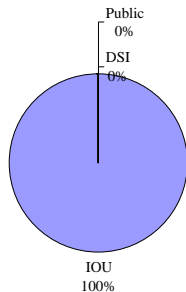
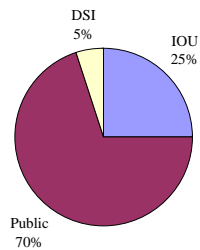


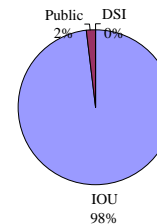
FY07-11 Allocation of Federal System Benefits under Customer Proposal
(assumes low gas & market forecasts actually occur)



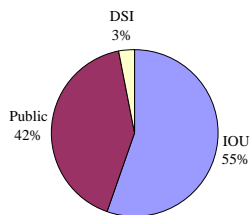
FY07-11 Allocation of Federal System Benefits under Subscription
(assumes low gas & market forecasts actually occur)



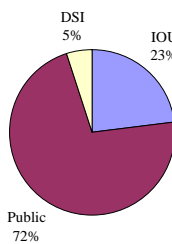
FY07-11 Allocation of Federal System Benefits under Subscription
(assumes rates set with medium forecasts, but low gas & market prices actually occur)



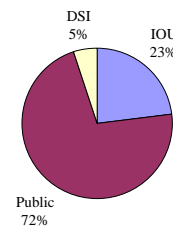
FY07-11 Allocation of Federal System Benefits under Customer Proposal
(assumes medium gas & market forecasts actually occur)



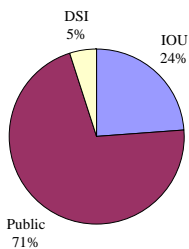
FY07-11 Allocation of Federal System Benefits under Subscription
(assumes medium gas & market forecasts actually occur)



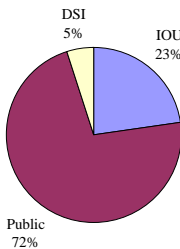
FY07-11 Allocation of Federal System Benefits under Subscription
(assumes rates set with medium forecasts, and medium gas & market prices actually occur)



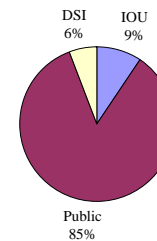
FY07-11 Allocation of Federal System Benefits under Customer Proposal
(assumes high gas & market forecasts actually occur)



FY07-11 Allocation of Federal System Benefits under Subscription
(assumes high gas & market forecasts actually occur)



FY07-11 Allocation of Federal System Benefits under Subscription
(assumes rates set with medium forecasts, but high gas & market prices actually occur)



**Estimated Annual FY07-11 IOU and Public Utility Benefit from the Federal System
(Customer Proposal Benefits Not Limited by Ceiling)**

| | Customer Proposal (Left Column of Pie Charts) | | | Subscription (Middle Column of Pie Charts) | | |
|---|--|---|--|---|---|--|
| | Assumes Forecasts are Perfect | | | Assumes Forecasts are Perfect | | |
| Gas Price Market Price | Low Gas Forecast Low Mkt. Forecast | Medium Gas Forecast Medium Mkt. Forecast | High Gas Forecast High Mkt.Forecast | Low Gas Forecast Low Mkt. Forecast | Medium Gas Forecast Medium Mkt. Forecast | High Gas Forecast High Mkt.Forecast |
| Market Prices: | \$ 28.91 | \$ 36.22 | \$ 50.30 | \$ 28.91 | \$ 36.22 | \$ 50.30 |
| Average PF 1/ | \$ 32.18 | \$ 32.04 | \$ 30.81 | \$ 27.59 | \$ 28.86 | \$ 30.50 |
| Delta from Market | \$ (3.27) | \$ 4.19 | \$ 19.49 | \$ 1.32 | \$ 7.36 | \$ 19.80 |
| IOU REP Settlement Benefits \$million/yr. | \$ 315 | \$ 345 | \$ 408 | \$ 29 | \$ 147 | \$ 389 |
| Public Utility Benefits \$million/yr. | \$ (204) | \$ 261 | \$ 1,215 | \$ 82 | \$ 459 | \$ 1,234 |
| DSI Benefits 2/ | \$ - | \$ 18 | \$ 85 | \$ 6 | \$ 32 | \$ 87 |
| Total Benefits | \$ 112 | \$ 624 | \$ 1,708 | \$ 118 | \$ 638 | \$ 1,709 |
| IOU Percent Benefits 3/ | 282% | 55% | 24% | 25% | 23% | 23% |
| Public Percent Benefits | -182% | 42% | 71% | 70% | 72% | 72% |
| DSI Percent Benefits | 0% | 3% | 5% | 5% | 5% | 5% |
| | 100% | 100% | 100% | 100% | 100% | 100% |

| | Customer Proposal (Not Graphed) | | | Subscription (Right Column of Pie Charts) | | |
|---|--|---|--|--|---|--|
| | Assume Rates Set with Medium Forecasts | | | Assume Rates Set with Medium Forecasts | | |
| | Low Gas Forecast Low Mkt. Forecast | Medium Gas Forecast Medium Mkt. Forecast | High Gas Forecast High Mkt.Forecast | Low Gas Forecast Low Mkt. Forecast | Medium Gas Forecast Medium Mkt. Forecast | High Gas Forecast High Mkt.Forecast |
| If the Actual Market Prices is: | \$ 28.91 | \$ 36.22 | \$ 50.30 | \$ 28.91 | \$ 36.22 | \$ 50.30 |
| Average PF 1/ | \$ 32.04 | \$ 32.04 | \$ 32.04 | \$ 28.86 | \$ 28.86 | \$ 28.86 |
| Delta from Market | \$ (3.13) | \$ 4.19 | \$ 18.26 | \$ 0.04 | \$ 7.36 | \$ 21.44 |
| IOU REP Settlement Benefits \$million/yr. | \$ 315 | \$ 345 | \$ 408 | \$ 147 | \$ 147 | \$ 147 |
| Public Utility Benefits \$million/yr. | \$ (195) | \$ 261 | \$ 1,138 | \$ 3 | \$ 459 | \$ 1,336 |
| DSI Benefits 2/ | \$ - | \$ 18 | \$ 80 | \$ 0 | \$ 32 | \$ 94 |
| | \$ 120 | \$ 624 | \$ 1,626 | \$ 150 | \$ 638 | \$ 1,577 |
| IOU Percent Benefits 3/ | 262% | 55% | 25% | 98% | 23% | 9% |
| Public Percent Benefits | -162% | 42% | 70% | 2% | 72% | 85% |
| DSI Percent Benefits | 0% | 3% | 5% | 0% | 5% | 6% |
| | 100% | 100% | 100% | 100% | 100% | 100% |

1/ Average PF rate assumes 50% Slice and 50% non-Slice

2/ Assumes 650 aMW sale when IP rate is lower than market price

3/ The Customer Proposal in a low market provides the IOUs with all of the Federal benefits as well as causing a wealth transfer from the Public Utilities to the IOUs.

