Quarterly Business Review

August 3, 2010

Follow Ups
QBR Follow Ups - Power Services

- How are lower prices impacting power revenues, specifically net secondary revenues?
  - In general, lower electricity prices will mean that we have to sell our power for less, which will negatively impact net secondary revenues. Given that we were surplus in June, this negatively impacted our net secondary revenues, whereas if we had been deficit, purchasing power for less would have positively impacted our net secondary revenues compared to our price forecasting assumptions.

- What impact has the change in hydro conditions had on net secondary revenues?
  - The recent change in hydro conditions has improved net secondary revenues, but there are quite a few mitigating factors which dampen the improvement:
    - Lower overall demand for power during June
    - Low prices at multiple points during the month
    - Generation without demand market due to dissolved gas in water at high levels from spill
    - Increased transmission expense in moving power (which was already sold at low rates)
  - Because of the persistent dry conditions over the entire year, we can assume the ground will absorb a greater amount of initial water in the coming wet season. This will decrease streamflow forecasts and negatively affect net secondary revenue forecast.
QBR Follow Ups - Transmission Services


<table>
<thead>
<tr>
<th></th>
<th>FY 2008 Total</th>
<th>FY 2009 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total EI/GI</td>
<td>$5,389,604</td>
<td>$5,595,303</td>
</tr>
</tbody>
</table>