

Fayette Power Project Direct Costs

Issued: July 2006

SUMMARY

This report is confidential and there was no public discussion on this item per Public Power Utility Competitive Matters-Section 551.086 of the Texas Government Code.

The report presents the results of our work to determine whether the agreed upon basis for the allocation of direct costs in the Fayette Participation Agreement is consistent with industry practices. In addition, we worked to verify the accuracy of the direct costs at the Fayette Power Project (FPP) and assess whether the direct costs are properly allocated per the Agreement among the participating partners.