

TJF-2: Overall Cost Savings
3-Year total Potential Savings Summary (O&M / Revenue Requirements)
Before Allocation To Individual Regulated Utilities

Potential Areas (\$ in 000's)	Year 1 2011	Year 2 2012	Year 3 2013	Three-Year Total
Corporate and Administrative Programs (1)				
Administrative & General Overhead	\$ 1,313.7	\$ 3,019.4	\$ 3,255.6	\$ 7,588.6
Advertising	\$ 1,094.5	\$ 1,610.4	\$ 1,658.7	\$ 4,363.6
Benefits	\$ 5,746.4	\$ 10,146.3	\$ 13,999.5	\$ 29,892.2
Insurance	\$ 2,653.8	\$ 3,904.8	\$ 4,022.0	\$ 10,580.5
Professional Services	\$ 7,693.6	\$ 11,614.5	\$ 12,352.6	\$ 31,660.7
Facilities	\$ 78.3	\$ 513.9	\$ 1,108.2	\$ 1,700.3
Directors Fees	\$ 772.6	\$ 1,136.8	\$ 1,170.9	\$ 3,080.4
Shareholder Services	\$ 229.4	\$ 337.6	\$ 347.7	\$ 914.7
Credit Facilities	\$ 3,494.3	\$ 4,991.8	\$ 4,991.8	\$ 13,478.0
Total	\$ 23,076.5	\$ 37,275.5	\$ 42,907.0	\$ 103,259.0
Information Technology (1)				
Information Technology	\$ 6,229.9	\$ 14,592.7	\$ 18,601.3	\$ 39,424.0
Total	\$ 6,229.9	\$ 14,592.7	\$ 18,601.3	\$ 39,424.0
Supply Chain (2)				
Contract Services	\$ 6,853.2	\$ 11,574.9	\$ 14,071.2	\$ 32,499.3
Inventory	\$ 616.9	\$ 889.2	\$ 889.2	\$ 2,395.4
M&S Purchases	\$ 7,072.5	\$ 14,387.4	\$ 20,557.1	\$ 42,016.9
Total	\$ 14,542.6	\$ 26,851.6	\$ 35,517.5	\$ 76,911.7
Functional Alignment (1)				
Corporate Functional Alignment	\$ 12,924.5	\$ 30,490.2	\$ 35,193.8	\$ 78,608.4
Total	\$ 12,924.5	\$ 30,490.2	\$ 35,193.8	\$ 78,608.4
Total Gross Savings	\$ 56,773.5	\$ 109,210.0	\$ 132,219.6	\$ 298,203.1

Note:

- 1) Regulated Costs determined using a 3-Factor Allocation: Blend of Regulated and Non-Regulated Gross Plant; Non-fuel, Non-purchased power Revenues; O&M Expense
- 2) Regulated Supply Chain costs determined by direct calculation