

Palisades Powerplant Palisades Project

Ancillary Services

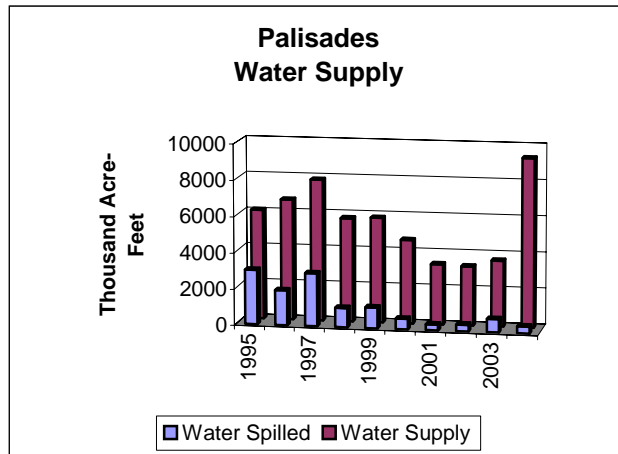
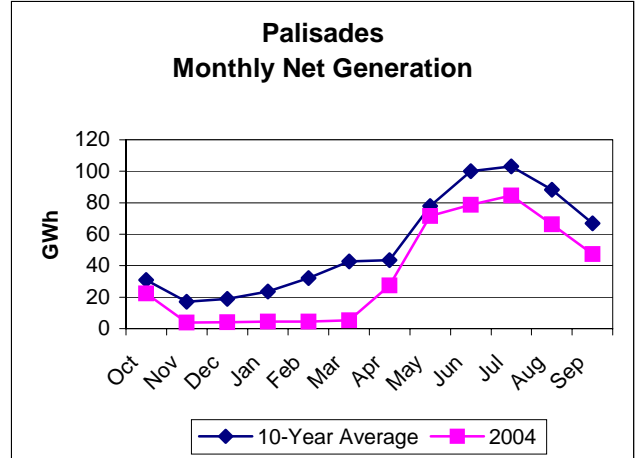
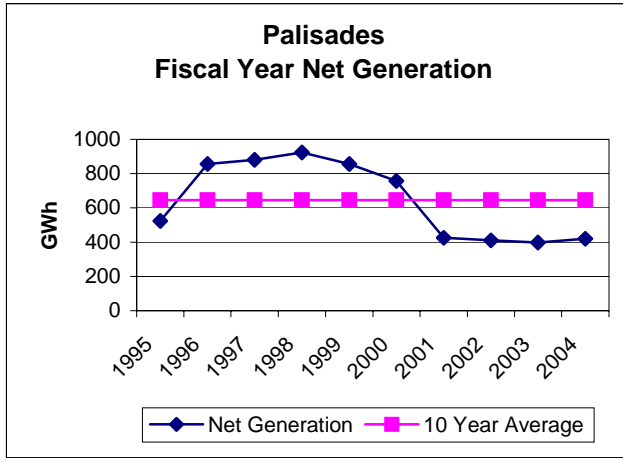
| Palisades Ancillary Services | |
|---------------------------------|-----|
| Spinning Reserve | Yes |
| Non-Spinning Reserve | Yes |
| Replacement Reserve | Yes |
| Regulation/Load Following | Yes |
| Black Start | Yes |
| Voltage Support | Yes |

Generators

| Palisades Generators Existing Number and Capacity | | | |
|--|-------------------------------|-------------------|------------------------------|
| Unit # | Original Nameplate (kW) | Increased (kW) | Present Nameplate (kW) |
| 1 | 28,500 | 15,641 | 44,141 |
| 2 | 28,500 | 15,641 | 44,141 |
| 3 | 28,500 | 15,641 | 44,141 |
| 4 | 28,500 | 15,641 | 44,141 |
| 4 Units | 114,000 | 62,564 | 176,564 |

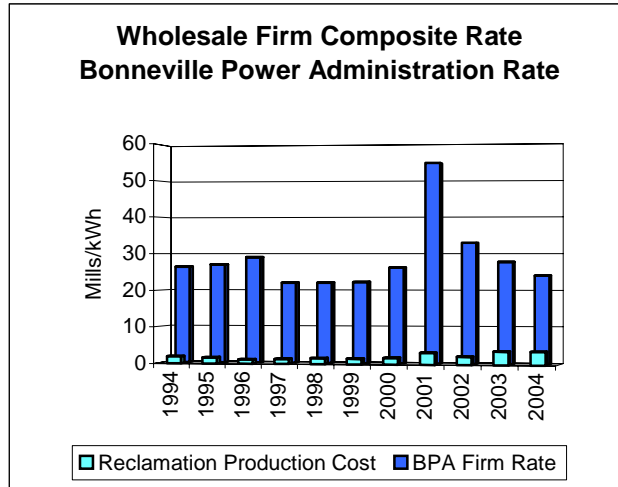
**Palisades Powerplant
100-500 MW**

Generation

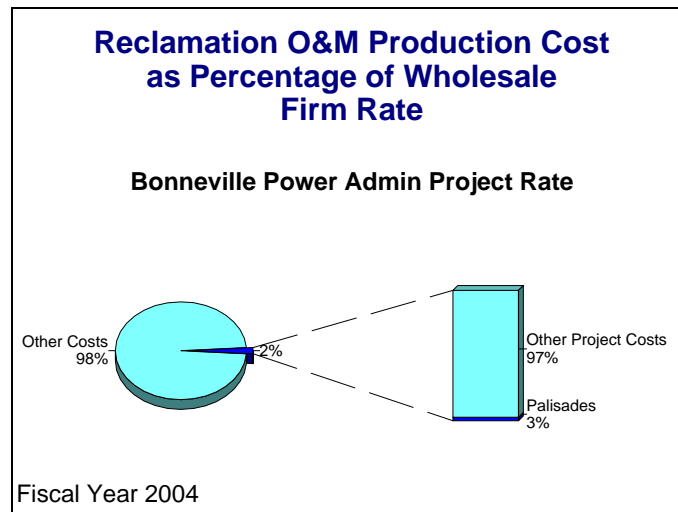


Prime Laboratory Benchmarks

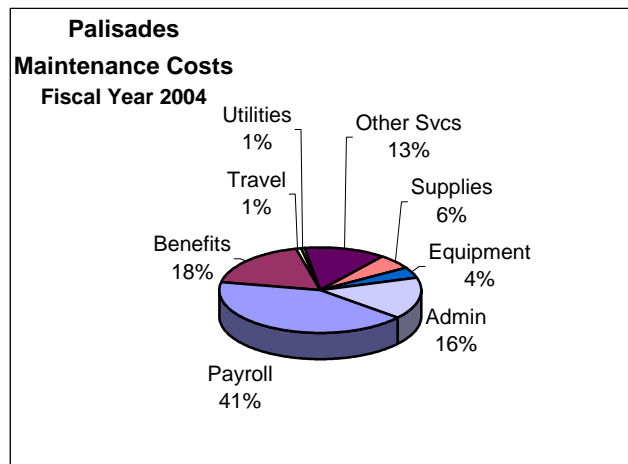
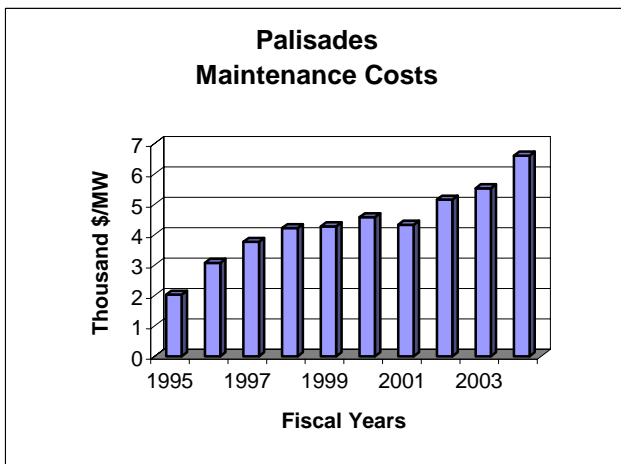
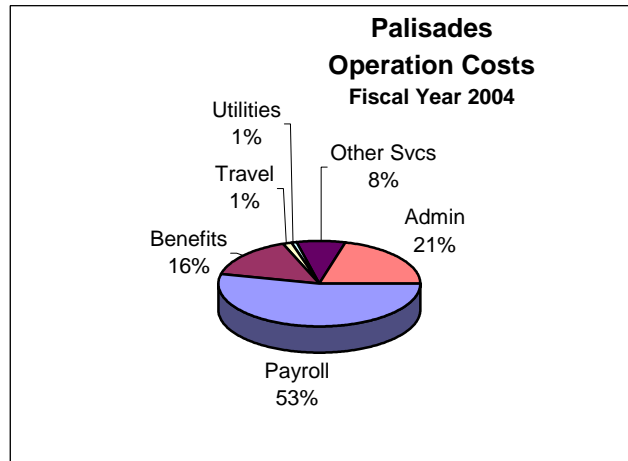
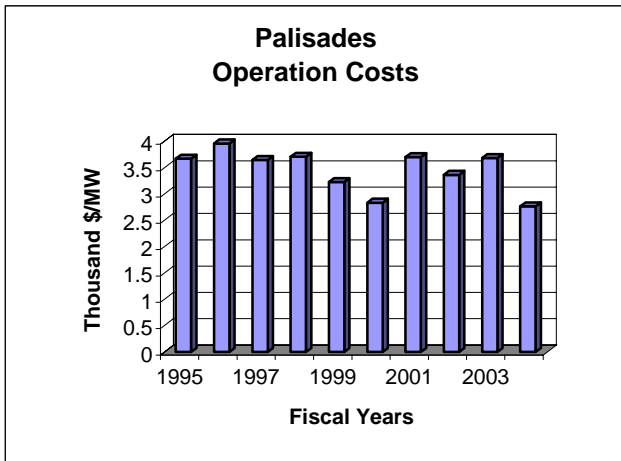
**Benchmark 1
Wholesale Firm Rate**



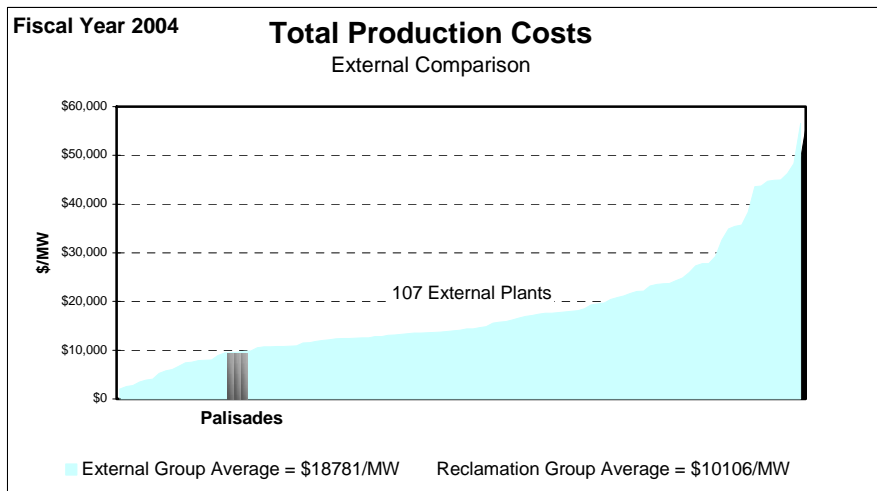
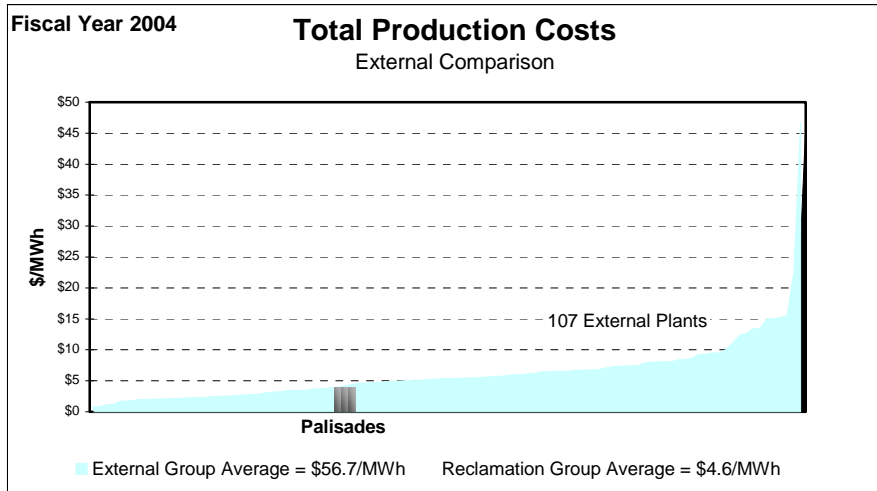
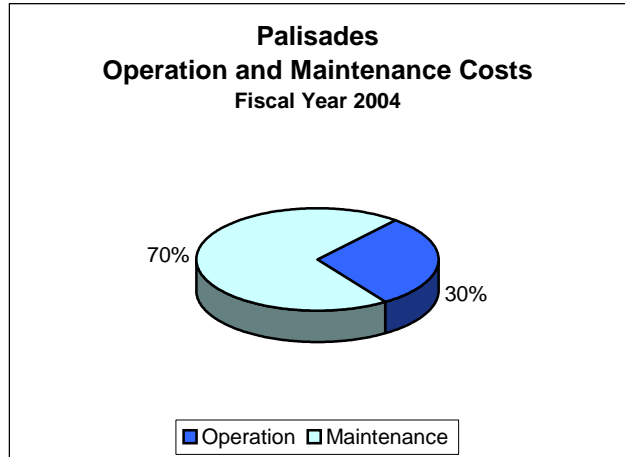
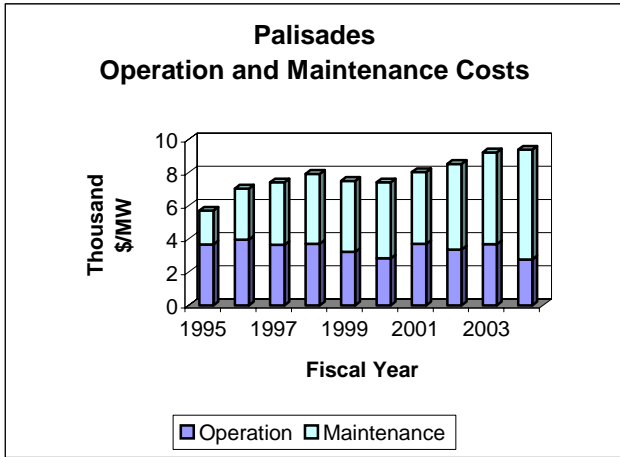
**Benchmark 2
Reclamation's Production Cost as Percentage of Wholesale Firm Rate**



**Benchmark 3
Production Cost**

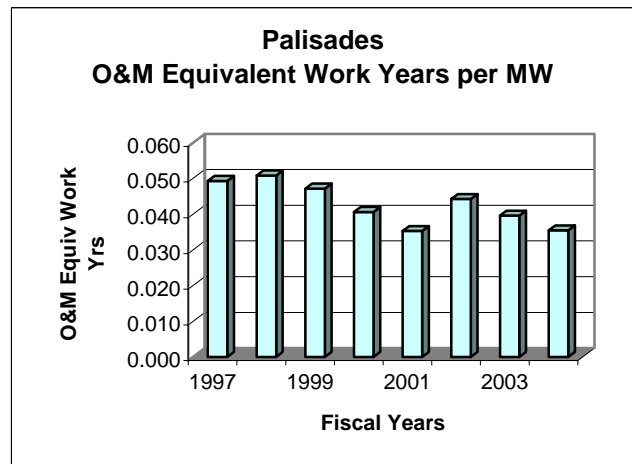
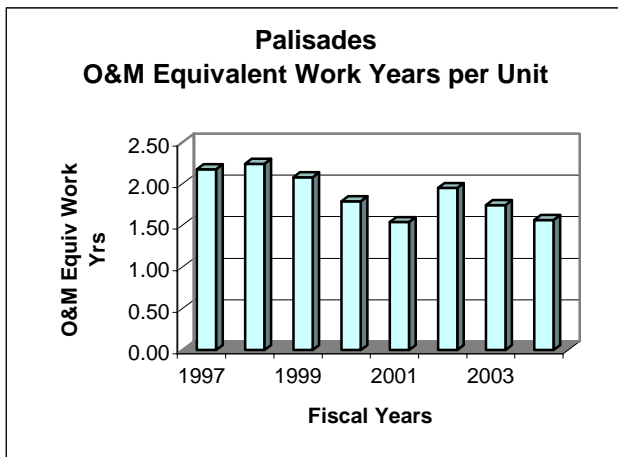
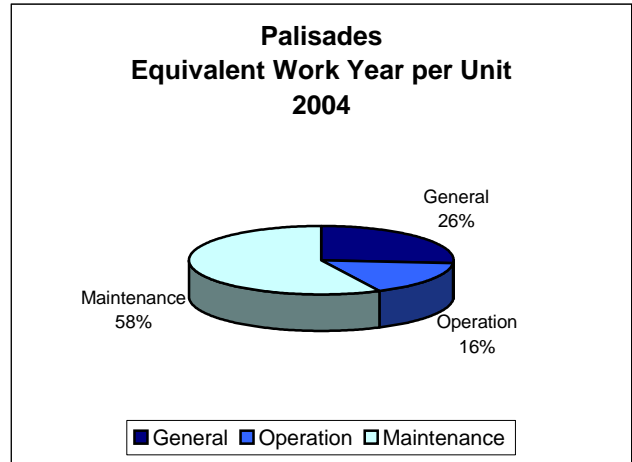
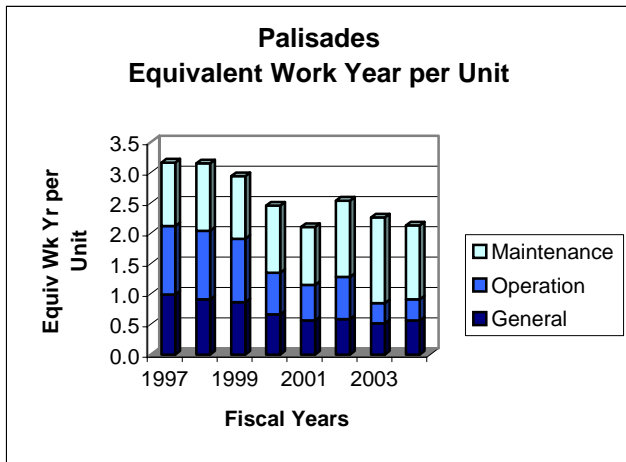


**Benchmark 3
Production Cost**

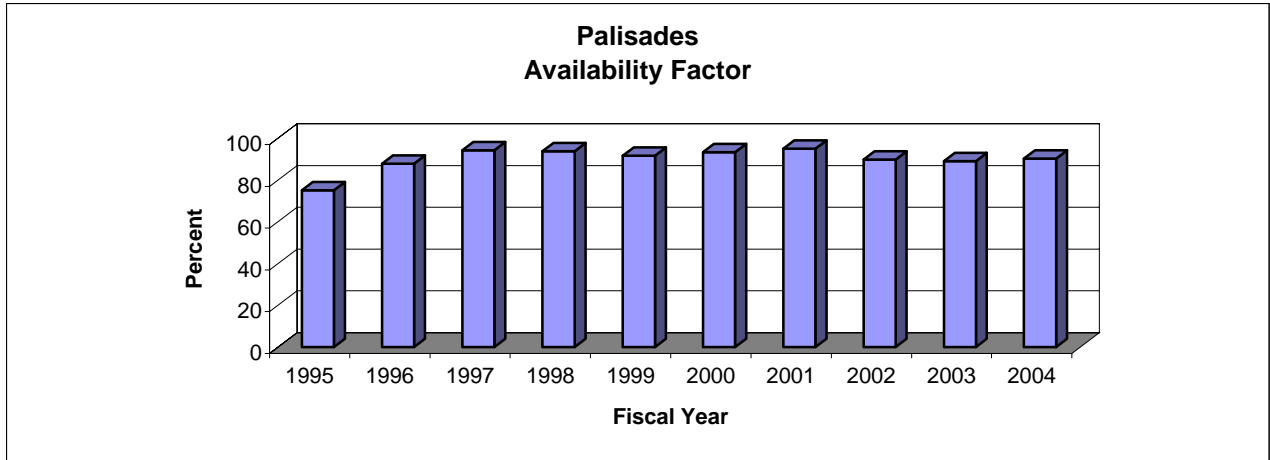


**Benchmark 4
Workforce Deployment**

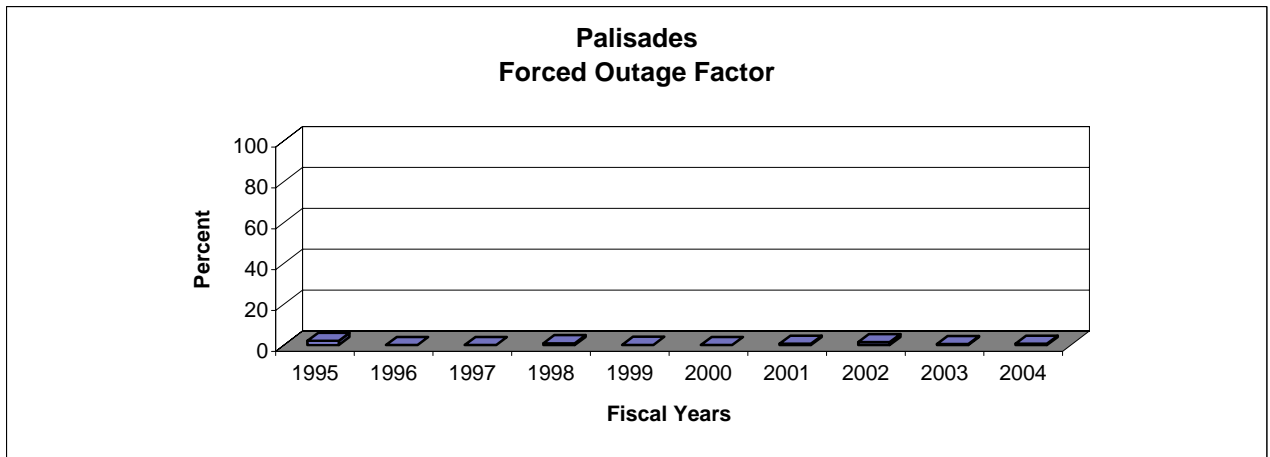
| Palisades 2004 Equivalent Work Year Levels | | | | | | |
|---|--|-----------------------|---|--|--|---|
| | Equiv Work Year Charged to Powerplant | Leave Additive | Denver and Washington Equiv Work Year Additive | Total Equiv Work Year Allocated to Powerplant | Total Equiv Work Year per Generating Unit | Total Equiv Work Year per Megawatt |
| General | 1.97 | 0.21 | 0.07 | 2.25 | 0.56 | 0.01 |
| Operation | 1.25 | 0.13 | 0.00 | 1.38 | 0.35 | 0.01 |
| Maintenance | 4.41 | 0.47 | 0.00 | 4.87 | 1.22 | 0.03 |
| Total Staffing | 7.63 | 0.81 | 0.07 | 8.51 | 2.13 | 0.05 |



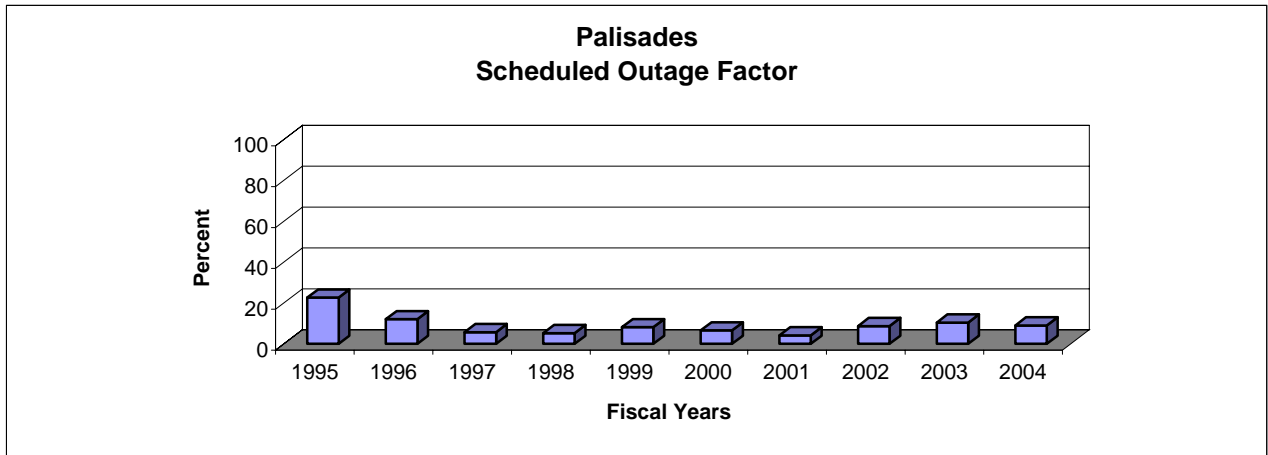
**Benchmark 5
Availability Factor**



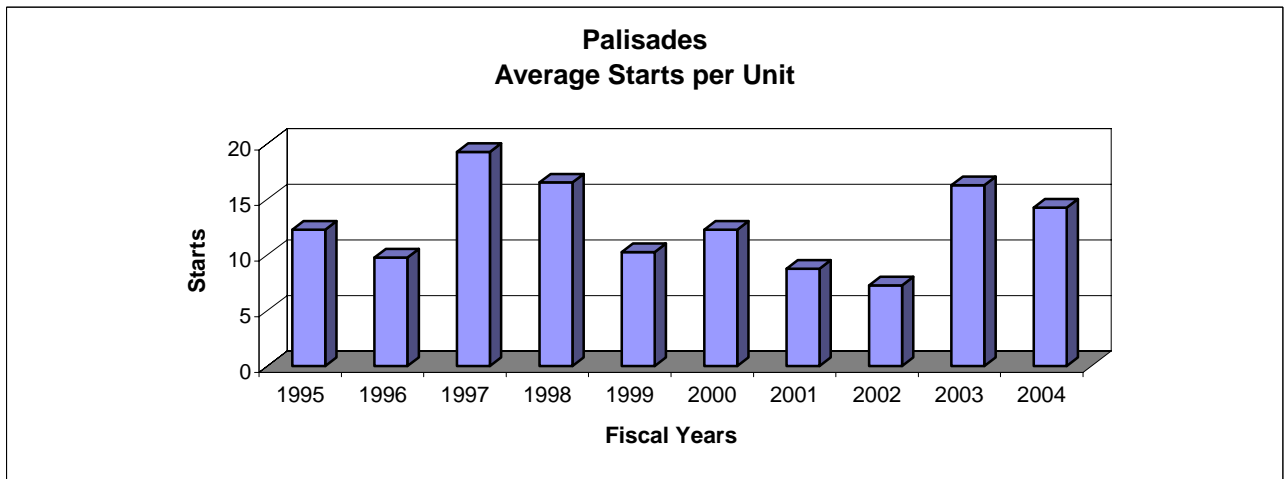
**Benchmark 6
Forced Outage Factor**



**Benchmark 7
Scheduled Outage Factor**



Starts



**Palisades Powerplant
100-500 MW**

| Benchmark Data Comparison | | | | | |
|---|-----------------------------|---|----------------------------------|-------------------------|------------------------|
| Fiscal Year 2004 | Palisades Powerplant | Reclamation Average 100-500 MW Group | Total Reclamation Average | Industry Average | Best Performers |
| Wholesale Firm Rate Mills/kWh | 27.7 | Not Applicable | *21.06 | Not Available | Not Available |
| Production Cost as Percentage of Wholesale Firm Rate | 0.06% | Not Applicable | 13.5% | Not Applicable | Not Applicable |
| O&M Cost \$/MWh | 3.93 | 3.59 | 2.77 | 56.68 | 1.23 |
| O&M Costs \$/MW | 9,368.48 | 8,960.28 | 7,316.97 | 18,781.34 | 2,951.22 |
| O&M Equip Work Year per MW | 0.04 | 0.05 | 0.04 | Not Available | 0.00 |
| Availability Factor | 90.3 | 91.0 | 86.9 | **89.2 | 99.97 |
| Forced Outage Factor | 0.7 | 0.6 | 0.7 | **1.9 | 0.00 |
| Scheduled Outage Factor | 9.0 | 8.4 | 12.4 | **8.9 | 0.02 |

*Weighted by Net Generation

**2003 NERC Average