EnergyTrust of Oregon, Inc.

Finance Report

May 31, 2007

Review May 2007 year to date financial statements

Balance Sheet and Cash Flow Statements

Nothing unusual; continuing to build cash balances over year

Income Statements

Revenue

- Public purpose revenue above budget by $2.2 million (7.8% variance)
  - Emails sent to the three primary utilities to seek explanations of variances
    - PGE sent revised forecast for July through December:
      - Higher than previous forecast by about $680K
      - Reflects adjustments for future residential exchange impact and inclusion of Port Westward
    - PacifiCorp sent revision as well
      - Generally higher than previous forecast $300K
      - Based on most current information
    - NW Natural did not reforecast
      - Based on prior year's actual customer count and volumes through appropriate rate schedules
      - Next year will try normalized volumes; what would be expected if the weather were normal in every month; should reduce degree of variation
- CRC Revenue under budget by $83 thousand
  - Court ruling on BPA's residential exchange program will increase variances for remainder of year, unless overturned
    - Will only get $550,000 from PGE versus $1,100,000 budgeted
    - Will get nothing from PCorp versus $800,000 budgeted
    - Total CRC variance expected $1,350,000
- Interest income exceeded budget by $261 thousand
  - Higher invested balances than expected; result of reduced spending and more revenue
  - Offset partially by Interest rates slightly lower than budgeted

Expenses

- Expenses overall below budget by $3.6 million (20.2% variance from budget)
  - By line item
    - Program management, delivery, marketing $781 thousand (22% of expense variance)
      - Fairly evenly spread across programs; likely due to timing
    - Incentives $861 thousand (24% of expense variance)
      - Commercial sector (76% of incentive variance)
        - New buildings—staff shortage impeding project completions
        - Existing buildings—temporary delay in project completions
      - Industrial sector (48% of incentive variance)
        - Reflects shift of a major project from April to June
      - Overspent in residential sector (-78% of incentive variance)
        - Spring lighting and washer campaigns going better than expected

            - Retrofit projects also much better than expected
        - Renewable energy (54% of incentive variance)
            - Primarily solar
    - Professional services $1.6 million (44% of expense variance)
        - Evaluations—delays in schedules
        - Renewables inspection and project analyses
        - Delayed contracting of IT consultants and architecture study
        - Administrative units-postponement of analysis and implementation based on study results and system evaluations
- By division
    - Energy efficiency
        - 2.6 million under spent from budget (17%)
        - Electric efficiency under spent $3.1M
        - Good news-gas efficiency over spent $475K
    - Renewable energy
        - $979 thousand under spent from budget (38%)—solar, wind and biopower programs
- Program delivery efficiency (administrative costs plus program support costs)
    - 5.2%, budgeted at 8.1%; performance measure is 11.0%
    - Last year in May was 5.3%