

BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO THE
COMMISSION STAFF'S SUPPLEMENTAL DATA REQUEST
PSC CASE NO. 2007-00455
March 6, 2008

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Item 9) Refer to the response to the Staff First Request, Item 15, and Big Rivers' response to the Attorney General's Initial Request for Information dated February 1, 2008 ("AG's Initial Request"), Item 5.

a. Given the current situation in financial markets, how likely does Big Rivers believe it is that the mix of debt instruments as reflected in the 02.14.08 Version reflects what will actually be undertaken in conjunction with the Unwind Transaction?

b. Given the current situation in financial markets, would the alternative discussed by Big Rivers in the response to the AG's Initial Request, Item 5 be a more likely financing option? Explain the response.

Response) a. Big Rivers does not believe, in light of current market conditions, that that mix of debt instruments will be used.

b. Yes. The current market conditions would result in higher interest cost to Big Rivers than the alternative; therefore, the alternative makes more sense for Big Rivers. Of course, Big Rivers still needs to get the RUS approval on the alternative. Big Rivers intends to supplement its application with more specific information regarding its request for approval to issue debt as soon as it becomes available.

Witness) C. William Blackburn

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Item 10) Refer to the response to the Staff First Request, Item 16(b).

a. Reconcile the annual sales data for 2006 and 2007 with the response to Item 12(b), the 02.14.08 Version of the Unwind Model, Input section annual sales data for 2006 and 2007, shown on page 33. Explain in detail any differences between the sales data.

b. Provide a version of the schedule shown in the response to Item 16(b) which includes the anticipated annual sales for 2008 through 2011 for these sales groups as shown in the 02.14.08 Version of the Unwind Model. For each sales group, include the percentage change in annual sales from year to year for all the years included in the revised schedule.

c. Given the annual sales trends shown for the period 2000 through 2007 for the class groups, explain why the annual sales levels incorporated into the Unwind Model for 2008 through 2011 are reasonable.

Response) a. The requested reconciliation is attached in Table 1. The differences are primarily related to actual results for 2007 vs. the 2007 Budget, as further detailed in Table 1.

b. Also attached is Table 2 containing a version of the schedule shown in the response to Item 16(b) which includes the anticipated annual sales for 2008 through 2011 for these sales groups as shown in the 2-14-08 Version of the Unwind Model, including the percentage change in annual sales from year to year for all the years included in the revised schedule.

c. The projected Non-Smelter Member growth is based upon Big Rivers' Load Forecast Study, which was completed in July 2007 and approved by the RUS. Additionally, Big Rivers has increased the large industrial customer class by adding a new 5 MW load each year through 2023. Since Big Rivers' Distribution Members are receiving multiple requests for power to serve potential new industrial

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customers, Big Rivers took what it believes to be a conservative approach by increasing the industrial base with the off-set being lower "high-priced" off-system sales.

Attached in Table 3 is actual Non-Smelter energy for 2000-2007, as well as weather normalized data for 2000-2006. From the table, you will see a significant decrease in Member Sales from 2000 through 2001; this is the result of Domtar, formerly Weyerhaeuser/Willamette, placing in service a 50-MW co-generation unit. Since the co-generator was commercial in July 2001, the full impact is not seen until 2002.

A comparison of the actual off-system "other" and "smelter" sales from 2000-2007 with the projected 2008-2011 is not meaningful. The resources available to Big Rivers under the current lease agreement are much different than the resources available after Big Rivers resumes operations of its generating plants. Contractual provisions with the Smelters under the Unwind are completely different than Big Rivers has with the Smelters prior to the Unwind. Also see Big Rivers' response to AG Supplemental Request 75.

Witness) C. William Blackburn

**Table 1
Staff Supplemental Request 10**

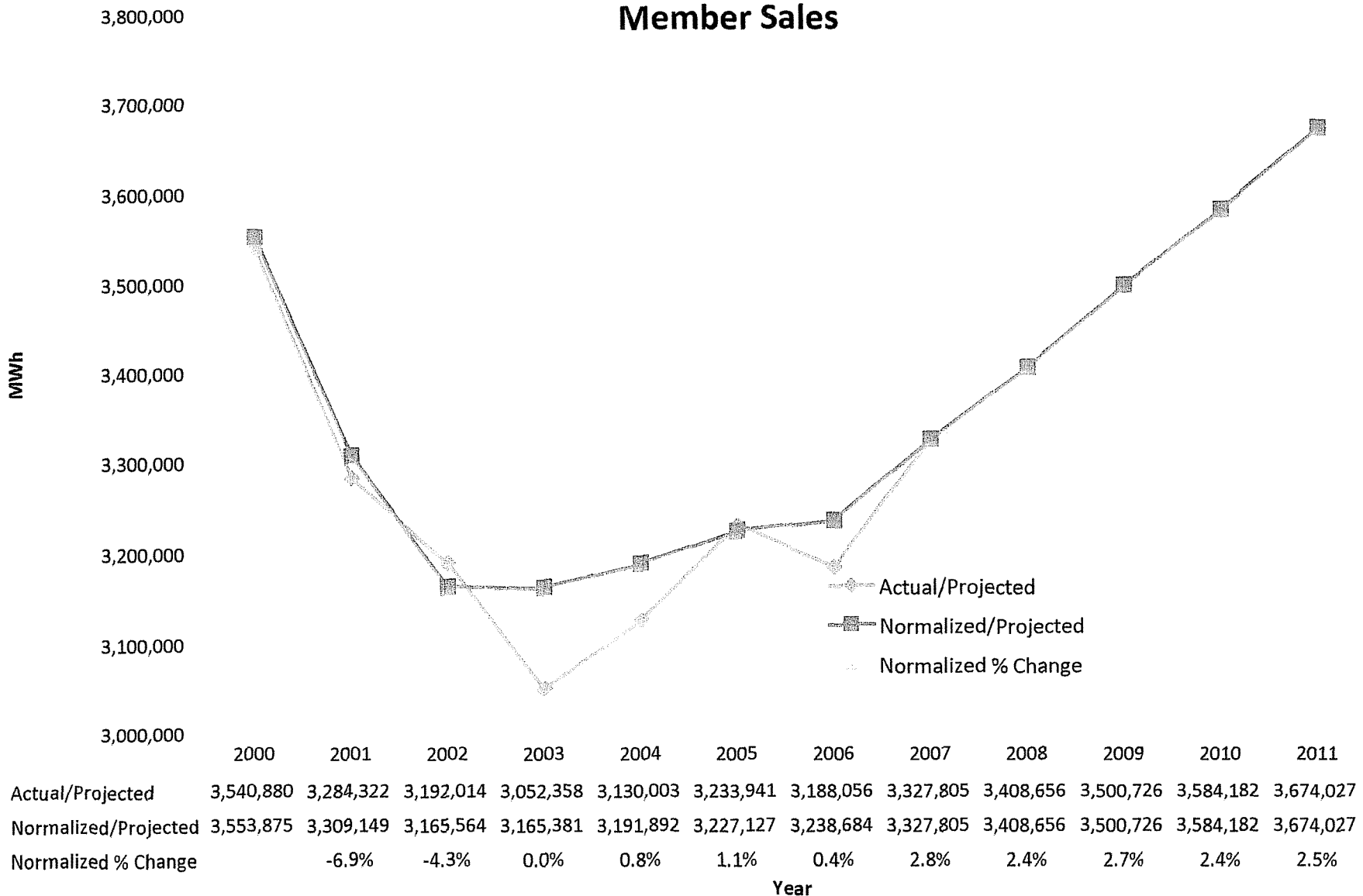
<u>Big Rivers Annual Sales</u>										
	2000	2001	2002	2003	2004	2005	2006	2007		
1	Response to First Data Request 16(b)									
2	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>		
3	Members	3,540,879.99	3,284,322.35	3,192,013.82	3,052,358.15	3,130,003.40	3,233,940.63	3,188,056.05	3,327,804.94	
4	Offsystem:									
5	Others	598,474.00	979,045.00	859,990.00	750,099.00	505,540.00	581,153.00	575,840.00	602,808.32	
6	Smelte	-	131,055.00	182,506.00	758,417.00	1,363,117.00	1,440,212.00	1,486,446.00	2,232,980.63	
7	Subtot:	598,474.00	1,110,100.00	1,042,496.00	1,508,516.00	1,868,657.00	2,021,365.00	2,062,286.00	2,835,788.95	
8	Total	4,139,353.99	4,394,422.35	4,234,509.82	4,560,874.15	4,998,660.40	5,255,305.63	5,250,342.05	6,163,593.89	
9										
10	Reconciliation									
11							-	(42,378.06)	<< Reconciliation from 2007 Budget	
12	Members						135,905.00	1,672,977.95	<< Reconciliation from 2007 Budget	
13	Offsystem		Errant reference on page 33 of 2.14.08 Version (does not affect 2006 financials) >>							
14										
15	2.14.08 Version							<i>Actual</i>	<i>Projection</i>	
16							3,188,056.05	3,370,183.00		
17	Members						1,926,381.00	1,162,811.00		
18	Offsystem						-	-		
19	Smelters *						-	-		
20	Total						5,114,437.05	4,532,994.00		

Attachment to Staff Supplemental Request 10a

Table 2

<u>Big Rivers Annual Sales</u>		2007	2008	2009	2010	2011
34						
35		<i>Actual</i>	<i>Projection</i>	<i>Projection</i>	<i>Projection</i>	<i>Projection</i>
36	MWh					
37	Members	3,327,805	3,408,656	3,500,726	3,584,182	3,674,027
38	Offsystem:					
39	Others	602,808	1,061,552	1,493,301	1,613,377	1,319,390
40	Smelters	<u>2,232,981</u>	<u>711,041</u>	<u>-</u>	<u>-</u>	<u>-</u>
41	Subtotal	2,835,789	1,772,593	1,493,301	1,613,377	1,319,390
42	Smelters *	-	4,898,040	7,297,080	7,297,080	7,297,080
43	Total	6,163,594	10,079,288	12,291,107	12,494,639	12,290,497
44						
45	Growth					
46	Members		2.43%	2.70%	2.38%	2.51%
47	Offsystem:					
48	Others		76.10%	40.67%	8.04%	-18.22%
49	Smelters		<u>-68.16%</u>	<u>-100.00%</u>	<u>na</u>	<u>na</u>
50	Subtotal		-37.49%	-15.76%	8.04%	-18.22%
51	Smelters *		na	48.98%	0.00%	0.00%
52						
53						
54	* Under Proposed Contract					
55						

Item 10 - Table 3 Member Sales



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Item 11) Refer to the response to the Staff First Request, Item 25. Does Big Rivers believe the depreciation reserve ratios provided in this response are higher than or lower than what would be considered "normal" depreciation reserve ratios for a generating and transmission cooperative? Explain the response.

Response) The aggregate depreciation reserve ratios are lower than would be considered "normal" depreciation reserve ratios for a generating and transmission cooperative.

The current depreciation reserve ratios are a result of the most current depreciation study completed by Big Rivers and approved by the RUS in 1998 and this Commission in 1999. Burns and McDonnell Engineering Company was the consultant who completed the depreciation study. The result of the study was a determination that Big Rivers had previously over depreciated its plant. Since depreciation rates are adjusted prospectively over the remaining life of the assets, this prospective adjustment has resulted in a lower aggregate depreciation reserve ratio.

Witness) C. William Blackburn

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Item 12) Refer to the response to the Staff First Request, Item 26. Provide the following accounting entries made to Big Rivers' books relating to the Coleman Scrubber.

a. Entries when the Coleman Scrubber was placed into service in January 2007.

b. Entries, if any, required at the end of calendar year 2007.

c. Entries expected to be made in conjunction with the consummation of the Unwind Transaction. For purposes of this response, assume the Unwind Transaction is completed on April 30, 2008.

Response) a. and b. Big Rivers has not made any accounting entries to its books for the Coleman Scrubber. Any accounting entries that Big Rivers would have made to record the scrubber would have included a contra-account, the effect of which is zero impact on Big Rivers' Financial Statements. Big Rivers has disclosed in its Notes to Financial Statements Note 1, that the scrubber was under construction, the estimated cost to build, and that the scrubber costs were not recorded as utility plant.

c. Big Rivers will record the following accounting entries when this transaction closes:

101.0312C	Boiler Plant Equipment-Clean Air-Coleman	\$97,495,087	
434.000	Extraordinary Income		\$97,495,087.

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Item 13) Refer to the response to the Staff First Request, Item 28.

a. Does Big Rivers agree that the RUS USoA provides that utilities owning emission allowances shall account for those allowances at cost?

b. Does Big Rivers agree that while the market value of the 14,000 sulfur dioxide ("SO₂") emission allowances may represent a portion of the consideration being provided by E. ON to Big Rivers as part of the Unwind Transaction, the market value does not necessarily reflect the cost of those emission allowances? Explain the response.

Response) a. Yes.

b. Yes. Big Rivers does agree the market value of the 14,000 sulfur dioxide "SO₂" emission allowances represents a portion of the consideration being provided by E.ON to Big Rivers as part of the Unwind Transaction. If E.ON or Big Rivers were to purchase the 14,000 allowances, then the cost would be market value.

During the negotiations with E.ON, Big Rivers determined it needed a bank of allowances as a risk mitigation tool. As an alternative to providing the allowances, Big Rivers could have asked E.ON to increase its cash proposal so that Big Rivers could purchase in the open market the 14,000 sulfur dioxide emission allowances.

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Item 14) Refer to the response to the Staff First Request, Item 33(d). In this response Big Rivers states, "It did not want to utilize its limited resources to complete a study that might not be needed". Big Rivers' last depreciation study was completed in 1998. Given the date of the last depreciation study, would Big Rivers agree it should have been planning for, and probably undertaking, a new depreciation study, regardless of whether the Unwind Transaction occurred or not? Explain the response.

Response) No. Big Rivers would not have needed to complete a new depreciation study if the Unwind Transaction had not been contemplated. Since the completion of the last depreciation study, Big Rivers has not added any new generation plants. Capital improvements have been added to the existing generation plants. Big Rivers' residual value for capital improvements at the generation plants as of the projected closing of this transaction is approximately \$61,000,000. Big Rivers' net utility plant value as of December 31, 2007 is approximately \$911,600,000. As you can see, the residual value of the capital improvements is a very small percent of the net utility plant.

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Item 15) Refer to the response to the Staff First Request, Item 34.

a. If Big Rivers does not establish regulatory assets and regulatory liability accounts for its non-Smelter customers, would Big Rivers need to propose for those customers a tariff rider similar to the Non-FAC PPA Factor included in the proposed Alcan and Century Retail and Wholesale Electric Service Agreements?

Explain the response.

b. The Non-FAC PPA included in the Alcan and Century Retail and Wholesale Electric Service Agreements does not appear to include a periodic review of the mechanism by the Commission. If Big Rivers were to utilize a Non-FAC PPA for the non-Smelter customers, would Big Rivers agree that period reviews would be desirable? Explain the response.

Response) a. Yes. Big Rivers would need a mechanism to recover the purchased power cost assignable to the non-smelter members. This is necessary to maintain the integrity of the TIER Adjustment provisions of the Smelter contracts. Please see response to Item 2 b. herein.

b. Yes. If the Commission were to order Big Rivers to utilize a non-FAC PPA for the non-Smelter customers, Big Rivers would agree that periodic reviews would be desirable. Such a tariff rider could work very similar to the FAC with monthly filing requirements and periodic reviews. This would allow the Commission the ability to review the reasonableness of the power purchases and make any adjustments the Commission found necessary.

Witness) C. William Blackburn

BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO THE
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Item 16) Refer to the response to the Staff First Request, Item 35(b).

a. Provide a yearly reconciliation of the Market Sales shown in this response with the "Other" annual sales shown in the response to Item 16(b).

b. Provide a reconciliation of the Market Sales shown in this response for 2006 and 2007 with the off-system sales shown in the response to Item 12(b), the 02.14.08 Version of the Unwind Model, page 33.

Response) a. The requested reconciliation is attached.

b.

Reconciliation for	2006	
	MMh	
Item 16b	2,062,286.00	Actual sales for 2006
Item 12b	1,926,381.00	
correct errant ref on p.33 of 2.14.08 Version	135,905.00	
does not affect 06 financials		
Total	2,062,286.00	
Difference	0.00	

Reconciliation for	2007	
	MMh	
Item 16b	2,835,788.95	Actual sales for 2007
Item 12b	1,162,811.00	Budgeted smelter and firm sales for 2007
Unbudgeted Fortis sales to smelters	472,737.00	
Unbudgeted SIPC sale to smelters	650,175.00	
Unbudgeted Big Rivers sales to smelters	78,512.03	
Budgeted non-firm sales	109,916.91	
Unbudgeted sales	361,637.01	
Total	2,835,788.95	
Difference	0.00	

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Witness) C. William Blackburn

Staff First Request Item 16(b)	2000	2001	2002	2003	2004	2005	2006	2007
Other Smelters	598,474.00	979,045.00	859,990.00	750,099.00	505,540.00	581,153.00	575,840.00	602,808.32
	0.00	131,055.00	182,506.00	758,417.00	1,363,117.00	1,440,212.00	1,486,446.00	2,232,980.63
Total	598,474.00	1,110,100.00	1,042,496.00	1,508,516.00	1,868,657.00	2,021,365.00	2,062,286.00	2,835,788.95
Staff First Request Item 35(b)	598,474.00	1,110,100.00	1,042,496.00	1,508,516.00	1,868,657.00	2,021,366.00	2,062,286.00	2,835,788.95
Difference	0.00	0.00	0.00	0.00	0.00	(1.00)	0.00	(0.00)

Rounding error

Attachment to Staff Supplemental Request 16a

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Item 17) Refer to the response to the Staff First Request, Item 43(c).

a. In responding to Item 43(c), explain why Big Rivers assumed it would sell banked SO₂ emission allowances after 2012.

b. Does Big Rivers agree that all SO₂ emission allowances awarded to it by the Environmental Protection Agency carry a zero cost? If no, provide the cost of these allowances and explain in detail how the cost was determined.

c. From a long-term planning perspective, which of the following scenarios would be more reasonable:

(1) Bank the SO₂ emission allowances and have them available for utilization in future years and not being subject to price fluctuations in the allowance market.

(2) Selling allowances as reflected in the Unwind Model and then buying allowances in the future and being subject to price fluctuations in the allowance market.

Response) a. The response to Staff's First Request Item 43(c) was meant solely as an illustration of the potential impact of departing from the Base Case assumption regarding SO₂ allowances, per the direction of Item 43(c). There is no special rationale to commencing allowance sales after 2012 as shown in the example. Rather, Big Rivers would constantly reassess its allowance strategy based on economics at the time.

b. Yes.

c. Big Rivers believes Scenario (2) is the more reasonable scenario from a long-term planning perspective. Big Rivers relied upon the forecasted price of SO₂ emission allowances to determine that it should sell allowances as reflected in the Unwind Model and buy allowances in the future as necessary. The forecasted price of SO₂ emission allowances in 2008 is \$778 per allowances and declines to \$105 per allowance in 2023.

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Witness) C. William Blackburn
David Spainhoward
Robert S. Mudge

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Item 18) Refer to E. ON's response to the AG's Initial Request, Item 134.

a. On pages 66 and 67 of 68 of the "WKE Multi Pollutant Plan Study" are a series of recommendations concerning environmental compliance issues.

(1) Was Big Rivers aware of this study and its recommendations?

(2) If Big Rivers knows, indicate which of these recommendations were implemented by E.ON and WKE and the dates of implementation.

b. On page 14 of 62 of the "Un-regulated Generation (WKE) Multi-pollutant Position Report and Proposed Compliance Plan" is a discussion of the possible lay-up or permanent shut-down of Reid Unit 1.

(1) Was Big Rivers aware that E. ON and WKE had considered shutting down Reid Unit 1 as early as 2009?

(2) Assuming that the Unwind Transaction is consummated, what are Big Rivers' long-term plans concerning the utilization of Reid Unit 1?

Response) a. (1) Yes. Big Rivers received a copy of this E.ON Engineering report on 3-28-06 after requesting information from WKE regarding any plans for future WKE Incremental Costs pertaining to CAIR and CAMR.

(2) Two broad categories of recommendations were made. One regarded tuning, balancing and testing and the second regarding new equipment. In all, 17 recommendations were made by E.ON Engineering on pages 66 and 67 of 68 in this report. Each of those recommendations have been reviewed, considered and addressed. The following recommendations from the 3/28/06 E.ON Engineering report have been specifically addressed and reported to Big Rivers by WKE as follows:

- Prior to each Ozone season, testing and optimization tuning is performed on the SCRs by an outside testing firm (annually).
- FGD chemistry and removal efficiency are monitored daily to achieve maximum SO₂ removal.

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- Mercury emission data was collected on nearly all WKE/Big Rivers units in 2006 and early 2007. At Coleman, the monitoring was done in the common FGD stack with two units in operations, and only one of the two Green units was tested. All other units were tested.
- The Henderson SCRs have met the performance guarantees as provided by Alstom without increasing the volume of catalyst.
- The Coleman FGD continues to maintain 98% removal efficiency. The economic analysis did not support installing a new FGD system at Wilson.
- The GE/EER OFA system installed on Coleman 2 is meeting all performance guarantees.
- The 15 MW derate on Henderson Unit 2 was recovered in 2005 with the installation of the particulate monitor.
- The 5 MW derate on Coleman 3 was recovered in 2006 by improving mill performance.
- The Henderson FGD systems continue to operate at maximum efficiency.

b. (1) During discussions with WKE plant personnel, it was mentioned that Reid Unit 1 was of questionable economic viability to WKE going forward after 2009. The discussions have been more in the nature of not operating the unit because of cost rather than "shutting down." As a part of the Termination Agreement, the Reid Unit 1 (and all other units) will be capacity tested.

(2) Big Rivers' long-term plans for the utilization of Reid Unit 1 are modeled in the Production Cost Model provided in response to Commission Staff's First Data Request, Item 22. Those plans indicate Reid Unit 1 being maintained and available for limited use when system need and market prices dictate it to operate with natural gas as the fuel after 2008. Other options for more economic operation of Reid Unit 1 will be investigated as they present themselves in the future.

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Witness) David A. Spainhoward

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Item 19) Refer to the response to the Staff First Request, Item 38. Big Rivers states that there are no regular full-time WKE employees other than those in the Henderson, Kentucky headquarters and at the generating plants.

- a. Where is the fuel procurement function presently located?
- b. Explain whether the employees that currently perform the fuel Procurement function are WKE employees. If not, by whom are they employed?
- c. Explain whether the employees currently performing the fuel procurement function for WKE will become employees of Big Rivers.

Response) a., b., and c. Fuel procurement for WKE is currently being performed by an E.ON employee in Louisville, assisted in fuels contract administration by a contract employee. Included in the fuel procurement function is a WKE employee working as a fuels coordinator in Henderson. The WKE employee will be offered employment by Big Rivers on the closing date. Big Rivers has hired the former WKE Manager of Fuels Strategy and Procurement to be Big Rivers' Director of Fuels. In addition to the fuels coordinator, the Director of Fuels will be assisted by a fuels procurement associate yet to be hired.

Witness) C. William Blackburn

BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO THE
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PSC CASE NO. 2007-00455
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Item 20) Refer to the Smelters' response to Staff First Request, Item 4. Will the \$46 million in energy efficiency projects planned by Century result in a change in Century's peak demand, total energy consumption, or load factor? If yes:

a. Explain in detail how Big Rivers has considered the impact of that change in the formulation of the power contract with Century.

b. Explain in detail whether that change has been incorporated into Big Rivers' financial model, and state how it has been incorporated.

Response) a. and b. No. Big Rivers' understanding of the efficiency projects undertaken by Century is these projects will allow Century to produce more pounds of aluminum while using the same peak demand and energy consumption as modeled.

Witness) C. William Blackburn

BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO THE
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Item 21) Refer to your response to AG First Request, Item 40, the February 6, 2008 report from Hill & Associates, page 8. Explain in detail the actions that Big Rivers has taken to date, or will take, to implement the recommendation regarding the barges and the identities of the entities providing the barging service.

Response) Big Rivers submitted in January 2008 an "Unwind Transaction Data Request" to E.ON asking for the following information concerning barges:

1. Total number of barges,
2. Barge identifying markings (initials/number),
3. Age of each barge,
4. Construction date/location,
5. Type (box or rake),
6. Repairs/expense for each barge,
7. WKEC's desired price per barge,
8. WKEC's charter and bareback transportation agreements with its carrier.

Big Rivers is awaiting a response.

Big Rivers has been in contact with several barge leasing firms and firms that construct new barges to understand the current and future industry and market dynamics surrounding inland waterway transportation. Big Rivers intends to issue a lease/build proposal to industry firms providing such service in order to evaluate the most economical transportation opportunities for Big Rivers, and its members and customers.

Witness) C. William Blackburn

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Item 22) Refer to the response to Staff First Request, Item 46. Big Rivers states that the base fuel cost is an integral part of the negotiations among Big Rivers, its Members, and the Smelters.

a. Explain the importance of the base fuel cost to the negotiations other than determining the amount of the Economic Reserve.

b. On page 15 of Exhibit 25 of the application, Big Rivers states that the financial model used to evaluate the unwind arrangement with E.ON, the agreements with the Smelters, and Big Rivers' financing plan are predicated on the immediate implementation of an FAC with a fuel cost of \$.01662 per kWh, which is different from the average actual fuel burn of WKE for 2007, which is shown in Big Rivers' response to Item 46 of Staff's First Request. Explain why a negotiated fuel cost was used, rather than WKE's actual incurred cost.

c. Utilizing the 02.14.08 Version of the Unwind Model, provide a rerun which reflects an additional \$5.90 per MWh of fuel cost included in base rates so that for the second half of 2008 the FAC is zero.

Response) a. For clarification, the base cost of fuel used as the FAC base was not integral to determining the amount of the economic reserve. However, a change in the base fuel cost without a corresponding and offsetting change in the Big Rivers' base rates would affect the rate at which the Economic Reserve is depleted. Moreover, it would cause a shift in cost responsibility between the smelters and the non-smelters through the operation of the TIER Adjustment. For example, increasing the FAC base from \$0.01072 per kWh to \$0.01172 would reduce the annual fuel costs paid by the smelters and non-smelters by approximately \$7.3 million and \$3.5 million, respectively. The effect would be to reduce margins by \$10.8 million and correspondingly TIER. Subject to the bandwidth, the \$10.8 million would flow through the TIER Adjustment to be paid by the smelters, including the amount otherwise payable by the non-smelters. As explained in testimony and other responses to interrogatories, the \$0.01072 FAC base was originally set at the then forecasted cost of fuel per kWh in the first year of the unwind so that the first year forecasted FAC

BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO THE
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4 would be zero. Once set at that level, it because the agreed amount of fuel costs that
5 the base rates could recover, absent a roll-in, and more importantly established that any
6 increase or decrease from that level would be allocated on an energy basis and not
7 affect the TIER adjustment. Hence, the \$.01072 per kWh FAC base is a balance point
8 between the smelters and the non-smelters that if changed without a corresponding and
9 offsetting change in the Big Rivers' base rates (i.e., a roll-in) would shift costs between
10 the parties.

11
12 b. The fuel cost of \$0.01662 per kWh is not a negotiated fuel cost,
13 but rather the fuel cost projected to be "actual" cost to Big Rivers during the first few
14 months after closing. Big Rivers calculated this projected fuel cost by taking the
15 existing fuel contracts from WKEC and adjusting for additional fuel spot purchases.

16
17 c. The impact on rates of rolling in an additional \$5.90 per MWh of
18 fuel cost in base rates so that for the second half of 2008 the FAC is zero as shown in
19 Tables 1 and 2 below. (Note that the Economic Reserve/MRSM has been set to offset
20 the \$5.90 roll-in to Base Rates, and is thus drawn down at a similar rate in the Base
21 Case.)

22
23 A full model run assuming the above is attached in both hard copy and CD.

24
25 Overall, on a weighted average basis, the impact of rolling in the 2008 FAC is a
26 relatively neutral impact on Member and Smelter rates, as would be expected. If the
27 Commission desires, the \$5.90 per MWh of fuel cost could be rolled-in to the energy
28 rate to reduce the FAC factor at closing without harming the parties. Year-by-year,
29 however, the impact may be slightly different due to the workings of the Smelter
30 Agreements. For illustration, we also attach a comparative analysis of select years, as
31 follows:

32
33 2008 - Initial impact of roll in. See Table 3.

BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO THE
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2011 - Projected Member rate increase of 2%, but adjusted for roll-in per Section 4.7.5(a) of Smelter Agreements. See Table 4.

2017 - Impact of roll-in on projected Member rate increase. See Table 5.

Witness) C. William Blackburn

Table 1

		Wtd Avg	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Member Non-Smelers</u>																		
<u>Base Case</u>																		
1	Base (Net of MDA)	36.97	34.44	34.40	34.39	35.10	35.09	35.08	35.08	35.44	35.44	39.06	39.05	39.05	39.05	39.04	39.04	39.04
2	Regulatory Account	0.51	-	-	-	-	-	0.17	0.17	0.16	0.53	0.52	0.51	0.92	0.90	0.88	1.32	1.30
3	FAC	8.95	5.90	5.84	7.05	7.60	7.81	8.31	8.99	9.01	9.41	9.45	9.75	9.64	10.11	10.30	10.39	10.44
4	Env. Surcharge	3.61	0.49	0.85	2.68	2.62	2.89	2.89	3.02	4.14	4.17	4.12	4.28	4.25	4.45	4.63	4.65	4.82
5	Surcredit	(4.05)	(4.00)	(2.95)	(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)
6	Rebate:																	
7	Accrued	(0.09)	(0.24)	(0.54)	(0.91)	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Realized	(0.09)	-	(0.16)	(0.53)	(0.89)	-	-	-	-	-	-	-	-	-	-	-	-
9	MRSM	(1.34)	(2.39)	(3.58)	(5.33)	(5.55)	(6.42)	(1.16)	-	-	-	-	-	-	-	-	-	-
10	Effective Rate - Cash	44.56	34.44	34.40	34.39	35.10	35.09	41.13	43.18	44.77	45.64	48.65	49.20	49.55	50.29	50.73	51.36	51.64
<u>\$5.90/ MWh of Fuel Cost Rolled Into Base Rates</u>																		
1	Base (Net of MDA)	42.84	40.33	40.30	40.29	40.99	40.99	40.98	40.97	41.35	41.35	44.89	44.88	44.88	44.88	44.88	44.87	44.87
2	Regulatory Account	0.51	-	-	-	-	-	0.17	0.17	0.16	0.53	0.52	0.51	0.92	0.90	0.88	1.32	1.30
3	FAC	3.05	-	(0.06)	1.15	1.70	1.92	2.41	3.10	3.11	3.51	3.55	3.86	3.74	4.21	4.41	4.49	4.54
4	Env. Surcharge	3.61	0.49	0.85	2.68	2.62	2.89	2.89	3.02	4.14	4.17	4.12	4.28	4.25	4.45	4.63	4.65	4.82
5	Surcredit	(4.05)	(4.00)	(2.95)	(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)
6	Rebate:																	
7	Accrued	(0.09)	(0.22)	(0.52)	(0.89)	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Realized	(0.09)	-	(0.15)	(0.51)	(0.87)	-	-	-	-	-	-	-	-	-	-	-	-
9	MRSM	(1.34)	(2.39)	(3.59)	(5.35)	(5.57)	(6.42)	(1.10)	-	-	-	-	-	-	-	-	-	-
10	Effective Rate - Cash	44.53	34.44	34.40	34.39	35.10	35.09	41.19	43.18	44.78	45.66	48.59	49.13	49.48	50.23	50.67	51.30	51.57

Table 2

		Wtd Avg	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Smelters																		
<u>Base Case</u>																		
1	Lg. Indus. Rate @ 98% LF	29.09	27.07	27.08	27.09	27.67	27.65	27.71	27.72	28.03	28.01	30.93	30.94	30.96	30.93	30.99	31.00	31.01
2	Addl. Smelt. Charge	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	0.25
3	Base	29.34	27.32	27.33	27.34	27.92	27.90	27.96	27.97	28.28	28.26	31.18	31.19	31.21	31.18	31.24	31.25	31.26
4	TIER Adjustment	2.13	-	-	-	1.77	2.64	2.40	2.26	3.16	2.88	3.14	0.15	3.17	2.16	3.46	2.50	3.69
5	FAC	8.81	5.90	5.84	7.05	7.60	7.81	8.31	8.99	9.01	9.41	9.45	9.75	9.64	10.11	10.30	10.39	10.44
6	Env. Surcharge	3.50	0.49	0.85	2.68	2.62	2.89	2.89	3.02	4.14	4.17	4.12	4.28	4.25	4.45	4.63	4.65	4.82
7	PPA	0.83	(0.54)	0.05	(0.37)	0.73	0.46	0.81	0.30	0.55	0.51	1.73	0.63	1.52	1.11	1.51	1.67	2.24
8	Surcharge	2.28	1.90	1.42	1.90	1.90	2.20	2.20	2.20	2.20	2.20	2.60	2.60	2.60	2.59	2.60	2.60	2.60
9	Rebate (accrued)	(0.10)	(0.24)	(0.54)	(0.91)	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Effective Rate	46.78	34.82	34.94	37.69	42.54	43.90	44.56	44.75	47.34	47.42	52.22	48.61	52.37	51.61	53.73	53.05	55.05
<u>\$5.90/ MWh of Fuel Cost Rolled Into Base Rates</u>																		
1	Lg. Indus. Rate @ 98% LF	34.99	32.93	32.94	32.96	33.54	33.52	33.58	33.59	33.92	33.90	36.86	36.88	36.89	36.87	36.92	36.94	36.95
2	Addl. Smelt. Charge	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	0.25
3	Base	35.24	33.18	33.19	33.21	33.79	33.77	33.83	33.84	34.17	34.15	37.11	37.13	37.14	37.12	37.17	37.19	37.20
4	TIER Adjustment	2.14	-	-	-	1.80	2.67	2.43	2.28	3.16	2.88	3.14	0.16	3.17	2.16	3.46	2.51	3.70
5	FAC	2.91	-	(0.06)	1.15	1.70	1.92	2.41	3.10	3.11	3.51	3.55	3.86	3.74	4.21	4.41	4.49	4.54
6	Env. Surcharge	3.50	0.49	0.85	2.68	2.62	2.89	2.89	3.02	4.14	4.17	4.12	4.28	4.25	4.45	4.63	4.65	4.82
7	PPA	0.83	(0.54)	0.05	(0.37)	0.73	0.46	0.81	0.30	0.55	0.51	1.73	0.63	1.52	1.11	1.51	1.67	2.24
8	Surcharge	2.28	1.90	1.42	1.90	1.90	2.20	2.20	2.20	2.20	2.20	2.60	2.60	2.60	2.59	2.60	2.60	2.60
9	Rebate (accrued)	(0.10)	(0.22)	(0.52)	(0.89)	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Effective Rate	46.80	34.81	34.93	37.68	42.54	43.90	44.56	44.75	47.33	47.41	52.26	48.65	52.41	51.65	53.77	53.09	55.09

Table 3: 2008 - Initial Impact of Roll-In

		2008			
2008 FAC =		\$5.90	Delta	\$0.00	
<u>Member Non-Smelters</u>					
1	Base (Net of MDA)	34.44	5.90	40.33	<< 1. \$5.90/ MWh in fuel costs rolled into Base Energy Rate
2	Regulatory Account	-	-	-	
3	FAC	5.90	(5.90)	-	<< 2. \$5.90/ MWh in fuel costs removed from FAC
4	Env. Surcharge	0.49	-	0.49	
5	Surcredit	(4.00)	-	(4.00)	
6	Rebate:			-	
7	Accrued	(0.24)	0.02	(0.22)	<< Rebate reduced per below
8	Realized	-	-	-	
9	MRSM	(2.39)	-	(2.39)	
10	Effective Rate - Cash	34.44	-	34.44	
<u>Large Industrial Rate</u>					
1	Load Factor (%)	78.1%	0.0%	78.1%	
2	Rate Adjustment	0.0%	0.0%	0.0%	
3	Demand (\$/ KW-mo.)	10.15	-	10.15	
4	Energy (\$/ MWH)	13.72	5.90	19.61	<< 3. \$5.90/ MWh in fuel costs rolled into Energy Rate
5	MDA (\$/ MWH)	(0.94)	(0.02)	(0.96)	<< 4. MDA allocated more to Large Industrials on revenue basis
6	Net Rate (\$/ MWH)	30.58	5.88	36.46	
<u>Smelters</u>					
1	Lg. Indus. Rate @ 98% LF	27.07	5.87	32.93	<< 5. MDA reduces impact of roll-in on Smelters
2	Addl. Smelt. Charge	0.25	-	0.25	
3	Base	27.32	5.87	33.18	
4	TIER Adjustment	-	-	-	
5	FAC	5.90	(5.90)	-	
6	Env. Surcharge	0.49	-	0.49	
7	PPA	(0.54)	(0.00)	(0.54)	
8	Surcharge	1.90	-	1.90	
9	Rebate (accrued)	(0.24)	0.02	(0.22)	<< 6. Rebate reduced to make up revenues
10	Effective Rate	34.82	(0.01)	34.81	

Table 4: 2011 – Projected Member rate increase of 2%, but adjusted for roll-in per Section 4.7.5(a) of Smelter Agreements

		2011			
2008 FAC =		\$5.90	Delta	\$0.00	
<u>Member Non-Smelters</u>					
1	Base (Net of MDA)	35.10	5.90	40.99	<< 1. \$5.90/ MWh in fuel costs rolled into Base Energy Rate *
2	Regulatory Account	-	-	-	
3	FAC	7.60	(5.90)	1.70	<< 2. \$5.90/ MWh in fuel costs removed from FAC
4	Env. Surcharge	2.62	-	2.62	
5	Surcredit	(3.77)	-	(3.77)	
6	Rebate:				
7	Accrued	-	-	-	
8	Realized	(0.89)	0.02	(0.87)	<< Realized Rebate from 2010 increased because of imputed Member rate
9	MRSM	(5.55)	(0.02)	(5.57)	<< MRSM increased to offset reduction in realized Rebate
10	Effective Rate - Cash	35.10	0.00	35.10	
<u>Large Industrial Rate</u>					
1	Load Factor (%)	78.6%	0.0%	78.6%	
2	Rate Adjustment	2.0%	0.0%	2.0%	
3	Demand (\$/ KW-mo.)	10.35	-	10.35	
4	Energy (\$/ MWH)	13.99	5.90	19.89	<< 3. \$5.90/ MWh in fuel costs rolled into Base Energy Rate
5	MDA (\$/ MWH)	(0.89)	(0.02)	(0.90)	<< 4. MDA allocated more to Large Industrials on revenue basis
6	Net Rate (\$/ MWH)	31.13	5.88	37.02	
<u>Smelters</u>					
1	Lg. Indus. Rate @ 98% LF	27.67	5.87	33.54	<< 5. MDA reduces impact of roll-in on Smelters
2	Addl. Smelt. Charge	0.25	-	0.25	
3	Base	27.92	5.87	33.79	
4	TIER Adjustment	1.77	0.03	1.80	<< 6. TIER Adjustment is increased to make up revenues
5	FAC	7.60	(5.90)	1.70	
6	Env. Surcharge	2.62	-	2.62	
7	PPA	0.73	(0.00)	0.73	
8	Surcharge	1.90	-	1.90	
9	Rebate (accrued)	-	-	-	
10	Effective Rate	42.54	0.00	42.54	* Unaffected by projected actual 2% Member rate increase to offset requirements of Section 4.7.5(a) of the Smelter Agreements

Table 5: 2017 – Impact of roll-in on projected Member rate increase

		2017			
2008 FAC =		\$5.90	Delta	\$0.00	
<u>Member Non-Smelters</u>					
1	Base (Net of MDA)	39.06	5.83	44.89	<< 1. \$5.90/ MWh roll-in, net of reduced energy and demand rate adjustment
2	Regulatory Account	0.52	(0.00)	0.52	
3	FAC	9.45	(5.90)	3.55	<< 2. \$5.90/ MWh in fuel costs removed from FAC
4	Env. Surcharge	4.12	-	4.12	
5	Surcredit	(4.49)	-	(4.49)	
6	Rebate:	-	-	-	
7	Accrued	-	-	-	
8	Realized	-	-	-	
9	MRSM	-	-	-	
10	Effective Rate - Cash	48.65	(0.07)	48.59	
<u>Large Industrial Rate</u>					
1	Load Factor (%)	78.6%	0.0%	78.6%	
2	Rate Adjustment	10.0%	-1.6%	8.4%	
3	Demand (\$/ KW-mo.)	11.50	(0.18)	11.32	<< 3. Demand rate adjustment reduced
4	Energy (\$/ MWH)	15.54	6.21	21.75	<< 4. \$5.90/ MWh, plus net impact of projected rate adjustment
5	MDA (\$/ MWH)	(0.78)	(0.01)	(0.79)	
6	Net Rate (\$/ MWH)	34.80	5.89	40.69	
<u>Smelters</u>					
1	Lg. Indus. Rate @ 98% LF	30.93	5.94	36.86	<< 5. Impact of load factor
2	Addl. Smelt. Charge	0.25	-	0.25	
3	Base	31.18	5.94	37.11	
4	TIER Adjustment	3.14	0.00	3.14	
5	FAC	9.45	(5.90)	3.55	
6	Env. Surcharge	4.12	-	4.12	
7	PPA	1.73	(0.00)	1.73	
8	Surcharge	2.60	-	2.60	
9	Rebate (accrued)	-	-	-	
10	Effective Rate	52.22	0.04	52.26	

**PSC SUPPLEMENTAL 22C
UNWIND FINANCIAL MODEL**

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Calendar Year	2006	2007	2008H1	Transaction	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

Transaction Closing Date: 4/30/2008

1 I. Sales (TWH)
 2
 3
 4
 5
 6
 7
 8
 9
 10
 11
 12
 13
 14

<u>Rural</u>	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
<u>Large Industrial</u>	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
<u>Century</u>	-	-	-		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
<u>Alcan</u>	-	-	-		2.12	3.16	3.16	3.16	3.17	3.16	3.16	3.16	3.17	3.16	3.16	3.16	3.16	3.17	3.16	3.16
<u>Market</u>	2.06	1.16	0.71		1.06	1.49	1.61	1.32	1.21	1.20	1.17	1.12	1.08	0.92	0.89	0.70	0.72	0.75	0.68	0.70
<u>Total Sales</u>	5.25	4.53	1.80		8.28	12.29	12.49	12.29	12.29	12.35	12.41	12.45	12.52	12.43	12.59	12.40	12.53	12.64	12.67	12.78

Calendar Year	2006	2007	2008H1	Transac Un.	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

Transaction Closing Date: 4/30/2008

15 II. Rates, Accrual Based (\$/ MWH Sold, unless otherwise noted)

16																				
17	<u>General Rate Adjustment (%)</u>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.00%	0.00%	0.00%	0.00%	0.91%	0.00%	8.40%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18																				
19	<u>FAC (\$/ MWH)</u>				-	(0.06)	1.15	1.70	1.92	2.41	3.10	3.11	3.51	3.55	3.86	3.74	4.21	4.41	4.49	4.54
20	<u>FAC Roll-In (\$/MWh)</u>				5.90															
21	<u>PPA (\$/ MWH)</u>				(0.54)	0.05	(0.37)	0.73	0.46	0.81	0.30	0.55	0.51	1.73	0.63	1.52	1.11	1.51	1.67	2.24
22																				
23	<u>Environmental Surcharge Adjustment (\$/ MWH)</u>																			
24	Rural				0.49	0.85	2.68	2.62	2.89	2.89	3.02	4.14	4.17	4.12	4.28	4.25	4.45	4.63	4.65	4.82
25	Large Industrial				0.49	0.85	2.68	2.62	2.89	2.89	3.02	4.14	4.17	4.12	4.28	4.25	4.45	4.63	4.65	4.82
26	Smelters				0.49	0.85	2.68	2.62	2.89	2.89	3.02	4.14	4.17	4.12	4.28	4.25	4.45	4.63	4.65	4.82
27																				
28	<u>Rural</u>																			
29	Load Factor (%)	61.6%	64.3%	60.2%	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%
30	Demand (\$/ KW-mo.)	7.37	7.37	7.37	7.37	7.37	7.37	7.52	7.52	7.52	7.52	7.59	7.59	8.22	8.22	8.22	8.22	8.22	8.22	8.22
31	Energy (\$/ MWH)	20.40	20.40	20.40	26.30	26.30	26.30	26.71	26.71	26.71	26.71	26.95	26.95	29.21	29.21	29.21	29.21	29.21	29.21	29.21
32																				
33	Base	36.79	36.10	37.18	43.08	43.12	43.09	43.06	43.04	43.01	42.99	42.97	42.94	42.92	42.90	42.88	42.85	42.84	42.82	42.80
34	MRDA	(1.20)	(1.13)	(0.39)	(1.10)	(1.10)	(1.07)	(1.04)	(1.02)	(1.00)	(0.97)	(0.95)	(0.93)	(0.91)	(0.89)	(0.87)	(0.85)	(0.84)	(0.82)	(0.80)
35	Regulatory Account Charge				-	-	-	-	-	0.17	0.17	0.16	0.53	0.52	0.51	0.92	0.90	0.88	1.32	1.30
36	GRA	-	-	-	-	-	-	0.74	0.74	0.74	0.74	1.14	1.14	4.84	4.83	4.83	4.83	4.83	4.82	4.82
37																				
38	FAC	-	-	-	-	(0.06)	1.15	1.70	1.92	2.41	3.10	3.11	3.51	3.55	3.86	3.74	4.21	4.41	4.49	4.54
39	Environmental Surcharge	-	-	-	0.49	0.85	2.68	2.62	2.89	2.89	3.02	4.14	4.17	4.12	4.28	4.25	4.45	4.63	4.65	4.82
40	Surcredit	-	-	-	(4.00)	(2.95)	(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)
41	Economic Reserve	-	-	-	(2.39)	(3.59)	(5.35)	(5.57)	(6.42)	(1.10)	-	-	-	-	-	-	-	-	-	-
42	Net	-	-	-	(5.90)	(5.75)	(5.39)	(5.03)	(5.90)	0.03	2.04	3.27	3.78	3.18	3.74	3.69	4.45	4.92	5.10	5.41
43																				
44	Pre TIER Rebate Total	35.58	34.96	36.79	36.08	36.27	36.63	37.74	36.86	42.97	44.96	46.58	47.45	50.54	51.09	51.44	52.17	52.62	53.25	53.53
45	TIER Related Rebate	-	-	-	(0.23)	(0.54)	(0.93)	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Effective Rate (\$/ MWH)	35.58	34.96	36.79	35.85	35.73	35.70	37.74	36.86	42.97	44.96	46.58	47.45	50.54	51.09	51.44	52.17	52.62	53.25	53.53
47																				
48	<u>Large Industrial</u>																			
49	Load Factor (%)	78.1%	80.2%	78.1%	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%	78.8%
50	Demand (\$/ KW-mo.)	10.15	10.15	10.15	10.15	10.15	10.15	10.35	10.35	10.35	10.35	10.45	10.45	11.32	11.32	11.32	11.32	11.32	11.32	11.32
51	Energy (\$/ MWH)	13.72	13.72	13.72	19.61	19.61	19.61	19.89	19.89	19.89	19.89	20.07	20.07	21.75	21.75	21.75	21.75	21.75	21.75	21.75
52																				
53	Base	31.51	31.06	31.52	37.42	37.29	37.29	37.29	37.30	37.29	37.29	37.29	37.31	37.29	37.29	37.29	37.31	37.29	37.29	37.29
54	Power Factor Penalty/ Demand Cr. (L	0.19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	MRDA	(1.04)	(0.99)	(2.85)	(0.96)	(0.95)	(0.93)	(0.90)	(0.88)	(0.86)	(0.85)	(0.83)	(0.81)	(0.79)	(0.77)	(0.76)	(0.74)	(0.73)	(0.71)	(0.70)
56	Regulatory Account Charge				-	-	-	-	-	0.17	0.17	0.16	0.53	0.52	0.51	0.92	0.90	0.88	1.32	1.30
57	GRA	-	-	-	-	-	-	0.63	0.63	0.63	0.63	0.97	0.97	4.18	4.18	4.18	4.18	4.18	4.18	4.18
58																				
59	FAC	-	-	-	-	(0.06)	1.15	1.70	1.92	2.41	3.10	3.11	3.51	3.55	3.86	3.74	4.21	4.41	4.49	4.54
60	Environmental Surcharge	-	-	-	0.49	0.85	2.68	2.62	2.89	2.89	3.02	4.14	4.17	4.12	4.28	4.25	4.45	4.63	4.65	4.82
61	Surcredit	-	-	-	(4.00)	(2.95)	(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)
62	Economic Reserve	-	-	-	(2.39)	(3.59)	(5.35)	(5.57)	(6.42)	(1.10)	-	-	-	-	-	-	-	-	-	-
63	Net	-	-	-	(5.90)	(5.75)	(5.39)	(5.03)	(5.90)	0.03	2.04	3.27	3.78	3.18	3.74	3.69	4.45	4.92	5.10	5.41
64																				
65	Pre TIER Rebate Total	30.67	30.07	28.67	30.56	30.59	30.97	31.99	31.15	37.26	39.28	40.87	41.78	44.38	44.95	45.32	46.10	46.54	47.19	47.48
66	TIER Related Rebate	-	-	-	(0.20)	(0.47)	(0.81)	-	-	-	-	-	-	-	-	-	-	-	-	-
67	Effective Rate (\$/ MWH)	30.67	30.07	28.67	30.36	30.12	30.17	31.99	31.15	37.26	39.28	40.87	41.78	44.38	44.95	45.32	46.10	46.54	47.19	47.48
68																				

Calendar Year	2006	2007	2008H1	Transaction	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
Transaction Closing Date: 4/30/2008																				
69	<u>Non-Smelter Member Blend</u>																			
72	Base	35.26	34.64	35.50	41.39	41.35	41.32	41.29	41.26	41.23	41.20	41.18	41.16	41.13	41.11	41.09	41.08	41.06	41.04	41.02
73	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)
74	Regulatory Account Charge									0.17	0.17	0.16	0.53	0.52	0.51	0.92	0.90	0.88	1.32	1.30
75	GRA	-	-	-	-	-	-	0.71	0.71	0.71	0.71	1.09	1.08	4.63	4.63	4.62	4.62	4.62	4.62	4.62
76	FAC	-	-	-	-	(0.06)	1.15	1.70	1.92	2.41	3.10	3.11	3.51	3.55	3.86	3.74	4.21	4.41	4.49	4.54
78	Environmental Surcharge				0.49	0.85	2.68	2.62	2.89	2.89	3.02	4.14	4.17	4.12	4.28	4.25	4.45	4.63	4.65	4.82
79	Surcredit	-	-	-	(4.00)	(2.95)	(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)
80	Economic Reserve	-	-	-	(2.39)	(3.59)	(5.35)	(5.57)	(6.42)	(1.10)	-	-	-	-	-	-	-	-	-	-
81	Net				(5.90)	(5.75)	(5.39)	(5.03)	(5.90)	0.03	2.04	3.27	3.78	3.18	3.74	3.69	4.45	4.92	5.10	5.41
82																				
83	Pre TIER Rebate Total	34.11	33.55	34.37	34.44	34.55	34.90	35.97	35.09	41.19	43.18	44.78	45.66	48.59	49.13	49.48	50.23	50.67	51.30	51.57
84	TIER Related Rebate	-	-	-	(0.22)	(0.52)	(0.89)	-	-	-	-	-	-	-	-	-	-	-	-	-
85	Effective Rate	34.11	33.55	34.37	34.22	34.03	34.01	35.97	35.09	41.19	43.18	44.78	45.66	48.59	49.13	49.48	50.23	50.67	51.30	51.57
86																				
87	<u>Smelters</u>																			
88	Base Rate	-	-	-	33.18	33.19	33.21	33.79	33.77	33.83	33.84	34.17	34.15	37.11	37.13	37.14	37.12	37.17	37.19	37.20
89	TIER Adjustment	-	-	-	-	-	-	1.80	2.67	2.43	2.28	3.16	2.88	3.14	0.16	3.17	2.16	3.46	2.51	3.70
90	Smelter Rate Subject to Price Cap	-	-	-	33.18	33.19	33.21	35.59	36.44	36.26	36.13	37.33	37.03	40.26	37.28	40.31	39.28	40.63	39.69	40.89
91	FAC	-	-	-	-	(0.06)	1.15	1.70	1.92	2.41	3.10	3.11	3.51	3.55	3.86	3.74	4.21	4.41	4.49	4.54
92	PPA	-	-	-	(0.54)	0.05	(0.37)	0.73	0.46	0.81	0.30	0.55	0.51	1.73	0.63	1.52	1.11	1.51	1.67	2.24
93	Environmental Surcharge				0.49	0.85	2.68	2.62	2.89	2.89	3.02	4.14	4.17	4.12	4.28	4.25	4.45	4.63	4.65	4.82
94	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
95	Surcharge 2	-	-	-	1.20	0.72	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
96	TIER Related Rebate	-	-	-	(0.22)	(0.52)	(0.89)	-	-	-	-	-	-	-	-	-	-	-	-	-
97	Effective Rate	-	-	-	34.81	34.93	37.68	42.54	43.90	44.56	44.75	47.33	47.41	52.26	48.65	52.41	51.65	53.77	53.09	55.09
98																				
99	Market	40.45	55.81	37.82	48.40	51.34	49.47	50.22	48.34	51.48	51.92	53.69	52.59	53.75	54.70	57.55	57.70	56.11	59.94	59.12
100																				
101	Overall Blend	38.60	39.26	35.74	36.39	36.66	38.15	41.40	41.64	44.18	44.93	47.08	47.28	51.12	49.29	51.68	51.48	52.78	52.80	54.00
102																				

Calendar Year	2006	2007	2008H1	Transac tion	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	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	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	0.000
Transaction Closing Date: 4/30/2008																					
103	III. Cash Flows (M\$)																				
104																					
105	<u>Operating Receipts</u>																				
106	Rural	79.402	83.8	28.0	58.9	88.1	89.8	93.6	95.6	113.9	121.6	128.7	133.8	145.5	150.0	154.2	159.6	164.2	169.4	173.5	
107	Large Industrial	29.335	29.3	9.3	21.1	32.4	33.5	35.3	36.3	44.7	48.5	51.9	54.4	59.4	61.7	63.8	66.4	68.7	71.3	73.4	
108	Smelters	-	-	-	171.6	257.6	277.7	303.9	321.2	325.2	326.5	345.4	346.9	381.3	355.0	382.5	377.9	392.4	387.4	402.0	
109	Offsystem	83.414	64.9	26.9	51.4	76.7	79.8	66.3	58.5	61.7	60.8	60.0	56.9	49.2	54.0	40.0	41.4	42.0	41.0	41.4	
110	WKEC Lease	47.894	48.0	15.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
111	Transmission	5.954	5.1	1.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
112	Smelter - Tier 3 Transmission	1.699	1.7	0.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
113	Gain on Sale of Allowances	-	-	-	14.3	18.5	(2.0)	0.7	0.4	0.8	0.4	(9.6)	(8.9)	(8.0)	(8.4)	(7.3)	(8.2)	(8.6)	(8.6)	(9.2)	
114	Cobank Patronage Capital & Other	0.570	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	
115	Interest Earnings	3.731	6.6	2.0	4.6	7.4	6.0	5.1	4.0	3.594	3.6	3.9	4.1	4.4	5.0	5.5	5.9	6.5	6.9	7.2	
116	Total Receipts	251.998	239.9	84.398	322.2	481.2	485.2	505.4	516.7	550.5	562.0	580.7	587.7	632.4	617.8	639.2	643.5	665.6	668.0	688.8	
117																					
118	<u>Operating Disbursements</u>																				
119	PPA	97.999	87.9	34.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
120	Fuel Costs	-	-	-	137.6	204.3	227.2	227.1	228.3	238.5	245.1	246.0	253.5	252.0	257.3	252.9	262.2	266.4	268.0	271.2	
121	SEPA & Other Purchases	11.416	6.9	3.8	10.2	22.4	17.6	30.8	27.5	31.9	25.8	29.0	28.6	43.7	30.3	40.9	36.2	41.5	43.7	51.3	
122	Carbon Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
123	Carbon Allowance Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
124	Environmental	0.410	0.7	0.3	18.3	29.0	31.4	32.9	35.9	36.4	37.9	41.9	43.3	43.2	45.6	45.4	47.6	49.9	50.3	52.4	
125	Fixed O&M	-	-	-	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	128.4	135.1	
126	Transmission O&M	6.593	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	
127	APM, L/C, Cogen, CW & TVA Trans	4.663	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	5.8	5.8	6.0	6.2	6.3	
128	A&G	13.809	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	
129	Property Taxes & Insurance	2.376	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	
130	Working Capital	6.827	1.6	(0.6)	(23.6)	(0.5)	(1.5)	(1.2)	(0.6)	0.6	(0.4)	(1.3)	(0.8)	(1.1)	0.7	(1.6)	(0.5)	(1.6)	(0.4)	(1.6)	
131	PCB Restructuring	-	-	-	-	-	-	-	-	2.8	-	-	-	-	-	-	-	-	-	3.3	
132	Other	2.255	1.9	0.7	(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)	(0.0)	-	
133	Total Disbursements	146.347	126.3	50.0	237.7	393.3	407.7	436.1	438.8	460.5	459.9	478.1	484.5	520.5	500.9	523.0	527.0	549.3	554.5	574.1	
134																					
135	<u>Operating Receipts less Disbursements</u>	105.651	113.6	34.4	84.5	87.8	77.5	69.3	77.9	90.0	102.1	102.7	103.3	111.9	116.9	116.2	116.5	116.4	113.5	114.8	
136																					

Calendar Year	2006	2007	2008H1	Transac tion	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	
Transaction Closing Date: 4/30/2008																					
137																					
138	Operating Receipts less Disbursements	105.651	113.6	34.4	84.5	87.8	77.5	69.3	77.9	90.0	102.1	102.7	103.3	111.9	116.9	116.2	116.5	116.4	113.5	114.8	
139																					
140	Capital Expenditures																				
141	Generation	6.427	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	
142	Transmission	5.910	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	
143	Transmission Upgrades	-	4.1	-	3.7	6.0	1.7	-	-	-	-	-	-	-	-	-	-	-	-	-	
144	A&G	0.855	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	
145	Extraordinary Generation	-	-	-	7.6	21.3	20.9	20.4	13.6	1.6	3.0	-	-	-	1.8	4.1	0.9	-	-	-	
146	Other (HQ Building, IP)	-	-	-	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	
147	Total Capital Expenditures	13.192	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	
148																					
149	Income Taxes from Operations	0.405	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	
150																					
151	Net Pre-Finance Cash Flow	92.053	91.2	26.5	47.0	11.8	18.9	13.0	24.0	54.4	64.3	65.0	65.1	71.4	70.8	68.6	70.9	68.5	66.1	65.5	
152																					
153	Financing																				
154	Principal	26.425	12.5	13.0	11.9	18.5	19.6	20.7	21.9	23.1	24.5	25.9	27.3	28.9	30.6	32.3	34.2	36.2	38.2	40.3	
155	Interest	36.928	36.7	16.9	26.8	39.4	38.3	37.2	36.0	34.8	33.5	32.0	30.6	29.0	27.3	25.6	23.7	21.7	19.7	17.6	
156	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	
157	Aggregate Debt Service (incl. Line	63.353	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	
158																					
159	Post-Finance Cash Flow	28.701	42.0	(3.5)	7.9	(46.6)	(39.5)	(45.4)	(34.4)	(4.0)	5.9	6.6	6.7	13.0	12.4	10.2	12.5	10.1	7.7	7.1	
160																					
161	Unwind Transaction																				
162	Cash Proceeds	-	-	-	301.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
163	Debt Reduction	-	-	-	(195.8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
164	Misc. Transaction	-	-	-	(5.6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
165	Net Before Member Reserves	-	-	-	100.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
166	Economic Reserve	-	-	-	(75.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
167	Net Before Transition Reserve	-	-	-	25.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
168																					
169	Ending Cash Balances (Incl. Transition	96.468	138.4	134.9	160.0	173.5	139.4	119.1	94.2	84.0	84.2	90.1	96.7	103.4	116.4	128.8	139.0	151.4	161.5	169.2	
170	Reserve)																				

Calendar Year	2006	2007	2008H1	Transaction	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

Transaction Closing Date: 4/30/2008

171 IV. Income Statement (M\$)

172																				
173	<u>Revenues</u>																			
174	Rural	79.402	83.8	28.0	58.5	87.1	88.8	95.9	95.6	113.9	121.6	128.7	133.8	145.5	150.0	154.2	159.6	164.2	169.4	173.5
175	Large Industrial	29.335	29.3	9.3	21.0	32.0	33.1	36.2	36.3	44.7	48.5	51.9	54.4	59.4	61.7	63.8	66.4	68.7	71.3	73.4
176	Smelters	-	-	-	170.5	254.9	274.9	310.4	321.2	325.2	326.5	345.4	346.9	381.3	355.0	382.5	377.9	392.4	387.4	402.0
177	Off-System	83.414	64.9	26.9	51.4	76.7	79.8	66.3	58.5	61.7	60.8	60.0	56.9	49.2	54.0	40.0	41.4	42.0	41.0	41.4
178	Transmission	5.954	5.1	1.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
179	Smelter - Tier 3 Transmission	1.782	1.8	0.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Gain on Sale of Allowances	-	-	-	14.3	18.5	(2.0)	0.7	0.4	0.8	0.4	(9.6)	(8.9)	(8.0)	(8.4)	(7.3)	(8.2)	(8.6)	(8.6)	(9.2)
181	WKEC Lease (Net)	52.332	52.3	17.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
182	Interest Earnings	3.731	6.6	2.0	4.584	7.424	5.968	5.097	4.031	3.594	3.606	3.857	4.139	4.425	4.982	5.511	5.947	6.481	6.912	7.240
183	Total Revenues	255.949	243.9	85.8	320.2	476.6	480.6	514.6	516.1	550.0	561.4	580.2	587.2	631.8	617.2	638.7	642.9	665.1	667.4	688.3
184																				
185	<u>Expenses</u>																			
186	PPA	97.999	87.9	34.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
187	Fuel Costs	-	-	-	137.6	203.5	222.0	225.1	227.7	235.0	244.6	245.5	252.0	250.6	257.8	252.3	261.0	265.7	267.4	270.5
188	SEPA & Other Purchases	11.416	6.9	3.8	11.5	22.3	18.9	28.1	25.8	29.5	25.3	27.4	28.7	38.5	29.7	38.2	35.3	38.6	42.1	46.8
189	Carbon Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
190	Carbon Allowance Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
191	Non-Fuel Variable Production O&M	0.410	0.7	0.3	18.3	29.0	31.4	32.9	35.9	36.4	37.9	41.9	43.3	43.2	45.6	45.4	47.6	49.9	50.3	52.4
192	Fixed Production O&M	-	-	-	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
193	Transmission O&M	6.593	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
194	APM, LLC, Cogen, CW & TVA Trans	4.663	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
195	A&G	13.809	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
196	Property Taxes & Insurance	2.376	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
197	Depreciation & Amortization	31.990	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
198	Income Tax	-	-	-	-	-	-	-	-	0.638	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	1.0
199	Interest Expense (Incl. Financing Fee	60.723	60.0	19.3	31.0	46.1	45.4	44.7	44.0	43.0	42.0	41.1	40.2	39.2	38.1	37.0	35.8	34.5	33.1	31.5
200	RUS Note & PCB Restructuring Char	-	-	-	0.1	0.1	0.1	0.1	0.1	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.5	0.5
201	Net Sale-Leaseback	(2.564)	(2.6)	(0.8)	(1.7)	(2.4)	(2.5)	(2.5)	(2.5)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
202	Other - Net	(6.004)	(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)
203	Total Expenses	221.411	206.3	76.9	315.2	473.3	486.4	519.1	524.4	538.2	545.5	564.2	571.2	615.8	601.1	622.5	626.7	648.8	651.1	671.9
204																				
205	Unwind Transaction	-	-	-	622.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
206																				
207	Economic Reserve	-	-	-	(75.0)	5.5	12.6	19.2	20.5	24.2	4.2	-	-	-	-	-	-	-	-	-
208																				
209	Net Margin	34.538	37.6	8.9	547.7	10.6	15.8	13.3	15.9	16.0	16.0	16.0	16.1	16.1	16.1	16.2	16.2	16.3	16.4	16.4

Calendar Year	2006	2007	2008H1	Transac tion	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	
Transaction Closing Date: 4/30/2008																					
210																					
211	V. Balance Sheet (M\$)																				
212																					
213	<u>Assets</u>																				
214	Property																				
215	Total Utility Plant in Service	1,731.229	1,780.4	1,780.2	1,877.7	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	2,552.8	2,600.5	2,650.1
216	Construction in Progress	13.1	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
217	Depreciation & Amortization	826.6	858.9	869.8	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
218	Other Property	190.7	197.3	199.2	199.2	204.4	205.9	214.6	223.6	232.3	241.6	251.5	262.1	273.4	285.4	298.4	312.2	326.9	342.7	359.6	377.7
219	Current																				
220	Cash General Funds & Special Deposits	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	0.0
221	General Cash Balance	96.5	138.4	134.9	125.0	137.5	101.9	79.9	53.4	41.4	39.9	43.8	48.4	53.0	63.9	74.0	81.9	91.9	99.4	104.4	108.7
222	Transition Reserve	-	-	-	35.0	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
223	Economic Reserve	-	-	-	75.0	71.6	62.1	45.6	27.1	4.1	-	-	-	-	-	-	-	-	-	-	-
224	Accounts Receivable	17.5	17.7	17.7	17.7	39.3	39.1	39.6	42.5	42.7	45.5	46.5	48.0	48.6	52.3	51.0	52.8	53.1	54.9	55.0	58.8
225	Regulatory Asset	-	-	-	-	-	-	-	0.3	2.0	4.4	5.0	6.5	6.4	11.6	12.1	14.8	15.7	18.6	20.2	24.8
226	Fuel Stock & Related	-	-	-	55.0	55.0	55.8	61.0	63.0	63.6	67.1	67.7	68.2	69.7	71.1	70.6	71.2	72.4	73.1	73.6	74.4
227	Materials and Supplies Other	0.8	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
228	Other Current Assets	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	4.7
229	Credits																				
230	AMBAC/Credit Suisse July '98	4.7	4.3	4.1	4.1	3.8	3.4	3.0	2.6	2.2	1.9	1.7	1.4	1.2	1.0	0.8	0.6	0.4	0.2	-	-
231	Deferred Tax	4.7	5.6	5.7	6.8	6.8	6.8	6.9	6.9	6.9	6.3	6.0	5.6	5.3	5.0	4.7	4.3	3.9	3.6	3.2	2.7
232	Deferred Debt Debits/PCB Refunding 10	0.6	0.5	0.3	11.7	11.5	11.1	10.7	10.3	9.8	12.0	11.4	10.7	10.1	9.4	8.7	8.0	7.3	6.5	8.9	8.1
233	Other Deferred Assets	-	-	-	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9
234	LEM Settlement Note/Marketing Paymer	17.1	16.1	15.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
235	Total Assets	1,254.3	1,300.0	1,306.8	1,567.0	1,617.5	1,614.5	1,611.8	1,594.0	1,579.3	1,584.8	1,593.3	1,603.1	1,610.9	1,622.2	1,626.8	1,636.0	1,642.7	1,651.8	1,657.9	1,666.6
236																					
237	<u>Liabilities & Equities</u>																				
238	Margins & Equities	(217.4)	(179.8)	(170.9)	378.9	387.5	403.3	416.6	432.5	448.5	464.4	480.4	496.4	512.5	528.6	544.7	560.8	577.1	593.3	609.7	626.1
239	Long-Term Debt																				
240	Existing Debt	1,053.1	1,062.1	1,051.1	857.8	849.9	837.8	825.0	811.4	797.1	782.0	766.0	749.1	731.2	712.2	692.2	671.0	648.6	624.9	599.9	573.5
241	Sale-Leaseback Obligation	177.3	183.9	186.2	186.2	190.9	192.4	201.0	210.0	218.7	228.1	238.0	248.7	260.1	272.4	285.5	299.5	314.5	330.5	347.7	366.1
242	Total Long-Term Debt	1,230.4	1,246.0	1,237.3	1,044.1	1,040.8	1,030.1	1,026.0	1,021.5	1,015.9	1,010.1	1,004.0	997.8	991.3	984.6	977.7	970.5	963.1	955.4	947.6	939.6
243	Current & Accrued Liabilities																				
244	Accounts Payable	12.6	11.7	11.7	11.7	57.2	57.3	59.1	63.1	63.8	65.8	67.0	69.6	70.5	75.1	72.9	76.0	76.6	79.8	80.1	83.2
245	Regulatory Liability	-	-	-	-	1.3	1.1	2.4	-	-	-	-	-	-	-	-	-	-	-	-	-
246	Taxes Accrued	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	0.2	0.3
247	Economic Reserve Deferred Income	-	-	-	75.0	71.6	62.1	45.6	27.1	4.1	-	-	-	-	-	-	-	-	-	-	-
248	Interest Accrued	7.6	7.8	7.6	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	0.4
249	Other Accrued Liabilities	6.0	6.2	6.3	6.3	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
250	Deferred TIER Rebate Payable	-	-	-	-	1.6	5.8	9.7	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
251	WKEC Lease (Resid. Value Obligation)	158.1	154.1	161.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
252	Sale-Leaseback Gain	56.4	53.5	52.5	52.5	50.6	47.8	45.0	42.2	39.3	36.5	33.6	30.7	27.8	24.9	22.0	19.1	16.1	13.2	10.2	7.2
253	Other Deferred Credits & Century Reacti	0.4	0.3	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
254	Total Liabilities & Equity	1,254.3	1,300.0	1,306.8	1,567.0	1,617.5	1,614.5	1,611.8	1,594.0	1,579.3	1,584.8	1,593.3	1,603.1	1,610.9	1,622.2	1,626.8	1,636.0	1,642.7	1,651.8	1,657.9	1,666.6
255																					

Calendar Year	2006	2007	2008H1	Transaction	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
	Transaction Closing Date: 4/30/2008																			
256 Change in Working Capital																				
257 Other Property	6.7	6.6	1.8		5.2	1.5	8.6	9.0	8.7	9.3	9.9	10.6	11.3	12.1	12.9	13.8	14.8	15.8	16.9	18.1
258 Accounts Receivable	1.2	0.3	-		21.6	(0.2)	0.5	2.9	0.2	2.9	1.0	1.5	0.6	3.7	(1.3)	1.7	0.3	1.8	0.2	1.7
259 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	0.0	0.0
260 Other Current Assets	3.8	0.6	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
261 Accounts Payable	0.5	0.9	-		(45.5)	(0.1)	(1.8)	(4.0)	(0.7)	(2.0)	(1.2)	(2.6)	(0.9)	(4.6)	2.2	(3.1)	(0.6)	(3.2)	(0.3)	(3.1)
262 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)	(0.0)
263 Other Accruals	(0.1)	(0.2)	(0.1)		(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)
264 Investment - Special Deposit (B/S)	(6.0)	(6.2)	(2.2)		(4.5)	(1.1)	(8.3)	(8.7)	(8.3)	(8.9)	(9.5)	(10.2)	(11.0)	(11.7)	(12.6)	(13.5)	(14.4)	(15.5)	(16.6)	(17.7)
265 Net SLB	(0.3)	(0.3)	(0.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
266 CoBank Patronage Capital	(0.4)	(0.4)	(0.1)		(0.3)	(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)
267 Adjustment	1.1	0.2	0.0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
268 Total	6.827	1.6	(0.6)		(23.6)	(0.5)	(1.5)	(1.2)	(0.6)	0.6	(0.4)	(1.3)	(0.6)	(1.1)	0.7	(1.6)	(0.5)	(1.6)	(0.4)	(1.6)
269																				
270 Cash Balance																				
271 Beginning	67.8	96.5	138.4	134.9	160.0	173.5	139.4	119.1	94.2	84.0	84.2	90.1	96.7	103.4	116.4	128.8	139.0	151.4	161.5	169.2
272 Ending	96.5	138.4	134.9	160.0	173.5	139.4	119.1	94.2	84.0	84.2	90.1	96.7	103.4	116.4	128.8	139.0	151.4	161.5	169.2	176.2
273																				
274 VI. Credit Measures																				
275																				
276 Contract TIER																				
277 Earnings					10.6	15.8	13.3	15.9	15.9	16.0	16.0	16.0	16.1	16.1	16.1	16.2	16.2	16.3	16.4	16.4
278 Plus: Interest Expense, Financing Fees, and Restructuring					31.1	46.2	45.5	44.8	44.1	43.3	42.3	41.4	40.5	39.4	38.4	37.2	36.1	34.8	33.6	32.0
279 Plus: Imputed Rate Increase in 2010					-	-	2.5	2.6	2.7	2.7	2.8	2.8	2.9	3.0	3.0	3.1	3.2	3.2	3.3	3.4
280 Less: Offset to Imputed Rate Increase in 2010					-	-	-	(2.6)	(2.7)	(2.7)	(2.8)	(2.8)	(2.9)	(3.0)	(3.0)	(3.1)	(3.2)	(3.2)	(3.3)	(3.4)
281 Less: Interest on Sequestered Funds					(1.0)	(1.5)	(1.6)	(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)
282 Total					40.7	60.5	59.8	59.0	58.3	57.4	56.4	55.4	54.5	53.4	52.2	51.1	49.9	48.5	47.3	45.8
283 Plus Sale-Leaseback Interest					8.9	13.3	13.9	14.5	15.1	15.7	16.3	17.0	17.8	18.6	19.4	20.3	21.3	22.4	23.5	24.7
284 Total					49.6	73.8	73.7	73.5	73.4	73.1	72.7	72.5	72.3	71.9	71.7	71.4	71.2	70.9	70.8	70.3
285 Divided by																				
286 Interest Expense, Financing Fees, and Restructuring					31.1	46.2	45.5	44.8	44.1	43.3	42.3	41.4	40.5	39.4	38.4	37.2	36.1	34.8	33.6	32.0
287 Plus Sale-Leaseback Interest					8.9	13.3	13.9	14.5	15.1	15.7	16.3	17.0	17.8	18.6	19.4	20.3	21.3	22.4	23.5	24.7
288 Total					40.0	59.6	59.4	59.3	59.2	58.9	58.6	58.4	58.3	58.0	57.8	57.6	57.4	57.1	57.1	56.7
289																				
290 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
291																				
292 Conventional TIER																				
293 Earnings					10.6	15.8	13.3	15.9	15.9	16.0	16.0	16.0	16.1	16.1	16.1	16.2	16.2	16.3	16.4	16.4
294 Plus: Interest Expense, Financing Fees, and Restructuring					31.1	46.2	45.5	44.8	44.1	43.3	42.3	41.4	40.5	39.4	38.4	37.2	36.1	34.8	33.6	32.0
295 Plus Income Tax					-	-	-	-	-	0.6	0.7	0.7	0.7	0.8	0.8	0.9	0.9	0.9	0.9	1.0
296 Total					41.7	62.1	58.9	60.7	60.0	59.9	59.0	58.1	57.3	56.3	55.3	54.2	53.1	51.9	50.9	49.3
297 Plus Sale-Leaseback Interest					8.9	13.3	13.9	14.5	15.1	15.7	16.3	17.0	17.8	18.6	19.4	20.3	21.3	22.4	23.5	24.7
298 Total					50.6	75.4	72.8	75.2	75.1	75.5	75.3	75.1	75.0	74.8	74.7	74.6	74.5	74.3	74.4	74.0
299 Divided by																				
300 Interest Expense, Financing Fees, and Restructuring					31.1	46.2	45.5	44.8	44.1	43.3	42.3	41.4	40.5	39.4	38.4	37.2	36.1	34.8	33.6	32.0
301 Plus Sale-Leaseback Interest					8.9	13.3	13.9	14.5	15.1	15.7	16.3	17.0	17.8	18.6	19.4	20.3	21.3	22.4	23.5	24.7
302 Total					40.0	59.6	59.4	59.3	59.2	58.9	58.6	58.4	58.3	58.0	57.8	57.6	57.4	57.1	57.1	56.7
303																				
304 Conventional TIER					1.27	1.27	1.22	1.27	1.27	1.28	1.28	1.29	1.29	1.29	1.29	1.29	1.30	1.30	1.30	1.31
305																				

Calendar Year	2006	2007	2008H1	Transac tion	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	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	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	0.000
Transaction Closing Date: 4/30/2008																					
306	DSCR - Cash Basis, Pre Capex, Incl Sale-Leaseback																				
307	Cash Available for Debt Service																				
308					84.5	87.8	77.5	69.3	77.9	90.0	102.1	102.7	103.3	111.9	116.9	116.2	116.5	116.4	113.5	114.8	
309					5.5	12.6	19.2	20.5	24.2	4.2	-	-	-	-	-	-	-	-	-	-	
310					(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)	
311					90.0	100.4	96.6	89.8	102.1	94.2	101.7	102.3	102.9	111.5	116.4	115.7	116.0	115.8	113.0	114.2	
312					8.9	13.3	13.9	14.5	15.1	15.7	16.3	17.0	17.8	18.6	19.4	20.3	21.3	22.4	23.5	24.7	
313					98.9	113.7	110.5	104.3	117.1	109.9	118.1	119.3	120.6	130.0	135.9	136.0	137.3	138.2	136.5	138.9	
314	Divided by																				
315	Interest Expenditures																				
316					27.2	39.9	38.8	37.7	36.5	35.3	34.0	32.5	31.1	29.5	27.8	26.1	24.2	22.2	20.2	18.1	
317					11.9	18.5	19.6	20.7	21.9	23.1	24.5	25.9	27.3	28.9	30.6	32.3	34.2	36.2	38.2	40.3	
318					8.9	13.3	13.9	14.5	15.1	15.7	16.3	17.0	17.8	18.6	19.4	20.3	21.3	22.4	23.5	24.7	
319	Total Debt Service																				
320					48.0	71.7	72.3	72.9	73.5	74.1	74.7	75.4	76.2	77.0	77.8	78.7	79.7	80.8	81.9	83.1	
321	DSCR																				
322					2.06	1.59	1.53	1.43	1.59	1.48	1.58	1.58	1.58	1.69	1.75	1.73	1.72	1.71	1.67	1.67	
323	Days Cash on Hand																				
324					166.7	156.5	129.3	106.6	89.1	84.1	87.2	93.4	100.0	109.9	122.6	133.9	145.2	156.5	165.3	172.7	
325					66.9	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	
326					233.7	256.5	229.3	206.6	189.1	184.1	187.2	193.4	200.0	209.9	222.6	233.9	245.2	256.5	265.3	272.7	
327	Divided by																				
328	Total Operating Expense																				
329					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
330					137.6	203.5	222.0	225.1	227.7	235.0	244.6	245.5	252.0	250.6	257.8	252.3	261.0	265.7	267.4	270.5	
331					11.5	22.3	18.9	28.1	25.8	29.5	25.3	27.4	28.7	38.5	29.7	38.2	35.3	38.6	42.1	46.8	
332					18.3	29.0	31.4	32.9	35.9	36.4	37.9	41.9	43.3	43.2	45.6	45.4	47.6	49.9	50.3	52.4	
333					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	
334					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	
335					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	
336					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	
337					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	
338					31.0	46.1	45.4	44.7	44.0	43.0	42.0	41.1	40.2	39.2	38.1	37.0	35.8	34.5	33.1	31.5	
339					293.6	439.0	450.9	477.3	481.1	494.2	501.3	518.5	523.9	554.3	538.3	558.4	581.2	581.9	582.5	601.9	
340					362.2	234.5	721.0	290.5	213.2	185.6	158.0	143.4	136.0	136.3	136.2	139.4	138.2	150.9	152.9	159.5	
341					177.8	234.5	721.0	207.3	130.1	104.6	81.5	67.6	62.1	63.5	65.8	69.7	72.4	83.1	87.5	94.4	
342					207.3	130.1	104.6	81.5	67.6	62.1	63.5	65.8	69.7	72.4	83.1	87.5	94.4	98.1	103.6	104.7	

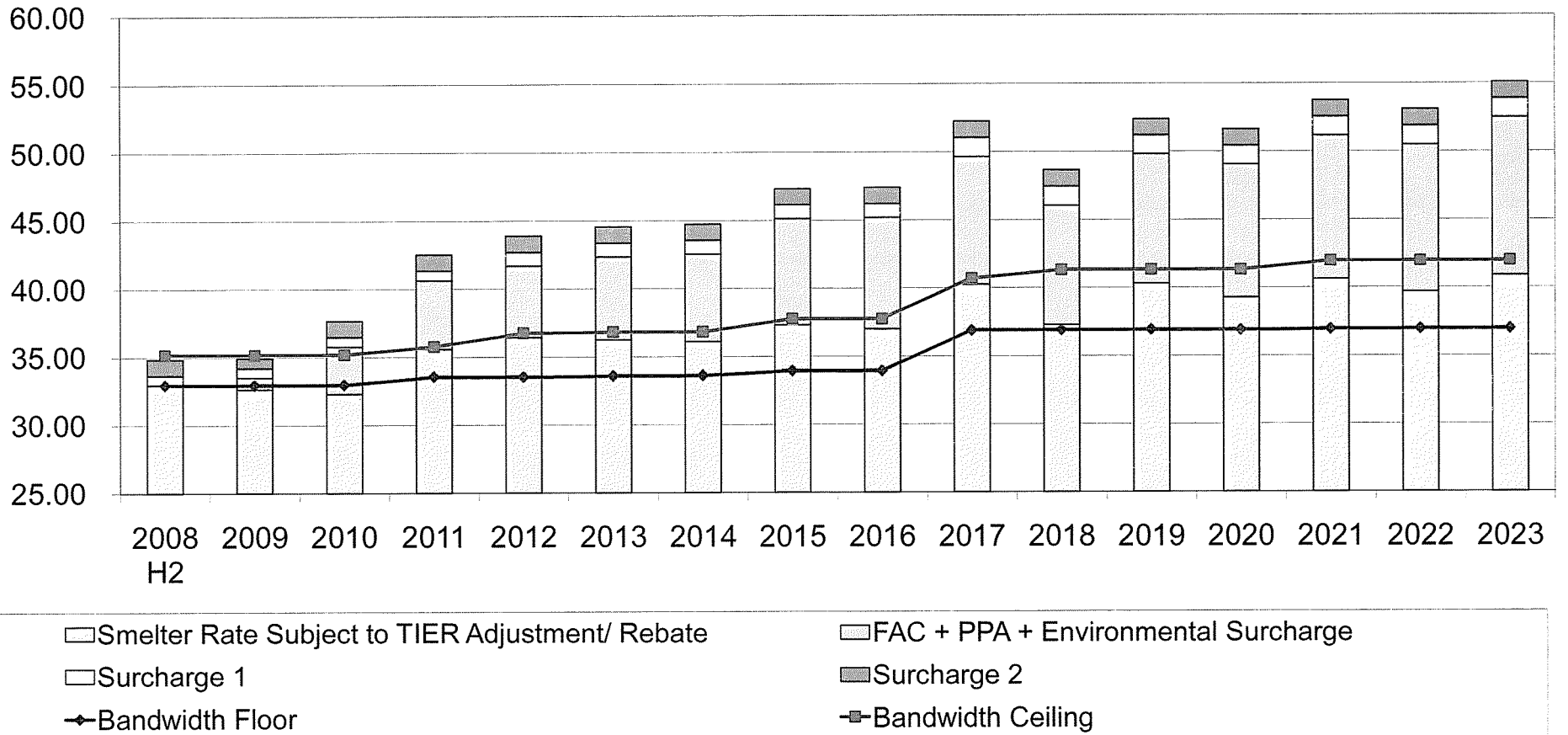
Calendar Year	2006	2007	2008H1	Transaction	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Unwind Allocation	0.000	0.000	0.000	0.000	0.669	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Pre-Transaction Allocation	1.000	1.000	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
Transaction Closing Date: 4/30/2008																				
343 VII. Debt Service Detail, as of Transaction Date (M\$)																				
344																				
345 <u>Fixed/ Insured Serial Bonds (Tranche 1)</u>																				
346 Beginning Principal	-	-	-	-	181.5	181.5	181.5	181.5	181.5	181.5	181.5	181.5	181.5	181.5	181.5	181.5	181.5	181.5	181.5	181.5
347 Principal	-	-	-	(181.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
348 Interest	-	-	-	-	6.9	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2
349 Debt Service	-	-	-	(181.5)	6.9	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2
350 Blended Interest Cost	0.00%	0.00%	0.00%	0.00%	3.78%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%	5.64%
351																				
352 <u>Fixed/ Insured Serial Bonds (Tranche 2)</u>																				
353 Beginning Principal	-	-	-	-	82.0	82.0	81.8	81.7	81.5	81.3	81.1	80.9	80.7	80.4	80.2	79.9	79.6	79.3	78.6	40.3
354 Principal	-	-	-	(82.0)	-	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.8	38.2	40.3
355 Interest	-	-	-	-	3.0	4.5	4.5	4.5	4.5	4.5	4.5	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.3	2.2
356 Debt Service	-	-	-	(82.0)	3.0	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	5.2	42.5	42.5
357 Blended Interest Cost	0.00%	0.00%	0.00%	0.00%	3.68%	5.49%	5.49%	5.49%	5.49%	5.49%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.52%
358																				
359 <u>Variable Rate Bonds</u>																				
360 Beginning Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
361 Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
362 Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
363 Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
364 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%	0.00%
365																				
366 <u>Ongoing RUS Note (Stated)</u>																				
367 Beginning Principal	-	-	-	794.7	352.0	340.1	321.7	302.4	281.9	260.2	237.3	213.0	187.4	160.3	131.6	101.3	69.3	35.4	-	-
368 Principal	-	-	-	442.7	11.9	18.3	19.4	20.5	21.7	22.9	24.2	25.6	27.1	28.7	30.3	32.1	33.9	35.4	-	-
369 Interest	-	-	-	-	13.5	19.6	18.5	17.4	16.2	15.0	13.6	12.2	10.8	9.2	7.6	5.8	4.0	2.0	-	-
370 Debt Service	-	-	-	442.7	25.5	37.9	37.9	37.9	37.9	37.9	37.9	37.9	37.9	37.9	37.9	37.9	37.9	37.9	37.4	-
371 Blended Interest Cost	0.00%	0.00%	0.00%	0.00%	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%	-	-
372																				
373 <u>ARVP</u>																				
374 Beginning Principal	-	-	-	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
375 Principal/ Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
376 Interest/ Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
377 Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
378 Accretion Rate	0.00%	0.00%	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%	5.91%	5.91%
379																				
380 <u>PCB</u>																				
381 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
382 Principal	-	-	-	-	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
383 Interest	-	-	-	-	3.4	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1
384 Debt Service	-	-	-	-	3.4	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1
385 Blended Interest Cost	0.00%	0.00%	0.00%	0.00%	2.41%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%
386																				
387 <u>Total (Incorporates RUS on Stated Basis)</u>																				
388 Beginning Principal	-	-	-	1,038.3	859.1	851.2	839.0	826.0	812.3	797.9	782.6	766.5	749.5	731.5	712.4	692.3	671.1	648.6	624.9	599.9
389 Principal	-	-	-	179.2	11.9	18.5	19.6	20.7	21.9	23.1	24.5	25.9	27.3	28.9	30.6	32.3	34.2	36.2	38.2	40.3
390 Interest	-	-	-	-	26.8	39.4	38.3	37.2	36.0	34.8	33.5	32.0	30.6	29.0	27.3	25.6	23.7	21.7	19.7	17.6
391 Line of Credit Fee	-	-	-	-	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
392 Debt Service	-	-	-	179.2	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

Smelter Rate Structure

December 2007

	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%	0.91%	0.00%	8.40%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1 Smelter Sales																
2 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
3 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
4 Total Energy (TWh)	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
5 Total Demand (GW)	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
6 Smelter Load Factor (%)	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%
7																
8 Smelter Rate (\$/ MWh)																
9 Large Industrial Rate																
10 Sales (TWh)	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
11 Load Factor (%)	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%
12 Demand (\$/ KW-mo.)	10.15	10.15	10.15	10.35	10.35	10.35	10.35	10.45	10.45	11.32	11.32	11.32	11.32	11.32	11.32	11.32
13 Energy (\$/ MWh)	19.61	19.61	19.61	19.89	19.89	19.89	19.89	20.07	20.07	21.75	21.75	21.75	21.75	21.75	21.75	21.75
14 Power Factor Penalty/ Demand Cr. (\$/ MWh)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 MRDA (\$/ MWh)	(0.96)	(0.95)	(0.93)	(0.90)	(0.88)	(0.86)	(0.85)	(0.83)	(0.81)	(0.79)	(0.77)	(0.76)	(0.74)	(0.73)	(0.71)	(0.70)
16 Regulatory Account Charge	-	-	-	-	-	0.17	0.17	0.16	0.53	0.52	0.51	0.92	0.90	0.88	1.32	1.30
17 Less: Regulatory Account Charge	-	-	-	-	-	(0.17)	(0.17)	(0.16)	(0.53)	(0.52)	(0.51)	(0.92)	(0.90)	(0.88)	(1.32)	(1.30)
18 Net Rate (\$/ MWh)	36.46	36.34	36.37	37.02	37.04	37.06	37.07	37.44	37.47	40.69	40.70	40.72	40.76	40.75	40.76	40.78
19																
20 Large Industrial Rate @ 98% LF	32.93	32.94	32.96	33.54	33.52	33.58	33.59	33.92	33.90	36.86	36.88	36.89	36.87	36.92	36.94	36.95
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	33.18	33.19	33.21	33.79	33.77	33.83	33.84	34.17	34.15	37.11	37.13	37.14	37.12	37.17	37.19	37.20
23 Plus TIER Adjustment	-	-	-	1.80	2.67	2.43	2.28	3.16	2.88	3.14	0.16	3.17	2.16	3.46	2.51	3.70
24 Less TIER Related Rebate	(0.22)	(0.52)	(0.89)	-	-	-	-	-	-	-	-	-	-	-	-	-
25 Smelter Rate Subject to TIER Adjustment	32.97	32.67	32.32	35.59	36.44	36.26	36.13	37.33	37.03	40.26	37.28	40.31	39.28	40.63	39.69	40.89
26																
27 Plus FAC + PPA + Environmental Surcharge	(0.05)	0.84	3.46	5.05	5.26	6.11	6.42	7.80	8.18	9.40	8.77	9.51	9.77	10.54	10.81	11.60
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	0.72	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)	34.81	34.93	37.68	42.54	43.90	44.56	44.75	47.33	47.41	52.26	48.65	52.41	51.65	53.77	53.09	55.09
31																
32 TIER Adjustment Cap (\$/ MWh)																
33 Bandwidth Floor	33.18	33.19	33.21	33.79	33.77	33.83	33.84	34.17	34.15	37.11	37.13	37.14	37.12	37.17	37.19	37.20
34 Bandwidth Range	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
35 Bandwidth Ceiling	35.13	35.14	35.16	35.74	36.72	36.78	36.79	37.72	37.70	40.66	41.28	41.29	41.27	41.92	41.94	41.95
36 Smelter Rate Subject to TIER Adjustment/ Rebate	32.97	32.67	32.32	35.59	36.44	36.26	36.13	37.33	37.03	40.26	37.28	40.31	39.28	40.63	39.69	40.89

Smelter Price and Bandwidth



Smelter Rate Structure

December 2007

37	TIER Adjustment Rebate/Charge																
38	Pre-TIER Rebate Member Revenues	80.0	120.9	125.1	132.1	131.9	158.6	170.1	180.6	188.2	204.9	211.7	217.9	225.9	232.9	240.6	246.9
39	Pre-TIER Adj/Rebate Smelter Revenues	171.6	258.7	281.5	297.3	301.7	307.4	309.9	322.3	325.8	358.4	353.8	359.4	362.1	367.1	369.1	375.0
40	Other Revenues	<u>75.8</u>	<u>115.2</u>	<u>102.9</u>	<u>92.5</u>	<u>87.2</u>	<u>70.4</u>	<u>64.8</u>	<u>54.2</u>	<u>52.1</u>	<u>45.6</u>	<u>50.6</u>	<u>38.3</u>	<u>39.1</u>	<u>39.8</u>	<u>39.4</u>	<u>39.4</u>
41	Pre TIER Adj/Rebate Revenues	327.4	494.8	509.5	521.9	520.8	536.5	544.8	557.1	566.2	608.9	616.1	615.6	627.1	639.9	649.1	661.3
42	Total Expenses	315.2	473.3	486.4	519.1	524.4	538.2	545.5	564.2	571.2	615.8	601.1	622.5	626.7	648.8	651.1	671.9
43	Net Margin Before TIER Adjustment	12.2	21.4	23.0	2.8	(3.6)	(1.8)	(0.7)	(7.1)	(5.0)	(6.9)	15.0	(6.9)	0.4	(9.0)	(1.9)	(10.6)
44																	
45	Interest + Margin	52.2	81.0	82.5	62.1	55.6	57.2	58.0	51.4	53.3	51.2	72.8	50.6	57.8	48.2	55.1	46.1
46	Interest Charges	40.0	59.6	59.4	59.3	59.2	58.9	58.6	58.4	58.3	58.0	57.8	57.6	57.4	57.1	57.1	56.7
47	Pre-TIER Adjustment TIER	1.30	1.36	1.39	1.05	0.94	0.97	0.99	0.88	0.91	0.88	1.26	0.88	1.01	0.84	0.97	0.81
48																	
49	Increment needed for 1.24x TIER	(2.6)	(7.1)	(8.8)	11.4	17.8	15.9	14.8	21.1	19.0	20.8	(1.1)	20.8	13.4	22.7	15.6	24.2
50	Contract TIER Adjustments																
51	Plus: Imputed Rate Increase in 2010	-	-	2.5	2.6	2.7	2.7	2.8	2.8	2.9	3.0	3.0	3.1	3.2	3.2	3.3	3.4
52	Less: Offset to Imputed Rate Increase in 2010	-	-	-	(2.6)	(2.7)	(2.7)	(2.8)	(2.8)	(2.9)	(3.0)	(3.0)	(3.1)	(3.2)	(3.2)	(3.3)	(3.4)
53	Less: Interest on Sequestered Funds	<u>(1.0)</u>	<u>(1.5)</u>	<u>(1.6)</u>	<u>(1.7)</u>	<u>(1.7)</u>	<u>(1.8)</u>	<u>(1.9)</u>	<u>(2.0)</u>	<u>(2.1)</u>	<u>(2.2)</u>	<u>(2.2)</u>	<u>(2.3)</u>	<u>(2.4)</u>	<u>(2.5)</u>	<u>(2.7)</u>	<u>(2.8)</u>
54	Total Adjustments	(1.0)	(1.5)	0.9	(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)
55	Increment needed for 1.24x TIER with Adj.	(1.6)	(5.6)	(9.7)	13.1	19.5	17.7	16.7	23.1	21.1	22.9	1.1	23.1	15.8	25.2	18.3	27.0
56																	
57	Rebate Amount (\$M)	(1.58)	(5.60)	(9.71)	-	-	-	-	-	-	-	-	-	-	-	-	-
58	TIER Adjustment Charge (\$M)	-	-	-	13.1	19.5	17.7	16.7	23.1	21.1	22.9	1.1	23.1	15.8	25.2	18.3	27.0
59																	
60	Rebate to Members/Smelters (\$/MWh)																
61	Rurals	(0.23)	(0.54)	(0.93)	-	-	-	-	-	-	-	-	-	-	-	-	-
62	Large Industrials	(0.20)	(0.47)	(0.81)	-	-	-	-	-	-	-	-	-	-	-	-	-
63	Smelters	(0.22)	(0.52)	(0.89)	-	-	-	-	-	-	-	-	-	-	-	-	-
64																	
65	<u>TIER Adjustment Charge to Smelters (\$/MWh)</u>	-	-	-	1.80	2.67	2.43	2.28	3.16	2.88	3.14	0.16	3.17	2.16	3.46	2.51	3.70

Member Rates Cash Method

December 2007

	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)																
2 Rural	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
3 Large Industrial	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
4 Total	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
5																
6 Rates (Cash Method)																
7 Rural																
8 Load Factor (%)	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%
9 Demand (\$/ KW-mo.)	7.37	7.37	7.37	7.52	7.52	7.52	7.52	7.59	7.59	8.22	8.22	8.22	8.22	8.22	8.22	8.22
10 Energy (\$/ MWH)	26.30	26.30	26.30	26.71	26.71	26.71	26.71	26.95	26.95	29.21	29.21	29.21	29.21	29.21	29.21	29.21
11 Base	43.08	43.12	43.09	43.06	43.04	43.01	42.99	42.97	42.94	42.92	42.90	42.88	42.85	42.84	42.82	42.80
12 MRDA	(1.10)	(1.10)	(1.07)	(1.04)	(1.02)	(1.00)	(0.97)	(0.95)	(0.93)	(0.91)	(0.89)	(0.87)	(0.85)	(0.84)	(0.82)	(0.80)
13 Regulatory Account Charge	-	-	-	-	-	-	0.17	0.17	0.16	0.53	0.52	0.92	0.90	0.88	1.32	1.30
14 GRA	-	-	-	0.74	0.74	0.74	0.74	1.14	1.14	4.84	4.83	4.83	4.83	4.83	4.82	4.82
15 FAC	-	(0.06)	1.15	1.70	1.92	2.41	3.10	3.11	3.51	3.55	3.86	3.74	4.21	4.41	4.49	4.54
16 Env. Surcharge	0.49	0.85	2.68	2.62	2.89	2.89	3.02	4.14	4.17	4.12	4.28	4.25	4.45	4.63	4.65	4.82
17 Surcharge Rebate	(4.00)	(2.95)	(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)
18 TIER Related Rebate	-	(0.15)	(0.53)	(0.91)	-	-	-	-	-	-	-	-	-	-	-	-
19 Economic Reserve	(2.39)	(3.59)	(5.35)	(5.57)	(6.42)	(1.10)	-	-	-	-	-	-	-	-	-	-
20 Net	(5.90)	(5.90)	(5.92)	(5.94)	(5.90)	0.03	2.04	3.27	3.78	3.18	3.74	3.69	4.45	4.92	5.10	5.41
21 Effective Rate	36.08	36.12	36.10	36.83	36.86	42.97	44.96	46.58	47.45	50.54	51.09	51.44	52.17	52.62	53.25	53.53
22																
23 Large Industrial																
24 Load Factor (%)	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%
25 Demand (\$/ KW-mo.)	10.15	10.15	10.15	10.35	10.35	10.35	10.35	10.45	10.45	11.32	11.32	11.32	11.32	11.32	11.32	11.32
26 Energy (\$/ MWH)	19.61	19.61	19.61	19.89	19.89	19.89	19.89	20.07	20.07	21.75	21.75	21.75	21.75	21.75	21.75	21.75
27 Base	37.42	37.29	37.29	37.29	37.30	37.29	37.29	37.29	37.31	37.29	37.29	37.29	37.29	37.31	37.29	37.29
28 MRDA	(0.96)	(0.95)	(0.93)	(0.90)	(0.88)	(0.86)	(0.85)	(0.83)	(0.81)	(0.79)	(0.77)	(0.76)	(0.74)	(0.73)	(0.71)	(0.70)
29 Regulatory Account Charge	-	-	-	-	-	0.17	0.17	0.16	0.53	0.52	0.51	0.92	0.90	0.88	1.32	1.30
30 GRA	-	-	-	0.63	0.63	0.63	0.97	0.97	4.18	4.18	4.18	4.18	4.19	4.18	4.18	4.18
31 FAC	-	(0.06)	1.15	1.70	1.92	2.41	3.10	3.11	3.51	3.55	3.86	3.74	4.21	4.41	4.49	4.54
32 Env. Surcharge	0.49	0.85	2.68	2.62	2.89	2.89	3.02	4.14	4.17	4.12	4.28	4.25	4.45	4.63	4.65	4.82
33 Surcharge Rebate	(4.00)	(2.95)	(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)
34 TIER Related Rebate	-	(0.13)	(0.45)	(0.78)	-	-	-	-	-	-	-	-	-	-	-	-
35 Economic Reserve	(2.39)	(3.59)	(5.35)	(5.57)	(6.42)	(1.10)	-	-	-	-	-	-	-	-	-	-
36 Net	(5.90)	(5.88)	(5.84)	(5.81)	(5.90)	0.03	2.04	3.27	3.78	3.18	3.74	3.69	4.45	4.92	5.10	5.41
37 Effective Rate	30.56	30.46	30.52	31.21	31.15	37.26	39.28	40.87	41.78	44.38	44.95	45.32	46.10	46.54	47.19	47.48
38																
39 Non-Smelter Member Blend																
40 Base	41.39	41.35	41.32	41.29	41.26	41.23	41.20	41.18	41.16	41.13	41.11	41.09	41.08	41.06	41.04	41.02
41 MRDA	(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)
42 Regulatory Account Charge	-	-	-	-	-	0.17	0.17	0.16	0.53	0.52	0.51	0.92	0.90	0.88	1.32	1.30
43 GRA	-	-	-	0.71	0.71	0.71	0.71	1.09	1.08	4.63	4.63	4.62	4.62	4.62	4.62	4.62
44 FAC	-	(0.06)	1.15	1.70	1.92	2.41	3.10	3.11	3.51	3.55	3.86	3.74	4.21	4.41	4.49	4.54
45 Env. Surcharge	0.49	0.85	2.68	2.62	2.89	2.89	3.02	4.14	4.17	4.12	4.28	4.25	4.45	4.63	4.65	4.82
46 Surcharge Rebate	(4.00)	(2.95)	(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)
47 TIER Related Rebate	-	(0.15)	(0.51)	(0.87)	-	-	-	-	-	-	-	-	-	-	-	-
48 Economic Reserve	(2.39)	(3.59)	(5.35)	(5.57)	(6.42)	(1.10)	-	-	-	-	-	-	-	-	-	-
49 Net	(5.90)	(5.90)	(5.90)	(5.90)	(5.90)	0.03	2.04	3.27	3.78	3.18	3.74	3.69	4.45	4.92	5.10	5.41
50 Effective Rate	34.44	34.40	34.39	35.10	35.09	41.19	43.18	44.78	45.66	48.59	49.13	49.48	50.23	50.67	51.30	51.57
51																
52 Revenues Delta(\$M)																
53 Rural	0.37	0.95	0.99	(2.31)	-	-	-	-	-	-	-	-	-	-	-	-
54 LI	0.14	0.36	0.39	(0.89)	-	-	-	-	-	-	-	-	-	-	-	-
55 Total	0.51	1.31	1.38	(3.20)	-	-	-	-	-	-	-	-	-	-	-	-
56																
57 Smelter Rebate Lag																
58 TWh	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
59 Accrued (\$/ MWh)	(0.22)	(0.52)	(0.89)	-	-	-	-	-	-	-	-	-	-	-	-	-
60 Realized (\$/ MWh)	-	(0.15)	(0.52)	(0.89)	-	-	-	-	-	-	-	-	-	-	-	-
61 Adjust (\$M)	1.07	2.71	2.72	(6.51)	-	-	-	-	-	-	-	-	-	-	-	-

Regulatory Accounts

December 2007

	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)	(1.26)	0.17	(1.33)	2.69	1.72	3.11	1.20	2.23	2.09	7.32	2.69	6.70	5.01	6.93	7.83	10.72
1 EXPENSE DEFERRAL METHOD																
2																
3 Income Statement (Change in Regulatory Account)																
4 1. Deferral																
5 Power Purchase Expense																
6 Debit	1.26	-	1.33	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Credit	-	(0.17)	-	(2.69)	(1.72)	(3.11)	(1.20)	(2.23)	(2.09)	(7.32)	(2.69)	(6.70)	(5.01)	(6.93)	(7.83)	(10.72)
8 Total	1.26	(0.17)	1.33	(2.69)	(1.72)	(3.11)	(1.20)	(2.23)	(2.09)	(7.32)	(2.69)	(6.70)	(5.01)	(6.93)	(7.83)	(10.72)
9																
10 2. Recognition of Prior Year Balance (Set to Start in 2013)																
11 Credit Member Revenue (Charge to Members)						0.66	0.66	0.66	2.18	2.18	2.18	4.03	4.03	4.03	6.21	6.21
12 Debit Power Purchase Expense						0.66	0.66	0.66	2.18	2.18	2.18	4.03	4.03	4.03	6.21	6.21
13																
14 Net Income	(1.26)	0.17	(1.33)	2.69	1.72	3.11	1.20	2.23	2.09	7.32	2.69	6.70	5.01	6.93	7.83	10.72
15																
16 Balance Sheet																
17 Assets																
18 Cash						0.66	1.33	1.99	4.17	6.35	8.52	12.56	16.59	20.62	26.83	33.04
19 Regulatory Asset	-	-	-	0.27	1.99	4.43	4.97	6.53	6.44	11.58	12.10	14.76	15.74	18.63	20.25	24.76
20 Total	-	-	-	0.27	1.99	5.10	6.30	8.52	10.61	17.93	20.62	27.32	32.33	39.26	47.08	57.80
21																
22 Liabilities & Equity																
23 Equity	(1.3)	(1.1)	(2.4)	0.3	2.0	5.1	6.3	8.5	10.6	17.9	20.6	27.3	32.3	39.3	47.1	57.8
24 Regulatory Liability	1.3	1.1	2.4	-	-	-	-	-	-	-	-	-	-	-	-	-
25 Total	-	-	-	0.3	2.0	5.1	6.3	8.5	10.6	17.9	20.6	27.3	32.3	39.3	47.1	57.8

FAC PPA Env Sur

December 2007

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1 Production (TWh)	8.1	11.8	12.1	11.6	11.7	11.6	11.9	11.9	12.0	11.6	12.0	11.6	11.9	11.9	11.9	11.9
2 Sales (TWh)	8.3	12.3	12.5	12.3	12.3	12.3	12.4	12.4	12.5	12.4	12.6	12.4	12.5	12.6	12.7	12.8
3																
4																
5 A. FAC																
6 Fuel Costs (\$M)	137.6	203.5	222.0	225.1	227.7	235.0	244.6	245.5	252.0	250.6	257.8	252.3	261.0	265.7	267.4	270.5
7																
8 Total Costs for Passthrough (\$/ MWh Sold)	16.62	16.56	17.77	18.31	18.53	19.03	19.71	19.72	20.13	20.17	20.47	20.35	20.83	21.02	21.10	21.16
9 Fuel Cost Base (\$/MWh)	<u>(16.62)</u>	<u>(16.62)</u>	<u>(16.62)</u>	<u>(16.62)</u>	<u>(16.62)</u>	<u>(16.62)</u>	<u>(16.62)</u>	<u>(16.62)</u>	<u>(16.62)</u>	<u>(16.62)</u>	<u>(16.62)</u>	<u>(16.62)</u>	<u>(16.62)</u>	<u>(16.62)</u>	<u>(16.62)</u>	<u>(16.62)</u>
10 FAC (\$/MWh)	-	(0.06)	1.15	1.70	1.92	2.41	3.10	3.11	3.51	3.55	3.86	3.74	4.21	4.41	4.49	4.54
11 B. PPA																
12 Purchased Power Costs (\$M)	10.01	22.11	17.26	30.53	27.15	31.59	25.51	28.67	28.27	43.33	29.93	40.57	35.90	41.20	43.34	51.02
13																
14 Total Costs for Passthrough (\$/ MWh Sold)	1.21	1.80	1.38	2.48	2.21	2.56	2.06	2.30	2.26	3.49	2.38	3.27	2.86	3.26	3.42	3.99
15 Purchased Power Cost Base (\$/MWh)	<u>(1.75)</u>	<u>(1.75)</u>	<u>(1.75)</u>	<u>(1.75)</u>	<u>(1.75)</u>	<u>(1.75)</u>	<u>(1.75)</u>	<u>(1.75)</u>	<u>(1.75)</u>	<u>(1.75)</u>	<u>(1.75)</u>	<u>(1.75)</u>	<u>(1.75)</u>	<u>(1.75)</u>	<u>(1.75)</u>	<u>(1.75)</u>
16 Purchase Power Passthrough (\$/MWh)	(0.54)	0.05	(0.37)	0.73	0.46	0.81	0.30	0.55	0.51	1.73	0.63	1.52	1.11	1.51	1.67	2.24
17																
18 C. Environmental Surcharge																
19 Eligible Cost (\$M)	4.06	10.44	33.45	32.19	35.49	35.62	37.46	51.54	52.19	51.21	53.95	52.65	55.79	58.54	58.92	61.60
20																
21 Total Costs for Passthrough (\$/ MWh Sold)	0.49	0.85	2.68	2.62	2.89	2.89	3.02	4.14	4.17	4.12	4.28	4.25	4.45	4.63	4.65	4.82
22 Env. Surcharge Cost Base (\$/MWh)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23 Environmental Surcharge Passthrough (\$/MWh)	0.49	0.85	2.68	2.62	2.89	2.89	3.02	4.14	4.17	4.12	4.28	4.25	4.45	4.63	4.65	4.82
24																
25																
26 1 - FAC + Environmental Surcharge to Members																
27 Rurals																
28 FAC	-	(0.06)	1.15	1.70	1.92	2.41	3.10	3.11	3.51	3.55	3.86	3.74	4.21	4.41	4.49	4.54
29 Environmental Surcharge	<u>0.49</u>	<u>0.85</u>	<u>2.68</u>	<u>2.62</u>	<u>2.89</u>	<u>2.89</u>	<u>3.02</u>	<u>4.14</u>	<u>4.17</u>	<u>4.12</u>	<u>4.28</u>	<u>4.25</u>	<u>4.45</u>	<u>4.63</u>	<u>4.65</u>	<u>4.82</u>
30 Total	0.49	0.79	3.83	4.32	4.80	5.30	6.12	7.25	7.68	7.67	8.14	7.99	8.66	9.04	9.14	9.36
31 Large Industrials																
32 FAC	-	(0.06)	1.15	1.70	1.92	2.41	3.10	3.11	3.51	3.55	3.86	3.74	4.21	4.41	4.49	4.54
33 Environmental Surcharge	<u>0.49</u>	<u>0.85</u>	<u>2.68</u>	<u>2.62</u>	<u>2.89</u>	<u>2.89</u>	<u>3.02</u>	<u>4.14</u>	<u>4.17</u>	<u>4.12</u>	<u>4.28</u>	<u>4.25</u>	<u>4.45</u>	<u>4.63</u>	<u>4.65</u>	<u>4.82</u>
34 Total	0.49	0.79	3.83	4.32	4.80	5.30	6.12	7.25	7.68	7.67	8.14	7.99	8.66	9.04	9.14	9.36
35 2 - FAC + PPA + Environmental Surcharge to Smelters																
36 FAC	-	(0.06)	1.15	1.70	1.92	2.41	3.10	3.11	3.51	3.55	3.86	3.74	4.21	4.41	4.49	4.54
37 PPA	(0.54)	0.05	(0.37)	0.73	0.46	0.81	0.30	0.55	0.51	1.73	0.63	1.52	1.11	1.51	1.67	2.24
38 Environmental Surcharge	<u>0.49</u>	<u>0.85</u>	<u>2.68</u>	<u>2.62</u>	<u>2.89</u>	<u>2.89</u>	<u>3.02</u>	<u>4.14</u>	<u>4.17</u>	<u>4.12</u>	<u>4.28</u>	<u>4.25</u>	<u>4.45</u>	<u>4.63</u>	<u>4.65</u>	<u>4.82</u>
39 Total	(0.05)	0.84	3.46	5.05	5.26	6.11	6.42	7.80	8.18	9.40	8.77	9.51	9.77	10.54	10.81	11.60

UW Transaction

December 2007

(\$M)	2007	2008H1	Transaction	2008 H2	
Unwind Allocation	-	0	-	0	
Pre-Transaction Allocation	-	-	-	0.669	
Transaction Index	1.000	0.331	-	-	
	-	-	1.000	-	
A. Transaction Components					
1	1. Cash Payment/ Credit Escrow Draws	-	-	301.5	-
2	2. WKE Residual Value Obligation				
3	WKE Gen. Capex - Cum.				
4	<u>Non-Incremental (RV Obligation Balance)</u>				
5	Beginning Balance	45.2	50.2	61.0	-
6	WKE Share of Non-Incremental Capex	6.8	11.7	-	-
7	Amortization of WKE Share	1.8	0.9	-	-
8	Net	50.2	61.0	61.0	-
9	<u>Incremental</u>				
10	Beginning Balance	95.6	90.9	89.4	-
11	WKE Share of Non-Incremental Capex	-	-	-	-
12	Amortization of WKE Share	4.6	1.6	-	-
13	Net	90.9	89.4	89.4	-
14	<u>Total</u>	141.1	150.4	150.4	-
15	3. LG&E Rental Income Advance				
16	Cash Flow	48.0	15.8	-	-
17	Income Statement	52.3	17.3	-	-
18	Balance	(13.0)	(11.4)	(11.4)	-
19	4. Fuel & Other Inventories	-	-	55.0	-
20	5. Cancellation of Settlement Prom. Note	-	-	16.0	-
21	6. Coleman Scrubber Completion	-	-	97.5	-
22	7. LG&E Emissions Allowance	-	-	10.9	-
23	8. Expense Unamortized Mktg Payment/ Settlement Note	-	-	(15.7)	-
24	9. Assurances Agreement	-	-	4.3	-
25					
26	Total Residual Value Obligation	154.1	161.8	161.8	-
27	Cancellation of RV Obligation				
28	Reclassification as Equity	-	-	161.8	-
29					
30	Net WKE Obligation	154.1	161.8	-	-
31					

UW Transaction

(\$M)

December 2007

	2007	2008H1	Transaction	2008 H2
Unwind Allocation	-	0	-	0
Pre-Transaction Allocation	-	-	-	0.669
Transaction Index	1.000	0.331	-	-
	-	-	1.000	-
32				
33 B. Transaction Cash Flows				
34 Cash Balances Pre-Transaction				
35 Transaction Proceeds			134.9	
36 Smelter Payment (Assurances Agreement)			301.5	
37 Consent Fee to Lease-Equity Parties			(4.3)	
38 Lump-Sum Member Rebate			-	
39 Net DSL Termination			-	
40 Century/Century Reactive Power Transaction Refund			-	
41 Income Tax			(0.3)	
42 Net Transaction Cash			(1.1)	
43 Debt Restructuring:			295.9	
44 Debt Reduction (Net)			(186.2)	
45 Underwriting Costs			(4.6)	
46 Bond Insurance 1.75%			(5.0)	
47 ARVP Defeasance Premium 0.80%			-	
48 Total			(195.8)	
49 Restricted Cash Balances:				
50 Transition Reserve			(35.0)	
51 Economic Reserve			(75.0)	
52 Unrestricted Cash Balances Post-Transaction			125.0	
53				
54 C. Debt Restructuring:				
55 Beginning Balance - GAAP			1,051.1	
56 Cancellation of Settlement Prom. Note			(16.0)	
57 Capitalize Accrued Interest on RUS New Note			7.2	
58 Step-Up RUS New Note to Stated Basis:				
59 GAAP RUS New Note			791.4	
60 Ending Balance			7.2	
61 Accrued Interest			798.6	
62 Total			794.7	
63 Stated RUS New Note			7.0	
64 Ending Balance			801.7	
65 Accrued Interest			3.1	
66 Total			1,045.3	
67 Step-Up			(449.7)	
68 Beginning Balance - Stated			-	
69 Cash Flow:			263.5	
70 Prepay RUS New Note			(186.2)	
71 Defease ARVP			859.2	
72 Issue Capital Markets Debt			(1.3)	
73 Net			857.8	
74 Ending Balance - Stated				
75 Step-Down Remaining RUS New Note to GAAP Basis:				
76 Ending Balance - GAAP				
77				

UW Transaction

December 2007

(\$M)		2007	2008H1	Transaction	2008 H2
Unwind Allocation		-	0	-	0
Pre-Transaction Allocation		-	-	-	0.669
Transaction Index		1.000	0.331	-	-
		-	-	1.000	-
78 D. Reflection on Income Statement					
79 1. Cash		-	-	301,500	-
80 2. Residual Value Payment		-	-	150,394	-
81 3. LG&E Rental Income Advance		-	-	11,445	-
82 4. Fuel Inventory & Other		-	-	55,000	-
83 5. Settlement Promissory Note		-	-	16,025	-
84 6. Coleman Scrubber		-	-	97,495	-
85 7. SO2 Allowances		-	-	10,892	-
86 8. Expense Unamortized Mktg Payment/ Settlement Note		-	-	(15,740)	-
87 9. Assurances Agreement Payment		-	-	(4,263)	-
88 Total		-	-	622,748	-
89					
90 E. Non-Patronage Allocations and Taxable Income					
91					
92 Cash Flows	15%	-	-	45.23	-
93					
94 Income Statement					
95 Cash	15%	-	-	45.23	-
96 RVP	15%	-	-	24.28	-
97 Fuel Inventory & Other (plus emissions allowances)	15%	-	-	9.88	-
98 Settlement Promissory Note	15%	-	-	2.40	-
99 Coleman Scrubber	15%	-	-	14.62	-
100 Expense Unamortized Mktg Payment/ Settlement Note	15%	-	-	(5.93)	-
101	15%				
102 Total		-	-	90.49	-
103					
104 Taxable Income					
105 Gain on Transaction (above)		-	-	90.49	-
106 Less RVP		-	-	(24.28)	-
107 Less M1 - Coleman Scrubber		-	-	(14.62)	-
108 Plus Previously Expensed Mktg. Pmt.		-	-	4.20	-
109 Total		-	-	55.78	-
110					
111 Assumptions					
112 (a) Non-Patronage Allocation:					
113 Transaction Settlement Attribution					
114 Patronage Eligible	89%				
115 Patronage	11%				
116 Non-Patronage	0%				
117 Patronage Eligible Allocation (based on retrospective sales)					
118 Patronage	85%				
119 Non-Patronage	15%				
120 Non-Patronage Allocation:	13%				
121					
122 (b) Base case posits no tax basis to Big Rivers. Will be treated as a non-shareholder					
123					
124 (c) Base case posits no tax basis to Big Rivers. Improvements made by LG&E, therefore no additional income.					
125					
126 (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

December 2007

Production - Fixed

(\$M)	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	0.669	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
1 A&G																		
2 Labor	-	-	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
3 Non-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
4 Intellectual Property	-	-	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
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 <u>APM, L/C, Cogen, CW & TVA Trans</u>	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																		
10 <u>Property Insurance</u>	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
11																		
12 <u>Property Tax</u>																		
13 Baseline	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
14 Transmission -- Operations	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
15 General Plant -- 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
16 Total	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
17																		
18 <u>Transmission O&M</u>																		
19 Baseline Labor	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
20 Baseline Non-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
21 Upgrades, Phase I																		
22 O&M	-	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
23 Property Tax	-	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
24 Property Ins.	-	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
25 Total (Real)	-	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
26 Total (Nominal)	-	0.10	0.21	0.32	0.33	0.34	0.35	0.36	0.37	0.38	0.39	0.40	0.42	0.43	0.44	0.45	0.47	0.48
27 Total Transmission O&M	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
28																		
29 <u>Fixed O&M</u>																		
30																		
31 Labor			29.99	43.35	45.12	46.95	48.60	50.06	51.30	52.30	53.32	54.35	55.69	57.36	59.08	60.85	62.67	64.55
32																		
33 Non-Labor			29.21	36.97	41.06	41.89	39.65	50.31	41.88	53.38	45.49	47.13	53.86	54.34	54.56	60.42	53.05	67.77
34																		
35 Plant Maintenance																		
36 Coleman			-	0.58	0.24	0.24	-	-	-	-	-	-	-	-	-	-	-	-
37 Green			-	0.34	0.24	-	-	-	-	-	-	2.58	-	-	-	-	-	-
38 HMP&L			-	0.34	0.24	0.64	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			-	0.34	-	-	-	-	-	-	-	0.87	-	-	-	-	-	-
40 Wilson			3.10	1.90	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	1.19	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	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 Overhauls (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 Overhauls (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	100.72	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	100.72	101.83	101.25	111.03	106.80	127.82	110.93	127.60	121.57	131.70	126.36	135.13

Capex & Depreciation

December 2007

	2005	2006	2007	2008H1	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1 <u>Transmission--Basic</u>		5.91	9.62	5.19	6.21	9.56	9.19	4.43	5.91	0.46	0.36	0.49	1.58	2.81	3.36	3.46	3.56	3.67	3.78	3.89
2																				
3 <u>Transmission Upgrades</u>																				
4 Phase I		-	4.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Phase II		-	-	-	3.70	5.80	1.60	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Total Real		-	4.00	-	3.70	5.80	1.60	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Total Nominal	3.00%	-	4.12	-	3.70	5.97	1.70	-	-	-	-	-	-	-	-	-	-	-	-	-
8																				
9 <u>A&G</u>		0.86	1.25	0.43	0.86	1.33	1.37	1.41	1.45	1.49	1.54	1.59	1.63	1.68	1.73	1.78	1.84	1.89	1.95	2.01
10																				
11 <u>Shared HQ Building</u>																				
12 Phase I		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Phase II		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15																				
16 <u>Intellectual Property</u>																				
17 Total		-	-	-	4.45	5.36	1.73	1.20	2.85	1.61	1.30	3.02	1.40	1.37	3.57	1.54	1.48	3.35	1.58	2.06
18																				
19 <u>WKE Share of Generation Capex</u>																				
20 (%)		51%	51%	84%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
21 (M\$)		6.69	6.84	11.73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22																				
23 <u>Generation</u>																				
24 Baseline		-	-	-	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
25 Adjustment for Station 2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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
27 Total Nominal	3.00%	13.12	13.41	13.95	14.61	32.52	23.74	28.80	30.06	30.35	31.26	32.20	33.17	34.16	35.19	36.24	37.33	38.45	39.60	40.79
28																				
29 <u>Plant Maintenance</u>																				
30 Coleman		-	-	-	3.20	1.14	1.11	2.59	1.05	-	-	-	-	-	-	-	-	-	-	-
31 Green		-	-	-	-	8.55	6.75	4.23	2.29	1.32	-	-	-	-	-	-	-	-	-	-
32 HMP&L		-	-	-	1.46	1.33	0.85	6.21	3.94	-	3.49	-	-	-	-	0.89	0.88	-	-	-
33 Reid		-	-	-	-	1.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34 Wilson		-	-	-	4.45	7.81	10.08	6.48	5.36	-	-	-	-	1.28	-	-	-	-	-	-
35 Adjustment for Station 2		-	-	-	(0.44)	(0.41)	(0.26)	(1.89)	(1.26)	-	(1.12)	-	-	-	-	2.17	(0.28)	(0.28)	-	-
36 Total Real		-	-	-	8.67	19.47	18.54	17.62	11.37	1.32	2.37	-	-	1.28	2.77	0.60	-	-	-	-
37 Total Nominal	3.00%	-	-	-	5.65	21.27	20.86	20.42	13.58	1.62	3.00	-	-	1.83	4.07	0.91	-	-	-	-
38																				
39 <u>Environmental</u>																				
40 NOx Removal Equipment Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41 Mercury Monitoring		-	-	-	3.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42 Clmn 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 replacment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47 Adjustment for Station 2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48 Total Real		-	-	-	3.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49 Total Nominal	3.00%	-	-	-	1.97	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50																				
51																				
52																				
53 <u>BigRivers Capex</u>																				
54 Gross Generation		13.12	13.41	13.95	14.61	32.52	23.74	28.80	30.06	30.35	31.26	32.20	33.17	34.16	35.19	36.24	37.33	38.45	39.60	40.79
55 Less WKE Generation Share		6.69	6.84	11.73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56 BigRivers Generation		6.43	6.57	2.22	14.61	32.52	23.74	28.80	30.06	30.35	31.26	32.20	33.17	34.16	35.19	36.24	37.33	38.45	39.60	40.79
57 Transmission		5.91	9.62	5.19	6.21	9.56	9.19	4.43	5.91	0.46	0.36	0.49	1.58	2.81	3.36	3.46	3.56	3.67	3.78	3.89
58 Transmission Upgrades		-	4.12	-	3.70	5.97	1.70	-	-	-	-	-	-	-	-	-	-	-	-	-
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	1.68	1.73	1.78	1.84	1.89	1.95	2.01
60 Shared HQ Building		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61 Intellectual Property		-	-	-	4.45	5.36	1.73	1.20	2.85	1.61	1.30	3.02	1.40	1.37	3.57	1.54	1.48	3.35	1.58	2.06
62 Plant Maintenance		-	-	-	5.65	21.27	20.86	20.42	13.58	1.62	3.00	3.02	1.40	1.37	1.83	4.07	0.91	-	-	-
63 Environmental		-	-	-	1.97	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64 08/2007 Adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
65 Cash Adder		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
66 Total		13.19	21.56	7.84	37.45	76.01	58.58	56.26	53.85	35.54	37.47	37.30	37.79	40.02	45.68	47.10	45.13	47.37	46.91	48.76

Capex & Depreciation

December 2007

(\$M)	2005	2006	2007	2008H1	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
67																					
68																					
69	Depreciation																				
70																					
71	<u>Additional Book Depreciation</u>																				
72	Prior year non-incremental + in service	12.83	13.12	4.43	9.34	133.67	53.79	44.60	49.22	43.64	31.98	34.26	32.20	33.17	34.16	37.02	40.31	38.24	38.45	39.60	
73	Current year non-incremental + in service	13.12	13.41	13.95	119.72	53.79	44.60	49.22	43.64	31.98	34.26	32.20	33.17	34.16	37.02	40.31	38.24	38.45	39.60	40.79	
74	Average of Production	12.97	13.26	9.19																	
75	Prior year Transmission and A&G				10.03	16.06	16.86	12.25	5.83	7.36	1.96	1.90	2.08	3.22	4.49	5.09	5.24	5.40	5.56	5.73	
76	Current year Transmission and A&G				10.77	16.86	12.25	5.83	7.36	1.96	1.90	2.08	3.22	4.49	5.09	5.24	5.40	5.56	5.73	5.90	
77	Average of Transmission and A&G	6.38	10.88	5.29																	
78	Total	19.35	24.14	14.48																	
79	Rate to Apply to 2007 Capital in 08	1.53%	1.53%	1.54%																	
80	Capital Depreciation Rate (excl. Environmental)				1.54%	1.63%	1.62%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	
81	Additional Depreciation	0.30	0.37	0.22	1.15	1.79	1.03	1.47	1.40	1.12	0.92	0.93	0.93	0.99	1.06	1.15	1.17	1.15	1.18	1.21	
82																					
83	<u>HMP&L Station Two</u>																				
84	Prior year non-incremental	12.83	13.12	4.43	8.98	28.56	32.52	23.74	28.80	30.06	30.35	31.26	32.20	33.17	34.16	35.19	36.24	37.33	38.45	39.60	
85	Depreciation as a Percentage of Gross PPE	0.05%	0.05%	0.05%	0.11%	0.11%	0.11%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	
86	Additional Depreciation	0.01	0.01	0.00	0.01	0.03	0.03	0.02	0.03	0.03	0.03	0.03	0.03	0.03	0.04	0.04	0.04	0.04	0.04	0.04	
87																					
88	<u>Environmental</u>																				
89	Prior year environmental					1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	1.97	
90	Current year environmental				1.97	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
91	Environmental Depreciation Rate				1.54%	1.63%	1.62%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	2.63%	
92	Additional Depreciation				0.03	0.03	0.03	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	
93																					
94	<u>Other</u>																				
95	Prior year	6.00	6.77	4.96	10.03	16.39	16.86	12.25	5.83	7.36	1.96	1.90	2.08	3.22	4.49	5.09	5.24	5.40	5.56	5.73	
96	Current year	6.77	10.87	5.62	10.77	16.86	12.25	5.83	7.36	1.96	1.90	2.08	3.22	4.49	5.09	5.24	5.40	5.56	5.73	5.90	
97	Average	6.38	8.82	5.29																	
98	Rate to Apply to 2007 Capital in 08	0.00	0.00	0.00	0.00																
99	Capital Depreciation Rate (excl. Environmental)				0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	
100	Additional Depreciation	0.02	0.03	0.02	0.05	0.10	0.09	0.05	0.04	0.03	0.01	0.01	0.02	0.02	0.03	0.03	0.03	0.03	0.03	0.03	
101																					
102	<u>Book Depreciation & Amortization</u>																				
103	<u>Generation</u>																				
104	Big Rivers' Plants	25.36	25.39	8.582	19.62	31.13	32.20	49.75	51.19	52.36	53.34	54.32	55.30	56.34	57.45	58.66	59.88	61.09	62.31	63.58	
105																					
106	Intellectual Property				0.07	0.16	0.19	0.34	0.41	0.45	0.49	0.57	0.60	0.64	0.73	0.77	0.81	0.90	0.94	1.00	
107	HMP&L Station Two	1.58	1.64	0.543	0.64	0.98	1.02	1.04	1.07	1.10	1.13	1.16	1.19	1.23	1.27	1.30	1.34	1.38	1.43	1.47	
108	Total Generation Depr & Amort	26.94	27.03	9.125	20.33	32.28	33.40	51.12	52.67	53.92	54.95	56.05	57.10	58.21	59.45	60.73	62.04	63.37	64.68	66.04	
109	Other	5.05	5.25	1.750	3.50	5.28	5.37	5.42	5.46	5.48	5.50	5.51	5.52	5.54	5.57	5.60	5.63	5.67	5.70	5.73	
110	Blended Depreciation Adj.	-	-	-	-	-	-	(11.53)	(11.66)	(12.93)	(13.90)	(13.46)	(13.08)	-	-	-	-	-	-	-	
111	Total	31.99	32.27	10.88	23.83	37.56	38.77	45.01	46.47	46.47	46.55	48.09	49.54	63.75	65.02	66.34	67.67	69.04	70.38	71.78	
112																					
113	Years Depreciation					52	52	46	46	47	48	47	47	37	37	37	37	37	37	37	

Unwind Debt

December 2007

	2008H1	Transaction	2008H2	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	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
	0.000	0.000	0.669	1.669	2.669	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
1 Fixed/ Insured (Tranche 1)																		
2 Beginning Balance	-	-	181.5	181.5	181.5	181.5	181.5	181.5	181.5	181.5	181.5	181.5	181.5	181.5	181.5	181.5	181.5	181.5
3 Coupon	0.00%	0.00%	5.50%	5.42%	5.34%	5.26%	5.18%	5.21%	5.24%	5.26%	5.29%	5.32%	5.35%	5.39%	5.42%	5.45%	5.48%	5.52%
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%	0.00%
5 Interest	-	-	6.9	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2
6 Principal	(181.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Debt Service	(181.5)	6.9	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2
9 Fixed/ Insured (Tranche 2)																		
10 Beginning Balance	-	-	82.0	82.0	81.8	81.7	81.5	81.3	81.1	80.9	80.7	80.4	80.2	79.9	79.6	79.3	78.6	40.3
11 Coupon	0.00%	0.00%	5.50%	5.42%	5.34%	5.26%	5.18%	5.21%	5.24%	5.26%	5.29%	5.32%	5.35%	5.39%	5.42%	5.45%	5.48%	5.52%
12 Principal (%)	0.00%	0.00%	0.20%	0.21%	0.22%	0.23%	0.25%	0.26%	0.27%	0.29%	0.30%	0.32%	0.33%	0.35%	0.35%	0.35%	0.96%	49.18%
13 Interest	-	-	3.0	4.5	4.5	4.5	4.5	4.5	4.5	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	2.2
14 Principal	(82.0)	-	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	0.8	38.2	40.3
15 Debt Service	(82.0)	3.0	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	5.2	42.5	42.5
17 RUS – GAAP																		
18 Beginning Balance	791.4	350.7	338.7	320.6	301.3	281.0	259.4	236.6	212.5	187.0	160.0	131.4	101.2	69.2	35.3	-	-	-
19 Coupon	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%	5.82%
20 Principal (%)	0.00%	3.39%	5.21%	5.51%	5.82%	6.16%	6.51%	6.89%	7.28%	7.70%	8.14%	8.61%	9.11%	9.63%	10.05%	0.00%	0.00%	0.00%
21 Interest	-	13.5	19.7	18.6	17.5	16.3	15.1	13.8	12.4	10.9	9.3	7.6	5.9	4.0	2.1	-	-	-
22 Principal + Accrued Interest	440.7	12.0	18.2	19.2	20.4	21.5	22.8	24.1	25.5	27.0	28.6	30.2	32.0	33.9	35.3	-	-	-
23 Debt Service	440.7	25.5	37.9	37.9	37.9	37.9	37.9	37.9	37.9	37.9	37.9	37.9	37.9	37.9	37.9	37.4	-	-
25 Variable																		
26 Beginning Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 Coupon	0.00%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%
28 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%	0.00%
29 Interest+Remarketing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33 PCB																		
34 Beginning Balance	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
35 Coupon	0.00%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%
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%	0.00%
37 Interest	-	3.4	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1
38 Principal	-	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39 Debt Service	-	3.4	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1
41 ARVP																		
42 Beginning Balance	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	236.0
43 Accretion Rate	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%	5.91%
44 Interest 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%	0.00%
45 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%	0.00%
46 Accretion	-	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	14.0
47 Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48 Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49 Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51 Total																		
52 Beginning Balance	1,035.0	857.8	849.9	837.8	825.0	811.4	797.1	782.0	766.0	749.1	731.2	712.2	692.2	671.0	648.6	624.9	599.9	599.9
53 Accretion	-	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	14.0
54 Principal	177.2	12.0	18.3	19.4	20.5	21.7	23.0	24.3	25.7	27.2	28.8	30.5	32.3	34.1	36.1	38.2	40.3	40.3
55 Interest	-	26.8	39.6	38.5	37.4	36.2	34.9	33.6	32.2	30.7	29.1	27.4	25.6	23.8	21.8	19.7	17.6	17.6
56 Debt Service	177.2	38.8	57.9	57.9	57.9	57.9	57.9	57.9	57.9	57.9	57.9	57.9	57.9	57.9	57.9	57.9	57.9	57.9
57 Ending Balance	857.8	849.9	837.8	825.0	811.4	797.1	782.0	766.0	749.1	731.2	712.2	692.2	671.0	648.6	624.9	599.9	573.9	573.9

Unwind Debt

December 2007

(\$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
	0.000	0.000	0.669	1.669	2.669	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
59 Supporting Schedules																		
60 <u>Amortization of Financing Costs</u>																		
61 <u>Fixed/ Insured (Tranche 1)</u>																		
62 Net Borrowing and YTM	5.92%	(174.5)	6.9	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2
63 BB		-	174.5	174.6	174.6	174.7	174.8	175.0	175.1	175.2	175.3	175.5	175.7	175.8	176.0	176.2	176.4	176.6
64 YTM		-	6.9	10.3	10.3	10.3	10.4	10.4	10.4	10.4	10.4	10.4	10.4	10.4	10.4	10.4	10.4	10.4
65 Principal Amort.		(181.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
66 Accretion		-	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2
67 EB		174.5	174.6	174.6	174.7	174.8	175.0	175.1	175.2	175.3	175.5	175.7	175.8	176.0	176.2	176.4	176.6	176.8
68																		
69 <u>Fixed/ Insured (Tranche 2)</u>																		
70 Net Borrowing and YTM	5.82%	(79.4)	3.0	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	5.2	42.5	42.5
71 BB		-	79.4	79.4	79.4	79.3	79.3	79.3	79.2	79.1	79.1	79.0	79.0	78.9	78.8	78.8	78.2	40.2
72 YTM		-	3.1	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	2.3
73 Principal Amort.		(82.0)	-	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.8	38.2	40.3
74 Accretion		-	0.1	0.1	0.1	0.1	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1
75 EB		79.4	79.4	79.4	79.3	79.3	79.3	79.2	79.1	79.1	79.0	79.0	78.9	78.8	78.8	78.2	40.2	0.0
76																		
77 <u>Variable</u>																		
78 Net Borrowing and YTM	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
79 BB		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
80 YTM		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
81 Principal Amort.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
82 Accretion		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
83 EB		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
84																		
85																		
86 <u>Amortization of Financing Costs</u>																		
87 Deferred debit - BOY		9.6	9.6	9.5	9.3	9.1	8.8	8.5	8.3	8.0	7.7	7.4	7.0	6.7	6.3	5.9	5.5	5.0
88 Amortization		-	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.3
89 Deferred debit - EOY		9.6	9.5	9.3	9.1	8.8	8.5	8.3	8.0	7.7	7.4	7.0	6.7	6.3	5.9	5.5	5.0	4.7
90																		
91 <u>Interest Expense</u>																		
92 Total Interest		-	26.8	39.6	38.5	37.4	36.2	34.9	33.6	32.2	30.7	29.1	27.4	25.6	23.8	21.8	19.7	17.6
93 ARVP Accretion		-	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
94 Capitalized Interest		-	(0.5)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)
95 AMBAC Amortization (PCB) A/C 165		-	0.3	0.4	0.4	0.4	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	-
96 Line of Credit Fee		-	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
97 Total		-	31.0	45.9	45.2	44.4	43.7	42.7	41.8	40.8	39.9	38.8	37.7	36.6	35.4	34.1	32.7	31.2

Sale Leaseback

December 2007

(\$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	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	52.5	50.6	47.8	45.0	42.2	39.3	36.5	33.6	30.7	27.8	24.9	22.0	19.1	16.1	13.2	10.2
2 Amortization (I/S)	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
3 EOY Deferred Gain (B/S)	53.5	52.5	50.6	47.8	45.0	42.2	39.3	36.5	33.6	30.7	27.8	24.9	22.0	19.1	16.1	13.2	10.2	7.2
4																		
5																		
6 Investment - Special Deposit (B/S)	192.9	195.1	199.6	200.7	209.0	217.7	226.0	234.9	244.5	254.7	265.6	277.4	290.0	303.4	317.8	333.3	349.8	367.6
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	200.4	201.5	209.8	218.4	226.7	235.7	245.2	255.4	266.4	278.1	290.7	304.2	318.6	334.0	350.6	368.3
9																		
10 Liability - Long-Term Debt (B/S)	183.9	186.2	190.9	192.4	201.0	210.0	218.7	228.1	238.0	248.7	260.1	272.4	285.5	299.5	314.5	330.5	347.7	366.1
11																		
12 Cash Flow (Investment and Liability)	6.2	2.1	4.2	11.9	5.3	5.5	6.4	6.4	6.4	6.4	6.4	6.3	6.3	6.3	6.3	6.3	6.3	6.3
13																		
14 True Unrecognized Gain	(44.4)	(43.6)	(41.9)	(39.4)	(37.0)	(34.5)	(32.1)	(29.6)	(27.2)	(24.8)	(22.3)	(19.9)	(17.5)	(15.1)	(12.8)	(10.4)	(8.0)	(5.7)
15																		
16 Sale-Leaseback Interest Income	12.5	4.3	8.7	13.0	13.6	14.1	14.7	15.3	15.9	16.6	17.3	18.1	18.9	19.8	20.8	21.8	22.9	24.1
17																		
18 Sale-Leaseback Interest Expense	12.8	4.4	8.9	13.3	13.9	14.5	15.1	15.7	16.3	17.0	17.8	18.6	19.4	20.3	21.3	22.4	23.5	24.7
19 Sale-Leaseback 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
20 Net Sale-Leaseback Expense	9.9	3.4	6.9	10.6	11.1	11.7	12.2	12.8	13.5	14.2	14.9	15.7	16.5	17.4	18.4	19.4	20.5	21.7
21																		
22 Net Sale-Leaseback Income	2.6	0.8	1.7	2.4	2.5	2.5	2.5	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
23																		
24 Sale-Leaseback - LeaseCo.																		
25 Defeasance Income	64.5	21.3	64.9	61.3	62.1	62.9	63.1	63.4	63.6	63.9	64.1	64.4	64.7	65.1	65.4	65.8	66.2	66.6
26 Rent Expense	(48.9)	(16.2)	(48.9)	(48.9)	(48.9)	(48.9)	(50.6)	(59.7)	(59.7)	(59.7)	(59.7)	(59.7)	(59.7)	(59.7)	(59.7)	(59.7)	(59.7)	(59.7)
27 Net	15.6	5.2	16.0	12.4	13.2	14.1	12.5	3.6	3.9	4.1	4.4	4.7	5.0	5.3	5.7	6.1	6.5	6.9

Income Taxes

December 2007

(\$M)	Transa																		
	2007	2008H1	ction	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	0.669	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	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
1 Summary																			
2 Income Tax Expense	-	-	-	-	-	-	-	-	0.6	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	1.0
3 Income Taxes Paid	0.9	0.1	1.1	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
4 Current Provision for Deferred Income Tax	(0.9)	(0.1)	(1.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.6	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4
6 Calculation																			
7 Offsystem Sales	64.9	26.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Interest Earnings	-	-	-	1.0	1.5	1.6	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
9 Nonpatronage Revenues	64.9	26.9	-	1.0	1.5	1.6	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
10 Nonpatronage Expenses																			
11 Nonpatronage MWH	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%
12 Nonpatronage Expenses (Ex. Int.)	38.2	23.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Nonpatronage Interest Expense	15.4	7.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Nonpatronage Net Margin (pre-tax)	11.3	(3.9)	-	1.0	1.5	1.6	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
15																			
16 Transaction Impact	-	-	55.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17																			
18																			
19 Temporary Differences (Timing)																			
20 Depreciation:																			
21 Prorated from Pre-Transaction Model	6.1	3.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22 Effect of Additional Capex (Incl. Coleman Scrubber)	(1.4)	(0.8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23 Other Ms	0.3	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Sale-Leaseback																			
25 Defeasance Income	64.5	8.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 Rent Expense	(48.9)	(6.4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 Other Interest Allocation																			
28 Net	15.6	2.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29 Total	20.5	4.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Taxable Income before NOLs	31.8	0.6	55.8	1.0	1.5	1.6	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
31																			
32 Regular Tax																			
33 Regular NOLs Used	31.8	0.6	55.8	1.0	1.5	1.6	1.7	1.7	0.0	-	-	-	-	-	-	-	-	-	-
34 Taxable Income after NOLs	-	-	-	-	-	-	-	-	1.8	1.9	2.0	2.1	2.2	2.2	2.3	2.4	2.5	2.7	2.8
35 Regular Tax before Min. Credit Carryover	-	-	-	-	-	-	-	-	0.6	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	1.0
36 AMT Offset (Min. Tax Credit Carryover Utilized)	-	-	-	-	-	-	-	-	0.6	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4
37 Tax	-	-	-	-	-	-	-	-	0.0	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.6
38																			
39 AMT																			
40 ACE Adjustment	(0.9)	(0.3)	-	(0.6)	(0.9)	(0.9)	(0.6)	(0.4)	(0.4)	(0.3)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
41 Taxable Income	30.9	0.3	55.8	0.4	0.6	0.7	1.1	1.3	1.4	1.6	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.7	2.8
42 AMT NOLs Used	27.8	0.3	50.2	0.3	0.6	0.7	1.0	1.2	1.3	-	-	-	-	-	-	-	-	-	-
43 Net Taxable Income	3.1	0.0	5.6	0.0	0.1	0.1	0.1	0.1	0.1	1.6	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.7	2.8
44 TMT	0.9	0.1	1.1	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
45 Less Regular Tax Paid (up to AMT)	-	-	-	-	-	-	-	-	0.0	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.6
46 Net AMT	0.9	0.1	1.1	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-
47 AMT Balance																			
48 BB	4.7	5.6	5.7	6.8	6.8	6.8	6.9	6.9	6.9	6.3	6.0	5.6	5.3	5.0	4.7	4.3	3.9	3.6	3.2
49 Additions	0.9	0.1	1.1	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-
50 Reductions	-	-	-	-	-	-	-	-	0.6	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4
51 EB	5.6	5.7	6.8	6.8	6.8	6.9	6.9	6.9	6.3	6.0	5.6	5.3	5.0	4.7	4.3	3.9	3.6	3.2	2.7
52																			
53 Total Tax	0.9	0.1	1.1	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
54																			
55 Est. Book Tax	-	-	-	-	-	-	-	-	0.6	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	1.0

Income Taxes

December 2007

	2007	2008H1	Transa ction	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
(\$M)																			
Unwind Allocation	0.000	0.000	0.000	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	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
56																			
57 <u>Capex Not Reflected in Pre-Transaction Tax Calculation</u>																			
58																			
59 WKE Share																			
60 Non-Incremental	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
61 Incremental	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
62 Capex Amounts																			
63 Non-Incremental	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
64 Incremental Generation																			
65 WKE Total	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
66 Plant Maintenance	-	-	-	5.7	21.3	20.9	20.4	13.6	1.6	3.0	-	-	-	1.8	4.1	0.9	-	-	-
67 Environmental	-	-	-	2.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
68 Transmission Upgrades	4.1	-	-	3.7	6.0	1.7	-	-	-	-	-	-	-	-	-	-	-	-	-
69 Shared HQ Building	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70 Intellectual Property	-	-	-	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
71 8/07 Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
72 Total	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
73																			
74 Cumulative Balance	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
75																			
76 Book Depreciation @ 60 Years	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
77																			
78 Tax Depreciation @ 20 Years	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
79																			
80 Timing Difference (Tax Deduction)	(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)

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 NOL'S	NONPATRON REMAINING NOL'S	TOTAL NET NOL'S
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	(11,132,402)	(32,499,597)	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	(627,320)	627,320	0	0	0	0
Transaction	(55,780,912)	55,780,912	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	69,990,667	434,844,837	(434,844,837)	(94,924,476)	0	0
				185,791,428		

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 NOL'S	NONPATRON REMAINING NOL'S	TOTAL NET NOL'S
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	158,278,939	371,490,374	(371,490,374)	(23,188,124)	135,090,815	135,090,815
Total Carryforward to H2 2008	102,498,027	427,271,286	(427,271,286)	(23,188,124)	79,309,903	79,309,903
Total Carryforward to 2009	101,495,267	428,274,046	(428,274,046)	(23,188,124)	78,307,143	78,307,143
Total Carryforward to 2010	99,954,349	429,814,964	(429,814,964)	(23,188,124)	76,766,225	76,766,225
Total Carryforward to 2011	98,347,480	431,421,833	(431,421,833)	(55,687,721)	42,659,759	42,659,759
Total Carryforward to 2012	96,671,837	433,097,476	(433,097,476)	(66,725,465)	29,946,372	29,946,372
Total Carryforward to 2013	94,924,476	434,844,837	(434,844,837)	(94,924,476)	0	0
Total Carryforward to 2014	93,102,328	434,844,837	(434,844,837)	(94,924,476)	0	0
Total Carryforward to 2015	91,202,192	434,844,837	(434,844,837)	(94,924,476)	0	0
Total Carryforward to 2016	89,220,730	434,844,837	(434,844,837)	(94,924,476)	0	0
Total Carryforward to 2017	87,154,462	434,844,837	(434,844,837)	(94,924,476)	0	0
Total Carryforward to 2018	84,999,757	434,844,837	(434,844,837)	(94,924,476)	0	0
Total Carryforward to 2019	82,752,831	434,844,837	(434,844,837)	(94,924,476)	0	0
Total Carryforward to 2020	80,409,737	434,844,837	(434,844,837)	(94,924,476)	0	0
Total Carryforward to 2021	77,966,358	434,844,837	(434,844,837)	(94,924,476)	0	0
Total Carryforward to 2022	75,418,402	434,844,837	(434,844,837)	(94,924,476)	0	0
Total Carryforward to 2023	72,761,394	434,844,837	(434,844,837)	(94,924,476)	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.

AMT NOLs

December 2007

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	0	(22,448,681)	0	0
1985	67,286,392	0	0	(67,286,392)	0	0	0
1986	56,198,468	0	0	(56,198,468)	0	0	0
1987	74,385,162	0	0	(62,522,466)	(11,862,696)	0	0
1988	44,314,663	0	0	(14,775,845)	(29,538,819)	0	0
1989	20,107,778	0	0	(12,087,111)	(8,020,667)	0	0
1990	29,346,400	0	0	(16,651,074)	(12,695,326)	0	0
1991	22,667,781	0	0	(17,624,779)	(5,043,002)	0	0
1992	9,553,735	0	0	(9,553,735)	0	0	0
1993	21,693,629	0	0	(21,693,629)	0	0	0
1994	27,573,481	0	0	(27,573,481)	0	0	0
1995	34,018,244	0	0	(21,087,586)	(12,930,658)	0	0
1996	9,443,662	0	0	(968,129)	(8,475,533)	0	0
1997	32,657,152	0	0	(1,184,282)	(31,472,870)	0	0
1998	44,897	0	0	(44,897)	0	0	0
1999	8,082,161	0	0	(1,254,439)	(6,827,722)	0	0
2000	(165,931,656)	149,338,490	(16,593,166)	0	0	0	0
2001	(19,634,252)	19,634,252	0	0	0	0	0
2002	(17,034,584)	17,034,584	0	0	0	0	0
2003	(16,417,605)	14,775,845	(1,641,761)	0	0	0	0
2004	(13,430,123)	12,087,111	(1,343,012)	0	0	0	0
2005	(18,501,193)	16,651,074	(1,850,119)	0	0	0	0
2006	(19,583,088)	17,624,779	(1,958,309)	0	0	0	0
2007	(30,915,813)	27,824,231	(3,091,581)	0	0	0	0
2008	(324,006)	291,606	(32,401)	0	0	0	0
Transaction	(55,780,912)	50,202,821	(5,578,091)	0	0	0	0
2008	(388,611)	349,750	(38,861)	0	0	0	0
2009	(647,037)	582,333	(64,704)	0	0	0	0
2010	(730,767)	657,691	(73,077)	0	0	0	0
2011	(1,075,699)	968,129	(107,570)	0	0	0	0
2012	(1,315,869)	1,184,282	(131,587)	0	0	0	0
2013	(1,443,707)	1,299,336	(144,371)	0	0	0	0
2014	(1,638,356)	0	(1,638,356)	0	0	0	0
2015	(1,883,882)	0	(1,883,882)	0	0	0	0
2016	(2,042,669)	0	(2,042,669)	0	0	0	0
2017	(2,149,181)	0	(2,149,181)	0	0	0	0
2018	(2,241,548)	0	(2,241,548)	0	0	0	0
2019	(2,337,861)	0	(2,337,861)	0	0	0	0
2020	(2,437,831)	0	(2,437,831)	0	0	0	0
2021	(2,542,573)	0	(2,542,573)	0	0	0	0
2022	(2,651,791)	0	(2,651,791)	0	0	0	0
2023	(2,765,676)	0	(2,765,676)	0	0	0	0
Total Carryforward to 2024	101,158,829	330,506,313	(55,339,977)	(330,506,313)	(156,498,806)	0	0

AMT NOLs

December 2007

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
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	185,232,799	275,261,971	(26,510,348)	(275,261,971)	(96,792,024)	114,951,124	114,951,124
Total Carryforward to H2 2008	185,232,799	325,464,792	(32,088,440)	(325,464,792)	(96,792,024)	120,529,215	120,529,215
Total Carryforward to 2009	129,063,276	325,814,542	(32,127,301)	(325,814,542)	(96,792,024)	FALSE	FALSE
Total Carryforward to 2010	128,416,240	326,396,875	(32,192,004)	(326,396,875)	(96,792,024)	FALSE	FALSE
Total Carryforward to 2011	127,685,472	327,054,566	(32,265,081)	(327,054,566)	(109,722,681)	FALSE	FALSE
Total Carryforward to 2012	126,609,773	328,022,695	(32,372,651)	(328,022,695)	(118,198,214)	FALSE	FALSE
Total Carryforward to 2013	125,293,904	329,206,977	(32,504,238)	(329,206,977)	(149,671,084)	FALSE	FALSE
Total Carryforward to 2014	123,850,198	330,506,313	(32,648,609)	(330,506,313)	(149,671,084)	FALSE	FALSE
Total Carryforward to 2015	122,211,841	330,506,313	(34,286,965)	(330,506,313)	(156,498,806)	0	0
Total Carryforward to 2016	120,327,959	330,506,313	(36,170,847)	(330,506,313)	(156,498,806)	0	0
Total Carryforward to 2017	118,285,290	330,506,313	(38,213,516)	(330,506,313)	(156,498,806)	0	0
Total Carryforward to 2018	116,136,109	330,506,313	(40,362,697)	(330,506,313)	(156,498,806)	0	0
Total Carryforward to 2019	113,894,562	330,506,313	(42,604,244)	(330,506,313)	(156,498,806)	0	0
Total Carryforward to 2020	111,556,701	330,506,313	(44,942,105)	(330,506,313)	(156,498,806)	0	0
Total Carryforward to 2021	109,118,869	330,506,313	(47,379,937)	(330,506,313)	(156,498,806)	0	0
Total Carryforward to 2022	106,576,296	330,506,313	(49,922,510)	(330,506,313)	(156,498,806)	0	0
Total Carryforward to 2023	103,924,506	330,506,313	(52,574,301)	(330,506,313)	(156,498,806)	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

December 2007

Electricity Sales, Purchases, and Production

	Source:	2005/ Other	2006	2007	2008H1	Transaction/ 4/30/2008	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1 Sales			2,232	2,396	0,762		1,632	2,438	2,487	2,543	2,595	2,651	2,704	2,783	2,819	2,870	2,935	2,997	3,059	3,120	3,180	3,242
2 Rural																						
3 TWH	Existing Transaction - Budget-Arb-2008-Rev9-11-07.xls and file: annu		2,232	2,396	0,762		1,632	2,438	2,487	2,543	2,595	2,651	2,704	2,783	2,819	2,870	2,935	2,997	3,059	3,120	3,180	3,242
4 LF	Existing Transaction - Budget-Arb-2008-Rev9-11-07.xls		61.62%	64.32%	60.17%		60.17%	60.02%	60.12%	60.21%	60.15%	60.40%	60.49%	60.57%	60.51%	60.74%	60.82%	60.89%	60.83%	61.04%	61.11%	61.17%
5 MW			413	425	145		310	464	472	482	492	501	510	521	532	541	551	562	574	584	594	605
6 Large Industrial																						
7 TWH	Existing Transaction - Budget-Arb-2008-Rev9-11-07.xls + 5MW/year (0.957	0.974	0.323		0.691	1.063	1.097	1.131	1.165	1.200	1.235	1.269	1.303	1.338	1.373	1.407	1.440	1.478	1.510	1.545
8 LF	Existing Transaction - Budget-Arb-2008-Rev9-11-07.xls		78.12%	80.16%	78.09%		78.09%	78.65%	78.85%	78.65%	78.39%	78.65%	78.65%	78.85%	78.36%	78.65%	78.65%	78.85%	78.33%	78.85%	78.85%	78.85%
9 MW			140	139	47		101	154	159	164	170	174	179	184	190	194	199	204	210	214	219	224
10 Alcan																						
11 TWH	Smelter Retail Agreement, Section 1.1.17			0	0		2.121	3.159	3.159	3.159	3.168	3.159	3.159	3.159	3.168	3.159	3.159	3.159	3.168	3.159	3.159	3.159
12 LF	Smelter Retail Agreement, Section 1.1.17			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%
13 MW	Smelter Retail Agreement, Section 1.1.15						368	368	368	368	368	368	368	368	368	368	368	368	368	368	368	368
14 Century																						
15 TWH	Smelter Retail Agreement, Section 1.1.16						2.777	4.138	4.138	4.138	4.149	4.138	4.138	4.138	4.149	4.138	4.138	4.138	4.149	4.138	4.149	4.138
16 LF	Smelter Retail Agreement, Section 1.1.16			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%
17 MW	Smelter Retail Agreement, Section 1.1.14						482	482	482	482	482	482	482	482	482	482	482	482	482	482	482	482
18																						
19 Offsystem (TWH)	file: annual output - 12-15-07.xls		2.06	1.16	0.71		1.06	1.49	1.61	1.32	1.21	1.20	1.17	1.12	1.08	0.92	0.99	0.70	0.72	0.75	0.68	0.70
20																						
21 Purchases & Production																						
22 Purchases (TWH)																						
23 Market	file: annual output - 12-15-07.xls		0.07	0.02	0.01		0.13	0.29	0.19	0.46	0.38	0.54	0.37	0.42	0.42	0.72	0.47	0.68	0.53	0.55	0.62	0.71
24 SEPA	Existing Transaction - Budget-Arb-2008-Rev9-11-07.xls		0.24	0.20	0.10		0.17	0.30	0.31	0.31	0.30	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27
25 Production (TWH)	file: annual output - 12-15-07.xls						8.07	11.80	12.10	11.63	11.71	11.65	11.88	11.87	11.95	11.58	11.97	11.58	11.86	11.94	11.90	11.92
26 Loss Rate (%)	file: annual output - 12-15-07.xls			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%	0.81%	0.81%	0.81%
27																						
28 Fuel Consumption (MMBtu)	file: annual output - 12-15-07.xls						89.9	131.5	134.0	129.1	129.4	128.1	130.5	130.5	131.2	127.3	131.6	127.3	130.4	131.3	130.7	131.1
29																						
30 Startup Costs (M\$)	file: annual output - 12-15-07.xls						4.36	6.54	6.84	7.69	6.54	6.91	7.01	6.17	6.97	6.06	6.61	6.66	7.68	7.66	6.42	6.22
31																						
32 Emissions																						
33 SO2	file: annual output - 12-15-07.xls						14,032	18,797	19,682	18,824	19,356	18,296	19,317	20,338	20,806	19,359	20,823	18,767	19,356	20,501	20,755	20,354
34 Emitted (Tons)	file: annual output - 12-15-07.xls						32,653	48,979	24,489	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
35 Allocation (Tons)	file: annual output - 12-15-07.xls																					
36 NOX	file: annual output - 12-15-07.xls						4,932	13,610	13,608	12,916	12,895	13,063	12,974	13,115	12,988	13,014	13,060	12,813	13,164	13,188	12,938	13,288
37 Emitted (Tons)	file: annual output - 12-15-07.xls						4,651	11,072	11,072	11,071	11,057	11,058	11,057	8,944	8,944	8,491	8,297	8,153	7,948	7,713	7,491	7,419
38 Allocation (Tons)	file: annual output - 12-15-07.xls																					
39 NOX Season (Mo./Yr.)																						
40																						
41 Rates																						
42 Fuel (\$/MMBtu)	file: annual output - 12-15-07.xls						1.48	1.50	1.64	1.70	1.71	1.81	1.82	1.84	1.88	1.92	1.90	1.92	1.95	1.97	1.99	2.01
43 Power Purchases (\$/MWh)																						
44 SEPA	Existing Transaction - Budget-Arb-2008-Rev9-11-07.xls		26.98	26.98	22.44		22.44	22.44	22.44	22.44	28.33	29.04	29.75	29.75	29.75	29.75	30.50	31.24	31.24	31.24	31.24	32.00
45 Market	file: annual output - 12-15-07.xls		67.8347	77.90	200.00		47.55	53.53	53.88	51.18	48.73	43.99	48.92	48.93	48.57	49.27	48.71	52.10	59.38	55.96	59.64	59.64
46 Variable Production (\$/MWh sales)	file: annual output - 12-15-07.xls				2.27		2.27	2.45	2.50	2.63	3.07	3.13	3.19	3.53	3.62	3.74	3.81	3.52	4.01	4.18	4.23	4.40
47 SO2 Allowances (\$/Ton)	file: annual output - 12-15-07.xls				778		778	853	881	818	792	747	787	807	759	818	857	146	137	134	111	105
48 NOX Allowances (\$/Ton)	file: annual output - 12-15-07.xls				763		763	2,847	2,409	2,155	1,985	1,900	1,909	1,869	1,748	1,625	1,569	1,510	1,521	1,523	1,525	1,527
49																						
50 Coal used (ktons)	file: annual output - 12-15-07.xls		100%				4,072	5,970	6,085	5,813	5,881	5,811	5,909	6,919	5,933	5,752	5,963	5,777	5,913	5,959	5,922	5,958
51																						
52 Sales Rates & Related																						
53																						
54 General Rate Adjustments (%)	Stipulated Inputs (subject to Commission Approval at time)						0.00%	0.00%	0.00%	2.00%	0.00%	0.00%	0.00%	0.91%	0.00%	8.40%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
55 Shadow 2010 Rate (0=Start 2011)	Smelter Retail Agreements, Section 4.7.5(e)		1	0.02																		
56 Market (\$/MWh)	file: annual output - 12-15-07.xls		40.45	42.91	37.82		48.40	51.34	49.47	50.22	48.34	51.48	51.92	53.69	62.59	53.75	64.70	57.55	67.70	58.11	59.94	59.12
57																						
58 Rural																						
59 Demand (\$/KW-mo.)	Current Member Tariff			7.37	Escalated by GRAA																	
60 Energy (\$/MWh)	Current Member Tariff			20.4	Escalated by GRAA		5.89781															
61																						
62 Large Industrial																						
63 Demand (\$/KW-mo.)	Current Member Tariff			10.15	Escalated by GRAA																	
64 Energy (\$/MWh)	Current Member Tariff			13.715	Escalated by GRAA		5.89781															

Inputs

December 2007

90	VOM	Source:	2005/ Other	2006	2007	2008H1 Transaction	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
91	Net Allowances	file: annual output - 12-15-07.xls					17.35	25.68	27.88	29.29	32.11	32.82	33.78	37.85	38.87	39.23	40.97	40.87	42.83	45.04	45.17	47.38
92	Total	file: annual output - 12-15-07.xls					(14.49)	(25.74)	(4.08)	(4.64)	(4.06)	(4.63)	(4.07)	1.80	1.88	0.82	0.88	0.24	0.31	0.29	0.27	0.21
93	Allowed in EB	file: annual output - 12-15-07.xls					4.08	10.44	33.45	32.19	35.49	35.82	37.46	51.54	52.19	51.21	53.95	52.65	55.79	59.54	58.92	61.60
94	NOx + SO3	file: annual output - 12-15-07.xls																				
95	VOM	file: annual output - 12-15-07.xls					0.99	3.30	3.74	3.56	3.80	3.82	4.10	4.09	4.38	4.01	4.63	4.49	4.72	4.88	5.17	5.05
96	Allowances	file: annual output - 12-15-07.xls					0.21	7.23	6.10	3.97	3.65	3.81	3.68	7.80	7.07	7.35	7.47	7.04	7.93	8.34	8.31	8.98
97	SO2	file: annual output - 12-15-07.xls																				
98	VOM in Excess of 2009	file: annual output - 12-15-07.xls					17.35	25.68	27.88	29.29	32.11	32.82	33.78	37.85	38.87	39.23	40.97	40.87	42.83	45.04	45.17	47.38
99	Net Allowance Costs in Excess of 2009	file: annual output - 12-15-07.xls					(14.49)	(25.74)	(4.08)	(4.64)	(4.06)	(4.63)	(4.07)	1.80	1.88	0.82	0.88	0.24	0.31	0.29	0.27	0.21
100	Total	file: annual output - 12-15-07.xls					4.06	10.44	33.45	32.19	35.49	35.82	37.46	51.54	52.19	51.21	53.95	52.65	55.79	59.54	58.92	61.60
102	Smelter Rate Structure																					
103	Bandwidth	Smelter Retail Agreements, Section 4.7.1					2.20	2.20	2.20	2.20	3.20	3.20	3.20	3.80	3.80	3.80	4.40	4.40	4.40	5.00	5.00	5.00
104																						
105																						
106	Financing																					
107																						
108	Principal Schedules																					
109	Fixed/ Insured	Modeled for 30-Year Debt Levelization/ Cost Minimization					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%
110	Fixed/ Non-Insured	Modeled for 30-Year Debt Levelization/ Cost Minimization					0.00%	0.20%	0.21%	0.22%	0.23%	0.25%	0.26%	0.27%	0.29%	0.30%	0.32%	0.33%	0.35%	0.36%	48.62%	49.18%
111	RUS	Modeled for 30-Year Debt Levelization/ Cost Minimization					3.39%	5.21%	5.51%	5.82%	6.16%	6.51%	6.89%	7.28%	7.70%	8.14%	8.61%	9.11%	9.63%	10.05%	0.00%	0.00%
112	Variable	Modeled for 30-Year Debt Levelization/ Cost Minimization					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%
113	PCB (Swapped to Fixed)	Modeled for 30-Year Debt Levelization/ Cost Minimization					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%
114	ARVP	Modeled for 30-Year Debt Levelization/ Cost Minimization					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%
115																						
116	Rates																					
117	Fixed/ Insured	Indicative Big Rivers borrowing rates, 4/23/2007, Goldman Sachs					5.50%	5.42%	5.34%	5.28%	5.16%	5.21%	5.24%	5.28%	5.29%	5.32%	5.35%	5.39%	5.42%	5.45%	5.48%	5.52%
118	Fixed/ Non-Insured	Indicative Big Rivers borrowing rates, 4/23/2007, Goldman Sachs					5.50%	5.42%	5.34%	5.28%	5.16%	5.21%	5.24%	5.28%	5.29%	5.32%	5.35%	5.39%	5.42%	5.45%	5.48%	5.52%
119	RUS -- Stated	Long Term Debt Schedule Actual 2008 - Budget 2007.xls					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%	5.75%	5.75%
120	Variable	NA					5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%	5.45%
121	PCB (Swapped to Fixed/ Refl)	Long Term Debt Schedule Actual 2006 - Budget 2007.xls					3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%
122	ARVP (Accretion/ Refl)	Long Term Debt Schedule Actual 2008 - Budget 2007.xls	0.05914				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%
123	RUS -- GAAP	Long Term Debt Schedule Actual 2006 - Budget 2007.xls					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%
124																						
125	Beginning Balances (M\$)																					
126	Fixed/ Insured	Modeled for 30-Year Debt Levelization					181															
127	Fixed/ Non-Insured	Modeled for 30-Year Debt Levelization					82															
128	Variable	NA					-															
129	PCB	Long Term Debt Schedule Actual 2006 - Budget 2007.xls + Modeling for 30-Year Debt Levelization					142															
130	ARVP	Long Term Debt Schedule Actual 2006 - Budget 2007.xls + Modeling for 30-Year Debt Lev					249.89															
131	RUS -- GAAP	Long Term Debt Schedule Actual 2006 - Budget 2007.xls					351															
132	Remarketing on Variable	NA	0.25%																			
133																						
134	Fees																					
135	Underwriting & Other	Goldman Sachs verbal guidance.	1.75%																			
136	Bond Insurance	Goldman Sachs verbal guidance.	0.80%																			
137																						
138	Capitalized Interest	Big Rivers' estimate		(0.24)	(0.73)	(0.24)	(0.48)	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)
139	Deferred Debt - PCB Refunding A/C 181																					
140	Beginning Balance	Long Term Debt Schedule Actual 2006 - Budget 2007.xls		0.90	0.84	0.79	0.77	0.77	0.74	0.68	0.63	0.58	0.52	0.47	0.42	0.37	0.31	0.26	0.21	0.15	0.10	0.05
141	Amortization	Long Term Debt Schedule Actual 2008 - Budget 2007.xls		0.05	0.05	0.02	-	0.04	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	-
142	Ending Balance	Long Term Debt Schedule Actual 2006 - Budget 2007.xls		0.84	0.790	0.772	0.772	0.74	0.68	0.63	0.58	0.52	0.47	0.42	0.37	0.31	0.26	0.21	0.15	0.10	0.05	-
143	AMRAC Amortization (PCB) A/C 185																					
144	Amortization	Long Term Debt Schedule Actual 2006 - Budget 2007.xls		0.42	0.42	0.14	-	0.28	0.42	0.42	0.42	0.42	0.40	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.18
145	Balance	Long Term Debt Schedule Actual 2006 - Budget 2007.xls		4.89	4.27	4.13	4.13	3.65	3.43	3.00	2.58	2.16	1.86	1.65	1.44	1.22	1.01	0.80	0.59	0.37	0.16	-
146	Settlement Note/Marketing Payment																					
147	Amortization	Long Term Debt Schedule Actual 2008 - Budget 2007.xls		1.00	1.00	0.33	-	0.67	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.01
148	Ending Balance	Long Term Debt Schedule Actual 2008 - Budget 2007.xls		17.08	16.07	15.74	15.74	15.07	14.08	13.06	12.06	11.05	10.05	9.04	8.04	7.04	6.03	5.03	4.02	3.02	2.02	1.01
149	Green River Coal Settlement Ending Balance	Long Term Debt Schedule Actual 2006 - Budget 2007.xls		0.09	0.05	0.03	0.03	0.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Other			(0.21)	(0.34)	(0.44)	(0.44)	(0.44)	(0.44)	(0.44)	(0.44)	(0.44)	(0.44)	(0.44)	(0.44)	(0.44)	(0.44)	(0.44)	(0.44)	(0.44)	(0.44)	(0.44)
151	Line of Credit	Big Rivers' estimate	0.50%	100.00	-	-	195.78	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
152	Prepayment on Transaction Date	Modeled to achieve target cash balances																				
153	Pre-Transaction Debt Service																					
154	Principal	Long Term Debt Schedule Actual 2008 - Budget 2007.xls		28.43	12.47	13.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
155	Interest (Cash Flow)	Long Term Debt Schedule Actual 2008 - Budget 2007.xls		38.93	36.724	18.944	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
156	Interest (Income Statement)	Long Term Debt Schedule Actual 2008 - Budget 2007.xls		60.72	59.98	19.27	-	-	-	-	-											

Inputs

December 2007

	Source:	005/ Othe	2008	2007	2008H1	Transaction	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
181 WKEC Lease	Historic results and adapted from 2007 Budget-REVISED-MARCH 2		47.89	47.97	15.79	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
182 Transmission	Historic results and adapted from 2007 Budget-REVISED-MARCH 2		5.95	5.15	1.70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
183 Smelter - Tier 3 Transmission (Cash Flow)	Historic results and adapted from 2007 Budget-REVISED-MARCH 2		1.70	1.74	0.58	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
184 Smelter - Tier 3 Transmission (Income Statement)	Historic results and adapted from 2007 Budget-REVISED-MARCH 2		1.78	1.82	0.60	-	-	-	-	4.42	5.43	2.85	2.72	2.58	2.59	2.41	2.24	2.04	1.94	1.70	1.42	1.14
185 Proceeds of Unwind Transaction (LG&E Payment)	Termination Agreement		-	-	-	301.50	-	-	-	4.45	5.43	2.85	2.72	2.58	2.59	2.41	2.24	2.04	1.94	1.70	1.42	1.14
186 Cobank Patronage Capital & Other	Historic results and adapted from 2007 Budget-REVISED-MARCH 2		0.57	0.53	0.18	(0.28)	0.38	0.54	0.51	0.52	0.53	0.53	0.53	0.54	0.54	0.54	0.54	0.54	0.54	0.55	0.55	0.55
187 Interest Earnings	Historic results and adapted from 2007 Budget-REVISED-MARCH 2		3.73	6.59	1.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
188 Net Conforming Receipts	Big Rivers' estimate		-	15.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
189 Cobank Patronage Capital - Balance Sheet	Historic results and adapted from 2007 Budget-REVISED-MARCH 2		2.19	2.59	3.10	3.38	3.38	3.75	4.11	4.48	4.84	5.21	5.57	5.92	6.28	6.63	6.97	7.32	7.68	7.99	8.32	8.64
190 Lease Related & Other	Historic results and adapted from 2007 Budget-REVISED-MARCH 2		5.04	5.35	2.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
191 Cobank Patronage Capital (Income Statement)	Historic results and adapted from 2007 Budget-REVISED-MARCH 2		0.96	0.92	0.31	-	0.82	0.93	0.88	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.88	0.88	0.87
192																						
193																						
194 Fixed Production (M\$)																						
195																						
196 Fixed O&M																						
197 Non-Labor (Real)	file: Fin Model Inputs BREC Nov-07 w outage shift.xls	2008 Fact	66.7%				27.54	33.83	36.48	36.13	33.21	40.91	33.08	40.91	33.85	34.05	37.77	37.00	36.07	38.78	33.06	41.00
198 Labor (Nominal)	Unwind Staffing_Rev0707_Reflects 2008 Dollars_Rev 1.xls						29.99	43.35	45.12	46.95	48.60	50.06	51.30	52.30	53.32	54.35	55.69	57.38	59.08	60.85	62.67	64.55
199 Plant Maintenance (Real Basis)																						
200 Coleman	file: Fin Model Inputs BREC Nov-07 w outage shift.xls		0	-	-	0.58	0.24	0.24	-	0.24	-	-	-	-	-	-	-	-	-	-	-	-
201 Green	file: Fin Model Inputs BREC Nov-07 w outage shift.xls		0	-	-	0.34	0.24	0.24	-	-	-	-	-	-	-	2.58	-	-	-	-	-	-
202 HMP&L	file: Fin Model Inputs BREC Nov-07 w outage shift.xls		0	-	-	0.34	0.24	0.24	0.64	0.64	0.64	0.64	4.86	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64	0.64
203 Reid	file: Fin Model Inputs BREC Nov-07 w outage shift.xls		0	-	-	0.34	-	-	-	-	-	-	-	-	-	0.87	-	-	-	-	-	-
204 Wilson	file: Fin Model Inputs BREC Nov-07 w outage shift.xls		0	-	-	3.10	1.90	1.24	1.57	1.24	0.78	0.45	0.80	0.50	0.85	0.54	1.23	0.91	1.25	0.93	1.27	
205 Adjust for Station 2	file: Fin Model Inputs BREC Nov-07 w outage shift.xls		0	-	-	0.10	0.07	-	0.19	0.20	0.20	0.20	1.58	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	
206 Fixed Environmental O&M, Clear Skies (Real Basis)																						
207 NOx ongoing	file: Fin Model Inputs BREC Nov-07 w outage shift.xls		0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
208 Adjust for Station 2	file: Fin Model Inputs BREC Nov-07 w outage shift.xls		0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
209 Non-Production			0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
210 Production			0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
211 Transition			0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
212 O&M (Includes Consultants)			0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
213 Outsource to LG&E for 2008			0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
214 Adjustment (\$2007)			0.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
215																						
216 T/G Overhauls (Cash Flows)	file: Fin Model Inputs BREC Nov-07 w outage shift.xls						2.84	9.17	-	9.25	10.48	-	6.95	-	6.74	19.80	-	13.48	5.91	7.82	8.44	-
217 T/G Overhauls (Income Statement)	file: Fin Model Inputs BREC Nov-07 w outage shift.xls						2.84	9.17	-	9.25	10.48	-	6.95	-	6.74	19.80	-	13.48	5.91	7.82	8.44	-
218																						
219 Environmental Monitoring and Other			0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
220 WKE "Incremental" Items moved to O&M																						
221 W-1 stack repair	file: Fin Model Inputs BREC Nov-07 w outage shift.xls						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
222 boiler waterwall metal overlays	file: Fin Model Inputs BREC Nov-07 w outage shift.xls						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
223 SCR catalyst replacement	file: Fin Model Inputs BREC Nov-07 w outage shift.xls						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
224 Transmission O&M																						
225 Baseline Labor (06 and 07 labor & non-labor combine)	Unwind Staffing_Rev0707_Reflects 2008 Dollars_Rev 1.xls		6.59	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	
226 Baseline Non-Labor	2005 actual escalated @ 3% plus 100K		0.52	-	-	1.06	1.83	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	
227 Upgrade, Phase I (Real Basis)																						
228 O&M	Historic results and adapted from 2007 Budget-REVISED-MARCH 2		-	-	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	0.25
229 Property Tax	Historic results and adapted from 2007 Budget-REVISED-MARCH 2		-	-	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	0.04
230 Property Ins.	Historic results and adapted from 2007 Budget-REVISED-MARCH 2		-	-	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	0.01
231																						
232 A&G																						
233 Labor	Unwind Staffing_Rev0707_Reflects 2008 Dollars_Rev 1.xls						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
234 Non-Labor	2004 actual escalated @ 3%						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
235 Intellectual Property (Nominal Basis)	Unwind spreadsheet -- 8-29-07_Rev1.xls						3.68	4.03	2.65	2.78	2.49	2.56	2.98	2.72	2.80	3.24	2.97	3.06	3.53	3.24	3.34	3.84
236 Intellectual Property Contingency																						
237 Total			13.81	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	35.61	
238																						
239 APM, L/C, Cogen, CW & TVA Trans	Edaling Transaction -Budget-Arb-2008-Rev9-11-07.xls		4.66	3.83	3.63	3.48	5.29	5.41	4.72	4.58	4.72	4.88	5.01	5.18	5.31	5.47	5.64	5.81	5.98	6.16	6.34	
240																						
241 Property Insurance	2004 actual escalated @ 3%		0.40	0.40	0.14	2.83	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	
242																						
243 Property Tax			3.94	3.94	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
244 Baseline	Historic results and adapted from 2007 Budget-REVISED-MARCH 2		1.10	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	
245 Transmission - Operations	Historic results and adapted from 2007 Budget-REVISED-MARCH 2		0.74	0.77	0.28	0.57	0.89	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	
246 General Plant - Operations	Historic results and adapted from 2007 Budget-REVISED-MARCH 2		0.14	0.11	0.04	0.11	0.16	0.1														

Inputs

December 2007

Source:	2005/ Othe	2006	2007	2008H1	Transaction	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
272																					
273 Environmental (Reel Basis 2006)																					
274 NOx Removal Equipment Capital	file: Fin Model Inputs BREC Nov-07 w outage shift.xls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
275 Mercury Monitoring	file: Fin Model Inputs BREC Nov-07 w outage shift.xls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
276 Cinn FGD Equipment Capital	file: Fin Model Inputs BREC Nov-07 w outage shift.xls	-	-	-	-	3.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
277 FGD ongoing upkeep capital (0.10%)	file: Fin Model Inputs BREC Nov-07 w outage shift.xls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
278 Additional FGD thickener & filter drum	file: Fin Model Inputs BREC Nov-07 w outage shift.xls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
279 R-CT reliability study & upgrades	file: Fin Model Inputs BREC Nov-07 w outage shift.xls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
280 Wilson super heater tubes replacement	file: Fin Model Inputs BREC Nov-07 w outage shift.xls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
281 Adjustment for Station 2	file: Fin Model Inputs BREC Nov-07 w outage shift.xls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
282																					
283 <u>Transmission Upgrades</u>																					
284 Phase I	Per Crockett Memo dated 11/12/07	-	4.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
285 Phase II	Per Crockett Memo dated 11/12/07	-	-	-	-	3.70	5.80	1.60	-	-	-	-	-	-	-	-	-	-	-	-	-
286																					
287 <u>Shared HQ Building</u>																					
288 Phase I																					
289 Phase II																					
290																					
291 <u>Intellectual Property</u>																					
292 Capex Purposes	Unwind spreadsheet -- 8-29-07_Rev1.xls	-	-	-	-	4.45	5.36	1.73	1.20	2.85	1.61	1.30	3.02	1.40	1.37	3.57	1.64	1.49	3.35	1.58	2.06
293 Depreciation Purposes	Depreciated at Average Capital Depreciation Rate	-	-	-	-	0.07	0.16	0.19	0.34	0.41	0.45	0.49	0.57	0.60	0.64	0.73	0.77	0.81	0.90	0.94	1.00
294 Trial Balance Adjust		101.0%																			
295																					
296 Cash Adder																					
297																					
298 <u>Other Disbursements (M\$)</u>																					
299																					
300 PPA	Historic results and adapted from 2007 Budget-REVISED-MARCH 2	98.00	87.89	34.07	-	-	-	-	-	-	2.77	-	-	-	-	-	-	-	-	3.28	-
301 Environmental	Historic results and adapted from 2007 Budget-REVISED-MARCH 2	0.41	0.88	0.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
302 PCB Restructuring	Proforma transaction and bond insurance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
303 LEM Settlement Note	Long Term Debt Schedule Actual 2008 - Budget 2007.xls	1.82	1.82	0.80	1.22	1.82	1.82	-	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.82	1.06
304 'Other Deductions'	Historic results and adapted from 2007 Budget-REVISED-MARCH 2	0.14	0.12	0.08	(1.22)	(1.82)	(1.82)	-	(1.82)	(1.82)	(1.82)	(1.82)	(1.82)	(1.82)	(1.82)	(1.82)	(1.82)	(1.82)	(1.82)	(1.82)	(1.06)
305 Transtillion Costs																					
306 Deferred Debt - PCB Refunding AVC 181	Long Term Debt Schedule Actual 2008 - Budget 2007.xls	(0.05)	(0.05)	(0.02)	(0.04)	(0.05)	(0.05)	-	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	-
307 Green River Coal Settlement	Long Term Debt Schedule Actual 2008 - Budget 2007.xls	0.35	0.05	0.01	0.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
308 MISO Credit Fee		1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
309 Deferred Tax Asset Write-Down																					
310 Payment to City of Henderson	file: annual output - 12-15-07.xls	-	-	-	0.19	0.31	0.31	-	0.31	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33
311 <u>Smelter Payment (Assurances Agreement)</u>	Coordination Agreement	-	-	-	4.26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
312 <u>Lease-Equity Consent Fees/ Smelter Exit</u>																					
313 <u>Non-Smelter Member Excess Cash Rebate</u>																					
314 <u>Economic Reserve</u>																					
315 Working Capital Adj.	Historic results and adapted from 2007 Budget-REVISED-MARCH 2	1.09	0.21	0.02	-	-	-	-	(20.47)	(24.18)	(4.22)	-	-	-	-	-	-	-	-	-	-
316 CoBank Patronage Capital	Historic results and adapted from 2007 Budget-REVISED	2.25	2.64	3.03	3.16	-	-	-	4.53	4.90	5.26	5.62	5.98	6.33	6.68	7.03	7.37	7.71	8.05	8.38	8.70
317 Amortization of RUS/PCB Charges	Straightline amortization of RUS and PCB restructuring costs	-	-	-	-	0.09	0.13	0.13	0.13	0.13	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.47	0.47
318 Other Assumptions																					
319																					
320 <u>Interest Earnings Rate on Cash Balances</u>	Big Rivers estimate	4.28%																			
321																					
322 <u>Inflation</u>	Big Rivers estimate	3.00%																			
323																					
324 <u>Receivables (days)</u>	Big Rivers estimate	30.00																			
325																					
326 <u>Payables (days)</u>	Big Rivers estimate	52.50																			
327																					
328 <u>Non-Patronage Taxable Allocation (Transaction)</u>	Orrick Herrington/ Deloitte	15%																			
329																					
330 <u>Sequestered Cash Ending Balance</u>	Smelter Retail Agreements, Section 1.1.119	35.00	0																		
331																					
332																					
333 <u>Balance Sheet (2005)</u>																					
334																					
335 <u>Assets</u>																					
336 Property																					
337 Total Utility Plant in Service	Historic Balance Sheet	1,714.8	1,731.2	1,760.4	1,780.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
338 Construction in Progress	Historic and Projected Balance Sheet	12.7	13.1	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
339 Depreciation & Amortization	Historic Balance Sheet	788.7	826.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
340 Other Property	Historic Balance Sheet	184.0	190.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
341 Current																					
342 Cash General Funds & Special Deposits	Historic Balance Sheet	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
343 Ending Cash Balance	Historic Balance Sheet	67.8	66.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
344 Accounts Receivable	Historic Balance Sheet	16.3	17.5	17.7	17.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345 Fuel Stock & Related	Historic Balance Sheet	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
346 Credit Escrow	Economic Reserve	-	-	-	-	75.0	71.6	62.1	45.8	27.1	4.1	-	-	-	-	-	-	-	-	-	-
347 Materials and Supplies Other	Historic Balance Sheet	0.7	0.8	0.8	0.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
348 Other Current Assets	Historic Balance Sheet	0.3	4.1	4.7	4.7	4.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
349 Credits																					
350 AMBAC/Credit Suisse July '98	Historic and Projected Balance Sheet	5.1	4.7	4.3	4.1	4.1	3.8	3.4	3.0	2.6	2.2	1.									

Inputs

December 2007

	Source:	2005/ Othe	2006	2007	2008H1	Transaction	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
454																						
455	<u>Additional Book Depreciation</u>																					
456	Prior year non-incremental + in service	Historic	12.83	13.12	4.43																	
457	Average of Transmission and A&G	Historic	8.38	10.88	5.29																	
458	Depreciation as a Percentage of Gross PPE	Historic depreciation rate	0.02	0.02	0.02		0.02															
459	Capitalization Policy (0=longer rate)		1	2011	2.4%																	
460	Capital Depreciation Rate (excl. Environmental)	Based on 1993 Depreciation Study	38																			
461	Capital Depreciation Rate (Environmental)	Based on 1993 Depreciation Study	38																			
462																						
463																						
464	<u>HMP&L Station Two</u>																					
465	Prior year non-incremental	Historic	12.83	13.12	4.43																	
466	Depreciation as a Percentage of Gross PPE	Historic depreciation rate	0.00	0.00	0.00		0.00															
467																						
468	<u>Other</u>																					
469	Prior year	Historic	6.00	6.77	4.96																	
470	Depreciation as a Percentage of Gross PPE	Historic depreciation rate	0.00	0.00	0.00		0.00															
471																						
472	<u>Book Depreciation & Amortization</u>																					
473	Generation																					
474	Big Rivers' Plants	Historic	25.36	25.39	8.58		26.58	9.01														
475	HMP&L Station Two	Historic	1.58	1.64	0.54		0.93	0.31														
476	Other	Historic	5.05	5.25	1.75		5.08	1.89														
477																						
478	Adjustment to Depreciation		0																			
479	9/24/07 Blended Depreciation Amount	Coordination Agreement, Section 3.10					0.01978	0.0204	0.02103	0.02155	0.02167	0.02122	0.0209	0.02123	0.0215							
480	<u>Income Tax Related</u>																					
481																						
482	<u>Previously Expensed Marketing Payment</u>	Historic	0	0	0	4.198																
483																						
484	<u>Status Quo Depreciation</u>	Proforma	23.89																			
485																						
486	<u>WKE Share of Capex</u>																					
487	Non-incremental	Participation Agreement - Cost Sharing	51%	51%	51%		51%	51%	51%	60%	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%
488	Incremental	Participation Agreement - Cost Sharing	0%	80%	80%		80%	80%	80%	60%	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%
489	Incremental Dep		0.80	0.00	0.00																	
490	<u>Temporary Differences</u>																					
491	2005 Cumulative Balance of Capex not reflected in SQ	Historic	149.87																			
492	Other Temporary Differences	Historic	19.65																			
493																						
494	<u>NOL Related</u>																					
495	Year		1983	1984	1984	1984	1984	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
496																						
497	<u>Tax Rates</u>																					
498	Regular	Big Rivers' estimate	35%																			
499	AMT	Big Rivers' estimate	20%																			
500																						
501	<u>ACE</u>																					
502	ACE Deduction		(1.23)	(1.22)	(0.40)	-	(0.82)	(1.19)	(1.17)	(0.80)	(0.58)	(0.50)	(0.35)	(0.13)	(0.03)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
503	ACE %		75%																			
504																						
505	<u>SQ Addition</u>	Historic	0.41	0.69	0.13	-	0.26	0.44	0.43	0.71	1.61	0.47	0.90	1.35	1.77	2.26	4.72	5.56	6.36	6.71	6.76	7.87
506	<u>2006 AMT BB</u>		4.28	4.69	5.58	5.70																
507																						
508	<u>Nonpatronage MWH</u>	Historic	1	38%	0.25852	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
509	Offsystem Sales	Orrick Herrington/ Deloitte	PE																			
510	Interest Income on Unrestricted Cash	Orrick Herrington/ Deloitte	PE																			
511	Interest on Transition Reserve	Orrick Herrington/ Deloitte	NP																			
512	Interest on Economic Reserve	Orrick Herrington/ Deloitte	PE																			
513																						
514	Carbon Tax Cost (\$/MWh)	\$7/ton charge starting in 2012, escalating \$1/year																				
515	Carbon Allowance Cost (\$/MWh)	\$7/ton charge starting in 2012, escalating \$1/year																				
516	Carbon BY Allowance Cost (\$/MWh)	5,073,775 tons in base year, \$7/ton charge starting in 2012, escalating at \$1/year																				

Fuel Inventory

December 2007

(\$M)	Transaction	2008 H2	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	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	0.000
Lease Termination	0	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)	1.48	1.48	1.50	1.64	1.70	1.71	1.81	1.82	1.84	1.88	1.92	1.90	1.92	1.95	1.97	1.99	2.01
4																	
5 Heat Value btu/ lb		11,034	11,014	11,015	11,100	10,999	11,019	11,045	11,021	11,060	11,069	11,037	11,015	11,028	11,021	11,037	11,003
6 Heat Value mmbtu/ ton		22.07	22.03	22.03	22.20	22.00	22.04	22.09	22.04	22.12	22.14	22.07	22.03	22.06	22.04	22.07	22.01
7 Coal Consumed [from PCM (000s tons)]		4,072	5,970	6,085	5,813	5,881	5,811	5,909	5,919	5,933	5,752	5,963	5,777	5,913	5,958	5,922	5,958
8 Coal Consumed (Gbtus)		89,860	131,498	134,049	129,052	129,383	128,057	130,536	130,460	131,239	127,332	131,626	127,278	130,423	131,329	130,729	131,111
9																	
10 Volumes Fuel Inventory (Gbtus)																	
11 BB	-	37,085	37,085	37,085	37,085	37,085	37,085	37,085	37,085	37,085	37,085	37,085	37,085	37,085	37,085	37,085	37,085
12 Fuel Purchased		89,860	131,498	134,049	129,052	129,383	128,057	130,536	130,460	131,239	127,332	131,626	127,278	130,423	131,329	130,729	131,111
13 LG&E Additions to Fuel Inventory	37,085	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Fuel Consumed	-	(89,860)	(131,498)	(134,049)	(129,052)	(129,383)	(128,057)	(130,536)	(130,460)	(131,239)	(127,332)	(131,626)	(127,278)	(130,423)	(131,329)	(130,729)	(131,111)
15 EB	37,085	37,085	37,085	37,085	37,085	37,085	37,085	37,085	37,085	37,085	37,085	37,085	37,085	37,085	37,085	37,085	37,085
16																	
17 \$Millions																	
18 BB	-	55.0	55.0	55.8	61.0	63.0	63.6	67.1	67.7	68.2	69.7	71.1	70.6	71.2	72.4	73.1	73.6
19 Fuel Purchased	-	133.3	197.7	220.4	219.2	221.7	231.6	238.1	239.8	246.5	244.0	250.5	244.3	254.5	258.8	259.6	263.0
20 LG&E Additions to Fuel Inventory	55.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21 Fuel Expensed	-	(133.3)	(197.0)	(215.2)	(217.2)	(221.2)	(228.1)	(237.6)	(239.3)	(245.0)	(242.6)	(250.9)	(243.7)	(253.3)	(258.1)	(259.0)	(262.3)
22 EB	55.0	55.0	55.8	61.0	63.0	63.6	67.1	67.7	68.2	69.7	71.1	70.6	71.2	72.4	73.1	73.6	74.4

BIG RIVERS ELECTRIC CORPORATION'S RESPONSE TO THE
COMMISSION STAFF'S SUPPLEMENTAL DATA REQUEST
PSC CASE NO. 2007-00455
March 6, 2008

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Item 23) Has Big Rivers received or does it expect to receive as part of the proposed unwind transaction anything of value that is not fully and completely set forth in the Big Rivers' Unwind Model? If yes, explain in detail.

Response) To the best of Big Rivers' knowledge, information and belief, everything of value Big Rivers has or will receive as part of the proposed Unwind Transaction has been fully and completely set forth in the Unwind Model or otherwise disclosed in the Application. See, for example, Exhibit CWB-3 of C. William Blackburn's testimony and also Response to AG Supplemental Request 82.

Witness) Michael H. Core