrease is primarily due to a gain on the disposition of property owned by Rock Island and reduced debt related expenses.
Net Revenues	\$9,577	\$29,205		

RETAIL SYSTEMS - Revenues from Electric Sales

	REVENUES (000's)			CONSUMPTION (Megawatt hours)		
	9 months ended Sept 30			9 months ended Sept 30		
	2002	2001	%	2002	2001	%
CLASS OF SERVICE						
Residential	\$14,162	\$14,611	(3.1)	476,219	491,099	(3.0)
Industrial	3,492	3,741	(6.7)	178,239	195,022	(8.6)
Commercial	9,036	9,352	(3.4)	278,722	290,415	(4.0)
Sales for Resale - APG	11,138	11,501	(3.2)	153,978	327,999	(53.1)
Sales for Resale - Other	41,895	253,058	(83.4)	2,258,304	1,580,922	42.8
Other	1,855	1,782	4.1	58,959	54,151	8.9
TOTAL	\$81,578	\$294,045	(72.3)	3,404,421	2,939,608	15.8
				9 months ended Sept 30		
				2002	2001	
Average Number of Customers				37,090	36,827	
Average Rate (Cents/kWh)				2.40	10.00	
Average Number of Residential Customers				30,609	30,330	
Average Rate per Residential Customer (Cents/kWh)				2.97	2.98	
Power Cost per kWh (cents)				1.79	8.79	

CHELAN COUNTY PUBLIC UTILITY DISTRICT NO. 1

CONDENSED COMBINING STATEMENT OF CASH FLOWS

For the nine months ended September 30, 2002
(amounts in thousands)

	Rocky Reach	Columbia River-Rock Island	Lake Chelan	Retail Systems	Total	Financing Facilities	Internal Service	9 Months Ended 9/30/02	9 Months Ended 9/30/01	12 Months Ended 12/31/01
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts from customers	\$ 47,059	\$ 41,632	\$ 3,291	\$ 84,026	\$ 176,008	\$ -	\$ 3,314	\$ 179,322	\$ 366,868	\$ 454,598
Payments for operating expenses	(25,211)	(20,943)	(2,512)	(76,906)	(125,572)	(2,206)	1,902	(125,876)	(288,208)	(355,493)
Net cash provided by (used in) operating activities	<u>21,848</u>	<u>20,689</u>	<u>779</u>	<u>7,120</u>	<u>50,436</u>	<u>(2,206)</u>	<u>5,216</u>	<u>53,446</u>	<u>78,660</u>	<u>99,105</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES										
Additions to plant and pooled assets	(51,629)	(3,803)	(257)	(13,412)	(69,101)	-	(3,283)	(72,384)	(59,922)	(72,272)
Proceeds of intersystem loans	2,497	19,137	1,406	(3,903)	19,137	(19,137)	-	-	-	-
Proceeds of third party debt	-	-	-	369	369	-	-	369	188,014	188,286
Principal (paid) received on debt & intersystem loans	(14,819)	(14,036)	(554)	(1,208)	(30,617)	4,564	(100)	(26,153)	(73,713)	(74,480)
Interest paid on debt & intersystem loans	(15,244)	(9,199)	(447)	(1,650)	(26,540)	(8,072)	(584)	(35,196)	(31,177)	(36,505)
Contributions in aid of construction	11	-	168	1,223	1,402	-	-	1,402	1,395	1,802
Other	588	524	(817)	(449)	(154)	(1,240)	(166)	(1,560)	(4,761)	(5,497)
Net cash provided by (used in) capital and related financing activities	<u>(78,596)</u>	<u>(7,377)</u>	<u>(501)</u>	<u>(19,030)</u>	<u>(105,504)</u>	<u>(23,885)</u>	<u>(4,133)</u>	<u>(133,522)</u>	<u>19,836</u>	<u>1,334</u>
CASH FLOWS FROM INVESTING ACTIVITIES										
Investments, net	16,218	2,595	(61)	(16,670)	2,082	5,610	(241)	7,451	20,145	17,325
Interest on investments	3,119	1,395	45	2,510	7,069	2,923	84	10,076	13,687	18,485
Other, net	(135)	(209)	-	536	192	(7)	(249)	(64)	644	190
Net cash provided by (used in) investing activities	<u>19,202</u>	<u>3,781</u>	<u>(16)</u>	<u>(13,624)</u>	<u>9,343</u>	<u>8,526</u>	<u>(406)</u>	<u>17,463</u>	<u>34,476</u>	<u>36,000</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS										
	<u>(37,546)</u>	<u>17,093</u>	<u>262</u>	<u>(25,534)</u>	<u>(45,725)</u>	<u>(17,565)</u>	<u>677</u>	<u>(62,613)</u>	<u>132,972</u>	<u>136,439</u>
CASH & CASH EQUIVALENTS, beginning of period										
	<u>94,925</u>	<u>6,676</u>	<u>85</u>	<u>34,098</u>	<u>135,784</u>	<u>25,421</u>	<u>272</u>	<u>161,477</u>	<u>25,038</u>	<u>25,038</u>
CASH & CASH EQUIVALENTS, end of period										
	<u>\$ 57,379</u>	<u>\$ 23,769</u>	<u>\$ 347</u>	<u>\$ 8,564</u>	<u>\$ 90,059</u>	<u>\$ 7,856</u>	<u>\$ 949</u>	<u>\$ 98,864</u>	<u>\$ 158,010</u>	<u>\$ 161,477</u>
Reconciliation of operating income to net cash provided (used) by operating activities:										
Net operating revenues	\$ 19,889	\$ 16,448	\$ 371	\$ 1,305	\$ 38,013	\$ -	\$ 1,371	\$ 39,384	\$ 54,953	\$ 52,962
Depreciation and amortization	5,474	5,128	697	5,191	16,490	-	1,294	17,784	31,033	42,332
Increase (decrease) in operating assets and liabilities	(3,515)	(887)	(289)	624	(4,067)	(2,206)	2,551	(3,722)	(7,326)	3,811
Net cash provided by (used in) operating activities	<u>\$ 21,848</u>	<u>\$ 20,689</u>	<u>\$ 779</u>	<u>\$ 7,120</u>	<u>\$ 50,436</u>	<u>\$ (2,206)</u>	<u>\$ 5,216</u>	<u>\$ 53,446</u>	<u>\$ 78,660</u>	<u>\$ 99,105</u>

SALES OF ENERGY

	SALES FOR RESALE (000'S)		AVERAGE PRICE/KWH SOLD (CENTS/KWH)	
	12 months ended September 30		12 months ended September 30	
	2002	2001	2002	2001
Lake Chelan	\$ 4,736	\$ 4,228	1.06	1.58
Rocky Reach	\$64,294	\$57,146	1.20	1.30
Rock Island	\$56,092	\$49,506	2.08	2.18

POWER GENERATION

	GENERATION, ENCROACHMENT & INTERCHANGE (MEGAWATT HOURS)		PEAK HOURLY GENERATION (MEGAWATTS)	
	12 months ended September 30		12 months ended September 30	
	2002	2001	2002	2001
Lake Chelan	448,578	267,869	57	55
Rocky Reach	5,346,126	4,386,300	120	1,219
Rock Island	2,700,190	2,266,586	588	593

CHELAN COUNTY PUBLIC UTILITY DISTRICT NO. 1

CONDENSED COMBINING BALANCE SHEET

September 30, 2002
(amounts in thousands)

	Rocky Reach	Columbia River-Rock Island	Lake Chelan	Retail Systems	Total	Financing Facilities	Internal Service	9/30/02 Total	12/31/01 Total	9/30/01 Total
ASSETS										
UTILITY PLANT	\$ 477,839	\$ 433,574	\$ 39,900	\$ 254,026	\$ 1,205,339	\$ -	\$ 37,491	\$ 1,242,830	\$ 1,174,285	\$ 1,192,440
Less-accumulated depreciation	(74,502)	(105,209)	(16,512)	(86,143)	(282,366)	-	(16,863)	(299,229)	(285,339)	(295,059)
	<u>403,337</u>	<u>328,365</u>	<u>23,388</u>	<u>167,883</u>	<u>922,973</u>	<u>-</u>	<u>20,628</u>	<u>943,601</u>	<u>888,946</u>	<u>897,381</u>
ASSETS HELD FOR SALE	-	-	-	9,719	9,719	-	-	9,719	9,719	-
RESTRICTED FUNDS	60,056	60,028	2,044	1,506	123,634	59,253	5,210	188,097	240,784	233,201
CURRENT ASSETS										
Unrestricted funds	-	-	570	50,570	51,140	18	1,745	52,903	53,246	56,388
Board designated funds	-	-	-	20,637	20,637	7,257	677	28,571	45,606	44,051
Accounts receivable and other	9,136	4,374	66	15,617	29,193	426	26	29,645	26,212	39,467
	<u>9,136</u>	<u>4,374</u>	<u>66</u>	<u>15,617</u>	<u>29,193</u>	<u>426</u>	<u>26</u>	<u>29,645</u>	<u>26,212</u>	<u>39,467</u>
DEFERRED CHARGES AND OTHER ASSETS										
Deferred financing costs	7,487	5,421	366	809	14,083	840	115	15,038	16,338	16,814
Fish protection costs	7,434	3,562	-	-	10,996	-	-	10,996	11,581	11,767
Long-term receivables, net	-	21	-	3,998	4,019	-	-	4,019	4,574	4,723
Other	7,870	1,493	5,469	2,024	16,856	-	248	17,104	15,517	14,248
	<u>22,791</u>	<u>10,497</u>	<u>5,835</u>	<u>6,831</u>	<u>45,954</u>	<u>840</u>	<u>363</u>	<u>47,157</u>	<u>48,010</u>	<u>47,552</u>
TOTAL ASSETS	<u>\$ 495,320</u>	<u>\$ 403,264</u>	<u>\$ 31,903</u>	<u>\$ 272,763</u>	<u>\$ 1,203,250</u>	<u>\$ 67,794</u>	<u>\$ 28,649</u>	<u>\$ 1,299,693</u>	<u>\$ 1,312,523</u>	<u>\$ 1,318,040</u>
LIABILITIES										
LONG-TERM DEBT										
Revenue bonds and notes payable	\$ 15,972	\$ 297,511	\$ -	\$ 4,137	\$ 317,620	\$ 519,069	\$ -	\$ 836,689	\$ 854,412	\$ 852,375
Intersystem loans payable (receivable)	296,922	103,481	18,898	12,454	431,755	(442,555)	10,800	-	-	-
Less-current maturities	(17,331)	(14,209)	(430)	(1,132)	(33,102)	-	(131)	(33,233)	(26,833)	(26,568)
	<u>295,563</u>	<u>386,783</u>	<u>18,468</u>	<u>15,459</u>	<u>716,273</u>	<u>76,514</u>	<u>10,669</u>	<u>803,456</u>	<u>827,579</u>	<u>825,807</u>
CURRENT LIABILITIES										
Current maturities of long-term debt	17,331	14,209	430	1,132	33,102	-	131	33,233	26,833	26,568
Warrants and accounts payable	5,644	753	84	6,027	12,508	-	2,327	14,835	15,779	17,064
Intersystem payables and other	3,464	5,866	77	16,338	25,745	(13,001)	8,885	21,629	26,014	21,698
	<u>26,439</u>	<u>20,828</u>	<u>591</u>	<u>23,497</u>	<u>71,355</u>	<u>(13,001)</u>	<u>11,343</u>	<u>69,697</u>	<u>68,626</u>	<u>65,330</u>
OTHER LIABILITIES & DEFERRED CREDITS	-	1	-	52	53	15	3,835	3,903	4,731	4,652
TOTAL LIABILITIES	<u>322,002</u>	<u>407,612</u>	<u>19,059</u>	<u>39,008</u>	<u>787,681</u>	<u>63,528</u>	<u>25,847</u>	<u>877,056</u>	<u>900,936</u>	<u>895,789</u>
TOTAL NET ASSETS	<u>173,318</u>	<u>(4,348)</u>	<u>12,844</u>	<u>233,755</u>	<u>415,569</u>	<u>4,266</u>	<u>2,802</u>	<u>422,637</u>	<u>411,587</u>	<u>422,251</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 495,320</u>	<u>\$ 403,264</u>	<u>\$ 31,903</u>	<u>\$ 272,763</u>	<u>\$ 1,203,250</u>	<u>\$ 67,794</u>	<u>\$ 28,649</u>	<u>\$ 1,299,693</u>	<u>\$ 1,312,523</u>	<u>\$ 1,318,040</u>

Chelan County Public Utility District No. 1 (Chelan PUD) has prepared condensed financial statements in accordance with generally accepted accounting principles. Condensed financial statements should be read in conjunction with the notes to the combining financial statements included in the Chelan PUD's Annual Report as of December 31, 2001.

BONDHOLDER SERVICES

FIDUCIARIES

Consolidated System:

<u>Bond Series</u>	<u>Trustee</u>	<u>Registrar</u>	<u>Paying Agent</u>
1987A & B (5) (6)	BNY Western Trust Co.	BNY Western Trust Co.	BNY Western Trust Co.
1988A	BNY Western Trust Co.	BNY Western Trust Co.	BNY Western Trust Co.
1989A (6)	BNY Western Trust Co.	BNY Western Trust Co.	BNY Western Trust Co.
1991A (6)	BNY Western Trust Co.	BNY Western Trust Co.	BNY Western Trust Co.
1991B & C	U.S. Bank N.A.	U.S. Bank N.A.	U.S. Bank N.A.
1991D & E	U.S. Bank N.A.	U.S. Bank N.A.	U.S. Bank N.A.
1992A (3)	U.S. Bank N.A.	U.S. Bank N.A.	U.S. Bank N.A.
1992B & C	U.S. Bank N.A.	U.S. Bank N.A.	U.S. Bank N.A.
1992D	BNY Western Trust Co.	BNY Western Trust Co.	BNY Western Trust Co.
1992F & G	U.S. Bank N.A.	U.S. Bank N.A.	U.S. Bank N.A.
1993A & B	U.S. Bank N.A.	U.S. Bank N.A.	U.S. Bank N.A.
1993C & D	U.S. Bank N.A.	U.S. Bank N.A.	U.S. Bank N.A.
1993E	U.S. Bank N.A.	U.S. Bank N.A.	U.S. Bank N.A.
1993F	U.S. Bank N.A.	U.S. Bank N.A.	U.S. Bank N.A.
1993G	U.S. Bank N.A.	U.S. Bank N.A.	U.S. Bank N.A.
1995A (4) (7)	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County
1995B	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County
1996A , B, C & D	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County
1997A	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County
1998A, B, & C	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County
1998D	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County
1999A & B	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County
2001A & B	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County
2001C & D	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County

Rocky Reach Hydro-Electric System:

<u>Bond Series</u>	<u>Trustee</u>	<u>Registrar</u>	<u>Paying Agent</u>
1968	U.S. Bank N.A.	U.S. Bank N.A.	U.S. Bank N.A. (1) The Bank of New York (2)

Columbia River-Rock Island Hydro-Electric System:

<u>Bond Series</u>	<u>Trustee</u>	<u>Registrar</u>	<u>Paying Agent</u>
1955 Second	Bank One Trust Co., N.A.	Bank One Trust Co., N.A.	Bank One Trust Co., N.A. (1) U.S. Bank N.A. (2)
1997A & B	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County

Water/Wastewater System:

<u>Bond Series</u>	<u>Trustee</u>	<u>Registrar</u>	<u>Paying Agent</u>
1998A & B (LUD#7)	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County	PUD No. 1 of Chelan County

- (1) Principal Agent.
- (2) Co-agent.
- (3) Irrevocable provisions have been made for the refunding of the 1992A Series bonds, Divisions II and III on October 14, 1993.
- (4) U.S. Bank N.A. serves as Tender Agent for the 1995A issue.
- (5) The 1987A Series Bonds, Division II and 1987B Series Bonds, Division II were refunded January 1, 1998.
- (6) Irrevocable provisions were made on May 24, 2001, to redeem or purchase Division I of this Series on July 1, 2001.
- (7) Irrevocable provisions were made on May 24, 2001, to redeem the 1995A Series Bonds on July 2, 2001.

Addresses:

The Bank of New York
Fiscal Agency Department
101 Barclay Street
New York, New York 10286
(800) 438-5473

U.S. Bank N. A.
EP-MN-T3DM
180 E. 5th Street
St. Paul, Minnesota 55101
(612) 244-0444
(800) 934-6802

Public Utility District No. 1
of Chelan County
P. O. Box 1231
Wenatchee, Washington 98807
(509) 663-8121

Bank One Trust Co., N.A.
Fourth Floor
120 South LaSalle Street, IL1-1250
Chicago, Illinois 60603
(800) 524-9472

U.S. Bank N.A.
PD-WA-T7CT
1420 Fifth Ave., 7th Floor
Seattle, Washington 98101
(206) 344-4616

BNY Western Trust Co.
Attn: NW Unit
700 South Flower Street, Suite 500
Los Angeles, California 90017-4104
(213) 630-6461