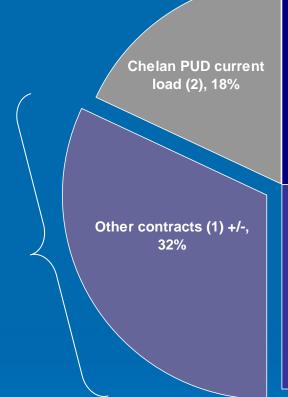
District Portfolio for Combined Output from Rocky Reach and Rock Island Post 2011 / 2012

Staggered contracts with various lengths will allow energy to be available to Chelan PUD as needed to serve its increasing load.



Puget cost-based, take and pay (template) contract, 25%

Alcoa cost-based take and pay (template)

- Financial certainty
- Debt reduction
- Financial flexibility
- Operational control
- Pay some capital as needed
- Regional benefits

Footnotes

- (1) Various term lengths. Pricing could be: cost-based (template); indexed to market; market; or set price depending on the term and the counterparty. Includes Douglas PUD 1976 contract right to receive 5.54% of Rocky Reach until 2061 if options exercised.
- (2) Current Chelan PUD load in 2006 is approximately 182 aMW or 18%. In addition, the District also receives output from Lake Chelan which is available to serve load or be sold.