

**Proposed Outline for the Finance Committee Presentations of the
2007 Operating Budget and 2007-2011 Capital Improvement Program**

October 30, 2006

1. Introduction (Bill Stewart)
2. 2007 Operating Budget Overview (Mike Cunningham)
 - a. Budget Planning Criteria
 - b. Operational/Strategic Challenges
 - c. Major Assumptions
3. 2007 Operating Budget Financial Information (Mike Cunningham)
 - a. Financial Results
 - b. Comparative Statement of Operations
 - c. Statement of Cash Flows
 - d. KWh Sales Comparison*
 - e. Revenue Comparison*
 - f. Expense Comparison*
 - i. Major Variances
 - g. Equity Ratio
 - h. Labor
 - i. Organizational Structure
 - ii. Position Comparison*
 1. Regular
 2. Temporary
 - iii. Labor Cost
 1. Labor Budget by Financial Category
 2. Labor Budget by Contract
 - i. Sensitivity Analysis
 - i. Revenue
 1. Change in firm kWh sales of -10% and 10%
 - ii. Economy Energy Sales
 1. Change in kWh sales of -10% and 10%
 - iii. Variable Interest Rates
 1. Change between -150 basis points and 150 basis points
 - iv. Controllable expenses
 1. Change between -10% and 10%
 - v. Capital Credit Rotation
 1. 0%, 20%, 35% and 50% of prior year's margins

*Comparison is between 2006 forecast/revised budget and 2007 budget

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4. 2007 Corporate Budget (Bill Stewart)
 - a. Budget Comparison*
 - b. Expense Budget
 - c. Labor
 - i. Organizational Structure
 - ii. Position comparison*
 1. Regular
 2. Temporary
 - iii. Labor Cost
 1. Labor Budget by Financial Category
 2. Average Cost per Employee

5. 2007 Finance Budget (Mike Cunningham)
 - a. Budget Comparison*
 - b. Expense Budget
 - c. Labor
 - i. Organizational Structure
 - ii. Position comparison*
 1. Regular
 2. Temporary
 - iii. Labor Cost
 1. Labor Budget by Financial Category
 2. Average Cost per Employee

6. Discussion

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October 31, 2006

1. Introduction (Bill Stewart)
2. 2007 Power Delivery Budget (Lee Thibert)
 - a. Budget Comparison*
 - b. Expense Budget
 - c. Labor
 - i. Organizational Structure
 - ii. Position comparison*
 1. Regular
 2. Temporary
 - iii. Labor Cost
 1. Labor Budget by Financial Category
 2. Average Cost per Employee
3. 2007 Power Supply Budget (Brad Evans)
 - a. Budget Comparison*
 - b. Expense Budget
 - c. Labor
 - i. Organizational Structure
 - ii. Position comparison*
 1. Regular
 2. Temporary
 - iii. Labor Cost
 1. Labor Budget by Financial Category
 2. Average Cost per Employee
4. 2007-2011 Capital Improvement Program Overview (Lee Thibert)
 - a. Net Capital Expenditures (cashflow)
 - b. Total CIP Expenditures
5. Major Projects
 - a. Deferred Debit Projects
 - i. Information Services Projects (Dave Smith)
6. Power Delivery (Lee Thibert)
 - a. Distribution
 - b. Distribution Substation
 - c. Subtransmission

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7. Power Supply (Brad Evans)
 - a. Generation
 - b. SCADA
 - c. Telecommunication
8. Discussion
9. Finance Committee Recommendation to Board of Directors for approval of the
2007 Operating Budget and 2007-2011 Capital Improvement Program