

## Highwood Generation Station Cost Analysis

Highwood Generation Station			HGS Costs	
Calculation Basis				
Plant Capacity MW		250		
Hours of operation (annual)		8,760		
Availability on line (Sister Kentucky CFB Plant historic)		87%		
Actual Annual Operating Hours		7621.2		
Capital Cost per MW		\$4,000,000		
<b>Estimated Expenses</b>				
Coal (\$/ton;tons/year as per US energy Information Administration)	\$12.50	1,200,000	Annual Coal Purchases	\$15,000,000
Coal Transport (\$per ton as per BNSF Railroad estimated)	\$24.00	\$28,800,000	Annual Coal Delivery Cost	\$28,800,000
City Fire Services (GF/SME Fire Services Agreement)	annual cost	\$300,000		\$150,000
Potable Connection Fee (6" Line-GF Resolution 9708)		\$1,333		
Sewer Connection Fee (12" Force Main-GF Resolution 9708)		\$18,830		
CO2 Produced Tons/Year		3,522,081		
Carbon Tax per Ton on GHG/CO2 (Estimated)	per ton	\$10	Carbon Tax with no CCS	\$35,220,810
Raw Plant Water (202,366,512 cubic ft/yr)		\$364,260	Annual Raw Water	\$364,260
O & M Variable (\$/MWH)		\$6	O & M Variable	\$11,431,800
O & M fixed (\$/KW-yr)		\$41	O & M Fixed	\$10,132,500
Staffing (Approximately 75 Jobs)		\$5,000,000	Annual Staffing	\$5,000,000
Property Taxes (3% of assed value)		3% tax rate	Annual Property Taxes	\$12,100,000
Asset Cost (HGS as per Tim Gregori (10/21/09 billingsGazette)		\$1,000,000,000	Debt Service Payments	\$72,648,911
			<b>Total Annual Expenses</b>	<b>\$190,848,281</b>
Amortization (years)		30	Electricity Produced (MWH's)	1,905,300
Interest Rate on financing		6.0%	<b>HGS Busbar Cost/MWH</b>	<b>\$100</b>
Annual Loan Payments		\$72,648,911	<b>Customer Cost including Line Loss</b>	<b>\$105</b>