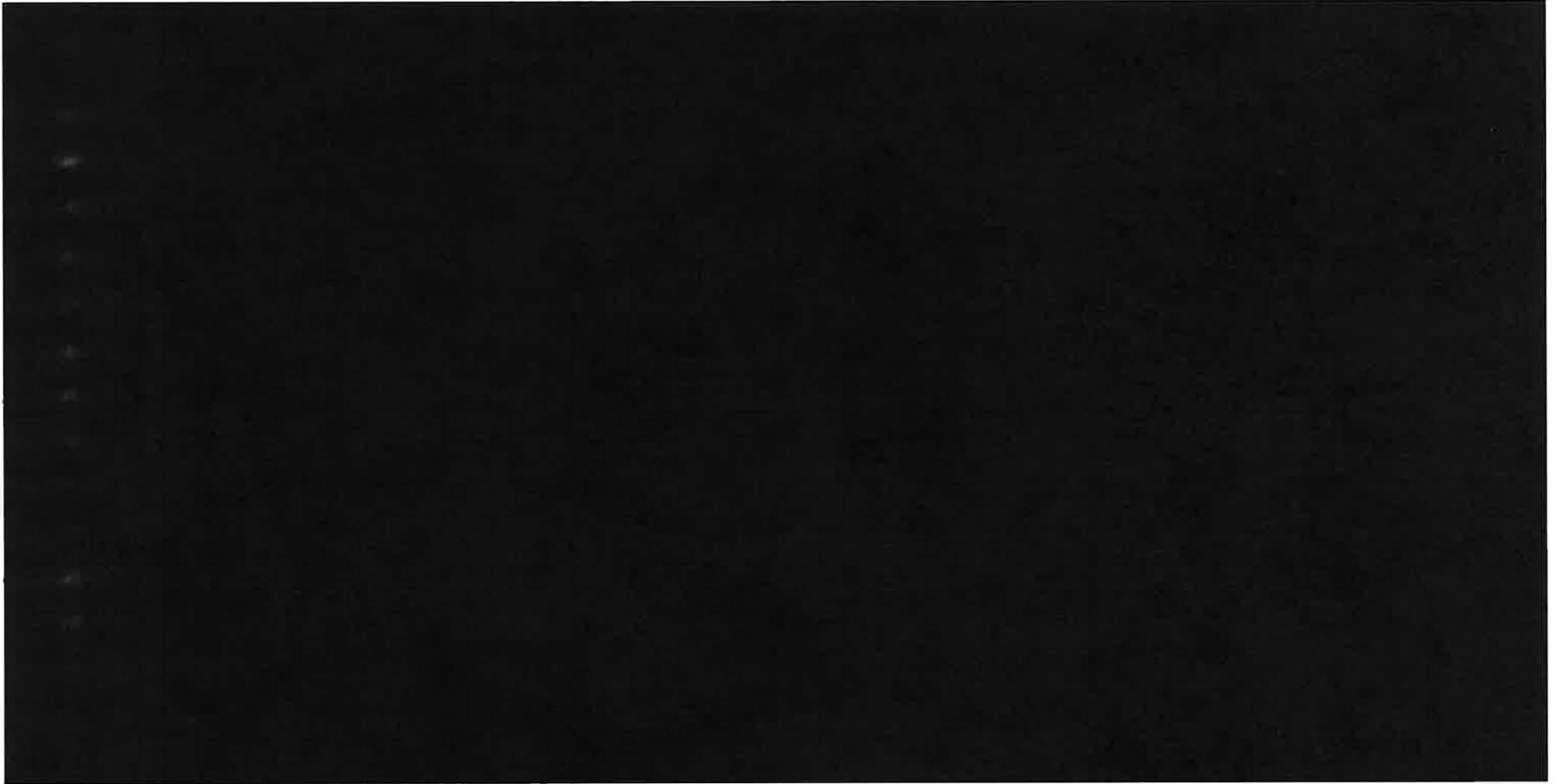


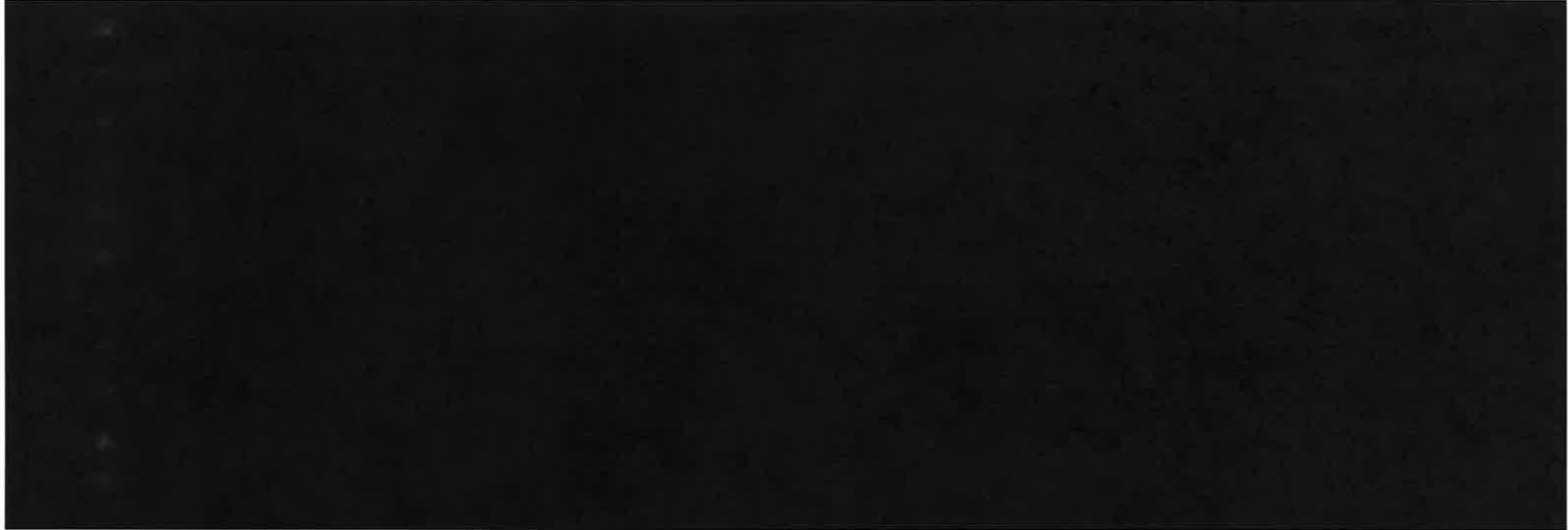
REDACTED

Exhibit MM-2, Sheet 1 of 5



REDACTED

Exhibit MM-2, Sheet 2 of 5



REDACTED

Exhibit MM-2, Sheet 3 of 5

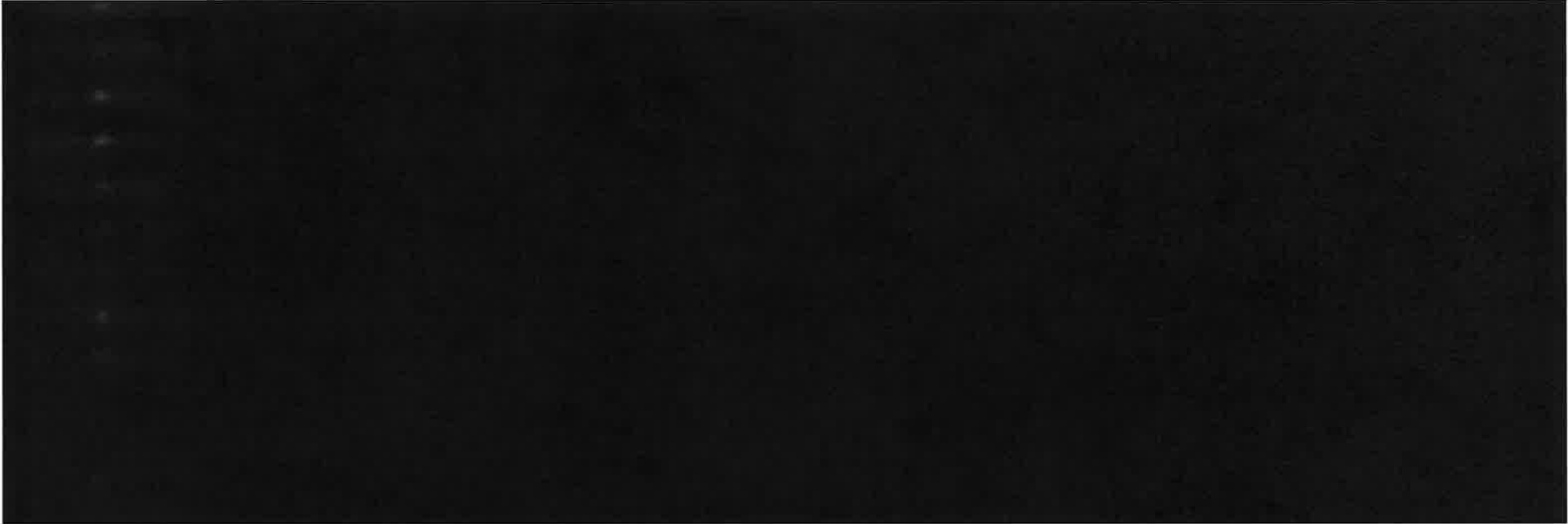


Exhibit MM-2, Sheet 4 of 5

PJM

Dollars per MWh (from 2013 SOM Report, Volume 1; Table 8 (used to be table 9)) >>>>

Description	Dollars per MWh (from 2013 SOM Report, Volume 1; Table 8 (used to be table 9)) >>>>													basis for estimate										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		2014	2015	2016	2017	2018	2019	2020	2021		
Operating Reserves (Uplift)	\$1.07	\$0.69	\$0.86	\$0.93	\$0.97	\$0.45	\$0.63	\$0.61	\$0.48	\$0.79	\$0.79	\$0.79	\$0.59	2015 + 2%	2.0%	\$1.18	\$0.38	\$0.17	\$0.38	\$0.39	\$0.40	\$0.40	\$0.41	
Reactive	\$0.22	\$0.20	\$0.24	\$0.25	\$0.26	\$0.29	\$0.31	\$0.32	\$0.36	\$0.44	\$0.42	\$0.43	\$0.80	2016 + 2%	2.0%	\$0.40	\$0.37	\$0.39	\$0.40	\$0.41	\$0.41	\$0.42	\$0.43	
PJM Administrative Fees	\$0.36	\$0.43	\$0.54	\$0.50	\$0.38	\$0.40	\$0.38	\$0.24	\$0.31	\$0.36	\$0.37	\$0.42	\$0.43	2016 + 2%	2.0%	\$0.44	\$0.44	\$0.45	\$0.46	\$0.47	\$0.48	\$0.49	\$0.50	
Transmission Enhancement Cost Recovery									\$0.09	\$0.21	\$0.29	\$0.34	\$0.39	2016 + 2%	14.0%	\$0.42	\$0.51	\$0.52	\$0.64	\$0.73	\$0.83	\$0.95	\$1.08	
Regulation	\$0.50	\$0.42	\$0.50	\$0.50	\$0.79	\$0.53	\$0.63	\$0.70	\$0.34	\$0.35	\$0.32	\$0.26	\$0.24	2015 + 2%	2.0%	\$0.33	\$0.23	\$0.11	\$0.23	\$0.23	\$0.24	\$0.25	\$0.26	
Transmission Owner (Schedule 1A)	\$0.08	\$0.07	\$0.07	\$0.11	\$0.09	\$0.09	\$0.09	\$0.09	\$0.08	\$0.09	\$0.09	\$0.08	\$0.08	2016 + 2%	2.0%	\$0.09	\$0.09	\$0.09	\$0.27	\$0.27	\$0.28	\$0.29	\$0.29	
Day Ahead Scheduling Reserve (DASR)								\$0.00	\$0.00	\$0.01	\$0.05	\$0.05	\$0.06	2016 + 2%	2.0%	\$0.05	\$0.10	\$0.07	\$0.07	\$0.07	\$0.07	\$0.08	\$0.08	
Synchronized Reserves		\$0.11	\$0.19	\$0.16	\$0.15	\$0.10	\$0.11	\$0.09	\$0.05	\$0.06	\$0.09	\$0.04	\$0.04	2016 + 2%	2.0%	\$0.21	\$0.12	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.06	
Black Start		\$0.00	\$0.02	\$0.01	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.03	\$0.14	2016 + 2%	2.0%	\$0.08	\$0.06	\$0.08	\$0.08	\$0.08	\$0.08	\$0.09	\$0.09	
NERC/RFC							\$0.01	\$0.01	\$0.01	\$0.02	\$0.02	\$0.02	\$0.02	2016 + 2%	2.0%	\$0.02	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	
RTO Startup and Expansion		\$0.04	\$0.05	\$0.10	\$0.37	\$0.15	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	2016		\$0.01	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Load Response -	\$0.00	\$0.00	\$0.02	\$0.00	\$0.00	\$0.03	\$0.07	\$0.03	\$0.00	\$0.00	\$0.01	\$0.01	\$0.07	2016		\$0.08	\$0.02	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	
Transmission Facility Charges	\$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	2016		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Non-Synchronized Reserves												\$0.00	\$0.00	2016		\$0.02	\$0.02	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	
Estimated Applicable AS and PJM Fees	\$2.23	\$1.96	\$2.49	\$2.56	\$3.03	\$2.06	\$2.26	\$2.12	\$1.75	\$2.36	\$2.48	\$2.48	\$2.87			\$3.33	\$2.38	\$1.98	\$2.63	\$2.76	\$2.90	\$3.06	\$3.24	
														Ancillary Services excluding Transmission Enhancement Cost Recovery (TECR)		\$2.91	\$1.87	\$1.46	\$1.99	\$2.03	\$2.07	\$2.11	\$2.16	

Period	SOM TECR Charges	%age Change
2012-13	\$0.34	
2013-14	\$0.39	15.5%
2014-15	\$0.42	8.9%
2015-16	\$0.51	19.2%
2016-17	\$0.52	2.1%
2017-18	\$0.64	24.2%
Sum of Percentage Change		69.9%
Average for 5 years		14.0%

SOM = State of the Market report

Gas Prices in Model >>

12/18/13	12/18/14	2/26/15	9/22/2015 >>>				
\$4.39	\$2.78	\$2.89	\$3.06	\$3.12	\$3.18	\$3.28	\$3.43
Using EKPC Ancillary Schedule 1-A; escalate as originally modeled							
Using SOM Transmission Enhancement Cost Recovery for 2017 and escalating at the historic rate of 14%							

Exhibit MM-2, Sheet 5 of 5

Assumptions for Adders to Proposals

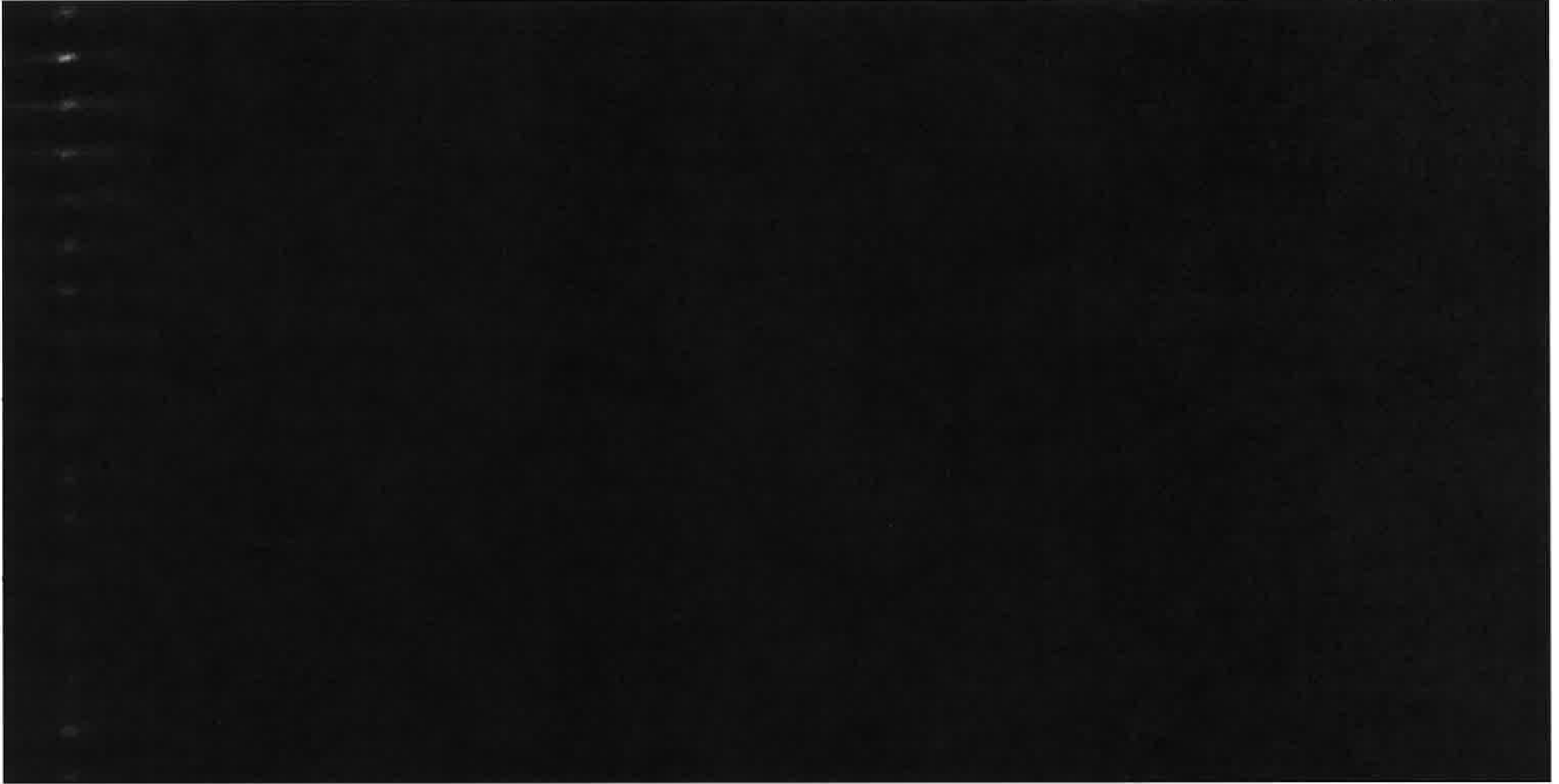
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>NITS</u>			escalation >>	n/a	n/a	n/a	n/a	n/a	8.1%	8.1%	8.1%
\$/MW-year (per PJM T Rev Req'ts & Rate)			\$19,440	\$20,020	\$25,753	\$19,660	\$21,334	\$26,424	\$28,556	\$30,860	\$33,350
equivalent \$/kW-month			\$1.620	\$1.668	\$2.146	\$1.638	\$1.778	\$2.202	\$2.380	\$2.572	\$2.779
EKPC transmission rate, for year ending May 31st.											
<u>Ancillary Services (\$/MWh)</u>											
Total Ancillary Service Charges	\$2.48	\$2.48	\$2.87	\$3.33	\$2.38	\$1.98	\$2.63	\$2.76	\$2.90	\$3.06	\$3.24
Ancillary without Transmission Enhancement Cost Recovery				\$2.91	\$1.87	\$1.46	\$1.99	\$2.08	\$2.07	\$2.11	\$2.16
Transmission Enhancement Cost Recovery (TECR)				\$0.42	\$0.51	\$0.52	\$0.64	\$0.73	\$0.83	\$0.95	\$1.08
	actual >>					estimated >>					

Period	EKPC Rate (\$kW/mo)	%age Change	SOM	
			Trans. Serv. Charges	%age Change
2012-13	\$1.620		\$4.78	
2013-14	\$1.668	2.963%	\$5.20	8.7%
2014-15	\$2.146	28.657%	\$5.95	14.5%
2015-16	\$1.638	-23.672%	\$7.08	19.0%
2016-17	\$1.778	8.547%	\$7.81	10.1%
2017-18	\$2.202	23.847%	\$8.84	13.1%
Sum of Percentage Change		40.342%		65.4%
Average for 5 years		8.068%		13.1%

SOM = PJM State of Market Report

REDACTED

Exhibit MM-3, Sheet 1 of 5



REDACTED

Exhibit MM-3, Sheet 2 of 5



REDACTED

Exhibit MM-3, Sheet 3 of 5

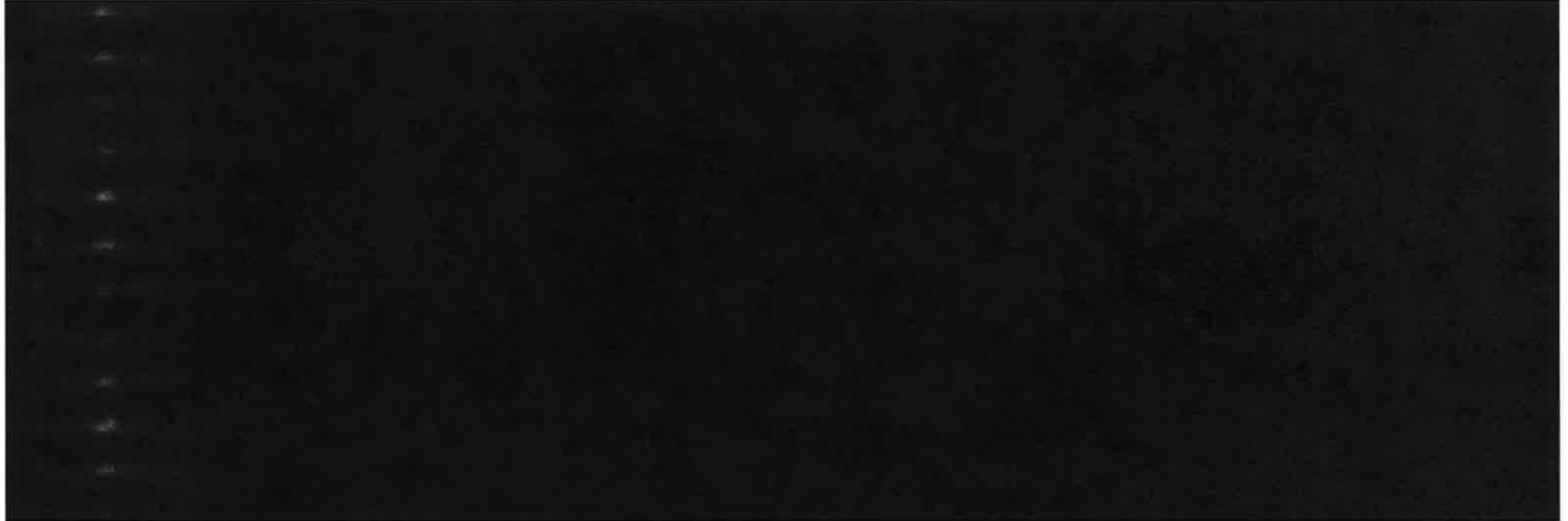


Exhibit MM-3, Sheet 4 of 5

PJM

Dollars per MWh (from 2013 SOM Report, Volume 1; Table 8 (used to be table 9)) >>>>

Description	Dollars per MWh (from 2013 SOM Report, Volume 1; Table 8 (used to be table 9)) >>>>													basis for estimate									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		2014	2015	2016	2017	2018	2019	2020	2021	
Operating Reserves (Uplift)	\$1.07	\$0.69	\$0.86	\$0.93	\$0.97	\$0.45	\$0.63	\$0.61	\$0.48	\$0.79	\$0.79	\$0.79	\$0.59	2015 + 2%	2.0%	\$1.18	\$0.38	\$0.17	\$0.38	\$0.39	\$0.40	\$0.40	\$0.41
Reactive	\$0.22	\$0.20	\$0.24	\$0.25	\$0.26	\$0.29	\$0.31	\$0.32	\$0.36	\$0.44	\$0.42	\$0.43	\$0.80	2016 + 2%	2.0%	\$0.40	\$0.37	\$0.39	\$0.40	\$0.41	\$0.41	\$0.42	\$0.43
PJM Administrative Fees	\$0.36	\$0.43	\$0.54	\$0.50	\$0.38	\$0.40	\$0.38	\$0.24	\$0.31	\$0.36	\$0.37	\$0.42	\$0.43	2016 + 2%	2.0%	\$0.44	\$0.44	\$0.45	\$0.46	\$0.47	\$0.48	\$0.49	\$0.50
Transmission Enhancement Cost Recovery										\$0.09	\$0.21	\$0.29	\$0.34	2016 + 2%	14.0%	\$0.42	\$0.51	\$0.52	\$0.64	\$0.73	\$0.83	\$0.95	\$1.08
Regulation	\$0.50	\$0.42	\$0.50	\$0.50	\$0.79	\$0.53	\$0.63	\$0.70	\$0.34	\$0.35	\$0.32	\$0.26	\$0.24	2015 + 2%	2.0%	\$0.33	\$0.23	\$0.11	\$0.23	\$0.23	\$0.24	\$0.25	\$0.26
Transmission Owner (Schedule 1A)	\$0.08	\$0.07	\$0.07	\$0.11	\$0.09	\$0.09	\$0.09	\$0.09	\$0.08	\$0.09	\$0.09	\$0.08	\$0.08	2016 + 2%	2.0%	\$0.09	\$0.09	\$0.09	\$0.27	\$0.27	\$0.28	\$0.29	\$0.29
Day Ahead Scheduling Reserve (DASR)								\$0.00	\$0.00	\$0.01	\$0.05	\$0.05	\$0.06	2016 + 2%	2.0%	\$0.05	\$0.10	\$0.07	\$0.07	\$0.07	\$0.07	\$0.08	\$0.08
Synchronized Reserves		\$0.11	\$0.19	\$0.16	\$0.15	\$0.10	\$0.11	\$0.09	\$0.05	\$0.06	\$0.09	\$0.04	\$0.04	2016 + 2%	2.0%	\$0.21	\$0.12	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.06
Black Start		\$0.00	\$0.02	\$0.01	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.03	\$0.14	2016 + 2%	2.0%	\$0.08	\$0.06	\$0.08	\$0.08	\$0.08	\$0.08	\$0.09	\$0.09
NERC/RFC							\$0.01	\$0.01	\$0.01	\$0.02	\$0.02	\$0.02	\$0.02	2016 + 2%	2.0%	\$0.02	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03
RTO Startup and Expansion		\$0.04	\$0.05	\$0.10	\$0.37	\$0.15	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	2016		\$0.01	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Load Response -	\$0.00	\$0.00	\$0.02	\$0.00	\$0.00	\$0.03	\$0.07	\$0.03	\$0.00	\$0.00	\$0.01	\$0.01	\$0.07	2016		\$0.08	\$0.02	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01
Transmission Facility Charges	\$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	2016		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Non-Synchronized Reserves												\$0.00	\$0.00	2016		\$0.02	\$0.02	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01
Estimated Applicable AS and PJM Fees	\$2.23	\$1.96	\$2.49	\$2.56	\$3.03	\$2.06	\$2.26	\$2.12	\$1.75	\$2.36	\$2.48	\$2.48	\$2.87			\$3.33	\$2.38	\$1.98	\$2.63	\$2.76	\$2.90	\$3.06	\$3.24
																\$2.91	\$1.87	\$1.46	\$1.99	\$2.03	\$2.07	\$2.11	\$2.16
																\$4.39	\$2.78	\$2.89	\$3.06	\$3.12	\$3.18	\$3.28	\$3.43
																12/18/13	12/18/14	2/26/15	9/22/2015 >>>				
																\$4.39	\$2.78	\$2.89	\$3.06	\$3.12	\$3.18	\$3.28	\$3.43
																Gas Prices in Model >>							

Using EKPC Ancillary Schedule 1-A; escalate as originally modeled
 Using SOM Transmission Enhancement Cost Recovery for 2017 and escalating at the historic rate of 14%

Exhibit MM-3, Sheet 5 of 5

Assumptions for Adders to Proposals

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
NITS			escalation >>	n/a	n/a	n/a	n/a	n/a	8.1%	8.1%	8.1%
\$/MW-year (per PJM T Rev Req'ts & Rate)			\$19,440	\$20,020	\$25,753	\$19,660	\$21,334	\$26,424	\$28,556	\$30,860	\$33,350
equivalent \$/kW-month			\$1.620	\$1.668	\$2.146	\$1.638	\$1.778	\$2.202	\$2.380	\$2.572	\$2.779
EKPC transmission rate, for year ending May 31st.											
Ancillary Services (\$/MWh)											
Total Ancillary Service Charges	\$2.48	\$2.48	\$2.87	\$3.33	\$2.38	\$1.98	\$2.63	\$2.76	\$2.90	\$3.06	\$3.24
Ancillary without Transmission Enhancement Cost Recovery				\$2.91	\$1.87	\$1.46	\$1.99	\$2.03	\$2.07	\$2.11	\$2.16
Transmission Enhancement Cost Recovery (TECR)				\$0.42	\$0.51	\$0.52	\$0.64	\$0.73	\$0.83	\$0.95	\$1.08
	actual >>					estimated >>					

Period	EKPC Rate (\$/kW/mo)	%age Change	SOM	
			Trans. Serv. Charges	%age Change
2012-13	\$1.620		\$4.78	
2013-14	\$1.668	2.963%	\$5.20	8.7%
2014-15	\$2.146	28.657%	\$5.95	14.5%
2015-16	\$1.638	-23.672%	\$7.08	19.0%
2016-17	\$1.778	8.547%	\$7.81	10.1%
2017-18	\$2.202	23.847%	\$8.84	13.1%
Sum of Percentage Change		40.342%		65.4%
Average for 5 years		8.068%		13.1%

SOM = PJM State of Market Report