

Undertaking 124: Dr. Simpson will update the slide 14 of his PowerPoint report on risk analysis to reflect the information underlying Mr. Harper's analysis at slide 47 of his PowerPoint presentation from today.

Plan	14	5	4	1	2	8	14B	5B	12	6
10 th Percentile	-2105	-630	-500	-645	-826	-1267	-2290	-845	-2215	-786
90 th Percentile	2914	1486	1830	525	1348	1602	2734	1329	2611	1559
Expected Value	56	335	527	-42	140	-32	-127	152	-137	260
EV from All Gas	98	377	569	0	182	10	-85	194	-95	302
Risk [(P90-P10)/2]	2509.5	1058	1165	585	1087	1434.5	2512	1087	2413	1172.5

Source: ECS – 2012 NFAT (5.2% - Common) supplied by Bill Harper. The evidence is based on data from MH-104-5 and MH-104-9 and the original 2012 planning assumptions used in the NFAT (Chapter 10) for base DSM but with updated capital costs for Keeyask and Conawapa, updated probability weightings associated with the capital cost factor and updated treatment of common costs). Risk measures were calculated by Wayne Simpson.

Discussion: The graph of risk (interdecile range) against return (expected value from all gas) is below. The main change from earlier graphs (slides 10, 12 and 14 of my presentation to the Board) is that the risk-return trade-off has virtually disappeared in the sense that the plans with the highest return all have about the same risk and “line up” on the graph in the following order:

Plan 4 (K19/Gas24/250MW)

Plan 5 (K19/Gas25/750MW(WPS Sale &WPS Investment)

Plan 6 (K19/Gas31/750MW)

Plan 5B (K19/Gas25/750MW(WPS Sale & no WPS Investment)

Plan 2 (K22/Gas).

