

SERVICE LIST
BIG RIVERS ELECTRIC CORPORATION
PSC CASE NO. 2007-00455

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BIG RIVERS ELECTRIC CORPORATION
PSC CASE NO. 2007-00455

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COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

RECEIVED

JUN 11 2008

PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATIONS OF BIG RIVERS)
ELECTRIC CORPORATION FOR:)
(I) APPROVAL OF WHOLESALE TARIFF)
ADDITIONS FOR BIG RIVERS ELECTRIC)
CORPORATION, (II) APPROVAL OF)
TRANSACTIONS, (III) APPROVAL TO ISSUE)
EVIDENCES OF INDEBTEDNESS, AND)
(IV) APPROVAL OF AMENDMENTS TO)
CONTRACTS; AND)
))
OF E.ON U.S., LLC, WESTERN KENTUCKY)
ENERGY CORP. AND LG&E ENERGY MARKETING)
INC. FOR APPROVAL OF TRANSACTIONS)

CASE NO. 2007-00455

MOTION TO AMEND AND SUPPLEMENT APPLICATION

Big Rivers Electric Corporation ("Big Rivers") moves the Public Service Commission ("Commission") pursuant to 807 KAR 5:001 Section 3(5), for an order allowing it to amend and supplement the original application in this matter (the "Application") to:

- a. Seek approval for a Second Amendment to Transaction Termination Agreement by and among Big Rivers Electric Corporation, LG&E Energy Marketing Inc., and Western Kentucky Energy Corp.;
- b. Substitute revised agreements for the ones filed as Exhibit 20 to the Application (the "Smelter Agreements");
- c. Seek approval to establish a regulatory account relating to the revised Smelter Agreements;
- d. Seek approval of an Omnibus Termination Agreement among Big Rivers Electric Corporation, Big Rivers Leasing LLC, FBR-1 Statutory Trust, FBR-2 Statutory Trust,

- FBR-1 OP Statutory Trust, FBR-2 OP Statutory Trust, Trisail Capital Corporation, AME Investments, LLC, CoBank, ACB, AME Asset Funding, LLC, U.S. Bank National Association, AIG Matched Funding Corp., Ambac Credit Products, LLC, and Ambac Assurance Corporation (the “Bank of America Termination Agreement”);
- e. Seek approval of a letter agreement among Big Rivers Electric Corporation, E.ON U.S. LLC, Alcan Primary Product Corporation, and Century Aluminum of Kentucky General Partnership regarding the funding of certain amounts to be paid to Bank of America under the Bank of America Termination Agreement (the “Bank of America Cost Share Agreement”);
- f. Seek approval of an Amendment of Operating and Support Agreement among Big Rivers Electric Corporation, PBR-3 Statutory Trust, FBR-1 Statutory Trust, and FBR-2 Statutory Trust (D.B. Wilson Unit 1) (the “Wilson Operating Agreement Amendment”);
- g. Substitute an updated Unwind Financial Model for the version of the model filed on or about April 23, 2008, as Exhibit 75 to Big Rivers’ Third Amendment and Supplement to Application; and
- h. File the Second Supplemental Testimony of C. William Blackburn.

DISCUSSION

Big Rivers states as follows in support of this motion:

1. Big Rivers seeks approval of the Second Amendment to Transaction Termination Agreement attached hereto as Exhibit 1 (the “Second Amendment”). The Second Amendment amends the Transaction Termination Agreement dated March 26, 2007 (filed as Exhibit 3 to the Application, the “Termination Agreement”), which was previously amended by a First

Amendment to Transaction Termination Agreement dated November 1, 2007 (filed as Exhibit 3 to the Application), and clarified by a letter agreement dated December 4, 2007 (filed as Exhibit 3A to the Application, and attached to the Second Amendment). The principal changes to the Termination Agreement implemented in the Second Amendment are as follows:

a. The Second Amendment results, in part, from a resolution reached by Big Rivers with the E.ON U.S. LLC parties to the Termination Agreement (“E.ON Parties”), and the two aluminum smelters on Big Rivers’ system, Alcan Primary Products Corporation (“Alcan”) and Century Aluminum of Kentucky General Partnership (“Century”) (Alcan and Century are collectively referred to as the “Smelters”) of an issue among them over recent increases in projected fuel costs. As part of the resolution, E.ON agreed to increase its termination payment to Big Rivers under the Transaction Termination Agreement by \$82 million, to \$383.5 million. The Second Amendment reflects that additional consideration.

b. Big Rivers will use the additional proceeds under the Termination Agreement to increase the Economic Reserve account proposed in the Application by \$82 million, bringing the total funding for the Economic Reserve at closing to a total of \$157 million. As explained in the Application, the Economic Reserve is a regulatory account that is applied against the charges in Big Rivers’ Fuel Adjustment Clause (“FAC”) and Environmental Surcharge that are applicable to Big Rivers’ Members’ non-Smelter load. Application ¶ 78.

c. The Smelters also reached agreement with E.ON for additional compensation for the increased fuel costs they will incur. Under a separate agreement to which Big Rivers is not a party, they will establish an account in the amount of \$70

million from which funds will flow over time to offset Smelter FAC charges. The details of this arrangement are more fully described in the Revisions to the Testimony of Paul W. Thompson, filed with the Commission in this matter on June 11, 2008. Big Rivers also seeks, as described below in paragraph 2.a., to create a new regulatory account funded by Big Rivers at closing that will essentially be a limited “Economic Reserve” account for the Smelters.

d. The Second Amendment further resolves an issue created by the original language of Section 13.2 regarding the responsibility of the parties for certain taxes.

e. Finally, the Second Amendment makes minor changes to certain time periods for performance of specified tasks to reflect accommodation of the parties’ needs. These changes appear in Subsections 10.2(bb), 10.3(y) and Section 15.4.

2. Big Rivers seeks approval to substitute the revised Smelter Agreements attached hereto as Exhibit 2 for the ones filed as Exhibit 20 to the Application. A comparison of each of the revised agreements against the version of the agreements filed as Exhibit 20 to the Application is attached hereto as Exhibit 3. Each of the Smelter Agreements (a retail agreement for Alcan, a retail agreement for Century, a wholesale agreement for Alcan, a wholesale agreement for Century, a coordination agreement for Alcan, and a coordination agreement for Century) has been revised to reflect the following principal items:

a. The revisions to the Smelter Agreements create a FAC Reserve for each Smelter to help offset the Smelters’ increased fuel costs. See, for example, Alcan Retail Agreement, Section 1.1.5. The Smelter FAC Reserve accounts are regulatory accounts funded by Big Rivers with \$7 million of its own funds, taken from margins it anticipates from Tier 3 Energy sales to the Smelters after April 30, 2008 (the end of the period

covered by the Unwind Financial Model). This amount, which is allocated between the Smelters, will help offset the costs to the Smelters of the projected increases in fuel costs described above. Big Rivers will make no additional "principal" contributions to the reserve in the future.

b. The revisions to the Smelter Agreements also reduce the threshold at which Big Rivers is permitted by the Smelter agreements to contribute additional moneys to the Economic Reserve (applicable to the Members' non-Smelter load) at closing from \$160 million to \$125 million (unrestricted cash). See, for example, Alcan Retail Agreement, Section 1.1.35.

c. The Smelter Agreement revisions also allow amounts that remain in a Smelter FAC Reserve account after a Smelter terminates its agreement to be added to the Economic Reserve, for the benefit of the non-Smelter retail customers. See, for example, Alcan Retail Agreement, Section 4.13.5(b).

d. The revisions further create a mechanism by which Big Rivers and the Smelters can resolve any adverse impacts on the Smelter Agreements from the final resolution of the appeal of the opinion and order of August 1, 2007, in *Commonwealth of Kentucky ex rel. Gregory D. Stumbo, Attorney General v. Public Service Comm'n and Union Light, Heat and Power Co.*, Franklin Circuit Court, C.A. No. 06-CI-269 (the "Franklin Circuit Court Order"). If Big Rivers and the Smelters are unable to agree on a resolution of any such impacts, Big Rivers is permitted to seek appropriate rate relief from the Commission. See, for example, Alcan Retail Agreement, Section 13.1.1(c), and Alcan Coordination Agreement, Section 3.8.

e. The revisions incorporate the final resolution of a patronage capital issue between Kenergy Corp. and the Smelters. See, for example, Alcan Retail Agreement, Section 13.4.

f. The revisions clarify that curtailments for purchased power in the Smelter Agreements are included in the costs of the purchased power under the Non-FAC PPA to avoid an inequitable distribution of the savings on the part of the Smelter curtailment. See, for example, Alcan Retail Agreement, Appendix A, paragraph C(2)(c)

g. The revisions adjust the conditions to closing in the Smelter Agreements to reflect Big Rivers' current plans not to issue debt in the capital markets contemporaneously with the Closing Date. See, for example, Alcan Retail Agreement, Section 7.2.4(c).

3. Big Rivers seeks approval of the Bank of America Termination Agreement attached hereto as Exhibit 4. The Letter Agreement filed as Exhibit 67 to Big Rivers' Third Amendment and Supplement to Application filed on or about April 23, 2008 (filed with a Petition for Confidential Treatment), was a letter of intent that contemplated that the parties would negotiate a subsequent agreement to terminate Bank of America's lease interest in Big Rivers' property under Big Rivers' existing leveraged lease transaction. That subsequent agreement, the Bank of America Termination Agreement, has now been negotiated, and it embodies the terms and conditions upon which the existing leveraged lease transaction with Bank of America is terminated.

4. Big Rivers seeks approval of the Bank of America Cost Share Agreement attached hereto as Exhibit 5. The Bank of America Cost Share Agreement divides the amount to be paid to Bank of America under the Bank of America Termination Agreement among Big

Rivers, E.ON, and the Smelters. As shown in that cost share agreement, Big Rivers will contribute \$1 million, the Smelters will collectively contribute \$1 million, and the E.ON parties will pay the balance due.

5. Big Rivers seeks approval of the Wilson Operating Agreement Amendment attached hereto as Exhibit 6. The Amendment is necessitated by the fact that, under the Bank of America Termination Agreement, Big Rivers will purchase the Undivided Interests from Bank of America-related entities (the FBR-1 Trust and FBR-2 Trust), and, in addition, following the Unwind, will act as both a Facility User and the Operator. The Amendment (i) provides that, following the acquisition of such interests, the remaining PBR-3 Trust will be the sole “Facility Lessor;” (ii) deletes all provisions and references regarding the “Operating Fee” which will no longer be payable to the operator; and (iii) provides that, at any time Big Rivers (including its Affiliates) is both the Operator and a Facility User, the consent of PBR-3 Trust (the sole remaining Facility Lessor) will be required for all actions on which the Facility Users are entitled to vote.

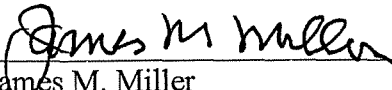
6. Big Rivers believes that the proposed agreements attached to this motion are all in substantially final form. The agreements, and the other relief requested by Big Rivers herein, are further explained in the Second Supplemental Testimony of C. William Blackburn, attached hereto as Exhibit 7.

7. Big Rivers seeks approval to substitute the updated version of the Unwind Financial Model attached hereto as Exhibit 8 for the version of the model that Big Rivers filed on or about April 23, 2008, as Exhibit 75 to its Third Amendment and Supplement to Application. Some of the key changes to the Unwind Financial Model include incorporating new projected fuel prices, new projected SO₂ and NO_x market prices, the buyout of Bank of America’s lease in

Big Rivers' property, and the resolution reached with E.ON and the Smelters of the issue involving the new projected fuel prices. The changes to the Unwind Financial Model and the impact of those changes are more fully discussed in the attached Second Supplemental Testimony of C. William Blackburn.

WHEREFORE, Big Rivers respectfully requests that the Commission (i) authorize Big Rivers to amend and supplement its Application as set forth herein; (ii) approve the Second Amendment; (iii) approve the revised Smelter Agreements; (iv) authorize Big Rivers to establish the Smelter FAC Reserve regulatory accounts; (v) approve the Bank of America Termination Agreement; (vi) approve the Bank of America Cost Share Agreement; (vii) approve the Wilson Operating Agreement Amendment; and (viii) grant Big Rivers all other relief to which it may appear entitled.

On this the 10th day of June, 2008.


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Verification

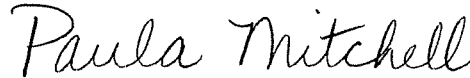
I, C. William Blackburn, Vice President and Chief Financial Officer for Big Rivers Electric Corporation, hereby state that I have read the foregoing Motion and that the statements contained therein are true and correct to the best of my knowledge and belief; and I verify, state, and affirm that my second supplemental testimony, which is attached to the Motion, is true and correct to the best of my knowledge and belief, on this the 10th day of June, 2008.



C. William Blackburn
Vice President and Chief Financial Officer
Big Rivers Electric Corporation

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

The foregoing verification statement was SUBSCRIBED AND SWORN to before me by C. William Blackburn, as Vice President and Chief Financial Officer of Big Rivers Electric Corporation, on this the 10th day of June, 2008.



Notary Public, Ky., State at Large
My commission expires: 1-12-09

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8.	Updated Unwind Financial Model

EXHIBIT 1

SECOND AMENDMENT TO TRANSACTION TERMINATION AGREEMENT

**SECOND AMENDMENT TO
TRANSACTION TERMINATION AGREEMENT**

THIS SECOND AMENDMENT TO TRANSACTION TERMINATION AGREEMENT (“Second Amendment”) is made and entered into as of this ____ day of June, 2008 by and among **BIG RIVERS ELECTRIC CORPORATION** (“Big Rivers”), **LG&E ENERGY MARKETING INC.** (“LEM”), and **WESTERN KENTUCKY ENERGY CORP.** (“WKEC”) (collectively, the “Parties”).

RECITALS:

A. Reference is made to the Transaction Termination Agreement dated as of March 26, 2007, as amended by a First Amendment to Transaction Termination Agreement dated as of November 1, 2007, and as clarified in part by a letter agreement among the Parties dated December 4, 2007 (a copy of which letter agreement is attached to this Second Amendment) (collectively, the “Termination Agreement”), by and among the Parties, pursuant to which, among other transactions, the Parties agreed to terminate certain property interests and contractual relationships between LEM and WKEC, on the one hand, and Big Rivers, on the other hand, at the Closing and upon the terms and subject to the conditions set forth therein. Capitalized Terms used but not defined in this Second Amendment shall have their same respective meanings as in the Termination Agreement.

B. Recent, significant increases in the forecasted costs of fuel required for the operation of the Generating Plants in coming years (which costs would be incurred by WKEC in the absence of a Closing) have potentially rendered the proposed transactions uneconomic from the standpoint of Big Rivers and its member distribution cooperatives.

C. For this reason, as an inducement for Big Rivers to consummate the Closing, and in order to assist Big Rivers in paying those anticipated fuel cost increases, WKEC is willing to enhance the Termination Payment payable by it to Big Rivers at the Closing in the manner contemplated herein.

D. The Parties now desire to amend the Termination Agreement in the manner set forth in this Second Amendment, in order to memorialize that enhancement of the Termination Payment by WKEC.

E. The Parties desire to further amend certain provisions of the Termination Agreement with respect to the proration of certain property taxes between them as of the Closing.

F. The Parties desire to further amend designated provisions of the Termination Agreement to modify certain dates, prior to the Closing, by which certain actions must be taken by one or more of the Parties.

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and for other valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows, effective immediately:

1. **AMENDMENT TO SUBSECTION 3.3(A).** The first (1st) sentence of Subsection 3.3(a) of the Termination Agreement is hereby amended to be and read in its entirety as follows:

“At the Closing, WKEC shall pay to Big Rivers the sum of three hundred eighty-three million, five hundred thousand dollars and no cents (\$383,500,000.00) in immediately available funds, subject to the adjustment provided for in the following two sentences (as adjusted, the *“Termination Payment”*).”

2. **AMENDMENT TO SECTION 13.2.** The second (2nd) sentence of Section 13.2 of the Transaction Termination Agreement is hereby replaced with the following two sentences:

“WKEC shall pay thirty percent (30%) of an amount (the *“Prorated Tax Amount”*) equal to all such property Taxes with respect to the Sites, the Generating Plants and the Real Property multiplied by a fraction, the numerator of which is the number of days in the portion of the Closing Year up to and including the Unwind Closing Date and the denominator of which is 366; provided, that WKEC shall pay one hundred percent (100%) of the Prorated Tax Amount with respect to the “Scrubber Facilities” (as defined in the Fifth Amendment to New Participation Agreement and Second Amendment to Lease and Operating Agreement dated as of August 22, 2002, among WKEC (for itself and as successor to WKE Station Two Inc. and WKE Corp.), LEM and Big

Rivers. In addition, WKEC shall pay one hundred percent (100%) of an amount equal to all such property Taxes with respect to the Personal Property multiplied by a fraction, the numerator of which is the number of days in the portion of the Closing Year up to and including the Unwind Closing Date and the denominator of which is 366.”

3. AMENDMENTS TO SUBSECTIONS 10.2(bb) AND 10.3(y) AND TO SECTION 15.4. Subsections 10.2(bb) and 10.3(y) of the Termination Agreement are hereby amended to change each of the references therein from “45 days” to “30 days”, and the Parties hereby agree that, for purposes of each of those references, the 30th day prior to the Scheduled Unwind Closing Date is June 16, 2008. The first (1st) sentence of Section 15.4 of the Termination Agreement is hereby amended to change the reference therein from “forty-five (45) days” to “thirty (30) days”, and the Parties hereby agree that, for the purpose of that reference, the 30th day prior to the Scheduled Unwind Closing Date is June 16, 2008.

4. REAFFIRMATION. Except as amended or modified by this Second Amendment, the Termination Agreement shall continue in full force and effect from and after the date hereof in accordance with its terms.

WITNESS the signatures of the undersigned as of the date first written above.

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name: _____
Title: _____

LG&E ENERGY MARKETING INC.

By: _____
Name: _____
Title: _____

WESTERN KENTUCKY ENERGY CORP.

By: _____
Name: _____
Title: _____

FOR VALUE RECEIVED, the undersigned, **E.ON U.S. LLC**, a Kentucky limited liability company ("E.ON"), hereby consents to the foregoing amendment to the Transaction Termination Agreement dated as of March 26, 2007, as amended (the "Termination Agreement"), among Western Kentucky Energy Corp. ("WKEC"), LG&E Energy Marketing Inc. ("LEM") and Big Rivers Electric Corporation ("Big Rivers"), and hereby agrees that the Termination Agreement as so amended (and the obligations of WKEC and LEM thereunder) shall continue to be the subject of that certain Guarantee dated as of March 26, 2007, from E.ON in favor of Big Rivers in accordance with its terms.

WITNESS the signature of the undersigned as of this _____ day of June, 2008.

E.ON U.S. LLC

By: _____
Name: _____
Title: _____

LETTER AGREEMENT DATED DECEMBER 4, 2007

See Attached

EXHIBIT 2
REVISED SMELTER AGREEMENTS

SEE BOOK II FOR REVISED SMELTER AGREEMENTS

EXHIBIT 3

COMPARISON OF REVISED SMELTER AGREEMENTS AGAINST SMELTER
AGREEMENTS FILED WITH APPLICATION

**SEE BOOK II FOR COMPARISON OF REVISED SMELTER AGREEMENTS
AGAINST SMELTER AGREEMENTS FILED WITH APPLICATION**

EXHIBIT 4

BANK OF AMERICA TERMINATION AGREEMENT

H&W Draft
May 27, 2008

OMNIBUS TERMINATION AGREEMENT

dated as of July [], 2008

Among

BIG RIVERS ELECTRIC CORPORATION,
as Head Lessor and Lessee,

BIG RIVERS LEASING LLC (formerly Big Rivers Leasing Corporation),
as Big Rivers Subsidiary,

FBR-1 STATUTORY TRUST and
FBR-2 STATUTORY TRUST,
each as Owner Trust,

FBR-1 OP STATUTORY TRUST and
FBR-2 OP STATUTORY TRUST,
each as OP Trust,

TRISAIL CAPITAL CORPORATION
(successor to Fleet Real Estate, Inc.),
as Owner Participant,

AME INVESTMENTS, LLC,
as Series A Lender,

COBANK, ACB,
as Series B Lender,

AME ASSET FUNDING, LLC,
as Payment Undertaker,

U.S. BANK NATIONAL ASSOCIATION,
as Trustee, as Government Securities Collateral Agent and as Funding Agreement
Collateral Agent,

AIG MATCHED FUNDING CORP.,
as Funding Agreement Issuer,

AMBAC CREDIT PRODUCTS, LLC,
as Swap Provider

and
AMBAC ASSURANCE CORPORATION,
as Swap Guarantor

THIS OMNIBUS TERMINATION AGREEMENT (this "Termination Agreement" or "Agreement"), dated as of July ____, 2008, is entered into among (a) **BIG RIVERS ELECTRIC CORPORATION**, a Kentucky rural electric cooperative ("Big Rivers"), (b) **BIG RIVERS LEASING LLC (formerly Big Rivers Leasing Corporation)**, a Delaware limited liability company ("Big Rivers Subsidiary"), (c) **FBR-1 STATUTORY TRUST**, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the Trust Agreement (FBR-1) ("FBR-1 Trust"), (d) **FBR-2 STATUTORY TRUST**, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the Trust Agreement (FBR-2) ("FBR-2 Trust" and collectively with the FBR-1 Trust, the "Owner Trusts"), (e) **FBR-1 OP STATUTORY TRUST**, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the Trust Agreement (FBR-1) ("FBR-1 OP Trust"), (f) **FBR-2 OP STATUTORY TRUST**, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the OP Trust Agreement (FBR-2) ("FBR-2 OP Trust" and collectively with the FBR-1 OP Trust, the "OP Trusts"), (g) **TRISAIL CAPITAL CORPORATION** (successor to **Fleet Real Estate, Inc.**), a Rhode Island corporation ("TriSail" or "Owner Participant"), (h) **AME INVESTMENTS, LLC**, a Delaware limited liability company ("AME Investments"), (i) **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of each of the Owner Trusts and the OP Trusts, as Trustee ("Trustee") and as Government Securities Collateral Agent under each of the Government Securities Pledge Agreements (the "Government Securities Collateral Agent") and as Collateral Agent under each of the Funding Agreement Pledges (the "Funding Agreement Collateral Agent"), (j) **AIG MATCHED FUNDING CORP.** as Funding Agreement Issuer ("Funding Agreement Issuer"), (k) **AME ASSET FUNDING, LLC.**, a Delaware limited liability company ("AME Asset Funding"), (l) **COBANK, ACB**, a government sponsored enterprise of the United States of America ("CoBank"), (m) **AMBAC CREDIT PRODUCTS, LLC**, a Delaware limited liability company ("Ambac Credit Products") and (n) **AMBAC ASSURANCE CORPORATION**, a Wisconsin domiciled stock insurance company ("Ambac"), (the FBR-1 Trust, the FBR-2 Trust, AME Investments, AME Asset Funding, CoBank and Ambac Credit Products and Ambac, being sometimes hereafter referred to collectively as the "Lease Parties" and individually as a "Lease Party"), and the Lease Parties, together with the FBR-1 OP Trust, the FBR-2 OP Trust, the Trustee, the Government Securities Collateral Agent and TriSail being hereinafter referred to collectively as the "Lease Transaction Parties" and

individually as a "Lease Transaction Party") (the Lease Transaction Parties and Big Rivers, collectively, the "Parties" and each a "Party").

WITNESSETH:

Whereas, Big Rivers, FBR-1 Trust, FBR-2 Trust, FBR-1 OP Trust, FBR-2 OP Trust, Trustee, TriSail, AME Investments and CoBank, are parties to two separate Participation Agreements, each dated as of April 1, 2000 (each a "Participation Agreement" and, collectively, the "Participation Agreements"), pursuant to which Big Rivers has leased to the two separate Owner Trusts undivided interests in the D.B. Wilson Unit No. 1, pursuant to two separate Head Leases, each dated as of April 1, 2000, between Big Rivers and an Owner Trust (each a "Head Lease" and, collectively, the "Head Leases") for a term extending beyond the useful life of Wilson Unit. Each Undivided Interest was leased by an Owner Trust back to Big Rivers pursuant to two separate Facility Leases, each dated as of April 1, 2000 (each a "Facility Lease" and, collectively, the "Facility Leases") for a term of approximately 27 years. The beneficial interest in the FBR-1 Trust and FBR-2 Trust is owned by the FBR-1 OP Trust and FBR-2 OP Trust, respectively.

Whereas, All of the rent under each Head Lease was paid at the commencement of the term of the Head Leases and was provided, in part, from the proceeds of non-recourse loans made to each Owner Trust from AME Investments and CoBank in accordance with two separate Leasehold Mortgages and Security Agreements, each dated as of April 1, 2000 (each a "Leasehold Mortgage" and, collectively, the "Leasehold Mortgages").

Whereas, The Big Rivers Subsidiary entered into two Payment Agreements, each dated as of April 1, 2000 (each a "Payment Agreement" and, collectively, the "Payment Agreements") with the Payment Undertaker and consented to the pledge of the Big Rivers Subsidiary's right, title and interest under each Payment Agreement to the respective Owner Trust, the Swap Provider and the First Mortgage Mortgagees pursuant to the respective Payment Agreement Pledge Agreement, each dated as of April 1, 2000 (each a "Payment Agreement Pledge" and, collectively, the "Payment Agreement Pledges").

Whereas, The Big Rivers Subsidiary established two separate deposits of certain government securities and entered into two Government Securities Pledge Agreements, each dated as of April 1, 2000 (each a "Government Securities Pledge Agreement" and, collectively, the "Pledge Agreements") in favor of the Swap Provider, the respective Owner Trust and the First Mortgage Mortgagees.

Whereas, Credit support was provided by each Owner Trust to the Series B Lender pursuant to the delivery of a Financial Guaranty Insurance Policy, dated April 18, 2000 (each a "Series B Loan FGIP" and, collectively, the "Series B Loan FGIPs").

Whereas, The Big Rivers Subsidiary entered into two separate Funding Agreements, each dated April 19, 2000 (each a “Funding Agreement” and collectively, the “Funding Agreements”) with the Funding Agreement Issuer and granted security interests therein to the Swap Provider and the First Mortgage Mortgagees, pursuant to the respective Funding Agreement Pledge Agreement, each dated as of April 1, 2000 (each a “Funding Agreement Pledge” and, collectively, the “Funding Agreement Pledges”).

Whereas, Each of the OP Trusts and Ambac Credit Products entered into two separate ISDA Master Agreements, each dated April 18, 2000 between Ambac Credit Products and FBR-1 OP Trust and FBR-2 OP Trust, respectively (each of such ISDA Master Agreements an “Equity Swap” and, collectively, the “Equity Swaps”). Each Equity Swap was secured by a Surety Bond, dated April 18, 2000 issued by Ambac (each a “Surety Bond” and, collectively, the “Surety Bonds”) as separate credit protection for the respective OP Trusts.

Whereas, Ambac Credit Products and Big Rivers have entered into separate ISDA Master Agreements, each dated April 18, 2000, under which, in certain circumstances, the interests covered thereby may be conveyed to Big Rivers (each a “Big Rivers Swap” and, collectively, the “Big Rivers Swaps”).

Whereas, Big Rivers desires to purchase each of the Facility Lessor’s Interests (including all of the right, title and interest of each of the respective Owner Trust in, to and under the Undivided Interest in the Wilson Unit) and each of the Owner Trusts has agreed to such purchase provided that, as consideration therefor, (a) the Series A Lender agrees for the benefit of each of the Owner Trusts and Big Rivers to accept payment of the Payment Termination Amount under each Payment Agreement as prepayment in full of each of the respective Series A Loans (collectively, the “Series A Prepayment”), (b) each Owner Trust receives from Big Rivers funds sufficient to prepay in full all amounts due under and in connection with each of the Series B Loans including the Make-Whole Payment (collectively, the “Series B Prepayment Amount”) and (c) TriSail receives funds from Big Rivers equal to the amount (the “OP Payment Amount”) agreed in a separate side letter agreement, dated as of April 18, 2008 (the “Equity Letter Agreement”) between Big Rivers and Bank of America Leasing Corporation (collectively, clauses (a), (b) and (c), the “Lessor Consideration”), and in return each Owner Trust and Big Rivers have agreed that Big Rivers shall receive each of the Facility Lessor’s Interests.

Whereas, In connection with the prepayment of each Series A Loan, the Series A Lender has agreed to accept the payment of the Payment Termination Amount under each Payment Agreement and in connection with the prepayment of each Series B Loan, the Series B Lender has agreed to accept the funds described in clause (b) of the preceding whereas clause, such that all of the Loan Certificates will be, and will be deemed to be, prepaid in full.

Whereas, Concurrently with the transfer of each of the Facility Lessor’s Interests, subject to the terms and conditions set forth in this Agreement, and in consideration of the

payments provided in this Agreement, each of the Parties hereto desires to terminate its respective right, title and interest in, to and under the Operative Documents to which it is a party, in each case, as set forth in this Agreement and agrees to take the other actions set forth in this Agreement.

Whereas, The Parties hereto have mutually agreed that upon completion of the transactions contemplated by this Agreement on the Effective Date, subject to Section 2(c) hereof, each Facility Lease will be terminated, and, subject to Sections 2(c), 2(h) and ___ hereof, all of the Operative Documents entered into in connection with the execution and delivery of each Participation Agreement and the collateral security granted in connection with the transactions contemplated by each Participation Agreement will be terminated, released or dealt with as otherwise expressly provided herein, all in the manner provided for in this Agreement.

Now therefore, in consideration of the premises and mutual covenants and agreements herein, the Parties each agree as follows:

Section 1 DEFINITIONS

- (a) Capitalized terms used in this Agreement, including the whereas clauses, which are not otherwise defined herein have the meanings assigned to them in Appendix A to the applicable Participation Agreement. The general provisions of Appendix A shall apply to terms used in this Agreement.
- (b) The following terms have the following meanings:
 - “**Action**” means each action taken, or to be taken, and each event occurring, or to occur, pursuant to this Agreement, including the actions described on Schedule 1 hereto; and
 - “**Collateral**” has the meaning given in the Government Securities Pledge Agreements.
 - “**Effective Date**” means July [], 2008.
 - “**Lessor Consideration**” has the meaning given in the whereas clauses to this Agreement.
 - “**Operative Documents**” has the meaning given such term in the each Participation Agreement.
 - “**Payment Termination Amount**” has the meaning given such term in the applicable Payment Agreement.

Section 2 **TERMINATION; TAXES**

- (a) Notwithstanding any provision to the contrary contained in this Agreement or the Operative Documents, the following actions shall occur, and be deemed to occur simultaneously, on the Effective Date:
- (i) On the Effective Date, Big Rivers shall pay the purchase price for both of the Facility Lessor's Interests by conveying to (A) TriSail, as designee of each of the Owner Trusts, the portion of the Lessor Consideration comprising the OP Payment Amount, (B) the Series A Lender the portion of the Lessor's Consideration comprising the Series A Prepayment and (C) the Series B Lender the portion of the Lessor's Consideration comprising the Series B Prepayment Amount, each clause (A), (B) and (C) as described in more detail on Schedule 1 hereto.
 - (ii) Each of the Series A Loan Certificates shall become immediately due and payable, the Payment Termination Amount under each Payment Agreement shall become immediately due and payable by the Payment Undertaker and the Series A Lender hereby agrees that it shall accept payment of the Payment Termination Amount under each Payment Agreement as constituting the prepayment and satisfaction in full of each Series A Loan pursuant to Section 2.10(c) of the respective Leasehold Mortgages (it being understood that no make-whole payment or other premium shall be due and payable on the Series A Loan Certificates).
 - (iii) The Series B Loan Certificates shall become immediately due and payable in full (including the Make-Whole Payment described in paragraph 2 of Schedule 1 hereto), and such Series B Prepayment Amount shall constitute the prepayment and satisfaction in full of each Series B Loan pursuant to Section 2.10(c) of the respective Leasehold Mortgages and shall be paid in full by the respective Owner Trust with funds provided by Big Rivers.
- (b) Subject to completion of the actions referred to in Section 2(a) and receipt of the OP Payment Amount and the Series B Prepayment Amount by the Parties entitled thereto pursuant to Section 2(a), on and as of the Effective Date,

- (i) each of the Loan Certificates shall be deemed “cancelled”, whereupon the Lien of each Leasehold Mortgage shall be discharged, and each of the Series A Lender, the Series B Lender and the Agent hereby acknowledges and agrees that, without further action, all Liens arising pursuant to each Leasehold Mortgage or under any other Operative Document shall be released as of the Effective Date and each of the Series A Lender and the Series B Lender shall surrender the Loan Certificates for cancellation in accordance with each Leasehold Mortgage and the Series B Lender shall surrender each Series B Loan FGIP to Ambac for cancellation;
- (ii) (x) each Owner Trust will sell and transfer all of the respective Facility Lessor’s Interest to Big Rivers on an “as-is, where-is” and “with all faults” basis, without any representations or warranties and without any recourse (except as to the absence of any Facility Lessor’s Liens and any Owner Participant’s Liens), (y) Big Rivers shall retain possession of each Facility Lessor’s Interest and (z) in accordance with Section 2(c), each Facility Lease shall terminate;
- (iii) the Agent and Lenders hereby authorize the Agent, the Owner Trusts and Big Rivers to file or cause to be filed all releases of mortgage, releases of leasehold or lien, termination statements or other documents in the real property record, or under the Uniform Commercial Code, of New York, Connecticut, Kentucky, or any other applicable jurisdiction, which may be necessary or advisable to reflect the termination and release of any Liens created in favor of the Lenders pursuant to the Operative Documents;
- (iv) each of the OP Trusts, the Owner Trusts and the Owner Participant hereby authorizes Big Rivers to file or cause to be filed all releases of mortgage, releases of leasehold or lien, termination statements or other documents in the real property record, or under the Uniform Commercial Code of New York, Connecticut, Kentucky, or any other applicable jurisdiction, which may be necessary or advisable to reflect the termination and release of the Liens created in favor of any OP Trust, any Owner Trust or the Owner Participant pursuant to the Operative Documents;

- (v) the Government Securities Collateral Agent shall take all action reasonably requested by Big Rivers to deliver possession and control of the Collateral to Big Rivers;
 - (vi) the Funding Agreement Collateral Agent shall deliver possession and control of each Funding Agreement to [Ambac Credit Products] [Big Rivers];
 - (vii) each Equity Swap and Surety Bond shall be deemed “cancelled” and the OP Trusts shall surrender the respective Equity Swaps and Surety Bonds to Ambac Credit Products; and
 - (viii) each Big Rivers Swap shall be deemed “cancelled” and Ambac Credit Products shall surrender the respective Big Rivers Swaps to Big Rivers.
- (c) Upon completion of the transactions contemplated by this Agreement on the Effective Date, including receipt by TriSail of the OP Payment Amount and receipt by the Series B Lender of the Series B Payment Amount pursuant to Section 2(a) hereof, all of the Operative Documents, except for the Operating Agreement, each OP Trust Agreement and each Trust Agreement, shall be automatically terminated without necessity of any further action by any Party hereto or by any other Person. Notwithstanding the foregoing, (i) no provision of any Operative Document shall terminate if such Operative Document specifically provides for the survival of such provision following the expiration or termination of the Facility Lease Term and (ii) Sections 9.1 and 9.2 of each Participation Agreement and each Tax Indemnity Agreement shall survive as provided in clauses (d) through (f) of this Section 2. Upon receipt by the Trustee of a letter of instruction executed and delivered by the Owner Participant, each OP Trust Agreement and each Trust Agreement and each trust governed thereby shall be terminated and a certificate of cancellation for each OP Trust and each Owner Trust shall be filed with the Secretary of State of the State of Connecticut. Except as provided in clauses (c) through (f) of this Section 2, no Party to this Agreement shall have any further liability or obligation to any other Party with respect to such terminated Operative Documents.
- (d) The general indemnity provisions contained in Section 9.1 of each Participation Agreement shall survive the Effective Date with respect to Claims based on circumstances or conditions occurring or existing on or before the Effective Date or attributable to

periods on or prior to the Effective Date, including Claims arising from or in connection with the execution, delivery, performance or non-performance of this Agreement or the transactions contemplated hereby.

- (e) The general tax indemnity provisions contained in Section 9.2 of each Participation Agreement shall survive the Effective Date with respect to Taxes arising from or in connection with events, acts or omissions occurring or existing on or prior to the Effective Date or attributable to periods ending on or prior to Effective Date, including Taxes arising from or in connection with the execution, delivery, performance or non-performance of this Agreement or any actions taken in connection therewith, subject, in all events, to the exclusions set forth (other than for the avoidance of doubt, clause (v) of Section 9.2(b) as to the Owner Participant, the Owner Trust and the Trustee) in Section 9.2(b) of each Participation Agreement.
- (f) The Tax Indemnity Agreement shall survive the Effective Date with respect to Tax Losses based on circumstances or conditions occurring or existing on or prior to the Effective Date or attributable to the periods on or prior to the Effective Date.
- (g) Each of the parties hereto agrees that this Agreement, and any other document or instrument executed in connection with the transactions contemplated hereby, shall constitute "Operative Documents" for purposes of Section 9.1 and 9.2 of the Participation Agreement and the Tax Indemnification Agreement (and the definition of "Operative Documents" set forth in Appendix A to the Participation Agreement is hereby amended accordingly), it being agreed and understood that the execution, delivery and Actions taken in accordance with this Agreement constitute a "voluntary sale" subject to Section 6(a) of the Tax Indemnity Agreement. For the avoidance of doubt, it is understood that this Agreement, any other document or instrument executed or delivered in connection with the transactions contemplated hereby, and each representation, warranty, covenant and agreement of the parties set forth herein or therein or contemplated hereby or thereby, are not intended to be subject to the termination and release provided for in Section 2(c) of this Agreement.
- (h) [Orrick / Big Rivers proposed to preserve the continuation, and amend, of the Operating Agreement and Support Agreement.]

Section 3 MISCELLANEOUS

- (a) Section 13.14 of the Participation Agreement will apply *mutatis mutandis* to this Agreement.
- (b) With respect to anything contained in this Agreement or the other Operative Documents to the contrary notwithstanding (except for any express provisions that the Trustee is responsible for in its individual capacity), no recourse shall be had against the Trustee or against any institution or person which becomes a successor trustee or co-trustee or any officer, director, trustee, servant or direct or indirect parent or controlling person or persons of any of them; provided, however, that this Section 3(b) shall not be construed to prohibit any action or proceeding against any such Person for its own willful misconduct or gross negligence.
- (c) Subject to completion of the transaction contemplated by Section 2 of this Agreement, each Party to this Agreement hereby:
 - (i) consents to each Action;
 - (ii) waives any default or non-compliance of any provision of the Operative Documents, including, without limitation, resulting from, directly or indirectly, any Action, other than with respect to the representations, warranties and covenants in Section 4 hereof, the indemnity obligations of Big Rivers in Sections 2(d) through (f), the obligations of Big Rivers under Section 5 and any other Actions required under this Agreement;
 - (iii) waives and releases each and every Lien¹ that it may possess pursuant to or created by or under any Operative Document being terminated by this Agreement;
 - (iv) authorizes each other Party to effect their respective Actions, to the extent such authorization would be required under any Operative Document;
 - (v) waives any right to notice of the Actions to the extent such notice would be required under any Operative Document

¹ To be provided in the First Mortgage Mortgagees Creditor Consent, Termination and Release Agreement: consent to the Actions contemplated by this Agreement and release of the First Mortgage Mortgagees liens to FBR-1 and FBR-2 documents and amendment of the Operating and Support Agreement; the Owner Trusts and TriSail will need to be third party beneficiary of such consents and releases.

and waives any other documents or certificates required under the Operative Documents to the extent not provided hereunder; and

- (vi) subject, if applicable, to having been reimbursed for any expenses expected to be incurred hereunder as provided in Section 5, agrees to (i) cooperate fully with the other Parties, (ii) execute such further instruments, documents and agreements as are necessary or appropriate to give effect to the releases referred to herein, including the filing of termination statements under the Uniform Commercial Code and (iii) give such further written assurances as may be reasonably requested by any other Party to evidence and reflect the Actions and to carry out and effectuate the provisions and purposes of this Agreement.

Section 4 REPRESENTATIONS AND WARRANTIES

- (a) Each of Big Rivers and Big Rivers Subsidiary represents and warrants that:
 - (i) the execution, delivery and performance of this Agreement by it and its consummation of the transactions contemplated hereby do not conflict with, result in a breach of, or constitute a default under, any Applicable Law, or under any indenture, mortgage, deed of trust or other instrument or agreement to which it is a party or by which it or any of its assets may be bound;
 - (ii) the execution, delivery and performance of this Agreement by it and its consummation of the transactions contemplated hereby have been duly authorized by all necessary action on its part, and do not and will not violate its Articles of Incorporation or By-Laws, and no further consent, authorization or approval of, or exemption by, or the giving of notice to, or the registration with or the taking of any other action in respect of any Governmental Entity or any Person is required;
 - (iii) assuming due authorization, execution and delivery by each other Party hereto, this Agreement constitutes its legal, valid and binding obligation and is enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium and

other similar laws affecting the rights of creditors generally; and

- (iv) it has the requisite power and authority to (a) enter into, exercise its rights and perform and comply with its obligations under this Agreement and all other documents relating hereto and (b) take all actions relating to this Agreement and all other documents relating hereto.

(b) Each of the Lease Transaction Party hereby represents and warrants that:

- (i) the execution, delivery and performance of this Agreement by it and its consummation of the transactions contemplated hereby do not conflict with, result in a breach of, or constitute a default under, any Applicable Law, or under any indenture, mortgage, deed of trust, or other instrument or agreement to which it is a party or by which it or any of its assets may be bound;
- (ii) the execution, delivery and performance of this Agreement by it and the consummation of the transactions contemplated hereby have been duly authorized by all necessary governmental action, and no further consent, authorization or approval of, or exemption by, or the giving of notice to, or registration with or the taking of any other action in respect of any governmental authority or agency is required;
- (iii) this Agreement constitutes its legal, valid and binding obligation and is enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting the rights of creditors generally; and
- (iv) assuming due authorization, execution and delivery by each other Party hereto, it has the requisite power and authority to (a) enter into, exercise its rights and perform and comply with its obligations under this Agreement and all other documents relating hereto and (b) take all actions relating to this Agreement and all other documents relating hereto.

(c) Giving effect to the Actions,

- (i) each Owner Trust represents and warrants that its respective Facility Lessor's Interest is free and clear of all Facility Lessor's Liens attributable to it;
 - (ii) the Owner Participant represents and warrants that each of the Facility Lessor's Interests is free and clear of all Owner Participant's Liens attributable to it.
- (d) Giving effect to the Actions, each of the Lenders, the Agent, the Government Securities Collateral Agent and the Funding Agreement Collateral Agent represents and warrants that the Collateral is free and clear of all Liens attributable to it.
- (e) Each Party hereto represents and warrants that it has not engaged any placement agent or broker in connection herewith and hereby undertakes to the other parties hereto that it shall be solely responsible for the fees, expenses and any other amounts due to any placement agent or broker engaged by it.

Section 5 EXPENSES

All reasonable and documented fees and expenses incurred by the Parties hereto in connection with the negotiation, execution and delivery of this Agreement and any related documents and agreements and giving effect to the consents, terminations and releases contemplated hereby and thereby, shall be paid by Big Rivers.

Section 6 GOVERNING LAW

THIS AGREEMENT, AND ANY DISPUTE ARISING OUT OF OR RELATING TO IT, INCLUDING ANY DISPUTE OVER RIGHTS IN THE FACILITY, OR ANY PART THEREOF, SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 7 COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed an original, and all such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be as effective as delivery of a manually executed counterpart of this Agreement.

Section 8 TRUSTEE AUTHORITY

By its execution hereof, the Owner Participant authorizes and directs the Trustee to execute, deliver and perform this Agreement and all other documents and agreements required to be executed by the Trustee, any of the OP Trusts or any of the Owner Trusts, as the case may be, which are referred to herein or as otherwise may be necessary in order to comply with this Agreement or to effectuate the transactions contemplated herein.

Section 9 SEVERABILITY

Any provision of this Agreement which is invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without invalidating, prohibiting the observance of or rendering unenforceable the remaining provisions hereof, and any such invalidity, illegality or unenforceability in any jurisdiction shall not invalidate, prohibit the observance of or render unenforceable such jurisdiction in any other jurisdiction.

Section 10 ENTIRE AGREEMENT

This Agreement, together with the documents, instruments and agreements required to be executed and delivered in connection therewith and the Equity Letter Agreement shall, except as expressly provided to the contrary herein, supersede all prior agreements and understandings of the parties with respect to the subject matter covered hereby.

Section 11 METHOD OF PAYMENT

Each of the OP Payment Amount and Series B Prepayment Amount [and other amounts] required to be paid pursuant to the terms of this Agreement on the Effective Date are hereby irrevocably instructed to be paid in immediately available funds to the accounts set forth on Schedule 1 hereto.

Section 12 SURVIVAL

The Parties hereby agree that the indemnity obligations of Big Rivers under this Agreement, as provided under Sections 2(d) through (f) hereof, and the obligations of Big Rivers under Section 5 hereof shall survive the execution and delivery of this Agreement and shall continue in effect until completion of all actions contemplated in this Agreement.

IN WITNESS WHEREOF, the parties have each caused this Termination Agreement to be duly executed as of the day and year first written above.

BIG RIVERS ELECTRIC CORPORATION,
as Head Lessor and Lessee

By: _____
Name:
Title:

BIG RIVERS LEASING CORPORATION,
as Big Rivers Subsidiary

By: _____
Name:
Title:

FBR-1 STATUTORY TRUST and
FBR-2 STATUTORY TRUST,
each as Owner Trust

By: U.S. Bank National Association, as Trustee

By: _____
Name:
Title:

FBR-1 OP STATUTORY TRUST and
FBR-2 OP STATUTORY TRUST,
each as OP Trust

By: U.S. Bank National Association, as Trustee

By: _____
Name:
Title:

TRISAIL CAPITAL CORPORATION
(successor to Fleet Real Estate Inc.),
as Owner Participant

By: _____
Name:
Title:

AME INVESTMENTS, LLC,
as Series A Lender

By: _____
Name:
Title:

COBANK, ACB,
as Series B Lender

By: _____
Name:
Title:

AME ASSET FUNDING, LLC,
as Payment Undertaker

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee, Government Securities Collateral Agent and Funding Agreement Collateral
Agent

By: _____
Name:
Title:

AIG MATCHED FUNDING CORP,
as Funding Agreement Issuer

By: _____
Name:
Title:

AMBAC CREDIT PRODUCTS, LLC,
as Swap Provider

By: _____
Name:
Title:

AMBAC ASSURANCE CORPORATION,
as Swap Guarantor and as Series B FGIP Issuer

By: _____
Name:
Title:

SCHEDULE 1
SETTLEMENT CASH FLOWS AND DELIVERIES

1. Series A Prepayment: The acceptance by the Series A Lender of the Termination Payment Amount under each Payment Agreement as satisfaction in full of all amounts due under each of the respective Series A Loans, as described in the Termination Agreement, shall, on the Effective Date, be deemed to constitute the payment by Big Rivers of such amounts to each of the respective Owner Trusts in satisfaction of a portion of the agreed consideration to the Owner Trusts for the purchase by Big Rivers of all of the Facility Lessor's Interest and the each of the respective Owner Trusts shall also be deemed to have paid such amounts to the Series A Lender in respect of each of the respective Series A Loan Certificates.

2. Series B Prepayment Amount: Big Rivers shall pay to each of the respective Owner Trusts, the amount of \$[_____] at the account referred to below in satisfaction of all amounts due under each Series B Loan, including the Make-Whole Payment equal to \$[____], whereupon Big Rivers, on the Effective Date, will be deemed to have paid such amount to each of the respective Owner Trusts in satisfaction of a portion of the agreed consideration to each of the respective Owner Trusts for the purchase by Big Rivers of all of the Facility Lessor's Interest and each of the respective Owner Trusts shall be deemed to have paid such amounts to the Series B Lender in respect of each of the respective Series B Loan Certificates.

Account:
ABA#:
Ref:

3. OP Payment Amount: Big Rivers shall pay or cause to be paid to TriSail, as beneficiary of each of the respective Owner Trusts, the amount equal to the OP Payment Amount set forth in the Equity Letter Agreement as the "Purchase Price" at the account referred to below, on the Effective Date, in satisfaction of the balance of the agreed consideration owed to each of the respective Owner Trusts for the purchase by Big Rivers of all of the Facility Lessor's Interest.

Beneficiary:
Account:
ABA#:
Ref:

4. Equity Swap Deliveries: On the Effective Date, the Owner Trusts shall deliver to Ambac Credit Products the Equity Swaps and Surety Bonds.

5. Big Rivers Swap Deliveries: On the Effective Date, Ambac Credit Products shall deliver to Big Rivers the Big Rivers Swaps.

6. Lender Deliveries: On the Effective Date, each Lender shall deliver to the Trustee each respective Loan Certificate. The Series B Lender shall also deliver, on the Effective Date, each Series B Loan FGIP to Ambac.
7. [Government Securities Deliveries: On the Effective Date, U.S. Bank National Association as Government Securities Collateral Agent shall deliver to Big Rivers or its designee the Government Securities.]

EXHIBIT 5

BANK OF AMERICA COST SHARE AGREEMENT

[E.ON LETTERHEAD]

June [], 2008

Big Rivers Electric Corporation
P.O. Box 24
Henderson, Kentucky 42419-0024
Attn: President & CEO

Alcan Primary Products Corporation
P.O. Box 44
Henderson, Kentucky 42419
Attn: Plant Manager, Sebree Smelter

Century Aluminum of Kentucky General Partnership
Hawesville Plant
P.O. Box 500
1627 State Route 271 North
Hawesville, Kentucky 42348
Attn: Plant Manager

Subject: Funding of Certain Amounts to be Paid to The Bank of America

Gentlemen:

Reference is made to (a) that certain letter agreement dated February 9, 2007, among Big Rivers Electric Corporation ("Big Rivers"), Alcan Primary Products Corporation ("Alcan"), Century Aluminum of Kentucky General Partnership ("Century" and, together with Alcan, the "Smelters") and E.ON U.S. LLC ("E.ON U.S."), pursuant to which, among other transactions, those parties agreed to jointly fund certain consent fees or the like that may become payable to certain other parties, upon the terms and subject to the conditions set forth therein (the "Joint Fee Sharing Agreement"), and (b) that certain letter agreement dated February 9, 2007, among Big Rivers, Alcan, Century and E.ON U.S., pursuant to which, among other transactions, those parties agreed to jointly fund certain transaction costs that may become payable or reimbursable to certain other parties, upon the terms and subject to the conditions set forth therein (the "Joint Cost Sharing Agreement").

Reference is also made to (a) that certain letter agreement dated April 18, 2008 (the "April 18 Letter"), between Big Rivers and Bank of America Leasing Corporation ("BofA"), pursuant to which Big Rivers agreed to purchase from BofA certain undivided beneficial trust interests related to certain defeased lease transactions (collectively, the "BofA Lease Transaction"), and (b) the proposed Omnibus Termination Agreement, draft dated May 27, 2008 (as finally negotiated and executed by the parties thereto, the

Mr. Michael Core
June __, 2008
Page 2

“Termination Agreement”), among Big Rivers, Big Rivers Leasing Corporation, FBR-1 Statutory Trust, FBR-2 Statutory Trust, BofA, AME Investments, LLC, CoBank, ACB (“CoBank”), AME Asset Funding, LLC, U.S. Bank National Association, AIG Matched Funding Corp., Ambac Credit Products, LLC, and Ambac Assurance Corporation. Capitalized terms used but not defined in this letter shall have the meanings given in the Termination Agreement.

The parties desire to enter into this letter agreement to evidence their agreements with respect to the funding of the Lessor Consideration and certain transaction costs payable by Big Rivers under the Termination Agreement.

In consideration of the foregoing and their respective covenants and agreements set forth herein, the parties hereto agree as follows, effective as of the date first written above:

1. Notwithstanding anything to the contrary set forth therein, the parties hereto acknowledge and agree that the Lessor Consideration shall constitute neither “Fees” under and as defined in the Joint Fee Sharing Agreement nor “Transaction Costs” under and as defined in the Joint Cost Sharing Agreement.

2. The parties hereto shall contribute towards the Lessor Consideration (net of the proceeds referred to in Section 3 below), at the time contemplated below (but not before) as follows: Big Rivers shall contribute the Series B Prepayment Amount and an additional \$1,000,000; the Smelters shall jointly contribute \$1,000,000; and E.ON U.S. shall contribute the balance.

The maximum \$1,000,000 increment to be funded jointly by the Smelters will be allocated between them on a basis satisfactory to them and reflected in a separate agreement between them. Each party’s commitment would be to fund its respective share of the Lessor Consideration at the time of the closing of the transactions contemplated by the Termination Agreement, the conditions to such closing being governed by such agreement; provided, that in the event those transactions under the Termination Agreement are to close prior to the closing of the transactions contemplated by the Transaction Termination Agreement dated as of March 26, 2007, as amended, among Big Rivers, Western Kentucky Energy Corp. and LG&E Energy Marketing Inc. (the “Transaction Termination Agreement”), other than as a result of an election by E.ON U.S. to deliver an Election Notice (as defined below) pursuant to Section 5 of this letter agreement, E.ON U.S. shall have the right and option, exercisable in its sole discretion at any time (whether before or following the closing of the transactions contemplated by the Termination Agreement), to delay the funding of its respective share of the Lessor Consideration until the closing contemplated by the Transaction Termination Agreement, and in such event the funding obligation of E.ON U.S. shall not accrue under this letter agreement until such

time as either that closing under the Transaction Termination Agreement has occurred or E.ON U.S. has elected to tender delivery of its respective share of the Lessor Consideration, whichever is earlier. Except as otherwise provided in Section 5 below, no party would be obligated to first fund any portion of its commitment unless and until the other parties fund their respective share at the same time.

3. The specific amount of the funding commitment of E.ON U.S. hereunder will be such amount as may be determined by Big Rivers and E.ON U.S. on the basis of the final terms and conditions of the Termination Agreement agreed to by them in writing, after taking into account the contributions of Big Rivers and the Smelters contemplated in Section 2 above, and the liquidation, sale, application and netting against the Lessor Consideration of all proceeds received by Big Rivers or its designee or paid on behalf of Big Rivers to any Lease Transaction Parties in respect of the termination, liquidation or sale (as applicable) of the Payment Agreements and the Funding Agreements; provided, that the funding commitment of E.ON U.S. hereunder shall be further conditioned on (a) the application of the Payment Termination Amount under each Payment Agreement at the closing contemplated by the Termination Agreement in the manner contemplated in that agreement and (b) the termination and/or liquidation of the Funding Agreements in full and the application of all proceeds of that termination and/or liquidation toward the payment of the Lessor Consideration at that closing. Big Rivers will keep E.ON U.S. and the Smelters reasonably apprised of the status and final negotiation of the terms and conditions of the Termination Agreement and will provide appropriate documentation detailing the Lessor Consideration prior to the closing of the transactions contemplated by the Termination Agreement. Attached to this letter agreement as Exhibit A is a spreadsheet setting forth a representative calculation of the portion of the Lessor Consideration that would have been contributed by E.ON U.S. under this letter agreement assuming the closing of the transactions contemplated by the Termination Agreement has occurred on the date hereof. The actual funding contribution of E.ON U.S. required at the actual closing of those transactions will depend on the data inputs contemplated in the attached spreadsheet as of that closing date.

4. Upon the closing of the transactions contemplated by the Termination Agreement, the government securities pledged under the Government Securities Pledge Agreements, together with any proceeds from the sale or other disposition thereof, shall be the sole property of Big Rivers.

5. E.ON U.S. will have the right and option, exercisable by it at any time by written notice delivered to Big Rivers and the Smelters at their addresses set forth above (an "Election Notice"), to elect to cause the closing of the transactions contemplated by the Termination Agreement (the "BofA Closing") to occur prior to the closing of the transactions contemplated by the Transaction Termination Agreement (the "Unwind

Closing”), on the terms and conditions set forth in this Section 5. In the event an Election Notice is delivered by E.ON U.S. to Big Rivers and the Smelters as contemplated above, each of Big Rivers and E.ON U.S. will cooperate with one another and use their respective reasonable best efforts to cause the BofA Closing to occur as soon as practicable following the date of that notice, upon the terms and subject to the conditions set forth in the Termination Agreement to be agreed upon by Big Rivers and E.ON U.S. as contemplated above. Notwithstanding anything contained in this letter agreement to the contrary, in the event the BofA Closing shall occur (pursuant to that agreed Termination Agreement) following the delivery of an Election Notice but prior to the Unwind Closing (or an earlier termination of this letter agreement as contemplated below), E.ON U.S. agrees to initially contribute toward the BofA Closing the full amount of the Lessor Consideration contemplated in Section 2 of this letter agreement (that is, net of the proceeds referred to in Section 3 above), including the contributions from Big Rivers and the Smelters described in that Section 2, as well as all related “Transaction Costs” (as defined in the Joint Cost Sharing Agreement) that are payable by Big Rivers to one or more of the Lease Transaction Parties under Section 5 of the Termination Agreement (exclusive of the Lessor Consideration). Thereafter, in the event the Unwind Closing shall occur: (a) Big Rivers agrees to remit and pay to E.ON U.S. at the Unwind Closing the amount of \$1,000,000 in immediately available funds, representing Big Rivers' contribution toward the Lessor Consideration as contemplated in Section 2 above, (b) the Smelters jointly agree to remit and pay to E.ON U.S. at the Unwind Closing the amount of \$1,000,000 in immediately available funds, representing the Smelters' collective contribution toward the Lessor Consideration as contemplated in that Section 2, and (c) all such “Transaction Costs” shall be subject to reimbursement in accordance with the Joint Cost Sharing Agreement. In the event the BofA Closing occurs following the delivery of an Election Notice but prior to the Unwind Closing as contemplated herein, then unless and until the Unwind Closing thereafter occurs, Big Rivers and the Smelters shall have no obligation to pay or reimburse E.ON U.S. for any portion of the Lessor Consideration (other than the application by Big Rivers of the proceeds described in Section 3 above that are within its possession or control) or such “Transaction Costs” contributed by E.ON U.S. at the BofA Closing.

6. The Joint Fee Sharing Agreement and the Joint Cost Sharing Agreement shall continue in full force and effect from and after the execution of this letter agreement in accordance with their respective terms. This letter agreement shall not be deemed to amend, modify or supplement the Joint Fee Sharing Agreement or the Joint Cost Sharing Agreement. For the avoidance of doubt, the parties hereto agree that, except as otherwise provided in Section 5 above, fees and expenses (exclusive of the Lessor Consideration) incurred by the Lease Transaction Parties payable or paid by Big Rivers pursuant to Section 5 of the Termination Agreement shall constitute “Transaction Costs” subject to shared contribution under and in accordance with the Joint Cost Sharing Agreement, but shall not constitute costs or expenses that are recoverable by Big Rivers from E.ON. U.S.

or any of its affiliates or subsidiaries pursuant to any other agreement(s) between or among those parties. In addition, Big Rivers agrees that its respective share of the Lessor Consideration paid or payable by it under this letter agreement or the Termination Agreement shall not be a cost or expense recoverable by Big Rivers under any other agreement(s) between or among Big Rivers, E.ON U.S. or any of its affiliates or subsidiaries.

7. It is acknowledged and agreed by the parties hereto that the final Termination Agreement may contain modifications or other changes to the defined terms used herein and the provisions applicable with respect thereto. The parties agree that no such modification(s) shall be deemed to modify this letter agreement absent the written agreement of the parties to such modification(s), and further agree that, to the extent any such modification or other change to the Termination Agreement requires an amendment or supplement to this letter agreement, the parties shall cooperate in good faith to negotiate and execute such amendment or supplement in order to sustain the intent of the parties as expressed herein.

8. Notwithstanding anything to the contrary set forth in this letter agreement, this letter agreement shall become null and void and of no further force or effect, without notice or further action on the part of any party, in the event the Transaction Termination Agreement shall be terminated in accordance with its terms at any time prior to the time at which E.ON U.S. shall have an unconditional obligation to fund its respective share of the Lessor Consideration pursuant to this letter agreement.

9. This letter agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Kentucky, without regard to the conflict of laws rules or principles of that state.

[Signature page follows.]

Mr. Michael Core
June __, 2008
Page 6

If the foregoing is consistent with our agreement, please execute a copy of this letter in the space provided below and return it to the undersigned. Thank you.

E.ON U.S. LLC

By: _____
Paul W. Thompson
Senior Vice President – Energy Services

ACCEPTED AND AGREED TO:

BIG RIVERS ELECTRIC CORPORATION

By: _____
Michael Core, President & CEO

ALCAN PRIMARY PRODUCTS CORPORATION

By: _____
Y'von d'Anjou, President

CENTURY ALUMINUM OF KENTUCKY GENERAL PARTNERSHIP

By: _____
E. Jack Gates, President

EXHIBIT A

REPRESENTATIVE FUNDING CALCULATION

[T.B.D.]

EXHIBIT 6

WILSON OPERATING AGREEMENT AMENDMENT

AMENDMENT TO
OPERATING AND SUPPORT AGREEMENT

Dated as of [July 15], 2008

among

PBR- 3 STATUTORY TRUST,

acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee,

FBR-1 STATUTORY TRUST,

acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee,

FBR-2 STATUTORY TRUST,

acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee,

and

BIG RIVERS ELECTRIC CORPORATION

D.B. WILSON UNIT 1

This **AMENDMENT TO OPERATING AND SUPPORT AGREEMENT**, dated as of [July 15], 2008 (the “Effective Date”), is entered into by and among **FBR-1 STATUTORY TRUST**, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the Trust Agreement (the “FBR-1 Trust”), **FBR-2 STATUTORY TRUST**, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the Trust Agreement (FBR-2) (the “FBR-2 Trust” and, together with the FBR-1 Trust, the “FBR Trusts”), **PBR-3 STATUTORY TRUST**, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the Trust Agreement (PBR-3) (the “PBR-3 Trust” and, together with the FBR Trusts, the “Owner Trusts”), and **BIG RIVERS ELECTRIC CORPORATION**, a rural electric cooperative organized under the laws of the Commonwealth of Kentucky (“Big Rivers”).

WHEREAS, Big Rivers is a rural electric cooperative engaged in the generation and transmission of electric power and energy for wholesale sale and delivery to its members and others in the Commonwealth of Kentucky;

WHEREAS, Big Rivers has constructed and placed in service Plant Wilson, an electric generating facility which is located at the Site near Centertown, Kentucky and is designed to burn coal as a primary fuel;

WHEREAS, each Owner Trust has acquired a long-term leasehold interest in its Undivided Interest in Plant Wilson, and each has subleased its leasehold interest in the Undivided Interest to Big Rivers pursuant to a Facility Lease for the Facility Lease Term;

WHEREAS, Big Rivers has leased separate undivided interests in the Site in favor of each Owner Trust, which, in turn, have subleased their undivided leasehold interest in the Site to Big Rivers;

WHEREAS, pursuant to the Facility Lease, Big Rivers is obligated to cause the Facility to be operated and maintained in accordance with the terms of the Facility Lease.

WHEREAS, the parties entered into an Operating and Support Agreement, dated as of April 1, 2000, among Big Rivers and the Owner Trusts (the “Original Operating Agreement”), pursuant to which Big Rivers has been providing certain services regarding the operation of the Facility as an electric generating facility;

WHEREAS, pursuant to an Omnibus Termination Agreement, dated as of [July 15], 2008, among Big Rivers, the FBR Trusts, and certain other parties (the “Omnibus Termination Agreement”), the parties have agreed to terminate (i) the Facility Lease Agreement, dated as of April 1, 2000, between FBR-1 Trust and Big Rivers, and (ii) the Facility Lease Agreement, dated as of April 1, 2000, between FBR-2 Trust and Big Rivers (such agreements, together, the “FBR

Facility Leases”), and certain other Operative Documents (as defined and specified therein), on the terms of the Omnibus Termination Agreement;

WHEREAS, pursuant to the Omnibus Termination Agreement and solely with respect to the FBR Facility Leases, Big Rivers will purchase each of the Facility Lessor’s Interests (including all of the right, title and interest of each of the respective FBR Trust in, to and under the Undivided Interest in the Wilson Unit) and each of such FBR Trusts has agreed to such purchase; and

WHEREAS, the parties hereto desire to amend the Original Operating Agreement to reflect the termination of the FBR Facility Leases on the terms of the Omnibus Termination Agreement.

NOW THEREFORE, in consideration of the premises and of other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. ACKNOWLEDGMENT.

Big Rivers and each Owner Trust hereby acknowledge the termination of the FBR Facility Leases pursuant to the Omnibus Termination Agreement.

SECTION 2. RELEASE AND DISCHARGE.

Each of Big Rivers and the PBR-3 Trust does hereby release and discharge each FBR Trust from any and all obligations owing to Big Rivers or the PBR-3 Trust under the Original Operating Agreement from and after the Effective Date. Each of Big Rivers and the PBR-3 Trust hereby acknowledges and agrees that, in consequence of the Omnibus Termination Agreement, each FBR Trust is hereby released and discharged as a party to the Original Operating Agreement.

SECTION 3. AMENDMENTS.

The Original Operating Agreement is hereby amended as follows:

Section 3.1. In Section 1.1 of the Original Operating Agreement, the definition of “Facility Lessor” is amended to read as follows:

“Facility Lessor” shall mean the PBR-3 Trust, as Facility Lessor under its Facility Lease.

Section 3.2. In Section 1.1 of the Original Operating Agreement, the definition of “Facility User” is amended by adding clause (iv) to the definition, to read as follows:

or (iv) Big Rivers, as the owner of the 57.2248931% Undivided Interest.

Section 3.3. Section 2.7 of the Original Operating Agreement is hereby deleted in its entirety, and the following related provisions are amended as follows:

(a) The definition of “*Fair Market Sales Value*” is amended to delete the words “*or the Operating Fee paid to the Operator pursuant to Section 2.7 of this Agreement*” therein.

(b) The definition of “*Operating Fee*” is hereby deleted in its entirety.

(c) Section 5.4(d) is amended to delete the words “*together with any compensation payable to the Operator in accordance with Section 2.7 hereof*” therein.

Section 3.4. Section 4.2 of the Original Operating Agreement is hereby amended in its entirety to read as follows:

A Facility User which is also the Operator or an Affiliate of the Operator (a) shall not be entitled to vote on any matter upon which the Facility Users are entitled to vote hereunder at any time an Event of Default has occurred and is continuing under any Facility Lease or, if such Facility User is Big Rivers, at any time a default by Big Rivers is continuing under this Agreement and (b) shall not under any circumstances be entitled to vote on the resignation or removal of the Operator. In the circumstances described in the preceding sentence, and in any other circumstances where the Facility User is not entitled to vote on matters hereunder, the Entitlement Share of such Facility User shall for voting purposes, be deemed to be equal to zero.

Section 3.5. A new Section 4.3 is hereby added to the Original Operating Agreement, entitled “*Facility Lessor’s Voting Rights*”, to read as follows:

Notwithstanding anything to the contrary contained herein, at any time that Big Rivers (including any Affiliate thereof) is both a Facility User and the Operator, any matter upon which the Facility Users are entitled to vote hereunder shall require the approval of the Facility Lessor.

SECTION 4. LAW GOVERNING. This Amendment shall be governed by and construed in accordance with the laws of the State of New York including all matters of construction, validity and performance (including Section 5-1401 and Section 5-1402 of the New York General Obligations Law but excluding all other choice of law and conflicts of law rules).

SECTION 5. EFFECTIVENESS. This Amendment shall be effective upon completion of the transactions contemplated by the Omnibus Termination Agreement to occur on the Effective Date.

SECTION 6. COUNTERPARTS. This Amendment may be executed in two or more counterparts, all of which taken together shall constitute a single agreement.

(Signatures Follow on Next Page)

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to Operating and Support Agreement to be executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name:
Title:

PBR-3 STATUTORY TRUST

By: U.S. Bank National Association, as Trustee

By: _____
Name:
Title:

FBR-1 STATUTORY TRUST and
FBR-2 STATUTORY TRUST

By: U.S. Bank National Association, as Trustee

By: _____
Name:
Title:

EXHIBIT 7

SECOND SUPPLEMENTAL TESTIMONY OF C. WILLIAM BLACKBURN

COMMONWEALTH OF KENTUCKY
BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY

Case No 2007-00455

SECOND SUPPLEMENTAL TESTIMONY OF
C. WILLIAM BLACKBURN

ON BEHALF OF
APPLICANTS

JUNE 10, 2008

SECOND SUPPLEMENTAL TESTIMONY OF
C. WILLIAM BLACKBURN

Q. Please state your name.

A. My name is C. William Blackburn.

Q. Are you the same C. William Blackburn who previously submitted direct testimony, supplemental testimony, and rebuttal testimony in this proceeding?

A. Yes, I am.

Q. Please summarize the purpose of your second supplemental testimony.

A. The purpose of my second supplemental testimony is (i) to describe an amendment to the Transaction Termination Agreement and changes to the agreements with the Smelters being filed with this testimony; (ii) to describe a regulatory account Big Rivers is proposing relating to the Smelter Agreement amendments; (iii) to describe the changes made in the updated Unwind Financial Model being filed with this testimony; and (iv) to describe an agreement terminating Bank of America's lease interests in Big Rivers' property, a related cost share agreement, and a related amendment to the Wilson Operating Agreement from the 2000 sale/lease of Big Rivers' Wilson Station.

Q. Please describe the purpose of the amendment to the Transaction Termination Agreement and the changes to the Smelter Agreements you mentioned.

A. Big Rivers is filing with this testimony a proposed Second Amendment to the Transaction Termination Agreement, and revised Smelter Agreements. The Smelter Agreements include a retail agreement, a wholesale agreement, and a coordination agreement for each of the two aluminum smelters on the Big Rivers Member system (Alcan Primary Products Corporation and Century Aluminum of Kentucky General Partnership). The purpose of the Second Amendment and the revisions to the Smelter Agreements is largely related to resolution of an issue that arose among Big Rivers, the Smelters, and E.ON over changing fuel price projections.

Q. How is the resolution reflected in the Second Amendment?

A. As part of the resolution of the fuel issue, E.ON agreed to increase its termination payment to Big Rivers under the Transaction Termination Agreement by \$82 million, to \$383,500,000.00. The Second Amendment reflects the additional consideration.

Q. How is the resolution reflected in the revisions to the Smelter Agreements?

A. The Smelter Agreement revisions are, in part, related to the additional consideration Big Rivers will receive from E.ON. Big Rivers will use the additional consideration to increase the Economic Reserve account that will be applied against Fuel Adjustment Clause and Environmental Surcharge charges applicable to Big Rivers' Members' non-Smelter load (the

“Economic Reserve” account) by \$82 million, bringing the total funding for the Economic Reserve account at closing to a total of \$157 million. In addition, Big Rivers will use \$7 million of its own funds generated from smelter margins to create two new accounts, one for Alcan and one for Century, the Smelter FAC Reserve accounts, to help offset the costs to the Smelters of the projected increases in fuel costs. The \$7 million is approximately equal to the margins that Big Rivers will receive from its Tier 3 energy sales to Kenergy for use by the Smelters from May through July 2008, a time period beyond the modeled closing date of April 30, 2008.

Q. What else do the revisions to the Smelter Agreements do?

A. The revisions reduce the threshold at which Big Rivers is permitted to contribute additional funds at closing to the Economic Reserve account from \$160 million to \$125 million (unrestricted). The revisions also permit Big Rivers to seek an adjustment in its FAC, Environmental Surcharge, and the Non-FAC PPA clause applicable to the Smelter load to address any rate adjustment restrictions from the pending appeal of the Franklin Circuit Court order relating to adjustment clauses under Kentucky law. The revisions further reflect the final resolution between Kenergy Corp. and the Smelters regarding certain patronage capital matters. The revisions also clarify that curtailments for purchased power in the Smelter Agreements are included in the costs of the purchased power under the Non-FAC PPA to avoid an inequitable distribution of the savings on the part of the Smelter curtailing. And the revisions adjust the conditions to closing in the Smelter Agreements to reflect Big Rivers' current plans not to issue debt in the capital markets contemporaneously with the Closing Date.

Q. Is Big Rivers asking the Public Service Commission for approval to establish the Smelter FAC Reserve regulatory accounts?

A. Yes.

Q. Can you explain further how the Smelter FAC Reserve accounts will work?

A. Yes. Smelter FAC Reserve accounts will work much like the Economic Reserve account. Beginning in 2009, Big Rivers will use the Smelter FAC Reserve accounts to offset the Smelters' fuel costs to the extent that those costs exceed amounts previously modeled (on a MWh basis). The amount of the reserve for each Smelter is its percentage (based on relative "Base Demand" as defined in the Retail Electric Service Agreements) of the \$7 million which Big Rivers will fund on the closing date, and which is approximately equal to the margins that Big Rivers will receive from its Tier 3 Energy sales to Kenergy for use by the Smelters from May through July, a time period beyond the modeled closing date of April 30, 2008. Big Rivers will make no additional "principal" contributions to the reserve in the future. The reserve will be reduced as the Smelters offset their fuel costs with amounts from the reserve or as Big Rivers incurs any tax liability with respect thereto. Any amounts remaining in a Smelter's reserve following the termination of its agreement would flow to the Economic Reserve Big Rivers has established for the non-Smelter Members. The Smelters will also receive payments from E.ON's additional \$70 million contribution to offset their fuel costs, reducing their effective rate as reflected on Attachment A to Exhibit 7 hereto, the Second Supplemental Testimony of C. William Blackburn.

Q. Explain the Bank of America termination agreement.

A. Bank of America holds a lease on Big Rivers' property under Big Rivers' existing leveraged lease. The parties have agreed to terminate Bank of America's interests in that lease through the Omnibus Termination Agreement that is being filed with this testimony (the "Bank of America Termination Agreement").

Q. Please explain the Bank of America cost share agreement.

A. A proposed letter agreement among Big Rivers, E.ON, and the Smelters (referred to as the Bank of America Cost Share Agreement) will divide among those parties the amount that will be paid to Bank of America under the Bank of America Termination Agreement.

Q. Can you describe the amendments to the Wilson Operating Agreement you referred to earlier?

A. Yes. The Wilson Operating Agreement Amendment is an amendment of the Operating and Support Agreement relating to Big Rivers' D.B. Wilson generating plant entered into on April 1, 2000, as part of Big Rivers' leveraged lease transaction. The Amendment is necessitated by the fact that, under the Bank of America Termination Agreement, Big Rivers will purchase the Undivided Interests from Bank of America-related entities (the FBR-1 Trust and FBR-2 Trust), and, in addition, following the Unwind, will act as both a Facility User and the Operator.

The Amendment (i) provides that, following the acquisition of such interests, the remaining PBR-3 Trust will be the sole “Facility Lessor;” (ii) deletes all provisions and references regarding the “Operating Fee” which will no longer be payable to the operator; and (iii) provides that, at any time Big Rivers (including its Affiliates) is both the Operator and a Facility User, the consent of PBR-3 Trust (the sole remaining Facility Lessor) will be required for all actions on which the Facility Users are entitled to vote.

Q. Are the Second Amendment, the revisions to the Smelter Agreements, the Bank of America termination agreement and cost share agreement, and the Wilson Operating Agreement Amendment in substantially final form.

A. To the best of my knowledge and belief, they are, except that the Second Amendment is subject to the approval of Big Rivers’ board of directors and E.ON’s board of directors.

Q. Please explain the changes made in the Unwind Financial Model filed with this testimony.

A. The key changes in the Unwind Financial Model since the version of the model filed on or about April 23, 2008, include a remarketing of the PCB bonds in early 2009; updates from the Production Cost Model (projected fuel increases and changes in SO₂ and NO_x allowance prices); the additional consideration Big Rivers is receiving from E.ON relating to resolution of the fuel issue; the buyout of Bank of America’s lease interests; the Member regulatory account (that is in lieu of a PPA) is assumed to start amortizing in 2011 with Big Rivers’ next general rate case

rather than in 2013; and pre-transaction cash balances are adjusted upward to match mid-year expectations.

Q. Please describe the change in the remarketing of the PCB bonds.

A. The PCB bonds were originally assumed to be refinanced and refunded at 3.6% in two steps, one in 2013 and one in 2022, to be effective through April 2038. In the April 23, 2008 model, the interest rate was adjusted to 5.0%. The Unwind Financial Model filed today reflects Big Rivers' current expectation that the PCB bonds will be refunded and remarketed at the 5.0% rate in early 2009, to be effective through April 2038.

Q. Can you describe in more detail the updates to the Production Cost Model?

A. Yes. The updated Production Cost Model has significant increases in fuel prices, primarily in the early years of the Unwind; increases in power purchase costs; increases in revenues for off-system sales; and significant increases in net allowance costs.

Q. Please describe the changes in projected fuel prices.

A. The higher coal prices in the updated Unwind Financial Model are derived from a blended average of the current contracts and current bids for coal to WKEC for contracts Big Rivers intends to assume. The prices for the open coal positions after 2013 are projected using the most recent data from Global Insight. The most recent Global Insight forecast was received

by Big Rivers in April of this year and was filed in this case at Tab 23 of the May 30, 2008 data response update.

Q. Please describe the changes in the updated Unwind Financial Model related to power purchase costs and off-system sales revenues.

A. The updated Production Cost Model shows more revenue from off-system sales because the closing date has been moved beyond April through July 2008 in the model and Big Rivers will continue to make off-system sales during this period. In addition, the regional power market reflects higher prices for off-system sales. Any increased power purchase costs are offset by increased off-system sales. Both of these changes are reflected in the updated Unwind Financial Model.

Q. Please describe changes in the SO₂ and NO_x allowance prices.

A. The allowance prices in the new Global Insight forecast, which are used in the Updated Financial Model, are significantly lower in earlier years. Because the model contemplates Big Rivers selling surplus allowances, Big Rivers is projected to receive less revenue from allowance sales. The model thus shows a greater environmental surcharge. Obviously, these assumptions are more conservative than in the previous model runs, as are the assumptions with respect to fuel prices.

Q. Can you describe in more detail the changes to the model resulting from the additional compensation Big Rivers is receiving from E.ON?

A. Yes. As a result of the \$82 million in additional compensation Big Rivers is receiving from E.ON for increased fuel costs, the model was revised to show the \$82 million proceeds flowing to the Members' non-Smelter load, and the \$7 million in Tier 3 margins contributed by Big Rivers being utilized to mitigate increased fuel costs to the Smelters.

The \$70 million additional that E.ON is contributing to offset increased fuel costs to the Smelters is not reflected in the model because it will only indirectly affect the Smelters' rates. The Smelters will pay Big Rivers their contractual rates (with all adjustments, including the \$7 million contribution from Big Rivers for fuel). The Smelters will then receive payment of the portion of the \$70 million from E.ON to which they are entitled to mitigate increased fuel costs. Obviously, the effective rates the Smelters will pay will be lower than they otherwise would be under the updated Unwind Financial Model because of E.ON's contribution. The Smelters' projected effective rates are shown on Attachment A to this testimony.

Q. Are the changes relating to the buyout of Bank of America's lease interests reflected in the updated model results?

A. Yes. The buyout of Bank of America's lease interests has a *de minimus* net impact on model results.

Q. Please describe why the Member regulatory account is amortized in the updated Unwind Financial Model beginning in 2011, instead of 2013.

A. Because of the higher fuel prices and associated higher purchase power expense Big Rivers will receive, there will be more funds in the Member regulatory account than was originally anticipated. Accordingly, Big Rivers has modeled amortization of the regulatory account to start coincident with Big Rivers' next general rate case, which is expected to be based on a 2009 test year and to be effective on January 1, 2011.

Q. Why are pre-transaction cash balances adjusted upward in the updated Unwind Financial Model?

A. Pre-transaction cash balances are higher for two reasons. First, because the closing date will not occur until at least July (instead of April) 2008, Big Rivers will receive more revenue because it is continuing to make significant off-system sales pending the closing of the Unwind Transaction. Second, off-system sale prices have been higher than was originally projected in the Unwind Financial Model. The resulting increased revenues are reflected as higher pre-transaction cash balances in the Unwind Financial Model.

Q. Does this conclude your testimony at this time?

A. Yes.

Member TWh 2.3 3.5 3.6 3.7 3.8 3.9 3.9 4.0 4.1 4.2 4.3 4.4 4.5 4.6 4.7 4.8
 Smelter TWh 4.9 7.3 7.3 7.3 7.3 7.3 7.3 7.3 7.3 7.3 7.3 7.3 7.3 7.3 7.3 7.3

Cash Basis 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023

	2008 - 2012 - 2013 - 2023															
	Total															
A. Non-Smelter Members																
4/22/2008	34.80	46.30	44.76													
GRA	(0.09)	(0.42)	(0.33)													
Reg. Account	0.27	0.22	0.23													
Subtotal	0.18	(0.19)	(0.10)													
FAC	5.85	1.07	2.32													
ES	0.09	0.41	0.33													
Surcredits	(0.21)	-	(0.05)													
Rebate Realized	(0.44)	0.00	(0.12)													
Subtotal	5.29	1.48	2.48													
Economic Reserve/MRSM	(5.29)	(0.09)	(1.48)													
Subtotal	-	1.39	1.02													
Net	0.18	1.19	0.98													
6/2/2008	34.98	49.49	45.69													

B. Smelters																
4/22/2008	39.22	50.15	46.89													
GRA	(0.07)	(0.33)	(0.25)													
TIER Adjustment	(0.44)	0.22	0.03													
Subtotal	(0.50)	(0.10)	(0.22)													
FAC	5.83	1.14	2.54													
Smelter FAC Reserve	(0.23)	-	(0.07)													
PPA	0.73	0.04	0.25													
Environmental Surcharge	0.10	0.40	0.31													
Surcharge 1	0.10	-	0.03													
Surcharge 2	(0.45)	-	(0.13)													
TIER Related Rebate	-	-	-													
Net	5.57	1.48	2.70													
6/11/2008	44.79	51.63	49.59													

E. On Direct Payments																
\$M	(32.95)	(33.71)	(10.68)													
\$/MWh	(4.52)	(4.62)	(1.46)													
Net Rates (\$/MWh)	41.93	36.22	38.18	44.38	51.69	52.49	46.71	48.40	47.95	53.08	49.35	53.27	52.57	54.49	53.90	55.67

EXHIBIT 7
ATTACHMENT A

EXHIBIT 8

UPDATED UNWIND FINANCIAL MODEL

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	2006	2007	2008H1	Transaction	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Calendar Year	0.000	0.000	0.000	0.000	0.669	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Unwind Allocation	1.000	1.000	0.331	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pre-Transaction Allocation	0.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Transaction Index																				
1 I. Sales (TWH)																				
2 Rural	2.23	2.40	0.76	-	1.63	2.44	2.49	2.54	2.59	2.65	2.70	2.76	2.82	2.88	2.94	3.00	3.06	3.12	3.18	3.24
3																				
4 Large Industrial	0.96	0.97	0.32	-	0.69	1.06	1.10	1.13	1.17	1.20	1.23	1.27	1.30	1.34	1.37	1.41	1.44	1.48	1.51	1.54
5																				
6 Century	-	-	-	-	2.78	4.14	4.14	4.14	4.15	4.14	4.14	4.14	4.15	4.14	4.14	4.14	4.15	4.14	4.14	4.14
7																				
8 Alcan	-	-	-	-	2.12	3.16	3.16	3.16	3.17	3.16	3.16	3.16	3.17	3.16	3.16	3.16	3.17	3.16	3.16	3.16
9																				
10 Market	2.06	1.16	0.71	-	0.84	1.37	1.25	1.34	1.05	0.80	1.18	1.08	1.06	0.93	1.03	0.81	0.83	0.82	0.80	0.80
11																				
12 Total Sales	5.25	4.53	1.80	-	8.06	12.17	12.13	12.32	12.13	11.95	12.42	12.41	12.50	12.44	12.64	12.51	12.65	12.72	12.79	12.88
13																				
14																				

Pro Forma

Calendar Year	Transaction Closing Date:																		
	2006	2007	2008 H1	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Unwind Allocation	0.000	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Pre-Transaction Allocation	1.000	1.000	0.331	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Transaction Index	0.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
II. Rates, Accrual Based (\$/MWH Sold, unless otherwise noted)																			
General Rate Adjustment (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.51%	0.00%	9.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAC (\$/MWH)	11.16	10.81	12.13	13.44	15.60	15.30	16.7	0.21	0.56	0.48	4.52	4.58	4.60	4.83	4.74	5.01	5.15	5.21	5.39
FAC Roll-in (\$/MWH)	0.37	0.71	0.95	1.11	0.88	1.67	1.67	0.21	0.56	0.48	4.52	4.58	4.60	4.83	4.74	5.01	5.15	5.21	5.39
PPA (\$/MWH)	1.18	1.08	2.47	2.66	2.81	2.63	2.63	3.12	4.52	4.58	4.60	4.60	4.60	4.83	4.74	5.01	5.15	5.21	5.39
Environmental Surcharge Adjustment (\$/MWH)	1.18	1.08	2.47	2.66	2.81	2.63	2.63	3.12	4.52	4.58	4.60	4.60	4.60	4.83	4.74	5.01	5.15	5.21	5.39
Rural	60.2%	60.0%	60.1%	60.2%	60.2%	60.4%	60.4%	60.5%	60.6%	60.5%	60.6%	60.5%	60.7%	60.8%	60.9%	60.8%	61.0%	61.1%	61.2%
Load Factor (%)	7.37	7.37	7.37	7.52	7.52	7.52	7.52	7.52	7.56	7.56	7.56	7.56	8.30	8.30	8.30	8.30	8.30	8.30	8.30
Demand (\$/KW-mo.)	20.40	20.40	20.40	20.81	20.81	20.81	20.81	20.81	20.91	20.91	20.91	20.91	22.96	22.96	22.96	22.96	22.96	22.96	22.96
Energy (\$/MWH)	36.79	36.10	37.18	37.18	37.18	37.18	37.18	37.18	37.07	37.07	37.07	37.07	37.00	37.00	36.95	36.94	36.94	36.92	36.90
Base	(1.20)	(1.13)	(0.39)	(1.11)	(1.10)	(1.08)	(1.08)	(1.08)	(0.98)	(0.98)	(0.98)	(0.98)	(0.90)	(0.90)	(0.88)	(0.84)	(0.82)	(0.81)	(0.81)
MRDA	-	-	-	-	-	-	-	-	0.61	0.60	0.59	1.17	1.14	1.12	0.40	0.39	0.38	1.19	1.14
Regulatory Account Charge	-	-	-	-	-	-	-	-	0.74	0.74	0.74	0.93	0.93	4.65	4.65	4.65	4.64	4.64	4.64
GRA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FAC	11.16	10.81	12.13	13.44	15.60	15.30	16.7	0.21	0.56	0.48	4.52	4.58	4.60	4.83	4.74	5.01	5.15	5.21	5.39
Environmental Surcharge	1.18	1.08	2.47	2.66	2.81	2.63	2.63	3.12	4.52	4.58	4.60	4.60	4.60	4.83	4.74	5.01	5.15	5.21	5.39
Surcredit	(4.00)	(3.96)	(3.77)	(4.28)	(4.17)	(4.17)	(4.17)	(4.08)	(3.98)	(3.90)	(3.98)	(3.90)	(4.49)	(4.40)	(4.30)	(4.22)	(4.12)	(4.04)	(3.96)
Non-Smelter Member Economic Resr	(8.34)	(7.29)	(9.23)	(11.25)	(14.14)	(1.86)	(1.86)	(1.86)	9.98	10.05	9.98	10.10	9.80	10.47	10.71	11.56	11.57	12.22	12.29
Net	36.07	35.58	36.79	36.79	36.79	36.79	36.79	36.79	36.79	36.79	36.79	36.79	36.79	36.79	36.79	36.79	36.79	36.79	36.79
Pre TIER Rebate Total	(0.99)	(1.60)	(1.14)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TIER Related Rebate	35.08	35.15	36.48	38.54	37.45	37.45	37.45	37.45	37.45	37.45	37.45	37.45	37.45	37.45	37.45	37.45	37.45	37.45	37.45
Effective Rate (\$/MWH)	31.52	31.39	31.39	31.39	31.39	31.40	31.39	31.39	31.39	31.39	31.39	31.41	31.39	31.39	31.39	31.42	31.39	31.39	31.39
Large Industrial	78.1%	78.6%	78.6%	78.6%	78.6%	78.6%	78.6%	78.6%	78.6%	78.6%	78.6%	78.4%	78.6%	78.6%	78.6%	78.3%	78.6%	78.6%	78.6%
Load Factor (%)	10.15	10.15	10.15	10.35	10.35	10.35	10.35	10.35	10.41	10.41	10.41	10.41	11.43	11.43	11.43	11.43	11.43	11.43	11.43
Demand (\$/KW-mo.)	13.72	13.72	13.72	13.99	13.99	13.99	13.99	13.99	14.06	14.06	14.06	14.06	15.44	15.44	15.44	15.44	15.44	15.44	15.44
Energy (\$/MWH)	31.51	31.06	31.52	31.52	31.52	31.52	31.52	31.52	31.52	31.52	31.52	31.52	31.52	31.52	31.52	31.52	31.52	31.52	31.52
Base	0.19	(0.99)	(2.85)	(0.94)	(0.93)	(0.91)	(0.89)	(0.87)	(0.81)	(0.81)	(0.81)	(0.80)	(0.78)	(0.76)	(0.75)	(0.73)	(0.71)	(0.70)	(0.69)
Power Factor Penalty/ Demand Cr. (L	-	-	-	-	-	-	-	-	0.61	0.60	0.59	1.14	1.12	0.40	0.39	0.38	1.19	1.16	1.14
MRDA	-	-	-	-	-	-	-	-	0.63	0.63	0.63	0.79	0.79	3.94	3.94	3.94	3.94	3.94	3.94
Regulatory Account Charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FAC	11.16	10.81	12.13	13.44	15.60	15.30	16.7	0.21	0.56	0.48	4.52	4.58	4.60	4.83	4.74	5.01	5.15	5.21	5.39
Environmental Surcharge	1.18	1.08	2.47	2.66	2.81	2.63	2.63	3.12	4.52	4.58	4.60	4.60	4.60	4.83	4.74	5.01	5.15	5.21	5.39
Surcredit	(4.00)	(3.96)	(3.87)	(4.28)	(4.17)	(4.17)	(4.17)	(4.08)	(3.98)	(3.90)	(3.98)	(3.90)	(4.49)	(4.40)	(4.30)	(4.22)	(4.12)	(4.04)	(3.96)
Non-Smelter Member Economic Resr	(8.34)	(7.29)	(9.23)	(11.25)	(14.14)	(1.86)	(1.86)	(1.86)	9.98	10.05	9.98	10.10	9.80	10.47	10.71	11.56	11.57	12.22	12.29
Net	30.58	31.10	31.99	32.82	31.76	31.76	31.76	31.76	31.76	31.76	31.76	31.76	31.76	31.76	31.76	31.76	31.76	31.76	31.76
Pre TIER Rebate Total	(0.88)	(1.40)	(1.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TIER Related Rebate	29.70	29.69	30.98	32.82	31.76	31.76	31.76	31.76	31.76	31.76	31.76	31.76	31.76	31.76	31.76	31.76	31.76	31.76	31.76
Effective Rate (\$/MWH)	30.67	30.07	30.07	30.07	30.07	30.07	30.07	30.07	30.07	30.07	30.07	30.07	30.07	30.07	30.07	30.07	30.07	30.07	30.07

Pro Forma

June 2008

Calendar Year	Transaction Closing Date:																			
	2006	2007	2008H1	2008H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Unwind Allocation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pre-Transaction Allocation	1.000	1.000	0.331	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Transaction Index	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
<u>Non-Smelter Member Blend</u>																				
Base	35.26	34.64	35.50	35.50	35.45	35.42	35.39	35.36	35.33	35.31	35.28	35.26	35.24	35.21	35.20	35.18	35.16	35.14	35.13	35.13
MRDA	(1.15)	(1.09)	(1.12)	(1.06)	(1.05)	(1.03)	(1.00)	(0.98)	(0.96)	(0.93)	(0.91)	(0.89)	(0.87)	(0.85)	(0.84)	(0.82)	(0.80)	(0.78)	(0.77)	(0.77)
Regulatory Account Charge	-	-	-	-	-	-	0.61	0.60	0.59	0.71	1.14	1.12	0.40	0.39	0.38	1.19	1.16	1.14	1.34	1.34
GRA	-	-	-	-	-	-	0.71	0.71	0.71	0.71	0.89	0.89	4.43	4.42	4.42	4.42	4.42	4.42	4.42	4.41
FAC	-	-	-	11.16	10.81	12.13	13.44	15.60	15.30	11.00	9.44	9.42	9.70	10.04	10.27	10.77	10.55	11.05	11.05	10.85
Environmental Surcharge	-	-	-	1.18	1.08	2.47	2.66	2.81	2.63	3.12	4.52	4.58	4.60	4.83	4.74	5.01	5.15	5.21	5.21	5.39
Surcredit	-	-	-	(4.00)	(3.96)	(3.87)	(3.77)	(4.28)	(4.17)	(4.08)	(3.98)	(3.90)	(4.49)	(4.40)	(4.30)	(4.22)	(4.12)	(4.04)	(3.96)	(3.96)
Non-Smelter Member Economic Resr	-	-	-	(8.34)	(7.29)	(9.23)	(11.25)	(14.14)	(1.86)	-	-	-	-	-	-	-	-	-	-	-
Net	-	0.63	1.50	-	0.63	1.50	1.07	-	11.90	10.05	9.98	10.10	9.80	10.47	10.71	11.56	11.57	12.22	12.29	12.29
Pre TIER Rebate Total	34.11	33.55	34.37	34.44	35.04	36.78	36.78	35.69	47.57	46.29	46.38	46.47	49.00	49.64	49.87	51.53	51.52	52.13	52.40	52.40
TIER Related Rebate	-	-	-	(0.96)	(1.54)	(1.10)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effective Rate	34.11	33.55	34.37	33.48	33.50	34.80	36.78	35.69	47.57	46.29	46.38	46.47	49.00	49.64	49.87	51.53	51.52	52.13	52.40	52.40
<u>Smelters</u>																				
Base Rate	-	-	-	27.32	27.33	27.34	27.92	27.90	27.96	27.97	28.13	28.11	30.97	30.98	31.00	30.97	31.02	31.04	31.05	31.05
TIER Adjustment	-	-	-	-	-	-	0.06	2.29	2.74	2.20	3.55	3.16	3.55	0.38	3.15	2.22	3.54	2.47	3.57	3.57
Smelter Rate Subject to Price Cap	-	-	-	27.32	27.33	27.34	27.98	30.19	30.70	30.17	31.68	31.27	34.52	31.36	34.14	33.19	34.57	33.51	34.62	34.62
FAC	11.16	10.81	12.13	11.16	10.81	12.13	13.44	15.60	15.30	11.00	9.44	9.42	9.70	10.04	10.27	10.77	10.55	11.05	10.85	10.85
PPA	0.37	0.71	0.95	0.37	0.71	0.95	1.11	0.88	1.67	0.21	0.56	0.48	1.67	0.53	1.53	1.01	1.63	1.54	2.20	2.20
Environmental Surcharge	1.18	1.08	2.47	1.18	1.08	2.47	2.66	2.81	2.63	3.12	4.52	4.58	4.60	4.83	4.74	5.01	5.15	5.21	5.21	5.39
Surcharge 1	0.70	0.70	0.70	0.70	0.70	0.70	0.70	1.00	1.00	1.00	1.00	1.00	1.40	1.40	1.40	1.39	1.40	1.40	1.40	1.40
Surcharge 2	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Smelter FAC Reserve	-	-	-	(0.45)	(0.45)	(0.46)	(0.15)	-	-	-	-	-	-	-	-	-	-	-	-	-
TIER Related Rebate	(0.96)	(1.54)	(1.10)	(0.96)	(1.54)	(1.10)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effective Rate	40.97	39.83	43.24	40.97	39.83	43.24	46.94	51.69	52.49	46.71	48.40	47.95	53.08	49.35	53.27	52.57	54.49	53.90	55.67	55.67
<u>Market</u>																				
Overall Blend	40.45	55.81	54.82	70.79	71.65	65.41	65.79	63.38	70.72	54.93	54.67	53.85	53.99	55.17	57.42	56.72	55.84	58.22	58.47	58.47
Overall Blend	36.60	39.26	42.47	41.91	41.59	43.03	45.97	47.74	52.13	47.36	48.29	47.96	51.76	49.92	52.35	52.48	53.50	53.52	54.63	54.63

Calendar Year	Transaction Closing Date:																				
	2006	2007	2008H1	2008H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
Unwind Allocation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Pre-Transaction Allocation	1.000	1.000	0.331	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Transaction Index	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
III. Cash Flows (M\$)																					
Operating Receipts																					
Rural	79.4	83.8	28.0	-	59.9	88.0	89.7	95.2	97.2	130.8	130.0	136.0	146.7	151.5	155.4	163.6	166.9	172.0	176.2	176.2	
Large Industrial	29.3	29.3	9.3	-	21.1	32.4	33.6	36.0	37.0	52.4	52.4	55.5	59.9	62.4	64.3	68.2	69.9	72.5	74.6	74.6	
Smelters	-	-	-	-	205.4	297.2	312.3	334.5	378.2	383.0	340.9	353.2	350.9	387.3	360.1	388.7	384.7	397.6	393.3	406.2	406.2
Offsystem	83.4	64.9	39.0	-	59.2	98.0	81.8	88.5	66.7	56.6	64.9	57.1	50.0	56.9	46.7	47.3	46.0	46.7	46.8	46.8	
WKEC Lease	47.9	48.0	15.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transmission	6.0	5.1	1.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Smelter - Tier 3 Transmission	1.7	1.7	0.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gain on Sale of Allowances	-	-	-	-	8.4	15.6	0.2	0.5	1.5	3.5	(0.8)	(13.8)	(13.6)	(15.0)	(13.5)	(15.1)	(15.2)	(15.6)	(16.3)	(16.3)	
Cobank Patronage Capital & Other	0.6	0.5	0.2	-	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	
Lease Buyout	-	-	-	-	1.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest Earnings	3.7	6.6	2.0	-	4.4	7.6	6.3	4.9	3.8	3.175	3.3	4.4	4.8	4.9	5.0	4.8	4.9	4.8	4.8	4.6	
Total Receipts	252.0	239.9	96.5	-	359.1	539.5	524.3	560.1	584.9	630.1	591.1	590.0	591.1	635.7	621.4	654.1	670.7	674.3	692.6	692.6	
Operating Disbursements																					
PPA	98.0	87.9	34.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fuel Costs	-	-	-	-	176.3	261.3	282.8	300.2	326.4	310.0	252.8	250.3	251.5	255.8	262.0	264.0	272.5	270.2	279.7	277.7	
SEPA & Other Purchases	11.4	6.9	3.8	-	17.3	30.3	33.1	35.5	32.3	41.2	24.7	29.0	28.2	42.9	41.4	35.3	43.4	42.4	51.3	51.3	
Carbon Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Carbon Allowance Cost	0.4	0.7	0.3	-	17.9	28.7	30.1	33.3	35.6	35.0	38.0	41.8	43.5	43.7	46.0	45.8	50.3	51.1	53.1		
Environmental	-	-	-	-	64.2	93.2	88.3	100.7	100.7	101.8	101.3	111.0	106.8	127.8	110.9	127.6	131.7	126.4	135.1		
Fixed O&M	6.6	7.4	2.5	-	5.1	7.8	8.1	8.3	8.6	8.8	9.1	9.4	9.6	9.9	10.2	10.5	11.2	11.5	11.9		
Transmission O&M	4.7	3.8	3.6	-	3.5	5.3	5.4	4.7	4.6	4.7	4.9	5.0	5.2	5.3	5.5	5.6	6.0	6.2	6.3		
APM, L/C, Cogen, CW & TVA Trans	13.8	13.8	4.9	-	17.9	25.0	24.2	25.0	25.4	26.1	27.3	27.7	28.6	29.8	30.3	31.2	32.5	33.1	35.5		
A&G	2.4	2.4	0.8	-	4.5	6.9	7.1	7.8	8.5	8.8	9.1	9.3	9.6	9.9	10.2	10.5	10.8	11.1	11.5		
Property Taxes & Insurance	6.8	1.6	(0.6)	-	(29.2)	0.2	(2.1)	(2.4)	(2.4)	3.7	3.2	(0.1)	(0.2)	(1.2)	(1.9)	(0.7)	(1.4)	(0.6)	(1.5)		
Working Capital	-	-	-	-	7.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
PCB Restructuring	-	-	-	-	(0.0)	(0.7)	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other	2.3	1.9	0.7	-	(0.0)	(0.7)	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Disbursements	146.3	126.3	50.0	-	277.4	465.2	477.1	513.2	539.7	540.1	470.2	483.4	482.8	523.9	504.9	534.7	555.6	562.2	581.3		
Operating Receipts less Disbursements	105.7	113.6	46.5	-	81.7	74.2	47.2	46.9	45.2	89.9	121.0	106.6	108.4	111.8	116.5	112.4	117.2	115.1	112.1	111.3	

Calendar Year	Transacti on												Transaction Closing Date:							
	2006	2007	2008H1	2008H2	2009	2010	2011	2012	2013	2014	2015	2016		2017	2018	2019	2020	2021	2022	2023
Unwind Allocation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pre-Transaction Allocation	1.000	1.000	0.331	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Transaction Index	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Operating Receipts less Disbursements	105.7	113.6	46.5	-	81.7	74.2	47.2	46.9	45.2	89.9	121.0	106.6	108.4	111.8	116.5	112.4	117.2	115.1	112.1	111.3
Capital Expenditures	6.4	6.6	2.2	-	14.6	32.5	23.7	28.8	30.1	30.4	31.3	32.2	33.2	34.2	35.2	36.2	37.3	38.5	39.6	40.8
Generation	5.9	9.6	5.2	-	6.2	9.6	9.2	4.4	5.9	0.5	0.4	0.5	1.6	2.8	3.4	3.5	3.6	3.7	3.8	3.9
Transmission	-	4.1	-	-	3.7	6.0	1.7	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission Upgrades	0.9	1.3	0.4	-	0.9	1.3	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.7	1.7	1.8	1.8	1.9	2.0	2.0
A&G	-	-	-	-	7.6	21.3	20.9	20.4	13.6	1.6	3.0	-	-	-	1.8	4.1	0.9	-	-	-
Extraordinary Generation	-	-	-	-	4.5	5.4	1.7	1.2	2.9	1.6	1.3	3.0	1.4	1.4	3.6	1.5	1.5	3.4	1.6	2.1
Other (HQ Building, IP)	-	-	-	-	37.5	76.0	58.6	56.3	53.9	35.5	37.5	37.3	37.8	40.0	45.7	47.1	45.1	47.4	46.9	48.8
Total Capital Expenditures	13.2	21.6	7.8	-	37.5	76.0	58.6	56.3	53.9	35.5	37.5	37.3	37.8	40.0	45.7	47.1	45.1	47.4	46.9	48.8
Income Taxes from Operations	0.4	0.9	0.1	-	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.6
Net Pre-Finance Cash Flow	92.1	91.2	38.6	-	44.2	(1.8)	(11.4)	(9.3)	(8.7)	54.3	83.2	68.9	70.2	71.4	70.4	64.8	71.6	67.2	64.7	62.0
Financing	26.4	12.5	13.0	-	11.1	17.2	18.2	19.3	20.4	21.6	22.8	17.9	36.5	38.6	40.8	43.1	45.6	48.2	51.0	53.8
Principal	36.9	36.7	16.9	-	27.6	40.7	39.7	38.6	37.5	36.3	35.1	33.8	32.4	30.3	28.1	25.7	23.2	20.6	17.9	15.1
Interest	-	-	-	-	-	-	-	-	-	-	-	6.2	-	-	-	-	-	-	-	-
Financing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Line of Credit	-	-	-	-	0.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Aggregate Debt Service (incl. Line of Credit)	63.4	49.2	30.0	-	39.1	58.4	58.4	58.4	58.4	58.4	58.4	58.4	58.4	58.4	58.4	58.4	58.4	58.4	58.4	58.4
Post-Finance Cash Flow	28.7	42.0	8.6	-	5.1	(60.2)	(69.8)	(67.7)	(67.1)	(4.1)	24.8	10.5	0.8	2.0	1.0	(4.5)	2.3	(2.2)	(4.7)	(7.3)
Unwind Transaction	-	-	-	383.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Proceeds	-	-	-	(207.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Reduction	-	-	-	(5.9)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc. Transaction	-	-	-	170.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Before Member Reserves	-	-	-	(157.0)	19.4	25.5	33.1	41.3	53.2	7.2	-	-	-	-	-	-	-	-	-	-
Non-Smelter Member Economic Rest	-	-	-	(7.0)	-	3.3	3.4	1.1	-	-	-	-	-	-	-	-	-	-	-	-
Smelter FAC Reserve	-	-	-	6.7	19.4	28.8	36.5	42.4	53.2	7.2	-	-	-	-	-	-	-	-	-	-
Net Before Transition Reserve	96.5	138.4	147.0	153.7	178.1	146.7	113.4	88.1	74.2	77.3	102.1	112.6	113.5	115.5	116.5	112.0	114.3	112.1	107.4	100.1
Ending Cash Balances (incl. Transition Reserve)																				

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June 2008

Calendar Year	Transaction Closing Date:																			
	2006	2007	2008H1	2008H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
176	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
177	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
178	79.4	83.8	28.0	-	57.3	85.7	90.7	98.0	97.2	130.8	130.0	136.0	146.7	151.5	155.4	163.6	166.9	172.0	176.2	176.2
179	29.3	29.3	9.3	-	20.5	31.6	34.0	37.1	37.0	52.4	52.4	53.9	59.9	62.4	64.3	68.2	69.9	72.5	74.6	74.6
180	-	-	-	-	200.7	290.7	315.5	342.5	378.2	383.0	340.9	353.2	350.9	387.3	360.1	388.7	384.7	397.6	393.3	406.2
181	-	-	-	-	59.2	98.0	81.8	88.5	66.7	56.6	64.9	59.3	57.1	50.0	46.7	47.3	46.0	46.7	46.8	46.8
182	6.0	5.1	1.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
183	1.8	1.8	0.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
184	-	-	-	-	8.4	15.6	0.2	0.5	1.5	3.5	(0.8)	(14.3)	(13.6)	(15.0)	(13.5)	(15.1)	(15.2)	(15.6)	(16.3)	(16.3)
185	52.3	52.3	17.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
186	-	-	-	-	0.5	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
187	-	-	-	-	4.4	7.6	6.3	4.9	3.8	3.2	3.3	4.4	4.8	4.9	5.0	4.8	4.9	4.8	4.8	4.6
188	3.7	6.6	2.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
189	255.9	243.9	97.8	-	351.0	529.9	529.2	572.2	585.1	630.2	591.3	590.2	591.3	635.9	621.5	647.3	654.2	670.8	674.4	692.7
190	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
191	98.0	87.9	34.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
192	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
193	-	-	-	-	176.3	261.9	277.2	297.5	319.3	310.9	269.7	250.2	251.8	253.9	262.3	262.6	271.8	270.4	278.3	277.9
194	11.4	6.9	3.8	-	16.4	27.8	29.7	33.7	31.2	37.0	28.5	31.4	30.8	37.6	36.3	36.1	41.2	40.5	47.2	47.2
195	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
196	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
197	0.4	0.7	0.3	-	17.9	28.7	30.1	33.3	35.6	35.0	38.0	41.8	43.5	43.7	46.0	45.8	48.3	50.3	51.1	53.1
198	-	-	-	-	64.2	93.2	88.3	100.7	100.7	101.8	101.3	111.0	106.8	127.8	110.9	127.6	121.6	131.7	126.4	135.1
199	6.6	7.4	2.5	-	5.1	7.8	8.1	8.3	8.6	8.8	9.1	9.4	9.6	9.9	10.2	10.5	10.9	11.2	11.5	11.9
200	4.7	3.8	3.6	-	3.5	5.3	5.4	4.7	4.6	4.7	4.9	5.0	5.2	5.3	5.5	5.6	5.8	6.0	6.2	6.3
201	13.8	13.8	4.9	-	17.9	25.0	24.2	25.0	25.4	26.1	27.3	27.7	28.6	29.8	30.3	31.2	32.5	33.1	34.1	35.5
202	2.4	2.4	0.8	-	4.5	6.9	7.1	7.8	8.5	8.8	9.1	9.3	9.6	9.9	10.2	10.5	10.8	11.1	11.5	11.8
203	32.0	32.3	10.9	-	23.8	37.6	38.8	45.0	46.5	46.5	46.6	48.1	49.5	63.8	65.0	66.3	67.7	69.0	70.4	71.8
204	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
205	60.7	60.0	19.3	-	31.8	50.7	46.2	45.5	44.9	44.1	43.3	42.5	42.0	40.5	38.8	37.1	35.3	33.4	31.3	29.1
206	-	-	-	-	0.0	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
207	(2.6)	(2.6)	(0.8)	-	(1.2)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)
208	(6.0)	(6.3)	(2.3)	-	(0.6)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)
209	221.4	206.3	76.9	-	359.6	542.6	552.9	599.3	622.9	622.1	576.0	574.9	575.9	620.6	606.4	632.3	639.4	656.2	660.0	678.5
210	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
211	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
212	-	-	-	700.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
213	-	-	-	(157.0)	19.4	25.5	33.1	41.3	53.2	7.2	-	-	-	-	-	-	-	-	-	-
214	-	-	-	(7.0)	-	-	3.4	1.1	-	-	-	-	-	-	-	-	-	-	-	-
215	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
216	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
217	34.5	37.6	21.0	536.2	10.8	16.2	12.7	15.3	15.3	15.3	15.3	15.4	15.3	15.3	15.1	15.0	14.8	14.6	14.4	14.2

Pro Forma

Calendar Year	Transaction Closing Date:																			
	2006	2007	2008 H1	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Unwind Allocation	0.000	0.000	0.000	0.689	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Pre-Transaction Allocation	1.000	1.000	0.331	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Transaction Index	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Transaction Closing Date: 4/30/2008																				
V. Balance Sheet (M\$)																				
Assets																				
218 Property	1,731.2	1,760.4	1,780.2	1,923.7	2,000.5	2,060.0	2,117.1	2,171.8	2,208.2	2,246.5	2,284.6	2,323.2	2,364.1	2,410.6	2,458.6	2,504.5	2,552.7	2,600.5	2,650.1	
219 Total Utility Plant in Service	13.1	13.1	13.1	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	
220 Construction in Progress	826.6	858.9	869.8	893.6	931.2	969.9	1,015.0	1,061.4	1,107.9	1,154.5	1,202.5	1,252.1	1,315.8	1,380.9	1,447.2	1,514.9	1,583.9	1,654.3	1,726.1	
221 Depreciation & Amortization	190.7	197.3	199.2	151.7	152.9	159.4	166.2	172.7	179.6	187.0	194.9	203.3	212.3	221.9	232.2	243.2	254.9	267.4	280.9	
222 Other Property																				
223 Current	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
224 Cash General Funds & Special Deposits	96.5	138.4	147.0	142.1	109.2	74.3	47.3	31.6	32.9	56.8	64.3	63.1	63.0	61.8	54.9	54.7	50.0	42.7	32.6	
225 General Cash Balance				36.0	37.5	39.1	40.8	42.6	44.4	46.3	48.3	50.3	52.5	54.7	57.1	59.5	62.1	64.7	67.5	
226 Transition Reserve				157.0	142.1	122.7	94.9	6.9												
227 Non-Smelter Member Economic Reserve				7.0	4.2	1.0														
228 Smelter FAC Reserve	17.5	17.7	17.7	43.1	43.5	43.5	47.2	48.4	52.2	48.9	48.8	48.8	52.5	51.3	53.5	54.1	55.4	55.7	57.3	
229 Accounts Receivable				0.9	3.4	6.8	8.6	9.6	13.8	10.0	7.7	5.1	10.4	11.0	16.1	15.3	17.4	19.3	23.4	
230 Regulatory Asset				55.0	54.4	60.1	62.8	70.0	69.1	52.2	52.2	52.0	53.8	53.6	54.9	55.6	55.4	56.7	56.6	
231 Fuel Stock & Related				6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	
232 Emissions Inventory	0.8	0.8	0.8	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3	
233 Materials and Supplies Other	4.1	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	
234 Other Current Assets																				
235 Credits																				
236 AMBAC/Credit Suisse July '98	4.7	4.3	4.1	3.8																
237 Deferred Tax	4.7	5.6	5.7	7.1	7.1	7.1	7.1	7.1	6.5	6.2	5.9	5.6	5.2	4.9	4.5	4.2	3.8	3.4	3.0	
238 Deferred Debt Debits/PCB Refunding 1C	0.6	0.5	0.3	1.1	1.0	1.1	6.6	5.8	5.3	4.9	10.7	9.7	8.7	7.7	6.7	5.6	4.5	3.5	2.7	
239 Other Deferred Assets																				
240 LEM Settlement Note/Marketing Paymer	17.1	16.1	15.7																	
241 Total Assets	1,254.3	1,300.0	1,318.9	1,637.1	1,628.3	1,599.8	1,562.9	1,522.0	1,521.2	1,520.4	1,532.0	1,526.2	1,524.0	1,514.0	1,508.6	1,499.1	1,489.7	1,477.1	1,465.3	
Liabilities & Equities																				
242 Margins & Equities	(217.4)	(179.8)	(158.8)	388.2	404.3	417.1	432.3	447.6	462.9	478.2	493.5	508.9	524.2	539.3	554.2	569.0	583.6	598.1	612.3	
243 Long-Term Debt	1,053.1	1,062.1	1,051.1	828.9	818.2	806.8	794.8	782.1	768.7	754.5	745.6	718.6	690.1	659.8	627.9	594.0	558.3	520.5	480.6	
244 Existing Debt	177.3	183.9	186.2	140.7	141.7	148.1	154.8	161.2	168.1	175.4	183.3	191.7	200.7	210.4	220.7	231.7	243.6	256.2	269.8	
245 Sale-Leaseback Obligation				969.6	959.9	954.9	949.6	943.3	936.7	929.9	928.9	910.3	890.8	870.2	848.5	825.8	801.8	776.7	750.4	
246 Total Long-Term Debt																				
247 Current & Accrued Liabilities	12.6	11.7	11.7	66.6	66.6	68.6	74.5	77.9	77.7	71.1	70.8	70.8	75.5	73.5	77.3	78.4	80.9	81.6	84.4	
248 Accounts Payable																				
249 Regulatory Liability	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	
250 Taxes Accrued				157.0	122.7	94.9	57.6	6.9												
251 Non-Smelter Member Economic Reserve				7.0	4.2	1.0														
252 Smelter FAC Reserve				0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	
253 Interest Accrued	7.6	7.8	7.6	6.4	6.6	6.8	7.0	7.2	7.4	7.7	7.9	8.1	8.4	8.6	8.9	9.1	9.4	9.7	10.0	
254 Other Accrued Liabilities	6.0	6.2	6.3	6.9	16.6	11.9	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	
255 Deferred TIER Rebate Payable																				
256 WKEC Lease (Resid. Value Obligation)	158.1	154.1	161.8																	
257 Other Leaseback Gain	56.4	53.5	52.5	49.4	46.7	44.0	41.3	38.5	35.7	33.0	30.2	27.4	24.6	21.8	19.0	16.1	13.3	10.4	7.5	
258 Sale-Leaseback Gain	0.4	0.3	0.3																	
259 Other Deferred Credits & Century Reacti	1,254.3	1,300.0	1,318.9	1,637.1	1,628.3	1,599.8	1,562.9	1,522.0	1,521.2	1,520.4	1,532.0	1,526.2	1,524.0	1,514.0	1,508.6	1,499.1	1,489.7	1,477.1	1,465.3	
260 Total Liabilities & Equity																				

Calendar Year	2006	2007	2008H1	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Unwind Allocation	0.000	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Pre-Transaction Allocation	1.000	1.000	0.331	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Transaction Index	0.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
	Transaction Closing Date: 4/30/2008																			
Change in Working Capital																				
Other Property	6.7	6.6	1.8	-	1.2	6.5	6.8	6.5	6.9	7.4	7.9	8.4	9.0	9.6	10.3	11.0	11.7	12.5	13.4	
Accounts Receivable	1.2	0.3	-	-	0.4	0.1	3.7	1.2	3.8	(3.3)	(0.2)	0.1	3.7	(1.2)	2.1	0.6	1.4	0.3	1.5	
Materials, Supplies & Other	0.1	0.0	0.0	-	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other Current Assets	3.8	0.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Accounts Payable	0.5	0.9	-	-	0.0	(2.0)	(6.0)	(3.3)	0.1	6.6	0.3	(0.0)	(4.7)	2.0	(3.8)	(1.1)	(2.5)	(0.7)	(2.8)	
Taxes Accrued	0.2	(0.0)	(0.0)	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	
Other Accruals	(0.1)	(0.2)	(0.1)	-	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	
Investment - Special Deposit (B/S)	(6.0)	(6.2)	(2.2)	-	(0.8)	(6.1)	(6.4)	(6.1)	(6.6)	(7.0)	(7.5)	(8.1)	(8.7)	(9.3)	(9.9)	(10.6)	(11.4)	(12.2)	(13.1)	
Net SLB	(0.3)	(0.3)	(0.1)	-	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	
CoBank Patronage Capital	(0.4)	(0.4)	(0.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adjustment	1.1	0.2	0.0	-	-	(2.1)	(2.4)	(2.4)	3.7	3.2	(0.1)	(0.2)	(1.2)	0.6	(1.9)	(0.7)	(1.4)	(0.6)	(1.5)	
Total	6.8	1.6	(0.6)	-	0.2	(2.1)	(2.4)	(2.4)	3.7	3.2	(0.1)	(0.2)	(1.2)	0.6	(1.9)	(0.7)	(1.4)	(0.6)	(1.5)	
Cash Balance																				
Beginning	67.8	96.5	138.4	147.0	178.1	146.7	113.4	88.1	74.2	77.3	102.1	112.6	113.4	115.5	116.5	112.0	114.2	112.1	107.4	
Ending	96.5	138.4	147.0	153.7	178.1	146.7	113.4	88.1	74.2	77.3	102.1	112.6	113.4	115.5	116.5	112.0	114.2	112.1	107.4	
VI. Credit Measures																				
Contract TIER																				
Earnings	10.8	16.2	12.7	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.4	15.3	15.1	15.0	14.8	14.6	14.4	14.2	
Plus: Interest Expense, Financing Fees, and Restructuring	31.8	51.1	46.6	45.3	46.0	46.6	46.0	45.3	44.6	43.8	43.0	42.5	40.9	39.3	37.6	35.8	33.8	31.7	29.5	
Plus: Imputed Rate Increase in 2010	-	-	2.5	2.8	2.6	2.7	2.7	2.8	2.8	2.8	2.8	2.9	3.0	3.0	3.1	3.2	3.2	3.3	3.4	
Less: Offset to Imputed Rate Increase in 2010	-	-	-	-	(2.6)	(2.7)	(2.7)	(2.7)	(2.7)	(2.8)	(2.8)	(2.9)	(3.0)	(3.0)	(3.1)	(3.2)	(3.2)	(3.3)	(3.4)	
Less: Interest on Sequestered Funds	(1.0)	(1.5)	(1.6)	(1.7)	(1.7)	(1.8)	(1.7)	(1.7)	(1.8)	(1.9)	(2.0)	(2.1)	(2.2)	(2.2)	(2.3)	(2.4)	(2.5)	(2.7)	(2.8)	
Total	41.6	65.7	60.3	59.6	58.8	58.0	58.8	58.8	58.0	57.2	56.3	55.8	54.0	52.1	50.2	48.1	45.9	43.5	40.9	
Plus Sale-Leaseback Interest	8.9	9.8	10.2	10.7	11.1	11.6	11.1	11.6	11.6	12.0	12.5	13.1	13.7	14.3	15.0	15.7	16.5	17.3	18.2	
Total	50.5	75.5	70.5	70.3	69.9	69.6	69.2	68.8	69.2	69.2	68.8	68.9	67.7	66.5	65.2	63.9	62.4	60.8	59.1	
Divided by																				
Interest Expense, Financing Fees, and Restructuring	31.8	51.1	46.6	45.3	46.0	46.6	46.0	45.3	44.6	43.8	43.0	42.5	40.9	39.3	37.6	35.8	33.8	31.7	29.5	
Plus Sale-Leaseback Interest	8.9	9.8	10.2	10.7	11.1	11.6	11.1	11.6	11.6	12.0	12.5	13.1	13.7	14.3	15.0	15.7	16.5	17.3	18.2	
Total	40.7	60.9	56.9	56.4	56.7	56.4	56.4	55.8	56.1	55.8	55.5	55.6	54.6	53.6	52.6	51.5	50.3	49.0	47.7	
Contract TIER	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	
Conventional TIER																				
Earnings	10.8	16.2	12.7	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.4	15.3	15.1	15.0	14.8	14.6	14.4	14.2	
Plus: Interest Expense, Financing Fees, and Restructuring	31.8	51.1	46.6	45.3	46.0	46.6	46.0	45.3	44.6	43.8	43.0	42.5	40.9	39.3	37.6	35.8	33.8	31.7	29.5	
Plus Income Tax	-	-	-	-	-	0.6	0.7	0.7	0.6	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	1.0	
Total	42.6	67.3	59.4	61.3	60.6	60.5	59.7	59.0	60.5	59.7	59.0	58.6	56.9	55.2	53.3	51.4	49.3	47.1	44.7	
Plus Sale-Leaseback Interest	8.9	9.8	10.2	10.7	11.1	11.6	11.6	12.0	12.0	12.5	12.5	13.1	13.7	14.3	15.0	15.7	16.5	17.3	18.2	
Total	51.5	77.1	69.6	71.9	71.7	72.0	71.8	71.5	72.0	71.8	71.5	71.7	70.6	69.5	68.3	67.2	65.8	64.4	62.9	
Divided by																				
Interest Expense, Financing Fees, and Restructuring	31.8	51.1	46.6	45.3	46.0	46.6	46.0	45.3	44.6	43.8	43.0	42.5	40.9	39.3	37.6	35.8	33.8	31.7	29.5	
Plus Sale-Leaseback Interest	8.9	9.8	10.2	10.7	11.1	11.6	11.1	11.6	11.6	12.0	12.5	13.1	13.7	14.3	15.0	15.7	16.5	17.3	18.2	
Total	40.7	60.9	56.9	56.4	56.7	56.4	56.4	55.8	56.1	55.8	55.5	55.6	54.6	53.6	52.6	51.5	50.3	49.0	47.7	
Conventional TIER	1.26	1.27	1.22	1.27	1.27	1.22	1.27	1.27	1.28	1.29	1.29	1.29	1.29	1.30	1.30	1.30	1.31	1.31	1.32	

Pro Forma

June 2008

Calendar Year	2006	2007	2008 H1	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Cash Available for Debt Service	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Receipts less Disbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Economic Reserve	1.000	1.000	0.331	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Taxes	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Plus Sale-Leaseback Interest	81.7	74.2	47.2	46.9	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2
Total	81.7	74.2	47.2	46.9	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2	45.2
Divided by	19.4	25.5	33.1	41.3	53.2	7.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Expenditures	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Scheduled Principal	101.0	99.7	80.3	88.3	98.3	97.1	120.6	106.3	108.0	111.4	116.1	111.9	116.7	114.6	114.6	114.6	111.6	110.8	110.8
Plus Sale-Leaseback Interest	8.9	9.8	10.2	10.7	11.1	11.6	12.0	12.5	13.1	13.7	14.3	15.0	15.7	16.5	16.5	17.3	17.3	18.2	18.2
Total Debt Service	109.9	109.6	90.5	98.9	109.4	108.6	132.7	118.8	121.1	125.1	130.4	126.9	132.5	131.0	128.9	128.9	128.9	129.0	129.0
DSCR	2.29	1.61	1.32	1.43	1.57	1.55	1.88	1.84	1.47	1.51	1.56	1.50	1.56	1.53	1.49	1.49	1.49	1.47	1.47
Days Cash on Hand	165.9	162.4	130.1	100.8	81.1	75.7	89.7	107.3	113.0	114.5	116.0	114.2	113.1	113.2	109.8	109.8	103.8	103.8	103.8
Average Cash Balance	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Line of Credit	196.5	117.5	142.7	150.3	150.3	150.3	150.3	150.3	150.3	150.3	150.3	150.3	150.3	150.3	150.3	150.3	150.3	150.3	150.3
Total	196.5	117.5	142.7	150.3	150.3	150.3	150.3	150.3	150.3	150.3	150.3	150.3	150.3	150.3	150.3	150.3	150.3	150.3	150.3
Divided by	98.0	87.9	34.1	34.1	34.1	34.1	34.1	34.1	34.1	34.1	34.1	34.1	34.1	34.1	34.1	34.1	34.1	34.1	34.1
PPA	176.3	261.9	277.2	297.5	319.3	310.9	269.7	250.2	251.8	253.9	262.3	262.6	271.8	270.4	278.3	277.9	277.9	277.9	277.9
Fuel Costs	16.4	27.8	29.7	33.7	31.2	37.0	28.5	31.4	30.8	37.6	28.5	36.3	36.1	41.2	40.5	47.2	47.2	47.2	47.2
SEPA & Other Purchases	0.4	0.7	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Non-Fuel Variable Production C	64.2	93.2	88.3	100.7	100.7	101.8	101.3	111.0	106.8	127.8	110.9	127.6	121.6	131.7	126.4	135.1	135.1	135.1	135.1
Fixed Production O&M	5.1	7.8	8.1	8.3	8.6	8.8	9.1	9.4	9.6	9.9	10.2	10.5	10.9	11.2	11.5	11.9	11.9	11.9	11.9
Transmission O&M	3.5	5.3	5.4	4.7	4.6	4.7	4.9	5.0	5.2	5.3	5.5	5.6	5.8	6.0	6.2	6.3	6.3	6.3	6.3
APM, L/C, Cogen, CW & TVA 1	17.9	25.0	24.2	25.0	25.4	26.1	27.3	27.7	28.6	29.8	30.3	31.2	32.5	33.1	34.1	35.5	35.5	35.5	35.5
A&G	4.5	6.9	7.1	7.8	8.5	8.8	9.1	9.3	9.6	9.9	10.2	10.5	10.8	11.1	11.5	11.8	11.8	11.8	11.8
Property Taxes & Insurance	31.8	50.7	46.2	45.5	44.9	44.1	43.3	42.5	42.0	40.5	38.8	37.1	35.3	33.4	31.3	29.1	29.1	29.1	29.1
Interest Expense (Incl. Financin	337.5	507.3	516.4	556.6	578.7	577.2	531.0	528.3	527.8	558.3	542.8	567.4	573.1	588.4	590.9	608.0	608.0	608.0	608.0
Total	337.5	507.3	516.4	556.6	578.7	577.2	531.0	528.3	527.8	558.3	542.8	567.4	573.1	588.4	590.9	608.0	608.0	608.0	608.0
Days Cash on Hand (including Line c	192.5	188.8	162.6	131.7	114.2	111.1	130.4	143.2	147.3	140.2	145.2	137.8	135.7	132.2	129.6	122.3	122.3	122.3	122.3
Days Cash on Hand (excluding Line c	120.1	116.9	91.9	66.1	51.2	47.9	61.6	74.2	78.2	74.8	78.0	73.5	72.0	70.2	67.8	62.3	62.3	62.3	62.3

Calendar Year	2006	2007	2008H1	on	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Unwind Allocation	0.000	0.000	0.000	0.000	0.669	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Pre-Transaction Allocation	1.000	1.000	0.331	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Transaction Index	0.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

VII. Debt Service Detail, as of Transaction Date (M\$)

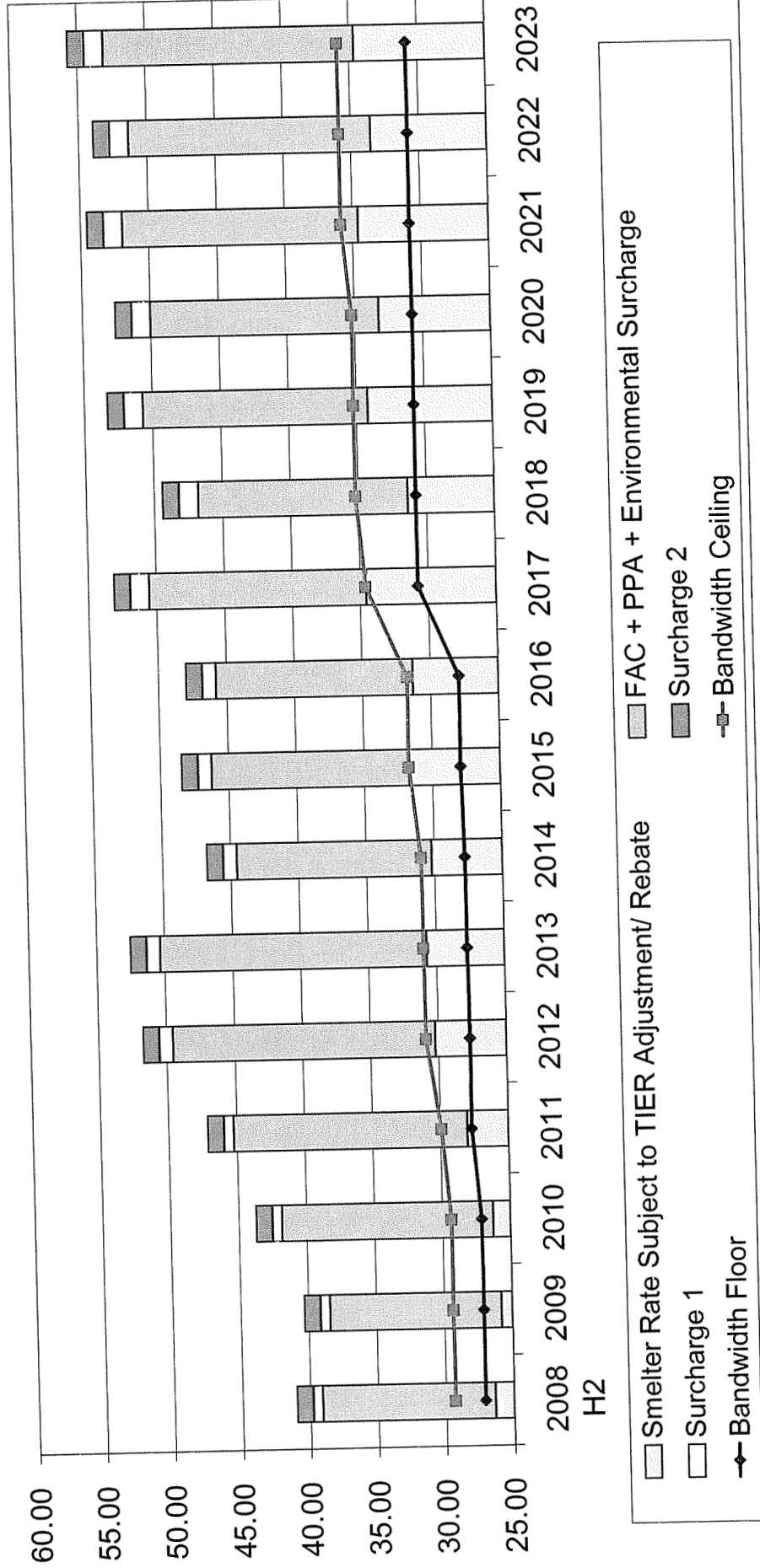
354	Transaction																			
355	Fixed/ Insured Senior Bonds (Tranche 1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
356	Beginning Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
357	Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
358	Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
359	Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
360	Blended Interest Cost	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
361	Fixed/ Insured Senior Bonds (Tranche 2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
362	Beginning Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
363	Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
364	Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
365	Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
366	Blended Interest Cost	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
367	Variable Rate Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
370	Beginning Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
371	Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
372	Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
373	Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
374	Blended Interest Cost	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
376	Ongoing RUS Note (Stated)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
377	Beginning Principal	794.7	594.7	583.6	566.4	548.1	528.9	508.5	486.9	464.1	240.0	203.5	164.9	124.2	81.0	35.4	35.4	(0.0)	(0.0)	-
378	Principal	200.0	11.1	17.2	18.2	19.3	20.4	21.6	22.8	224.1	36.5	38.6	40.8	43.1	45.6	35.4	35.4	-	-	-
380	Interest	-	22.9	33.6	32.6	31.5	30.4	29.2	28.0	13.8	11.7	9.5	7.1	4.7	2.0	-	-	-	-	-
381	Debt Service	200.0	34.0	50.8	50.8	50.8	50.8	50.8	50.8	250.8	50.3	50.3	50.3	50.3	37.4	5.75%	5.75%	-	-	-
382	Blended Interest Cost	-	3.85%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	-	-	-
383	ARVP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
384	Beginning Principal	101.5	105.6	111.8	118.4	125.4	132.8	140.7	149.0	157.8	167.2	177.0	187.5	198.6	210.3	222.8	236.0	-	-	-
385	Principal/ Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
386	Interest/ Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
387	Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
388	Accretion Rate	0.00%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	-	-	-
390	PCB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
391	Beginning Principal	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1
392	Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
393	Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
394	Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
395	Blended Interest Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
396	Total (Incorporates RUS on Stated Basis)	1,038.3	838.3	831.3	820.3	808.6	796.4	783.4	769.7	755.2	746.1	719.0	690.3	660.0	627.9	594.1	558.3	520.5	520.5	520.5
397	Line of Credit Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
401	Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
402	Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
403	Blended Interest Cost	0.00%	3.35%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

Smelter Rate Structure

	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Unwind Allocation	0.669	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Pre-Transaction Allocation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Days in Year		365	365	365	366	365	365	365	366	365	365	365	366	365	365	365
General Rate Adjustment (%)	0.00%	0.00%	0.00%	2.00%	0.00%	0.00%	0.00%	0.51%	0.00%	9.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1 Smelter Sales	2.78	4.14	4.14	4.14	4.15	4.14	4.14	4.14	4.15	4.14	4.14	4.14	4.15	4.14	4.14	4.14
2 Century	2.12	3.16	3.16	3.16	3.17	3.16	3.16	3.16	3.17	3.16	3.16	3.16	3.17	3.16	3.16	3.16
3 Aican	4.898	7.297	7.297	7.297	7.317	7.297	7.297	7.297	7.317	7.297	7.297	7.297	7.317	7.297	7.297	7.297
4 Total Energy (TWh)	6.847	10.200	10.200	10.200	10.200	10.200	10.200	10.200	10.200	10.200	10.200	10.200	10.200	10.200	10.200	10.200
5 Total Demand (GW)	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%
6 Smelter Load Factor (%)																
7																
8 Smelter Rate (\$/ MWh)																
9 Large Industrial Rate	0.69	1.06	1.10	1.13	1.17	1.20	1.23	1.27	1.30	1.34	1.37	1.41	1.44	1.48	1.51	1.54
10 Sales (TWh)	78.09%	78.65%	78.65%	78.65%	78.39%	78.65%	78.65%	78.65%	78.36%	78.65%	78.65%	78.65%	78.33%	78.65%	78.65%	78.65%
11 Load Factor (%)	10.15	10.15	10.15	10.35	10.35	10.35	10.35	10.41	10.41	11.43	11.43	11.43	11.43	11.43	11.43	11.43
12 Demand (\$/ KW-mo.)	13.72	13.72	13.72	13.99	13.99	13.99	13.99	14.06	14.06	15.44	15.44	15.44	15.44	15.44	15.44	15.44
13 Energy (\$/ MWh)																
14 Power Factor Penalty/ Demand Cr. (\$/ MWh)	(0.94)	(0.93)	(0.91)	(0.89)	(0.87)	(0.85)	(0.83)	(0.81)	(0.80)	(0.78)	(0.76)	(0.75)	(0.73)	(0.71)	(0.70)	(0.69)
15 MRDA (\$/ MWh)																
16 Regulatory Account Charge				0.61	0.60	0.59	1.17	1.14	1.12	0.40	0.39	0.38	1.19	1.16	1.14	1.34
17 Less: Regulatory Account Charge				(0.61)	(0.60)	(0.59)	(1.17)	(1.14)	(1.12)	(0.40)	(0.39)	(0.38)	(1.19)	(1.16)	(1.14)	(1.34)
18 Net Rate (\$/ MWh)	30.58	30.46	30.48	31.13	31.16	31.17	31.19	31.37	31.41	34.56	34.58	34.59	34.63	34.62	34.64	34.65
19																
20 Large Industrial Rate @ 98% LF	27.07	27.08	27.09	27.67	27.65	27.71	27.72	27.88	27.86	30.72	30.73	30.75	30.72	30.77	30.79	30.80
21 Plus Margin	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
22 Smelter Base Rate	27.32	27.33	27.34	27.92	27.90	27.96	27.97	28.13	28.11	30.97	30.98	31.00	30.97	31.02	31.04	31.05
23 Plus TIER Adjustment				0.06	2.29	2.74	2.20	3.55	3.16	3.55	0.38	3.15	2.22	3.54	2.47	3.57
24 Less TIER Related Rebate	(0.96)	(1.54)	(1.10)													
25 Smelter Rate Subject to TIER Adjustment	26.36	25.79	26.25	27.98	30.19	30.70	30.17	31.68	31.27	34.52	31.36	34.14	33.19	34.57	33.51	34.62
26																
27 Plus FAC + PPA + Environmental Surcharge	12.71	12.60	15.55	17.20	19.29	19.60	14.34	14.52	14.48	15.97	15.39	16.53	16.79	17.33	17.80	18.45
28 Plus Surcharge 1	0.70	0.70	0.70	0.70	1.00	1.00	1.00	1.00	1.00	1.40	1.40	1.40	1.39	1.40	1.40	1.40
29 Plus Surcharge 2	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
30 Effective Smelter Rate (incl. PPA, Surcharge, & Rebate)	40.97	40.29	43.70	47.08	51.69	52.49	46.71	48.40	47.95	53.08	49.35	53.27	52.57	54.49	53.90	55.67
31																
32 TIER Adjustment Cap (\$/ MWh)	27.32	27.33	27.34	27.92	27.90	27.96	27.97	28.13	28.11	30.97	30.98	31.00	30.97	31.02	31.04	31.05
33 Bandwidth Floor	1.95	1.95	1.95	1.95	2.95	2.95	2.95	3.55	3.55	3.55	4.15	4.15	4.15	4.75	4.75	4.75
34 Bandwidth Range	29.27	29.28	29.29	29.87	30.85	30.91	30.92	31.68	31.66	34.52	35.13	35.15	35.12	35.77	35.79	35.80
35 Bandwidth Ceiling	26.36	25.79	26.25	27.98	30.19	30.70	30.17	31.68	31.27	34.52	31.36	34.14	33.19	34.57	33.51	34.62
36 Smelter Rate Subject to TIER Adjustment/ Rebate																

Smelter Rate Structure

Smelter Price and Bandwidth



Smelter Rate Structure

June 2008

	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
37 TIER Adjustment Rebate/Charge	80.0	122.7	128.7	135.1	134.2	183.2	182.3	187.0	191.6	206.6	213.9	219.7	231.8	236.8	244.5	250.8
38 Pre-TIER Rebate Member Revenues	205.4	301.9	323.5	342.1	361.4	363.1	324.8	327.3	327.7	361.4	357.3	365.8	368.4	371.8	375.3	380.1
39 Pre-TIER Adj./Rebate Smelter Revenues	91.9	150.8	137.0	125.8	71.1	68.1	50.0	48.9	41.9	47.6	38.9	37.7	36.4	36.6	35.7	
40 Other Revenues	377.3	575.3	577.6	614.2	621.4	617.4	575.2	564.3	568.1	610.0	618.7	624.3	637.9	644.9	656.4	666.7
41 Pre TIER Adj./Rebate Revenues	359.6	542.6	552.9	599.3	622.9	622.1	576.0	574.9	575.9	620.6	606.4	632.3	639.4	656.2	660.0	678.5
42 Total Expenses	17.7	32.8	24.7	14.8	(1.5)	(4.7)	(0.8)	(10.6)	(7.7)	(10.6)	12.3	(8.0)	(1.5)	(11.2)	(3.6)	(11.9)
43 Net Margin Before TIER Adjustment	58.4	93.7	81.5	54.9	51.4	55.0	44.9	47.8	43.9	65.9	44.5	50.0	39.1	45.4	35.8	
44 Interest + Margin	40.7	60.9	56.9	56.7	56.4	55.8	55.5	54.6	55.6	53.6	52.6	51.5	50.3	49.0	47.7	
46 Interest Charges	1.43	1.54	1.43	1.26	0.97	0.92	0.81	0.86	0.80	1.23	0.85	0.97	0.78	0.93	0.75	
47 Pre-TIER Adjustment TIER	(7.9)	(18.2)	(11.0)	(1.2)	15.0	18.2	14.2	23.9	21.1	23.7	0.5	20.6	13.8	23.3	15.4	
48 Increment needed for 1.24x TIER	(1.0)	(1.5)	(1.5)	(1.7)	(1.7)	(1.8)	(1.9)	(2.0)	(2.1)	(2.2)	(2.2)	(2.3)	(2.4)	(2.5)	(2.7)	
49 Contract TIER Adjustments	(1.0)	(1.5)	(1.5)	(1.7)	(1.7)	(1.8)	(1.9)	(2.0)	(2.1)	(2.2)	(2.2)	(2.3)	(2.4)	(2.5)	(2.7)	
50 Plus: Imputed Rate Increase in 2010	-	-	-	-	2.6	2.7	2.8	2.9	3.0	3.0	3.0	3.1	3.2	3.2	3.3	
51 Less: Offset to Imputed Rate Increase in 2010	-	-	-	-	(2.6)	(2.7)	(2.8)	(2.9)	(3.0)	(3.0)	(3.0)	(3.1)	(3.2)	(3.2)	(3.3)	
52 Less: Interest on Sequestered Funds	(1.0)	(1.5)	(1.5)	(1.7)	(1.7)	(1.8)	(1.9)	(2.0)	(2.1)	(2.2)	(2.2)	(2.3)	(2.4)	(2.5)	(2.7)	
53 Total Adjustments	(1.0)	(1.5)	(1.5)	(1.7)	(1.7)	(1.8)	(1.9)	(2.0)	(2.1)	(2.2)	(2.2)	(2.3)	(2.4)	(2.5)	(2.7)	
54 Increment needed for 1.24x TIER with Adj.	(6.9)	(16.6)	(11.9)	0.4	16.8	20.0	16.1	25.9	23.1	25.9	2.8	16.3	25.9	18.0	26.1	
55 Rebate Amount (\$M)	(6.90)	(16.62)	(11.94)	-	-	-	-	-	-	-	-	-	-	-	-	
56 TIER Adjustment Charge (\$M)	-	-	-	0.4	16.8	20.0	16.1	25.9	23.1	25.9	2.8	16.3	25.9	18.0	26.1	
57 Rebate to Members/Smelters (\$/MWh)	(0.99)	(1.60)	(1.14)	-	-	-	-	-	-	-	-	-	-	-	-	
60 Rurals	(0.99)	(1.60)	(1.14)	-	-	-	-	-	-	-	-	-	-	-	-	
61 Large Industrials	(0.88)	(1.40)	(1.00)	-	-	-	-	-	-	-	-	-	-	-	-	
62 Smelters	(0.96)	(1.54)	(1.10)	-	-	-	-	-	-	-	-	-	-	-	-	
63 TIER Adjustment Charge to Smelters (\$/MWh)	-	-	-	0.06	2.29	2.74	2.20	3.55	3.16	3.55	0.38	3.15	2.22	3.54	2.47	
64 TIER Adjustment Charge to Smelters (\$/MWh)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Member Rates Cash Method

	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Unwind Allocation	0.669	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Pre-Transaction Allocation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
1 Member Sales (TWh)	1.6	2.4	2.5	2.5	2.6	2.7	2.7	2.8	2.8	2.9	2.9	3.0	3.1	3.1	3.2	3.2
2 Rural	0.7	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3	1.4	1.4	1.4	1.5	1.5	1.5
3 Large Industrial	2.3	3.5	3.6	3.7	3.8	3.9	3.9	4.0	4.1	4.2	4.3	4.4	4.5	4.6	4.7	4.8
4 Total																
5 Rates (Cash Method)																
6 Rural	60.2%	60.0%	60.1%	60.2%	60.2%	60.4%	60.5%	60.6%	60.5%	60.7%	60.8%	60.9%	60.8%	61.0%	61.1%	61.2%
7 Load Factor (%)	7.37	7.37	7.37	7.52	7.52	7.52	7.52	7.56	7.56	8.30	8.30	8.30	8.30	8.30	8.30	8.30
8 Demand (\$/KW-mo.)	20.40	20.40	20.40	20.81	20.81	20.81	20.81	20.91	20.91	22.96	22.96	22.96	22.96	22.96	22.96	22.96
9 Energy (\$/MWH)	37.18	37.22	37.19	37.17	37.14	37.12	37.09	37.07	37.04	37.02	37.00	36.98	36.95	36.94	36.92	36.90
10 Base	(1.11)	(1.10)	(1.08)	(1.05)	(1.03)	(1.00)	(0.98)	(0.96)	(0.94)	(0.92)	(0.90)	(0.88)	(0.86)	(0.84)	(0.82)	(0.81)
11 MRDA	-	-	-	0.61	0.60	0.59	1.17	1.14	1.12	0.40	0.39	0.38	1.19	1.16	1.14	1.34
12 Regulatory Account Charge	-	-	-	0.74	0.74	0.74	0.74	0.93	0.93	4.65	4.65	4.65	4.64	4.64	4.64	4.64
13 GRA	11.16	10.81	12.13	13.44	15.60	15.30	11.00	9.44	9.42	9.70	10.04	10.27	10.77	10.55	11.05	10.85
14 FAC	1.18	1.08	2.47	2.66	2.81	2.63	3.12	4.52	4.58	4.60	4.83	4.74	5.01	5.15	5.21	5.39
15 Env. Surcharge	(4.00)	(3.96)	(3.87)	(3.77)	(4.28)	(4.17)	(4.08)	(3.98)	(3.90)	(4.49)	(4.40)	(4.30)	(4.22)	(4.12)	(4.04)	(3.96)
16 Surcharge Rebate	-	(0.66)	(1.57)	(1.11)	-	-	-	-	-	-	-	-	-	-	-	-
17 TIER Related Rebate	-	(7.29)	(9.23)	(11.25)	(14.14)	(1.86)	-	-	-	-	-	-	-	-	-	-
18 Non-Smelter Member Economic Reserv.	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)
19 Net	36.07	36.09	36.05	37.43	37.45	49.34	48.07	48.16	48.25	50.96	51.61	51.84	53.49	53.48	54.10	54.36
20 Effective Rate																
21 Large Industrial	78.1%	78.6%	78.6%	78.6%	78.4%	78.6%	78.6%	78.6%	78.4%	78.6%	78.6%	78.6%	78.3%	78.6%	78.6%	78.6%
22 Load Factor (%)	10.15	10.15	10.15	10.35	10.35	10.35	10.35	10.41	10.41	11.43	11.43	11.43	11.43	11.43	11.43	11.43
23 Demand (\$/KW-mo.)	13.72	13.72	13.72	13.99	13.99	13.99	13.99	14.06	14.06	15.44	15.44	15.44	15.44	15.44	15.44	15.44
24 Energy (\$/MWH)	31.52	31.39	31.39	31.40	31.39	31.39	31.39	31.39	31.41	31.39	31.39	31.39	31.42	31.39	31.39	31.39
25 Base	(0.94)	(0.93)	(0.91)	(0.89)	(0.87)	(0.85)	(0.83)	(0.81)	(0.80)	(0.78)	(0.76)	(0.75)	(0.73)	(0.71)	(0.70)	(0.68)
26 MRDA	-	-	-	0.61	0.60	0.59	1.17	1.14	1.12	0.40	0.39	0.38	1.19	1.16	1.14	1.34
27 Regulatory Account Charge	-	-	-	0.63	0.63	0.63	0.63	0.79	0.79	3.94	3.94	3.94	3.95	3.94	3.94	3.94
28 GRA	11.16	10.81	12.13	13.44	15.60	15.30	11.00	9.44	9.42	9.70	10.04	10.27	10.77	10.55	11.05	10.85
29 FAC	1.18	1.08	2.47	2.66	2.81	2.63	3.12	4.52	4.58	4.60	4.83	4.74	5.01	5.15	5.21	5.39
30 Env. Surcharge	(4.00)	(3.96)	(3.87)	(3.77)	(4.28)	(4.17)	(4.08)	(3.98)	(3.90)	(4.49)	(4.40)	(4.30)	(4.22)	(4.12)	(4.04)	(3.96)
31 Surcharge Rebate	-	(0.57)	(1.36)	(0.97)	-	-	-	-	-	-	-	-	-	-	-	-
32 TIER Related Rebate	-	(7.29)	(9.23)	(11.25)	(14.14)	(1.86)	-	-	-	-	-	-	-	-	-	-
33 Non-Smelter Member Economic Reserv.	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)
34 Net	30.58	30.53	30.63	31.84	31.76	43.66	42.41	42.49	42.62	44.77	45.44	45.68	47.38	47.36	48.00	48.28
35 Effective Rate																
36 Non-Smelter Member Blend	35.50	35.45	35.42	35.39	35.36	35.33	35.31	35.28	35.26	35.24	35.21	35.20	35.18	35.16	35.14	35.13
37 Base	(1.06)	(1.05)	(1.03)	(1.00)	(0.98)	(0.96)	(0.93)	(0.91)	(0.89)	(0.87)	(0.85)	(0.84)	(0.82)	(0.80)	(0.78)	(0.77)
38 MRDA	-	-	-	0.61	0.60	0.59	1.17	1.14	1.12	0.40	0.39	0.38	1.19	1.16	1.14	1.34
39 Regulatory Account Charge	-	-	-	0.71	0.71	0.71	0.71	0.89	0.89	4.43	4.42	4.42	4.42	4.42	4.42	4.41
40 GRA	11.16	10.81	12.13	13.44	15.60	15.30	11.00	9.44	9.42	9.70	10.04	10.27	10.77	10.55	11.05	10.85
41 FAC	1.18	1.08	2.47	2.66	2.81	2.63	3.12	4.52	4.58	4.60	4.83	4.74	5.01	5.15	5.21	5.39
42 Env. Surcharge	(4.00)	(3.96)	(3.87)	(3.77)	(4.28)	(4.17)	(4.08)	(3.98)	(3.90)	(4.49)	(4.40)	(4.30)	(4.22)	(4.12)	(4.04)	(3.96)
43 Surcharge Rebate	-	(0.63)	(1.50)	(1.07)	-	-	-	-	-	-	-	-	-	-	-	-
44 TIER Related Rebate	-	(7.29)	(9.23)	(11.25)	(14.14)	(1.86)	-	-	-	-	-	-	-	-	-	-
45 Non-Smelter Member Economic Reserv.	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)	(8.34)
46 Net	34.44	34.40	34.39	35.71	35.69	47.57	46.29	46.38	46.47	49.00	49.64	49.87	51.53	51.52	52.13	52.40
47 Effective Rate																
48 Revenues Delta (\$M)	1.62	2.28	(1.07)	(2.83)	-	-	-	-	-	-	-	-	-	-	-	-
49 Rural	0.60	0.89	(0.39)	(1.10)	-	-	-	-	-	-	-	-	-	-	-	-
50 LI	2.22	3.17	(1.46)	(3.93)	-	-	-	-	-	-	-	-	-	-	-	-
51 Total																
52 Smelter Rebate Lag	4.90	7.30	7.30	7.30	7.32	7.30	7.30	7.30	7.32	7.30	7.30	7.30	7.32	7.30	7.30	7.30
53 TWh	(0.96)	(1.54)	(1.10)	(1.10)	-	-	-	-	-	-	-	-	-	-	-	-
54 Accrued (\$/MWh)	(0.64)	(0.64)	(1.54)	(1.10)	-	-	-	-	-	-	-	-	-	-	-	-
55 Realized (\$/MWh)	4.68	6.55	(3.22)	(8.00)	-	-	-	-	-	-	-	-	-	-	-	-
56 Adjust (\$M)																

Regulatory Accounts

June 2008

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Purchased Power Cost not Included in Member Rates (\$M)	0.85	2.50	3.41	4.06	3.31	6.42	0.84	2.25	1.96	7.06	2.27	6.73	4.55	7.51	7.22	10.54

1 EXPENSE DEFERRAL METHOD

3 Income Statement (Change in Regulatory Account)

4 1. Deferral																
5 Power Purchase Expense																
6 Debit																
7 Credit	(0.85)	(2.50)	(3.41)	(4.06)	(3.31)	(6.42)	(0.84)	(2.25)	(1.96)	(7.06)	(2.27)	(6.73)	(4.55)	(7.51)	(7.22)	(10.54)
8 Total	(0.85)	(2.50)	(3.41)	(4.06)	(3.31)	(6.42)	(0.84)	(2.25)	(1.96)	(7.06)	(2.27)	(6.73)	(4.55)	(7.51)	(7.22)	(10.54)

2. Recognition of Prior Year Balance (Set to Start in 2013)

10 Credit Member Revenue (Charge to Members)				2.25	2.25	2.25	4.60	4.60	4.60	1.68	1.68	1.68	5.35	5.35	5.35	6.43
11 Debit Power Purchase Expense				2.25	2.25	2.25	4.60	4.60	4.60	1.68	1.68	1.68	5.35	5.35	5.35	6.43
12 Net Income	0.85	2.50	3.41	4.06	3.31	6.42	0.84	2.25	1.96	7.06	2.27	6.73	4.55	7.51	7.22	10.54

16 Balance Sheet

17 Assets																
18 Cash				2.3	4.5	6.8	11.4	16.0	20.6	22.2	23.9	25.6	31.0	36.3	41.7	48.1
19 Regulatory Asset	0.9	3.4	6.8	8.6	9.6	13.8	10.0	7.7	5.1	10.4	11.0	16.1	15.3	17.4	19.3	23.4
20 Total	0.9	3.4	6.8	10.8	14.1	20.6	21.4	23.7	25.6	32.7	34.9	41.7	46.2	53.7	61.0	71.5
21 Liabilities & Equity																
22 Equity	0.9	3.4	6.8	10.8	14.1	20.6	21.4	23.7	25.6	32.7	34.9	41.7	46.2	53.7	61.0	71.5
23 Regulatory Liability																
24 Total	0.9	3.4	6.8	10.8	14.1	20.6	21.4	23.7	25.6	32.7	34.9	41.7	46.2	53.7	61.0	71.5

FAC PPA Env Sur

June 2008

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1 Production (TWh)	7.8	11.7	11.6	11.7	11.5	11.1	11.9	11.8	12.0	11.6	12.1	11.7	12.0	12.0	12.1	12.1
2 Sales (TWh)	8.1	12.2	12.1	12.3	12.1	11.9	12.4	12.4	12.5	12.4	12.6	12.5	12.6	12.7	12.8	12.9
3																
4																
5 A. FAC	176.3	261.9	277.2	297.5	319.3	310.9	269.7	250.2	251.8	253.9	262.3	262.6	271.8	270.4	278.3	277.9
6 Fuel Costs (\$M)																
7 Total Costs for Passthrough (\$/MWh Sold)	21.88	21.52	22.85	24.15	26.32	26.01	21.72	20.16	20.14	20.42	20.76	20.99	21.49	21.27	21.76	21.57
8 Fuel Cost Base (\$/MWh)	(10.72)	(10.72)	(10.72)	(10.72)	(10.72)	(10.72)	(10.72)	(10.72)	(10.72)	(10.72)	(10.72)	(10.72)	(10.72)	(10.72)	(10.72)	(10.72)
9 FAC (\$/MWh)	11.16	10.81	12.13	13.44	15.60	15.30	11.00	9.44	9.42	9.70	10.04	10.27	10.77	10.55	11.05	10.85
10																
11 B. PPA	17.08	30.00	32.78	35.20	31.94	40.84	24.40	28.68	27.83	42.60	28.80	41.05	34.95	43.06	42.07	50.95
12 Purchased Power Costs (\$M)																
13 Total Costs for Passthrough (\$/MWh Sold)	2.12	2.47	2.70	2.86	2.63	3.42	1.96	2.31	2.23	3.42	2.28	3.28	2.76	3.39	3.29	3.95
14 Purchased Power Cost Base (\$/MWh)	(1.75)	(1.75)	(1.75)	(1.75)	(1.75)	(1.75)	(1.75)	(1.75)	(1.75)	(1.75)	(1.75)	(1.75)	(1.75)	(1.75)	(1.75)	(1.75)
15 Purchase Power Passthrough (\$/MWh)	0.37	0.71	0.95	1.11	0.88	1.67	0.21	0.56	0.48	1.67	0.53	1.53	1.01	1.63	1.54	2.20
16																
17																
18 C. Environmental Surcharge	9.49	13.12	29.98	32.75	34.09	31.48	38.76	56.10	57.24	57.21	60.99	59.29	63.33	65.47	66.65	69.46
19 Eligible Cost (\$M)																
20 Total Costs for Passthrough (\$/MWh Sold)	1.18	1.08	2.47	2.66	2.81	2.63	3.12	4.52	4.58	4.60	4.83	4.74	5.01	5.15	5.21	5.39
21 Env. Surcharge Cost Base (\$/MWh)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22 Environmental Surcharge Passthrough (\$/MWh)	1.18	1.08	2.47	2.66	2.81	2.63	3.12	4.52	4.58	4.60	4.83	4.74	5.01	5.15	5.21	5.39
23																
24																
25																
26 1 - FAC + Environmental Surcharge to Members																
27 <u>Rurals</u>	11.16	10.81	12.13	13.44	15.60	15.30	11.00	9.44	9.42	9.70	10.04	10.27	10.77	10.55	11.05	10.85
28 FAC	1.18	1.08	2.47	2.66	2.81	2.63	3.12	4.52	4.58	4.60	4.83	4.74	5.01	5.15	5.21	5.39
29 Environmental Surcharge	12.34	11.89	14.60	16.10	18.41	17.93	14.12	13.96	14.00	14.30	14.86	15.01	15.78	15.70	16.26	16.25
30 Total	11.16	10.81	12.13	13.44	15.60	15.30	11.00	9.44	9.42	9.70	10.04	10.27	10.77	10.55	11.05	10.85
31 <u>Large Industrials</u>	11.16	10.81	12.13	13.44	15.60	15.30	11.00	9.44	9.42	9.70	10.04	10.27	10.77	10.55	11.05	10.85
32 FAC	1.18	1.08	2.47	2.66	2.81	2.63	3.12	4.52	4.58	4.60	4.83	4.74	5.01	5.15	5.21	5.39
33 Environmental Surcharge	12.34	11.89	14.60	16.10	18.41	17.93	14.12	13.96	14.00	14.30	14.86	15.01	15.78	15.70	16.26	16.25
34 Total	11.16	10.81	12.13	13.44	15.60	15.30	11.00	9.44	9.42	9.70	10.04	10.27	10.77	10.55	11.05	10.85
35 2 - FAC + PPA + Environmental Surcharge to Smelters	11.16	10.81	12.13	13.44	15.60	15.30	11.00	9.44	9.42	9.70	10.04	10.27	10.77	10.55	11.05	10.85
36 FAC	0.37	0.71	0.95	1.11	0.88	1.67	0.21	0.56	0.48	1.67	0.53	1.53	1.01	1.63	1.54	2.20
37 PPA	1.18	1.08	2.47	2.66	2.81	2.63	3.12	4.52	4.58	4.60	4.83	4.74	5.01	5.15	5.21	5.39
38 Environmental Surcharge	12.71	12.60	15.55	17.20	19.29	19.60	14.34	14.52	14.48	15.97	15.39	16.53	16.79	17.33	17.80	18.45
39 Total	12.71	12.60	15.55	17.20	19.29	19.60	14.34	14.52	14.48	15.97	15.39	16.53	16.79	17.33	17.80	18.45

	2007	2008H1	Transaction	2008 H2
Unwind Allocation	-	0	0	0.669
Pre-Transaction Allocation	1,000	0.331	-	-
Transaction Index	-	-	1,000	-
A. Transaction Components				
1. Cash Payment/ Credit Escrow Draws	-	-	383.5	-
2. WKE Residual Value Obligation	-	-	-	-
WKE Gen. Capex - Cum.	-	-	-	-
Non-Incremental (RV Obligation Balance)	45.2	50.2	61.0	61.0
Beginning Balance	6.8	11.7	-	-
WKE Share of Non-Incremental Capex	1.8	0.9	-	-
Amortization of WKE Share	50.2	61.0	61.0	-
Net	4.6	1.6	-	-
Amortization of WKE Share	90.9	89.4	89.4	-
Net	90.9	89.4	89.4	-
Beginning Balance	95.6	90.9	89.4	-
Incremental	-	-	-	-
WKE Share of Non-Incremental Capex	-	-	-	-
Amortization of WKE Share	4.6	1.6	-	-
Net	90.9	89.4	89.4	-
Total	141.1	150.4	150.4	-
3. LG&E Rental Income Advance	48.0	15.8	-	-
Cash Flow	52.3	17.3	-	-
Income Statement	(13.0)	(11.4)	(11.4)	-
Balance	-	-	-	-
4. Fuel & Other Inventories	-	-	55.0	-
5. Cancellation of Settlement Prom. Note	-	-	16.0	-
6. Coleman Scrubber Completion	-	-	97.5	-
7. LG&E Emissions Allowance	-	-	6.4	-
8. Expense Unamortized Mktg Payment/ Settlement Note	-	-	(15.7)	-
9. Assurances Agreement	-	-	4.3	-
Total Residual Value Obligation	154.1	161.8	161.8	-
Cancellation of RV Obligation	-	-	161.8	-
Reclassification as Equity	-	-	-	161.8
Net WKE Obligation	154.1	161.8	-	-

UW Transaction

	2007	2008H1	Transaction	2008 H2
Unwind Allocation	-	0	-	0
Pre-Transaction Allocation	1,000	0.331	-	0.669
Transaction Index	-	-	1,000	-
B. Transaction Cash Flows				
32 Cash Balances Pre-Transaction			147.0	
33 Transaction Proceeds			383.5	
34 Lease Buyout			(4.3)	
35 Smelter Payment (Assurances Agreement)			-	
36 Consent Fee to Lease-Equity Parties			-	
37 Lump-Sum Member Rebate			(0.3)	
38 Net DSL Termination			(1.3)	
39 Century/Century Reactive Power Transaction Refund			377.6	
40 Income Tax			(207.0)	
41 Net Transaction Cash			-	
42 Debt Restructuring:			-	
43 Debt Reduction (Net)	1.75%		-	
44 Underwriting Costs	0.80%		-	
45 Bond Insurance			(207.0)	
46 ARVP Defeasance Premium			-	
47 Total			(35.0)	
48 Restricted Cash Balances:			(157.0)	
49 Transition Reserve			(7.0)	
50 Non-Smelter Member Economic Reserve			118.7	
51 Smelter Economic Reserve			-	
52 Unrestricted Cash Balances Post-Transaction			1,051.1	
53			(16.0)	
54			7.2	
C. Debt Restructuring:				
55 Beginning Balance - GAAP			-	
56 Cancellation of Settlement Prom. Note			791.4	
57 Capitalize Accrued Interest on RUS New Note			7.2	
58 Step-Up RUS New Note to Stated Basis:			798.6	
59 GAAP RUS New Note			794.7	
60 Ending Balance			7.0	
61 Accrued Interest			801.7	
62 Total			3.1	
63 Step-Up			1,045.3	
64 Beginning Balance - Stated			(207.0)	
65 Cash Flow:			-	
66 Prepay RUS New Note			-	
67 Defease ARVP			(207.0)	
68 Issue Capital Markets Debt			838.4	
69 Net			(2.3)	
70 Ending Balance - Stated			836.1	
71 Step-Down Remaining RUS New Note to GAAP Basis:			-	
72 Ending Balance - GAAP			-	

	2007	2008H1	Transaction 2008 H2
Unwind Allocation	-	0	0
Pre-Transaction Allocation	1,000	0.331	-
Transaction Index	-	-	1,000

	2007	2008H1	Transaction 2008 H2
80 D. Reflection on Income Statement	-	-	383,500
81 1. Cash	-	-	-
82 2. Residual Value Payment	-	-	150,394
83 3. L&E Rental Income Advance	-	-	11,445
84 4. Fuel Inventory & Other	-	-	55,000
85 5. Settlement Promissory Note	-	-	16,025
86 6. Coleman Scrubber	-	-	97,495
87 7. SO2 Allowances	-	-	6,356
88 8. Expense Unamortized Mktg Payment/ Settlement Note	-	-	(15,740)
89 9. Assurances Agreement Payment	-	-	(4,263)
90 Total	-	-	700,212
91			
92 E. Non-Patronage Allocations and Taxable Income			
93			
94 Cash Flows	15%	-	57.53
95			
96 Income Statement			
97 Cash	15%	-	57.53
98 RVP	15%	-	24.28
99 Fuel Inventory & Other (plus emissions allowances)	15%	-	9.20
100 Settlement Promissory Note	15%	-	2.40
101 Coleman Scrubber	15%	-	14.62
102 Expense Unamortized Mktg Payment/ Settlement Note	15%	-	(5.93)
103 Total	15%	-	102.10
104			
105 Taxable Income			
106 Gain on Transaction (above)			102.10
107 Less RVP			-
108 Less M1 - Coleman Scrubber			-
109 Plus Previously Expensed Mktg. Pmt.			4.20
110 Total			67.40
111			
112			
113 Assumptions			
114 (a) Non-Patronage Allocation:			
115 Transaction Settlement Attribution			
116 Patronage Eligible	89%		
117 Patronage	1%		
118 Non-Patronage	0%		
119 Patronage Eligible Allocation (based on retrospective sales)			
120 Patronage	85%		
121 Non-Patronage	15%		
122 Non-Patronage Allocation:			
123			
124 Base case posits no tax basis to Big Rivers. Will be treated as a non-shareholder			
125			
126 Base case posits no tax basis to Big Rivers. Improvements made by L&E, therefore no additional income.			
127			
128 (d) 100% non-patron for book and tax. As a result, the reversal will be treated in the same manner for consistency purposes.			

Production-Fixed

June 2008

Production - Fixed

	2007	2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
(S\$)																			
Unwind Allocation	0.000	0.000	H1	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Pre-Transaction Allocation	1.000	0.331	H2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
1 A&G	-	-	-	7.69	10.97	11.29	11.63	11.98	12.34	12.71	13.09	13.49	13.89	14.31	14.74	15.18	15.63	16.10	16.59
2 Labor	-	-	-	6.48	9.97	10.27	10.58	10.90	11.23	11.56	11.91	12.27	12.63	13.01	13.40	13.81	14.22	14.65	15.09
3 Non-Labor	-	-	-	3.68	4.03	2.65	2.76	2.49	2.56	2.98	2.72	2.80	3.24	2.97	3.06	3.53	3.24	3.34	3.84
4 Intellectual Property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Intellectual Property Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Total	13.80	4.86	17.85	24.97	24.21	24.97	25.37	26.13	27.25	27.72	28.55	29.77	30.29	31.20	32.51	33.10	34.09	35.51	
7																			
8 APM, L.C. CoGen, CW & TVA Trans	3.83	3.63	3.46	5.29	5.41	4.72	4.58	4.72	4.86	5.01	5.16	5.31	5.47	5.64	5.81	5.98	6.16	6.34	
9	0.4013	0.14	2.63	4.05	4.17	4.30	4.43	4.56	4.70	4.84	4.98	5.13	5.28	5.44	5.61	5.78	5.95	6.13	
10 Property Insurance																			
11																			
12 Property Tax	1.08	0.37	1.18	1.81	1.87	2.39	2.92	3.01	3.10	3.19	3.29	3.39	3.49	3.59	3.70	3.81	3.93	4.05	
13 Baseline	0.77	0.26	0.57	0.88	0.91	0.98	1.01	1.04	1.07	1.10	1.14	1.17	1.21	1.24	1.28	1.32	1.36	1.40	
14 Transmission -- Operations	0.11	0.04	0.11	0.16	0.17	0.17	0.18	0.18	0.19	0.19	0.20	0.21	0.21	0.22	0.23	0.23	0.24	0.25	
15 General Plant -- Operations	1.9589	0.667	1.86	2.86	2.94	3.54	4.11	4.23	4.36	4.49	4.63	4.76	4.91	5.05	5.21	5.36	5.52	5.69	
16 Total																			
17																			
18 Transmission O&M	7.38	1.89	3.83	5.89	6.07	6.25	6.44	6.63	6.83	7.03	7.24	7.46	7.69	7.92	8.15	8.40	8.65	8.91	
19 Baseline Labor	-	0.52	1.06	1.63	1.68	1.73	1.78	1.84	1.89	1.95	2.01	2.07	2.13	2.19	2.26	2.33	2.40	2.47	
20 Baseline Non-Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21 Upgrades, Phase I	-	0.08	0.16	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	
22 O&M	-	0.01	0.02	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	
23 Property Tax	-	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	
24 Property Ins.	-	0.10	0.20	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	
25 Total (Real)	-	0.10	0.21	0.32	0.33	0.34	0.35	0.36	0.37	0.38	0.39	0.40	0.40	0.42	0.43	0.44	0.45	0.47	
26 Total (Nominal)	7.38	2.52	5.10	7.84	8.08	8.32	8.57	8.83	9.09	9.36	9.65	9.93	10.23	10.54	10.86	11.18	11.52	11.86	
27 Total Transmission O&M																			
28																			
29 Fixed O&M																			
30																			
31 Labor																			
32																			
33 Non-Labor	29.99	43.35	45.12	46.95	48.60	48.60	48.60	50.06	51.30	52.30	53.32	54.35	55.69	57.36	59.08	60.85	62.67	64.55	
34	29.21	36.97	41.06	41.89	39.65	39.65	50.31	50.31	41.88	53.38	45.49	47.13	53.86	54.34	54.56	60.42	53.05	67.77	
35 Plant Maintenance																			
36 Coleman	-	-	-	0.58	0.24	0.24	-	-	-	-	-	-	-	-	-	-	-	-	-
37 Green	-	-	-	0.34	0.24	0.24	-	-	-	-	-	-	-	-	-	-	-	-	-
38 HMP&L	-	-	-	0.34	0.24	0.24	0.64	0.64	0.64	4.86	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64	
39 Reid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
40 Wilson	3.10	3.10	1.90	1.24	1.24	1.57	1.24	0.76	0.45	0.80	0.50	0.85	0.54	1.23	0.91	1.25	0.93	1.27	
41 Adjust for Station 2	-	-	-	(0.10)	(0.07)	(0.19)	(0.20)	(0.20)	(0.20)	(1.56)	(0.20)	(0.20)	(0.20)	(0.20)	(0.20)	(0.20)	(0.20)	(0.20)	
42 Total (Real)	3.10	3.39	1.90	2.25	1.68	1.68	1.19	1.19	0.89	4.10	0.93	4.72	0.97	1.66	1.35	1.68	1.36	1.70	
43 Total (Nominal)	2.19	3.71	2.14	2.61	2.00	2.00	1.46	1.46	1.12	5.35	1.25	6.54	1.39	2.44	2.03	2.62	2.19	2.81	
44																			
45 T/G Overhaul (Cash Flows)	-	-	-	2.84	9.17	-	9.25	10.46	6.95	-	6.74	19.80	-	13.46	5.91	7.82	8.44	-	
46 T/G Overhaul (Income Statement)	-	-	-	2.84	9.17	-	9.25	10.46	6.95	-	6.74	19.80	-	13.46	5.91	7.82	8.44	-	
47																			
48 Environmental Monitoring and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
49																			
50 08/2007 Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
51																			
52 Total Fixed O&M (to Cash Flows)	64.23	93.20	88.31	100.70	100.70	100.70	100.72	101.83	101.25	111.03	106.80	127.82	110.93	127.60	121.57	131.70	126.36	135.13	
53 Total Fixed O&M (to Income Statement)	64.23	93.20	88.31	100.70	100.70	100.70	100.72	101.83	101.25	111.03	106.80	127.82	110.93	127.60	121.57	131.70	126.36	135.13	

Capex & Depreciation

	(M)	2005	2006	2007	2008 H1	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1 Transmission-Basic			5.91	9.62	5.19	6.21	9.56	9.19	4.43	5.91	0.46	0.36	0.49	2.81	3.36	3.46	3.56	3.67	3.78	3.89	
2																					
3 Transmission Upgrades			4.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Phase I			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Phase II			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Total Real			-	4.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Total Nominal			-	4.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 A&G			0.86	1.25	0.43	0.86	1.33	1.37	1.41	1.45	1.49	1.54	1.59	1.63	1.63	1.73	1.78	1.84	1.89	1.95	2.01
10																					
11 Shared HQ Building			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Phase I			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Phase II			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Total			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16 Intellectual Property			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 Total			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 WKE Share of Generation Capex			51%	51%	84%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
20 (%)																					
21 (\$M)			6.69	6.84	11.73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22																					
23 Generation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Baseline			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 Adjustment for Station 2			-	-	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
26 Total Real			-	-	22.41	29.76	21.09	24.84	25.17	24.68	24.68	24.68	24.68	24.68	24.68	24.68	24.68	24.68	24.68	24.68	24.68
27 Total Nominal			-	-	13.95	13.95	14.61	14.61	14.61	14.61	14.61	14.61	14.61	14.61	14.61	14.61	14.61	14.61	14.61	14.61	14.61
28																					
29 Plant Maintenance			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Coleman			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Green			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 HMP&L			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33 Reid			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34 Wilson			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35 Adjustment for Station 2			-	-	(0.44)	(0.41)	(0.26)	(1.89)	(1.25)	(1.12)	(1.32)	2.37	1.62	3.00	1.28	1.83	4.07	0.60	(0.28)	-	-
36 Total Real			-	-	8.67	19.47	18.54	17.62	11.37	13.32	13.32	13.32	13.32	13.32	13.32	13.32	13.32	13.32	13.32	13.32	13.32
37 Total Nominal			-	-	5.65	21.27	20.86	20.42	13.58	16.22	16.22	16.22	16.22	16.22	16.22	16.22	16.22	16.22	16.22	16.22	16.22
38																					
39 Environmental			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40 NOx Removal Equipment Capital			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41 Mercury Monitoring			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42 Cimn FGD Equipment Capital			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43 FGD ongoing upkeep capital (0.10%)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44 Additional FGD thickener & filter drum			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45 R-CT reliability study & upgrades			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46 Wilson super heater tubes replacement			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47 Adjustment for Station 2			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48 Total Real			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49 Total Nominal			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50																					
51																					
52																					
53 BigRivers Capex			13.12	13.41	13.95	14.61	14.61	14.61	14.61	14.61	14.61	14.61	14.61	14.61	14.61	14.61	14.61	14.61	14.61	14.61	14.61
54 Less WKE Generation Share			6.69	6.84	7.12	7.12	7.12	7.12	7.12	7.12	7.12	7.12	7.12	7.12	7.12	7.12	7.12	7.12	7.12	7.12	7.12
55																					
56 BigRivers Generation			6.43	6.57	6.79	7.12	7.12	7.12	7.12	7.12	7.12	7.12	7.12	7.12	7.12	7.12	7.12	7.12	7.12	7.12	7.12
57 Transmission			5.91	9.62	5.19	6.21	9.56	9.19	4.43	5.91	0.46	0.36	0.49	2.81	3.36	3.46	3.56	3.67	3.78	3.89	
58 Transmission Upgrades			4.12	4.12	4.12	4.12	4.12	4.12	4.12	4.12	4.12	4.12	4.12	4.12	4.12	4.12	4.12	4.12	4.12	4.12	4.12
59 A&G			0.86	1.25	0.43	0.86	1.33	1.37	1.41	1.45	1.49	1.54	1.59	1.63	1.63	1.73	1.78	1.84	1.89	1.95	2.01
60 Shared HQ Building			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61 Intellectual Property			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62 Plant Maintenance			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63 Environmental			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64 08/2007 Adjustment			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
65 Cash Adder			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
66 Total			13.19	21.56	7.84	37.45	76.01	58.58	58.58	56.26	53.85	35.54	37.46	37.30	37.79	40.02	45.68	47.09	47.37	46.91	48.76

Capex & Depreciation

	2005	2006	2007	2008H1	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
67																						
68																						
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(S/M)	2008H1	Transaction	2008H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1	Fixed/Insured (Tranche 1)	0.000	0.000	0.669	1.669	3.669	4.669	5.669	6.669	7.669	8.669	9.669	10.669	11.669	12.669	13.669	14.669	15.669
2	Beginning Balance	0.00%	5.50%	5.42%	5.34%	5.26%	5.18%	5.10%	5.02%	4.94%	4.86%	4.78%	4.70%	4.62%	4.54%	4.46%	4.38%	4.30%
3	Coupon	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Principal (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Principal	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
7	Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8																		
9	Fixed/Insured (Tranche 2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Beginning Balance	0.00%	5.50%	5.42%	5.34%	5.26%	5.18%	5.10%	5.02%	4.94%	4.86%	4.78%	4.70%	4.62%	4.54%	4.46%	4.38%	4.30%
11	Coupon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Principal (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Principal	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8
15	Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	RUS - GAAP	791.4	592.4	581.3	564.3	546.3	527.3	507.2	485.9	463.4	239.5	203.2	164.7	124.0	80.9	35.4	-	-
18	Beginning Balance	0.00%	5.82%	5.82%	5.82%	5.82%	5.82%	5.82%	5.82%	5.82%	5.82%	5.82%	5.82%	5.82%	5.82%	5.82%	5.82%	5.82%
19	Coupon	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20	Principal (%)	1.87%	2.90%	3.07%	3.24%	3.43%	3.63%	3.83%	4.03%	4.23%	4.43%	4.63%	4.83%	5.03%	5.23%	5.43%	5.63%	5.82%
21	Interest	-	22.9	33.8	32.8	31.8	30.7	29.5	28.3	27.0	13.9	9.6	6.4	4.7	3.1	1.6	0.1	0.0
22	Principal + Accrued Interest	199.0	11.2	17.0	18.0	19.0	20.1	21.3	22.5	23.8	36.3	40.7	43.1	45.6	48.1	50.6	53.1	55.6
23	Debt Service	199.0	34.0	50.8	50.8	50.8	50.8	50.8	50.8	250.8	50.3	50.3	50.3	50.3	50.3	50.3	50.3	50.3
24	Variable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Beginning Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Coupon	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	Principal (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Interest+Remarking	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	FCB	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1
34	Beginning Balance	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
35	Coupon	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
36	Principal (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
37	Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Principal	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1
39	Debt Service	-	4.8	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1
40		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	ARVP	101.5	101.5	105.6	111.8	118.4	125.4	132.8	140.7	149.0	157.8	167.2	177.0	187.5	198.6	210.3	222.8	236.0
42	Beginning Balance	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%	5.91%
43	Accretion Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
44	Interest (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
45	Principal (%)	4.0	6.2	6.6	7.0	7.4	7.9	8.3	8.8	9.3	9.9	10.5	11.1	11.7	12.4	13.2	14.0	14.8
46	Accretion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49	Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	Total	1,035.0	836.1	828.9	818.2	806.8	794.8	782.1	768.7	754.5	745.6	738.6	731.7	724.8	717.9	711.0	704.1	697.2
52	Beginning Balance	1,035.0	836.1	828.9	818.2	806.8	794.8	782.1	768.7	754.5	745.6	738.6	731.7	724.8	717.9	711.0	704.1	697.2
53	Accretion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
54	Principal	199.0	11.2	17.0	18.0	19.0	20.1	21.3	22.5	36.3	40.7	43.1	45.6	48.1	50.6	53.1	55.6	
55	Interest	-	22.9	33.8	32.8	31.8	30.7	29.5	28.3	27.0	13.9	9.6	6.4	4.7	3.1	1.6	0.1	0.0
56	Debt Service	199.0	34.0	50.8	50.8	50.8	50.8	50.8	50.8	250.8	50.3	50.3	50.3	50.3	50.3	50.3	50.3	50.3
57	Ending Balance	836.1	828.9	818.2	806.8	794.8	782.1	768.7	754.5	745.6	738.6	731.7	724.8	717.9	711.0	704.1	697.2	690.3
58																		

5.9%

(\$M)	2008H1	Transaction	2008H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Unwind Allocation	0.000	0.000	0.669	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Pre-Transaction Allocation	0.331	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Supporting Schedules	0.000	0.000	0.669	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Amortization of Financing Costs	5.98%																	
Fixed/Insured (Tranche 1)	5.98%																	
Net Borrowing and YTM																		
BB																		
YTM																		
Principal Amort.																		
EB																		
Accretion																		
Fixed/Insured (Tranche 2)	5.99%																	
Net Borrowing and YTM																		
BB																		
YTM																		
Principal Amort.																		
EB																		
Accretion																		
Variable	0.00%																	
Net Borrowing and YTM																		
BB																		
YTM																		
Principal Amort.																		
EB																		
Accretion																		
Amortization of Financing Costs																		
Deferred debit - BOY																		
Amortization																		
Deferred debit - EOY																		
Interest Expense																		
Total Interest																		
ARVP Accretion																		
Capitalized Interest																		
AMBAC Amortization (PCB) A/C 166																		
Line of Credit Fee																		
Total																		

Sale Leaseback

June 2008

	2007	2008H1	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
(\$M)																		
Unwind Allocation	0.000	0.000	0.669	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Pre-Transaction Allocation	1.000	0.331	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Lease Termination	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1 BOY Deferred Gain	56.4	53.5	38.1	36.7	34.7	32.6	30.6	28.5	26.5	24.4	22.3	20.2	18.1	16.0	13.8	11.7	9.5	7.4
2 Amortization (I/S)	2.9	1.0	1.4	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.2	2.2
3 EOY Deferred Gain (B/S)	53.5	52.5	36.7	34.7	32.6	30.6	28.5	26.5	24.4	22.3	20.2	18.1	16.0	13.8	11.7	9.5	7.4	5.2
4																		
5																		
6 Investment - Special Deposit (B/S)	192.9	195.1	146.9	147.7	153.8	160.2	166.4	172.9	180.0	187.5	195.6	204.3	213.5	223.5	234.1	245.5	257.7	270.8
7 Adder	0.7	0.2	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
8 Balance Sheet	193.7	195.4	147.7	148.5	154.6	161.0	167.1	173.7	180.7	188.3	196.3	205.0	214.3	224.2	234.8	246.2	258.4	271.5
9																		
10 Liability - Long-Term Debt (B/S)	183.9	186.2	140.7	141.7	148.1	154.8	161.2	168.1	175.4	183.3	191.7	200.7	210.4	220.7	231.7	243.6	256.2	269.8
11																		
12 Cash Flow (Investment and Liability)	6.2	2.1	3.1	8.8	3.9	4.0	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.6
13																		
14 True Unrecognized Gain	(44.4)	(43.6)	(30.4)	(28.7)	(26.9)	(25.1)	(23.3)	(21.6)	(19.8)	(18.0)	(16.3)	(14.5)	(12.8)	(11.1)	(9.3)	(7.6)	(5.9)	(4.2)
15																		
16 Sale-Leaseback Interest Income	12.5	4.3	8.7	9.6	10.0	10.4	10.8	11.3	11.7	12.2	12.8	13.3	13.9	14.6	15.3	16.1	16.9	17.7
17																		
18 Sale-Leaseback Interest Expense	12.8	4.4	8.9	9.8	10.2	10.7	11.1	11.6	12.0	12.5	13.1	13.7	14.3	15.0	15.7	16.5	17.3	18.2
19 Sale-Leaseback Gain Amortization	2.9	1.0	1.4	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.2	2.2	2.2
20 Net Sale-Leaseback Expense	9.9	3.4	7.5	7.8	8.2	8.6	9.0	9.5	10.0	10.5	11.0	11.6	12.2	12.9	13.6	14.3	15.1	16.0
21																		
22 Net Sale-Leaseback Income	2.6	0.8	1.2	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.7	1.7	1.7	1.7	1.7	1.7	1.7
23																		
24 Sale-Leaseback - LeaseCo.	64.5	21.3	46.2	43.6	44.2	44.8	45.0	45.1	45.3	45.5	45.7	45.9	46.1	46.3	46.6	46.9	47.1	47.4
25 Defeasance Income	(48.9)	(16.2)	(34.8)	(34.8)	(34.8)	(34.8)	(36.1)	(42.5)	(42.5)	(42.5)	(42.5)	(42.5)	(42.5)	(42.5)	(42.5)	(42.5)	(42.5)	(42.5)
26 Rent Expense	15.6	5.2	11.4	8.8	9.4	10.0	8.9	2.6	2.8	2.9	3.1	3.3	3.6	3.8	4.0	4.3	4.6	4.9
27 Net																		
28 Gain on Lease Buyout			13.2	12.8	12.1	11.4	10.7	10.0	9.3	8.6	7.9	7.2	6.5	5.8	5.1	4.4	3.7	3.0
29 BOY Deferred Gain			0.5	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
30 Amortization (I/S)			12.8	12.1	11.4	10.7	10.0	9.3	8.6	7.9	7.2	6.5	5.8	5.1	4.4	3.7	3.0	2.3
31 EOY Deferred Gain (B/S)																		
32																		
33 Supporting Schedules																		
34 Original Gain Amortization	2.9	1.0	2.0	2.8	2.8	2.8	2.8	2.9	2.9	2.9	2.9	2.9	2.9	2.9	3.0	3.0	3.0	3.0
35 Adjusted for Lease Buyout	2.9	1.0	1.4	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.2	2.2	2.2
36 Applied to Gain on Lease Buyout			0.5	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7

Income Taxes

(\$M)	2007	2008H1	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Unwind Allocation	0.000	0.000	0.669	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pre-Transaction Allocation	1.000	0.331	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Transaction Index	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Summary	-	-	-	-	-	-	0.6	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.9	0.9	0.9	1.0
Income Tax Expense	0.9	0.1	1.3	0.0	0.0	0.0	0.0	0.3	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.6
Income Taxes Paid	0.9	0.1	1.3	0.0	0.0	0.0	0.0	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.6
Current Provision for Deferred Income Tax	(0.9)	(0.1)	(1.3)	(0.0)	(0.0)	(0.0)	(0.0)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Calculation	64.9	39.0	-	1.0	1.5	1.6	1.7	1.7	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.7
Offsystem Sales	64.9	39.0	-	1.0	1.5	1.6	1.7	1.7	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.7
Interest Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonpatronage Revenues	64.9	39.0	-	1.0	1.5	1.6	1.7	1.7	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.7
Nonpatronage Expenses	25.7%	39.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Nonpatronage MWH	38.2	23.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonpatronage Expenses (Ex. Int.)	15.4	7.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonpatronage Interest Expense	11.3	8.2	-	1.0	1.5	1.6	1.7	1.7	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.7
Nonpatronage Net Margin (pre-tax)	11.3	8.2	-	1.0	1.5	1.6	1.7	1.7	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.7
Transaction Impact	-	-	67.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary Differences (Timing)	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Depreciation:	6.1	3.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prorated from Pre-Transaction Model	(1.4)	(0.8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of Additional Capex (Incl. Coleman Scrubber)	0.3	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other M/s	64.5	8.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale-Leaseback	64.5	8.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Defeasance Income	31.8	12.7	67.4	1.0	1.5	1.6	1.7	1.7	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.8
Regular NOLs Used	31.8	12.7	67.4	1.0	1.5	1.6	1.7	1.7	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.8
Regular Tax	31.8	12.7	67.4	1.0	1.5	1.6	1.7	1.7	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.8
Regular Tax before Min. Credit Carryover	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Regular Tax after Min. Credit Carryover	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AMT Offset (Min. Tax Credit Carryover Utilized)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AMT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ACE Adjustment	(0.9)	(0.3)	-	(0.6)	(0.9)	(0.9)	(0.6)	(0.4)	(0.1)	(0.3)	(0.4)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Taxable Income	30.9	12.4	67.4	0.6	0.7	1.1	1.3	1.4	1.4	1.6	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.8
AMT NOLs Used	27.8	11.2	60.7	0.3	0.6	0.7	1.0	1.2	1.3	1.4	1.6	1.9	2.0	2.1	2.2	2.3	2.4	2.7
Net Taxable Income	3.1	1.2	6.7	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Less Regular Tax Paid (up to AMT)	0.9	0.1	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net AMT	0.9	0.1	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AMT Balance	4.7	5.6	5.7	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1
BB	4.7	5.6	5.7	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1
Additions	0.9	0.1	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EB	5.6	5.7	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1
Total Tax	0.9	0.1	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Est. Book Tax	1.0	0.9	0.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Income Taxes

	2007	2008H1	Transa ction	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
(\$M)	0.000	0.000	0.000	0.669	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Unwind Allocation	1.000	0.331	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pre-Transaction Allocation	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Transaction Index																			
56	0.5	0.5	-	0.5	0.5	0.5	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
57	0.8	0.8	-	0.8	0.8	0.8	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
58	6.8	7.1	-	7.4	16.6	12.1	17.2	19.9	20.1	20.7	21.3	21.9	22.6	23.3	24.0	24.7	25.4	26.2	27.0
59	6.8	7.1	-	7.4	16.6	12.1	17.2	19.9	20.1	20.7	21.3	21.9	22.6	23.3	24.0	24.7	25.4	26.2	27.0
60	-	-	-	5.7	21.3	20.9	20.4	13.6	1.6	3.0	-	-	-	1.8	4.1	0.9	-	-	-
61	-	-	-	2.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62	4.1	-	-	3.7	6.0	1.7	-	-	-	-	-	-	-	-	-	-	-	-	-
63	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64	-	-	-	4.5	5.4	1.7	1.2	2.9	1.6	1.3	3.0	1.4	1.4	3.6	1.5	1.5	3.4	1.6	2.1
65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
66	11.0	7.1	-	23.2	49.2	36.4	38.8	36.3	23.3	25.0	24.3	23.3	24.0	28.7	29.6	27.1	28.8	27.8	29.0
67	167.5	174.6	174.6	197.9	247.0	283.4	322.3	358.6	381.9	406.8	431.2	454.5	478.4	507.1	536.7	563.7	592.5	620.2	649.3
68	2.8	1.0	-	3.3	4.1	4.7	5.4	6.0	6.4	6.8	7.2	7.6	8.0	8.5	8.9	9.4	9.9	10.3	10.8
69	8.4	2.9	-	9.9	12.4	14.2	16.1	17.9	19.1	20.3	21.6	22.7	23.9	25.4	26.8	28.2	29.6	31.0	32.5
70	(5.6)	(1.9)	-	(6.6)	(8.2)	(9.4)	(10.7)	(12.0)	(12.7)	(13.6)	(14.4)	(15.1)	(15.9)	(16.9)	(17.9)	(18.8)	(19.7)	(20.7)	(21.6)
71																			
72																			
73																			
74																			
75																			
76																			
77																			
78																			
79																			
80																			

FEDERAL CUMULATIVE NONPATRON NET OPERATING LOSSES
TAX YEARS 1983-2023

STATEMENT 60

TAX YEAR	NONPATRON TAXABLE LOSS (INCOME)	NOL UTILIZED	NONPATRON SECTION 172 USAGE	NONPATRON EXPIRED NOLs	NONPATRON REMAINING NOLs	TOTAL NET NOLs
1983	7,182,833	0	(5,694,777)	(1,488,056)	0	0
1984	22,448,681	0	(11,951,703)	(10,496,978)	0	0
1985	67,286,392	0	(67,286,392)	0	0	0
1986	56,198,468	0	(56,198,468)	0	0	0
1987	75,567,924	0	(75,567,924)	0	0	0
1988	44,315,156	0	(44,315,156)	0	0	0
1989	22,819,745	0	(22,819,745)	0	0	0
1990	36,952,270	0	(34,627,493)	(2,324,777)	0	0
1991	29,446,433	0	(20,568,120)	(8,878,313)	0	0
1992	14,648,800	0	(14,648,800)	0	0	0
1993	30,220,578	0	(30,220,578)	0	0	0
1994	36,390,275	0	(36,390,275)	0	0	0
1995	43,631,999	0	(34,840,798)	(8,791,201)	0	0
1996	12,713,387	0	(1,675,643)	(11,037,744)	0	0
1997	29,946,372	0	(1,747,361)	(28,199,011)	0	0
1998	(5,694,777)	5,694,777	0	0	0	0
1999	(11,951,703)	11,951,703	0	0	0	0
2000	(211,273,153)	211,273,153	0	0	0	0
2001	(20,133,776)	20,133,776	0	0	0	0
2002	(18,036,546)	18,036,546	0	0	0	0
2003	(17,437,192)	17,437,192	0	0	0	0
2004	(14,433,689)	14,433,689	0	0	0	0
2005	(19,500,822)	19,500,822	0	0	0	0
2006	(20,568,120)	20,568,120	0	0	0	0
2007	(31,833,276)	31,833,276	0	0	0	0
2008	(12,716,116)	12,716,116	0	0	0	0
Transaction	(67,400,512)	67,400,512	0	0	0	0
2008	(1,002,760)	1,002,760	0	0	0	0
2009	(1,540,918)	1,540,918	0	0	0	0
2010	(1,606,869)	1,606,869	0	0	0	0
2011	(1,675,643)	1,675,643	0	0	0	0
2012	(1,747,361)	1,747,361	0	0	0	0
2013	(1,822,148)	0	0	0	0	0
2014	(1,900,136)	0	0	0	0	0
2015	(1,981,462)	0	0	0	0	0
2016	(2,066,268)	0	0	0	0	0
2017	(2,154,705)	0	0	0	0	0
2018	(2,246,926)	0	0	0	0	0
2019	(2,343,094)	0	0	0	0	0
2020	(2,443,379)	0	0	0	0	0
2021	(2,547,955)	0	0	0	0	0
2022	(2,657,008)	0	0	0	0	0
2023	(2,770,728)	0	0	0	0	0
Total Carryforward to 2024	46,282,271	458,553,233	(458,553,233)	(71,216,080)	209,499,824	0

Reg NOLs

STATEMENT 60
FEDERAL CUMULATIVE NONPATRON NET OPERATING LOSSES
TAX YEARS 1983-2023

TAX YEAR	NONPATRON TAXABLE LOSS (INCOME)	NOL UTILIZED	NONPATRON SECTION 172 USAGE	NONPATRON EXPIRED NOLs	NONPATRON REMAINING NOLs	TOTAL NET NOLs
Total Carryforward to 2002	280,715,904	249,053,409	(249,053,409)	(11,985,034)	268,730,870	268,730,870
Total Carryforward to 2003	262,679,358	267,089,955	(267,089,955)	(11,985,034)	250,694,324	250,694,324
Total Carryforward to 2004	245,242,166	284,527,147	(284,527,147)	(11,985,034)	233,257,132	233,257,132
Total Carryforward to 2005	230,808,477	298,960,836	(298,960,836)	(11,985,034)	218,823,443	218,823,443
Total Carryforward to 2006	211,307,655	318,461,658	(318,461,658)	(14,309,811)	196,997,844	196,997,844
Total Carryforward to 2007	190,739,535	339,029,778	(339,029,778)	(23,188,124)	167,551,411	167,551,411
Total Carryforward to H1 2008	158,906,259	370,863,054	(370,863,054)	(23,188,124)	135,718,135	135,718,135
Total Carryforward to Transactio	146,190,143	383,579,170	(383,579,170)	(23,188,124)	123,002,019	123,002,019
Total Carryforward to H2 2008	78,789,631	450,979,682	(450,979,682)	(23,188,124)	55,601,507	55,601,507
Total Carryforward to 2009	76,245,953	451,982,441	(451,982,441)	(23,188,124)	54,598,748	54,598,748
Total Carryforward to 2010	74,639,084	453,523,360	(453,523,360)	(23,188,124)	53,057,829	53,057,829
Total Carryforward to 2011	72,963,441	456,805,872	(456,805,872)	(31,979,325)	42,659,759	42,659,759
Total Carryforward to 2012	69,393,932	458,553,233	(458,553,233)	(43,017,069)	29,946,372	29,946,372
Total Carryforward to 2013	67,483,796	458,553,233	(458,553,233)	(71,216,080)	0	0
Total Carryforward to 2014	63,446,066	458,553,233	(458,553,233)	(71,216,080)	0	0
Total Carryforward to 2015	61,291,361	458,553,233	(458,553,233)	(71,216,080)	0	0
Total Carryforward to 2016	59,044,435	458,553,233	(458,553,233)	(71,216,080)	0	0
Total Carryforward to 2017	56,701,341	458,553,233	(458,553,233)	(71,216,080)	0	0
Total Carryforward to 2018	54,257,962	458,553,233	(458,553,233)	(71,216,080)	0	0
Total Carryforward to 2019	51,710,006	458,553,233	(458,553,233)	(71,216,080)	0	0
Total Carryforward to 2020	49,052,998	458,553,233	(458,553,233)	(71,216,080)	0	0
Total Carryforward to 2021						
Total Carryforward to 2022						
Total Carryforward to 2023						

* Carryback/Carryforward Rules: For years beginning before 8/6/97 carryback 5 years, carryforward 15.
For years beginning after 8/6/97 carryback 2 years, carryforward 20.

AMT NOLS

BIG RIVERS ELECTRIC CORPORATION & SUBSIDIARY
 EIN: 61-0597287
 STATEMENT 61

ALTERNATIVE MINIMUM TAX NONPATRON NET OPERATING LOSSES

TAX YEAR	AMT NONPATRON LOSS (INCOME)	NONPATRON NOL UTILIZED (90% LIMIT **)	REMAINING AMT NONPATRON (INCOME)	NONPATRON SECTION 172 USAGE	NONPATRON EXPIRED NOL'S	NONPATRON REMAINING NOL'S	TOTAL NET NOLS
1983	7,182,833	0	0	0	(7,182,833)	0	0
1984	22,448,681	0	0	(67,286,392)	(22,448,681)	0	0
1985	67,286,392	0	0	(56,198,468)	0	0	0
1986	56,198,468	0	0	(62,522,466)	(11,862,696)	0	0
1987	74,385,162	0	0	(14,775,845)	(29,538,819)	0	0
1988	44,314,663	0	0	(12,087,111)	(8,020,667)	0	0
1989	20,107,778	0	0	(16,651,074)	(12,695,326)	0	0
1990	29,346,400	0	0	(17,624,779)	(5,043,002)	0	0
1991	22,667,781	0	0	(9,553,735)	0	0	0
1992	9,553,735	0	0	(21,693,629)	0	0	0
1993	21,693,629	0	0	(27,573,481)	0	0	0
1994	27,573,481	0	0	(34,018,244)	(68,634)	0	0
1995	34,018,244	0	0	(9,375,028)	(31,472,870)	0	0
1996	9,443,662	0	0	(1,184,282)	0	0	0
1997	32,657,152	0	0	(44,897)	(6,827,722)	0	0
1998	44,897	0	0	(1,254,439)	0	0	0
1999	8,082,161	0	(16,593,166)	0	0	0	0
2000	(165,931,656)	149,338,490	19,634,252	0	0	0	0
2001	(19,634,252)	17,034,584	2,600,000	0	0	0	0
2002	(17,034,584)	14,775,845	(1,641,761)	(1,641,761)	0	0	0
2003	(16,417,605)	12,087,111	(1,343,012)	(1,343,012)	0	0	0
2004	(13,430,123)	16,651,074	(1,850,119)	(1,850,119)	0	0	0
2005	(18,501,193)	17,624,779	(1,958,309)	(1,958,309)	0	0	0
2006	(19,583,088)	27,824,231	(3,091,581)	(3,091,581)	0	0	0
2007	(30,915,813)	11,171,522	(1,241,280)	(1,241,280)	0	0	0
2008	(12,412,802)	60,660,461	(6,740,051)	(6,740,051)	0	0	0
Transaction	(67,400,512)	349,750	(38,861)	(38,861)	0	0	0
2008	(388,611)	582,333	(64,704)	(64,704)	0	0	0
2009	(647,037)	657,691	(73,077)	(73,077)	0	0	0
2010	(730,767)	968,129	(107,570)	(107,570)	0	0	0
2011	(1,075,699)	1,184,282	(131,587)	(131,587)	0	0	0
2012	(1,315,869)	1,299,336	(144,371)	(144,371)	0	0	0
2013	(1,443,707)	0	(1,638,356)	(1,638,356)	0	0	0
2014	(1,638,356)	0	(1,883,882)	(1,883,882)	0	0	0
2015	(1,883,882)	0	(2,042,669)	(2,042,669)	0	0	0
2016	(2,042,669)	0	(2,149,181)	(2,149,181)	0	0	0
2017	(2,149,181)	0	(2,241,548)	(2,241,548)	0	0	0
2018	(2,241,548)	0	(2,337,861)	(2,337,861)	0	0	0
2019	(2,337,861)	0	(2,437,831)	(2,437,831)	0	0	0
2020	(2,437,831)	0	(2,542,573)	(2,542,573)	0	0	0
2021	(2,542,573)	0	(2,651,791)	(2,651,791)	0	0	0
2022	(2,651,791)	0	(2,765,676)	(2,765,676)	0	0	0
2023	(2,765,676)	0	0	0	0	0	0
Total Carryforward to 2024	77,450,434	351,843,869	(57,710,816)	(351,843,869)	(135,161,250)	0	0

AMT NOLS

BIG RIVERS ELECTRIC CORPORATION & SUBSIDIARY
EIN: 61-0597287
STATEMENT 61

ALTERNATIVE MINIMUM TAX NONPATRON NET OPERATING LOSSES

TAX YEAR	AMT NONPATRON LOSS (INCOME)	NONPATRON NOL UTILIZED (90% LIMIT **)	REMAINING AMT NONPATRON (INCOME)	NONPATRON SECTION 172 USAGE	NONPATRON EXPIRED NOLS	NONPATRON REMAINING NOLS	TOTAL NET NOLS
Total Carryforward to 2002	301,439,211	168,972,742	(16,593,166)	(168,972,742)	(29,631,514)	288,400,863	288,400,863
Total Carryforward to 2003	284,404,627	186,007,326	(16,593,166)	(186,007,326)	(41,494,210)	259,503,583	259,503,583
Total Carryforward to 2004	267,987,022	200,783,171	(18,234,926)	(200,783,171)	(71,033,028)	215,188,920	215,188,920
Total Carryforward to 2005	254,556,899	212,870,282	(19,577,938)	(212,870,282)	(79,053,695)	195,081,142	195,081,142
Total Carryforward to 2006	236,055,706	229,521,355	(21,428,058)	(229,521,355)	(91,749,022)	165,734,742	165,734,742
Total Carryforward to 2007	216,472,618	247,146,135	(23,386,367)	(247,146,135)	(96,792,024)	143,066,961	143,066,961
Total Carryforward to H1 2008	185,556,805	274,970,366	(26,477,948)	(274,970,366)	(96,792,024)	115,242,730	115,242,730
Total Carryforward to Transacti	173,144,003	286,141,888	(27,719,228)	(286,141,888)	(96,792,024)	104,071,208	104,071,208
Total Carryforward to H2 2008	173,144,003	346,802,349	(34,459,279)	(346,802,349)	(96,792,024)	110,811,259	110,811,259
Total Carryforward to 2009	105,354,880	347,152,098	(34,498,140)	(347,152,098)	(96,792,024)	FALSE	FALSE
Total Carryforward to 2010	104,707,844	347,734,431	(34,562,844)	(347,734,431)	(96,792,024)	FALSE	FALSE
Total Carryforward to 2011	103,977,076	348,392,122	(34,635,921)	(348,392,122)	(96,792,024)	FALSE	FALSE
Total Carryforward to 2012	102,901,377	349,360,251	(34,743,491)	(349,360,251)	(96,860,658)	FALSE	FALSE
Total Carryforward to 2013	101,585,508	350,544,533	(34,875,077)	(350,544,533)	(128,333,528)	FALSE	FALSE
Total Carryforward to 2014	100,141,802	351,843,869	(35,019,448)	(351,843,869)	(128,333,528)	FALSE	FALSE
Total Carryforward to 2015	98,503,445	351,843,869	(36,657,804)	(351,843,869)	(135,161,250)	0	0
Total Carryforward to 2016	96,619,563	351,843,869	(38,541,687)	(351,843,869)	(135,161,250)	0	0
Total Carryforward to 2017	94,576,895	351,843,869	(40,584,355)	(351,843,869)	(135,161,250)	0	0
Total Carryforward to 2018	92,427,713	351,843,869	(42,733,536)	(351,843,869)	(135,161,250)	0	0
Total Carryforward to 2019	90,166,166	351,843,869	(44,975,084)	(351,843,869)	(135,161,250)	0	0
Total Carryforward to 2020	87,848,305	351,843,869	(47,312,945)	(351,843,869)	(135,161,250)	0	0
Total Carryforward to 2021	85,410,474	351,843,869	(49,750,776)	(351,843,869)	(135,161,250)	0	0
Total Carryforward to 2022	82,867,900	351,843,869	(52,293,349)	(351,843,869)	(135,161,250)	0	0
Total Carryforward to 2023	80,216,110	351,843,869	(54,945,140)	(351,843,869)	(135,161,250)	0	0

* Carryback/Carryforward Rules: For years beginning before 8/6/97 carryback 5 years, carryforward 15.

For years beginning after 8/6/97 carryback 2 years, carryforward 20.

** For years ended December 31, 2001 and December 31, 2002, the Job Creation and Worker Assistance Act of 2002 allowed 100% of the AMTI to be offset with NOL carryforwards.

Inputs	2006	2007	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Electricity Sales, Purchases, and Production																			
1 Sales	2,232	2,396	0.792	1,632	2,487	2,543	2,595	2,651	2,704	2,763	2,819	2,879	2,935	2,997	3,059	3,120	3,180	3,242	
2 Rural	61.62%	64.32%	60.17%	60.17%	60.12%	60.21%	60.15%	60.40%	60.49%	60.57%	60.51%	60.74%	60.82%	60.85%	60.85%	61.04%	61.11%	61.17%	
3 LF	413	425	145	310	464	472	482	501	510	521	532	541	551	562	574	584	594	605	
4 Large Industrial	0.957	0.974	0.323	0.691	1.063	1.097	1.131	1.165	1.200	1.235	1.269	1.303	1.337	1.407	1.440	1.476	1.510	1.545	
5 LF	140	159	47	101	154	159	170	174	179	184	189	194	199	204	210	214	219	224	
6 Non-Alum	0	0	0	2,121	3,159	3,159	3,168	3,159	3,159	3,159	3,168	3,159	3,159	3,159	3,159	3,168	3,159	3,159	
7 LF	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	
8 Smelter Retail Agreement, Section 1.1.17				368	368	368	368	368	368	368	368	368	368	368	368	368	368	368	
9 Smelter Retail Agreement, Section 1.1.17				368	368	368	368	368	368	368	368	368	368	368	368	368	368	368	
10 Smelter Retail Agreement, Section 1.1.15				2,777	4,138	4,138	4,149	4,138	4,138	4,138	4,149	4,138	4,138	4,138	4,149	4,138	4,138	4,138	
11 LF	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	
12 Smelter Retail Agreement, Section 1.1.16				482	482	482	482	482	482	482	482	482	482	482	482	482	482	482	
13 LF	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	
14 Smelter Retail Agreement, Section 1.1.14				2,06	1,16	1,25	1,34	1,05	1,18	1,08	1,06	1,06	1,03	1,03	1,03	1,03	1,03	1,03	
15 LF	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%	
16 Offsystem (TWh)				0.84	1.37	1.25	1.34	1.05	1.18	1.08	1.06	1.06	1.03	1.03	1.03	1.03	1.03	1.03	
17 Offsystem (MWh)				0.07	0.02	0.01	0.18	0.30	0.35	0.40	0.39	0.39	0.41	0.41	0.41	0.41	0.41	0.41	
18 Offsystem (TWh)				0.24	0.20	0.10	0.17	0.20	0.31	0.30	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	
19 Offsystem (MWh)				0.81%	0.81%	0.81%	0.81%	0.81%	0.81%	0.81%	0.81%	0.81%	0.81%	0.81%	0.81%	0.81%	0.81%	0.81%	
20 Fuel Consumption (MMBtu)				87.0	129.9	128.4	127.6	122.0	131.3	130.2	131.2	128.0	132.7	129.0	132.4	132.1	133.0	132.8	
21 Fuel (MMBtu)				5.97	9.38	8.16	9.54	8.46	9.70	8.64	8.66	10.35	8.84	11.51	10.25	9.53	10.93	10.26	
22 Emissions				14,611	19,248	18,978	19,034	19,207	18,270	19,373	20,286	19,460	20,624	19,657	19,478	20,676	20,565	20,501	
23 SO2				32,653	46,979	44,469	44,469	44,469	44,469	44,469	44,469	44,469	44,469	44,469	44,469	44,469	44,469	44,469	
24 NOx				5,105	13,163	13,054	13,051	12,658	12,088	13,060	13,083	13,041	13,087	13,234	13,036	13,424	13,311	13,220	
25 NOx Season (Mo./Yr.)				5,536	11,074	11,074	11,071	11,057	11,056	11,057	11,056	11,056	11,056	11,056	11,056	11,056	11,056	11,056	
26 Fuel (MMBtu)				1,96	1.94	2.14	2.24	2.49	2.46	1.86	1.86	1.85	1.92	1.91	1.96	1.97	2.02	2.01	
27 Fuel (MMBtu)				26.98	28.98	22.44	22.44	28.33	29.04	29.75	29.75	29.75	29.75	29.75	31.24	31.24	31.24	31.24	
28 Power Purchases (\$/MWh)				67.8347	77.90	200.00	75.18	76.85	74.04	70.92	46.63	50.24	50.37	49.65	52.12	56.92	63.12	62.04	
29 Market (\$/MWh)				2.30	2.46	2.80	2.46	2.80	3.08	3.15	3.18	3.53	3.64	3.76	3.81	4.01	4.18	4.40	
30 Variable Production (\$/MWh sales)				454	747	887	868	878	875	850	842	825	807	706	591	413	350	422	
31 SO2 Allowance (\$/Ton)				837	3,117	2,383	2,120	1,951	1,909	2,570	3,071	2,863	2,764	2,665	2,564	2,374	2,576	2,581	
32 NOx Allowance (\$/Ton)				3,905	5,909	5,837	5,891	5,806	5,652	5,688	5,957	5,794	6,019	5,833	5,986	6,005	6,010	6,034	
33 Coal used (klons)				100%															
34 Sales Rates & Related				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
35 General Rate Adjustments (%)				70.79	71.65	65.41	65.79	63.38	70.72	54.93	54.67	53.89	55.17	57.42	56.72	55.94	58.22	58.47	
36 Shadow 2010 Rate (0=Start 2011)				40.45	42.91	44.98													
37 Market (\$/MWh)				7.37	Escalated by GRAs														
38 Rural				20.4	Escalated by GRAs														
39 Demand (\$/KW-no.)				10.15	Escalated by GRAs														
40 Energy (\$/MWh)				13.715	Escalated by GRAs														
41 Smelters				0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	
42 Margn (\$/MWh)				(0.00)	0.06	2.29	2.74	2.20	3.55	3.16	3.55	3.16	3.55	3.16	3.55	3.16	3.55	3.16	
43 Surcharge 1 (M\$)				5.11	5.11	5.11	5.11	5.11	5.11	5.11	5.11	5.11	5.11	5.11	5.11	5.11	5.11	5.11	
44 Surcharge 2 (M\$)				1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	
45 Base Fixed Energy				4.90	7.30	7.32	7.30	7.32	7.30	7.30	7.32	7.30	7.32	7.30	7.32	7.30	7.32	7.30	
46 Surcharge 2 (M\$)				5.88	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.76	
47 Member Revenue Discount Adjustment (M\$)				3.68	3.68	3.68	3.68	3.68	3.68	3.68	3.68	3.68	3.68	3.68	3.68	3.68	3.68	3.68	
48 MROA Ratio (Rural to Industrial)				0.73	0.74	0.74	0.73	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	
49 Power Factor Penalty Demand Cr. (Eq. Ineq.)				0.19															
50 TIER Rebate Related to Rurals (M\$)				1.62	3.89	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	
51 TIER Rebate Related to Large Industrials (M\$)				0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	
52 TIER Rebate Related to Smelters (M\$)				4.88	11.23	8.00													
53 W/Purchased Power (Total Sales Denom.)				10.72															
54 W/Purchased Power (Rural Sales Denom.)				12.47															
55 Allocation of Revenues on																			
56 Total																			
57 NOx + SO3																			
58 VOM																			
59 Allowances																			
60 SO2																			

Inputs	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
90 VOM															
91 Net Allowances															
92 Total															
93 Allowed in ES															
94 Net SO3															
95 VOM															
96 Allowances															
97 SO2															
98 VOM in Excess of 2009															
99 Net Allowance Costs in Excess of 2009															
100 Total															
101 Smelter Rate Structure															
102 Bandwidth															
103															
104															
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Inputs

	2006	2007	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
272 Environmental (Real Basis 2006)																		
273 NGX Removal Equipment Capital																		
274 Mercury Monitoring																		
275 Cinn FGD Equipment Capital																		
276 FGD ongoing upkeep capital (0-10%)																		
277 Additional FGD thickener & filter drum																		
278 R-CT reliability study & upgrade																		
279 Wilson super heater tube replacement																		
280 Adjustment for Station 2																		
281 Transmission Upgrades																		
282 Phase 1																		
283 Phase 1																		
284 Shared HQ Building																		
285 Phase 1																		
286 Phase 1																		
287 Intellectual Property																		
288 Capex Purposes																		
289 Depreciation Purposes																		
290 Trial Balance Adjust																		
291 Cash Adder																		
292 Other Disbursements (M\$)																		
293 PPA																		
294 PCB Restructuring																		
295 LEM Settlement Note																		
296 'Other Disbursements'																		
297 Transition Costs																		
298 Deferred Debit - PCB Refunding A/C 181																		
299 Green River Coal Settlement																		
300 MISO Credit Fee																		
301 Deferred Tax Asset Write-Down																		
302 Payment to City of Henderson																		
303 Seller Payable (Assurance Agreement)																		
304 Seller Payable (Current Fees) Smelter Exit																		
305 Seller Payable (Current Fees) Smelter Exit																		
306 Non-Current Member Excess Cash Rebate																		
307 Working Capital Adj.																		
308 Cobank Patronage Capital																		
309 Amortization of RUS/PCB Charges																		
310 Other Assumptions																		
311 Interest Estimate Rate on Cash Balances																		
312 Inflation																		
313 Receivables (Gens)																		
314 Payables (Gens)																		
315 Non-Patronage Taxable Allocation (Transaction)																		
316 Secured Cash Ending Balance																		
317 Balance Sheet (2005)																		
318 Assets																		
319 Total Utility Plant in Service																		
320 Construction in Progress																		
321 Depreciation & Amortization																		
322 Other Property																		
323 Cash General Funds & Special Deposits																		
324 Ending Cash Balance																		
325 Accounts Receivable																		
326 Fuel Stock & Related																		
327 Credit Escrow																		
328 Materials and Supplies Other																		
329 Other Current Assets																		
330 AMBAC/Credit Suisse July '06																		
331 Deferred Tax																		
332 Other Deferred Debits/PCB Refunding 10/01																		
333 LEM Settlement Note/Marketing Payment																		
334 Total Assets																		
335 Liabilities																		
336 Margins & Equities																		
337 Long-Term Debt																		
338 Existing Debt																		
339 Sale-Leaseback Obligation																		
340 Total Long-Term Debt																		
341 Current & Accrued Liabilities																		
342																		

Inputs

	2005	2007	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
363 Accounts Payable	13.1	12.6	11.7																	
364 Taxes Accrued	0.4	0.2	0.2																	
365 Deferred Revenue (Credit/ Ecnov)																				
366 Other Accrued Liabilities	7.5	7.6	7.6	0.4	0.4															
367 WKEC Lease (Value Obligation)*	5.9	6.0	6.2	6.3	6.3	6.4														
368 Sale-Leaseback - Lease Co.	158.1																			
369 Other Deferred Credits & Century Reactive Power	1.0	0.4	0.3	0.3																
370 Total Liabilities & Equity																				
371	1																			
372																				
373																				
374																				
375																				
376 Sale-Leaseback	62.12	2.88	2.90	0.97	1.96	2.76	2.79	2.83	2.84	2.85	2.87	2.88	2.89	2.91	2.92	2.94	2.95	2.97	2.99	3.01
377 BOY Deferred Gain	2.86																			
378 Amortization (I/S)	0.50	0.73	0.74	0.24	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.74
379 Investment - Special Deposit (B/S)	170.95																			
380 Liability - Long-Term Debt (B/S)	11.67	12.07	12.48	4.27	8.66	9.59	9.99	10.41	10.82	11.26	11.72	12.22	12.75	13.33	13.94	14.60	15.30	16.05	16.86	17.73
381 Interest Income (I/S)	11.97	12.39	12.82	4.39	8.85	9.82	10.24	10.66	11.10	11.55	12.03	12.55	13.10	13.69	14.32	14.99	15.72	16.49	17.32	18.20
382 Interest Expense (I/S)	5.72	6.03	6.24	2.06	3.08	3.88	4.02	4.09	4.68	4.68	4.68	4.68	4.68	4.68	4.67	4.67	4.67	4.66	4.66	4.65
383 Cash Flow (Investment and Liability)	63.53	64.06	64.47	21.31	46.23	43.63	44.23	44.82	44.87	45.13	45.30	45.49	45.68	45.89	46.11	46.34	46.59	46.86	47.14	47.45
384 Sale-Leaseback - Lease Co.	(48.87)	(48.87)	(48.87)	(16.16)	(34.81)	(34.81)	(34.81)	(34.81)	(34.81)	(34.81)	(34.81)	(34.81)	(34.81)	(34.81)	(34.81)	(34.81)	(34.81)	(34.81)	(34.81)	(34.81)
385 Defersance Income																				
386 Rent Expense																				
387 Unwind Transaction																				
388 WKE Residual Value Obligation																				
389 WKE Capex - Cum																				
390 Non-Incremental (RV Obligation Balance)																				
391 Beginning Balance																				
392 WKE Share of Non-Incremental Capex																				
393 Amortization of WKE Share																				
394 Unattributed Plugs																				
395 Incremental																				
396 Beginning Balance																				
397 WKE Share of Non-Incremental Capex																				
398 Amortization of WKE Share																				
399 Incremental																				
400 Beginning Balance																				
401 Cash Flow																				
402 Income Statement																				
403 Balance																				
404 Net WKE Obligation																				
405 Fuel & Other Inventories																				
406 Coleman Scrubber Completion																				
407 Cancellation of Settlement Prom. Note																				
408 Smelter Payment																				
409 Smelter Payment																				
410 Consent Fees																				
411 Non-Smelter Member Excess Cash Rebate																				
412 Non-Smelter Member Excess Cash Rate Mitigation Account																				
413 Assumed 4.28% interest earnings rate																				
414 LG&E Unwind Deal Stipulated																				
415 Releases to offset FAC + ES, net of surcharge rebates																				
416 IE																				
417 Contribution																				
418 Release/Amortization																				
419 EB																				
420 DSL Termination																				
421 10. LG&E Emissions Allowance																				
422 Volume (tons)																				
423 Price (\$/ton)																				
424 Lease Termination Payment																				
425 Asses and Make Whole to CoBank																				
426 Total Expense																				
427 Lease Termination Payment from Unwind Counterparties																				
428 Recognition of Deferred Gain on Original Lease																				
429 Lease Termination Payment from Unwind Counterparties																				
430 DSL Termination																				
431 PMCC Share																				
432 Net SLB																				
433 Depreciation																				

	2006	2007	2008 H1	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
454 Additional Book Depreciation	12.83	13.12	4.43																	
455 Prior year non-incremental in service	2.98	10.88	5.29	0.02																
456 Average of Transmission and A&G	0.02	0.02	0.02																	
457 Depreciation as a Percentage of Gross PPE	2.4%																			
458 Capitalization Policy (cost rate)	38																			
459 Capital Depreciation Rate (incl. Environmental)	38																			
460 Capital Depreciation Rate (Environmental)	38																			
461 Capital Depreciation Rate (Environmental)	38																			
462																				
463 HMP&L Station Two	12.83	13.12	4.43	0.00																
464 Prior year non-incremental	0.00	0.00	0.00																	
465 Depreciation as a Percentage of Gross PPE	0.00	0.00	0.00																	
466																				
467																				
468 Other	6.00	6.77	4.96	0.00																
469 Prior year	0.00	0.00	0.00																	
470 Depreciation as a Percentage of Gross PPE	0.00	0.00	0.00																	
471																				
472 Book Depreciation & Amortization	25.38	25.39	6.58	26.58	9.01															
473 Generation	0.93	0.31		0.93	0.31															
474 Big Rivers Plants	1.58	1.64	0.54	5.08	1.69															
475 HMP&L Station Two	5.05	5.25	1.75																	
476 Other																				
477																				
478 Adjustment to Depreciation																				
479 9/24/07 Blended Depreciation Amount																				
480 Income Tax Related																				
481																				
482 Previously Expensed Marketing Payment																				
483																				
484 Status Quo Depreciation	23.69			4.196																
485																				
486 W&E Share of Capex	51%	51%	51%	51%	51%															
487 Non-incremental	0%	80%	80%	80%	80%															
488 Incremental	0.80	0.00	0.00																	
489 Incremental Dep																				
490 Temporary Differences																				
491 2005 Cumulative Balance of Capex not reflected in SQ	149.87																			
492 Other Temporary Differences	19.65																			
493																				
494 NOL Related																				
495 Year																				
496																				
497 Tax Rates	35%																			
498 Regular	20%																			
499 AMT																				
500																				
501 ACE																				
502 ACE Deduction																				
503 ACE %																				
504																				
505 SQ Addition	(1.23)	(1.22)	(0.40)																	
506 2006 AMT EB	0.41	0.89	0.13																	
507 Nonparticipating AMW	4.28	4.69	5.58																	
508 Orlinsteam Sales	1	38%	0.256522	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
509 Orlinsteam Sales																				
510 Interest on Unrestricted Cash																				
511 Interest on Transition Reserve																				
512 Interest on Economic Reserve																				
513																				
514 Carbon Tax Cost (\$/MWh)																				
515 Carbon Allowance Cost (\$/MWh)																				
516 Carbon BY Allowance Cost (\$/MWh)																				
517																				
518 Smelter Excess Cash Rate Mitigation Account																				
519 BB																				
520 IE																				
521 Contribution																				
522 Released/ Amortization																				
523 EB																				

Fuel Inventory

	Transaction	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
(SM)	Unwind Allocation	0.000	0.669	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
	Pre-Transaction Allocation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Lease Termination	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1	Inventory Maintenance		100%														
2																	
3	Fuel Purchases (\$/mmbtu)	1.96	1.96	1.94	2.14	2.24	2.49	2.46	1.86	1.86	1.85	1.92	1.91	1.96	1.97	2.02	2.01
4																	
5	Heat Value btu/lb	11,135	10,993	10,996	11,026	10,987	10,989	11,064	11,036	11,009	11,043	11,022	11,062	11,045	11,002	11,064	11,002
6	Heat Value mmbtu/ton	22.27	21.99	21.99	22.05	21.97	21.98	22.13	22.07	22.02	22.09	22.04	22.12	22.09	22.00	22.13	22.00
7	Coal Consumed [from FCM (000s tons)]	3,905	5,909	5,837	5,891	5,806	5,932	5,552	5,898	5,957	5,794	6,019	5,833	5,996	6,005	6,010	6,034
8	Coal Consumed (Gbtus)	86,952	129,911	128,372	129,902	127,586	122,024	131,265	130,173	131,164	127,980	132,695	129,044	132,439	132,140	132,995	132,773
9																	
10	Volumes Fuel Inventory (Gbtus)	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073
11	BB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Fuel Purchased	86,952	129,911	128,372	129,902	127,586	122,024	131,265	130,173	131,164	127,980	132,695	129,044	132,439	132,140	132,995	132,773
13	L&E Additions to Fuel Inventory	28,073	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Fuel Consumed	-	(86,952)	(128,372)	(129,902)	(127,586)	(122,024)	(131,265)	(130,173)	(131,164)	(127,980)	(132,695)	(129,044)	(132,439)	(132,140)	(132,995)	(132,773)
15	EB	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073	28,073
16																	
17	\$Millions																
18	BB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Fuel Purchased	170.4	251.9	274.7	290.7	317.9	300.3	244.0	242.2	242.9	245.5	253.1	252.5	262.2	260.7	268.8	267.5
20	L&E Additions to Fuel Inventory	55.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Fuel Expensed	-	(170.4)	(252.5)	(269.0)	(287.9)	(310.8)	(301.2)	(260.9)	(242.2)	(243.1)	(243.6)	(251.1)	(261.6)	(260.9)	(267.4)	(267.7)
22	EB	55.0	55.0	54.4	60.1	62.8	70.0	69.1	52.2	52.0	53.8	53.6	54.9	55.6	55.4	56.7	56.6

Transaction		2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1	SO ₂ Emissions Inventory																
2	Price (\$/ton)	454	454	747	887	866	878	875	850	842	825	757	706	561	413	350	302
3	L&E Contribution	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
4	Excess Sold Annually (2008-2010)	100%	100%	100%													
5	Excess Sold Annually (post 2010)																
6	CAFR Factor	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.86	2.86	2.86	2.86	2.86	2.86	2.86
9	Allowances (in tons)	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
10	BB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Allocated	14,000	32,653	48,979	24,489	24,489	24,489	24,489	18,352	18,352	18,352	18,352	17,125	17,125	18,352	18,352	18,352
12	Consumed	-	(14,911)	(19,248)	(19,034)	(19,207)	(18,270)	(19,373)	(20,286)	(20,812)	(19,480)	(20,924)	(18,857)	(19,478)	(20,578)	(20,955)	(20,501)
13	Sold	-	(17,741)	(29,731)	(5,511)	(5,455)	(6,219)	(5,117)	1,934	2,460	1,127	2,572	1,731	2,353	2,226	2,603	2,149
14	Net Contributed	14,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Withdrawn/Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	EB	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
17	Dollars (Balance Sheet)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	BB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Net Contributed	6,356	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Withdrawn/Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	EB	6,356	454	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Average Inventory Value (\$/ Allowance)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Income Statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Revenue	-	8,055	22,209	4,888	4,735	4,638	5,442	4,349	(1,628)	(2,030)	(853)	(1,816)	(971)	(972)	(779)	(599)
27	Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Allocation to Inventory	6,356	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Net	6,356	8,055	22,209	4,888	4,735	4,638	5,442	4,349	(1,628)	(2,030)	(853)	(1,816)	(971)	(972)	(779)	(599)
32	Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Balance Sheet (Incremental)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Cash	-	8,055	30,264	35,152	39,887	44,525	49,966	54,316	52,888	50,658	49,804	47,989	46,046	45,266	44,480	43,881
38	Emissions Inventory	6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356	6,356
39	Total	6,356	14,411	36,620	41,508	46,243	50,881	56,322	60,672	59,044	57,014	56,160	54,345	53,373	52,402	51,622	50,836
40	NOX Emissions Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Price (\$/ton)	837	837	3,117	2,383	2,120	1,951	1,909	2,570	3,071	2,863	2,764	2,665	2,564	2,574	2,578	2,584
42	Excess Sold Annually	100%															
43	L&E Contribution	837	837	3,117	2,383	2,120	1,951	1,909	2,570	3,071	2,863	2,764	2,665	2,564	2,574	2,578	2,584
44	Price (\$/ton)	837	837	3,117	2,383	2,120	1,951	1,909	2,570	3,071	2,863	2,764	2,665	2,564	2,574	2,578	2,584
45	Excess Sold Annually	100%															
46	L&E Contribution	837	837	3,117	2,383	2,120	1,951	1,909	2,570	3,071	2,863	2,764	2,665	2,564	2,574	2,578	2,584
47	Price (\$/ton)	837	837	3,117	2,383	2,120	1,951	1,909	2,570	3,071	2,863	2,764	2,665	2,564	2,574	2,578	2,584
48	Excess Sold Annually	100%															
49	L&E Contribution	837	837	3,117	2,383	2,120	1,951	1,909	2,570	3,071	2,863	2,764	2,665	2,564	2,574	2,578	2,584
50	Price (\$/ton)	837	837	3,117	2,383	2,120	1,951	1,909	2,570	3,071	2,863	2,764	2,665	2,564	2,574	2,578	2,584
51	Allocated	5,536	11,074	11,074	11,074	11,057	11,057	11,056	11,057	8,945	8,943	8,491	8,297	7,948	7,713	7,491	7,419
52	Consumed	(5,105)	(13,193)	(13,051)	(12,658)	(13,051)	(12,088)	(13,060)	(13,083)	(13,041)	(13,087)	(13,234)	(13,036)	(13,424)	(13,311)	(13,220)	(13,503)
53	Sold	(431)	2,120	1,980	1,979	1,601	1,032	2,004	4,139	4,098	4,595	4,937	4,883	5,476	5,697	5,729	6,084
54	Net Contributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Withdrawn/Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	EB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Dollars (Balance Sheet)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	BB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59	Net Contributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	Withdrawn/Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61	EB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62	Average Inventory Value (\$/ Allowance)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Emissions Inventory

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Transaction	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
63																
64																
65																
66																
67																
68																
69																
70																
71																
72																
73																
74																
75																
76																
77																
78																
79																
80																
81																

Lease Buyout Summary

	At 4/30 in Financial Model	1	2	3	4	5	6	Total	Journal Entries	
		TV Payment	Sell GICs for FMV		Counterparty Contribution *	Collapse Defeasance Accounts 30%	Recognize Unamortized Gain		Debit	Credit
Assets										
Sale-Leaseback Investments	195.1	(40.0)	34.0	2.3	5.0	(53.8)		(53.8)		53.8
Cash & Investments		(40.0)	34.0	2.3	5.0	(53.8)		1.3	1.3	
Assets								(52.5)		
Liabilities & Equities										
Sale-Leaseback Obligation & Unamortized Gain		(40.0)	34.0	2.3	5.0	(2.5)	14.4	13.2		
Obligation	186.2					(51.3)		(51.3)	51.3	
Unamortized Gain	52.5						(14.4)	(14.4)	14.4	
Total	238.7	(40.0)	34.0	2.3	5.0	(53.8)	-	(52.5)		
Liabilities & Equities									67.0	67.0
Check										

* = Cash requirement less \$1m BREC contribution