

# Project Asteroid Management Presentation

Board of Directors  
January 8, 2007

*Staff*  
Exhibit No. *1057AC*  
Case No(s) *EM-2007-0314*  
Date *12-03-07* Rptr *RF*



GREAT PLAINS ENERGY

*HC*

PENSAU 800-631-6888  
EXHIBIT  
31  
11-28-07



# Table of Contents

---

	<u>Page</u>
• Strategy Overview	2
• Process Update	3
• Non-binding Bid Range	4
• Updated Financial Analysis	5
• Regulatory Plan	9
• Risk Analysis	12
• Communication Overview	14
• Timeline to Signing	18
• Appendix	20



# Strategic Acquisition

---

- **Strong regional acquisition - an attractive strategic growth opportunity**
  - Shared plant facilities, ongoing shared capex plan, adjacent service territories in same metropolitan area provide synergy opportunity
  - Adjacent service territory has strong growth profile similar to Giant
  - Asteroid electric properties in single state where Giant has strong regulatory, community and political relationships
  - Reduce nuclear risk for the combined company
  - Natural hedge between Asteroid supply needs and Giant portfolio
  - Significant potential long term shareholder value with opportunity to add additional regulated plants to fill needs of generation short utility
- Timing is opportune as Asteroid is currently under-earning on utility assets as a result of negative management perceptions
- Operational efficiency gains exist in areas of Asteroid where capital has been withheld due to financial stress
- Larger regulated balance sheet
- Additional environmental and DSM opportunities
- Partnership with Blue to divest non-core gas and electric properties at favorable multiples reduces risk of transaction



# Process Update

---

- Met with Management and legal counsel during weeks of December 11-15<sup>th</sup> and 18-20<sup>th</sup> to negotiate terms of Merger Agreement and Asset Purchase Agreement
- Progress on agreements presented by Asteroid team to its Board of Directors on Dec 20<sup>th</sup>
- Blue diligence meetings held in Omaha, NE with Asteroid management on Dec. 20<sup>th</sup>
- Asteroid reverse due diligence underway with Giant mgt. presentation on Dec. 21<sup>st</sup>
- Received Missouri rate order on KCPL rate case on December 21<sup>st</sup>
- Giant retains Sagent Advisors for second fairness opinion on December 21<sup>st</sup>
- Giant met with Deloitte to discuss process for pro-forma accounting statement preparation
- Update Financial analysis based on due diligence and rate orders
- Update S&P and retain Moody's advisory services for final credit review Jan 2<sup>nd</sup> – 5<sup>th</sup>
- No negotiation to date on non-binding bid price of \$4.50. Asteroid stock price has hovered around \$4.75 with an intra-day high of \$4.86 on Dec. 26<sup>th</sup>

# Non-Binding Bid

- Non-binding bid recommendation was presented to the board based on two scenarios
  - “Low Case” scenario with a range of \$4.28-\$4.71
  - “High Case” scenario with a range of \$4.53-\$5.28
- Management narrowed the high and low case bandwidth to propose a final bid range of \$4.40-\$4.60
  - “High Case” assumptions:
    - 11% ROE
    - 50% synergy retention for 3 years
    - Actual cost of debt recovered in rates (8.9%)
    - 55% equity capital structure
  - “Low Case” assumptions
    - 10.5% ROE
    - 50% synergy retention for 3 years
    - 7% cost of debt recovered in rates
    - 55% equity capital structure
- Non-binding bid of \$4.50 was submitted to Asteroid Board



# Updated Financial Analysis

---

- Since the submittal of the non-binding bid, two material changes have occurred
  - Asteroid lost its bid for the Aries plant
    - Reduced assumed Asteroid rate base by \$160m
    - Reduced customer rate increase expectation from 20% to 14%
  - Giant has received Missouri rate case order
    - 11.25% ROE
    - Favorable long term off-system sales treatment
      - Reduced need for amortization
      - Reduced need for hybrid securities

## Material Assumption Changes for Final Analysis

- Rate case assumptions for final bid
  - ROE of 11% (vs. 11.25% achieved at KCP&L)
  - Actual cost of debt recovered: 8.6% (vs. 7% recovered today)
  - 50% synergy retention for 3 years
  - 55% equity capitalization (consistent with KCP&L plan)
- \$50m of additional energy efficiency and demand management
- 100MW of additional wind generation
- Updated CEP capex spending for Iatan
- Usage of \$400m of hybrid securities
- Additional \$300m of equity issued to support Asteroid debt write-up and capital expenditures – supported by recovering actual debt costs
- Very limited usage of amortization
- Increased legal reserve from \$17m to \$35m

Updated financial analysis continues to support a valuation range of \$4.40-\$4.60 and management recommends a firm \$4.50 final offer

# Credit Suisse Sum-of-the-Parts Analysis

(\$ in millions, except per share data)

	EBITDA <sup>(1)</sup>		Rate Base		Implied EBITDA Multiple		Implied Rate Base Multiple		Indicative Reference Range				
	2007E	2010E	2007E	2010E	2007E	2010E	2007E	2010E					
Giant Retained Utilities (MoPub/SJLP) <sup>(2)</sup>	\$151	\$322	\$1,012	\$1,960	10.4x - 12.9x	4.9x - 6.0x	1.6x - 1.9x	0.8x - 1.0x	\$1,576	- \$1,946			
Blue Retained Utilities (Blue Bid)	\$97	\$123	\$519	\$574	9.7x - 9.7x	7.6x - 7.6x	1.8x - 1.8x	1.6x - 1.6x	\$940	- \$940			
<b>Total Utilities</b>	<b>\$248</b>	<b>\$445</b>	<b>\$1,531</b>	<b>\$2,534</b>	<b>10.2x - 11.6x</b>	<b>5.6x - 6.5x</b>	<b>1.6x - 1.9x</b>	<b>1.0x - 1.1x</b>	<b>\$2,516</b>	<b>- \$2,886</b>			
	<b>MW</b>						<b>\$/kW</b>		<b>Value</b>				
Crossroads Peaker	340						\$147 - \$147		\$50	- \$50			
					<b>NOLs Available</b>		<b>AMT Credits</b>		<b>State Taxes &amp; AMT</b>				
NOLs and AMT Credits Available, Net of State Taxes <sup>(3)</sup>					\$324		\$93		(\$41)				
<b>Enterprise Value Reference Range</b>									<b>\$2,699 - \$3,068</b>				
<b>Corporate Adjustments (12/31/06E)</b>													
Total Debt										\$1,412	- \$1,412		
Plus: Market Value of Debt Adjustment										219	- 219		
Plus: Legal Contingent Liabilities <sup>(4)</sup>										22	- 22		
Plus: Unfunded Pension Liability										9	- 9		
Less: Mark-to-Market of Merchant Book <sup>(4)</sup>										(9)	- (9)		
Less: Proceeds from Kansas Electric Sale <sup>(5)</sup>										(249)	- (249)		
Less: Cash and Cash Equivalents <sup>(8)</sup>										(253)	- (253)		
Less: Restricted Cash										(84)	- (84)		
Corporate Adjustments										\$1,066	- \$1,066		
<b>Equity Value Reference Range</b>									<b>\$1,633 - \$2,002</b>				
Fully Diluted Shares										376.6	- 377.0		
<b>Equity Value Reference Range per Share (Before Synergies)</b>									<b>\$4.34 - \$5.31</b>				
Transaction Expenses <sup>(7)</sup>										<b>Net Outflow</b>		<b>Per Share</b>	
										(\$40)		(\$0.11) - (\$0.11)	
										<b>NPV</b>		<b>Per Share</b>	
Retained Synergies <sup>(6)</sup>										7.75% - 6.75%		\$0.17 - \$0.17	
										\$66 - \$66		\$0.17 - \$0.17	
<b>Equity Value Reference Range per Share (With Synergies)</b>									<b>\$4.40 - \$5.38</b>				
Premium / (Discount) to Asteroid Closing Price of \$4.71 (12/22/06)										(6.5%)		14.2%	

Source: Asteroid management plan, as adjusted by Giant management, and Giant management plan.

(1) EBITDA excluding regulatory amortization.

(2) Indicative reference range based on 6.75%-7.75% discount rate and 8.0x-8.0x terminal EBITDA multiple.

(3) Estimated NPV of potential tax benefits from remaining NOLs and AMT credits assuming a 7.250% discount rate. Based on \$324 MM of NOLs and \$93 MM of AMT credits available after sale of utilities to Blue assuming that \$414 MM NCLs are utilized to partially offset the \$724 MM of taxable gain on the sale. State taxes of \$27 MM and alternative minimum taxes of \$14 MM payable on the sale.

(4) Based on disclosure in 09/30/06 10-Q and Giant management.

(5) Sale of Kansas Electric expected to close in Q1 2007.

(6) Adjusted to exclude use of funds in Aries acquisition.

(7) Reflects transaction costs of \$25 MM related to Giant's advisors and consultants, and \$25 MM related to Asteroid's advisors. Assumes 50% of transaction costs are tax deductible.

(8) Reflects NPV of after-tax retained synergies of 50% of incremental overhead and operational efficiency savings and 25% of joint dispatch savings. Also reflects NPV effect of recovery of restructuring costs.



# Accretion/Dilution Analysis

(\$ in millions)

	2008E	2009E	2010E	2011E
<b>Revenue</b>				
Giant	\$3,393	\$3,923	\$4,336	\$4,719
Asteroid	742	800	880	946
Total	\$4,134	\$4,723	\$5,216	\$5,665
<b>EBITDA <sup>(1)</sup></b>				
Giant	\$543	\$640	\$732	\$780
Asteroid	213	265	322	370
EBITDA Before Synergies	\$756	\$905	\$1,054	\$1,150
<b>Retained Synergies</b>				
Net O&M Savings – 50%	\$26	\$32	\$34	–
Joint Dispatch Savings – 25%	3	3	3	–
Unallocated Overhead Savings – 100%	3	3	4	–
Total Retained Synergies	\$31	\$37	\$41	–
<b>Pro Forma EBITDA with Synergies <sup>(1)</sup></b>				
	<b>\$788</b>	<b>\$942</b>	<b>\$1,096</b>	<b>\$1,150</b>
% Growth		19.6%	16.3%	5.0%
<b>Net Income</b>				
Giant Standalone	\$186	\$215	\$243	\$268
Pro Forma with Synergies	260	306	365	385
Increase / (Decrease)	\$74	\$91	\$122	\$116
<b>Average Shares</b>				
Giant Standalone	90.6	96.3	100.4	102.8
Shares Issued in Transaction	32.1	32.1	32.1	32.1
Equity Issuances <sup>(2)</sup>	1.1	5.5	9.2	9.2
Pro Forma	123.7	133.8	141.6	144.0
<b>EPS</b>				
Giant Standalone	\$2.05	\$2.23	\$2.42	\$2.61
Pro Forma with Synergies	2.10	2.29	2.58	2.67
<b>Accretion / (Dilution) – \$</b>				
	<b>\$0.05</b>	<b>\$0.06</b>	<b>\$0.15</b>	<b>\$0.06</b>
<b>Accretion / (Dilution) – %</b>				
	<b>2.3%</b>	<b>2.5%</b>	<b>6.4%</b>	<b>2.2%</b>
<b>EPS Impact of Retained Synergies</b>				
	<b>\$0.15</b>	<b>\$0.18</b>	<b>\$0.18</b>	<b>–</b>

Source: Giant data and retained synergies per Giant management. Asteroid data per Asteroid management plan, as adjusted by Giant management.

(1) EBITDA includes income related to AFUDC equity.

(2) Equity issuances assumed to take place at the end of the third quarter.



# Asteroid Rate Plan

---

- **2007 Merger case**

- Merger case would request base rate increase reflecting new capital structure, cost of debt recovery, and capex spending
- Fuel adjustments clause rate impacts
- Request to merge Giant's 2007 rate filing, Asteroid's new rate filing into merger case

- **2008 Rate case**

- Anticipated to adjust for rate base inclusions for environmental investment & to reflect new equity issuance to support capex plan
- Fuel adjustment clause impacts
- Amortization request to balance credit ratios
- 50% of synergies anticipated to be maintained
- Deal costs anticipated to be amortized over 5 year period
- 50% of synergies retained for three years, at which point all synergies included in cost of service

- |  |
|--|
| <ul style="list-style-type: none"><li>• The net rate increase to Asteroid's customers through 2010 is anticipated to be approximately 20% lower in Giant plan vs. Asteroid's management plan</li></ul> |
|--|

# Asteroid Anticipated Rate Path

- Amortization need greatly reduced by inclusion of 2008 base rate case
- Overall rate path is gradual with achievable rate increases

(\$ in millions)

	2007E <sup>(1)</sup>	2008E	2009E	2010E	2011E	2012E
<b>2007 Asteroid Rate Case (Filed In July 2006)</b>						
Fuel Adjustment Clause	\$57.8	\$57.8	\$57.8	\$62.0	\$62.4	\$63.1
Plant Allocations	30.6	30.6	30.6	30.6	30.6	30.6
Total	\$88.4	\$88.4	\$88.4	\$92.6	\$93.0	\$93.7
<b>Projected Rate Cases Before Synergies</b>						
Amortization of Restructuring Costs <sup>(2)</sup>		\$12.6	\$12.6	\$12.6	\$12.6	\$12.6
2008 Rate Case		33.8	33.8	33.8	33.8	33.8
2009 Rate Case			28.5	28.5	28.5	28.5
2010 Rate Case						
Inflation, Allocations, Other				44.2	44.2	44.2
Iatan II Power Plant				28.5	28.5	28.5
2011 Rate Case					43.4	43.4
2012 Rate Case						2.8
Regulatory Amortization to Achieve 21% FFO/Debt	-	-	14.0	-	-	-
<b>Cum. Rate Increase Required Before Synergies</b>	<b>\$88.4</b>	<b>\$134.9</b>	<b>\$177.4</b>	<b>\$240.3</b>	<b>\$284.0</b>	<b>\$287.6</b>
(-) Total Synergies	-	(65.9)	(77.5)	(83.8)	(93.0)	(94.6)
(+) Pre-Tax Synergies Retained	-	31.1	37.3	41.4	-	-
<b>Cum. Rate Increase Required After Synergies</b>	<b>\$88.4</b>	<b>\$100.1</b>	<b>\$137.2</b>	<b>\$197.8</b>	<b>\$191.0</b>	<b>\$192.9</b>
<b>% of 2006E Revenue<sup>(3)</sup></b>	<b>14.1%</b>	<b>15.9%</b>	<b>21.8%</b>	<b>31.5%</b>	<b>30.4%</b>	<b>30.7%</b>
<b>Rate Increase / (Decrease) per Year</b>	<b>\$88.4</b>	<b>\$11.7</b>	<b>\$37.1</b>	<b>\$60.5</b>	<b>(\$6.7)</b>	<b>\$1.9</b>
<b>% of Prior Year Revenue<sup>(2)</sup></b>	<b>14.1%</b>	<b>1.8%</b>	<b>5.0%</b>	<b>7.6%</b>	<b>(0.8%)</b>	<b>0.2%</b>
Rate Base	\$1,012	\$1,209	\$1,511	\$1,960	\$1,990	\$2,012
Regulatory ROE		8.4%	7.4%	8.5%	10.8%	11.3%

Note: Rate case assumptions based on Asteroid management plan as adjusted by Giant management.

Does not include impact of wind tax credits.

(1) Figures adjusted to reflect full-year impact of 2007 rate cases for illustrative purposes.

(2) Reflects recovery of restructuring costs of \$63.1 MM over 5 years.

(3) 2006E Revenues of \$628.5 MM, adjusted to reflect full-year impact of \$30.8 MM rate increase in March 2006.



# Visit with Regulators

---

- GXP management and board believe conversations with regulators are necessary prior to consummation of a merger for 3 reasons:
  - Rate path: GXP is in the best position of any buyer to keep customer rates as low as possible. However, material rate increases are needed to support investment (generation, distribution, and DM/EE), fuel costs, and credit demands. Regulatory support for increases to support these concepts is important
  - Amortization provision: Amortization is necessary to achieve investment grade status in the early years of the plan. Willingness to extend KCPL amortization deal to the merged company needs to be discussed with regulators
  - Synergy retention: The approach to synergy retention needs to be discussed with regulators
  - Recovery of actual cost of debt: The \$150m write-up to market levels of Asteroid's high interest debt creates a greater need for equity to balance the capital structure and improve credit position. It's less expensive in the near term for customers to provide 11% return on equity to fill this hole vs. amortization to achieve 21% FFO/Debt ratio<sup>11</sup>

# Key Risks & Opportunities

## Potential Upsides / Downsides

(\$ in millions, except per share values)

	Present Value Impact		Probability	Probability Adjusted		Comments
	Amount	Per Share		Amount	Per Share	
<b>Negatives</b>						
Removal of South Harper	(\$27.5)	(\$0.07)	50.0%	(\$13.7)	(\$0.04)	PV of \$50 MM pre-tax cost of removing South Harper incurred in 2008 not recovered in rate case.
Civil Claims in Tacoma and Nevada	(30.5)	(0.08)	25.0%	(7.6)	(0.02)	Potential exposure of \$50 MM pre tax and \$31 MM after tax.
New MPSC Case	(18.3)	(0.05)	50.0%	(9.2)	(0.02)	Gas market manipulation case recently filed by the MPSC. Potential exposure of \$30 MM pre tax and \$18 MM after tax.
<b>Potential Negative Regulatory Outcomes:</b>						
2008 Rate Case <sup>(1)</sup>	(18.6)	(0.05)	50.0%	(9.3)	(0.02)	PV of regulatory decision negating 2008 rate case.
Less Synergies Retained	(14.7)	(0.04)	50.0%	(7.4)	(0.02)	PV of retaining 25% synergies instead of 50%.
<b>Subtotal</b>	<b>(\$109.6)</b>	<b>(\$0.29)</b>		<b>(\$47.2)</b>	<b>(\$0.13)</b>	
<b>Positives</b>						
DM / EE Capex <sup>(1)</sup>	\$34.4	\$0.09	80.0%	\$27.5	\$0.07	Incremental DM / EE capex of \$150 MM (\$37.5 MM annually from 2008 – 2011). The amount assumes recovery of lost revenues.
100 MW Wind Farm <sup>(1)</sup>	52.8	0.14	80.0%	42.2	0.11	Assumes construction completed in 2010. Capex of \$185 MM with 5 yr MACRS.
Elwood Tax Treatment	33.8	0.09	65.0%	21.8	0.06	Assumes \$179 MM Elwood loss characterized as an NOL instead of NCL.
<b>Potential Positive Regulatory Outcomes:</b>						
Additional annual retained synergies of \$10 MM	15.4	0.04	25.0%	3.8	0.01	
<b>Subtotal</b>	<b>\$136.2</b>	<b>\$0.36</b>		<b>\$95.4</b>	<b>\$0.25</b>	
<b>Net Impact</b>	<b>\$26.6</b>	<b>\$0.07</b>		<b>\$48.3</b>	<b>\$0.13</b>	

Note: Value Impact computed at 7.25% WACC. Per share impact computed using 376.7MM shares outstanding.

(1) Assumes ROE of 11.0%, cost of debt of 7.0% and equity component of 55.0%.



# Risk Mitigation Options

---

- Negative impacts to cash position which endanger credit rating
  - Reduction in capital expenditures
  - Issuance of additional hybrid securities (only \$400/\$900 issued)
  - Drop below investment grade level
  - Sale of Strategic Energy (\$300-\$400m potential)
  - Amortization provision or rate case would balance any multi-year event
- MPSC denies treatment for actual cost of debt
  - Issue less equity, lowering earnings, while increasing amortization level to balance credit position. While earnings are lower, cash and the value of the entity are increased, effectively offsetting the lack of debt recovery
- MPSC denies synergy treatment
  - Would endanger accretion in early years of the plan
  - Seeking rate moratorium for first 2 years of plan may secure synergies for 2.5 years
  - Amortization would fill the cash flow gap and only slightly lower valuation

# A successful acquisition of Asteroid will reinforce and advance GPE's Strategic Intent

## STRATEGIC INTENT:

- Increases Shareholder Value
- Improves Total Living Environment



# Priority Audiences and Primary Concerns

## INTERNAL

### Management

- Job Security
- Salary and benefits
- Pension
- Job location
- Support Staff vs. Operational

### Unions

- Job Security
- Giant approach to union consolidation
- Potential changes to work rules
- Seniority

### Retirees

- Benefits
- Pensions

## EXTERNAL

### Financial

- Deal value
- Go-forward management
- Go-forward strategy
- Integration plan

### Community

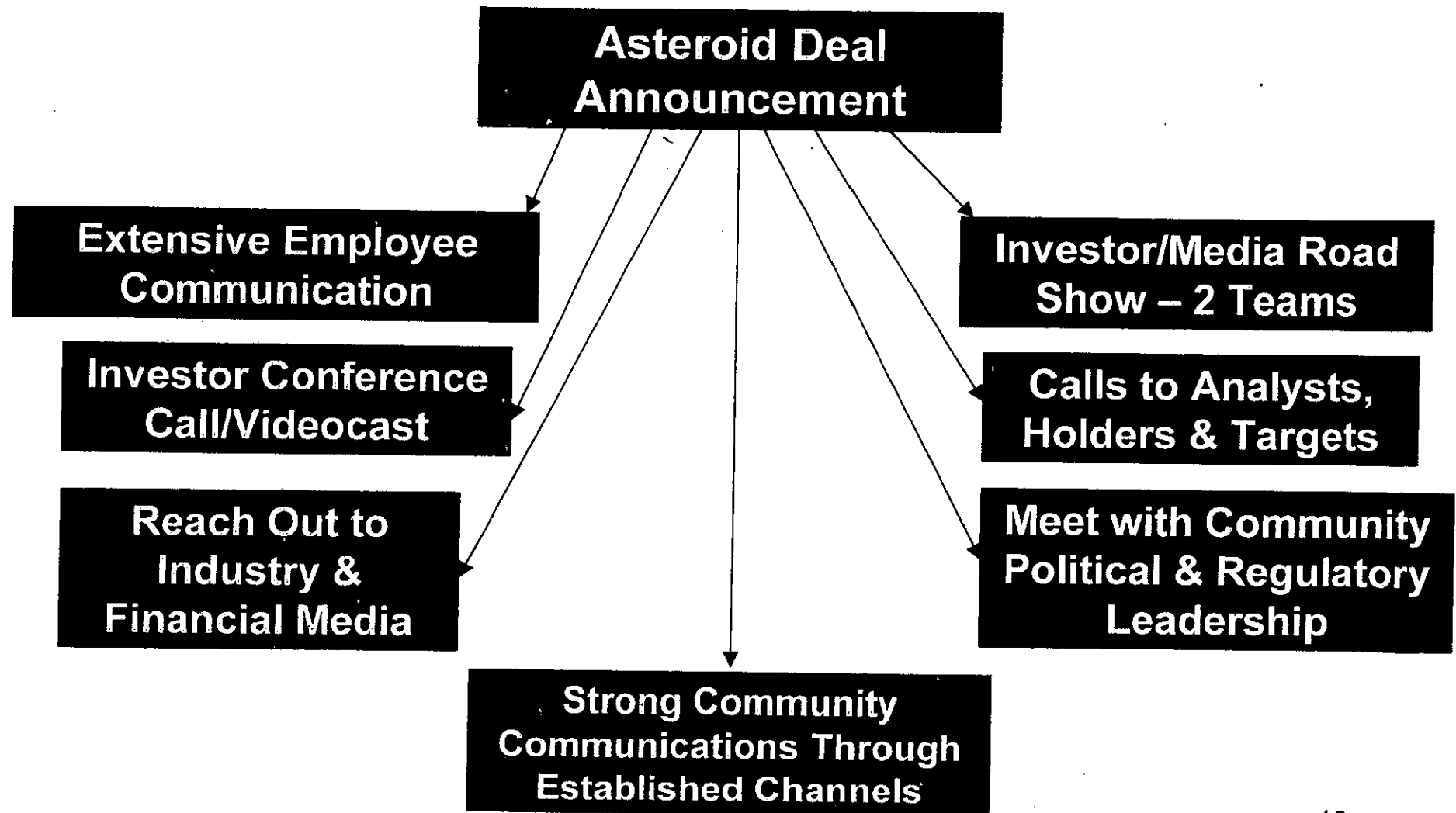
- Impact on local jobs
- Environment
- Rates for residents and businesses
- Community investment, engagement and commitment

### Customers

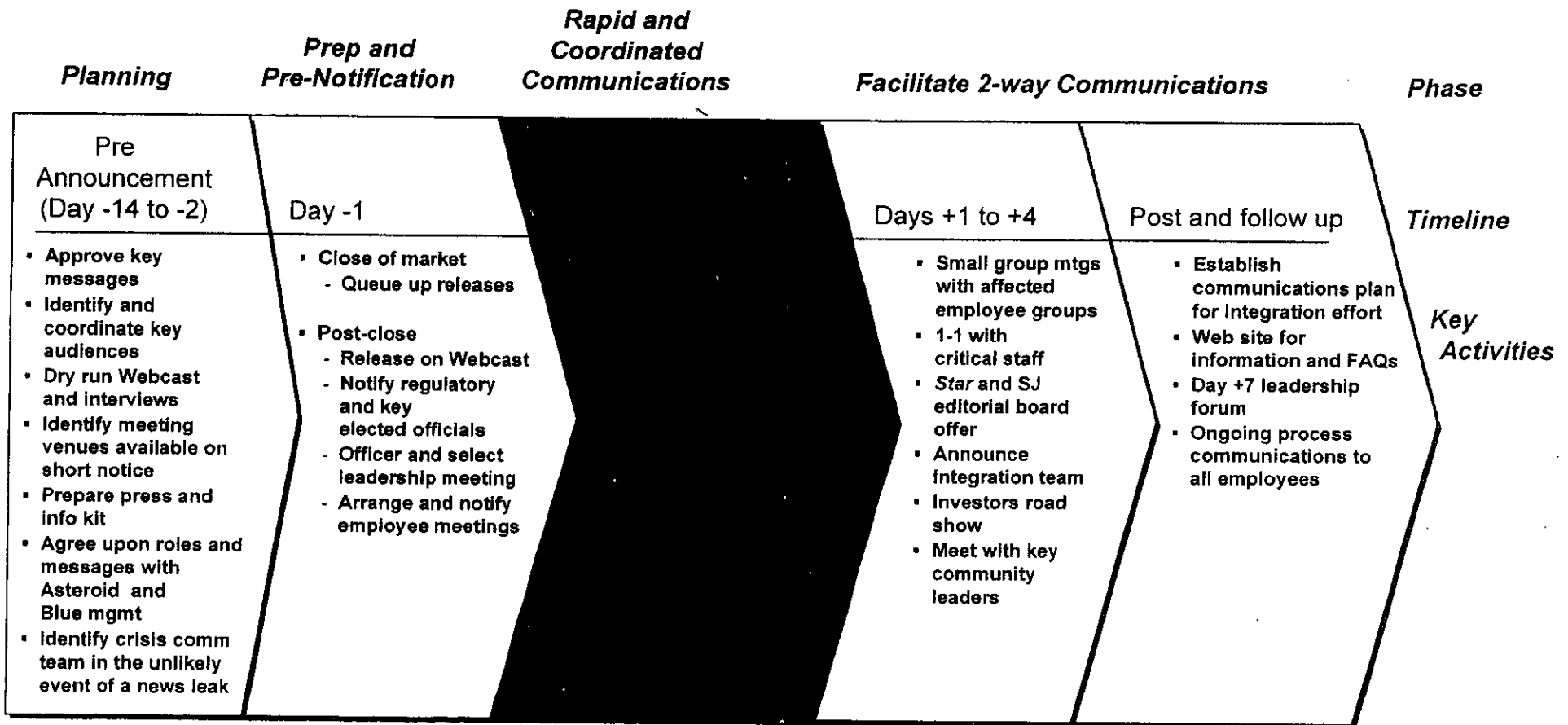
- Prices and rates—short term and long term
- Reliability of service
- Quality of customer care
- Minimal disruption



# Asteroid Communication Overview



# Announcement Communications Milestones





# Timeline

---

- Key dates
  - Finalize contract negotiations with Asteroid
  - Meet with regulators
  - Board meeting on Sunday, January 14<sup>th</sup> or 21<sup>st</sup>
  - Announcement before market opens on Jan 15<sup>th</sup> or 22<sup>nd</sup>
- A detailed timeline highlighting activities between now and signing is on the next page

# Detailed Timeline

ACTIVITY	PARTICIPANTS	1-Jan-07	8-Jan-07	15-Jan-07	22-Jan-07
Exclusivity Period (Extension to Allow for Regulatory Dialogue)	All				
<b>Remaining Diligence (On Giant)</b>					
Regulatory Discussion - Jan 3 - 2PM CST / 3 PM EST	Giant / Asteroid				
Financial Q&A Follow Up	Giant / Asteroid				
Strategic Energy Follow Up Call (if any)	Giant / Asteroid				
<b>Contract Negotiation</b>					
Merger Agreement / APA Discussions	All				
Transition Services Agreement with Blue	Giant / Blue				
<b>Blue Delivers Commitment Papers to Asteroid</b>	Blue				
<b>Regulatory Meetings</b>					
Giant Regulatory Meetings	Giant				
Blue Regulatory Meetings	Blue				
<b>Blue Meetings with Regional VPs</b>					
<b>Board Meetings</b>					
Giant Board Meeting 1/20 - 1/21	Giant, CS, Sagent				
Blue Board Meeting 1/20 - 1/21	Blue, CS, Jefferies				
Asteroid Board Meeting 1/20 - 1/21	Asteroid, BS, Lehman				
<b>Public / Investor / Employee Communications</b>					
Prepare Investor / Employee / Community Communications Strategy	Giant, Asteroid				
Announce Transaction Before 9:30am EST 1/22	All				
Investor Call (1/22/07 - 10AM CST)	Giant, Asteroid				
Employee Communications	Giant, Asteroid				
Political / Community Communications	Giant, Asteroid				

# Appendix



# Accretion/Dilution Sensitivities

(\$ in millions, except per share amounts)

		Illustrative Acquisition Price				
		\$4.30	\$4.40	\$4.50	\$4.60	\$4.70
Stock Portion of Consideration		58.1%	59.1%	60.0%	60.9%	61.7%
Implied Premium / (Discount) <sup>(1)</sup>		(8.7%)	(6.6%)	(4.5%)	(2.3%)	(0.2%)
<b>Giant Accretion / (Dilution) with Synergies</b>						
	<b>Standalone</b>					
2008E Pro Forma EPS	\$2.05	\$2.13	\$2.11	\$2.09	\$2.07	\$2.05
EPS Accretion (Dilution) \$		\$0.08	\$0.05	\$0.03	\$0.01	(\$0.01)
Retained Synergies Assumed Pre-Tax		\$31.1	\$31.1	\$31.1	\$31.1	\$31.1
EPS Impact of Retained Synergies		\$0.16	\$0.16	\$0.15	\$0.15	\$0.15
2009E Pro Forma EPS	\$2.23	\$2.33	\$2.30	\$2.28	\$2.26	\$2.24
EPS Accretion (Dilution) \$		\$0.09	\$0.07	\$0.05	\$0.03	\$0.00
Retained Synergies Assumed Pre-Tax		\$40.4	\$40.4	\$40.4	\$40.4	\$40.4
EPS Impact of Retained Synergies		\$0.20	\$0.19	\$0.19	\$0.19	\$0.19
2010E Pro Forma EPS	\$2.42	\$2.65	\$2.63	\$2.60	\$2.58	\$2.55
EPS Accretion (Dilution) \$		\$0.23	\$0.20	\$0.18	\$0.15	\$0.13
Retained Synergies Assumed Pre-Tax		\$42.7	\$42.7	\$42.7	\$42.7	\$42.7
EPS Impact of Retained Synergies		\$0.20	\$0.20	\$0.20	\$0.19	\$0.19
2011E Pro Forma EPS	\$2.61	\$2.74	\$2.72	\$2.69	\$2.67	\$2.64
EPS Accretion (Dilution) \$		\$0.13	\$0.11	\$0.08	\$0.05	\$0.03
EPS Impact of Retained Synergies		-	-	-	-	-
<b>2008 Pro Forma Credit</b>						
Debt / Capitalization	47.9%	48.3%	48.1%	47.8%	47.5%	47.3%
FFO / Average Debt	22.3%	21.0%	21.0%	21.0%	21.0%	21.0%
FFO Interest Coverage	4.6x	4.6x	4.6x	4.6x	4.6x	4.6x

Source: Giant data and retained synergies per Giant management. Asteroid data per Asteroid management plan as adjusted by Giant management.

(1) Compared to Asteroid closing stock price of \$4.71 as of 12/22/06.

# IRR Analysis

(\$ in millions, except per share amounts)

<b>Initial Equity Issued</b>	<b>\$1,017</b>
<b>Exit Value</b>	
2012E EBITDA	\$381
Terminal Value Multiple	8.5x
Implied Enterprise Value	\$3,238
(-) Net Debt (12/31/12E)	(893)
<b>Implied Equity Value (12/31/12E)</b>	<b>\$2,345</b>

## IRR Calculation

(\$ in millions)

	2007E	2008E	2009E	2010E	2011E	2012E
Free Cash Flows to Equity	(\$1,017)	(\$134)	(\$160)	-	-	\$2,345
<b>IRR</b>	<b>13.2%</b>					

## IRR Sensitivity

	Exit Multiple		
	8.0x	8.5x	9.0x
IRR	11.2%	13.2%	15.1%

# IRR & DCF Sensitivities

(\$ in millions, except per share amounts)

	IRR <sup>(1)</sup>	Equity Value per Share <sup>(2)</sup>		
		Low	–	High
Base Case	13.2%	\$4.40	–	\$5.38
No Retention of Synergies	12.4%	4.26	–	5.23
Regulatory ROE of 10.5% for Rate Cases	12.2%	4.24	–	5.19
50% Equity Ratio for Rate Cases	12.1%	4.22	–	5.17
Decrease of capex in 2009 by \$100 MM	12.8%	4.37	–	5.31
Pre-Tax Pension Related Outlay of \$25 MM on 12/31/07E	13.0%	4.36	–	5.34

(1) IRR based on 2012E terminal value EBITDA multiple of 8.5x.

(2) Equity value reference range per share including PV of synergies, restructuring costs and transaction expenses.



# Credit Statistics

(\$ in millions)

	Giant			Asteroid (Post-Asset Sale)			Pro Forma		
	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E
<b>Selected Financial Metrics</b>									
Adjusted EBITDA <sup>(1)</sup>	\$506	\$597	\$698	\$206	\$253	\$316	\$744	\$888	\$1,055
Adjusted Cash Interest	93	106	119	71	88	99	154	177	198
Adjusted FFO <sup>(2)</sup>	347	385	471	136	175	230	537	624	758
Hybrid Interest Adjustment <sup>(3)</sup>	8	8	8	5	5	5	13	13	13
Utility Capex	742	544	378	383	489	244	1,125	1,033	623
Dividends	150	159	167	-	-	-	205	222	236
<b>Capitalization</b>									
Cash	\$18	\$18	\$18	\$791	\$791	\$791	-	-	-
Adjusted Total Debt <sup>(4)</sup>	1,654	1,827	1,801	1,009	1,328	1,351	2,648	2,989	2,998
Hybrid Financing	250	250	250	150	150	150	400	400	400
Preferred	39	39	39	-	-	-	39	39	39
Shareholders' Equity	1,774	1,997	2,183	1,887	1,945	2,029	2,945	3,357	3,596
Total Capitalization	3,717	4,113	4,273	3,046	3,423	3,530	6,032	6,785	7,033
Off-Balance Sheet Debt	\$205	\$198	\$192	-	-	-	\$205	\$198	\$192
Hybrid Equity Credit - 50.0%	125	125	125	75	75	75	200	200	200
Hybrid Debt Credit - 50.0%	125	125	125	75	75	75	200	200	200
Average Debt	1,596	1,865	1,939	953	1,244	1,415	2,618	3,019	3,194
<b>Selected Credit Statistics <sup>(5)</sup></b>									
Average Debt / EBITDA	3.0x	3.0x	2.7x	4.6x	4.9x	4.5x	3.4x	3.3x	3.0x
FFO / Average Debt	22.3%	21.0%	24.7%	14.6%	14.3%	16.5%	21.0%	21.0%	24.1%
Debt / Capitalization	47.9%	47.5%	45.1%	35.6%	41.0%	40.4%	47.2%	47.0%	45.5%
Net Debt / Capitalization	47.4%	47.0%	44.6%	9.6%	17.9%	18.0%	47.2%	47.0%	45.5%
EBITDA / Interest	5.3x	5.2x	5.6x	3.1x	3.0x	3.4x	4.9x	4.9x	5.3x
FFO Interest Coverage	4.6x	4.3x	4.7x	3.1x	3.1x	3.5x	4.5x	4.4x	4.8x
<b>Regulatory Amortization Assumed</b>							-	\$14	-

Notes: Giant data and retained synergies per Giant management. Asteroid data per Asteroid management plan as adjusted by Giant management. BP denotes business position by S&P.

(1) Adjusted EBITDA includes equity in earnings of affiliates and excludes income related to AFUDC equity for credit statistics.

(2) Adjusted FFO includes non-cash amortization of debt write-up.

(3) Assumes 50% equity credit to the hybrid financing.

(4) Total debt includes off-balance sheet debt and capitalized lease obligations and excludes hybrid financing.

(5) Credit statistics reflect off-balance sheet debt, capitalized lease obligations and the write-up of debt related to the transaction.

# Hybrid Financing Sensitivity

- Hybrid instrument provides \$8-\$9m of cash flow offset per \$50m of hybrid issuance
- Limit of 15% of capital structure of \$900m on total hybrid issuance
- \$500m of hybrid = \$80-\$90m of cash flow cushion

(\$ in millions)

		Hybrid Preferred Issued <sup>(1)</sup>						
Total:		\$400	\$450	\$500	\$550	\$600	\$650	\$700
Asteroid:		150	200	250	300	350	400	450
<b>Regulatory</b>	<b>2008</b>	\$25	\$16	\$7	\$6	\$6	\$5	\$5
<b>Amortization</b>	<b>2009</b>	89	81	73	65	57	49	40
<b>Required <sup>(2)</sup></b>	<b>2010</b>	-	-	-	-	-	-	-
	<b>2011</b>	-	-	-	-	-	-	-

(1) Including \$250 MM of Hybrid Preferred issued at Giant in 2007. Balance of total assumed issued at Asteroid in 2008.

(2) Regulatory amortization required to achieve 21% FFO/Debt.

# Sources & Uses / Pro-Forma Capitalization

## Sources and Uses

(\$ in millions)

Sources		Uses	
<b>Asset Sale – Asteroid Perspective</b>			
Proceeds from Asset Sale to Blue	\$940	Cash Proceeds	\$949
Proceeds from Sale of Crossroads Peaker	50	State Taxes and AMT on Sale	41
<b>Total</b>	<b>\$990</b>	<b>Total</b>	<b>\$990</b>
<b>Corporate Acquisition – Giant Perspective</b>			
Stock Issuance	\$1,017	Stock consideration to Asteroid Shareholders	\$1,017
Asset Sale Cash Proceeds	949	Cash consideration to Asteroid Shareholders	678
Debt Assumed Net of Debt Tender <sup>(1)</sup>	747	Debt Assumed Net of Debt Tender <sup>(1)</sup>	747
Hybrid Financing	150	Paydown of Asteroid Debt	488
Existing Cash Balance	192	Premium on Debt Tender	11
		Transaction Expenses	50
		Restructuring Costs (Capitalized Portion)	63
<b>Total</b>	<b>\$3,055</b>	<b>Total</b>	<b>\$3,055</b>

Source: Giant management.

(1) Excludes debt write-up and hybrid financing.

## 2007E Pro-Forma Capitalization

(\$ in millions)

	Giant Stand-Alone <sup>(1)</sup>	Asteroid Stand-Alone <sup>(1)</sup>	Transaction Adjustments				Giant / Asteroid Pro Forma
			Asset Sale <sup>(2)</sup>	Arles and Iatan Adjustment <sup>(3)</sup>	Merger Adjustments <sup>(4)</sup>	Debt Pay-Down <sup>(5)</sup>	
Cash	\$33	-	\$949	\$6	(\$791)	(\$163)	\$33
Existing Debt	\$1,321	\$1,235	-	-	\$151	(\$488)	\$2,219
Hybrid Issuance	-	-	-	-	-	150	150
<b>Total Debt</b>	<b>\$1,321</b>	<b>\$1,235</b>					<b>\$2,369</b>
Preferred Stock	39	-	-	-	-	-	39
Shareholders' Equity	1,518	1,554	285	6	(821)	(7)	2,536
<b>Total Capitalization</b>	<b>\$2,879</b>	<b>\$2,789</b>					<b>\$4,944</b>

(1) Based on Giant and Asteroid management plans.

(2) Proceeds include \$940 MM from Blue and \$50 MM from sale of Crossroads Peaker net of related state tax payment of \$27 MM and AMT of \$14 MM. Shareholders' equity reflects after-tax book gain on the sale.

(3) Includes adjustments for Giant assumptions related to Iatan and other incremental capital expenditures.

(4) \$678 MM paid to Asteroid shareholders and \$113 MM of transaction and restructuring costs incurred. \$151 MM of existing Asteroid debt written up to fair value.

(5) Pay-down of \$488 MM face value of Asteroid debt with cash from asset sales and hybrid issuance to achieve pro forma credit ratios in line with stand-alone Giant management plan.

# Pro Forma Asteroid Debt

(\$ in millions)

Debt Issue	Coupon	Debt Balance			Pro Forma 2007E
		Standalone 2007E <sup>(1)</sup>	Adjustments		
			Hybrid	Debt Tender	
14.875% (Originally 11.875%) Senior Notes due 7/1/2012	11.875% <sup>(2)</sup>	\$500.0	–	–	\$500.0
8.0% Senior Notes due 3/1/2023	8.000%	51.5	–	(51.5)	–
7.875% Retail QUIBS due 3/1/2032	7.875%	287.5	–	(287.5)	–
9.44% SJLP First Mortgage Bonds due 2021	9.440%	38.4	–	–	38.4
7.75% Senior Notes due 6/15/2011	7.750%	122.0	–	(122.0)	–
8.27% Senior Notes due 11/15/2021	8.270%	80.9	–	–	80.9
Iatan Financing and Revolver	6.000% <sup>(3)</sup>	129.8	–	(27.1)	102.7
Other Notes and Obligations	4.950%	25.0	–	–	25.0
Hybrid Preferred	6.500%	–	150.0	–	150.0
<b>Total</b>		<b>\$1,235.1</b>	<b>\$150.0</b>	<b>(\$488.1)</b>	<b>\$897.0</b>

(1) As per Asteroid Management.

(2) Assumes notes are reset to original coupon of 11.875%.

(3) Assumes refinancing of existing revolver facility in line with Giant's cost of debt upon obtaining investment grade from all three agencies.

# Asteroid Capex – Asteroid Management Plan

(\$ In millions)

	2006E	2007E	Post-Transaction Period					Total
			2008E	2009E	2010E	2011E	2012E	'07-'12
Iatan 2	\$19.6	\$80.8	\$111.5	\$67.8	\$30.6	-	-	\$290.7
Iatan 1	5.2	30.4	23.8	-	-	-	-	54.2
Sibley	0.2	8.4	38.7	6.1	2.5	-	-	55.7
Jeffery	0.6	10.2	8.8	4.8	-	-	-	23.8
Other	84.5	8.0	12.1	15.0	51.8	56.0	65.7	208.5
Generation	1.2	25.2	24.8	26.8	12.7	13.2	7.8	110.5
Environmental	0.2	0.1	2.0	2.2	2.5	-	-	6.8
Substation	-	11.9	18.3	23.8	1.3	1.4	1.4	58.1
Transmission	-	15.1	26.4	8.0	3.4	3.5	3.6	60.0
Distribution	-	35.7	35.6	34.9	36.6	37.7	38.9	219.4
<b>Total</b>	<b>\$111.5</b>	<b>\$225.8</b>	<b>\$302.0</b>	<b>\$189.3</b>	<b>\$141.4</b>	<b>\$111.8</b>	<b>\$117.4</b>	<b>\$1,087.8</b>

# MoPub Assumed Additional CapEx

Below is capex spending assumed in the valuation model above the levels contained in Asteroid's current capex budget

(\$ in millions)

	2006E	2007E	Post-Transaction Period					Total
			2008E	2009E	2010E	2011E	2012E	'07-'12
<b>Asteroid Management Estimates <sup>(1)</sup></b>	<b>\$111.5</b>	<b>\$225.8</b>	<b>\$302.0</b>	<b>\$189.3</b>	<b>\$141.4</b>	<b>\$111.8</b>	<b>\$117.4</b>	<b>\$1,087.8</b>
<b>Adjustments (No Impact on Rate Base)</b>								
Reversal of Missouri Coal Generation	-	-	-	-	-	(\$5.7)	(\$14.9)	(\$20.6)
Iatan Adjustment	(1.2)	(14.8)	6.5	12.6	(12.3)	-	-	(7.9)
<b>Total</b>	<b>(\$1.2)</b>	<b>(\$14.8)</b>	<b>\$6.5</b>	<b>\$12.6</b>	<b>(\$12.3)</b>	<b>(\$5.7)</b>	<b>(\$14.9)</b>	<b>(\$28.5)</b>
<b>Adjustments (With Impact on Rate Base)</b>								
Increased Iatan-I Environmental Estimate	0.8	(6.6)	12.6	1.6	-	-	-	7.6
Wind Farm Investment (100 MW)	-	-	-	185.0	-	-	-	185.0
Other Generation	-	-	10.0	10.0	30.0	10.0	10.0	70.0
Total Distribution	-	2.7	46.2	71.8	65.0	32.8	25.6	244.1
Total Transmission	-	-	2.5	7.5	6.0	-	-	16.0
Total IT	-	5.0	3.4	11.2	14.2	1.7	-	35.5
<b>Total</b>	<b>\$0.8</b>	<b>\$1.1</b>	<b>\$74.7</b>	<b>\$287.1</b>	<b>\$115.2</b>	<b>\$44.5</b>	<b>\$35.6</b>	<b>\$558.2</b>
<b>Total Adjustments to Capex</b>	<b>(0.4)</b>	<b>(13.6)</b>	<b>81.2</b>	<b>299.7</b>	<b>102.9</b>	<b>38.8</b>	<b>20.7</b>	<b>529.7</b>
<b>Total Capex</b>	<b>\$111.1</b>	<b>\$212.2</b>	<b>\$383.2</b>	<b>\$489.0</b>	<b>\$244.4</b>	<b>\$150.6</b>	<b>\$138.1</b>	<b>\$1,617.5</b>

Source: Asteroid management plan as adjusted by Giant management.

(1) Adjusted to exclude Aries acquisition and related capex as per Asteroid management.