

EXPLANATION of MEAN's ENERGY COMPONENT ON YOUR WHOLESALE ELECTRIC BILL

ENERGY COMPONENT BASED ON USAGE

The energy component is highly variable, fluctuating each month based on the energy usage of your community.

ENERGY RATE DEPENDS ON CONTRACT

The energy rate which a community is billed depends on whether a community is under a Schedule M, K or J wholesale power contract.

FOUR PRIMARY COST CATEGORIES



1



RESOURCE RELATED COSTS

Expenses related to actual electric megawatt-hour (MWh) generation. Includes fuel, O&M/Admin. and contracted energy costs.



2



MARKET ACTIVITY

MEAN purchases electric load in two wholesale markets and collects revenue from selling electricity from its generation resources into these markets. MEAN also purchases electricity to serve load in the Western Interconnection.

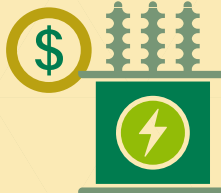


3

MEAN'S TRANSMISSION COST



Cost to move electricity purchased by MEAN or produced by a MEAN generation resource from one transmission system to another.



4



RATE OFFSETS

Revenues that help offset costs. These include revenue from Schedule J wholesale power contracts, wind-generated and other renewable energy contracts with your communities and revenues from energy sales to non-MEAN Participants.

