Securitization Journal Entries

Assumptions

Costs to Securitize	667.9	Approved storm costs
Issuance costs	7.0	Please refer to the Company's responses to Interrogatories EOE-006 and EOE-007
NPV Tax Cash Flows	(54.5)	Based on estimated financing terms
Net Securitization	$ 620.4	

Storm costs prior to securitization	Dr	(Cr)	
Regulatory asset - storms	667.9		Actual
Cash		(667.9)	Actual
Cash	183.8		Actual
ADIT		(183.8)	Actual

Journal entries upon securitization			
Securitized regutory asset	667.9		Actual
Regulatory asset - storms		(667.9)	Actual
ADIT - storm costs	183.8		Actual
ADIT - securitization		(183.8)	Actual
Cash	613.4		Estimate
Securitized regulatory asset - issuance costs	7.0		Estimate
Securitized debt		(620.4)	Estimate
Customer discount regulatory asset	54.5		Estimate
Securitized regulatory asset		(54.5)	Estimate

	Year 1		Year 2		Year 3		Year 4		Year 5		Year 6		Year 7		Year 8		Year 9		Year 10		Year 11		Year 12		Total		
Annual Journal entries	Dr	(Cr)	Dr	(Cr)	Dr	(Cr)	Dr	(Cr)	Dr	(Cr)	Dr	(Cr)	Dr	(Cr)	Dr	(Cr)	Dr	(Cr)	Dr	(Cr)	Dr	(Cr)	Dr	(Cr)	Dr	(Cr)	
Cash	37.7		39.8		42.0		44.4		46.8		49.5		52.2		55.1		58.2		61.4		64.8		68.4		620.4		Estimate
Securitization revenues (principal)		(37.7)		(39.8)		(42.0)		(44.4)		(46.8)		(49.5)		(52.2)		(55.1)		(58.2)		(61.4)		(64.8)		(68.4)		(620.4)	Estimate
Securitization debt	37.7		39.8		42.0		44.4		46.8		49.5		52.2		55.1		58.2		61.4		64.8		68.4		620.4		Estimate
Cash		(37.7)		(39.8)		(42.0)		(44.4)		(46.8)		(49.5)		(52.2)		(55.1)		(58.2)		(61.4)		(64.8)		(68.4)		(620.4)	Estimate
Amortization expense regulatory asset	37.7		39.8		42.0		44.4		46.8		49.5		52.2		55.1		58.2		61.4		64.8		68.4		620.4		Estimate
Amortization expense customer discount	3.32		3.50		3.69		3.90		4.12		4.35		4.59		4.84		5.11		5.40		5.69		6.01		54.52		Estimate
Securitized regulatory asset		(37.7)		(39.8)		(42.0)		(44.4)		(46.8)		(49.5)		(52.2)		(55.1)		(58.2)		(61.4)		(64.8)		(68.4)		(620.4)	Estimate
Customer discount regulatory asset		(3.3)		(3.5)		(3.7)		(3.9)		(4.1)		(4.3)		(4.6)		(4.8)		(5.1)		(5.4)		(5.7)		(6.0)		(54.5)	Estimate
ADIT	11.2		11.8		12.5		13.1		13.9		14.7		15.5		16.3		17.2		18.2		19.2		20.3		183.8		Estimate
Cash		(11.2)		(11.8)		(12.5)		(13.1)		(13.9)		(14.7)		(15.5)		(16.3)		(17.2)		(18.2)		(19.2)		(20.3)		(183.8)	Estimate
Cash	33.5		31.4		29.2		26.9		24.4		21.8		19.0		16.1		13.1		9.8		6.4		2.8		234.4		Estimate
Securitization revenues (interest)		(33.5)		(31.4)		(29.2)		(26.9)		(24.4)		(21.8)		(19.0)		(16.1)		(13.1)		(9.8)		(6.4)		(2.8)		(234.4)	Estimate
Interest expense	33.5		31.4		29.2		26.9		24.4		21.8		19.0		16.1		13.1		9.8		6.4		2.8		234.4		Estimate
Cash		(33.5)		(31.4)		(29.2)		(26.9)		(24.4)		(21.8)		(19.0)		(16.1)		(13.1)		(9.8)		(6.4)		(2.8)		(234.4)	Estimate
Annual Principal Amortization Percentage	6.1%		6.4%		6.8%		7.2%		7.6%		8.0%		8.4%		8.9%		9.4%		9.9%		10.4%		11.0%		100.0%		