PLATTE RIVER POWER AUTHORITY

Minutes

Regular Meeting of the Board of Directors

Thursday, April 29, 2010

The Platte River Power Authority Board of Directors' meeting convened at 8:59 a.m. on Thursday, April 29, 2010, in the Platte River Power Authority boardroom.

BOARD MEMBERS:

Present: Reuben Bergsten of Estes Park; Mayor Doug Hutchinson and Brian Janonis representing Fort Collins; Ralph Mullinix (Chairman) representing Loveland; and Mayor Bryan Baum and Tom Roiniotis representing Longmont.
Absent: Mayor Cecil Gutierrez; Mayor Bill Pinkham
Quorum present? Yes

PRESENT FROM PLATTE RIVER'S MANAGEMENT STAFF:

General Manager, Brian Moeck; and General Counsel, Joe Wilson. Division Managers: John Bleem, Customer & Environmental Services; Mike Dahl, Electric Operations; Jason Frisbie, Power Production; and Dave Smalley, Financial Services.

OTHER PLATTE RIVER STAFF IN ATTENDANCE:

Executive Assistant, Esther Velasquez; Human Resource Manager, Dave Green; Marketing and Community Relations Manager, Jon Little; Financial Planning Manager, Wade Hancock; Community and Media Relations Specialist, Rae Todd; and Plant Maintenance Manager, Doug Adair.

GUESTS AND MEMBERS OF THE PUBLIC:

City of Fort Collins Customer and Employee Relations Manager, Patty Bigner; City of Fort Collins Light & Power Operations Manager, Steve Catanach; and Fort Collins resident Eric Sutherland.

ACTIONS:

(1) Call to Order. Chairman Mullinix convened the meeting at 8:59 a.m., and welcomed new Board member Reuben Bergsten.

(2) Approval of the Regular Meeting Minutes of March 25, 2010.

Director Roiniotis moved to approve the meeting minutes of March 25, 2010; Director Hutchinson seconded the motion. Motion passed 6-0.

(3) Public Comment. No members of the public were in attendance. [Mr. Sutherland arrived later].

(4) Consent Agenda. There were three items for approval on the Consent Agenda:

- Acceptance of 2009 Annual Report
- Audit Committee Charter Revision

- Defined Contribution Retirement Plan Administrator

Director Hutchinson moved to approve the Consent Agenda; Director Roiniotis seconded the motion. Motion passed 6-0.

(5) Legal Counsel Report. General Counsel reported the following:

Market Manipulation Audit. In 2005 Congress enacted the Energy Policy Act, which expanded the Federal Energy Regulatory Commission's (FERC) jurisdiction over market manipulation. Such jurisdiction now includes municipal utilities and coops. In early 2006, the Platte River Board of Directors adopted a market manipulation policy prohibiting any type of market manipulation enforced through bi-annual internal audits. Platte River's Internal Auditor reported a clean audit. The audit is conducted through a questionnaire distributed to all employees involved in the purchase and sale of wholesale power and transmission along with a random review of recorded telephone conversations of merchant personnel.

Ballot Initiatives mentioned on page four of the Legal Counsel Report will be discussed in detail during the Legislative and Regulatory Report.

Organic Contract and Power Supply Agreements. The agreements had been scheduled for first reading before the Fort Collins City Council on April 6; however, due to miscommunication concerning the content, the items were removed from the meeting agenda. Due to the language confusion, a meeting was scheduled between Fort Collins and Loveland staffs to work out an agreement to move forward. Prior to the meeting, the General Manager met with representatives from Estes Park and Longmont to inquire about their position on the contract language. Neither municipality felt a need to attend the meeting since they had no language preference. At the meeting, held on April 20, a compromise was reached. A few changes were made: "demand side resources" was replaced with language to clarify and more accurately reflect the services (energy efficiency, renewable energy, demand side management, and associated communications services) provided by Platte River. The compromise language was distributed to those in attendance at the meeting as well as the City attorneys and utility directors of Longmont and Estes Park. Feedback from both Longmont and Estes Park has been positive. The language will be presented to the Fort Collins City Council on May 18 (first reading) and June 1 (second reading).

Director Hutchinson stated that the proposed process is to pass the contracts on first reading and follow up with final approval after the other municipalities have brought the contracts to their respective councils.

Director Roiniotis stated that Longmont would prefer to wait until after Fort Collins approves the documents. Estes Park will likely follow Longmont's lead and wait until the documents are passed and approved in Fort Collins.

(6) Legislative and Regulatory Report. The General Manager reported the following:

Federal. On Monday, release of the much-anticipated energy independence and climate change draft bill was postponed and immigration reform was announced as the Senate's next priority. Subsequently, Senator Graham (R-SC) announced that he would no longer pursue this legislation in coordination with Senators Lieberman (I-CT) and Kerry (D-MA). Conflicting reports on the status of the bill moving forward seem to infer that if climate change or, as it has become known, energy independence legislation would be a cap and refund program. It seems that legislators are distancing themselves from the term "cap-and-trade." Reportedly, the program would affect resources that produce greater than 25,000 tons of CO_2 emissions, which is essentially all the utility industry, and would contain a cap of 17 percent below 2005 levels by 2020, and 80 percent below 2005 levels by 2050. The bill would preempt any regional or state programs, such as the Western Climate Initiative. The bill will likely include a price collar of $10 to $25 and be subject to inflation. This collar (range) is consistent with the $21 carbon price that KEMA recommended for the Platte River Climate Action Plan. It is also likely that more allowances will be added to the pool, but how they would be allocated is uncertain at this time. The program would likely begin in 2013, which is also consistent with the Platte River Climate Action Plan. Provisions for nuclear energy and on- and off-shore drilling will also likely be included.

As anticipated, the Environmental Protection Agency (EPA) issued its greenhouse gas tailpipe standards, which sets the stage for the EPA's regulation of stationary sources beginning in 2011 and would apply to any major modification to existing sources and any new sources. It is anticipated that Best Available Control Technologies (BACT) for greenhouse gasses will have to be defined this year. The EPA will also be releasing its proposed rule for coal ash in the very near future. Platte River is hopeful the new rule will not define coal ash as a hazardous waste because that may require transport of coal ash off-site and the elimination of our ash sale program.

Revisions to the Clean Air Interstate Rule are expected in May or June and will likely encompass the entire U.S.

State issues. HB10-1162 prohibiting retainage of more than 5 percent on the first 50 percent of a construction project and no more than 2.5 percent on the remainder of the project was voted down in the House on second reading.

HB10-1365 requires investor-owned utilities that own coal-fired electric generating units to submit an emission reduction plan to the PUC to shut down or convert to natural gas, such plan must cover 900 megawatts or 50 percent of the utility's coal-fired units. The bill also limits CO_2 emissions of any converted units to 1100 lbs per megawatt hour produced. According to the executive director of the Colorado Association of Municipal Utilities, the bill was crafted by the natural gas industry, Environment Colorado, the Governor's Energy Office, and Xcel Energy. The bill allows Xcel full cost recovery and rate of return of all costs involved. The Governor has signed the bill. The 1100 lb CO_2 limit could set a precedent for other utilities within the state, which would limit thermal generating units to natural gas combined cycle technology.

SB-180 creates an eleven-member smart grid task force to gather information and report to the general assembly and the PUC on issues related to the implementation of a smart grid in Colorado. This bill has already passed the Senate and has been introduced in the House. The eleven-member panel will consist of two members representing investor-owned electric utilities, one member representing municipal utilities, one member representing cooperative utilities, a member from the Governor's Energy Office, one member representing developers of smart grid hardware, software, or services, one member with expertise in energy policy and regulation at the state and federal level, one member representing consumers, one member representing academic research and development of smart grid technology, one member with expertise in engineering standards, protocols, and technical requirements for smart grid deployment, and one member with expertise in environmental issues.

The General Counsel spoke about proposition 101, and initiatives 60 and 61 dealing with financial matters. Initiative 60 would subject enterprises to property tax. Initiative 61 would limit the time period for the issuance of tax exempt debt to ten years. It would also subject any revenue bond issuance to a vote of the public, which is an issue for Platte River because Platte River does not have easily identified political boundaries. Proposition 101 is a constitutional change to the TABOR Amendment. This initiative has municipal implications concerning “de-Brucing” elections.

Ballot initiatives 95, 96, 97, and 98 were filed on March 26 and have implications for Platte River and the Municipalities. Initiative 95 would eliminate the 40,000-customer threshold for the Renewable Portfolio Standard. Currently, Colorado Springs and Fort Collins Utilities are the only municipal utilities serving more than 40,000 customers. Removing the threshold would make the Renewable Portfolio Standard applicable to all municipal utilities in the state.

Initiatives 96 and 98 deal with the ability of political subdivisions or utilities to alter the applicability of the RPS, essentially allowing entities to vote to increase the Renewable Portfolio Standards that apply to them.

Initiative 97 applies a fleet average of 1100 lbs of carbon dioxide emissions per megawatt hour of generation by 2025, but only applies to cooperatives and municipal utilities.

Initiatives 95 through 98 were filed in response to Initiatives 57 and 58, filed earlier by Western Traditions Partnership, a Montana organization. These initiatives seek to reestablish the ability of coops and municipal utilities to opt out of the Renewable Portfolio Standard by a vote of their customers.

All these initiatives came before a title setting board last week and titles were set for all six initiatives. All were challenged under the theory they contain multiple issues and the titles create voter confusion. A motion for rehearing has been filed for all six initiatives as a means to bring these issues before the Colorado Supreme Court. If these initiatives are put on the ballot, they could have significant impacts on Platte River.

Director Mullinix inquired about the wording on the property tax initiative and the possibility that Platte River may be exempt. The General Counsel stated that Platte River’s tax exempt status is established in the statute, but that he would look into the matter further.

Director Mullinix also inquired about payment in lieu of taxes to Moffat County for the Yampa Project. He was concerned that if Platte River were subject to initiative 60, it would not only be paying property tax, but also payment in lieu of tax under the current agreement with Moffat County.

(7) March Financial Report. The Chief Financial Officer reported on the March financial results.

Net income for the month of March reflected a loss of $1.9 million primarily as the result of a scheduled maintenance outage at Craig Unit 2 and a three-day forced outage at Rawhide Unit 1. The budget projected a loss of $1.7 million. Lower-than-projected operating revenues and higher net financing costs were partially offset by lower operating expenses. Year-to-date net income is $2.3 million, which is $1.5 million ahead of budget.

Operating revenues totaled $13.3 million during March and were $0.8 million behind budget. Municipal sales were $0.4 million below budget with energy deliveries 1.9 percent below budget and billing demand 6.0 percent below budget. Short-term surplus sales were $0.4 million below budget due to a lower-than-projected average selling price. Contract sales to Tri-State were right at budget. Monthly peak demand was 414 MW compared to a budget of 440 MW. Monthly municipal energy was 249 MW compared to a budget of 254.

Interest and other income was $0.1 million under budget due to lower-than-projected interest income.

Operating expenses excluding depreciation in March totaled $11.8 million and were $0.7 million below budget. Purchased power was $0.2 million above budget due to outage assistance purchases. Fuel was $0.1 million above budget as a result of higher-than-projected gas purchases for the peaking units used during the outages. Production expenses were below budget by $0.7 million as the result of lower operations and maintenance costs at Rawhide. Transmission expense was $0.2 million below budget and administrative and general expenses were $0.1 million below budget.

Debt expense of $2.5 million was $0.1 million below budget for the month. Debt service coverage in March was 0.64 times versus a budget of 0.72 times.

Capital expenditures totaled $5.6 million for the month, which is $2.8 million behind budget as the result of payment timing differences.

Resource output from the thermal units during March was 6.9 percent below budget. Rawhide's generation output was 6.5 percent below budget due to high boiler and steam silica plus a tube leak forcing the plant out of service for three days. Craig's generation was 8.1 percent below budget mainly due to the six-day overrun of the Craig Unit 2 outage originally scheduled for 16 days. Also, Craig Unit 1 was curtailed for three days for a tube leak. Rawhide Unit 1 reported a net plant capacity factor of 86.4 percent, Craig Unit 1 reported 91.7 percent, and Craig Unit 2 reported 33.8 percent. The peaking units produced 7,192 MWh and wind production was 5,399 MWh during the month.

Platte River and Tri-State established a shaft sharing agreement years ago in which each party supplies 100 MW of replacement power to the other party in the event a unit trips or goes offline. The agreement also contains caps for energy and cost and when the requisite requirements are met there is a cash-out provision. Last Friday, Craig 3 went offline for a one-week outage and under the agreement, Platte River supplied 100 MW of replacement power. Due to Tri-State exceeding the MWh cap threshold, Tri-State paid Platte River $2.5 million to reduce its obligation to one-half of the cap.

(8) Revisions to Tariffs—Schedule 3 & 4. The Division Manager Customer & Environmental Services spoke about the changes to Tariff 3 and the Chief Financial Officer discussed changes to Tariff 4.

Three changes were made to Tariff—Schedule 3. Language was added to address Small Facilities operating in parallel with Platte River. Customers can own a renewable energy facility, but most of the time a developer provides financing and builds the system. Ultimately, the generation is for the benefit of the Customer and will be owned by the Customer once the developer recoups tax credits. The new tariff language makes it clear that no separate "buy-sell" agreement would be required by Platte River for those types of facilities. The language was also changed to be consistent with net metering in the Municipalities. For Large Facilities, Tariff—Schedule 3 was changed to allow Platte River flexibility to determine the need for a separate contract on a case-by-case basis.

Staff recommended approval of Tariff—Schedule 3 as presented.

The Chief Financial Officer discussed the changes to Tariff—Schedule 4, the wholesale transmission service tariff. Transmission rates are charged to other utilities that use Platte River's transmission system. This tariff is updated annually using year-end financial and operational results. The proposed increase from $3.13 per kilowatt-month to $3.43 per kilowatt-month (9.6 percent) is a result of a four percent decrease in transmission usage and a five percent increase in the transmission revenue requirement, which is primarily attributed to an increase in ancillary services expense and an increase in the rate of return assumptions. This tariff would be effective May 1, 2010.

Director Janonis moved to approve Resolution No. 8-10—Revision to Tariffs—Schedule 3 & 4; Director Roiniotis seconded the motion. Motion passed 6-0.

(9) Wholesale Rate Structure Review. Division Managers, Dave Smalley and John Bleem covered this item.

Legal requirements and the Strategic Financial Plan (SFP) determines how rates are set. The legal requirements consist of the power supply contracts and General Power Bond resolution. The financial plan criteria under the Strategic Financial Plan is $6 million in net income and a 1.5 times debt service coverage. The municipal revenue requirement is determined by adding operating costs and financing costs, with surplus revenues and interest income deducted. Costs are then allocated by variable (fuel, O&M, A&G, purchase power) and fixed (debt service, transmission O&M, purchase power: capacity/reserves).

The current wholesale rate contains a demand charge of $12.53 per kilowatt billing demand and is based on one peak hour each month. The energy charge of $0.0202 per kilowatt-hour is totaled for all energy used for the month.

The cost structure is projected to change over the next several years. Currently, 55 percent of revenues comes from the demand charge and 45 percent from energy. Under current assumptions, variable expenses are escalating more than fixed expenses. Based on current projections, the energy charge will increase more than demand and by 2015 projections show revenue will be 45 percent from demand and 55 percent from energy.

Rates from 1983 to 2003 were relatively flat; however, since 2004 Platte River has experienced rate increases. Since 1983, the average Municipal rate has increased 22 percent. The energy charge has increased 44 percent and the demand charge has increased 15 percent since 1983.

A misalignment exists between the price signals in the current wholesale rate and associated avoided costs due to peak load control. As customers react to the price signal provided by the current wholesale rate (a monthly system coincident peak demand signal), revenues lost far exceed savings at the generation level. Revenues lost from customers that aggressively reduce peak must be recovered from other customers. For each one MW of load control, the net loss is roughly $100,000.

Load reductions of 10-12 percent are possible (about 60 to 90 MW), based on recent studies throughout the U.S.

Municipal load trends are changing. The last winter peak was in 1996, and the average seasonal peak difference was around five percent. In 2008, with larger summer loads, the seasonal peak difference was around 18 percent. Using hydro and coal resources, loads can be served in all but the summer months. During the summer months, gas-fired peaking is required to meet demand and there are only limited surplus sales to offset the increased generating costs. As a result, summer costs are higher than costs for other months. Seasonal pricing may be an option for future consideration.

Currently, recovery of fixed costs is not aligned with the use of resources. Fixed costs for hydro and coal could be recovered every hour the resource is used, which would result in an energy charge rather than a demand charge to recover these costs. Rather than recovering costs based on one hour per month, the costs could be spread throughout the month. An additional charge for gas-fired peaking (fixed and variable) could be applied during the summer months (June – August). A number of utilities are utilizing this pricing structure.

In summary, possible alternatives are as follows:

- Keep the current rate structure.
- Move to a demand and energy structure with on- and off-peak and seasonal cost differences.
- Move to an energy only structure with a high on-peak summer charge and a lower off-peak charge and a somewhat less off-peak seasonal charge.

One potential drawback to an energy only rate is the potential negative impact to customers with a high load factor. There may also be impacts on retail ratemaking in order to reallocate costs among various retail classes.

Next steps:

- Update the rate analysis model

- Finalize initial rate design options
- Communicate/coordinate with Municipal staffs
- Develop final recommended rate option
- Board of Directors' review/decision

Schedule:

- May to December
    - Work with the Municipalities regarding options
- December 2010
    - Propose rate structure changes

If a new rate structure is approved:

- Early 2011
    - Municipalities determine retail rate structure changes
- January 2012
    - Implement Tariff 1 rate structure change

Director Roiniotis mentioned waiting too long to act will only perpetuate the imbalance, but making changes too quickly may result in costly efforts to move in a very different direction if rate structure changes are mandated by state or federal legislation.

Director Bergsten mentioned that Estes Park has a time-of-use rate. Director Mullinix mentioned that changing the structure after customers have made investments in load control would not only cause financial harm, it may send the wrong signal. The customers might feel penalized for their efforts in reducing demand if the structure is changed to affect them in a negative way.

Staff will begin the process of analyzing options and working with Municipal staffs and reviewing preliminary rate designs next month.

The Board agreed that the schedule seemed reasonable and they are interested in learning more about the various options in the coming months.

[Director Baum left the meeting at 10:46 a.m.]

(10) Rawhide Outage Update. Rawhide Maintenance Manager Doug Adair provided an overview of the 2010 Rawhide outage.

Outages are coordinated with Craig Units 1 and 2 in the spring and fall of the year when demand is lowest and replacement energy costs are reasonable. The next outage is scheduled to be a three-week outage in the spring of 2012. Outages are performed to maintain environmental excellence, maximize reliability, and increase efficiency.

Nineteen vendors with eighty-one contract employees were on-site to perform the maintenance work. Planning for the outage began over nine months ago. Platte River employees worked 8100 man-hours and completed over 300 work orders. There were a few surprises, but the duration of the outage was twelve hours less than originally scheduled. The project came in slightly over budget by 3.1 percent ($696,000 as compared to a budget of $675,000). Preliminary results indicate a heat rate improvement, and about two megawatts net capacity recovery.

A few of the projects completed during outage were:

- Repair and replacement of coal belts
- Boiler wash
- Main transformer bushing and rapid rise relay replacement
- Main transformer bushing and relay replacement
- Service water line replacement
- Pre-heat coil replacement
- Coal mill ceramic tile installation
- Valve replacements
- Motor cleanings
- Inspections
    - Condenser tube cleaning
    - Boroscope and FAC inspections
    - Condenser inspections
    - Bottom ash inspections
    - Air duct and baghouse clean / inspect
    - Scrubber inspections
    - Coal unloading inspections / repairs
    - EH (turbine control) hydraulic repairs
    - Overspeed and generator integrity tests
    - Voltage regulator cabinet cleaning and A/C
    - Feedwater heater inspections
    - Relief valve testing

- Condensate pump and extraction bellows repair (if this had not been addressed when it was, the plant would have been at half load in 30 days or less).
- Turbine control valve upgrade
    - Mr. Thomas Gendron, Chairman of the Board, Chief Executive Officer, and President of Woodward Governor came to Rawhide for a site visit during the outage to view the valve upgrade. Mr. Gendron was extremely complimentary of Rawhide operations and would like to collaborate with Platte River so that Woodward's Fort Collins engineers can see their product in service.

- Coal transfer point modifications
- Heater level control valve project (to detect water levels more accurately)
- Foxboro control system upgrade
- Mercury control system

- Ports were installed to inject activated carbon. The system is expected to be completed for initial testing around June or July of this year—nearly two years ahead of the state mandate.

The recent seven-day outage went well and the plant is in great condition to run for another two years until the next scheduled outage. Last year was the best operational year for the plant in its history and with the recent maintenance, 2010 and 2011 could be repeat performances. Additionally, every vendor that came on-site for the outage said the plant was the, cleanest, most professional, and well-built plant they had ever been in. Staff is proud of the flagship plant they work so hard to maintain and were especially honored to be recognized for their efforts by professionals that have worked in hundreds of power plants.

The Board congratulated staff on a job well done.

(11) Executive Session. Director Roiniotis moved that the Board of Directors go into Executive Session for the purposes of receiving information on the status of Rawhide fuel contract negotiations and determining a position relative to such negotiations and instructing negotiators.

The General Counsel advised that an Executive Session is authorized in this instance pursuant to Colorado Revised Statutes, Section 24-6-402, subsection (4)(e); provided that, no formal action will be taken during the Executive Session. Director Bergsten seconded the motion. Motion passed 5-0.

The Board went into executive session at 11:30 a.m. The Board reconvened in regular session at 12:27 p.m.

(12) Management Report. The General Manager reported on the following items:

As requested by the Board of Directors at earlier meetings, a draft resource options white paper was provided to the Board.

In conjunction with the white paper, John Bleem, Customer & Environmental Services Division Manager, provided a brief presentation. Staff was asked to provide information on additional carbon dioxide reduction options beyond the 20 percent reduction goal outlined in the Climate Action Plan.

With a 2020 timeframe, focusing on natural gas options to replace coal, rough estimates were developed for capital costs, fuel supply costs, O&M costs, carbon dioxide savings, and rate impacts.

The very preliminary results of options considered are as follows:

Base Case – reduce surplus reserve energy sale, increase energy efficiency (DSM), and add additional wind generation.

Shut Down Craig – This would result in 154 megawatts of lost capacity. One FA and two EA turbines would have to be converted to natural gas combined cycle units at an estimated cost of $770 million. The current fuel price of $2 per MMBtu would increase to approximately $9 per MMBtu (based on best available estimates).

Convert Rawhide – Converting Rawhide to a natural gas-fired unit would result in a capacity de-rating of about 10 percent. One EA unit would have to be converted to a combined cycle unit to make up the difference in lost capacity. The cost for these changes would be about $280 million. The current fuel price of $2 per MMBtu would increase to approximately $9 per MMBtu (based on best available estimates).

(No coal) Shut Down Craig and Convert Rawhide – This would result in 154 megawatts of lost capacity from Craig and a Rawhide de-rating of about 10 percent. One FA and two EA units would have to be converted to combined cycle units to make up the difference in lost capacity at an estimated cost of $840 million. The current fuel price of $2 per MMBtu would increase to approximately $9 per MMBtu (based on best available estimates).

In summary, the wholesale rate impacts from these options could exceed 140 percent of current price projections. Total carbon dioxide reductions from these measures is estimated to be around 57 percent. These estimates are very preliminary.

The General Manager mentioned that the current financial plan estimates wholesale costs in 2020 are expected to be about 5.5 cents per kilowatt-hour. With the additional 140 percent costs added to that the wholesale rate would be somewhere around 13.5 cents per kilowatt-hour.

Mayor Hutchinson requested a very basic table showing typical residential and industrial customer bills at the current rate as compared to possible resource option changes.

The General Manager recently attended the Tri-State annual meeting. Tri-State did not raise rates to members for 2010, but rates are still substantially higher than Platte River. The General Manager reviewed some of the financial highlights including cash balances, revenue, debt, debt service ratio, and credit ratings.

The Tri-State meeting featured an informational presentation from an individual from the Nuclear Energy Institute (NEI) who shared with members recent data and developments in the nuclear energy industry.

Lastly, staff is working to replace an outdated and inefficient HVAC system at the headquarters facility. The LEED rating is projected to improve from the current score of 7 to somewhere around 75. As a result, Climate Wise has recognized Platte River with a gold membership award.

Board Member Comments. Staff walked away with guidance to provide a draft white paper to the Board of Directors that can also be included in the May 11 City of Fort Collins Council packets. Mayor Hutchinson has continued to respond to energy efficiency questions from citizens and it now seems from some comments received that Fort Collins may be doing too much energy efficiency. He also mentioned that he was recently asked why our meetings are not televised.

Adjournment. With no further business, the meeting adjourned at 12:55 p.m. The next regular Board meeting is scheduled for Thursday, May 27, 2010, at 9:00 a.m. in the Platte River Power Authority boardroom, 2000 East Horsetooth Road, Fort Collins, Colorado.

AS WITNESS, I have executed my name as Assistant Secretary and have affixed the corporate seal of the Platte River Power Authority this 1st day of June, 2010.

Assistant Secretary

PLATTE RIVER POWER AUTHORITY
CORPORATE SEAL
COLORADO