

Lake Road Generating Station Coal Performance Adjustment

**Due to Boiler 5 Outage:
May 17, 2015-July 18, 2015
Update as of October 15, 2015**

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.

While there have been repairs and replacements to other equipment to maintain Boiler 5 performance (that has already necessitated an adjustment to the coal performance standard), the actual major maintenance to improve performance on Boiler 5 has not been scheduled until now. An outage is currently planned for Q2 2015 through Q3 2015 to allow for major maintenance of Boiler 5. This outage will occur on May 17th and is expected to last through July 18 and will impact 2 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 the by signatories herein, to reflect the reduced availability of the coal-fired boiler resulting from the scheduled outage. In such case, the three-month and twelve-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 unit takes 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-

	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)
Previous Adjustment		368,000	1,536,000
Q2 2015	184,000	184,000	1,344,000
Q3 2015	208,000	160,000	1,144,000
Q4-2015		460,000	1,228,000
Q1-2016		460,000	1,324,000
Q2-2016		460,000	1,612,000
Q3-2016		460,000	1,920,000