

Asymmetric ESM Example

200 basis point deadband

Year	Return on Equity			Earnings Subject to Sharing 50/50		
	in Base	Recalculated	Actual	Basis Points	Rate Base	Amount
2009	8.57	8.9	7.9	0	\$ 545,000,000	\$ -
2010	8.57	9.1	11.2	10	\$ 545,000,000	\$ 272,500
2011	8.57	9.2	11.7	50	\$ 545,000,000	\$ 1,362,500
2012	8.57	9.1	11.5	40	\$ 545,000,000	\$ 1,090,000

Total \$ 2,725,000

Grossed up amount given back to ratepayers \$ 4,192,308