



Powering
Our
Future

September 30, 2009

Project manpower peaked just above 600 personnel in mid-September. Construction work continues on three major construction contracts; boiler island, balance of plant and coal handling. Construction is at 50% complete, while the overall project is at 68% complete.

Pressure part erection for the boiler is well underway. Considerable pre-fabrication of components is being performed in the field and crews are raising these preassembled sections into the boiler. Tube welding is being performed on reheater sections, division walls, furnace walls and transfer tubes. The front wall burners have been staged at elevation. Insulation of secondary ductwork has begun. The 'A' pulverizer has been erected and work on the 'D' pulverizer is underway. Erection of the air heater commenced this period. The ID Fan motor was received and placed. Erection of the baghouse continues with compartment placement at 60%. The contractor has been concentrating on the south-side compartments in an effort to release this area to follow-on contract work. Installation of fluidizing air piping and air-slides beneath the baghouse hoppers continues. The majority of boiler structural steel is complete with the current push for top steel to permit roofing installation. Considerable platform steel and handrail has yet to be installed. The tripper deck elevated slab was placed.

Work continued on elevated slabs for the crusher house; this included forms, rebar and concrete placement. The contractor erected the dust collector and continued on piping in the coal tunnel. The reclaim conveyor was assembled and erected from the reclaim tunnel to the crusher house. On the tripper deck, all silo chutes have been installed. The dust collector for this elevation was placed and components for the tripper conveyor were moved to elevation. Work began on the monorail system for this elevation.

Welding of main steam and reheat heavy wall piping continues. Installation of piping and hangers throughout the turbine building continues as does boiler feed water and extraction piping installation. The contractor is installing circulating water lines to the condenser and has completed fit-up and welding of the combined reheat valves at the turbine.

Wire-line and tops-on alignments of the LP and HP turbines were completed. Rotors have been set in their respective cases. Installation of the hydrogen coolers is complete. Siding work on the turbine building and east face of the boiler structure are completed. Work continues on the north face of the boiler structure and the north stair tower. Assembly of the fly ash storage silo was completed and the

elevated slab in this structure was placed. The effluent and condensate storage tanks were erected. Both tanks have been sandblasted and are being internally coated. Excavation for the effluent pump station at the Southwest Treatment Plant is underway. Block work for the control room and DCS rooms has been completed. Blocking continues around the boiler building perimeter. The bulk hydrogen storage tank was received and placed on its foundation.

Installation of lighting, conduit and cable tray continues throughout the plant. Control cabinets, switchgear and motor control centers have been placed in their final location. Installation of the battery system is completed. Battery chargers should be active in October. Installation of iso-phase and non-seg bus duct is underway. The cooling tower service building was installed and electrical work in this area continues.

Factory Acceptance Tests for the distributed control system and continuous emissions control equipment were completed during the period.

A Commissioning Team has been assembled and check-out of switchgear and relay testing has begun. An initial publication of the commissioning schedule has been issued. Turn-over documents are being prepared for release to the contractors. These documents provide required information to be turned over by the contractors upon completion of their installation work.

June 5, 2009

Approximately 487 contract employees are currently working on the site, performing the following work:

The chimney construction contract with Pullman Power has been completed and the contractor demobilized.

The substructure and foundation work by Baker Concrete is nearly complete. Foundations for the main transformers have been placed. Extension of a natural gas line and installation of minor grating remain to be completed. Baker Concrete has demobilized and remaining work is being completed by local subcontractors.

All major boiler island components, with the exception of the induced draft fan motor, have been delivered to the site. The Boldt Company continues with steel erection in the boiler back-end and baghouse areas. Coal silo weld-out continues. The steam drum was raised on May 11. Downcomers and pressure part hangers are being hung, while fabrication of ductwork and tube panels continues. The turbine bridge crane was commissioned on June 5, and is available to assist with turbine assembly.

The generator was moved into position on the plant operating floor on April 14, following placement of the condenser on ground floor. Alberici continues with turbine assembly work. Subcontractors for the turbine building roofing and siding have begun work to enclose the building. Block work is underway and elevated

concrete floors have been placed. Cherne Contracting continues heavy wall pipe placement and weld-out, in addition to placing pipe hangers and installing balance of plant piping. Sachs Electric continues cable tray and conduit work in the structure. Numerous electrical cabinets and breakers have been moved to their respective locations.

The coal handling contractor continues to receive materials. The Brahma Group is working structural steel erection of the crusher house. Coal reclaim hoppers and conveyor 2-3 in the coal tunnel have been set.

Midwest Towers mobilized in April and has completed major assembly of the cooling tower. Work continues on fan and drive installation. Fan stacks are assembled and ready for placement on the structure.

The Station Service Transformer has been placed on its foundation. The Unit Auxiliary and Generator Step-up Transformers as expected to arrive the second week of June, with transformer assembly work to begin immediately thereafter.

March 4, 2009

Approximately 344 contract employees are currently working on the site, performing the following work:

The chimney construction contract with Pullman Power is nearly complete. Liner and shell construction has been completed. Electrical installation is approximately 75% complete. The stack elevator contractor mobilized to the site on March 4.

Baker Concrete continues substructure and foundation work. Installation of ID Fan pedestals was completed this period. The contractor has placed grade beams for the crusher house foundation and will shortly be placing the concrete slab for this building. Work recently began on transformer foundations.

The first shipment of pressure parts began arriving on site February 26. The Boldt Company continues on structural steel erection, fabrication of coal silos and preassembly of ductwork. Concrete was placed for the elevated feeder deck this period. Various areas of the turbine building are being turned over to subsequent contractors as Boldt works to complete structure erection of this building. The turbine building bridge crane has arrived on site and should be placed within the structure in early March.

Turbine generator components began arriving during this period, including rail delivery of the generator on January 22. Work continues on preparation of the turbine pedestal with fixator and sole-plate installation. The contractor continues assembly of the condenser, including the placement of the feedwater heater that will reside within the condenser neck. Boiler feed pumps and motors have been mounted and rough-aligned. Condensate cans and pumps have been placed. Work on handling heavy wall steam pipe is underway. Welding of the 20-inch effluent line to the Southwest Treatment Plant is being performed. The excavation

contractor for this work mobilized on February 26. Several loads of conduit and cable tray have arrived on site.

January 26, 2009

Approximately 278 contract employees are currently working on the site, under the following contracts:

Installation of the metal chimney liner is complete. The contractor is currently welding out the inlet transition duct. Chimney cap components were lifted into position using a helicopter on January 11. Pullman's electrical subcontractor has mobilized and begun work. Elevator installation is expected to begin in early February.

Baker Concrete's main thrust has been forming, rebar installation and placement of concrete associated with the coal reclaim tunnel. Work in the scrubber/baghouse area is essentially complete, including the ash silo foundation. Installation of the oil separator and bulk hydrogen storage tank pad is nearly complete. Baker Concrete is working toward an April 1 demobilization date.

Boldt Construction continues to receive materials associated with the boiler island supply. The contractor is using a Manitowoc 999 crane to erect the boiler steel from the furnace cavity area, installing ductwork as the steel goes up. Detail work on tier 2 steel continues as tier 3 steel is being erected. Ductwork is being ground fabricated and coal silos are being assembled. The boiler steam drum arrived via rail on January 16. Boiler pressure part deliveries are expected to begin in February.

Balance of Plant contractors have mobilized to the jobsite. Prime contractors for this contract include Cherne Contracting, Alberici Constructors and Sachs Electric. Transfer of owner-procured equipment to the BOP contractors is underway. Current work includes the assembly of the condenser, preparatory work for placement of turbine and pump sole-plates and receipt of materials and equipment. Laydown storage areas and warehousing construction is underway.

October 22, 2008

The Balance of Plant contract for the project has been awarded to Cherne Contracting Corporation. This contract provides plant-wide electrical and instrumentation construction, mechanical work for turbine and auxiliary equipment and high energy pipe installation.

Approximately 225 contract employees are currently working on the site, under the following contracts:

The final concrete placement for the chimney shell construction was completed on August 13. Pullman Power is currently working on the installation of the chimney's 14' diameter metal liner.

Approximately 1250 cubic yards of concrete was placed for the operating level of the turbine pedestal on August 23. Baker Concrete has completed grade beams and has begun floor slab work in the baghouse area. Primary and Forced Draft fan pedestals have been completed. Work is currently underway on the fly ash system foundation. Excavation for the coal reclaim tunnel has been completed and the contractor is placing rebar for structural walls.

Boldt Construction is receiving materials associated with the boiler island supply. Approximately 500 semi-trailer loads of materials have been received on site. Turbine building structural steel began in September. The contractor is erecting both tiers of this steel as they move from north to south. The contractor is using a Manitowoc 999 crane to erect the boiler steel from the furnace cavity area. The first of four tiers of boiler steel is nearing completion. Duct fabrication is currently underway.

June 30, 2008

Bid proposals for the Balance of Plant construction contract were received June 20. This contract provides plant-wide electrical and instrumentation construction, mechanical work for turbine and auxiliary equipment and high energy pipe installation. This is the last major contract to be awarded on the SW2 project. Proposals are currently under evaluation with an expectation of contract award in August.

Approximately 114 contract employees are currently working on the site, under the following contracts:

Pullman Power continues on pace to complete concrete construction of the 513' chimney shell by the third week of August. As of June 30, the chimney was at 292.5 foot.

Drilling and placement of caissons is complete. DeWitt & Associates has completed drilling and placement of caissons. The contractor is currently installing and testing rock anchors.

Baker Concrete has been concentrating efforts in the boiler and turbine-generator areas. Shoring is being erected for concrete placement of the operating floor. The contractor is working form, rebar and embedments for this deck. In the boiler area, strides have been made in placement of caisson caps and grade beams. In the coming month the contractor will construct pulverizer foundations and begin rebar and form work for floor slabs. Additionally, work continues on the cooling tower basin and excavation has begun in the coal yard.

Boldt Construction is receiving materials associated with the boiler island supply. Turbine building structural steel will begin arriving the second week of July. Boiler steel deliveries will also begin in mid-July. Structural steel erection is anticipated to begin in August.

May 28, 2008

Proposal documents for the Balance of Plant construction contract were issued March 20. This contract provides plant-wide electrical and instrumentation construction, mechanical work for turbine and auxiliary equipment and high energy pipe installation. This is the last major contract to be awarded on the SW2 project. Proposals for this scope of work are due June 13.

Approximately 100 contract employees are currently working on the SW2 project, under the following contracts:

Pullman Power is using a "jump-form" procedure for construction of the 513 foot chimney. The chimney shell is at 143 feet and continues to rise at a pace of 7 ½ feet per day.

Two-hundred ninety three, or 97%, of the three-hundred and three caissons to be installed by DeWitt & Associates have been completed. Caissons are currently being drilled and placed in the main transformer area.

Baker Concrete is working in three areas: the turbine-generator, boiler island and cooling tower basin. Intermediate turbine floor concrete has been placed and rebar and forms are being worked for extending columns to support the turbine operating elevation. Underground pipe and ductwork are being worked in the boiler island area, as are rebar and forms for caisson caps and grade beams. Concrete for the cooling tower basin pump pit walls was recently placed. Cooling tower basin work is approaching 85% complete.

Boldt Construction moved on site during May and will begin receiving shipments from the boiler island supply contractor (Foster Wheeler) in June. Steel erection is not anticipated to begin until the August time frame.

March 28, 2008

One contract remains to be awarded on the Southwest 2 project. Request for Proposal bidding documents for the Balance of Plant Construction contract were issued on March 20, and a pre-bid meeting is scheduled for April 2. This contract wraps up the power block and includes mechanical work and equipment supply for the turbine and auxiliary systems as well as plant-wide electrical and instrumentation work. City Utilities anticipates award of this contract in May.

Eighty-six contract employees are currently working on the SW2 project, through three contracts; Chimney Construction, Substructures A and Substructures B.

Pullman Power has mobilized to the site and begun installation of forms for construction of the chimney. The 513 foot stack will be constructed using a "jump-form" process. Placement of shell concrete is scheduled for the first week of April.

Caisson work by DeWitt & Associates continues. As of March 22, one-hundred eighty-seven caissons had been installed, (approximately 60%). Several caissons have necessarily been deeper than anticipated. The contractor is currently utilizing three drilling rigs on the project.

Baker Concrete is working two main areas on the site; the turbine-generator foundation and the cooling tower basin. Placement of structural rebar and forms in these locations is well underway. Concrete pours in both areas are scheduled for early April.

The Boiler Island Erection contract has been awarded to Oscar J. Boldt Construction. The contractor is expected to begin site work in August of 2008.

January 3, 2008

DeWitt & Associates continues work on Contract 261 (Substructures 'A'). As of January 3, eighty-four caissons have been placed. This constitutes approximately 28% of the caissons. The contractor is currently utilizing three drilling rigs and is working generally east to west across the site.

Three contractors have been provided "Notice to Proceed" letters for equipment supply and construction contracts. Contract 146 (Switchgear), Contract 147 (Variable Frequency Drives) and Contract 262 (Substructures 'B') have been authorized to begin work. Additionally, Contract 211 (Coal Handling) was awarded during this period.

Two contracts are currently "Out for Bid". Proposals for Contract 202 (Boiler Island Erection) and Contract 204 (CEMs Equipment) are due January 15, and January 10, respectively. Contract 202 is a major construction labor contract that will provide construction services for all boiler, fuel preparation and emissions control components provided through the previously awarded Foster Wheeler equipment supply contract. A pre-bid meeting for Contract 202 was held November 8, with attendance by multiple potential contractors.

Preparation of bid documents for the final major SW2 construction contract is underway. Contract 281 (Balance of Plant) will include not only construction labor but also design and equipment procurement. This contract wraps up the power block and includes mechanical work and equipment supply for the turbine and auxiliary systems as well as plant wide electrical work. The anticipated issue of these documents is March 6.

City Utilities' Project Team is now located in an office trailer at the project site. The office trailer area has been developed for use by all contractors associated with the SW2 project, with space for multiple office trailers and necessary utility hook-ups.

October 26, 2007

DeWitt & Associates continues work on Contract 261 (Substructures 'A'). This contract includes the placement of 304 piers to support plant foundations on bedrock. The piers will vary in size from thirty inches to seven feet in diameter. Current work is concentrating in

the turbine foundation area, where thirty-six, four foot diameter, piers will be placed. As of Friday, October 26, five of these piers had been drilled, varying in depth from 9'-6" to 37'-3" due to the karst topography associated with southwest Missouri.

Work continues on development of the office trailer park. The park will accommodate approximately 28 trailers during construction of the SW2 unit. Additional site improvements will include construction of a new site entry road and contractor parking, east of the current Southwest Power Station entry. City Utilities Project Team anticipates occupying their office trailer starting November 1.

Contract proposals are currently in-house for Contract 147 (Variable Frequency Drives) and Contract 211 (Coal Handling System). These proposals are undergoing technical and commercial evaluation. Both contracts are anticipated to be awarded during the November time frame.

Bid documents for Contract 262 (Substructures 'B') and Contract 202 (Boiler Island Erection) were issued during this period. These contracts are major construction contracts and have substantial labor manpower associated with them. Substructures 'B' includes such items as concrete foundations, cooling tower basin, underground piping and duct bank, elevated slabs and the coal reclaim tunnel. Current bid opening dates for vendor proposals are November 21, and December 13, respectively. Proposals for Contract 146 (Switchgear) are due November 6.

City Utilities, in conjunction with Stanley Consultants, continues to review submittals on various vendor supplies. Flow model testing of the circulating water pumps intake design was completed this period. The testing resulted in design improvement recommendations that will be incorporated into the final design of the pump pit basin.

September 26, 2007

During the last two months, contracts for supply of equipment and materials have been awarded as follows:

- CCCW Heat Exchangers – Alfa Laval
- Distributed Control System – Emerson Process Management
- Transformers – Hyundai Heavy Industries
- Iso-Phase – Delta Unibus
- Circulating Water Piping – Price Brothers
- Turbine Building Steel – Merrill Tube & Iron

One construction contract was awarded during this period. Contract 261-S, (Substructures "A"), was awarded to the local firm of DeWitt & Associates. This contract is for the installation of cast-in-place piers for the turbine, boiler and emissions control foundations.

A Request for Proposal was issued and bids received on one contract. Evaluation is currently under way:

- Contract 147-S, Variable Frequency Drives

Contracts currently out for bid include:

- Contract 146-S, Switchgear (Due October 4)

Contract 211-S, Coal Handling (Due October 11)

City Utilities and Stanley Consultants are currently working on the development of two major construction bid packages. Bid documents for the following contracts are anticipated to be issued by mid-October.

Contract 202-S, Boiler Island Erection
Contract 262-S, Substructures 'B'

To date, twenty-two of an anticipated twenty-seven major contracts for the SW2 Project have been awarded. The project team is currently heavily involved in review of shop submittals on various contracts.

Project Highlights

- City Utilities project trailer has been delivered to the job site and the project team should occupy the new space in October.
- A project meeting between Toshiba International, Stanley Consultants and City Utilities was held the week of September 17, to discuss electrical and controls issues regarding Toshiba's supply of the steam turbine-generator.
- DeWitt & Associates began excavation work at the site, the week of September 24.

July 26, 2007

During the last two months, contracts for equipment have been awarded as follows:

Condensate Pumps - Flowserve
Boiler Feed Pumps - Flowserve
Ash Handling Equipment – United Conveyor Corporation
Alloy Piping – BenTec, Inc.

Requests for Proposals have been received on the following contracts and evaluations are under way:

Contract 012-S, Closed Cycle Cooling Water Heat Exchangers
Contract 036-S, Distributed Control System
Contract 131-S, Transformers and Iso-Phase Bus

Two material supply and two supply and erect contracts that have been issued for bid:

Supply

Contract 223-S; Circulating Water Piping
Contract 271-S; Turbine Building Steel

Supply and Erect

Contract 211-S; Coal Handling
Contract 261-S; Substructures A

To date, fourteen of an anticipated twenty-six major contracts for the SW2 Project have been awarded.

A coordination meeting between City Utilities, Stanley Consultants, Foster Wheeler and Toshiba International was held Thursday, June 21, in Springfield. The purpose of this meeting was to seek agreement on start-up and operating characteristics and capabilities for the boiler and turbine as the two must operate in unison.

May 24, 2007

The concrete pour for the SW2 chimney foundation was completed on Saturday, April 28, by local firm Carson-Mitchell. Concrete trucks began arriving at the site around 4:30 a.m., for this well orchestrated process and by 5 p.m., 1,860 cubic yards of concrete had been placed. This was the largest single continuous concrete pour in Springfield's history. Carson-Mitchell utilized nitrogen, injected into the concrete trucks, to maintain the required temperatures during this placement. Without this approach, core foundation temperatures could have exceeded 160 degrees Fahrenheit, which could have resulted in cracking. The foundation includes approximately 400,000 pounds of reinforcing steel. A time-lapse video documented the pour.

A project kick-off meeting for the Boiler Island supply was held in the Clinton, New Jersey offices of Foster Wheeler April 9 – 11. The meeting included specification review and the introduction of key players for this supply contract. This contract supplies the boiler and all the environmental equipment. Structural steel is scheduled to start arriving in July 2008.

A contract has been awarded to Midwest Towers, Inc. of Chickasha, Oklahoma for supply and erection of the SW2 cooling tower. Construction of the tower is expected to begin in August 2008 and take three months to complete. In addition, Flowserve has been awarded the equipment supply for two, 1,550 horsepower, circulating water pumps.

Proposals have been received for supply of condensate pumps, boiler feed pumps, ash handling equipment and alloy piping. Technical and commercial evaluations are currently underway.

A Request for Proposal for the supply of the generator step-up, auxiliary and station service transformers was issued on May 15. These long lead-time items are not expected to be delivered until July 2009. Proposals are due June 21.

The SW2 Design Manual has been completed and engineering efforts are being directed toward plant design. Stanley Consultants is providing overall plant design and engineering services for the SW2 Project.

March 29, 2007 Update:

City Utilities of Springfield signed a major supply contract with Foster Wheeler LTD. on March 20. This contract, in excess of \$110,000,000, is for the design and supply of a pulverized coal, 1,926,300 lb/hr steam generator and associated emissions

removal equipment. The unit, designed to burn Powder River Basin coal, will include low-NO_x burners and selective catalytic reduction technology for NO_x control, a circulating fluid bed flue gas scrubber for SO₂ removal, mercury emissions control technology and a fabric filter baghouse for particulate removal. Deliveries of initial structural steel components should begin in July 2008, with final major component deliveries in the June 2009 time frame.

A project kick-off meeting was held on February 13 and 14, among Toshiba International, Stanley Consultants and City Utilities. This meeting brought together the lead project engineers and managers for the Steam Turbine supply contract, and included a number of representatives from Toshiba's engineering facilities in Tokyo, Japan.

During February, City Utilities entered into a contract with local firm Carson-Mitchell for the construction of the foundation for the SW2 chimney. Carson-Mitchell will utilize nitrogen to maintain temperatures during this 1900 cubic yard concrete placement. The contractor is currently installing reinforcement steel and forms for the foundation. This massive, continuous concrete pour is scheduled for Saturday, April 28.

City Utilities has awarded contracts to Sterling Deaerator Company and Yuba Heat Transfer, over this period, for supply of the deaerator vessels, feedwater heaters and the condenser.

Bids are still being evaluated on supply of circulating water pumps and the cooling tower.

Requests for Proposals have been issued for condensate pumps and ash handling equipment.

February 1, 2007 Update:

The Chimney Caisson contract has been completed. This contract was a precursor to the construction of a foundation for the chimney. The bid package for the Chimney Foundation project was issued on December 28, with bids due on January 30. The chimney foundation will be a cast-in-place structure that will contain approximately 1900 cubic yards of concrete, (roughly 200 cement truck loads.) The foundation will be a continuous pour that should be completed in approximately twelve hours.

City Utilities signed a contract with Toshiba International in December for the supply of a 300,000 kW steam turbine generator. Delivery of the turbine-generator to the Southwest Power Station site is anticipated in March 2009.

The Boiler Island Bid Document was canceled on November 9. Two of the anticipated bidders on this contract had notified City Utilities of their inability to provide complying bids for the work, due to a burgeoning supplier market and

limited resources. City Utilities is currently working with the remaining qualified bidder on the development of a contract.

Equipment procurement documents were issued for such major equipment as feedwater heaters, deaerator, circulating water pumps and a condenser in late December. Additionally, the bid document for supply and construction of the cooling tower was issued on December 28. Receipt of bids for these contracts will occur in late January.

Stanley Consultants has issued a 90% Design Manual for the SW2 facility. This document is being reviewed and will ultimately provide the design basis for the completed facility.

November 30, 2006 Update:

All concrete placement for the chimney caissons has been completed. Carson-Mitchell is currently installing the caisson rock anchors. After drilling 22 feet into bedrock, mechanical anchors are installed assuring positive structural contact. This work should be completed during December and this initial SW2 contract closed out.

Pullman Power was awarded the contract for construction of the SW2 chimney, on November 15. The 513 foot chimney includes a slip-formed concrete shell with a 14 foot diameter metal liner. Construction of the chimney is anticipated to begin in July 2008.

Three bids were received on the Steam Turbine Generator contract. Only one bidder included an option for construction of the turbine. If construction is not performed under the turbine contract, this work would be included under the Balance of Plant contract. City Utilities is currently working through commercial terms and technical exceptions on this contract. A December award is anticipated.

The Boiler Island Bid Document was canceled on November 9. Two of the anticipated bidders on this contract had notified City Utilities of their inability to provide complying bids for the work, due to a burgeoning supplier market and limited resources. City Utilities is currently working with the remaining qualified bidder on the development of a contract.

Procurement contracts for various major equipment purchases are currently under development. Bid documents for such equipment as feedwater heaters, circulating water pumps and a condenser are anticipated to be released in December, as is the supply and erection of the cooling tower.

Stanley Consultants has issued a 90% Design Manual for the SW2 facility. This living document is being reviewed and will ultimately provide the design basis for the completed facility.

September 15, 2006 Update:

Work by Carson-Mitchell on construction of chimney caissons continues. Twenty piers have now been completed, leaving four remaining to be drilled. Following placement of the concrete for all 24 piers, rock anchors will be installed. Anchor placement includes drilling a minimum of 22 feet into the rock below the caissons and grouting in steel anchors to the bedrock.

Discussions are underway with the apparent low bidder on the chimney contract. An October award on this contract is anticipated.

A second addendum on the Steam Turbine Generator bid package has extended the Bid Opening date for this contract to October 25, 2006. Equipment suppliers have been inundated with requests for proposal and are requiring additional time to prepare those proposals.

The Boiler Island Bid Package was issued on August 25. A Pre-Bid Meeting is scheduled for Wednesday, September 20. Attendance at this meeting may be an indication of supplier interest in the project. The Bid Opening is scheduled for November 15.

Stanley Consultants has issued a 50% complete Design Manual for the Southwest 2 facility. This live document is being reviewed and will be updated as the project continues.

Nine bids were received on September 14 on the \$615 million revenue bond issue to finance the Southwest 2 project. The lowest bid was submitted by UBS Securities LLC with a True Interest Cost of 4.535951 percent. This bid will result in a \$5 million savings over the originally expected finance costs for the bonds.

September 1, 2006 Update:

The contract with Carson-Mitchell for construction of chimney caissons continues. Ten piers, of a total 24, have been completed. The chimney caissons (piers) are six-foot in diameter and comprised of concrete and reinforcing steel that are based on bedrock. Depth of piers has ranged from 3.5 to 13.2 feet, with an average for the completed units of 8.7 feet.

Bids on the Chimney Construction Contract were received on August 9. Technical evaluations are complete. Commercial terms are still under evaluation. A contract award during September is anticipated.

An addendum on the Steam Turbine Generator Bid Package was released on August 28. Bids on this contract are due October 4. It is anticipated that this contract will be awarded in November of 2006.

The Boiler Island Bid Package was issued on August 25. This is expected to be the largest contract for the project. It includes the supply and construction of major

components from the coal storage bunkers to the chimney connection, encompassing the steam generator and all emissions control equipment. The due date for bids on this contract is November 15, 2006.