

**Lake Road Generating Station
Coal Performance Adjustment**

**Due to Boiler 5 Outage:
September 15, 2018 – November 10, 2018**

Boiler 5 Outage Overview-

At the Lake Road Generating Station, Boiler 5 is the main boiler used for generating steam due to its ability to burn coal, the lowest cost fuel. Increasing incidents in tube leaks has necessitated a need to replace Boiler 5 super-heater and casing for purposes of restoring its capability to operate at 250,000 PPH. The upper half of the boiler casing and the super-heater were replaced in 2015. This current outage is to replace the lower half of the boiler casing and to install new burners.

An outage is currently planned for Q3 2018 through Q4 2018 to allow for major maintenance of Boiler 5. This outage will occur on September 15th and is expected to last through November 10th. This will impact five quarters that will require further adjustment of the Coal Performance Standard. All customers have been notified of the outage and the impact on unavailability of coal during that time.

Coal Performance Standard-

As set under section 2. (b.) of the Quarterly Cost Adjustment Rider (QCA) –Steam Tariff, a coal performance standard is set at 1,920,000 million BTU on a 12-month basis and 460,000 million BTU 3-month standard. Both are based on sales exceeding 2,594,975 million BTUs. The Coal Performance Standard sets a certain utilization of coal for purposes of the minimization of incurred total fuel costs to steam customers.

Adjustment of the Coal Performance Standard 2015-

As outlined in 2. (c.), of the QCA-Steam Tariff, the Coal Performance Standard may be adjusted to reflect major scheduled outage for system maintenance and improvement. In the event of a major scheduled outage for system maintenance and improvement, such as occurred in the last quarter of 2008, the Coal Performance Standard shall be subject to further adjustment as agreed upon by signatories herein, to reflect the reduced availability of the coal-fired boiler resulting from the scheduled outage. In such case, the 3-month and 12-month coal performance standard will be further adjusted proportionately as agreed to reflect any reduced availability of the Lake Road Boiler 5.

The following is the adjustment to the coal performance standard to reflect the unavailability of coal during the outage. If the outage is longer or shorter, adjustments may be made to reflect those time periods.

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Boiler 5 Outage Impact on Coal Performance Standard-

	Quarterly Adjustment (mmBtu)	Original 3 Month Standard (mmBtu)	Original Annual Standard (mmBtu)
		460,000	1,920,000
		Adjusted 3 Month Standard (mmBtu)	Adjusted Annual Standard (mmBtu)
Q3-2018	-76,667	383,333	1,841,096
Q4-2018	-209,556	250,444	1,625,425
Q1-2019		460,000	1,625,425
Q2-2019		460,000	1,625,425
Q3-2019		460,000	1,704,329
Q4-2019		460,000	1,920,000