CRRA-FCR CONTRACT MODIFICATION PROPOSAL
APRIL 2009

						Actual	
		$ 171.59	$ 161.51	$ 117.89	$ 78.15	$ 64.33	$ 32.55
		Aug '08	Sep '08	Oct '08	Nov '08	Dec '08	Jan '09
	Commingled Scale						
	40 or below	2%	COM ACR =	$ 171.59	Aug '08	$4,024,069	$367,231
	40-50	3%				$3,196,401	$1,328,054
	50-60	4%				$7,220,470	$1,695,285
	60-70	6%				$8,915,755	15%
	70-80	7%	COM ACR =	$ 64.33	Dec '08	$2,436,777	$367,231
	80-90	9%				$1,243,042	$167,356
	90-100	12%				$3,679,820	$534,587
	100-110	13%				$4,214,407	4%
	110-120	14%	COM ACR =	$ 40.99	Feb '09	$3,569,418	$368,950
	120 & Above	15%				$1,218,208	$105,113
						$4,787,626	$474,063
						$5,261,690	2%

Summary:

1. Commingled ACR breakeven point — NOTE: Commingled ACR breakeven point where CRRA realizes positive cash flow is about $80 per ton.

2. Entire loss will be earned back during year 3

3. Financial Results:

FY09 Impact	($156,624)	*only 1/3 of fiscal year*
FY10 Impact	($318,961)	
FY11 Impact	$179,872	
FY12 Impact	$592,354	*only 2/3 of fiscal year*
Total (36 Months)	$296,641	

4. NPV Results:

Year 1	($420,466)
Year 2	($27,363)
Year 3	$694,364
Total	$246,535

Cost of Money = 3%

Board Mtng.
HANDOUT
APR 23 2009
FROM: Tom Gaffey
D. 7

CRRA-FCR CONTRACT MODIFICATION PROPOSAL
APRIL 2009

			Forecasted				← Regression Analysis from Sep '09 to Feb '12					
$ 40.99	$ 53.57	$ 54.28	$ 57.44	$ 47.58	$ 47.75	$ 50.30	$ 55.73	$ 57.44	$ 59.14	$ 60.85	$ 62.55	$ 64.26
Feb '09	Mar '09	Apr '09	May '09	Jun '09	Jul '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09	Jan '10	Feb '10
		Commingled Scale	4% Tier1	3% Tier1	3% Tier1	4% Tier1	4% Tier1	4% Tier1	4% Tier1	6% Tier1	6% Tier1	6% Tier1
Budgeted Tons 80,000		Tons	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667
		Rebate	$ 86,733	$ 86,733	$ 86,733	$ 86,733	$ 86,733	$ 86,733	$ 86,733	$ 86,733	$ 86,733	$ 86,733
		Fiber	$ 21,684	$ 21,684	$ 21,684	$ 21,684	$ 21,684	$ 21,684	$ 21,684	$ 21,684	$ 21,684	$ 21,684
		Rev Share	$ 15,316	$ 9,517	$ 9,549	$ 13,414	$ 14,862	$ 15,317	$ 15,772	$ 24,340	$ 25,022	$ 25,704
		Total Revenue (proposed)	$ 123,734	$ 117,934	$ 117,967	$ 121,832	$ 123,279	$ 123,734	$ 124,189	$ 132,757	$ 133,440	$ 134,122
		Existing Contract	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972
		Variance	($37,238)	($43,038)	($43,005)	($39,140)	($37,692)	($37,238)	($36,783)	($28,215)	($27,532)	($26,850)
		Cumulative Variance	($113,587)	($156,624)	($199,630)	($238,770)	($276,463)	($313,700)	($350,483)	($378,698)	($406,230)	($433,080)
											Year 1 Loss	($433,080)

	Mar '09	Apr '09
Commingled Scale	4% Tier1	4% Tier1
Tons	6,667	6,667
Rebate	$ 86,733	$ 86,733
Fiber	$ 21,684	$ 21,684
Rev Share	$ 14,284	$ 14,476
Total Revenue (proposed)	$ 122,702	$ 122,893
Existing Contract	$ 160,972	$ 160,972
Variance	($38,270)	($38,079)
Cumulative Variance	($38,270)	($76,349)

	Mar '09	Apr '09	May '09	Jun '09	Jul '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09	Jan '10	Feb '10
NPV Impact	($37,155)	($36,970)	($36,153)	($41,784)	($41,753)	($38,000)	($36,595)	($36,153)	($35,711)	($27,393)	($26,730)	($26,068)
Cumulative NPV Impact	($37,155)	($74,125)	($110,278)	($152,063)	($193,815)	($231,816)	($268,410)	($304,563)	($340,275)	($367,668)	($394,398)	($420,466)
											Year 1 NPV Loss	($420,466)

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$ 40.99	$ 53.57	$ 54.28	$ 65.97	$ 67.67	$ 69.38	$ 71.08	$ 72.79	$ 74.49	$ 76.20	$ 77.91	$ 79.61	$ 81.32	$ 83.02	$ 84.73
Feb '09	Mar '09	Apr '09	Mar '10	Apr '10	May '10	Jun '10	Jul '10	Aug '10	Sep '10	Oct '10	Nov '10	Dec '10	Jan '11	Feb '11
		Commingled Scale	6%	6%	6%	7%	7%	7%	7%	7%	7%	9%	9%	9%
Budgeted Tons			Tier2	Tier2	Tier2	Tier2	Tier2	Tier2	Tier2	Tier2	Tier2	Tier2	Tier2	Tier2
80,000		Tons	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667
		Rebate	$ 100,067	$ 100,067	$ 100,067	$ 100,067	$ 100,067	$ 100,067	$ 100,067	$ 100,067	$ 100,067	$ 100,067	$ 100,067	$ 100,067
		Fiber	$ 21,684	$ 21,684	$ 21,684	$ 21,684	$ 21,684	$ 21,684	$ 21,684	$ 21,684	$ 21,684	$ 21,684	$ 21,684	$ 21,684
		Rev Share	$ 26,387	$ 27,069	$ 27,751	$ 33,172	$ 33,968	$ 34,764	$ 35,560	$ 36,356	$ 37,152	$ 48,791	$ 49,814	$ 50,838
		Total Revenue (proposed)	$ 148,137	$ 148,820	$ 149,502	$ 154,923	$ 155,719	$ 156,515	$ 157,311	$ 158,107	$ 158,903	$ 170,542	$ 171,565	$ 172,589
		Existing Contract	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972
		Variance	($12,834)	($12,152)	($11,470)	($6,049)	($5,253)	($4,457)	($3,661)	($2,865)	($2,069)	$9,570	$10,593	$11,617
		Cumulative Variance	($445,915)	($458,067)	($469,537)	($475,586)	($480,838)	($485,295)	($488,956)	($491,820)	($493,889)	($484,319)	($473,726)	($462,110)
													Year 2 Loss	($29,029)
	Mar '09	Apr '09												
Commingled Scale	4%	4%												
	Tier1	Tier1												
Tons	6,667	6,667												
Rebate	$ 86,733	$ 86,733												
Fiber	$ 21,684	$ 21,684												
Rev Share	$ 14,284	$ 14,476												
Total Revenue (proposed)	$ 122,702	$ 122,893												
Existing Contract	$ 160,972	$ 160,972												
Variance	($38,270)	($38,079)												
Cumulative Variance	($38,270)	($76,349)												
	Mar '09	Apr '09	Mar '10	Apr '10	May '10	Jun '10	Jul '10	Aug '10	Sep '10	Oct '10	Nov '10	Dec '10	Jan '11	Feb '11
NPV Impact	($37,155)	($36,970)	($12,098)	($11,455)	($10,811)	($5,701)	($4,951)	($4,201)	($3,451)	($2,700)	($1,950)	$9,020	$9,985	$10,950
Cumulative NPV Impact	($37,155)	($74,125)	($432,564)	($444,019)	($454,830)	($460,532)	($465,483)	($469,684)	($473,134)	($475,834)	($477,784)	($468,764)	($458,779)	($447,829)
													Year 2 NPV Loss	($27,363)

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$ 40.99	$ 53.57	$ 54.28	$ 86.44	$ 88.14	$ 89.85	$ 91.55	$ 93.26	$ 94.96	$ 96.67	$ 98.38	$ 100.08	$ 101.79	$ 103.49	$ 105.20
Feb '09	Mar '09	Apr '09	Mar '11	Apr '11	May '11	Jun '11	Jul '11	Aug '11	Sep '11	Oct '11	Nov '11	Dec '11	Jan '12	Feb '12
		Commingled Scale	9%	9%	9%	12%	12%	12%	12%	12%	13%	13%	13%	13%
Budgeted Tons 80,000			Tier2	Tier3	Tier3	Tier3	Tier3	Tier3	Tier3	Tier3	Tier3	Tier3	Tier3	Tier3
		Tons	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667
		Rebate	$ 100,067	$ 121,467	$ 121,467	$ 121,467	$ 121,467	$ 121,467	$ 121,467	$ 121,467	$ 121,467	$ 121,467	$ 121,467	$ 121,467
		Fiber	$ 21,684	$ 30,746	$ 30,746	$ 30,746	$ 30,746	$ 30,746	$ 30,746	$ 30,746	$ 30,746	$ 30,746	$ 30,746	$ 30,746
		Rev Share	$ 51,861	$ 52,884	$ 53,908	$ 73,242	$ 74,606	$ 75,971	$ 77,336	$ 78,700	$ 86,737	$ 88,215	$ 89,693	$ 91,172
		Total Revenue (proposed)	$ 173,612	$ 205,097	$ 206,120	$ 225,454	$ 226,819	$ 228,183	$ 229,548	$ 230,913	$ 238,949	$ 240,428	$ 241,906	$ 243,384
		Existing Contract	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972	$ 160,972
		Variance	$12,640	$44,125	$45,148	$64,482	$ 65,847	$ 67,212	$ 68,576	$ 69,941	$ 77,977	$ 79,456	$ 80,934	$ 82,412
		Cumulative Variance	($449,470)	($405,345)	($360,196)	($295,714)	($229,867)	($162,655)	($94,079)	($24,138)	$53,839	$133,294	$214,228	$296,641
													Year 3 Gain	$758,750
	Mar '09	Apr '09												
Commingled Scale	4%	4%												
	Tier1	Tier1												
Tons	6,667	6,667												
Rebate	$ 86,733	$ 86,733												
Fiber	$ 21,684	$ 21,684												
Rev Share	$ 14,284	$ 14,476												
Total Revenue (proposed)	$ 122,702	$ 122,893												
Existing Contract	$ 160,972	$ 160,972												
Variance	($38,270)	($38,079)												
Cumulative Variance	($38,270)	($76,349)												
	Mar '09	Apr '09	Mar '11	Apr '11	May '11	Jun '11	Jul '11	Aug '11	Sep '11	Oct '11	Nov '11	Dec '11	Jan '12	Feb '12
NPV Impact	($37,155)	($36,970)	$11,567	$40,381	$41,317	$59,010	$60,259	$61,508	$62,757	$64,006	$71,360	$72,713	$74,066	$75,419
Cumulative NPV Impact	($37,155)	($74,125)	($436,262)	($395,881)	($354,564)	($295,553)	($235,294)	($173,786)	($111,029)	($47,024)	$24,337	$97,050	$171,116	$246,535
													Year 2 NPV Gain	$694,364