

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION)
OF THE DEPARTMENT OF)
WATERWORKS OF THE)
CONSOLIDATED CITY OF)
INDIANAPOLIS, INDIANA, FOR)
AUTHORITY TO INCREASE ITS)
RATES AND CHARGES FOR WATER)
UTILITY SERVICE ON BOTH)
EMERGENCY AND NON-)
EMERGENCY BASES, FOR)
APPROVAL OF A NEW SCHEDULE OF)
RATES AND CHARGES APPLICABLE)
THERETO, AND FOR APPROVAL OF)
A MECHANISM TO ANNUALLY)
IMPLEMENT RATE CHANGES BASED)
ON THE ANNUAL ADJUSTMENT TO)
THE DEPARTMENT'S PAYMENTS)
UNDER THE MANAGEMENT)
AGREEMENT WITH VEOLIA WATER)
INDIANAPOLIS, LLC)

CAUSE NO. 43645

FILED

APR 22 2009

INDIANA UTILITY
REGULATORY COMMISSION

PREFILED TESTIMONY

OF

EDWARD R. KAUFMAN - PUBLIC'S EXHIBIT #1

MARGARET A. STULL - PUBLIC'S EXHIBIT #2

ON BEHALF OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

APRIL 22, 2009

Respectfully Submitted by



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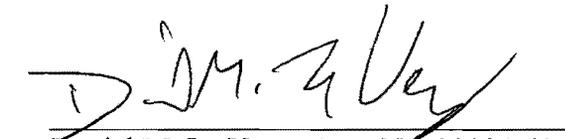
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TESTIMONY OF EDWARD R. KAUFMAN, CRRA
CAUSE NO. 43645
CITY OF INDIANAPOLIS
DEPARTMENT OF WATERWORKS

1 **Q: Please state your name and business address.**

2 A: My name is Edward R. Kaufman, and my business address is National City
3 Center, 115 West Washington Street, Suite 1500 South, Indianapolis, Indiana
4 46204.

5 **Q: By whom and in what capacity are you employed?**

6 A: I am a Senior Analyst employed by the Indiana Office of Utility Consumer
7 Counselor (OUCC).

8 **Q: Please describe your credentials.**

9 A: I graduated from Bentley College in Boston, Massachusetts with a bachelor's
10 degree in Economics/Finance and an Associates degree in Accounting. Before
11 attending graduate school, I worked as an escheatable property accountant at State
12 Street Bank and Trust Company in Boston, Massachusetts. I was awarded a
13 graduate fellowship to attend Purdue University where I earned a Master of
14 Science degree in Management with a finance concentration.

15 I was hired as a Utility Analyst in the Economics and Finance Division of the
16 OUCC in October 1990. My primary areas of responsibility have been in utility
17 finance, utility cost of capital and regulatory policy. I have worked on a range of
18 utilities including natural gas, electric, water and wastewater. I was promoted to
19 Principal Utility Analyst in August 1993 and to Assistant Chief of Economics and
20 Finance in July 1994. As part of an agency wide reorganization in July 1999, my

1 position was reclassified as the Lead Financial Analyst within the
2 Rates/Water/Sewer division. In October, 2005 I was promoted to Assistant
3 Director of the Water/Wastewater division. I have participated in numerous
4 conferences and seminars regarding utility regulation and financial issues. I have
5 been awarded the professional designation Certified Rate of Return Analyst
6 (CRRA). This designation is awarded based upon experience and the successful
7 completion of a written examination. I have testified before the IURC on several
8 occasions.

9 **Q: What is the focus of your testimony?**

10 A: My testimony discusses my concerns about The Department of Waterworks of
11 the Consolidated City of Indianapolis's ("the Department") request for emergency
12 rate relief. Further, my testimony discusses the type of presentation that best
13 supports a request for emergency relief and describes how the Department
14 presented its proposal for emergency rate relief. My testimony also discusses the
15 variable rate debt issued by the Department and how that debt affects the
16 Department's need for emergency rate relief.

17 **Q: What investigations have you performed to prepare your testimony?**

18 A: I reviewed the Petition, testimony and exhibits filed by the Department. I
19 attended numerous meetings with OUCC staff to discuss and evaluate issues in
20 this Cause. The OUCC has conducted discovery and I have reviewed the
21 Department's responses to discovery requests. I also reviewed the Department's
22 responses to the Commission's March 31, 2009 docket entry. To gain a more

1 thorough understanding of how a swap agreement termination fee is derived, I
2 participated in a phone conversation with Jennifer Wilson of Crowe Horawath,
3 Jennie Huang of Morgan Stanley and Peter Grimm of Lamont Financial. I also
4 spoke or otherwise communicated with several financial experts, including Dr.
5 Aswath Damodaran (via email), a Professor of Finance at the Stern School of
6 Business at NYU, regarding the accuracy of long term interest rate forecasts of
7 London Inter-Bank Offer Rate (LIBOR). In an attempt to gain a more thorough
8 understanding of auction rate debt, my analysis included a review of the
9 Securities Industry & Financial Markets Association (SIFMA) web site. Last, I
10 reviewed the Commission's final order in the Department's last rate case (Cause
11 No. 43056) and the final order in South Lawrence Utilities, Inc. (Cause No.
12 43324).

13 **Emergency Rate Request Presentation**

14 **Q: Does the OUCC support the Department's request for emergency rate relief?**

15 A: Not at this time. I am concerned that the Department's presentation does not
16 provide a sufficient factual basis to determine the level of emergency revenues
17 required by the Department at the present time. The Department's testimony and
18 schedules support a need for a general rate case. The Department's witnesses,
19 James Steele and Kevin Taylor, provide a good narrative that generally describes
20 the Department's need for expedited rate relief. However, the totality of the
21 Department's testimony does not adequately demonstrate why the requested
22 amount of emergency rate relief is necessary. Establishing the need for emergency

1 rate relief requires more than showing an inability to meet one's current revenue
2 requirements. Indiana Code 8-1-2-113 provides that the Commission may alter
3 rates "when it considers necessary to prevent injury to the business or interests of
4 the people or any public utility of this state in the case of an emergency to be
5 judged by the commission. . ." On page 5 of the Commission's final order in the
6 *South Lawrence Utilities* case – Cause No. 43324, the Commission provided the
7 following guidance as to what should be proved in a request for an emergency
8 rate increase:

9 When we have previously found an emergency to exist, the
10 evidence has typically established the following: 1) possible
11 curtailment of service; 2) serious financial deterioration; 3) an
12 inability to meet daily expenses; and 4) cost-cutting efforts.

13 After a utility has provided the necessary information and has satisfactorily
14 established that an emergency condition exists, the utility should demonstrate that
15 its proposed relief will adequately alleviate or cure the current financial condition.
16 Thus, a utility not only has to show material harm and/or potential curtailment of
17 service if expedited relief is not granted, but it also has to show that the requested
18 relief to be granted will prevent the material harm and/or potential curtailment of
19 service.

20 An additional and essential step in the emergency rate process is that the utility
21 should discuss the steps it has taken and the additional plans it intends to take to
22 curtail expenses. This discussion should include not only a description of any
23 expenses that can be deferred, but also any long range changes to help reduce the
24 need for emergency rate relief.

1 These requirements not only protect the public from the potential of utilities
2 abusing the emergency process, but these requirements also ensure that a utility
3 has proposed sufficient relief in its emergency request. When a true emergency
4 exists, ratepayers can be harmed by a request that is too low as well as a request
5 that is too high. More specifically, the purpose of emergency rate relief is to
6 provide the utility with the cash flow it needs to meet unavoidable expenses and
7 prevent a curtailment of adequate service. Thus, the nature of an emergency rate
8 request is not based on the same revenue requirements that one would see in a
9 non-emergency rate case. Rather, emergency rates depend on a "cash flow"
10 analysis. Unfortunately, in preparing its case-in-chief, the Department did not
11 follow this approach. The Department's testimony does not provide a month-by-
12 month cash flow of anticipated revenues and expenses. Its proposed emergency
13 rate increase is not based on the cash it needs to prevent harm to the utility. A
14 cash flow analysis assures that the amount of emergency relief is both needed and
15 sufficient.

16 **Q: In noting the failure to present a case based on immediate cash needs, aren't**
17 **you simply arguing form over substance?**

18 **A:** No. This is not merely a matter of form over substance. My testimony does not
19 challenge the improper form used by the Department as a vehicle to deny the
20 requested rate relief. The proper form of an emergency rate request is in part
21 designed to provide the necessary rate relief to avert or resolve the emergency
22 until permanent rate relief can be authorized. When the proper form is ignored, it

1 becomes difficult to tell if the requested emergency rate relief is sufficient,
2 excessive or deficient.

3 **Q: If the Department had provided a cash-flow approach as you describe above,**
4 **would that have been sufficient in and of itself for OUCC to support the**
5 **Department's emergency request?**

6 A: OUCC recognizes that the Department is financially distressed. However, even if
7 the Department had presented a cash flow approach, a lack of transparency and
8 the omission of certain critical data from the Department's presentation prevents
9 the OUCC from determining if emergency rate relief is appropriate. As I discuss
10 later in my testimony, it is possible that the Department has sufficient cash-on-
11 hand that could eliminate or substantially reduce its need for emergency relief.
12 The Department has told the OUCC that it believes the long-term disadvantages
13 of spending the cash reserve fund outweigh any short-term benefits, but has not
14 provided any analysis that quantifies either the benefits or the disadvantages. The
15 Department should provide this type of analysis in its rebuttal and demonstrate
16 why the public interest is best served by not invading this cash-on-hand.

17 **Q: Did the Department provide a month-by-month cash flow in response to an**
18 **OUCC data request?**

19 A: Yes (see ERK Attachment 1).¹ The Department's projected cash flow analysis
20 assumes that its proposed emergency rate increase takes effect in July 2009. Even
21 with the proposed increase, the Department still projects a cash deficit in excess
22 of \$9.7 million by the end of 2009.

¹ Attachment 1 was provided by the Department in response to OUCC data request question 6. The cash flow statement includes the additional revenues that would result from granting the Department's request.

1 **Q: Do you have any concerns regarding the Department's cash flow statement?**

2 A: Yes. I have several concerns.

3 1) Even with the proposed increase the Department projects a significant
4 cash shortfall.

5 2) The Department's projected cash flow statement assumes the Department
6 does not spend any of its present \$26.4 million cash reserve.

7 3) The 2005 G Bonds are variable rate debt and the interest rate on these
8 bonds can change dramatically.

9 4) The projected cash flow statement appears to ignore the effect of the
10 Department's swap agreements.

11 5) The cash flow statement ignores potential refinancing.

12 6) The Department does not explain the cash flow statement or integrate it
13 into its rate request.

14 **Q: Please explain your concern about the Department's projected cash shortfall.**

15 A: The Department's testimony does not explain how it intends to meet its projected
16 cash shortfall. Even with the proposed emergency increase, the Department
17 projects a cash shortfall of more than \$9.7 million by the end of 2009. With such
18 a large deficit, no one can be certain that the proposed relief will avert an
19 emergency. On the other hand, if the Department can manage a \$9.7 million cash
20 deficit over the short term, it is difficult to tell how large a deficit the Department
21 can handle and how much of the proposed relief it truly needs.

22 **Q: Please explain your concern that the Department's projected cash flow
23 statement assumes the Department does not spend any of its Cash Reserve
24 Fund.**

25 A: The Department's cash flow statement shows that it is restricting (not using)
26 \$26.4 million of cash from a Cash Reserve Fund even though it projects a cash
27 deficit of \$9.7 million. It appears that this Cash Reserve Fund exists to help

1 alleviate just this type of emergency. OUCC data request question 41e addressed
2 this topic. In response to that data request, the Department asserted that using the
3 Cash Reserve Fund would be considered a “material” event that “sends a signal to
4 the market that scares investors and would make any future sale of debt more
5 difficult and at a higher interest rate.”

6 **Q: Do you accept the Department’s explanation that it should not spend the**
7 **reserve fund?**

8 A: Not today. While it is possible that the scenario described by the Department
9 might occur, they have not provided any numerical or financial analysis of the
10 actual (or even estimated) impact of spending the Cash Reserve Fund. Absent
11 such evidence, the OUCC has little choice but to recommend that the Department
12 use its Cash Reserve Fund.

13 If the Department could provide a cost-benefit analysis that quantifies the impact
14 on future debt of spending the reserve and explains why it is in the public interest
15 not to use the reserve funds, perhaps OUCC could be persuaded that the Cash
16 Reserve Fund should not be spent. Because the \$26.4 million in this fund exceeds
17 the requested \$21.9 million annual increase, spending down the Cash Reserve
18 Fund could eliminate the need for emergency rates.

19 Even if the Department were granted its proposed emergency increase without
20 spending the Cash Reserve Fund, there are currently no protections in place that
21 prevent the Department from subsequently using its Cash Reserve Fund for other

1 purposes. The OUCC would want some assurance from the Department that this
2 will not take place.

3 **Q: Please explain your concern related to the Department's cash flow statement**
4 **and more specifically that Series 2005 G Bonds are variable rate debt and the**
5 **interest rate on these bonds can change dramatically.**

6 A: Other than the operating contract with Veolia, the largest "expense" on the
7 Department's projected cash flow is the debt service on its Series 2005 G Bonds.
8 The Department's cash flow statement shows an expected annual expense of
9 approximately \$30.5 million for the Series 2005 G Bonds. Yet the 2005 G Bonds
10 are variable rate debt and the interest rate on these bonds can change dramatically.
11 At a minimum, the Department should identify the interest rate used and why that
12 interest rate was selected. This should be part of the cash flow analysis. For
13 example, the interest rate on the Series 2004 A Bonds has dropped from 9.3% in
14 November 2008 to less than 0.86% in February 2009. (See ERK Attachment 2,
15 page 3, the Department's response to OUCC data request question 11f.) This
16 change illustrates the volatility of interest rates and their influence on a projected
17 cash flow statement.

18 **Q: Please explain your concern that the projected cash flow statement appears**
19 **to ignore the effect of the Department's swap agreements.**

20 A: It appears that the projected cash flow statement ignores the effect of the
21 Department's swap agreements. The swap agreements are one of the largest
22 factors in addressing the Department's need for emergency relief. A projected
23 cash flow statement should explicitly include their effect upon the Department's
24 operations to be reliable.

1 **Q: Please explain your concern that the cash flow statement ignores potential**
2 **refinancing.**

3 A: The Department will likely refinance some of its variable rate debt this Spring.
4 The level of emergency relief proposed in Mr. Skomp's testimony assumes that
5 the Department will refinance its variable rate debt. The Department should have
6 provided a second projected cash flow that incorporates the effect of any
7 anticipated refinancing. This additional cash flow projection will not only ensure
8 that any emergency rate increase will provide the Department with sufficient
9 funds, but it will illustrate the benefits of the proposed refinancing.

10 **Q: Please explain your concern that the Department does not explain the cash**
11 **flow statement or integrate it into its emergency request.**

12 A: Any projected cash flow statement requires various assumptions. Because the
13 projected cash flow statement is not part of the Department's testimony, these
14 assumptions have not been stated, explained or adequately supported by any
15 testimony. Based on all of the concerns expressed above, I question the reliability
16 of the cash flow statement.

17 **Q: Do you have other concerns about the Department's presentation?**

18 A: Yes. The Department's use, or more specifically its excessive use, of variable
19 rate debt is the key factor in its need for emergency rate relief. However, other
20 than a brief description that interest rates have increased, its testimony provides
21 no history on the cost of the variable rate loans. The testimony should include the
22 month-by-month cost and interest rate for each of the variable rate loans. The
23 testimony should also include the most current rates so that we know if any of the
24 variable rates have decreased from their peak. The ratepayers and the

1 Commission have a right to see when and how the Department got into its current
2 financial situation and if the situation is improving.

3 Another large component of the emergency request is the interest rate swaps.
4 Again, the Department does not provide a thorough description of the interest rate
5 swaps and their effect on its financial situation. On page 11 of Mr. Taylor's
6 testimony, he asserts that the estimated cost to terminate the swaps is \$90 million.
7 His testimony does not mention where the \$90 million figure comes from, how it
8 is calculated or that the Department intends to terminate the swaps and include the
9 \$90 million as part of its proposed Series 2009C bonds. The cost to ratepayers of
10 terminating these swaps could exceed \$6.5 million annually.² The Department
11 does not disclose or otherwise address this fact in its testimony.

12 **Q: Are there any specific components of the Department's proposed rates with**
13 **which you disagree?**

14 **A:** Yes. To determine its annual debt service, the Department uses a five-year
15 average (2010 – 2014). (See page 19 of Mr. Skomp's accounting exhibit.) In this
16 Cause the Commission is setting rates for one year, not five years. It is not
17 appropriate to use a five-year average in this emergency rate case. The
18 appropriate debt service payment to be included is \$55,091,219 (the estimated
19 2009 amount per page 26 of Mr. Skomp's accounting exhibit) and not the
20 \$59,463,000 proposed by the Department.

² A \$90 million loan amortized over 28 years at 5.75% (the Department's proposed interest rate for the 2009C bonds) would result in an annual debt service of approximately \$6.54 million. The amortization schedule provided by the Department for its Series 2009 C Bond uses interest rates of 5.5% to 5.75% and would be repaid over 28 years.

1 **Q: Other than the use of a five-year average to estimate the annual debt service**
2 **payment, does the Department's analysis on debt service raise concerns?**

3 A: Yes. A review of Mr. Skomp's accounting schedules (pages 20-25) and
4 subsequent proposed annual debt service indicate that the Department intends to
5 refinance some or all of its variable rate debt.

6 More specifically the:

7 Series 2009A Bonds would be used to refinance the Series 2004A Bonds
8 Series 2009B Bonds would be used to refinance the Series 2005H Bonds and
9 Series 2009C Bonds would be used to refinance the Series 2005G Bonds.

10 However, the Department's testimony does not disclose that it intends to
11 refinance its variable rate debt. None of its witnesses in this Cause discuss the
12 proposed refinancing in their testimony. Moreover, none of the witnesses
13 demonstrate the cost savings to ratepayers that would occur as a result of any such
14 refinancing.

15 **Q: Is the Department seeking Commission authority to issue debt as part of this**
16 **Cause?**

17 A: No. It is my understanding that no statute applicable to the Department requires
18 review or authorization from the Commission before the Department may issue
19 long term debt. However, the Department's ability to issue debt without the
20 Commission's authorization does not relieve it of the responsibility to thoroughly
21 justify the revenue requirement associated with its proposed refinancing. The
22 Department is seeking to recover the debt service on its Series 2009A, 2009B and
23 2009C bonds. The Department will use the proceeds from the sale of these bonds
24 to refinance its variable rate debt. Ratepayers and the Commission must know

1 how the proposed 2009 bonds will influence both short and long term revenue
2 requirements. This anticipated debt should be reviewed no differently than a
3 proposed water tower. The Department does not need Commission authority to
4 build a water tower. However, to recover the cost of that water tower in rates the
5 Department needs to show that the tower was necessary, was prudently built and
6 will be recovered in rates over a reasonable period of time.

7 The Department's past financial decisions will cost Indianapolis ratepayers more
8 than \$100 million. The Department's current financial plans attempt to mitigate
9 additional losses, but they do not explain how or why its intended refinancing is
10 cost-effective. The Department requests the Commission provide extraordinary
11 relief and charge the ratepayers more than \$100 million without a thorough
12 explanation of the costs to fix its current problems. The Department's proposed
13 solutions and its costs to fix any past decisions should be complete and
14 transparent.

15 **Variable Rate Debt and Swap Agreements**

16 **Q: During your review of the Department's request, were you able to gain a**
17 **complete and thorough understanding of how the Department's variable rate**
18 **bonds work?**

19 **A:** No. The Department's current debt is complex and there was not sufficient time
20 in this expedited procedure to gain a thorough and comprehensive understanding
21 of the Department's variable rate debt. I have developed a solid understanding of
22 the basics, but I do not yet understand all of the nuances.

1 **Q: Please provide a brief overview of the Department's variable rate bonds.**

2 A: The Department has three variable rate bonds:

3 Series 2005G Bonds with a remaining balance of \$386.5 million
4 Series 2005H Bonds with a remaining balance of \$ 47.81 million
5 Series 2004A Bonds with a remaining balance of \$ 50.0 million

6 Total \$484.31 million

7 Both 2005 bond series are variable rate demand bonds (VRDBs)
8 The 2004 bonds are auction rate securities (ARS)

9 Also, the Department entered into two swap agreements on its Series 2005G
10 Bonds:

11 The first swap agreement is with Bear Stearns which covers \$277,971,776

12 The second swap agreement is with Loop which covers \$108,528,224

13 Total \$386,500,000

14 The Series 2005H Bonds are also covered by a swap agreement with Bear Stearns
15 of \$47,810,000.

16 **Q: Please explain how an interest rate swap agreement is intended to work.**

17 A: If a borrower has issued a large portion of variable rate debt, it could incur a large
18 increase in its annual cost of debt service if interest rates increase. If
19 implemented correctly, such a borrower can use a "swap" to mitigate or hedge the
20 borrower's risk of rising interest rates. For example, a hypothetical Company
21 (XYZ) has borrowed \$1,000,000 at a variable interest rate from a local bank. To
22 hedge its risk, Company XYZ could agree with an investment firm such as Bear
23 Stearns to pay the firm an amount equal to a fixed rate of 4.0% of the outstanding
24 loan balance that is owed to the local bank. In exchange for the fixed payment,
25 Bear Stearns would pay XYZ a variable rate. This variable rate could be based on
26 long term government bonds such as the current yield on U.S. 30-year Treasury

1 bonds. Thus, the payment XYZ receives from Bear Stearns would fluctuate as the
2 rate on 30-year U.S. Treasury bonds fluctuates. XYZ would then use the payment
3 it receives from Bear Stearns to make its payment on the variable rate debt it has
4 incurred with the local bank. If XYZ has implemented the hedge correctly, the
5 variable payment it receives from Bear Stearns will match the variable payment it
6 must make to the local bank. Thus, XYZ would be indifferent as to which way
7 interest rates move, because any increase in interest expense owed to the local
8 bank is matched by an increase in revenues XYZ receives from the swap, but any
9 decrease in the expense owed to the local bank would be matched by a decrease in
10 revenues XYZ receives from the swap. Thus, XYZ has effectively converted its
11 variable rate payment into a fixed payment and it is Bear Stearns that is exposed
12 to any risk or reward of changing interest rates.

13 **Q: Please explain the basics of the Department's interest rate swap.**

14 A: The Department has entered into three swaps, similar to the hypothetical swap
15 agreement I described above. But I will focus my discussion on the Department's
16 \$278 million swap relating to the debt service on the Series 2005 G Bonds. At the
17 time it issued its Series 2005 G bonds, the Department simultaneously entered
18 into a swap agreement with Bear Stearns. As part of the agreement, the
19 Department will pay a fixed payment at a rate of 3.51% to Bear Stearns. For
20 example, according to the Department's response to OUCC data request question
21 No. 13f, the Department will pay Bear Stearns on May 1, 2009, \$813,067 on a
22 loan amount of \$277,971,776. ($\$813,067 * 12 \text{ months} / \$277,971,776 = 3.51\%$)

1 (See ERK Attachment 3, page 1.) In exchange for the Department's fixed
2 payment, Bear Stearns agreed to pay the Department 67.0% of the 1 month
3 LIBOR. Thus, if LIBOR was 5.5%, Bear Stearns would make a payment to the
4 Department at an interest rate of 3.685%. It was intended that any change in the
5 variable payment (rate) that the Department owed on its Series 2005 G bonds
6 would track changes in LIBOR. Thus, if the Department's interest payment on its
7 Series 2005 G Bonds increased, so would the payment the Department received
8 from Bear Stearns. Thus, the Department would have effectively converted its
9 variable rate debt into a fixed payment at 3.51%.

10 **Q: Did the swap work as the Department intended?**

11 A: No. For the combination of the two agreements to work to secure a fixed
12 payment, the interest rates on the Department's Series 2005 G bonds and LIBOR
13 must move in the same direction and in the same proportion and at the same time.
14 But the worst of all possible combinations occurred. The variable rate on its
15 Series 2005 G Bonds did not track LIBOR. During the last several months, the 1-
16 Month LIBOR decreased to historical lows. For July 31, 2007, 1-Month LIBOR
17 was 5.32% and the monthly payment on the Series 2005 G Bonds by Bear Stearns
18 was \$817,730. For February 26, 2009 1-Month LIBOR had decreased to
19 0.45413% and the monthly payment on the Series 2005 G Bonds by Bear Stearns
20 was only \$64,882. (See ERK Attachment 2, page 1.) Thus, the monthly payment
21 the Department received from Bear Stearns on the swap associated with its Series
22 2005 G Bonds dropped by approximately \$753,000 per month. To make matters

1 worse, the interest rate on the Department's Series 2005 G Bonds did not track
2 LIBOR, but actually increased. Thus, the Department lost, and continues to lose,
3 money on both parts of the transaction.

4 **Q: On page 11 of his testimony, Mr. Taylor asserts that the estimated cost to**
5 **terminate the interest rate swaps on its variable rate debt is approximately**
6 **\$90 million. Do you have any concerns regarding the possible termination of**
7 **these interest rate swaps?**

8 A: Yes. LIBOR is currently lower than at any time during the last ten years (See
9 ERK Attachment 6). As the forecasted LIBOR decreases, the Department's cost
10 to terminate the swap increases. The termination cost of the swap agreements is
11 the present value of the payments the Department owes to the swap holder less the
12 forecasted payment the Department receives from the swap holder over the
13 remaining life of the swap. Since forecasted LIBOR is at historical lows the
14 projected payments the Department would receive are very small. Thus, the
15 difference between what the Department pays to the swap holder and what it
16 receives from the swap holder is a very large negative number. The Department
17 would terminate the swaps at the most costly time. Even a small increase in
18 LIBOR would significantly increase the projected payments the Department
19 would receive and subsequently reduce the cost to terminate the swap agreements.

20 Next, I question the calculations provided to the Department that support the
21 estimated costs to terminate the swap agreements. The current estimates to

1 terminate the swaps agreements are as follows:

2	Bear Stearns 2005 G	\$56,829,749
3	Loop 2005 G	\$23,034,898
4	Bear Stearns 2005 H	<u>\$11,722,902</u>
5	Total	\$91,587,549 ³

6 The termination fees are based on more than 25 years of forecasted 1-Month
7 LIBOR. In response to OUCC data request question 11f, the Department
8 provided the monthly forecasted LIBOR rates used to estimate the termination
9 value of each swap. I created a graph that illustrates each swap's forecasted
10 interest rates. (See ERK Attachment No. 7) I found the results of my analysis to
11 be somewhat peculiar. All three swaps appear to be based on data from March
12 18, 2009 and use forecasted 1-Month LIBOR. I expected all three estimates to
13 track each other very closely and that the two estimates from Bear Stearns to be
14 almost identical. However, there are clear differences between the three forecasts.
15 Moreover, the Loop termination estimates are consistently lower than the Bear
16 Stearns' termination estimates. Before incurring any termination costs, the
17 Department should require Bear Stearns and Loop to explain and justify these
18 differences in a manner that is satisfactory to the Department. These justifications
19 and any analysis that supports these justifications should also be provided to the
20 Commission and OUCC.

³ The Department's response to OUCC data request question 13f.

1 **Q: Do you have other concerns with the forecasted LIBORs?**

2 A: Yes. All three forecasts show a decrease in forecasted 1-Month LIBOR in 2023
3 and the Loop forecast shows an additional decrease in 2029. The decrease in
4 forecasted 1-Month LIBOR seems inconsistent with the long term forecasts of
5 LIBOR provided by the Department, which show consistent increases in LIBOR
6 as the term of LIBOR increases (See the last page of ERK Attach. 3, 4 and 5).

7 **Q: Were you able to independently review the LIBOR forecasts used to**
8 **calculate the termination fees?**

9 A: No. I searched the web for long-term forecasts of LIBOR and was not able to
10 find anything beyond 1 year. I spoke with several colleagues to see if they had
11 access to a paid service, such as Bloomberg, which might have access to a long-
12 term forecast of LIBOR. None did. Several sources were highly critical of any
13 forecast of long term rates beyond 12 months. It is essential to know that the
14 forecasted LIBORs are not being manipulated or understated. If the Department
15 has the contractual ability to challenge the projected LIBORs being used to
16 calculate the termination fees, it should do so.

17 **Q: What are the consequences to the Department if the LIBOR estimates are**
18 **understated?**

19 A: If the 1-Month LIBOR forecasts are understated, that would reduce the estimated
20 variable payments to the Department and in turn would increase the termination
21 fee to get out of the swap. For example, if the outstanding balance on the Bear
22 Stearns swap is \$250,000,000 and if the "LIBOR Reset Rate" used to estimate a
23 forecasted variable interest rate for one payment is understated by 40 basis points,
24 that projected monthly payment to the Department would be understated by

1 a proposed course of action. I believe that another set of eyes might have
2 prevented or at least reduced the financial distress now being confronted. In
3 future cases, I would encourage the Department to take advantage of such
4 resources and voluntarily seek its regulator's advice (not consent) on future
5 financings.

6 **Q: Please summarize your testimony.**

7 A: The Department's presentation in its case-in-chief makes it difficult to determine
8 the degree of emergency rate relief the Department actually needs and whether
9 such relief is insufficient, sufficient or excessive. The variable rate debt, the
10 credit swaps, and the potential refinancing make the Department's cash needs a
11 moving target. But more bothersome is the Department's lack of transparency.
12 Over \$32 million of the Department's proposed emergency rates are based upon
13 the issuance of its proposed 2009 bonds to refinance some or all of its variable
14 rate debt (page 26 of Mr. Skomp's accounting exhibit). Yet there is no supporting
15 testimony from the Department regarding such proposals to refinance its variable
16 rate debt.

17 While the Department does not need Commission authority to issue debt, that
18 does not mean the Department is guaranteed rate relief for debt that is
19 imprudently incurred or not related to utility activity. The Department should be
20 required to explain its financing plans if it seeks to include the cost of such
21 financing in rates.

1 Finally, in its rebuttal testimony, the Department should make a more thorough
2 presentation of its cash needs over the next 9 to 12 months. The goal is for the
3 Department to demonstrate that the requested emergency relief is both needed and
4 sufficient.

5 **Q: Does this conclude your testimony?**

6 **A: Yes.**

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Operating Revenue													
Receipts from Sale of Water	8,984,653	10,438,857	10,927,604	9,517,928	10,167,520	9,322,354	13,574,500	14,321,244	13,996,897	14,696,755	12,394,326	12,007,428	140,350,066
Interest Income	134,325	130,321	84,000	84,000	84,000	186,000	84,000	84,000	84,000	84,000	84,000	1,107,514	2,230,160
Other Utility Receipts	158	144	300	300	800	798,800	800	300	300	300	300	779,300	1,581,802
System Development Charges	523,800	243,344	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,767,144
Other Operating Receipts	25,760	14,196	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	248,290
Total Operating Revenue	9,668,696	10,826,862	11,232,737	9,823,062	10,473,153	10,527,987	13,880,134	14,626,377	14,302,031	15,001,888	12,699,459	14,115,075	147,177,462
Operating Expenses													
Veolia Water Fixed Fee and Service Level Payments	3,377,839	4,897,557	3,377,839	7,255,038	5,137,624	3,557,037	3,557,037	5,137,624	3,557,037	3,557,037	5,137,624	3,557,037	52,106,330
Veolia Reimbursement Agreement	0	0	0	0	0	0	0	0	1,667,000	0	0	0	1,667,000
PILQOT	0	3,214	0	4,153,745	850,380	0	4,153,745	0	0	3,703,364	850,380	0	13,714,827
Pension Trust Payments	291,667	291,667	291,667	291,667	291,667	291,667	291,667	291,667	291,667	291,667	291,667	291,667	3,000,001
Financial Services	0	16,340	16,250	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	212,590
Attorney	0	9,250	27,083	27,083	27,083	27,083	27,083	27,083	27,083	27,083	27,083	27,083	280,083
Consulting Services	8,082	98,736	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	52,917	635,985
Miscellaneous Expenses	1,829	1,854	4,888	4,888	4,888	4,888	4,888	4,888	4,888	4,888	4,888	4,888	52,558
Purchased Water and Water Rights	80,861	110,784	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	608,312
Personal Services	39,003	39,870	59,498	59,498	89,247	59,498	59,498	59,498	59,498	89,247	59,498	59,498	733,350
Supplies	118	0	117	117	117	117	117	117	117	117	117	117	1,285
Damage Claims	0	5,075	0	0	10,000	0	75,000	50,000	0	150,000	150,000	65,600	505,675
IDEM Fees	0	284,295	0	0	0	60	246	0	0	0	0	0	284,601
ILUPPS	0	261,646	0	0	0	0	0	0	0	0	0	500,000	761,646
Environmental Monitoring	178,146	219,490	0	0	0	0	0	0	0	0	0	0	394,637
Sales and Utility Receipts Taxes	562,009	630,867	655,656	971,076	610,051	959,341	814,470	859,275	1,239,814	868,145	743,660	1,120,446	10,034,809
Total Operating Expenses	4,536,554	6,870,646	4,527,580	12,877,694	7,135,639	5,014,274	9,098,334	6,544,734	6,961,686	8,806,130	7,379,499	5,740,918	85,493,689
Net Available for Debt Service	5,132,142	3,956,217	6,705,157	(3,054,632)	3,337,514	5,513,714	4,781,800	8,081,643	7,340,344	6,195,758	5,319,960	8,374,157	61,683,773
Debt Service Requirements													
2002 Bond Payment	1,295,227	0	0	0	0	3,301,844	0	0	0	0	0	3,360,469	7,897,540
2004 A Bond Payment	233,965	53,861	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	197,500	2,262,826
2005 F Bond Payment	1,801,611	0	0	0	0	1,795,828	0	0	0	0	0	1,800,041	5,397,480
2005 G Bond Payment	2,768,660	2,592,379	2,344,767	2,344,767	2,344,767	3,169,767	2,344,767	2,344,767	2,344,767	2,344,767	2,344,767	3,179,767	30,468,709
2005 H Bond Payment	564,112	325,847	299,211	299,211	299,211	299,211	299,211	299,211	299,211	299,211	299,211	299,211	3,882,069
2006 A Bond Payment	2,127,799	0	0	0	0	2,140,325	0	0	0	0	0	2,140,325	6,408,449
2007 B Bond Payment	1,724,663	0	0	0	0	1,848,263	0	0	0	0	0	1,848,263	5,421,189
2007 L Bond Payment	2,387,617	0	0	0	0	3,167,763	0	0	0	0	0	3,164,963	8,720,343
Total Debt Service Expenses	12,903,654	2,972,087	2,841,478	2,841,478	2,841,478	15,920,501	2,841,478	2,841,478	2,841,478	2,841,478	2,841,478	2,841,478	70,458,605
Capital Requirements													
2009 Capital Projects	0	719,944	250,000	350,000	700,000	1,000,000	1,400,000	1,500,000	1,500,000	1,500,000	1,400,000	1,134,588	11,454,532
Property and Equipment	0	0	5,000	75,000	115,000	300,000	50,000	5,000	110,000	10,000	100,000	76,213	846,213
Main Extension Refunds and Deposits	35,669	69,024	0	475,000	0	0	0	0	0	0	0	0	579,693
Total Capital Expenses	35,669	788,968	255,000	900,000	815,000	1,300,000	1,450,000	1,505,000	1,610,000	1,510,000	1,500,000	1,210,801	12,880,433
Beginning Cash Balances Available for Operating Expenses, Bond Payments and Revenue Funded Capital													
Bond Fund	29,631,982												
Less: Amount Required for Reserve	(26,409,913)												
Senior Bond Accrual	2,730,936												
Rate Stabilization Fund	92,011												
Revenue and Operating Fund	5,883,974												
Total Beginning Cash Balance	11,928,990	4,121,809	4,316,970	7,925,649	1,129,538	810,575	(10,896,213)	(10,405,891)	(6,670,726)	(3,781,859)	(1,937,580)	(959,098)	
BALANCE	4,121,809	4,316,970	7,925,649	1,129,538	810,575	(10,896,213)	(10,405,891)	(6,670,726)	(3,781,859)	(1,937,580)	(959,098)	(9,726,281)	

THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK BONDS
 SERIES 2005G (WATERWORKS PROJECT) \$388,100,000
 SWAP PAYMENTS
 67% of 1M LIBOR

Date	LIBOR Rates	Portion Received				Swap Fixed (Paid)		E = (C-D)	F VRDB (Debt Service - Interest)	G = (F-E) Combined Debt Service and Swap Payments	Annual Totals	Fiscal Year
		A Bear Stearns (Floating)	Bear Stearns Reset Rates	B Loop Financial	Loop Financial Reset Rates	C = (A+B) Total Combined Swap received (Interest)	D Total Swap - Fixed Interest Rate 3.51%					
11/30/05		\$298,803.16		\$ 116,558.83		\$ 415,361.99	\$ 529,756.50	\$ (114,394.51)	\$ 457,001.04	\$ 571,395.55		2005
12/30/05		735,545.91		269,620.01		1,005,165.92	1,195,734.58	(190,568.66)	1,102,629.31	1,293,197.97	\$ 1,864,594	2005
1/31/06		662,682.16		276,289.61		938,971.77	1,080,763.62	(141,791.85)	933,246.83	1,075,038.68		2006
2/28/06		655,524.01		255,935.92		911,459.93	1,135,192.50	(223,732.57)	927,354.05	1,151,086.62		2006
3/31/06		800,240.23		293,117.17		1,093,357.40	1,189,621.39	(96,263.99)	1,090,587.99	1,186,851.98		2006
4/28/06		702,861.96		293,736.36		996,598.32	1,080,763.62	(84,165.30)	1,027,808.54	1,111,973.84		2006
5/31/06		804,921.15		314,264.23		1,119,185.38	1,135,192.50	(16,007.12)	1,170,655.84	1,186,662.96		2006
6/30/06		854,603.66		312,257.26		1,166,860.92	1,189,621.39	(22,760.47)	1,258,175.23	1,280,935.70		2006
7/31/06		797,457.57		332,754.47		1,130,212.04	1,080,763.62	49,448.42	1,119,315.99	1,069,867.57		2006
8/31/06		849,446.32		331,647.93		1,181,094.25	1,135,192.50	45,901.75	1,164,911.80	1,119,010.05		2006
9/29/06		846,459.32		319,831.66		1,166,290.98	1,162,406.95	3,884.03	1,169,727.38	1,165,843.35		2006
10/31/06		817,796.04		329,942.48		1,147,738.52	1,107,978.06	39,760.46	1,125,651.00	1,085,890.54		2006
11/30/06		817,880.93		319,270.26		1,137,151.19	1,135,192.50	1,958.69	1,142,705.22	1,140,746.53		2006
12/29/06		877,143.91		331,760.41		1,208,904.32	1,162,406.95	46,497.37	1,239,985.24	1,193,487.87	13,767,396	2006
1/31/07		818,036.93		330,087.00		1,148,123.93	1,107,978.06	40,145.87	1,151,134.50	1,110,988.63		2007
2/28/07		763,214.21		297,980.91		1,061,195.12	1,135,192.50	(73,997.38)	1,074,603.98	1,148,601.36		2007
3/30/07		872,244.81		329,907.44		1,202,152.25	1,162,406.95	39,745.30	1,222,411.76	1,182,666.46		2007
4/30/07		790,471.86		319,265.26		1,109,737.12	1,107,978.06	1,759.06	1,154,994.71	1,153,235.65		2007
5/31/07		844,987.06		329,907.44		1,174,894.50	1,135,192.50	39,702.00	1,283,145.49	1,243,443.49		2007
6/30/07		844,987.16		319,265.26		1,164,252.42	1,162,406.95	1,845.47	1,223,933.48	1,222,088.01		2007
7/31/07	5.32000%	817,729.51	3.56440%	329,907.44	3.56140%	1,147,636.95	1,107,978.06	39,658.89	1,156,559.59	1,116,900.70		2007
8/31/07	5.45215%	949,780.81	3.65294%	337,425.29	3.64562%	1,287,206.10	1,216,835.83	70,370.27	1,343,012.48	1,272,642.21		2007
9/30/07	5.51917%	763,508.47	3.69784%	331,492.76	3.70091%	1,095,001.23	1,135,192.50	(40,191.27)	1,096,674.91	1,136,866.18		2007
10/31/07	5.03786%	800,175.15	3.37537%	312,411.36	3.37536%	1,112,586.51	1,135,192.50	(22,605.99)	1,169,711.98	1,192,317.97		2007
11/30/07	4.71797%	773,538.53	3.16104%	282,470.40	3.15360%	1,056,008.93	1,189,621.39	(133,612.46)	1,190,648.78	1,324,261.24		2007
12/31/07	5.01954%	771,475.56	3.36309%	310,813.65	3.35810%	1,082,289.21	1,107,978.06	(25,688.85)	1,057,738.80	1,083,427.65	14,187,440	2007
1/31/08	4.07542%	624,715.05	2.73053%	253,592.54	2.73988%	878,307.59	1,107,978.06	(229,670.47)	1,029,289.91	1,258,960.38		2008
2/29/08	3.16415%	501,195.56	2.11998%	183,727.58	2.11614%	684,923.14	1,189,621.39	(504,698.25)	1,837,804.65	2,342,502.90		2008
3/31/08	2.84467%	421,533.77	1.90593%	177,520.09	1.91797%	599,053.86	1,080,763.62	(481,709.76)	2,005,586.47	2,487,296.23		2008
4/30/08	2.76012%	423,094.80	1.84928%	165,188.49	1.84927%	588,283.29	1,135,192.47	(546,909.18)	1,316,874.06	1,863,783.24		2008
5/31/08	2.55803%	418,257.90	1.71388%	158,549.38	1.84927%	576,807.28	1,162,406.95	(585,599.67)	913,289.00	1,498,888.67		2008
6/30/08	2.46267%	364,916.14	1.64999%	147,224.46	1.84927%	512,140.60	1,107,978.06	(595,837.46)	1,569,478.14	2,165,315.60		2008
7/31/08	2.46129%	389,064.29	1.64906%	151,902.35	1.64569%	540,966.64	1,133,520.09	(592,553.45)	2,254,118.05	2,846,671.50		2008
8/29/08	2.46659%	402,481.76	1.65262%	152,224.45	1.65256%	554,706.21	1,160,025.82	(605,319.61)	2,070,891.02	2,676,210.63		2008
9/24/08	2.81175%	415,788.19	1.88387%	167,250.70	1.87621%	583,038.89	1,105,708.43	(522,669.54)	2,034,412.74	2,557,082.28		2008
10/29/08	3.86087%	649,675.75	2.58678%	241,239.58	2.61892%	890,915.33	1,187,184.52	(296,269.19)	2,201,418.84	2,497,688.03		2008
11/26/08	1.73317%	247,454.73	1.16122%	108,991.95	1.22267%	356,446.68	1,078,549.73	(722,103.05)	1,579,393.54	2,301,496.59		2008
12/31/08	1.12105%	182,939.78	0.75110%	69,679.18	0.75802%	252,618.96	1,159,365.00	(906,746.04)	1,205,854.63	2,112,600.67	26,608,497	2008
1/28/09	0.38367%	60,688.17	0.25706%	23,817.57	0.25840%	84,505.74	1,130,512.50	(1,046,006.76)	1,722,653.42	2,768,660.18		
2/26/09	0.45413%	64,882.12	0.30427%	25,193.40	0.30261%	90,075.52	1,130,512.50	(1,040,436.98)	1,551,941.61	2,592,378.59		
Totals						\$35,452,226.93	\$ 44,893,859.18	\$(9,441,632.25)	\$52,347,332.00	\$61,788,964.25		

THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK BONDS
SERIES 2005H (WATERWORKS PROJECT) \$47,810,000
SWAP PAYMENTS
67% of 1M LIBOR

Date	LIBOR Rate	Bear Stearns Reset Rates	A Total Swap Received (Interest)	B Total Swap Interest (Fixed Rate 3.527%)	C = (A-B) (-) Net Swap Payments	D VRDB (Debt Service - Interest)	E = (D-C) Combined Debt Service and Swap Payments	Annual Totals	Fiscal Year
12/31/05					\$ (18,365.09)	\$ 113,512.73	\$ 131,877.82	\$ 131,878	2005
01/31/06					(17,644.74)	115,110.76	132,755.50		2006
02/28/06					(28,238.95)	114,220.06	142,459.01		2006
03/31/06					(12,819.07)	134,378.84	147,197.91		2006
04/30/06					(10,762.47)	126,697.81	137,460.28		2006
05/31/06					(2,649.19)	144,215.92	146,865.11		2006
06/30/06					(3,507.33)	155,009.18	158,516.51		2006
07/31/06					5,440.51	137,967.87	132,527.36		2006
08/31/06					4,977.38	143,534.79	138,557.41		2006
09/30/06					(218.30)	144,045.64	144,263.94		2006
10/31/06					4,240.16	138,583.50	134,343.34		2006
11/30/06					(429.35)	140,613.79	141,043.14		2006
12/31/06					5,037.56	152,585.95	147,548.39	1,703,538	2006
01/31/07					4,281.42	141,858.16	137,576.74		2007
02/28/07					(9,793.04)	132,400.95	142,193.99		2007
03/31/07					4,198.41	150,621.16	146,422.75		2007
04/30/07					(440.11)	142,369.01	142,809.12		2007
05/31/07					4,213.59	158,008.77	153,795.18		2007
06/30/07					(470.46)	150,699.74	151,170.20		2007
07/31/07	5.32000%	3.56440%	\$ 140,066.27	\$ 135,837.51	4,228.76	142,500.00	138,271.24		2007
08/31/07	5.45215%	3.65294%	162,684.93	154,573.71	8,111.22	165,474.99	157,363.77		2007
09/30/07	5.51917%	3.69784%	130,778.92	126,469.40	4,309.52	135,099.27	130,789.75		2007
10/31/07	5.03786%	3.37537%	137,059.44	140,521.56	(3,462.12)	144,084.93	147,547.05		2007
11/30/07	4.71797%	3.16104%	132,496.94	149,889.66	(17,392.72)	146,914.23	164,306.95		2007
12/31/07	5.01954%	3.36309%	132,143.58	135,837.51	(3,693.93)	130,332.16	134,026.09	1,746,273	2007
01/31/08	4.07542%	2.73053%	107,005.44	135,837.51	(28,832.07)	129,230.71	158,062.78		2008
02/29/08	3.16415%	2.11998%	85,848.18	149,889.66	(64,041.48)	228,599.73	292,641.21		2008
3/31/2008	2.84467%	1.90593%	72,203.17	131,153.45	(58,950.28)	267,461.68	326,411.96		2008
4/30/2008	2.76012%	1.84928%	72,470.55	140,521.56	(68,051.01)	173,082.65	241,133.66		2008
5/31/2008	2.55803%	1.71388%	71,642.06	145,205.61	(73,563.55)	116,912.43	190,475.98		2008
6/30/2008	2.46267%	1.64999%	62,505.32	135,837.51	(73,332.19)	200,984.88	274,317.07		2008
7/31/2008	2.46129%	1.64906%	67,891.52	145,205.61	(77,314.09)	299,622.39	373,365.58		2008
8/28/2008	2.46659%	1.65262%	69,081.32	145,205.61	(76,124.29)	267,892.76	344,017.05		2008
9/24/2008	2.81175%	1.88387%	71,365.22	135,837.51	(64,472.29)	268,114.82	332,587.11		2008
10/29/2008	3.86087%	2.58678%	111,509.30	149,889.66	(38,380.36)	304,998.87	343,379.23		2008
11/26/2008	1.73317%	1.16122%	42,472.73	131,153.45	(88,680.72)	213,972.69	302,653.41		2008
12/31/2008	1.12105%	0.75110%	31,399.49	145,205.61	(113,806.12)	99,723.21	213,529.33	3,392,574	2008
1/28/2009	0.38367%	0.25706%	10,438.11	140,521.56	(130,083.45)	220,498.75	350,582.20		2009
2/25/2009	0.45413%	0.30427%	11,159.46	140,521.56	(129,362.10)	196,484.83	325,846.93		2009
Totals					<u>\$ (1,162,271.44)</u>	<u>\$6,488,420.61</u>	<u>\$7,650,692.05</u>		

THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK BONDS
 SERIES 2004A (WATERWORKS PROJECT) \$50,000,000
 AUCTION DETAILS

<u>Date</u>	<u>Auction Rate</u>	<u>Interest Paid</u>	<u>Remarketing, Broker/Dealer and Auction Agent Fees</u>	<u>Total ARS Payments</u>
5/18/04		\$ 45,519.13	\$11,805.56	\$ 57,324.69
6/18/04		53,472.22	12,152.78	65,625.00
6/29/04		758.65	12,152.78	12,911.43
8/17/04		62,222.22	12,152.78	74,375.00
8/27/04		70,486.11	12,152.78	82,638.89
9/28/04		65,625.00	12,152.78	77,777.78
11/4/04		71,944.44	12,152.78	84,097.22
12/29/04		80,937.50	12,152.78	93,090.28
1/4/05		86,041.67		86,041.67
2/8/05		85,069.44	12,152.78	97,222.22
3/15/05		89,930.56	12,152.78	102,083.34
4/19/05		104,513.89	12,152.78	116,666.67
5/24/05		133,680.56	12,152.77	145,833.33
6/28/05		143,402.78	12,152.78	155,555.56
8/2/05		118,562.50	12,152.78	130,715.28
9/6/05		114,236.11	12,152.78	126,388.89
10/11/05		116,666.67	12,152.78	128,819.45
11/15/05		126,388.89	12,152.78	138,541.67
12/20/05		133,194.44	12,152.77	145,347.21
1/24/06		149,673.61	12,152.78	161,826.39
2/28/06		149,722.22	12,152.77	161,874.99
4/4/06		146,319.44	12,152.78	158,472.22
5/9/06		157,986.11	12,152.78	170,138.89
6/13/06		170,138.89	12,152.78	182,291.67
7/18/06		172,569.44	12,152.77	184,722.21
8/22/06		170,625.00	12,152.77	182,777.77
9/26/06		173,541.67	12,152.78	185,694.45
10/31/06		175,000.00	12,152.77	187,152.77
12/5/06		170,138.89	12,152.78	182,291.67
1/9/07		164,791.67	12,152.78	176,944.45
2/13/07		170,138.89	12,152.77	182,291.66
3/20/07		172,569.44	12,152.77	184,722.21
4/24/07		179,861.11	12,152.78	192,013.89
5/29/07		181,319.44	12,152.78	193,472.22
7/3/07		187,152.78	12,152.78	199,305.56
8/7/07	3.79%	\$ 184,236.11	\$12,152.78	\$ 196,388.89
9/11/07	3.65%	177,430.56	12,152.78	189,583.34
10/16/07	3.90%	189,583.33	12,152.78	201,736.11
11/20/07	3.70%	179,618.06	12,152.78	191,770.84
12/25/07	3.86%	193,000.00	12,152.77	205,152.77
1/29/08	4.20%	198,333.33	11,805.55	210,138.88
3/4/08	3.25%	157,986.11	12,152.78	170,138.89
4/8/08	5.41%	262,548.61	12,152.78	274,701.39
5/13/08	4.77%	231,729.17	12,152.77	243,881.94
6/17/08	4.43%	215,152.78	12,152.77	227,305.55
7/22/08	4.96%	241,208.33	12,152.77	253,361.10
8/26/08	6.15%	299,104.17	12,152.78	311,256.95
9/30/08	6.18%	300,416.67	12,152.78	312,569.45
11/4/08	9.30%	452,083.33	12,152.77	464,236.10
12/9/08	5.90%	286,562.50	12,158.78	298,721.28
1/13/09	4.56%	221,812.50	12,152.78	233,965.28
2/17/09	0.86%	41,708.33	12,152.78	53,861.11
Totals			\$ 8,845,818.47	

Estimated Bear Stearns Financial Products 2005-G Swap Termination Value
3/18/2009

Nominal Dates	Payment Dates	Notional	Scheduled Fixed Fixed Rate Payments(Pay)	Estimated Floating Rate Receipts (Rcv)	Net Payments	Days in Period	LIBOR Reset Rate (for next pmt)	Bloomberg Discount Factor	Net PV
	3/2/2009	277,971,776					0.332487		
	4/1/2009	277,971,778	\$ (813,067.44)	\$ 75,963.40	\$ (737,104.04)	30	0.603576	0.999829	\$ (736,978.00)
05/01/2009	5/1/2009	277,971,778	(813,067.44)	137,898.99	(675,168.45)	30	0.988567	0.999064	(674,536.49)
06/01/2009	6/1/2009	277,971,776	(813,067.44)	235,747.35	(577,320.09)	31	0.889303	0.997700	(575,992.25)
07/01/2009	7/1/2009	277,378,434	(813,067.44)	203,179.05	(609,888.39)	30	0.628618	0.996459	(607,728.78)
08/01/2009	8/3/2009	277,378,434	(811,331.92)	157,644.65	(653,687.27)	33	0.579139	0.995385	(650,670.50)
09/01/2009	9/1/2009	277,378,434	(811,331.92)	127,632.41	(683,699.51)	29	0.529703	0.994441	(679,898.82)
10/01/2009	10/1/2009	277,378,434	(811,331.92)	120,762.80	(690,569.12)	30	0.476399	0.993473	(686,061.78)
11/01/2009	11/2/2009	277,378,434	(811,331.92)	115,851.34	(695,480.58)	32	0.428338	0.992448	(690,228.31)
12/01/2009	12/1/2009	277,378,434	(811,331.92)	94,397.83	(716,934.09)	29	0.439340	0.991520	(710,854.49)
01/01/2010	1/4/2010	276,777,900	(811,331.92)	113,516.64	(697,815.28)	34	0.435396	0.990350	(691,081.36)
02/01/2010	2/1/2010	276,777,900	(809,575.36)	92,444.36	(717,130.98)	26	0.394091	0.989335	(709,482.78)
03/01/2010	3/1/2010	276,777,900	(809,575.36)	83,674.49	(725,900.87)	28	0.486789	0.988321	(717,423.07)
04/01/2010	4/1/2010	276,777,900	(809,575.36)	114,425.51	(695,149.85)	31	0.753443	0.987177	(686,235.94)
05/01/2010	5/4/2010	276,777,900	(809,575.36)	188,539.72	(621,035.64)	33	0.767734	0.985937	(612,302.02)
06/01/2010	6/1/2010	276,777,900	(809,575.36)	163,007.34	(646,568.02)	28	0.899024	0.984886	(638,795.79)
07/01/2010	7/1/2010	276,162,982	(809,575.36)	204,517.81	(605,057.55)	30	1.031982	0.983615	(595,143.68)
08/01/2010	8/2/2010	276,162,982	(807,776.72)	249,858.72	(557,918.00)	32	1.046079	0.982107	(547,935.17)
09/01/2010	9/1/2010	276,162,982	(807,776.72)	237,442.49	(570,334.23)	30	1.059286	0.980695	(559,323.93)
10/01/2010	10/1/2010	276,162,982	(807,776.72)	240,440.22	(567,338.50)	30	1.073003	0.979285	(565,584.12)
11/01/2010	11/1/2010	276,162,982	(807,776.72)	251,672.12	(556,104.60)	31	1.086668	0.977830	(543,775.78)
12/01/2010	12/1/2010	276,162,982	(807,776.72)	246,655.49	(561,121.23)	30	1.101150	0.976425	(547,892.80)
01/01/2011	1/4/2011	275,540,872	(807,776.72)	283,268.43	(524,508.29)	34	1.115666	0.974834	(511,308.51)
02/01/2011	2/1/2011	275,540,872	(805,957.05)	235,822.58	(570,134.47)	28	1.127489	0.973526	(555,040.73)
03/01/2011	3/1/2011	275,540,872	(805,957.05)	238,321.56	(567,635.49)	28	1.262307	0.972220	(551,888.58)
04/01/2011	4/1/2011	275,540,872	(805,957.05)	295,406.29	(510,550.76)	31	1.492668	0.970588	(495,534.44)
05/01/2011	5/3/2011	275,540,872	(805,957.05)	360,583.88	(445,373.17)	32	1.499748	0.968554	(431,367.97)
06/01/2011	6/1/2011	275,540,872	(805,957.05)	328,329.16	(477,627.89)	29	1.506151	0.966715	(461,730.05)
07/01/2011	7/1/2011	274,904,378	(805,957.05)	341,100.96	(464,856.09)	30	1.513113	0.964816	(448,500.59)
08/01/2011	8/1/2011	274,904,378	(804,095.31)	353,282.29	(450,813.02)	31	1.520138	0.962857	(434,068.47)
09/01/2011	9/1/2011	274,904,378	(804,095.31)	354,922.55	(449,172.76)	31	1.527331	0.960903	(431,611.45)
10/01/2011	10/3/2011	274,904,378	(804,095.31)	368,105.10	(435,990.21)	32	1.534421	0.958889	(418,066.22)
11/01/2011	11/1/2011	274,904,378	(804,095.31)	335,143.82	(468,951.49)	29	1.540832	0.957068	(448,818.46)
12/01/2011	12/1/2011	274,904,378	(804,095.31)	348,149.06	(455,946.23)	30	1.547876	0.955188	(435,514.37)
01/01/2012	1/3/2012	274,257,096	(804,095.31)	384,714.70	(419,380.61)	33	1.551038	0.953124	(399,721.72)
02/01/2012	2/1/2012	274,257,096	(802,202.01)	337,975.60	(464,226.41)	29	1.557269	0.951314	(441,625.08)
03/01/2012	3/1/2012	274,257,096	(802,202.01)	339,333.44	(462,868.57)	29	1.717512	0.949508	(439,497.41)
04/01/2012	4/2/2012	274,257,096	(802,202.01)	412,968.56	(389,235.45)	32	1.947711	0.947318	(368,729.75)
05/01/2012	5/1/2012	274,257,096	(802,202.01)	424,411.95	(377,790.06)	29	1.953639	0.945072	(357,038.81)
06/01/2012	6/1/2012	274,257,096	(802,202.01)	455,062.47	(347,139.54)	31	1.959784	0.942678	(327,240.81)
07/01/2012	7/2/2012	273,631,390	(802,202.01)	456,493.77	(345,708.24)	31	1.965929	0.940290	(325,066.00)
08/01/2012	8/1/2012	273,631,390	(800,371.82)	442,142.32	(358,229.50)	30	1.972415	0.937984	(336,013.54)
09/01/2012	9/4/2012	273,631,390	(800,371.82)	502,747.94	(297,623.68)	34	1.978438	0.935378	(278,390.83)
10/01/2012	10/1/2012	273,631,390	(800,371.82)	400,459.68	(399,912.14)	27	1.983966	0.933313	(373,243.20)
11/01/2012	11/1/2012	273,631,390	(800,371.82)	461,072.67	(339,299.15)	31	1.990293	0.930949	(315,870.20)
12/01/2012	12/3/2012	273,631,390	(800,371.82)	477,463.24	(322,908.58)	32	1.996638	0.928514	(299,825.14)
01/01/2013	1/2/2013	272,994,896	(800,371.82)	449,046.83	(351,322.99)	30	2.008248	0.926237	(325,408.35)
02/01/2013	2/1/2013	272,994,896	(798,510.07)	450,609.34	(347,900.73)	30	2.013308	0.923966	(321,448.45)
03/01/2013	3/1/2013	272,994,896	(798,510.07)	421,628.38	(376,881.69)	28	2.010392	0.921852	(347,429.14)
04/01/2013	4/2/2013	272,994,896	(798,510.07)	481,163.10	(317,346.97)	32	2.000904	0.919418	(291,774.52)
05/01/2013	5/1/2013	272,994,896	(798,510.07)	433,996.25	(364,513.82)	29	2.004335	0.917186	(334,328.97)
06/01/2013	6/3/2013	272,994,896	(798,510.07)	494,704.53	(303,805.54)	33	2.007361	0.914654	(277,676.95)
07/01/2013	7/1/2013	272,379,978	(798,510.07)	420,383.03	(378,127.04)	28	2.010414	0.912511	(345,045.08)
08/01/2013	8/1/2013	272,379,978	(796,711.44)	465,081.99	(331,629.45)	31	2.013917	0.910144	(301,830.55)
09/01/2013	9/3/2013	272,379,978	(796,711.44)	495,949.84	(300,761.60)	33	2.016943	0.907631	(272,980.55)
10/01/2013	10/1/2013	272,379,978	(796,711.44)	421,438.34	(375,273.10)	28	2.019997	0.905505	(339,811.67)
11/01/2013	11/1/2013	272,379,978	(796,711.44)	467,298.82	(329,412.62)	31	2.023226	0.903156	(297,510.98)
12/01/2013	12/2/2013	272,379,978	(796,711.44)	468,045.64	(328,665.60)	31	2.026455	0.900814	(296,066.57)
01/01/2014	1/2/2014	271,757,868	(796,711.44)	468,792.85	(327,918.59)	31	2.029821	0.898477	(294,627.31)
02/01/2014	2/3/2014	271,757,868	(794,891.76)	483,611.91	(311,279.85)	32	2.032607	0.896072	(278,929.16)
03/01/2014	3/3/2014	271,757,868	(794,891.76)	423,741.16	(371,150.60)	28	2.190910	0.893972	(331,798.24)
04/01/2014	4/1/2014	271,757,868	(794,891.76)	473,058.28	(321,836.48)	29	2.381234	0.891635	(286,960.67)
05/01/2014	5/1/2014	271,757,868	(794,891.76)	531,678.76	(263,013.00)	30	2.383521	0.889890	(233,813.30)
06/01/2014	6/2/2014	271,757,868	(794,891.76)	567,882.22	(227,009.54)	32	2.385331	0.888156	(201,165.87)
07/01/2014	7/1/2014	271,121,374	(794,891.76)	515,033.93	(279,857.83)	29	2.387399	0.886605	(247,283.78)
08/01/2014	8/1/2014	271,121,374	(793,030.02)	549,740.39	(243,289.63)	31	2.389600	0.885086	(214,310.43)
09/01/2014	9/2/2014	271,121,374	(793,030.02)	567,997.10	(225,032.92)	32	2.391410	0.878088	(197,598.71)
10/01/2014	10/1/2014	271,121,374	(793,030.02)	515,137.20	(277,892.82)	29	2.393784	0.875560	(243,311.84)
11/01/2014	11/3/2014	271,121,374	(793,030.02)	586,772.52	(206,257.50)	33	2.395507	0.872692	(179,939.27)
12/01/2014	12/1/2014	271,121,374	(793,030.02)	498,228.04	(294,803.98)	28	2.397663	0.870267	(265,558.18)
01/01/2015	1/2/2015	270,474,092	(793,030.02)	589,913.53	(223,116.49)	32	2.399625	0.867502	(193,554.00)
02/01/2015	2/2/2015	270,474,092	(791,136.72)	551,236.43	(239,900.29)	31	2.401217	0.864833	(207,473.69)
03/01/2015	3/2/2015	270,474,092	(791,136.72)	498,221.16	(292,915.56)	28	2.407259	0.862429	(252,618.87)
04/01/2015	4/1/2015	270,474,092	(791,136.72)	535,151.68	(255,985.04)	30	2.414259	0.859857	(220,110.53)
05/01/2015	5/1/2015	270,474,092	(791,136.72)	536,707.88	(264,428.84)	30	2.418395	0.857287	(218,118.54)
06/01/2015	6/1/2015	270,474,092	(791,136.72)	555,088.84	(236,047.88)	31	2.418291	0.854639	(201,735.72)
07/01/2015	7/1/2015	269,808,830	(791,136.72)	537,604.11	(253,532.61)	30	2.420734	0.852084	(216,031.08)
08/01/2015	8/3/2015	269,808,830	(789,190.83)	590,505.87	(198,694.96)	33	2.422608	0.849283	(168,738.76)
09/01/2015	9/1/2015	269,808,830	(789,190.						

Estimated Bear Stearns Financial Products 2005-G Swap Termination Value
3/19/2009

Nominal Dates	Payment Dates	Notional	Scheduled Fixed Fixed Rate Payments(Pay)	Estimated Floating Rate Receipts (Rcv)	Net Payments	Days in Period	LIBOR Reset Rate (for next pymt)	Bloomberg Discount Factor	Net PV
06/01/2018	6/1/2018	269,139,972	(787,234.42)	498,951.72	(288,282.70)	29	2.334239	0.824139	(237,585.02)
07/01/2018	7/1/2018	268,453,134	(787,234.42)	516,359.24	(270,875.18)	30	2.335454	0.821738	(222,588.43)
08/01/2018	8/1/2018	268,453,134	(785,225.42)	532,486.50	(252,738.92)	31	2.336573	0.819264	(207,059.90)
09/01/2018	9/1/2018	268,453,134	(785,225.42)	532,741.58	(252,483.84)	31	2.337823	0.816798	(208,226.30)
10/01/2018	10/3/2018	268,453,134	(785,225.42)	550,221.18	(235,004.24)	32	2.338846	0.814259	(191,354.32)
11/01/2018	11/1/2018	268,453,134	(785,225.42)	498,858.11	(286,369.31)	29	2.339761	0.811968	(232,522.14)
12/01/2018	12/1/2018	268,453,134	(785,225.42)	516,259.85	(268,965.57)	30	2.341629	0.809600	(217,754.53)
01/01/2017	1/3/2017	267,759,104	(785,225.42)	568,339.13	(216,886.29)	33	2.345584	0.807006	(175,028.54)
02/01/2017	2/1/2017	267,759,104	(783,195.38)	499,637.94	(283,557.44)	29	2.349236	0.804733	(228,188.03)
03/01/2017	3/1/2017	267,759,104	(783,195.38)	482,543.04	(300,652.34)	28	2.403730	0.802544	(241,286.73)
04/01/2017	4/3/2017	267,759,104	(783,195.38)	581,903.61	(201,291.77)	33	2.476179	0.799915	(161,016.31)
05/01/2017	5/2/2017	267,759,104	(783,195.38)	526,782.57	(256,412.81)	29	2.477373	0.797543	(204,500.24)
06/01/2017	6/1/2017	267,759,104	(783,195.38)	545,210.34	(237,985.04)	30	2.478604	0.795096	(189,220.95)
07/01/2017	7/3/2017	267,057,882	(783,195.38)	581,846.56	(201,348.82)	32	2.479617	0.792495	(159,567.93)
08/01/2017	8/1/2017	267,057,882	(781,144.30)	526,132.52	(255,011.78)	29	2.480667	0.790145	(201,496.28)
09/01/2017	9/1/2017	267,057,882	(781,144.30)	562,855.56	(218,488.74)	31	2.481768	0.787640	(172,090.47)
10/01/2017	10/2/2017	267,057,882	(781,144.30)	562,910.01	(218,234.29)	31	2.482910	0.785144	(171,345.34)
11/01/2017	11/1/2017	267,057,882	(781,144.30)	544,997.88	(236,146.44)	30	2.483851	0.782735	(184,840.08)
12/01/2017	12/1/2017	267,057,882	(781,144.30)	545,204.35	(235,939.95)	30	2.485226	0.780334	(184,111.96)
01/01/2018	1/2/2018	266,345,872	(781,144.30)	581,873.29	(199,271.01)	32	2.486239	0.777781	(154,989.21)
02/01/2018	2/1/2018	266,345,872	(779,061.68)	544,273.29	(234,788.09)	30	2.486890	0.775395	(182,053.51)
03/01/2018	3/1/2018	266,345,872	(779,061.68)	508,121.69	(270,939.99)	28	2.509546	0.773175	(209,484.03)
04/01/2018	4/3/2018	266,345,872	(779,061.68)	604,313.33	(174,748.35)	33	2.538680	0.770545	(134,651.47)
05/01/2018	5/1/2018	266,345,872	(779,061.68)	518,703.44	(260,358.24)	28	2.539843	0.768295	(200,031.93)
06/01/2018	6/1/2018	266,345,872	(779,061.68)	574,541.86	(204,519.82)	31	2.540964	0.765811	(156,623.53)
07/01/2018	7/2/2018	265,630,265	(779,061.68)	574,795.53	(204,266.15)	31	2.542086	0.763336	(155,923.71)
08/01/2018	8/1/2018	265,630,265	(776,988.53)	555,004.03	(221,984.50)	30	2.543621	0.760948	(168,903.44)
09/01/2018	9/4/2018	265,630,265	(776,988.53)	629,384.38	(147,584.17)	34	2.544250	0.758250	(111,905.70)
10/01/2018	10/1/2018	265,630,265	(776,988.53)	499,928.99	(277,039.54)	27	2.545377	0.756115	(209,473.75)
11/01/2018	11/1/2018	265,630,265	(776,988.53)	574,246.65	(202,721.88)	31	2.546648	0.753671	(152,785.60)
12/01/2018	12/3/2018	265,630,265	(776,988.53)	593,066.71	(183,901.82)	32	2.547655	0.751156	(138,138.96)
01/01/2019	1/2/2019	264,900,274	(776,988.53)	556,219.91	(220,748.62)	30	2.549039	0.748806	(165,297.89)
02/01/2019	2/1/2019	264,900,274	(774,833.30)	554,992.78	(219,840.52)	30	2.549374	0.746463	(164,102.81)
03/01/2019	3/1/2019	264,900,274	(774,833.30)	518,061.31	(256,771.99)	28	2.631015	0.744284	(191,111.28)
04/01/2019	4/1/2019	264,900,274	(774,833.30)	591,935.82	(182,897.48)	31	2.758717	0.741795	(135,672.44)
05/01/2019	5/1/2019	264,900,274	(774,833.30)	600,645.07	(174,188.23)	30	2.760002	0.739267	(128,771.61)
06/01/2019	6/3/2019	264,900,274	(774,833.30)	661,017.39	(113,815.91)	33	2.760348	0.736496	(83,624.96)
07/01/2019	7/1/2019	264,155,899	(774,833.30)	560,933.59	(213,899.71)	28	2.761243	0.734153	(157,035.11)
08/01/2019	8/1/2019	264,155,899	(772,656.00)	619,489.17	(153,166.83)	31	2.762384	0.731569	(112,052.10)
09/01/2019	9/3/2019	264,155,899	(772,656.00)	659,728.66	(112,927.14)	33	2.762730	0.728827	(82,304.35)
10/01/2019	10/1/2019	264,155,899	(772,656.00)	558,840.07	(212,815.93)	28	2.763625	0.726508	(154,612.48)
11/01/2019	11/1/2019	264,155,899	(772,656.00)	620,023.58	(152,632.42)	31	2.764427	0.723950	(110,498.24)
12/01/2019	12/2/2019	264,155,899	(772,656.00)	620,203.64	(152,452.36)	31	2.764986	0.721401	(109,979.28)
01/01/2020	1/2/2020	263,400,736	(772,656.00)	620,329.00	(152,327.00)	31	2.758644	0.718861	(109,501.94)
02/01/2020	2/3/2020	263,400,736	(770,447.15)	637,044.42	(133,402.73)	32	2.758963	0.716249	(95,549.57)
03/01/2020	3/2/2020	263,400,736	(770,447.15)	557,478.35	(212,968.80)	28	2.536354	0.713970	(152,053.33)
04/01/2020	4/1/2020	263,400,736	(770,447.15)	549,104.83	(221,342.32)	30	2.227424	0.711726	(157,535.08)
05/01/2020	5/1/2020	263,400,736	(770,447.15)	482,223.42	(288,223.73)	30	2.228313	0.709771	(204,572.85)
06/01/2020	6/1/2020	263,400,736	(770,447.15)	498,496.29	(271,950.86)	31	2.228998	0.707757	(192,475.12)
07/01/2020	7/1/2020	262,623,997	(770,447.15)	482,564.23	(287,882.92)	30	2.230115	0.705813	(203,191.51)
08/01/2020	8/3/2020	262,623,997	(768,175.19)	529,520.49	(238,654.70)	33	2.230738	0.703881	(167,936.78)
09/01/2020	9/1/2020	262,623,997	(768,175.19)	465,466.19	(302,709.00)	29	2.231372	0.701812	(212,444.81)
10/01/2020	10/1/2020	262,623,997	(768,175.19)	481,653.61	(286,521.58)	30	2.232375	0.699884	(200,531.87)
11/01/2020	11/2/2020	262,623,997	(768,175.19)	513,994.63	(254,180.56)	32	2.232972	0.697834	(177,375.84)
12/01/2020	12/1/2020	262,623,997	(768,175.19)	465,932.21	(302,242.98)	29	2.234716	0.695981	(210,355.37)
01/01/2021	1/4/2021	261,843,662	(768,175.19)	546,692.22	(221,482.97)	34	2.240833	0.693815	(153,668.21)
02/01/2021	2/1/2021	261,843,662	(765,892.71)	450,108.03	(315,784.68)	28	2.241214	0.692036	(218,534.37)
03/01/2021	3/1/2021	261,843,662	(765,892.71)	450,184.48	(315,708.25)	28	2.410802	0.690262	(217,921.41)
04/01/2021	4/1/2021	261,843,662	(765,892.71)	538,132.84	(229,759.87)	31	2.765819	0.688150	(156,109.25)
05/01/2021	5/4/2021	261,843,662	(765,892.71)	654,787.16	(111,125.55)	33	2.766120	0.685569	(78,184.23)
06/01/2021	6/1/2021	261,843,662	(765,892.71)	555,620.58	(210,272.13)	28	2.766492	0.683386	(143,697.03)
07/01/2021	7/1/2021	261,038,155	(765,892.71)	595,387.78	(170,504.93)	30	2.787402	0.681055	(116,123.24)
08/01/2021	8/2/2021	261,038,155	(763,536.60)	633,334.73	(130,201.87)	32	2.767850	0.678578	(88,352.12)
09/01/2021	9/1/2021	261,038,155	(763,536.60)	593,847.56	(169,689.04)	30	2.768260	0.676263	(114,754.42)
10/01/2021	10/1/2021	261,038,155	(763,536.60)	593,935.56	(169,601.04)	30	2.769003	0.673957	(114,303.81)
11/01/2021	11/1/2021	261,038,155	(763,536.60)	613,898.11	(149,638.49)	31	2.769433	0.671582	(100,494.52)
12/01/2021	12/1/2021	261,038,155	(763,536.60)	594,187.05	(169,349.55)	30	2.770675	0.669291	(113,344.13)
01/01/2022	1/4/2022	260,229,052	(763,536.60)	673,714.00	(89,822.60)	34	2.770829	0.666705	(59,885.18)
02/01/2022	2/1/2022	260,229,052	(761,169.98)	553,134.33	(208,035.65)	28	2.770867	0.664582	(138,256.75)
03/01/2022	3/1/2022	260,229,052	(761,169.98)	553,142.08	(208,027.90)	28	2.771904	0.662468	(137,811.41)
04/01/2022	4/1/2022	260,229,052	(761,169.98)	612,636.50	(148,533.48)	31	2.772666	0.660132	(98,051.70)
05/01/2022	5/3/2022	260,229,052	(761,169.98)	632,572.78	(128,597.20)	32	2.773115	0.657731	(84,582.36)
06/01/2022	6/1/2022	260,229,052	(761,169.98)	573,361.76	(187,808.22)	29	2.773505	0.655562	(123,119.93)
07/01/2022	7/1/2022	259,398,373	(761,169.98)	593,216.39	(167,953.59)	30	2.774248	0.653326	(109,728.45)
08/01/2022	8/1/2022	259,398,373	(758,740.24)	611,197.12	(147,543.12)	31	2.774843	0.651024	(96,054.11)
09/01/2022	9/1/2022	259,398,373	(758,740.24)	611,328.27	(147,411.97)	31	2.775605	0.648729	(95,630.42)
10/01/2022	10/3/2022	259,398,373	(758,740.24)	631,221.74	(127,518.50)	32	2.776053	0.646389	(82,424.01)
11/01/2022	11/1/2022	259,398,373	(758,740.24)	572,137.03	(188,603.21)	29	2.776443	0.644238	(120,216.88)
12/01/2022	12/1/2022	259,398,373	(758,740.24)	591,949.11	(166,791.13)	30	2.777518	0.642041	(107,086.74)
01/01/2023	1/3/2023	258,553,310	(758,740.24)	651,396.15	(107,344.09)	33	2.777818	0.639633	(66,860.82)
02/01/2023	2/1/2023	258,553,310	(756,268.43)	570,635.91	(185,632.52)	29	2.777878	0.637524	(118,345.19)
03/01/2023	3/1/2023	258,553,310	(756,268.43)	550,970.20	(205,298.23)	28	2.779245	0.635494	(130,465.79)
04/01/2023	4/3/2023	258,553,310	(756,268.43)	649,677.81	(106,590.62)	33	2.779379	0.633110	(67,483.59)
05/01/2023	5/2/2023	258,553,310	(756,268.43)	570,956.52	(185,311.91)	29	2.780102	0.631023	(118,996.08)
06/01/2023	6/1/2023	258,553,310	(756,268.43)	590,798.27					

Estimated Bear Stearns Financial Products 2005-G Swap Termination Value
3/18/2009

Nominal Dates	Payment Dates	Notional	Scheduled Fixed Fixed Rate Payments(Pay)	Estimated Floating Rate Receipts (Rcv)	Net Payments	Days in Period	LIBOR Reset Rate (for next pymt)	Bloomberg Discount Factor	Net PV
09/01/2023	9/1/2023	257,690,267	(753,744.03)	608,835.77	(144,908.26)	31	2.782442	0.622316	(90,178.73)
10/01/2023	10/2/2023	257,690,267	(753,744.03)	608,965.88	(144,778.15)	31	2.783036	0.620123	(89,780.26)
11/01/2023	11/1/2023	257,690,267	(753,744.03)	589,447.72	(164,296.31)	30	2.783445	0.618008	(101,536.43)
12/01/2023	12/1/2023	257,690,267	(753,744.03)	589,534.31	(164,209.72)	30	2.784115	0.615900	(101,136.77)
01/01/2024	1/2/2024	256,812,840	(753,744.03)	628,988.00	(124,756.03)	32	2.777191	0.613660	(76,557.79)
02/01/2024	2/1/2024	256,812,840	(751,177.56)	586,206.90	(164,970.66)	30	2.777433	0.611567	(100,890.61)
03/01/2024	3/1/2024	256,812,840	(751,177.56)	566,715.96	(184,461.60)	29	2.818077	0.609550	(112,438.57)
04/01/2024	4/2/2024	256,812,840	(751,177.56)	589,462.88	(161,714.88)	32	2.383892	0.607456	(98,234.67)
05/01/2024	5/1/2024	256,812,840	(751,177.56)	486,416.68	(264,760.88)	29	2.384601	0.605725	(160,372.26)
06/01/2024	6/3/2024	256,812,840	(751,177.56)	553,673.19	(187,504.37)	33	2.384622	0.603782	(119,245.63)
07/01/2024	7/1/2024	255,917,433	(751,177.56)	469,787.41	(281,390.15)	28	2.385074	0.602102	(169,425.57)
08/01/2024	8/1/2024	255,917,433	(748,558.49)	518,406.54	(230,151.95)	31	2.385683	0.600268	(138,152.85)
09/01/2024	9/3/2024	255,917,433	(748,558.49)	551,993.20	(186,565.29)	33	2.385704	0.598323	(117,609.53)
10/01/2024	10/1/2024	255,917,433	(748,558.49)	468,961.93	(280,196.56)	28	2.386156	0.596677	(167,186.84)
11/01/2024	11/1/2024	255,917,433	(748,558.49)	518,641.78	(229,916.71)	31	2.386520	0.594861	(136,768.48)
12/01/2024	12/2/2024	255,917,433	(748,558.49)	518,721.04	(229,837.45)	31	2.387098	0.593049	(136,304.87)
01/01/2025	1/2/2025	255,011,238	(748,558.49)	518,846.14	(229,712.35)	31	2.393913	0.591244	(135,816.05)
02/01/2025	2/3/2025	255,011,238	(745,907.87)	535,210.70	(210,697.17)	32	2.393799	0.589386	(124,181.98)
03/01/2025	3/3/2025	255,011,238	(745,907.87)	468,287.07	(277,620.80)	28	2.394498	0.587765	(163,175.79)
04/01/2025	4/1/2025	255,011,238	(745,907.87)	485,153.16	(260,754.71)	29	2.394717	0.586090	(152,825.73)
05/01/2025	5/1/2025	255,011,238	(745,907.87)	501,928.51	(243,978.36)	30	2.395318	0.584363	(142,572.51)
06/01/2025	6/2/2025	255,011,238	(745,907.87)	535,524.41	(210,383.46)	32	2.395444	0.582527	(122,554.05)
07/01/2025	7/1/2025	244,154,876	(745,907.87)	485,345.68	(260,562.21)	29	2.395912	0.580867	(151,351.99)
08/01/2025	8/1/2025	244,154,876	(714,153.01)	498,626.98	(217,326.03)	31	2.398401	0.579099	(125,853.29)
09/01/2025	9/2/2025	244,154,876	(714,153.01)	512,958.17	(201,194.84)	32	2.398532	0.577279	(116,145.56)
10/01/2025	10/1/2025	244,154,876	(714,153.01)	464,893.85	(249,259.16)	29	2.397242	0.575635	(143,482.30)
11/01/2025	11/3/2025	244,154,876	(714,153.01)	529,173.93	(184,979.08)	33	2.397263	0.573769	(106,135.26)
12/01/2025	12/1/2025	244,154,876	(714,153.01)	448,999.88	(265,153.13)	28	2.397839	0.572191	(151,718.23)
01/01/2026	1/2/2026	233,287,726	(714,153.01)	513,265.94	(200,887.07)	32	2.398093	0.570393	(114,584.58)
02/01/2026	2/2/2026	233,287,726	(682,366.60)	475,145.57	(207,221.03)	31	2.398090	0.568656	(117,837.48)
03/01/2026	3/2/2026	233,287,726	(682,366.60)	429,163.17	(253,203.43)	28	2.398788	0.567092	(143,589.64)
04/01/2026	4/1/2026	233,287,726	(682,366.60)	459,961.58	(222,415.02)	30	2.399018	0.565421	(125,758.12)
05/01/2026	5/1/2026	233,287,726	(682,366.60)	459,996.79	(222,370.81)	30	2.399495	0.563765	(125,362.66)
06/01/2026	6/1/2026	233,287,726	(682,366.60)	475,423.34	(206,943.26)	31	2.399737	0.562038	(116,309.98)
07/01/2026	7/1/2026	221,744,525	(682,366.60)	460,133.56	(222,233.04)	30	2.400459	0.560382	(124,535.40)
08/01/2026	8/3/2026	221,744,525	(648,602.74)	481,247.21	(187,355.53)	33	2.400602	0.558566	(93,479.11)
09/01/2026	9/1/2026	221,744,525	(648,602.74)	422,939.39	(225,663.35)	29	2.400820	0.556975	(125,688.84)
10/01/2026	10/1/2026	221,744,525	(648,602.74)	437,563.36	(211,039.38)	30	2.401419	0.555334	(117,197.34)
11/01/2026	11/2/2026	221,744,525	(648,602.74)	466,850.67	(181,752.07)	32	2.401550	0.553589	(100,615.95)
12/01/2026	12/1/2026	221,744,525	(648,602.74)	423,108.51	(225,496.23)	29	2.402383	0.552012	(124,476.62)
01/01/2027	1/4/2027	210,190,536	(648,602.74)	496,227.92	(152,374.82)	34	2.402415	0.550169	(83,831.90)
02/01/2027	2/1/2027	210,190,536	(614,807.32)	387,370.27	(227,437.05)	28	2.402376	0.548655	(124,784.47)
03/01/2027	3/1/2027	210,190,536	(614,807.32)	387,383.99	(227,443.33)	28	2.403074	0.547146	(124,444.71)
04/01/2027	4/1/2027	210,190,536	(614,807.32)	428,991.88	(185,815.44)	31	2.403684	0.545480	(101,368.61)
05/01/2027	5/4/2027	210,190,536	(614,807.32)	456,784.78	(158,022.54)	33	2.403827	0.543713	(85,918.91)
06/01/2027	6/1/2027	210,190,536	(614,807.32)	387,597.96	(227,209.38)	28	2.404033	0.542217	(123,196.78)
07/01/2027	7/1/2027	203,854,362	(614,807.32)	415,319.21	(199,488.11)	30	2.404632	0.540619	(107,847.06)
08/01/2027	8/2/2027	203,854,362	(596,274.01)	429,759.72	(166,514.29)	32	2.404885	0.538920	(89,737.88)
09/01/2027	9/1/2027	203,854,362	(596,274.01)	402,942.22	(193,331.79)	30	2.405115	0.537332	(103,883.36)
10/01/2027	10/1/2027	203,854,362	(596,274.01)	402,980.78	(193,293.25)	30	2.405591	0.535749	(103,556.67)
11/01/2027	11/1/2027	203,854,362	(596,274.01)	416,495.80	(179,778.21)	31	2.405833	0.534118	(98,022.76)
12/01/2027	12/1/2027	203,854,362	(596,274.01)	403,100.94	(193,173.07)	30	2.406096	0.532544	(102,873.16)
01/01/2028	1/4/2028	197,514,592	(596,274.01)	456,897.83	(139,376.18)	34	2.400132	0.530766	(73,976.14)
02/01/2028	2/1/2028	197,514,592	(577,730.18)	363,663.33	(214,066.85)	28	2.400215	0.529306	(113,306.87)
03/01/2028	3/1/2028	197,514,592	(577,730.18)	378,664.37	(201,085.81)	29	2.401045	0.527798	(108,122.13)
04/01/2028	4/3/2028	197,514,592	(577,730.18)	428,768.26	(148,963.92)	33	2.401065	0.526088	(78,368.13)
05/01/2028	5/2/2028	197,514,592	(577,730.18)	378,797.62	(200,932.58)	29	2.401527	0.524589	(105,407.01)
06/01/2028	6/1/2028	197,514,592	(577,730.18)	389,865.69	(187,864.49)	30	2.402001	0.523044	(98,261.39)
07/01/2028	7/3/2028	190,376,507	(577,730.18)	415,938.81	(161,791.37)	32	2.402253	0.521400	(84,358.02)
08/01/2028	8/1/2028	190,376,507	(556,851.28)	363,360.12	(193,491.16)	29	2.402593	0.519915	(100,596.96)
09/01/2028	9/1/2028	190,376,507	(556,851.28)	388,474.36	(168,376.92)	31	2.402956	0.518332	(87,275.15)
10/01/2028	10/2/2028	190,376,507	(556,851.28)	388,533.07	(168,318.21)	31	2.403319	0.516753	(86,978.94)
11/01/2028	11/1/2028	190,376,507	(556,851.28)	376,056.55	(180,794.73)	30	2.403548	0.515231	(93,151.05)
12/01/2028	12/1/2028	190,376,507	(556,851.28)	378,092.35	(180,758.93)	30	2.404350	0.513713	(92,858.21)
01/01/2029	1/2/2029	183,234,826	(556,851.28)	401,299.03	(155,552.25)	32	2.410983	0.512098	(79,658.00)
02/01/2029	2/1/2029	183,234,826	(535,961.87)	363,103.67	(172,858.20)	30	2.410967	0.510589	(88,259.50)
03/01/2029	3/1/2029	183,234,826	(535,961.87)	338,894.46	(197,067.41)	28	2.483041	0.509185	(100,343.77)
04/01/2029	4/3/2029	183,234,826	(535,961.87)	411,351.36	(124,610.51)	33	2.579468	0.507481	(63,237.47)
05/01/2029	5/1/2029	163,234,826	(535,961.87)	362,579.58	(173,362.31)	28	2.579829	0.505979	(87,727.81)
06/01/2029	6/1/2029	183,234,826	(535,961.87)	401,483.58	(134,476.29)	31	2.580075	0.504321	(67,820.23)
07/01/2029	7/2/2029	169,339,833	(535,961.87)	401,521.79	(134,440.06)	31	2.580320	0.502669	(67,578.86)

Estimated Bear Stearns Financial Products 2005-G Swap Termination Value
3/18/2009

Nominal Dates	Payment Dates	Notional	Scheduled Fixed Fixed Rate Payments(Pay)	Estimated Floating Rate Receipts (Rcv)	Net Payments	Days in Period	LIBOR Reset Rate (for next pymt)	Bloomberg Discount Factor	Net PV
08/01/2029	8/1/2029	169,339,833	(495,319.01)	359,137.79	(136,181.22)	30	2.580976	0.501074	(68,236.87)
09/01/2029	9/4/2029	169,339,833	(495,319.01)	407,126.31	(88,192.70)	34	2.590687	0.499274	(44,032.32)
10/01/2029	10/1/2029	169,339,833	(495,319.01)	323,270.03	(172,048.98)	27	2.581041	0.497849	(85,654.41)
11/01/2029	11/1/2029	169,339,833	(495,319.01)	371,212.68	(124,106.33)	31	2.581428	0.496217	(61,583.67)
12/01/2029	12/3/2029	169,339,833	(495,319.01)	383,244.42	(112,074.59)	32	2.581539	0.494539	(55,425.26)
01/01/2030	1/2/2030	155,430,456	(495,319.01)	359,307.49	(136,011.52)	30	2.582056	0.492971	(67,049.74)
02/01/2030	2/1/2030	155,430,456	(454,634.08)	329,860.38	(124,773.72)	30	2.581596	0.491407	(61,314.88)
03/01/2030	3/1/2030	155,430,456	(454,634.08)	307,814.84	(146,819.24)	28	2.582236	0.489953	(71,934.53)
04/01/2030	4/1/2030	155,430,456	(454,634.08)	340,879.48	(113,754.60)	31	2.582342	0.488347	(55,551.72)
05/01/2030	5/1/2030	155,430,456	(454,634.08)	329,896.69	(124,737.19)	30	2.582997	0.486799	(60,721.94)
06/01/2030	6/3/2030	155,430,456	(454,634.08)	382,978.73	(91,665.35)	33	2.582840	0.485101	(44,462.10)
07/01/2030	7/1/2030	141,017,637	(454,634.08)	307,963.20	(146,670.88)	28	2.583201	0.483665	(70,939.57)
08/01/2030	8/1/2030	141,017,637	(412,478.59)	308,395.87	(103,090.72)	31	2.583725	0.482080	(49,897.97)
09/01/2030	9/3/2030	141,017,637	(412,478.59)	329,413.08	(83,063.51)	33	2.583568	0.480399	(39,903.63)
10/01/2030	10/1/2030	141,017,637	(412,478.59)	279,484.98	(132,991.61)	28	2.583929	0.478977	(63,699.92)
11/01/2030	11/1/2030	141,017,637	(412,478.59)	309,473.02	(103,003.57)	31	2.584174	0.477407	(49,174.63)
12/01/2030	12/2/2030	141,017,637	(412,478.59)	309,502.38	(102,974.21)	31	2.584419	0.475843	(48,999.56)
01/01/2031	1/2/2031	126,590,434	(412,478.59)	309,531.74	(102,944.85)	31	2.584804	0.474284	(48,825.10)
02/01/2031	2/3/2031	126,590,434	(370,277.02)	286,870.27	(83,406.75)	32	2.584499	0.472679	(39,424.62)
03/01/2031	3/3/2031	126,590,434	(370,277.02)	250,981.89	(119,295.13)	26	2.585138	0.471280	(56,221.41)
04/01/2031	4/1/2031	126,590,434	(370,277.02)	260,009.86	(110,267.18)	29	2.585228	0.469935	(51,807.37)
05/01/2031	5/1/2031	126,590,434	(370,277.02)	268,965.08	(101,291.96)	30	2.585744	0.468345	(47,439.58)
06/01/2031	6/2/2031	126,590,434	(370,277.02)	266,974.66	(83,302.36)	32	2.585718	0.466761	(38,892.29)
07/01/2031	7/1/2031	111,634,617	(370,277.02)	260,068.17	(110,208.85)	29	2.586087	0.465330	(51,283.48)
08/01/2031	8/1/2031	111,634,617	(328,531.25)	245,194.54	(81,336.71)	31	2.586471	0.463806	(37,724.45)
09/01/2031	9/2/2031	111,634,617	(328,531.25)	253,141.66	(73,389.59)	32	2.586445	0.462237	(33,923.38)
10/01/2031	10/1/2031	111,634,617	(328,531.25)	229,407.31	(97,123.94)	29	2.587092	0.460820	(44,756.65)
11/01/2031	11/3/2031	111,634,617	(328,531.25)	261,116.05	(65,416.20)	33	2.586935	0.459213	(30,039.97)
12/01/2031	12/1/2031	111,634,617	(328,531.25)	221,538.65	(104,992.60)	28	2.587214	0.457853	(48,071.18)
01/01/2032	1/2/2032	96,668,012	(328,531.25)	253,214.34	(73,316.91)	32	2.586478	0.456305	(33,454.87)
02/01/2032	2/2/2032	96,668,012	(282,753.94)	211,881.37	(70,892.57)	31	2.586444	0.454809	(32,242.58)
03/01/2032	3/1/2032	96,668,012	(282,753.94)	191,356.14	(91,397.80)	28	2.586943	0.453483	(41,445.52)
04/01/2032	4/1/2032	96,668,012	(282,753.94)	211,899.51	(70,854.43)	31	2.581465	0.451977	(32,024.57)
05/01/2032	5/4/2032	96,668,012	(282,753.94)	225,516.09	(57,137.85)	33	2.581446	0.450401	(25,734.94)
06/01/2032	6/1/2032	96,668,012	(282,753.94)	191,430.47	(91,323.47)	28	2.581528	0.449068	(41,010.45)
07/01/2032	7/1/2032	81,147,622	(282,753.94)	205,110.53	(77,643.41)	31	2.582042	0.447644	(34,756.81)
08/01/2032	8/2/2032	81,147,622	(237,356.79)	183,894.51	(53,462.28)	32	2.582154	0.446129	(23,940.30)
09/01/2032	9/1/2032	81,147,622	(237,356.79)	172,221.12	(65,135.67)	30	2.582251	0.444715	(28,866.81)
10/01/2032	10/1/2032	81,147,622	(237,356.79)	172,227.59	(65,129.20)	30	2.582627	0.443304	(28,872.03)
11/01/2032	11/1/2032	81,147,622	(237,356.79)	177,994.36	(58,362.43)	31	2.582731	0.441862	(28,229.41)
12/01/2032	12/1/2032	81,147,622	(237,356.79)	172,259.59	(65,097.20)	30	2.584148	0.440451	(28,872.13)
01/01/2033	1/4/2033	65,623,635	(237,356.79)	195,334.63	(42,022.16)	34	2.590451	0.438868	(18,442.18)
02/01/2033	2/1/2033	65,623,635	(191,949.13)	130,407.00	(61,542.13)	28	2.590254	0.437569	(28,928.93)
03/01/2033	3/1/2033	65,623,635	(191,949.13)	130,397.05	(61,552.08)	28	2.590893	0.436274	(26,853.57)
04/01/2033	4/1/2033	65,623,635	(191,949.13)	144,403.78	(47,545.35)	31	2.591277	0.434844	(20,674.81)
05/01/2033	5/3/2033	65,623,635	(191,949.13)	149,084.05	(42,865.06)	32	2.591389	0.433373	(18,576.57)
06/01/2033	6/1/2033	65,623,635	(191,949.13)	135,113.30	(58,835.83)	29	2.591478	0.432045	(24,555.64)
07/01/2033	7/1/2033	49,524,286	(144,858.54)	139,777.18	(52,171.95)	30	2.591854	0.430674	(22,469.10)
08/01/2033	8/1/2033	49,524,286	(144,858.54)	109,017.86	(35,840.68)	31	2.592099	0.429263	(15,385.08)
09/01/2033	9/1/2033	49,524,286	(144,858.54)	109,028.13	(35,830.41)	31	2.592482	0.427857	(15,330.29)
10/01/2033	10/3/2033	49,524,286	(144,858.54)	112,561.82	(32,296.72)	32	2.592595	0.426410	(13,771.64)
11/01/2033	11/1/2033	49,524,286	(144,858.54)	102,013.58	(42,844.96)	29	2.592684	0.425102	(18,213.48)
12/01/2033	12/1/2033	49,524,286	(144,858.54)	105,534.91	(38,323.63)	30	2.593338	0.423754	(16,663.55)
01/01/2034	1/3/2034	33,417,745	(144,858.54)	116,117.71	(28,740.83)	33	2.593319	0.422276	(12,136.56)
02/01/2034	2/1/2034	33,417,745	(97,746.90)	68,855.44	(28,891.46)	29	2.593129	0.420982	(12,162.78)
03/01/2034	3/1/2034	33,417,745	(97,746.90)	68,476.24	(31,270.66)	28	2.511152	0.419736	(13,125.42)
04/01/2034	4/3/2034	33,417,745	(97,746.90)	75,870.19	(21,876.71)	33	2.398480	0.418315	(9,151.36)
05/01/2034	5/2/2034	33,417,745	(97,746.90)	63,682.25	(34,064.65)	29	2.398722	0.417122	(14,209.11)
06/01/2034	6/1/2034	33,417,745	(97,746.90)	65,884.84	(31,862.06)	30	2.398969	0.415891	(13,251.14)
07/01/2034	7/3/2034	16,714,266	(97,746.90)	70,284.39	(27,462.51)	32	2.398985	0.414582	(11,385.46)
08/01/2034	8/1/2034	16,714,266	(48,889.23)	31,858.11	(17,031.12)	29	2.399108	0.413400	(7,040.67)
09/01/2034	9/1/2034	16,714,266	(48,889.23)	34,056.97	(14,832.26)	31	2.399239	0.412139	(6,112.95)
10/01/2034	10/2/2034	16,714,266	(48,889.23)	34,058.83	(14,830.40)	31	2.399371	0.410883	(8,093.56)
11/01/2034	11/1/2034	16,714,266	(48,889.23)	32,981.96	(15,927.27)	30	2.399379	0.409671	(6,524.94)
12/01/2034	12/1/2034	16,714,266	(48,889.23)	32,962.07	(15,927.16)	30	2.399744	0.408462	(6,505.64)
01/01/2035	1/2/2035	-	(16,763,155.23)	16,749,430.90	(13,724.33)	32	-	0.407176	(5,588.22)
Total Total									\$ (56,829,749.46)

Years to Mat	Mty/Term	Bloomberg Closing Yield Curve		Quick and Simple Calc of Disc Factor
		RATE	Discount Factor	
	1 DY	0.30638	0.999974	
	2 DY	0.35000	0.999961	
	1 WK	0.40625	0.999921	
	2 WK	0.47000	0.999817	
	1 MO	0.54500	0.999531	
	2 MO	1.00063	0.998307	
	STUB	1.24403	0.996934	
	EDM9	1.17900	0.993972	
	EDU9	1.16300	0.991058	
	EDZ9	1.32100	0.987760	
	EDH0	1.37400	0.984341	
2	2 YR	1.46350	0.971305	0.97126
3	3 YR	1.77300	0.948344	0.94842
4	4 YR	2.07100	0.920436	0.92089
5	5 YR	2.26250	0.892716	0.89361
8	6 YR	2.47900	0.860903	0.86258
7	7 YR	2.63600	0.829946	0.83251
8	8 YR	2.74100	0.801077	0.80429
9	9 YR	2.84100	0.771686	0.77578
10	10 YR	2.92700	0.742822	0.74783
11	11 YR	3.02400	0.712523	0.71892
12	12 YR	3.04800	0.688947	0.69559
15	15 YR	3.23100	0.608244	0.61830
20	20 YR	3.30400	0.506243	0.51923
25	25 YR	3.38400	0.418900	0.43218
30	30 YR	3.40850	0.349911	0.36279
40	40 YR	3.30600	0.268487	0.26939
50	50 YR	3.39050	0.176302	0.16618

Quick and Simple Disc Factor: The discount factor, P(T), is the number which a future cash flow, to be received at time T, must be multiplied by in order to obtain the current present value. Thus, a fixed annually compounded discount rate is:

$$P(T) = \frac{1}{(1+r)^T}$$

Estimated Loop Financial 2005-G Swap Termination Value
3/18/2009

Nominal Dates	Payment Dates	Notional	Scheduled Fixed Fixed Rate Payments(Pay)	Estimated Floating Rate Receipts (Rcv)	Net Payments	Days in Period	LIBOR Reset Rate (for next pymt)	Bloomberg Discount Factor	Net PV
	3/2/2009	108,528,224.06					0.302487		
4/1/2009	4/1/2009	108,528,224.06	\$ (317,445.06)	\$ 28,982.27	\$ (290,462.79)	30	0.585461	0.999629	\$ (290,413.12)
05/01/2009	5/1/2009	108,528,224.06	(317,445.06)	52,223.89	(265,221.17)	30	1.033396	0.999064	(264,972.92)
06/01/2009	6/1/2009	108,528,224.06	(317,445.06)	95,252.96	(222,192.10)	31	0.989659	0.997700	(221,681.06)
07/01/2009	7/1/2009	108,298,566.17	(317,445.06)	86,494.86	(230,950.20)	30	0.755838	0.996461	(230,132.87)
08/01/2009	8/3/2009	108,298,566.17	(316,767.46)	74,005.54	(242,761.92)	33	0.755786	0.995391	(241,643.03)
09/01/2009	9/1/2009	108,298,566.17	(318,767.46)	65,030.77	(251,736.69)	29	0.752121	0.994452	(250,340.05)
10/01/2009	10/1/2009	108,298,566.17	(316,767.46)	66,946.88	(249,820.48)	30	0.748469	0.993485	(248,192.90)
11/01/2009	11/2/2009	108,298,566.17	(316,767.46)	71,063.30	(245,704.16)	32	0.748431	0.992460	(243,851.55)
12/01/2009	12/1/2009	108,298,566.17	(316,767.46)	64,397.88	(252,369.58)	29	0.807533	0.991532	(250,232.51)
01/01/2010	1/4/2010	108,062,100.32	(316,767.46)	81,463.09	(235,304.37)	34	0.854049	0.990363	(233,036.74)
02/01/2010	2/1/2010	108,062,100.32	(316,081.64)	70,798.05	(245,283.59)	28	0.854049	0.989348	(242,670.83)
03/01/2010	3/1/2010	108,062,100.32	(316,081.64)	70,798.05	(245,283.59)	28	0.869624	0.988333	(242,421.87)
04/01/2010	4/1/2010	108,062,100.32	(316,081.64)	79,813.00	(236,268.64)	31	0.866220	0.987192	(233,242.51)
05/01/2010	5/4/2010	108,062,100.32	(316,081.64)	86,583.71	(229,497.93)	33	0.866133	0.985956	(226,274.86)
06/01/2010	6/1/2010	108,062,100.32	(316,081.64)	73,457.76	(242,623.86)	28	1.003546	0.984908	(238,962.20)
07/01/2010	7/1/2010	107,822,018.00	(316,081.64)	89,133.09	(226,948.55)	30	1.120995	0.983644	(223,236.58)
08/01/2010	8/2/2010	107,822,018.00	(315,379.40)	105,968.45	(209,412.95)	32	1.120940	0.982144	(205,673.67)
09/01/2010	9/1/2010	107,822,018.00	(315,379.40)	99,338.68	(216,040.72)	30	1.120940	0.980740	(211,879.78)
10/01/2010	10/1/2010	107,822,018.00	(315,379.40)	99,338.68	(216,040.72)	30	1.120968	0.979338	(211,576.89)
11/01/2010	11/1/2010	107,822,018.00	(315,379.40)	102,652.48	(212,726.92)	31	1.120940	0.977892	(208,023.95)
12/01/2010	12/1/2010	107,822,018.00	(315,379.40)	99,338.68	(218,040.72)	30	1.121050	0.976494	(210,962.47)
01/01/2011	1/4/2011	107,579,127.80	(315,379.40)	112,594.86	(202,784.54)	34	1.120886	0.974912	(197,697.08)
02/01/2011	2/1/2011	107,579,127.80	(314,668.95)	92,502.71	(222,166.24)	28	1.120886	0.973611	(216,303.50)
03/01/2011	3/1/2011	107,579,127.80	(314,668.95)	92,502.71	(222,166.24)	28	1.278627	0.972312	(216,014.90)
04/01/2011	4/1/2011	107,579,127.80	(314,668.95)	116,826.34	(197,842.61)	31	1.565415	0.970680	(192,041.86)
05/01/2011	5/3/2011	107,579,127.80	(314,668.95)	147,643.57	(187,025.38)	32	1.565257	0.968629	(161,785.63)
06/01/2011	6/1/2011	107,579,127.80	(314,668.95)	133,788.47	(180,880.48)	29	1.565309	0.966775	(174,870.73)
07/01/2011	7/1/2011	107,330,622.13	(314,668.95)	138,406.52	(176,262.43)	30	1.565362	0.964861	(170,068.74)
08/01/2011	8/1/2011	107,330,622.13	(313,942.07)	142,694.51	(171,247.56)	31	1.565362	0.962886	(164,891.88)
09/01/2011	9/1/2011	107,330,622.13	(313,942.07)	142,694.51	(171,247.56)	31	1.565415	0.960916	(164,554.52)
10/01/2011	10/3/2011	107,330,622.13	(313,942.07)	147,302.52	(166,639.55)	32	1.565257	0.958886	(159,788.33)
11/01/2011	11/1/2011	107,330,622.13	(313,942.07)	133,479.42	(180,462.65)	29	1.565309	0.957051	(172,711.96)
12/01/2011	12/1/2011	107,330,622.13	(313,942.07)	138,086.81	(175,855.26)	30	1.565208	0.955156	(167,969.21)
01/01/2012	1/3/2012	107,077,903.51	(313,942.07)	151,885.88	(162,056.39)	33	1.560980	0.953075	(154,451.89)
02/01/2012	2/1/2012	107,077,903.51	(313,202.87)	132,801.29	(180,401.58)	29	1.560980	0.951251	(171,607.18)
03/01/2012	3/1/2012	107,077,903.51	(313,202.87)	132,801.29	(180,401.58)	29	1.699725	0.949430	(171,278.67)
04/01/2012	4/2/2012	107,077,903.51	(313,202.87)	159,564.24	(153,638.63)	32	1.902088	0.947250	(145,534.19)
05/01/2012	5/1/2012	107,077,903.51	(313,202.87)	161,821.31	(151,381.56)	29	1.902244	0.945049	(143,062.99)
06/01/2012	6/1/2012	107,077,903.51	(313,202.87)	172,995.50	(140,207.37)	31	1.902244	0.942701	(132,173.63)
07/01/2012	7/2/2012	106,833,609.78	(313,202.87)	172,995.50	(140,207.37)	31	1.902166	0.940360	(131,845.40)
08/01/2012	8/1/2012	106,833,609.78	(312,488.31)	167,026.24	(145,462.07)	30	1.902476	0.938099	(136,457.82)
09/01/2012	9/4/2012	106,833,609.78	(312,488.31)	189,327.27	(123,161.04)	34	1.901933	0.935544	(115,222.57)
10/01/2012	10/1/2012	106,833,609.78	(312,488.31)	150,305.24	(162,183.07)	27	1.902244	0.933520	(151,401.14)
11/01/2012	11/1/2012	106,833,609.78	(312,488.31)	172,600.82	(139,887.49)	31	1.902321	0.931201	(130,263.37)
12/01/2012	12/3/2012	106,833,609.78	(312,488.31)	178,175.85	(134,312.46)	32	1.902340	0.928813	(124,751.16)
01/01/2013	1/2/2013	106,585,104.11	(312,488.31)	167,041.49	(145,446.82)	30	1.907377	0.926581	(134,768.26)
02/01/2013	2/1/2013	106,585,104.11	(311,761.43)	167,094.26	(144,667.17)	30	1.907222	0.924353	(133,723.53)
03/01/2013	3/1/2013	106,585,104.11	(311,761.43)	155,941.93	(155,819.50)	28	1.934229	0.922279	(143,709.05)
04/01/2013	4/2/2013	106,585,104.11	(311,761.43)	180,743.01	(131,018.42)	32	1.972999	0.919682	(120,521.49)
05/01/2013	5/1/2013	106,585,104.11	(311,761.43)	167,081.53	(144,679.90)	29	1.973331	0.917672	(132,768.69)
06/01/2013	6/3/2013	106,585,104.11	(311,761.43)	190,159.29	(121,602.14)	33	1.972916	0.915164	(111,285.90)
07/01/2013	7/1/2013	106,345,022.33	(311,761.43)	161,313.30	(150,448.13)	28	1.973165	0.913041	(137,365.31)
08/01/2013	8/1/2013	106,345,022.33	(311,059.19)	178,217.10	(132,842.09)	31	1.973331	0.910696	(120,978.76)
09/01/2013	9/3/2013	106,345,022.33	(311,059.19)	189,730.96	(121,328.23)	33	1.972916	0.908207	(110,191.15)
10/01/2013	10/1/2013	106,345,022.33	(311,059.19)	160,949.94	(150,109.25)	28	1.973165	0.906100	(136,013.99)
11/01/2013	11/1/2013	106,345,022.33	(311,059.19)	178,217.10	(132,842.09)	31	1.973165	0.903773	(120,069.09)
12/01/2013	12/2/2013	106,345,022.33	(311,059.19)	178,217.10	(132,842.09)	31	1.973165	0.901452	(119,750.77)
01/01/2014	1/2/2014	106,102,131.58	(311,059.19)	178,217.10	(132,842.09)	31	1.973248	0.899137	(119,443.24)
02/01/2014	2/3/2014	106,102,131.58	(310,348.73)	183,553.59	(126,795.14)	32	1.972916	0.896754	(113,704.05)
03/01/2014	3/3/2014	106,102,131.58	(310,348.73)	160,582.34	(149,766.39)	28	2.183117	0.894674	(133,992.10)
04/01/2014	4/1/2014	106,102,131.58	(310,348.73)	184,037.45	(126,311.28)	29	2.481005	0.892300	(112,707.56)
05/01/2014	5/1/2014	106,102,131.58	(310,348.73)	216,361.60	(93,987.13)	30	2.481266	0.889522	(83,603.62)
06/01/2014	6/2/2014	106,102,131.58	(310,348.73)	230,810.00	(79,538.73)	32	2.480875	0.886568	(70,516.49)
07/01/2014	7/1/2014	105,853,625.91	(310,348.73)	209,138.54	(101,210.19)	29	2.481136	0.883899	(89,459.59)
08/01/2014	8/1/2014	105,853,625.91	(309,621.86)	223,061.75	(86,560.11)	31	2.481266	0.881056	(76,264.30)
09/01/2014	9/2/2014	105,853,625.91	(309,621.86)	230,269.41	(79,352.45)	32	2.480875	0.878130	(69,681.77)
10/01/2014	10/1/2014	105,853,625.91	(309,621.86)	208,648.71	(100,973.15)	29	2.481397	0.875487	(88,400.68)
11/01/2014	11/3/2014	105,853,625.91	(309,621.86)	237,477.82	(72,144.04)	33	2.480744	0.872489	(62,944.88)
12/01/2014	12/1/2014	105,853,625.91	(309,621.86)	201,443.32	(108,178.54)	28	2.481266	0.869954	(94,110.35)
01/01/2015	1/2/2015	105,600,908.29	(309,621.86)	230,269.41	(79,352.45)	32	2.481136	0.867065	(68,803.73)
02/01/2015	2/2/2015	105,600,908.29	(308,882.66)	222,529.21	(86,353.45)	31	2.480744	0.864278	(74,633.21)
03/01/2015	3/2/2015	105,600,908.29	(308,882.66)	200,962.39	(107,920.27)	28	2.394500	0.861764	(93,001.80)
04/01/2015	4/1/2015	105,600,908.29	(308,882.66)	207,831.30	(101,051.36)	30	2.264760	0.859173	(86,820.60)
05/01/2015	5/1/2015	105,600,908.29	(308,882.66)	196,570.48	(112,312.18)	30	2.264869	0.856728	(96,220.99)
06/01/2015	6/1/2015	105,600,908.29	(308,882.66)	203,132.61	(105,750.05)	31	2.264760	0.854208	(90,332.54)
07/01/2015	7/1/2015	105,341,169.75	(308,882.66)	196,570.48	(112,312.18)	30	2.265088	0.851777	(95,664.93)
08/01/2015									

Estimated Loop Financial 2005-G Swap Termination Value
 3/18/2009

Nominal Dates	Payment Dates	Notional	Scheduled Fixed Payments(Pay)	Estimated Floating Rate Receipts (Rcv)	Net Payments	Days in Period	LIBOR Reset Rate (for next pymt)	Bloomberg Discount Factor	Net PV
11/01/2015	11/2/2015	105,341,169.75	(308,122.92)	209,179.61	(98,943.31)	32	2.264651	0.841802	(83,290.68)
12/01/2015	12/1/2015	105,341,169.75	(308,122.92)	189,541.63	(118,581.29)	29	2.264651	0.839486	(99,547.33)
01/01/2016	1/4/2016	105,080,028.24	(308,122.92)	222,221.15	(85,901.77)	34	2.258355	0.836778	(71,880.71)
02/01/2016	2/1/2016	105,080,028.24	(307,359.08)	182,044.50	(125,314.58)	28	2.258464	0.834555	(104,581.91)
03/01/2016	3/1/2016	105,080,028.24	(307,359.08)	188,555.17	(118,803.91)	29	2.298065	0.832259	(98,875.62)
04/01/2016	4/1/2016	105,080,028.24	(307,359.08)	205,093.19	(102,265.89)	31	2.369795	0.829770	(84,857.17)
05/01/2016	5/3/2016	105,080,028.24	(307,359.08)	218,317.28	(89,041.80)	32	2.369437	0.827129	(73,649.05)
06/01/2016	6/1/2016	105,080,028.24	(307,359.08)	197,820.09	(109,538.99)	29	2.369566	0.824743	(90,341.52)
07/01/2016	7/1/2016	104,811,865.81	(307,359.08)	204,851.80	(102,707.28)	30	2.369676	0.822283	(84,454.45)
08/01/2016	8/1/2016	104,811,865.81	(306,574.71)	210,944.49	(95,630.22)	31	2.369676	0.819748	(78,392.68)
09/01/2016	9/1/2016	104,811,865.81	(306,574.71)	210,944.49	(95,630.22)	31	2.369795	0.817220	(78,150.93)
10/01/2016	10/3/2016	104,811,865.81	(306,574.71)	217,760.14	(88,814.57)	32	2.369436	0.814620	(72,350.13)
11/01/2016	11/1/2016	104,811,865.81	(306,574.71)	197,315.25	(109,259.46)	29	2.369558	0.812270	(88,748.18)
12/01/2016	12/1/2016	104,811,865.81	(306,574.71)	204,129.53	(102,445.18)	30	2.370308	0.809847	(82,964.92)
01/01/2017	1/3/2017	104,540,896.42	(306,574.71)	224,613.76	(11,960.95)	33	2.375928	0.807189	(66,157.98)
02/01/2017	2/1/2017	104,540,896.42	(305,782.12)	197,344.33	(108,437.79)	29	2.375808	0.804861	(87,277.35)
03/01/2017	3/1/2017	104,540,896.42	(305,782.12)	190,529.74	(115,252.38)	28	2.376256	0.802619	(92,503.75)
04/01/2017	4/3/2017	104,540,896.42	(305,782.12)	224,595.22	(81,186.90)	33	2.375570	0.799986	(64,948.38)
05/01/2017	5/2/2017	104,540,896.42	(305,782.12)	197,314.62	(108,467.50)	29	2.375690	0.797678	(86,522.14)
06/01/2017	6/1/2017	104,540,896.42	(305,782.12)	204,128.87	(101,653.25)	30	2.375930	0.795299	(80,844.73)
07/01/2017	7/3/2017	104,267,118.06	(305,782.12)	217,759.43	(88,022.69)	32	2.375570	0.792768	(69,781.57)
08/01/2017	8/1/2017	104,267,118.06	(304,981.32)	198,797.88	(108,183.44)	29	2.375810	0.790482	(85,517.06)
09/01/2017	9/1/2017	104,267,118.06	(304,981.32)	210,391.38	(94,589.94)	31	2.375810	0.788045	(74,541.13)
10/01/2017	10/2/2017	104,267,118.06	(304,981.32)	210,391.38	(94,589.94)	31	2.375690	0.785616	(74,311.37)
11/01/2017	11/1/2017	104,267,118.06	(304,981.32)	203,594.29	(101,387.03)	30	2.376690	0.783273	(79,413.72)
12/01/2017	12/1/2017	104,267,118.06	(304,981.32)	203,594.29	(101,387.03)	30	2.375930	0.780936	(79,176.78)
01/01/2018	1/2/2018	103,989,127.76	(304,981.32)	217,189.15	(87,792.17)	32	2.375690	0.778451	(68,341.90)
02/01/2018	2/1/2018	103,989,127.76	(304,168.20)	203,051.48	(101,116.72)	30	2.375450	0.778129	(78,479.62)
03/01/2018	3/1/2018	103,989,127.76	(304,168.20)	169,495.59	(114,672.61)	28	2.431088	0.773968	(88,752.93)
04/01/2018	4/3/2018	103,989,127.76	(304,168.20)	228,564.98	(75,603.22)	33	2.505124	0.771370	(58,318.06)
05/01/2018	5/1/2018	103,989,127.76	(304,168.20)	199,839.92	(104,328.28)	28	2.505523	0.769107	(80,239.61)
06/01/2018	6/1/2018	103,989,127.76	(304,168.20)	221,286.61	(82,881.59)	31	2.505523	0.766609	(83,537.77)
07/01/2018	7/2/2018	103,709,735.08	(304,168.20)	221,286.61	(82,881.59)	31	2.505390	0.764119	(63,331.40)
08/01/2018	8/1/2018	103,709,735.08	(303,350.98)	213,561.63	(89,789.35)	30	2.505922	0.761716	(68,393.98)
09/01/2018	9/4/2018	103,709,735.08	(303,350.98)	242,087.96	(61,263.02)	34	2.504990	0.759003	(46,498.82)
10/01/2018	10/1/2018	103,709,735.08	(303,350.98)	192,174.83	(111,176.15)	27	2.505523	0.756856	(84,144.34)
11/01/2018	11/1/2018	103,709,735.08	(303,350.98)	220,692.07	(82,658.91)	31	2.505656	0.754397	(62,357.63)
12/01/2018	12/3/2018	103,709,735.08	(303,350.98)	227,823.28	(75,527.70)	32	2.505390	0.751868	(56,786.86)
01/01/2019	1/2/2019	103,424,726.47	(303,350.98)	213,561.63	(89,789.35)	30	2.505390	0.749504	(62,297.48)
02/01/2019	2/1/2019	103,424,726.47	(302,517.32)	212,974.73	(89,542.59)	30	2.505124	0.747148	(66,901.57)
03/01/2019	3/1/2019	103,424,726.47	(302,517.32)	198,755.29	(103,762.03)	28	2.492308	0.744956	(77,298.15)
04/01/2019	4/1/2019	103,424,726.47	(302,517.32)	218,924.81	(83,592.51)	31	2.471256	0.742549	(62,071.53)
05/01/2019	5/1/2019	103,424,726.47	(302,517.32)	210,073.14	(92,444.18)	30	2.471645	0.740246	(68,431.43)
06/01/2019	6/3/2019	103,424,726.47	(302,517.32)	231,116.80	(71,400.52)	33	2.470997	0.737721	(62,673.68)
07/01/2019	7/1/2019	103,134,100.93	(302,517.32)	196,047.71	(106,469.61)	28	2.471386	0.735585	(78,317.45)
08/01/2019	8/1/2019	103,134,100.93	(301,667.25)	216,476.94	(85,190.31)	31	2.471645	0.733228	(62,463.92)
09/01/2019	9/3/2019	103,134,100.93	(301,667.25)	230,467.36	(71,199.89)	33	2.470997	0.730727	(52,027.68)
10/01/2019	10/1/2019	103,134,100.93	(301,667.25)	195,496.81	(106,170.44)	28	2.471386	0.728612	(77,357.06)
11/01/2019	11/1/2019	103,134,100.93	(301,667.25)	216,476.94	(85,190.31)	31	2.471386	0.726277	(61,871.76)
12/01/2019	12/2/2019	103,134,100.93	(301,667.25)	216,476.94	(85,190.31)	31	2.471168	0.723949	(61,673.44)
01/01/2020	1/2/2020	102,839,264.45	(301,667.25)	216,457.86	(85,209.39)	31	2.464783	0.721629	(61,489.57)
02/01/2020	2/3/2020	102,839,264.45	(300,804.85)	222,224.10	(78,580.75)	32	2.464246	0.719242	(56,518.58)
03/01/2020	3/2/2020	102,839,264.45	(300,804.85)	194,405.32	(106,399.53)	28	2.524798	0.717160	(76,305.49)
04/01/2020	4/1/2020	102,839,264.45	(300,804.85)	213,409.61	(87,395.24)	30	2.615247	0.714882	(62,477.28)
05/01/2020	5/1/2020	102,839,264.45	(300,804.85)	221,054.87	(79,749.98)	30	2.615392	0.712532	(56,824.41)
06/01/2020	6/1/2020	102,839,264.45	(300,804.85)	228,436.06	(72,368.79)	31	2.615247	0.710111	(51,389.87)
07/01/2020	7/1/2020	102,536,003.07	(300,804.85)	221,054.87	(79,749.98)	30	2.615683	0.707776	(56,445.12)
08/01/2020	8/3/2020	102,536,003.07	(299,917.81)	242,483.71	(57,434.10)	33	2.615102	0.705216	(40,503.45)
09/01/2020	9/1/2020	102,536,003.07	(299,917.81)	213,044.40	(86,873.41)	29	2.815247	0.702975	(61,069.84)
10/01/2020	10/1/2020	102,536,003.07	(299,917.81)	220,403.00	(79,514.81)	30	2.815538	0.700663	(55,713.09)
11/01/2020	11/2/2020	102,536,003.07	(299,917.81)	235,122.66	(64,795.15)	32	2.615102	0.698206	(45,240.36)
12/01/2020	12/1/2020	102,536,003.07	(299,917.81)	213,044.40	(86,873.41)	29	2.616461	0.695986	(60,462.68)
01/01/2021	1/4/2021	102,231,337.71	(299,917.81)	249,905.98	(50,011.83)	34	2.622121	0.693393	(34,677.85)
02/01/2021	2/1/2021	102,231,337.71	(299,026.66)	205,637.31	(93,389.35)	28	2.622121	0.691265	(64,556.79)
03/01/2021	3/1/2021	102,231,337.71	(299,026.66)	205,637.31	(93,389.35)	28	2.601197	0.689143	(64,358.62)
04/01/2021	4/1/2021	102,231,337.71	(299,026.66)	225,853.11	(73,173.55)	31	2.556617	0.686821	(50,257.13)
05/01/2021	5/4/2021	102,231,337.71	(299,026.66)	236,303.87	(62,722.79)	33	2.555925	0.684399	(42,927.41)
06/01/2021	6/1/2021	102,231,337.71	(299,026.66)	200,445.94	(98,580.72)	28	2.556202	0.682350	(67,266.55)
07/01/2021	7/1/2021	101,916,845.47	(299,026.66)	214,786.78	(84,239.88)	30	2.556479	0.680163	(57,296.85)
08/01/2021	8/2/2021	101,916,845.47	(298,106.77)	228,425.88	(69,680.91)	32	2.556202	0.677837	(47,232.30)
09/01/2021	9/1/2021	101,916,845.47	(298,106.77)	214,126.04	(83,980.73)	30	2.556202	0.675663	(56,742.67)
10/01/2021	10/1/2021	101,916,845.47	(298,106.77)	214,126.04	(83,980.73)	30	2.556340	0.673497	(56,580.77)
11/01/2021	11/1/2021	101,916,845.47	(298,106.77)	221,275.56	(76,831.21)	31	2.556202	0.671265	(51,574.10)
12/01/2021	12/1/2021	101,916,845.47	(298,106.77)	214,126.04	(83,980.73)	30	2.556756	0.669113	(56,192.60)
01/01/2022	1/4/2022	101,600,948.25	(298,106.77)	242,728.78	(55,377.99)	34	2.555925	0.666682	(36,919.51)
02/01/2022	2/1/2022	101,600,948.25	(297,182.77)	199,209.93	(97,972.84)	28	2.555925	0.664687	(65,121.27)
03/01/2022	3/1/2022	101,600,948.25	(297,182.77)	199,209.93	(97,972.84)	28	2.556340	0.662697	(64,926.31)
04/01/2022	4/1/2022	101,600,948.25	(297,182.77)	220,559.70	(76,593.07)	31	2.556479	0.660502	(50,589.88)
05/01/2022	5/3/2022	101,600,948.25	(297,182.77)	227,717.84	(69,464.93)	32	2.556063	0.658243	(45,724.80)
06/01/2022	6/1/2022	101,600,948.25	(297,182.77)	206,335.75	(90,847.02)	29	2.556202	0.656203	(59,614.09)

Estimated Loop Financial 2005-G Swap Termination Value
3/18/2009

Nominal Dates	Payment Dates	Notional	Scheduled Fixed Fixed Rate Payments(Pay)	Estimated Floating Rate Receipts (Rcv)	Net Payments	Days in Period	LIBOR Reset Rate (for next pymt)	Bloomberg Discount Factor	Net PV
07/01/2022	7/1/2022	101,276,627.13	(297,182.77)	213,462.34	(83,720.43)	30	2.556340	0.854099	(54,761.45)
08/01/2022	8/1/2022	101,276,627.13	(296,234.13)	219,885.56	(76,348.57)	31	2.556340	0.851932	(49,774.08)
09/01/2022	9/1/2022	101,276,627.13	(296,234.13)	219,885.56	(76,348.57)	31	2.556479	0.849772	(49,609.16)
10/01/2022	10/3/2022	101,276,627.13	(296,234.13)	226,990.94	(69,243.19)	32	2.556063	0.847550	(44,838.43)
11/01/2022	11/1/2022	101,276,627.13	(296,234.13)	205,677.10	(90,557.03)	29	2.556202	0.845543	(58,458.46)
12/01/2022	12/1/2022	101,276,627.13	(296,234.13)	212,780.95	(83,453.18)	30	2.556617	0.843473	(53,699.87)
01/01/2023	1/3/2023	100,946,690.08	(296,234.13)	234,097.09	(62,137.04)	33	2.556063	0.841204	(39,842.52)
02/01/2023	2/1/2023	100,946,690.08	(295,269.07)	205,007.05	(90,262.02)	29	2.555925	0.839216	(67,696.93)
03/01/2023	3/1/2023	100,946,690.08	(295,269.07)	197,927.12	(97,341.95)	28	2.556617	0.837303	(62,036.32)
04/01/2023	4/3/2023	100,946,690.08	(295,269.07)	233,334.45	(61,934.62)	33	2.556063	0.835056	(39,331.95)
05/01/2023	5/2/2023	100,946,690.08	(295,269.07)	205,007.05	(90,262.02)	29	2.556202	0.833087	(57,143.71)
06/01/2023	6/1/2023	100,946,690.08	(295,269.07)	212,087.75	(83,181.32)	30	2.556479	0.831057	(52,492.15)
07/01/2023	7/3/2023	100,609,733.13	(295,269.07)	226,251.45	(69,017.62)	32	2.556063	0.828899	(43,405.11)
08/01/2023	8/1/2023	100,609,733.13	(294,283.47)	204,322.74	(89,960.73)	29	2.556340	0.826950	(56,400.88)
09/01/2023	9/1/2023	100,609,733.13	(294,283.47)	218,437.64	(75,845.83)	31	2.556340	0.824873	(47,394.01)
10/01/2023	10/2/2023	100,609,733.13	(294,283.47)	218,437.64	(75,845.83)	31	2.556202	0.822803	(47,237.01)
11/01/2023	11/1/2023	100,609,733.13	(294,283.47)	211,379.81	(82,903.66)	30	2.556202	0.820806	(51,467.09)
12/01/2023	12/1/2023	100,609,733.13	(294,283.47)	211,379.81	(82,903.66)	30	2.556260	0.818815	(51,302.03)
01/01/2024	1/2/2024	100,267,160.24	(294,283.47)	225,478.98	(68,806.49)	32	2.549217	0.816699	(42,432.89)
02/01/2024	2/1/2024	100,267,160.24	(293,281.44)	210,084.49	(83,196.95)	30	2.549079	0.814722	(51,143.00)
03/01/2024	3/1/2024	100,267,160.24	(293,281.44)	203,070.67	(90,210.77)	29	2.474563	0.812816	(55,282.60)
04/01/2024	4/2/2024	100,267,160.24	(293,281.44)	217,527.55	(75,753.89)	32	2.364704	0.810781	(46,269.04)
05/01/2024	5/1/2024	100,267,160.24	(293,281.44)	188,382.52	(104,898.92)	29	2.365180	0.809023	(63,885.85)
06/01/2024	6/3/2024	100,267,160.24	(293,281.44)	214,409.50	(78,871.94)	33	2.364585	0.807028	(47,877.48)
07/01/2024	7/1/2024	99,917,567.44	(293,281.44)	181,877.42	(111,404.02)	28	2.364942	0.805341	(67,437.41)
08/01/2024	8/1/2024	99,917,567.44	(292,258.88)	200,692.52	(91,566.36)	31	2.365180	0.803478	(55,258.28)
09/01/2024	9/3/2024	99,917,567.44	(292,258.88)	213,681.94	(78,596.94)	33	2.364585	0.801502	(47,276.22)
10/01/2024	10/1/2024	99,917,567.44	(292,258.88)	181,243.28	(111,015.60)	28	2.364942	0.800000	(66,590.49)
11/01/2024	11/1/2024	99,917,567.44	(292,258.88)	200,692.52	(91,566.36)	31	2.364942	0.800000	(54,755.22)
12/01/2024	12/2/2024	99,917,567.44	(292,258.88)	200,692.52	(91,566.36)	31	2.365151	0.800000	(54,586.74)
01/01/2025	1/2/2025	99,563,761.69	(292,258.88)	200,710.26	(91,548.62)	31	2.371541	0.800000	(54,408.26)
02/01/2025	2/3/2025	99,563,761.69	(291,224.00)	207,008.89	(84,215.11)	32	2.371063	0.800000	(49,890.97)
03/01/2025	3/3/2025	99,563,761.69	(291,224.00)	181,096.30	(110,127.70)	28	2.371183	0.800000	(65,060.10)
04/01/2025	4/1/2025	99,563,761.69	(291,224.00)	187,573.47	(103,650.53)	29	2.371302	0.800000	(61,057.94)
05/01/2025	5/1/2025	99,563,761.69	(291,224.00)	194,051.29	(97,172.71)	30	2.371541	0.800000	(57,071.57)
06/01/2025	6/2/2025	99,563,761.69	(291,224.00)	207,008.89	(84,215.11)	32	2.371183	0.800000	(49,304.24)
07/01/2025	7/1/2025	95,325,123.85	(291,224.00)	187,573.47	(103,650.53)	29	2.371421	0.800000	(60,508.17)
08/01/2025	8/1/2025	95,325,123.85	(278,825.99)	191,992.79	(86,833.20)	31	2.371541	0.800000	(50,534.66)
09/01/2025	9/2/2025	95,325,123.85	(278,825.99)	198,198.09	(80,629.90)	32	2.371182	0.800000	(46,775.50)
10/01/2025	10/1/2025	95,325,123.85	(278,825.99)	179,588.07	(99,237.92)	29	2.371660	0.800000	(57,404.77)
11/01/2025	11/3/2025	95,325,123.85	(278,825.99)	204,400.01	(74,425.98)	33	2.371063	0.800000	(42,911.12)
12/01/2025	12/1/2025	95,325,123.85	(278,825.99)	173,386.65	(105,439.34)	28	2.371541	0.800000	(60,623.30)
01/01/2026	1/2/2026	91,082,274.07	(278,825.99)	198,198.09	(80,629.90)	32	2.371421	0.800000	(46,211.66)
02/01/2026	2/2/2026	91,082,274.07	(266,415.65)	183,447.34	(82,968.31)	31	2.371063	0.800000	(47,405.52)
03/01/2026	3/2/2026	91,082,274.07	(266,415.65)	165,669.34	(100,746.31)	28	2.371302	0.800000	(57,403.33)
04/01/2026	4/1/2026	91,082,274.07	(266,415.65)	177,520.74	(88,894.91)	30	2.371302	0.800000	(50,499.78)
05/01/2026	5/1/2026	91,082,274.07	(266,415.65)	177,520.74	(88,894.91)	30	2.371421	0.800000	(50,349.45)
06/01/2026	6/1/2026	91,082,274.07	(266,415.65)	183,447.34	(82,968.31)	31	2.371302	0.800000	(46,848.06)
07/01/2026	7/1/2026	86,575,475.41	(266,415.65)	177,520.74	(88,894.91)	30	2.371660	0.800000	(50,045.08)
08/01/2026	8/3/2026	86,575,475.41	(253,233.27)	185,638.66	(67,594.61)	33	2.371183	0.800000	(37,929.03)
09/01/2026	9/1/2026	86,575,475.41	(253,233.27)	163,104.15	(90,129.12)	29	2.371302	0.800000	(50,428.14)
10/01/2026	10/1/2026	86,575,475.41	(253,233.27)	168,736.92	(84,496.35)	30	2.371541	0.800000	(47,135.70)
11/01/2026	11/2/2026	86,575,475.41	(253,233.27)	180,004.16	(73,229.09)	32	2.371183	0.800000	(40,720.65)
12/01/2026	12/1/2026	86,575,475.41	(253,233.27)	163,104.15	(90,129.12)	29	2.371780	0.800000	(49,973.98)
01/01/2027	1/4/2027	82,064,463.81	(253,233.27)	191,273.71	(61,959.56)	34	2.371063	0.800000	(34,238.85)
02/01/2027	2/1/2027	82,064,463.81	(240,038.56)	149,266.87	(90,771.69)	28	2.371063	0.800000	(50,021.01)
03/01/2027	3/1/2027	82,064,463.81	(240,038.56)	149,266.87	(90,771.69)	28	2.371421	0.800000	(49,881.95)
04/01/2027	4/1/2027	82,064,463.81	(240,038.56)	165,284.71	(74,753.85)	31	2.371660	0.800000	(40,953.30)
05/01/2027	5/4/2027	82,064,463.81	(240,038.56)	175,965.97	(64,072.59)	33	2.371063	0.800000	(34,986.65)
06/01/2027	6/1/2027	82,064,463.81	(240,038.56)	149,266.87	(90,771.69)	28	2.371302	0.800000	(49,427.91)
07/01/2027	7/1/2027	79,590,638.15	(240,038.56)	159,944.89	(80,093.67)	30	2.371541	0.800000	(43,483.49)
08/01/2027	8/2/2027	79,590,638.15	(232,802.62)	165,481.59	(67,321.03)	32	2.371302	0.800000	(36,433.06)
09/01/2027	9/1/2027	79,590,638.15	(232,802.62)	155,123.37	(77,679.25)	30	2.371302	0.800000	(41,913.55)
10/01/2027	10/1/2027	79,590,638.15	(232,802.62)	155,123.37	(77,679.25)	30	2.371421	0.800000	(41,788.80)
11/01/2027	11/1/2027	79,590,638.15	(232,802.62)	160,302.22	(72,500.40)	31	2.371302	0.800000	(38,882.69)
12/01/2027	12/1/2027	79,590,638.15	(232,802.62)	155,123.37	(77,679.25)	30	2.371208	0.800000	(41,536.10)
01/01/2028	1/4/2028	77,115,407.51	(232,802.62)	175,799.51	(68,003.11)	34	2.364585	0.800000	(30,377.47)
02/01/2028	2/1/2028	77,115,407.51	(225,562.57)	139,881.80	(85,680.77)	28	2.364704	0.800000	(45,533.16)
03/01/2028	3/1/2028	77,115,407.51	(225,562.57)	144,884.88	(80,677.69)	29	2.365180	0.800000	(42,750.95)
04/01/2028	4/3/2028	77,115,407.51	(225,562.57)	164,902.21	(60,680.36)	33	2.364704	0.800000	(32,038.50)
05/01/2028	5/2/2028	77,115,407.51	(225,562.57)	144,884.88	(80,677.69)	29	2.364823	0.800000	(42,488.26)
06/01/2028	6/1/2028	77,115,407.51	(225,562.57)	149,888.45	(75,674.12)	30	2.365061	0.800000	(39,734.51)
07/01/2028	7/3/2028	74,328,492.60	(225,562.57)	159,897.12	(65,665.45)	32	2.364704	0.800000	(34,369.69)
08/01/2028	8/1/2028	74,328,492.60	(217,410.84)	139,648.80	(77,762.04)	29	2.364942	0.800000	(40,583.93)
09/01/2028	9/1/2028	74,328,492.60	(217,410.84)	149,294.79	(68,116.05)	31	2.364942	0.800000	(35,440.37)
10/01/2028	10/2/2028	74,328,492.60	(217,410.84)	149,294.79	(68,116.05)	31	2.364823	0.800000	(35,331.32)
11/01/2028	11/1/2028	74,328,492.60	(217,410.84)	144,471.55	(72,939.29)	30	2.364823	0.800000	(37,720.41)
12/01/2028	12/1/2028	74,328,492.60	(217,410.84)	144,471.55	(72,939.29)	30	2.365264	0.800000	(37,608.08)
01/01/2029	1/2/2029	71,540,173.70	(217,410.84)	154,131.71	(63,279.13)	32	2.371302	0.800000	(32,523.64)

Estimated Loop Financial 2005-G Swap Termination Value
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Nominal Dates	Payment Dates	Notional	Scheduled Fixed Payments(Pay)	Estimated Floating Rate Receipts (Rcv)	Net Payments	Days in Period	LIBOR Reset Rate (for next pymt)	Bloomberg Discount Factor	Net PV
02/01/2029	2/1/2029	71,540,173.70	(209,255.01)	139,432.89	(69,822.12)	30	2.371063	0.512440	(35,779.65)
03/01/2029	3/1/2029	71,540,173.70	(209,255.01)	130,124.26	(79,130.75)	28	2.279837	0.511016	(40,437.08)
04/01/2029	4/3/2029	71,540,173.70	(209,255.01)	147,460.24	(61,794.77)	33	2.154745	0.509406	(31,478.63)
05/01/2029	5/1/2029	71,540,173.70	(209,255.01)	118,252.68	(91,002.33)	28	2.155041	0.508117	(46,239.83)
06/01/2029	6/1/2029	71,540,173.70	(209,255.01)	130,940.63	(78,314.38)	31	2.155041	0.506894	(39,681.43)
07/01/2029	7/2/2029	66,115,167.40	(209,255.01)	130,940.63	(78,314.38)	31	2.154942	0.505275	(39,570.30)
06/01/2029	8/1/2029	66,115,167.40	(193,386.86)	117,102.23	(76,284.63)	30	2.155338	0.503906	(38,440.28)
09/01/2029	9/4/2029	66,115,167.40	(193,386.86)	132,740.22	(60,646.64)	34	2.154648	0.502358	(30,466.32)
10/01/2029	10/1/2029	66,115,167.40	(193,386.86)	105,377.50	(88,009.36)	27	2.155041	0.501133	(44,104.39)
11/01/2029	11/1/2029	66,115,167.40	(193,386.86)	121,011.19	(72,375.67)	31	2.155140	0.499730	(36,168.29)
12/01/2029	12/3/2029	68,115,187.40	(193,386.86)	124,920.51	(68,466.35)	32	2.154942	0.498285	(34,115.76)
01/01/2030	1/2/2030	60,684,544.17	(193,386.86)	117,102.23	(76,284.63)	30	2.154942	0.496935	(37,908.50)
02/01/2030	2/1/2030	60,684,544.17	(177,502.29)	107,483.59	(70,018.70)	30	2.154745	0.495588	(34,700.43)
03/01/2030	3/1/2030	60,684,544.17	(177,502.29)	100,308.81	(77,193.48)	28	2.155041	0.494334	(38,159.36)
04/01/2030	4/1/2030	60,684,544.17	(177,502.29)	111,071.47	(66,430.82)	31	2.154942	0.492950	(32,747.07)
05/01/2030	5/1/2030	60,684,544.17	(177,502.29)	107,483.59	(70,018.70)	30	2.155239	0.491614	(34,422.17)
06/01/2030	6/3/2030	60,684,544.17	(177,502.29)	118,248.22	(59,254.07)	33	2.154745	0.490148	(29,043.26)
07/01/2030	7/1/2030	55,057,362.62	(177,502.29)	100,308.81	(77,193.48)	28	2.155041	0.488908	(37,740.51)
08/01/2030	8/1/2030	55,057,362.62	(161,042.79)	100,771.99	(60,270.80)	31	2.155239	0.487539	(29,384.37)
09/01/2030	9/3/2030	55,057,362.62	(161,042.79)	107,283.25	(53,759.54)	33	2.154745	0.486086	(26,131.76)
10/01/2030	10/1/2030	55,057,362.62	(161,042.79)	91,007.33	(70,035.46)	28	2.155041	0.484858	(33,957.11)
11/01/2030	11/1/2030	55,057,362.62	(161,042.79)	100,771.99	(60,270.80)	31	2.155041	0.483498	(29,140.81)
12/01/2030	12/2/2030	55,057,362.62	(161,042.79)	100,771.99	(60,270.80)	31	2.155041	0.482144	(29,059.20)
01/01/2031	1/2/2031	49,424,566.14	(161,042.79)	100,771.99	(60,270.80)	31	2.155140	0.480794	(28,977.84)
02/01/2031	2/3/2031	49,424,566.14	(144,566.86)	93,384.65	(51,182.21)	32	2.154745	0.479404	(24,536.96)
03/01/2031	3/3/2031	49,424,566.14	(144,566.86)	81,696.57	(62,870.29)	28	2.154843	0.478192	(30,064.07)
04/01/2031	4/1/2031	49,424,566.14	(144,566.86)	84,618.19	(59,948.67)	29	2.154942	0.476939	(28,691.66)
05/01/2031	5/1/2031	49,424,566.14	(144,566.86)	87,540.08	(57,026.78)	30	2.155140	0.475646	(27,124.56)
06/01/2031	6/2/2031	49,424,566.14	(144,566.86)	93,384.65	(51,182.21)	32	2.154843	0.474271	(24,274.24)
07/01/2031	7/1/2031	43,585,383.46	(144,566.86)	84,618.19	(59,948.67)	29	2.155041	0.473029	(28,357.46)
08/01/2031	8/1/2031	43,585,383.46	(127,487.25)	79,774.72	(47,712.53)	31	2.155140	0.471704	(22,506.19)
09/01/2031	9/2/2031	43,585,383.46	(127,487.25)	82,351.88	(45,135.37)	32	2.154844	0.470340	(21,228.97)
10/01/2031	10/1/2031	43,585,383.46	(127,487.25)	74,621.12	(52,868.13)	29	2.155239	0.469108	(24,799.92)
11/01/2031	11/3/2031	43,585,383.46	(127,487.25)	84,929.27	(42,557.98)	33	2.154745	0.467710	(19,904.79)
12/01/2031	12/1/2031	43,585,383.46	(127,487.25)	72,044.67	(55,442.58)	28	2.154956	0.466526	(25,865.41)
01/01/2032	1/2/2032	37,741,987.83	(127,487.25)	82,344.85	(45,142.40)	32	2.149153	0.465178	(20,999.25)
02/01/2032	2/2/2032	37,741,987.83	(110,395.31)	68,890.76	(41,504.55)	31	2.148857	0.463875	(19,252.92)
03/01/2032	3/1/2032	37,741,987.83	(110,395.31)	62,215.35	(48,179.96)	28	2.149153	0.462702	(22,292.46)
04/01/2032	4/1/2032	37,741,987.83	(110,395.31)	68,890.76	(41,504.55)	31	2.149350	0.461406	(19,150.45)
05/01/2032	5/4/2032	37,741,987.83	(110,395.31)	73,342.05	(37,053.26)	33	2.148657	0.460031	(17,045.65)
06/01/2032	6/1/2032	37,741,987.83	(110,395.31)	62,215.35	(48,179.96)	28	2.149055	0.458667	(22,108.19)
07/01/2032	7/1/2032	31,682,377.52	(110,395.31)	66,665.42	(43,729.89)	30	2.149252	0.457263	(20,011.80)
08/01/2032	8/2/2032	31,682,377.52	(92,670.95)	59,688.33	(32,972.62)	32	2.149055	0.456300	(15,045.41)
09/01/2032	9/1/2032	31,682,377.52	(92,670.95)	55,962.05	(36,708.90)	30	2.149055	0.455064	(16,704.90)
10/01/2032	10/1/2032	31,682,377.52	(92,670.95)	55,962.05	(36,708.90)	30	2.149153	0.453830	(16,659.60)
11/01/2032	11/1/2032	31,682,377.52	(92,670.95)	57,830.10	(34,840.85)	31	2.149055	0.452559	(15,767.54)
12/01/2032	12/1/2032	31,682,377.52	(92,670.95)	55,962.05	(36,708.90)	30	2.149969	0.451333	(16,567.94)
01/01/2033	1/4/2033	25,621,364.83	(92,670.95)	63,450.63	(29,220.32)	34	2.154745	0.449947	(13,147.60)
02/01/2033	2/1/2033	25,621,364.83	(74,942.49)	42,350.96	(32,591.53)	28	2.154745	0.448809	(14,627.37)
03/01/2033	3/1/2033	25,621,364.83	(74,942.49)	42,350.96	(32,591.53)	28	2.155041	0.447673	(14,590.35)
04/01/2033	4/1/2033	25,621,364.83	(74,942.49)	46,895.02	(28,047.47)	31	2.155140	0.446419	(12,520.92)
05/01/2033	5/3/2033	25,621,364.83	(74,942.49)	48,409.98	(26,532.51)	32	2.154844	0.445129	(11,810.39)
06/01/2033	6/1/2033	25,621,364.83	(74,942.49)	43,865.51	(31,076.98)	29	2.154942	0.443963	(13,797.03)
07/01/2033	7/1/2033	19,335,714.17	(56,556.96)	45,380.19	(29,562.30)	30	2.155041	0.442760	(13,089.00)
08/01/2033	8/1/2033	19,335,714.17	(56,556.96)	35,390.33	(21,166.63)	31	2.155041	0.441520	(9,345.49)
09/01/2033	9/1/2033	19,335,714.17	(56,556.96)	35,390.33	(21,166.63)	31	2.155140	0.440283	(9,319.31)
10/01/2033	10/3/2033	19,335,714.17	(56,556.96)	36,533.63	(20,023.33)	32	2.154844	0.439010	(8,790.44)
11/01/2033	11/1/2033	19,335,714.17	(56,556.96)	33,104.05	(23,452.91)	29	2.154943	0.437860	(10,269.09)
12/01/2033	12/1/2033	19,335,714.17	(56,556.96)	34,247.14	(22,309.82)	30	2.155239	0.436674	(9,742.12)
01/01/2034	1/3/2034	13,047,254.54	(38,163.22)	37,677.04	(18,679.92)	33	2.154844	0.435372	(8,219.79)
02/01/2034	2/1/2034	13,047,254.54	(38,163.22)	22,337.78	(15,825.44)	29	2.154744	0.434231	(6,871.90)
03/01/2034	3/1/2034	13,047,254.54	(38,163.22)	21,566.52	(16,596.70)	28	2.258352	0.433133	(7,188.58)
04/01/2034	4/3/2034	13,047,254.54	(38,163.22)	26,639.86	(11,523.36)	33	2.397827	0.431781	(4,975.57)
05/01/2034	5/2/2034	13,047,254.54	(38,163.22)	24,856.62	(13,306.60)	29	2.397948	0.430524	(5,728.81)
06/01/2034	6/1/2034	13,047,254.54	(38,163.22)	25,715.05	(12,448.17)	30	2.398193	0.429228	(5,343.10)
07/01/2034	7/3/2034	6,525,734.05	(19,087.77)	27,432.18	(10,731.04)	32	2.397826	0.427850	(4,591.28)
08/01/2034	8/1/2034	6,525,734.05	(19,087.77)	12,432.32	(6,855.45)	29	2.398071	0.426604	(2,839.24)
09/01/2034	9/1/2034	6,525,734.05	(19,087.77)	13,291.08	(5,796.69)	31	2.398071	0.425277	(2,465.20)
10/01/2034	10/2/2034	6,525,734.05	(19,087.77)	13,291.08	(5,796.69)	31	2.397949	0.423954	(2,457.53)
11/01/2034	11/1/2034	6,525,734.05	(19,087.77)	12,861.68	(6,226.09)	30	2.397949	0.422678	(2,631.63)
12/01/2034	12/1/2034	6,525,734.05	(19,087.77)	12,861.68	(6,226.09)	30	2.398193	0.421405	(2,623.71)
01/01/2035	1/2/2035		(6,544,821.82)	6,539,454.57	(5,367.25)	32		0.420052	(2,254.52)
Total Total									\$ (23,034,898.16)

Years to Mat	Mty/Term	Bloomberg Closing Yield Curve		Quick and Simple Calc of Disc Factor
		RATE	Discount Factor	
	1 DY	0.30938	0.999974	
	2 DY	0.35000	0.999961	
	1 WK	0.40625	0.999921	
	2 WK	0.47000	0.999817	
	1 MO	0.54500	0.999531	
	2 MO	1.00063	0.998307	
	STUB	1.24403	0.996934	
	EDM9	1.17400	0.993984	
	EDU9	1.16300	0.991071	
	EDZ9	1.32100	0.987772	
	EDH0	1.36900	0.984366	
2	2 YR	1.45850	0.971403	0.97135
3	3 YR	1.77600	0.948256	0.94834
4	4 YR	2.05900	0.920691	0.92133
5	5 YR	2.24700	0.893430	0.89429
6	6 YR	2.49180	0.860169	0.86193
7	7 YR	2.62400	0.830695	0.83320
8	8 YR	2.74000	0.801116	0.80436
9	9 YR	2.83000	0.772519	0.77653
10	10 YR	2.91860	0.743485	0.74845
11	11 YR	2.98750	0.715838	0.72166
12	12 YR	3.06000	0.687569	0.69460
15	15 YR	3.20100	0.611582	0.62105
20	20 YR	3.28700	0.510061	0.52097
25	25 YR	3.29300	0.432397	0.44196
30	30 YR	3.33500	0.359859	0.37074
40	40 YR	3.31150	0.262880	0.26881
50	50 YR	3.31650	0.188299	0.19308

Quick and Simple Disc Factor: The discount factor, P(T), is the number which a future cash flow, to be received at time T, must be multiplied by in order to obtain the current present value. Thus, a fixed annually compounded discount rate is:

$$P(T) = \frac{1}{(1+r)^T}$$

Estimated Bear Stearns Financial Products 2005-H Swap Termination Value
3/18/2009

Nominal	Payment Dates	Notional	Scheduled Fixed Fixed Rate Payments(Pay)	Estimated Floating Rate Receipts (Rcv)	Net Payments	Days in Period	LIBOR Reset Rate (for next pymt)	Bloomberg Discount Factor	Net PV
	3/2/2009	47,810,000					0.302431		
4/1/2009	4/1/2009	47,810,000	\$ (140,521.56)	\$ 11,884.30	\$ (128,637.26)	30	0.573719	0.999829	\$ (128,615.26)
05/01/2009	5/1/2009	47,810,000	(140,521.56)	22,544.80	(117,976.76)	30	0.969578	0.999064	(117,866.33)
06/01/2009	6/1/2009	47,810,000	(140,521.56)	39,370.46	(101,151.10)	31	0.854831	0.997700	(100,918.45)
07/01/2009	7/1/2009	47,810,000	(140,521.56)	33,591.34	(106,930.22)	30	0.587795	0.996467	(106,552.44)
08/01/2009	8/3/2009	47,810,000	(140,521.56)	25,407.72	(115,113.84)	33	0.539118	0.995411	(114,585.58)
09/01/2009	9/1/2009	47,810,000	(140,521.56)	20,478.95	(120,042.61)	29	0.493740	0.994483	(119,380.33)
10/01/2009	10/1/2009	47,810,000	(140,521.56)	19,401.94	(121,119.62)	30	0.444558	0.993527	(120,335.61)
11/01/2009	11/2/2009	47,810,000	(140,521.56)	18,633.93	(121,887.63)	32	0.397274	0.992511	(120,974.81)
12/01/2009	12/1/2009	47,810,000	(140,521.56)	15,090.86	(125,430.71)	29	0.409063	0.991590	(124,375.84)
01/01/2010	1/4/2010	47,810,000	(140,521.56)	18,217.76	(122,303.80)	34	0.405941	0.990430	(121,133.35)
02/01/2010	2/1/2010	47,810,000	(140,521.56)	14,888.37	(125,633.19)	28	0.365311	0.989423	(124,304.37)
03/01/2010	3/1/2010	47,810,000	(140,521.56)	13,398.19	(127,123.37)	28	0.458791	0.988416	(125,650.77)
04/01/2010	4/1/2010	47,810,000	(140,521.56)	18,629.56	(121,892.00)	31	0.724159	0.987279	(120,341.41)
05/01/2010	5/4/2010	47,810,000	(140,521.56)	31,302.10	(109,219.46)	33	0.738428	0.986043	(107,695.08)
06/01/2010	6/1/2010	47,810,000	(140,521.56)	27,082.72	(113,438.84)	28	0.867970	0.984995	(111,736.69)
07/01/2010	7/1/2010	47,810,000	(140,521.56)	34,107.67	(106,413.89)	30	0.999177	0.983731	(104,682.64)
08/01/2010	8/2/2010	47,810,000	(140,521.56)	41,881.10	(98,640.46)	32	1.013254	0.982231	(96,887.72)
09/01/2010	9/1/2010	47,810,000	(140,521.56)	39,816.73	(100,704.83)	30	1.026444	0.980828	(98,774.12)
10/01/2010	10/1/2010	47,810,000	(140,521.56)	40,335.03	(100,186.53)	30	1.040143	0.979426	(98,125.29)
11/01/2010	11/1/2010	47,810,000	(140,521.56)	42,235.79	(98,285.77)	31	1.053789	0.977979	(96,121.42)
12/01/2010	12/1/2010	47,810,000	(140,521.56)	41,409.59	(99,111.97)	30	1.068254	0.976582	(96,790.97)
01/01/2011	1/4/2011	47,810,000	(140,521.56)	47,575.07	(92,946.49)	34	1.082745	0.975000	(90,622.83)
02/01/2011	2/1/2011	47,810,000	(140,521.56)	39,710.94	(100,810.62)	28	1.094552	0.973699	(98,159.20)
03/01/2011	3/1/2011	47,810,000	(140,521.56)	40,143.97	(100,377.59)	28	1.219873	0.972401	(97,607.27)
04/01/2011	4/1/2011	47,810,000	(140,521.56)	49,533.87	(90,987.69)	31	1.432497	0.970785	(88,329.48)
05/01/2011	5/3/2011	47,810,000	(140,521.56)	60,043.98	(80,477.58)	32	1.438859	0.968783	(77,965.31)
06/01/2011	6/1/2011	47,810,000	(140,521.56)	54,656.53	(85,865.03)	29	1.444617	0.966973	(83,029.17)
07/01/2011	7/1/2011	47,810,000	(140,521.56)	56,767.51	(83,754.05)	30	1.450885	0.965104	(80,831.37)
08/01/2011	8/1/2011	47,810,000	(140,521.56)	58,914.28	(81,607.28)	31	1.457206	0.963176	(78,602.17)
09/01/2011	9/1/2011	47,810,000	(140,521.56)	59,170.93	(81,350.63)	31	1.463681	0.961253	(78,198.54)
10/01/2011	10/3/2011	47,810,000	(140,521.56)	61,351.11	(79,170.45)	32	1.470053	0.959271	(75,945.92)
11/01/2011	11/1/2011	47,810,000	(140,521.56)	55,841.48	(84,680.08)	29	1.475819	0.957478	(81,079.31)
12/01/2011	12/1/2011	47,810,000	(140,521.56)	57,993.64	(82,527.92)	30	1.482157	0.955627	(78,865.91)
01/01/2012	1/3/2012	47,810,000	(140,521.56)	64,066.95	(76,454.61)	33	1.484761	0.953596	(72,906.81)
02/01/2012	2/1/2012	47,810,000	(140,521.56)	56,400.17	(84,121.39)	29	1.490361	0.951814	(80,067.92)
03/01/2012	3/1/2012	47,810,000	(140,521.56)	56,612.90	(83,908.66)	29	1.660741	0.950035	(79,716.16)
04/01/2012	4/2/2012	47,810,000	(140,521.56)	69,610.97	(70,910.59)	32	1.906713	0.947871	(67,214.09)
05/01/2012	5/1/2012	47,810,000	(140,521.56)	72,428.45	(68,093.11)	29	1.912865	0.945641	(64,391.64)
06/01/2012	6/1/2012	47,810,000	(140,521.56)	77,673.32	(62,848.24)	31	1.919243	0.943264	(59,282.48)
07/01/2012	7/2/2012	47,810,000	(140,521.56)	77,932.32	(62,589.24)	31	1.925620	0.940893	(58,889.78)
08/01/2012	8/1/2012	47,810,000	(140,521.56)	75,668.97	(64,852.59)	30	1.932347	0.938604	(60,870.90)
09/01/2012	9/4/2012	47,810,000	(140,521.56)	86,057.72	(54,463.84)	34	1.938602	0.936016	(50,979.03)
10/01/2012	10/1/2012	47,810,000	(140,521.56)	68,561.19	(71,960.37)	27	1.944346	0.933966	(67,208.54)
11/01/2012	11/1/2012	47,810,000	(140,521.56)	78,951.64	(61,569.92)	31	1.950908	0.931618	(57,359.65)
12/01/2012	12/3/2012	47,810,000	(140,521.56)	81,773.51	(58,748.05)	32	1.957484	0.929201	(54,588.75)
01/01/2013	1/2/2013	47,810,000	(140,521.56)	76,921.09	(63,600.47)	30	1.969222	0.926940	(58,953.82)
02/01/2013	2/1/2013	47,810,000	(140,521.56)	77,382.32	(63,139.24)	30	1.974491	0.924685	(58,383.91)
03/01/2013	3/1/2013	47,810,000	(140,521.56)	72,416.77	(68,104.79)	28	1.983026	0.922585	(62,832.46)
04/01/2013	4/2/2013	47,810,000	(140,521.56)	83,119.75	(57,401.81)	32	1.990006	0.920152	(52,818.39)
05/01/2013	5/1/2013	47,810,000	(140,521.56)	75,592.42	(64,929.14)	29	1.993446	0.917899	(59,598.39)
06/01/2013	6/3/2013	47,810,000	(140,521.56)	86,167.66	(54,353.90)	33	1.996458	0.915343	(49,752.46)
07/01/2013	7/1/2013	47,810,000	(140,521.56)	73,222.41	(67,299.15)	28	1.999516	0.913179	(61,456.17)
08/01/2013	8/1/2013	47,810,000	(140,521.56)	81,191.84	(59,329.72)	31	2.003023	0.910790	(54,036.92)
09/01/2013	9/3/2013	47,810,000	(140,521.56)	86,581.62	(53,939.94)	33	2.006035	0.908253	(48,991.11)
10/01/2013	10/1/2013	47,810,000	(140,521.56)	73,573.67	(66,947.89)	28	2.009093	0.906106	(60,661.88)
11/01/2013	11/1/2013	47,810,000	(140,521.56)	81,580.75	(58,940.81)	31	2.012321	0.903736	(53,266.93)
12/01/2013	12/2/2013	47,810,000	(140,521.56)	81,711.80	(58,809.76)	31	2.015548	0.901371	(53,009.41)
01/01/2014	1/2/2014	47,810,000	(140,521.56)	81,842.85	(58,678.71)	31	2.018915	0.899013	(52,752.92)
02/01/2014	2/3/2014	47,810,000	(140,521.56)	84,624.08	(55,897.48)	32	2.021687	0.896584	(50,116.79)
03/01/2014	3/3/2014	47,810,000	(140,521.56)	74,147.71	(66,373.85)	28	2.180166	0.894465	(59,369.09)
04/01/2014	4/1/2014	47,810,000	(140,521.56)	82,815.84	(57,705.72)	29	2.370697	0.892108	(51,479.73)
05/01/2014	5/1/2014	47,810,000	(140,521.56)	93,158.63	(47,362.93)	30	2.372990	0.889431	(42,126.06)
06/01/2014	6/2/2014	47,810,000	(140,521.56)	99,465.35	(41,056.21)	32	2.374789	0.886585	(36,399.82)
07/01/2014	7/1/2014	47,810,000	(140,521.56)	90,208.81	(50,312.75)	29	2.376863	0.884013	(44,477.13)
08/01/2014	8/1/2014	47,810,000	(140,521.56)	96,514.31	(44,007.25)	31	2.379067	0.881273	(38,782.40)
09/01/2014	9/2/2014	47,810,000	(140,521.56)	99,720.06	(40,801.50)	32	2.380866	0.878452	(35,842.16)
10/01/2014	10/1/2014	47,810,000	(140,521.56)	90,439.65	(50,081.91)	29	2.383253	0.875904	(43,866.95)
11/01/2014	11/3/2014	47,810,000	(140,521.56)	103,017.24	(37,504.32)	33	2.384960	0.873014	(32,741.80)
12/01/2014	12/1/2014	47,810,000	(140,521.56)	87,471.18	(53,050.38)	28	2.387126	0.870569	(46,184.02)
01/01/2015	1/2/2015	47,810,000	(140,521.56)	100,057.86	(40,463.70)	32	2.389084	0.867783	(35,113.71)
02/01/2015	2/2/2015	47,810,000	(140,521.56)	97,010.55	(43,511.01)	31	2.390663	0.865092	(37,641.03)

Estimated Bear Stearns Financial Products 2005-H Swap Termination Value
 3/18/2009

Nominal Dat	Payment Dates	Notional	Scheduled Fixed Fixed Rate Payments(Pay)	Estimated Floating Rate Receipts (Rcv)	Net Payments	Days In Period	LIBOR Reset Rate (for next pyrmt)	Bloomberg Discount Factor	Net PV
03/01/2015	3/2/2015	47,810,000	(140,521.56)	87,680.35	(52,841.21)	28	2.349836	0.862669	(45,584.47)
04/01/2015	4/1/2015	47,810,000	(140,521.56)	92,338.89	(48,182.67)	30	2.291940	0.860125	(41,443.12)
05/01/2015	5/1/2015	47,810,000	(140,521.56)	90,063.82	(50,457.74)	30	2.294068	0.857654	(43,275.28)
06/01/2015	6/1/2015	47,810,000	(140,521.56)	93,152.36	(47,369.20)	31	2.295970	0.855107	(40,505.73)
07/01/2015	7/1/2015	47,810,000	(140,521.56)	90,222.17	(50,299.39)	30	2.296390	0.852650	(42,887.77)
08/01/2015	8/3/2015	47,810,000	(140,521.56)	99,349.00	(41,172.56)	33	2.300273	0.849956	(34,994.86)
09/01/2015	9/1/2015	47,810,000	(140,521.56)	87,378.25	(53,143.31)	29	2.302047	0.847595	(45,044.00)
10/01/2015	10/1/2015	47,810,000	(140,521.56)	90,460.97	(50,060.59)	30	2.304320	0.845160	(42,309.21)
11/01/2015	11/2/2015	47,810,000	(140,521.56)	96,587.01	(43,934.55)	32	2.306140	0.842569	(37,017.89)
12/01/2015	12/1/2015	47,810,000	(140,521.56)	87,601.08	(52,920.48)	29	2.308085	0.840229	(44,465.32)
01/01/2016	1/4/2016	47,810,000	(140,521.56)	102,791.34	(37,730.22)	34	2.304129	0.837494	(31,598.83)
02/01/2016	2/1/2016	47,810,000	(140,521.56)	84,506.63	(56,014.93)	28	2.305687	0.835247	(46,786.30)
03/01/2016	3/1/2016	47,810,000	(140,521.56)	87,583.90	(52,937.66)	29	2.372817	0.832927	(44,093.21)
04/01/2016	4/1/2016	47,810,000	(140,521.56)	96,350.02	(44,171.54)	31	2.492431	0.830370	(36,678.72)
05/01/2016	5/3/2016	47,810,000	(140,521.56)	104,471.78	(36,049.78)	32	2.493386	0.827581	(29,834.11)
06/01/2016	6/1/2016	47,810,000	(140,521.56)	94,713.82	(45,807.74)	29	2.494245	0.825061	(37,794.18)
07/01/2016	7/1/2016	47,810,000	(140,521.56)	98,013.56	(42,508.00)	30	2.495439	0.822462	(34,961.21)
08/01/2016	8/1/2016	47,810,000	(140,521.56)	101,329.20	(39,192.36)	31	2.496516	0.819785	(32,129.31)
09/01/2016	9/1/2016	47,810,000	(140,521.56)	101,372.93	(39,148.63)	31	2.497746	0.817117	(31,989.01)
10/01/2016	10/3/2016	47,810,000	(140,521.56)	104,694.56	(35,827.00)	32	2.498701	0.814372	(29,178.51)
11/01/2016	11/1/2016	47,810,000	(140,521.56)	94,915.72	(45,605.84)	29	2.499560	0.811893	(37,027.06)
12/01/2016	12/1/2016	47,810,000	(140,521.56)	98,222.43	(42,299.13)	30	2.501476	0.809336	(34,234.21)
01/01/2017	1/3/2017	47,810,000	(140,521.56)	108,127.49	(32,394.07)	33	2.508752	0.806532	(26,126.85)
02/01/2017	2/1/2017	47,810,000	(140,521.56)	95,297.52	(45,224.04)	29	2.509307	0.804076	(36,363.57)
03/01/2017	3/1/2017	47,810,000	(140,521.56)	92,031.76	(48,489.80)	28	2.472217	0.801712	(38,874.85)
04/01/2017	4/3/2017	47,810,000	(140,521.56)	108,882.75	(33,658.81)	33	2.420237	0.798977	(26,892.62)
05/01/2017	5/2/2017	47,810,000	(140,521.56)	91,935.17	(48,586.39)	29	2.421391	0.796632	(38,705.47)
06/01/2017	6/1/2017	47,810,000	(140,521.56)	95,150.70	(45,370.86)	30	2.422581	0.794213	(36,034.13)
07/01/2017	7/3/2017	47,810,000	(140,521.56)	101,543.99	(38,977.57)	32	2.423549	0.791641	(30,856.24)
08/01/2017	8/1/2017	47,810,000	(140,521.56)	92,060.98	(48,460.58)	29	2.424563	0.789317	(38,250.76)
09/01/2017	9/1/2017	47,810,000	(140,521.56)	98,451.20	(42,070.36)	31	2.425643	0.786840	(33,102.64)
10/01/2017	10/2/2017	47,810,000	(140,521.56)	98,495.06	(42,026.50)	31	2.426721	0.784371	(32,964.37)
11/01/2017	11/1/2017	47,810,000	(140,521.56)	95,360.15	(45,161.41)	30	2.427624	0.781990	(35,315.77)
12/01/2017	12/1/2017	47,810,000	(140,521.56)	95,395.66	(45,125.90)	30	2.428957	0.779615	(35,180.83)
01/01/2018	1/2/2018	47,810,000	(140,521.56)	101,811.21	(38,710.35)	32	2.429926	0.777090	(30,081.43)
02/01/2018	2/1/2018	47,810,000	(140,521.56)	95,486.09	(45,035.47)	30	2.430542	0.774730	(34,890.33)
03/01/2018	3/1/2018	47,810,000	(140,521.56)	89,142.95	(51,378.61)	28	2.510040	0.772534	(39,691.72)
04/01/2018	4/3/2018	47,810,000	(140,521.56)	108,497.67	(32,023.89)	33	2.616301	0.769873	(24,854.33)
05/01/2018	5/1/2018	47,810,000	(140,521.56)	95,955.87	(44,565.69)	28	2.617443	0.767528	(34,205.41)
06/01/2018	6/1/2018	47,810,000	(140,521.56)	106,283.25	(34,238.31)	31	2.618523	0.764940	(26,190.25)
07/01/2018	7/2/2018	47,810,000	(140,521.56)	106,327.09	(34,194.47)	31	2.619600	0.762361	(26,068.53)
08/01/2018	8/1/2018	47,810,000	(140,521.56)	102,939.51	(37,582.05)	30	2.621136	0.759873	(28,557.59)
09/01/2018	9/1/2018	47,810,000	(140,521.56)	116,733.19	(23,788.37)	34	2.621861	0.757063	(18,009.29)
10/01/2018	10/1/2018	47,810,000	(140,521.56)	92,718.45	(47,803.11)	27	2.622771	0.754839	(36,083.65)
11/01/2018	11/1/2018	47,810,000	(140,521.56)	106,499.58	(34,021.98)	31	2.624013	0.752294	(25,594.53)
12/01/2018	12/3/2018	47,810,000	(140,521.56)	109,987.12	(30,534.44)	32	2.624962	0.749676	(22,890.94)
01/01/2019	1/2/2019	47,810,000	(140,521.56)	103,150.20	(37,371.36)	30	2.626328	0.747230	(27,925.00)
02/01/2019	2/1/2019	47,810,000	(140,521.56)	103,203.88	(37,317.68)	30	2.626563	0.744791	(27,793.87)
03/01/2019	3/1/2019	47,810,000	(140,521.56)	96,332.25	(44,189.31)	28	2.567696	0.742523	(32,811.58)
04/01/2019	4/1/2019	47,810,000	(140,521.56)	104,263.22	(36,258.34)	31	2.472926	0.740070	(26,833.71)
05/01/2019	5/1/2019	47,810,000	(140,521.56)	97,175.82	(43,345.74)	30	2.474137	0.737783	(31,979.75)
06/01/2019	6/3/2019	47,810,000	(140,521.56)	106,945.74	(33,575.82)	33	2.474559	0.735275	(24,687.46)
07/01/2019	7/1/2019	47,810,000	(140,521.56)	90,757.34	(49,764.22)	28	2.475435	0.733154	(36,484.84)
08/01/2019	8/1/2019	47,810,000	(140,521.56)	100,516.89	(40,004.67)	31	2.476528	0.730813	(29,235.93)
09/01/2019	9/3/2019	47,810,000	(140,521.56)	107,049.11	(33,472.45)	33	2.476950	0.728329	(24,378.96)
10/01/2019	10/1/2019	47,810,000	(140,521.56)	90,845.04	(49,676.52)	28	2.477826	0.726228	(36,076.48)
11/01/2019	11/1/2019	47,810,000	(140,521.56)	100,613.99	(39,907.57)	31	2.478632	0.723908	(28,889.41)
12/01/2019	12/2/2019	47,810,000	(140,521.56)	100,646.70	(39,874.86)	31	2.479218	0.721597	(28,773.58)
01/01/2020	1/2/2020	47,810,000	(140,521.56)	100,670.53	(39,851.03)	31	2.473609	0.719292	(28,664.53)
02/01/2020	2/3/2020	47,810,000	(140,521.56)	103,682.85	(36,838.71)	32	2.474006	0.716921	(26,410.44)
03/01/2020	3/2/2020	47,810,000	(140,521.56)	90,737.06	(49,784.50)	28	2.700527	0.714853	(35,588.60)
04/01/2020	4/1/2020	47,810,000	(140,521.56)	106,119.61	(34,401.95)	30	3.013452	0.712453	(24,509.77)
05/01/2020	5/1/2020	47,810,000	(140,521.56)	118,416.28	(22,105.28)	30	3.014435	0.709777	(15,689.82)
06/01/2020	6/1/2020	47,810,000	(140,521.56)	122,403.39	(18,118.17)	31	3.015032	0.707022	(12,809.94)
07/01/2020	7/1/2020	47,810,000	(140,521.56)	118,478.38	(22,043.18)	30	3.016425	0.704366	(15,526.47)
08/01/2020	8/3/2020	47,810,000	(140,521.56)	130,386.42	(10,135.14)	33	3.016864	0.701455	(7,109.34)
09/01/2020	9/1/2020	47,810,000	(140,521.56)	114,598.69	(25,922.87)	29	3.017415	0.698908	(18,117.70)
10/01/2020	10/1/2020	47,810,000	(140,521.56)	118,572.01	(21,949.55)	30	3.018602	0.696282	(15,283.08)
11/01/2020	11/2/2020	47,810,000	(140,521.56)	126,526.58	(13,994.98)	32	3.019018	0.693493	(9,705.42)
12/01/2020	12/1/2020	47,810,000	(140,521.56)	114,680.50	(25,841.06)	29	3.021322	0.690974	(17,855.50)
01/01/2021	1/4/2021	47,810,000	(140,521.56)	134,555.63	(5,965.93)	34	3.029128	0.688033	(4,104.76)
02/01/2021	2/1/2021	47,810,000	(140,521.56)	111,096.71	(29,424.85)	28	3.029243	0.685620	(20,174.27)

Estimated Bear Stearns Financial Products 2005-H Swap Termination Value
 3/18/2009

Nominal Dat	Payment Dates	Notional	Scheduled Fixed Fixed Rate Payments(Pay)	Estimated Floating Rate Receipts (Rcv)	Net Payments	Days in Period	LIBOR Reset Rate (for next pymt)	Bloomberg Discount Factor	Net PV
03/01/2021	3/1/2021	47,810,000	(140,521.56)	111,101.00	(29,420.56)	28	2.898132	0.683216	(20,100.60)
04/01/2021	4/1/2021	47,810,000	(140,521.56)	117,680.82	(22,840.74)	31	2.621026	0.680675	(15,547.12)
05/01/2021	5/4/2021	47,810,000	(140,521.56)	113,295.10	(27,226.46)	33	2.621347	0.678229	(18,465.77)
06/01/2021	6/1/2021	47,810,000	(140,521.56)	96,140.97	(44,380.59)	28	2.621741	0.676160	(30,008.38)
07/01/2021	7/1/2021	47,810,000	(140,521.56)	103,023.64	(37,497.92)	30	2.622634	0.673951	(25,271.76)
08/01/2021	8/2/2021	47,810,000	(140,521.56)	109,929.31	(30,592.25)	32	2.623096	0.671602	(20,545.82)
09/01/2021	9/1/2021	47,810,000	(140,521.56)	103,076.88	(37,444.68)	30	2.623623	0.669407	(25,065.73)
10/01/2021	10/1/2021	47,810,000	(140,521.56)	103,093.69	(37,427.87)	30	2.624260	0.667220	(24,972.62)
11/01/2021	11/1/2021	47,810,000	(140,521.56)	106,560.07	(33,961.49)	31	2.624705	0.664967	(22,583.27)
12/01/2021	12/1/2021	47,810,000	(140,521.56)	103,140.13	(37,381.43)	30	2.625910	0.662794	(24,776.19)
01/01/2022	1/4/2022	47,810,000	(140,521.56)	116,945.78	(23,575.78)	34	2.626094	0.660340	(15,568.03)
02/01/2022	2/1/2022	47,810,000	(140,521.56)	96,315.07	(44,206.49)	28	2.626176	0.658326	(29,102.28)
03/01/2022	3/1/2022	47,810,000	(140,521.56)	96,318.06	(44,203.50)	28	2.627185	0.656318	(29,011.55)
04/01/2022	4/1/2022	47,810,000	(140,521.56)	106,678.84	(33,842.72)	31	2.627942	0.654102	(22,136.59)
05/01/2022	5/3/2022	47,810,000	(140,521.56)	110,151.79	(30,369.77)	32	2.628401	0.651823	(19,795.71)
06/01/2022	6/1/2022	47,810,000	(140,521.56)	99,842.52	(40,679.04)	29	2.628811	0.649764	(26,431.78)
07/01/2022	7/1/2022	47,810,000	(140,521.56)	103,301.48	(37,220.08)	30	2.629548	0.647640	(24,105.21)
08/01/2022	8/1/2022	47,810,000	(140,521.56)	106,774.77	(33,746.79)	31	2.630148	0.645454	(21,782.00)
09/01/2022	9/1/2022	47,810,000	(140,521.56)	106,799.14	(33,722.42)	31	2.630904	0.643274	(21,692.76)
10/01/2022	10/3/2022	47,810,000	(140,521.56)	110,275.95	(30,245.61)	32	2.631363	0.641033	(19,388.43)
11/01/2022	11/1/2022	47,810,000	(140,521.56)	99,955.03	(40,566.53)	29	2.631773	0.639008	(25,922.34)
12/01/2022	12/1/2022	47,810,000	(140,521.56)	103,417.86	(37,103.70)	30	2.632821	0.636920	(23,632.09)
01/01/2023	1/3/2023	47,810,000	(140,521.56)	113,804.94	(26,716.62)	33	2.633143	0.634631	(16,955.20)
02/01/2023	2/1/2023	47,810,000	(140,521.56)	100,022.66	(40,498.90)	29	2.633242	0.632626	(25,620.66)
03/01/2023	3/1/2023	47,810,000	(140,521.56)	96,577.21	(43,944.35)	28	2.634562	0.630696	(27,715.53)
04/01/2023	4/3/2023	47,810,000	(140,521.56)	113,880.21	(26,641.35)	33	2.634731	0.628430	(16,742.22)
05/01/2023	5/2/2023	47,810,000	(140,521.56)	100,082.97	(40,438.59)	29	2.635448	0.626444	(25,332.51)
06/01/2023	6/1/2023	47,810,000	(140,521.56)	103,562.26	(36,959.30)	30	2.636186	0.624397	(23,077.28)
07/01/2023	7/3/2023	47,810,000	(140,521.56)	110,497.35	(30,024.21)	32	2.636644	0.622221	(18,681.69)
08/01/2023	8/1/2023	47,810,000	(140,521.56)	100,155.65	(40,365.91)	29	2.637210	0.620256	(25,037.20)
09/01/2023	9/1/2023	47,810,000	(140,521.56)	107,085.88	(33,435.88)	31	2.637809	0.618162	(20,668.67)
10/01/2023	10/2/2023	47,810,000	(140,521.56)	107,110.22	(33,411.34)	31	2.638406	0.616074	(20,583.86)
11/01/2023	11/1/2023	47,810,000	(140,521.56)	103,678.51	(36,843.05)	30	2.638832	0.614061	(22,623.88)
12/01/2023	12/1/2023	47,810,000	(140,521.56)	103,695.27	(36,826.29)	30	2.639498	0.612055	(22,539.71)
01/01/2024	1/2/2024	47,810,000	(140,521.56)	110,636.20	(29,885.36)	32	2.632970	0.609922	(18,227.74)
02/01/2024	2/1/2024	47,810,000	(140,521.56)	103,464.91	(37,056.65)	30	2.633240	0.607929	(22,527.81)
03/01/2024	3/1/2024	47,810,000	(140,521.56)	100,026.32	(40,495.24)	29	2.527154	0.606008	(24,540.44)
04/01/2024	4/2/2024	47,810,000	(140,521.56)	105,927.20	(34,594.36)	32	2.370825	0.603975	(20,894.13)
05/01/2024	5/1/2024	47,810,000	(140,521.56)	90,058.22	(50,463.34)	29	2.371548	0.602243	(30,391.19)
06/01/2024	6/3/2024	47,810,000	(140,521.56)	102,511.28	(38,010.28)	33	2.371555	0.600278	(22,816.73)
07/01/2024	7/1/2024	47,810,000	(140,521.56)	86,979.54	(53,542.02)	28	2.372016	0.598616	(32,051.11)
08/01/2024	8/1/2024	47,810,000	(140,521.56)	96,317.48	(44,204.08)	31	2.372633	0.596781	(26,380.16)
09/01/2024	9/3/2024	47,810,000	(140,521.56)	102,558.22	(37,963.34)	33	2.372641	0.594834	(22,581.89)
10/01/2024	10/1/2024	47,810,000	(140,521.56)	87,019.37	(53,502.19)	28	2.373101	0.593187	(31,736.80)
11/01/2024	11/1/2024	47,810,000	(140,521.56)	96,361.57	(44,159.99)	31	2.373467	0.591369	(26,114.85)
12/01/2024	12/2/2024	47,810,000	(140,521.56)	96,376.42	(44,145.14)	31	2.374043	0.589556	(26,026.03)
01/01/2025	1/2/2025	47,810,000	(140,521.56)	96,399.80	(44,121.76)	31	2.380830	0.587749	(25,932.52)
02/01/2025	2/3/2025	47,810,000	(140,521.56)	99,793.96	(40,727.60)	32	2.380703	0.585890	(23,861.89)
03/01/2025	3/3/2025	47,810,000	(140,521.56)	87,315.06	(53,206.50)	28	2.381410	0.584267	(31,086.80)
04/01/2025	4/1/2025	47,810,000	(140,521.56)	90,460.29	(50,061.27)	29	2.381630	0.582592	(29,165.30)
05/01/2025	5/1/2025	47,810,000	(140,521.56)	93,588.28	(46,933.28)	30	2.382238	0.580863	(27,261.81)
06/01/2025	6/2/2025	47,810,000	(140,521.56)	99,852.97	(40,668.59)	32	2.382362	0.579026	(23,548.17)
07/01/2025	7/1/2025	47,810,000	(140,521.56)	90,496.45	(50,025.11)	29	2.382833	0.577365	(28,882.75)
08/01/2025	8/1/2025	47,810,000	(140,521.56)	96,756.72	(43,764.84)	31	2.383326	0.575595	(25,190.82)
09/01/2025	9/2/2025	47,810,000	(140,521.56)	99,898.58	(40,622.98)	32	2.383450	0.573774	(23,308.41)
10/01/2025	10/1/2025	47,810,000	(140,521.56)	90,537.78	(49,983.78)	29	2.384174	0.572129	(28,597.17)
11/01/2025	11/3/2025	47,810,000	(140,521.56)	103,057.05	(37,464.51)	33	2.384181	0.570262	(21,364.59)
12/01/2025	12/1/2025	47,810,000	(140,521.56)	87,442.60	(53,078.96)	28	2.384768	0.568683	(30,185.10)
01/01/2026	1/2/2026	47,810,000	(140,521.56)	99,959.04	(40,562.52)	32	2.385020	0.566884	(22,994.24)
02/01/2026	2/2/2026	47,810,000	(140,521.56)	96,845.55	(43,676.01)	31	2.385008	0.565146	(24,683.32)
03/01/2026	3/2/2026	47,810,000	(140,521.56)	87,472.93	(53,048.63)	28	2.385716	0.563581	(29,897.20)
04/01/2026	4/1/2026	47,810,000	(140,521.56)	93,748.82	(46,772.74)	30	2.385946	0.561909	(26,282.02)
05/01/2026	5/1/2026	47,810,000	(140,521.56)	93,757.86	(46,763.70)	30	2.386427	0.560243	(26,199.04)
06/01/2026	6/1/2026	47,810,000	(140,521.56)	96,902.65	(43,618.91)	31	2.386667	0.558525	(24,362.25)
07/01/2026	7/1/2026	47,810,000	(140,521.56)	93,786.19	(46,735.37)	30	2.387400	0.556868	(26,025.43)
08/01/2026	8/3/2026	47,810,000	(140,521.56)	103,196.52	(37,325.04)	33	2.387533	0.555052	(20,717.34)
09/01/2026	9/1/2026	47,810,000	(140,521.56)	90,892.91	(49,828.65)	29	2.387754	0.553460	(27,578.16)
10/01/2026	10/1/2026	47,810,000	(140,521.56)	93,828.90	(46,892.66)	30	2.388361	0.551818	(25,765.85)
11/01/2026	11/2/2026	47,810,000	(140,521.56)	100,109.61	(40,411.95)	32	2.388484	0.550072	(22,229.48)
12/01/2026	12/1/2026	47,810,000	(140,521.56)	90,729.01	(49,792.55)	29	2.389334	0.548495	(27,310.96)
01/01/2027	1/4/2027	47,810,000	(140,521.56)	106,409.80	(34,111.76)	34	2.389350	0.546651	(18,647.23)
02/01/2027	2/1/2027	47,810,000	(140,521.56)	87,632.20	(52,889.36)	28	2.389307	0.545137	(28,831.95)

Estimated Bear Stearns Financial Products 2005-H Swap Termination Value
 3/18/2009

Nominal Dat	Payment Dates	Notional	Scheduled Fixed Fixed Rate Payments(Pay)	Estimated Floating Rate Receipts (Rcv)	Net Payments	Days in Period	LIBOR Reset Rate (for next pymt)	Bloomberg Discount Factor	Net PV
03/01/2027	3/1/2027	47,810,000	(140,521.56)	87,630.63	(52,890.93)	28	2.390017	0.543628	(28,752.99)
04/01/2027	4/1/2027	47,810,000	(140,521.56)	97,048.45	(43,473.11)	31	2.390636	0.541961	(23,560.73)
05/01/2027	5/4/2027	47,810,000	(140,521.56)	103,336.39	(37,186.17)	33	2.390767	0.540193	(20,087.17)
06/01/2027	6/1/2027	47,810,000	(140,521.56)	87,684.15	(52,837.41)	28	2.390977	0.538697	(28,463.35)
07/01/2027	7/1/2027	47,810,000	(140,521.56)	93,955.56	(46,566.00)	30	2.391584	0.537099	(25,010.55)
08/01/2027	8/2/2027	47,810,000	(140,521.56)	100,244.70	(40,276.86)	32	2.391833	0.535400	(21,564.23)
09/01/2027	9/1/2027	47,810,000	(140,521.56)	93,969.20	(46,532.36)	30	2.392062	0.533812	(24,839.53)
10/01/2027	10/1/2027	47,810,000	(140,521.56)	93,998.22	(46,523.34)	30	2.392542	0.532228	(24,761.02)
11/01/2027	11/1/2027	47,810,000	(140,521.56)	97,150.99	(43,370.57)	31	2.392782	0.530597	(23,012.29)
12/01/2027	12/1/2027	47,810,000	(140,521.56)	94,026.49	(46,495.07)	30	2.393064	0.529023	(24,596.96)
01/01/2028	1/4/2028	47,810,000	(140,521.56)	106,575.94	(46,523.34)	34	2.387117	0.527245	(17,897.66)
02/01/2028	2/1/2028	47,810,000	(140,521.56)	87,550.29	(52,971.27)	28	2.387200	0.525785	(27,851.50)
03/01/2028	3/1/2028	47,810,000	(140,521.56)	90,680.24	(49,841.32)	29	2.388045	0.524277	(26,130.66)
04/01/2028	4/3/2028	47,810,000	(140,521.56)	103,224.40	(37,297.16)	33	2.388053	0.522566	(19,490.23)
05/01/2028	5/2/2028	47,810,000	(140,521.56)	90,712.64	(49,808.92)	29	2.388520	0.521068	(25,953.83)
06/01/2028	6/1/2028	47,810,000	(140,521.56)	93,859.01	(46,662.55)	30	2.389001	0.519522	(24,242.22)
07/01/2028	7/3/2028	47,810,000	(140,521.56)	100,136.43	(40,385.13)	32	2.389246	0.517878	(20,914.57)
08/01/2028	8/1/2028	47,810,000	(140,521.56)	90,757.98	(49,763.58)	29	2.389591	0.516393	(25,697.56)
09/01/2028	9/1/2028	47,810,000	(140,521.56)	97,031.15	(43,490.41)	31	2.389955	0.514810	(22,389.30)
10/01/2028	10/2/2028	47,810,000	(140,521.56)	97,045.94	(43,475.62)	31	2.390318	0.513232	(22,313.08)
11/01/2028	11/1/2028	47,810,000	(140,521.56)	93,929.66	(46,591.90)	30	2.390546	0.511710	(23,841.54)
12/01/2028	12/1/2028	47,810,000	(140,521.56)	93,938.63	(46,582.93)	30	2.391355	0.510192	(23,766.24)
01/01/2029	1/2/2029	47,810,000	(140,521.56)	100,235.12	(40,286.44)	32	2.397950	0.508578	(20,488.80)
02/01/2029	2/1/2029	47,810,000	(140,521.56)	94,229.58	(46,291.98)	30	2.397926	0.507069	(23,473.23)
03/01/2029	3/1/2029	47,810,000	(140,521.56)	87,946.73	(52,574.83)	28	2.410133	0.505665	(26,585.25)
04/01/2029	4/3/2029	47,810,000	(140,521.56)	104,179.14	(36,342.42)	33	2.425277	0.504002	(18,316.65)
05/01/2029	5/1/2029	47,810,000	(140,521.56)	88,949.85	(51,571.71)	28	2.425600	0.502580	(25,918.91)
06/01/2029	6/1/2029	47,810,000	(140,521.56)	98,493.30	(42,028.26)	31	2.425810	0.501011	(21,056.62)
07/01/2029	7/2/2029	47,810,000	(140,521.56)	98,501.86	(42,019.70)	31	2.426019	0.499447	(20,986.61)
08/01/2029	8/1/2029	47,810,000	(140,521.56)	95,332.57	(45,188.99)	30	2.426610	0.497937	(22,501.27)
09/01/2029	9/4/2029	47,810,000	(140,521.56)	108,069.91	(32,461.65)	34	2.426321	0.496232	(16,103.55)
10/01/2029	10/1/2029	47,810,000	(140,521.56)	85,810.01	(54,711.55)	27	2.426639	0.494882	(27,075.76)
11/01/2029	11/1/2029	47,810,000	(140,521.56)	98,535.52	(41,986.04)	31	2.426978	0.493337	(20,713.27)
12/01/2029	12/3/2029	47,810,000	(140,521.56)	101,728.29	(38,793.27)	32	2.427065	0.491747	(19,076.47)
01/01/2030	1/2/2030	47,810,000	(140,521.56)	95,373.69	(45,147.87)	30	2.427522	0.490261	(22,134.24)
02/01/2030	2/1/2030	47,810,000	(140,521.56)	95,391.63	(45,129.93)	30	2.427090	0.488780	(22,058.61)
03/01/2030	3/1/2030	47,810,000	(140,521.56)	89,016.34	(51,505.22)	28	2.427665	0.487401	(25,103.70)
04/01/2030	4/1/2030	47,810,000	(140,521.56)	98,577.17	(41,944.39)	31	2.427747	0.485879	(20,379.90)
05/01/2030	5/1/2030	47,810,000	(140,521.56)	95,400.48	(45,121.08)	30	2.428336	0.484411	(21,857.15)
06/01/2030	6/3/2030	47,810,000	(140,521.56)	104,965.99	(35,555.57)	33	2.428171	0.482801	(17,166.26)
07/01/2030	7/1/2030	47,810,000	(140,521.56)	89,055.99	(51,465.57)	28	2.428493	0.481439	(24,777.53)
08/01/2030	8/1/2030	47,810,000	(140,521.56)	98,610.80	(41,910.76)	31	2.428961	0.479935	(20,114.44)
09/01/2030	9/3/2030	47,810,000	(140,521.56)	104,992.99	(35,528.57)	33	2.428795	0.478340	(16,994.74)
10/01/2030	10/1/2030	47,810,000	(140,521.56)	89,078.90	(51,442.66)	28	2.429118	0.476991	(24,537.69)
11/01/2030	11/1/2030	47,810,000	(140,521.56)	98,636.16	(41,885.40)	31	2.429328	0.475502	(19,916.59)
12/01/2030	12/2/2030	47,810,000	(140,521.56)	98,644.71	(41,876.85)	31	2.429539	0.474017	(19,850.34)
01/01/2031	1/2/2031	47,810,000	(140,521.56)	98,653.25	(41,868.31)	31	2.429878	0.472537	(19,784.33)
02/01/2031	2/3/2031	47,810,000	(140,521.56)	101,849.82	(38,671.74)	32	2.429581	0.471014	(18,214.93)
03/01/2031	3/3/2031	47,810,000	(140,521.56)	89,107.71	(51,413.85)	28	2.430152	0.469685	(24,148.31)
04/01/2031	4/1/2031	47,810,000	(140,521.56)	92,911.83	(48,209.73)	29	2.430225	0.468313	(22,577.24)
05/01/2031	5/1/2031	47,810,000	(140,521.56)	95,497.84	(45,023.72)	30	2.430685	0.466898	(21,021.48)
06/01/2031	6/2/2031	47,810,000	(140,521.56)	101,883.66	(38,637.90)	32	2.430643	0.465393	(17,981.81)
07/01/2031	7/1/2031	47,810,000	(140,521.56)	92,330.48	(48,191.08)	29	2.430970	0.464033	(22,362.25)
08/01/2031	8/1/2031	47,810,000	(140,521.56)	98,711.38	(41,810.18)	31	2.431309	0.462584	(19,340.72)
09/01/2031	9/2/2031	47,810,000	(140,521.56)	101,909.81	(38,611.75)	32	2.431267	0.461094	(17,803.65)
10/01/2031	10/1/2031	47,810,000	(140,521.56)	92,354.18	(48,167.38)	29	2.431851	0.459747	(22,144.81)
11/01/2031	11/3/2031	47,810,000	(140,521.56)	105,117.93	(35,403.63)	33	2.431685	0.458219	(16,222.62)
12/01/2031	12/1/2031	47,810,000	(140,521.56)	89,184.89	(51,336.67)	28	2.431928	0.456928	(23,457.06)
01/01/2032	1/2/2032	47,810,000	(140,521.56)	101,935.78	(38,586.78)	32	2.425579	0.455453	(17,574.01)
02/01/2032	2/2/2032	47,810,000	(140,521.56)	98,492.46	(42,029.10)	31	2.425530	0.454031	(19,082.51)
03/01/2032	3/1/2032	47,810,000	(140,521.56)	88,959.15	(51,562.41)	28	2.425978	0.452750	(23,344.88)
04/01/2032	4/1/2032	47,810,000	(140,521.56)	98,508.66	(42,012.90)	31	2.426443	0.451337	(18,961.98)
05/01/2032	5/4/2032	47,810,000	(140,521.56)	104,884.18	(35,637.38)	33	2.426404	0.449837	(16,031.01)
06/01/2032	6/1/2032	47,810,000	(140,521.56)	88,991.20	(51,530.36)	28	2.426472	0.448568	(23,114.87)
07/01/2032	7/1/2032	47,810,000	(140,521.56)	95,350.36	(45,171.20)	30	2.426930	0.447212	(20,201.10)
08/01/2032	8/2/2032	47,810,000	(140,521.56)	101,726.28	(38,795.28)	32	2.427016	0.445771	(17,293.81)
09/01/2032	9/1/2032	47,810,000	(140,521.56)	95,371.77	(45,149.79)	30	2.427093	0.444424	(20,065.65)
10/01/2032	10/1/2032	47,810,000	(140,521.56)	95,374.78	(45,146.78)	30	2.427424	0.443081	(20,003.68)
11/01/2032	11/1/2032	47,810,000	(140,521.56)	98,567.37	(41,954.19)	31	2.427505	0.441697	(18,531.04)
12/01/2032	12/1/2032	47,810,000	(140,521.56)	95,390.97	(45,130.59)	30	2.428807	0.440362	(19,873.80)
01/01/2033	1/4/2033	47,810,000	(140,521.56)	108,167.75	(32,363.81)	34	2.434712	0.438855	(14,198.63)
02/01/2033	2/1/2033	47,810,000	(140,521.56)	89,295.88	(51,225.68)	28	2.434522	0.437617	(22,417.23)

Estimated Bear Stearns Financial Products 2005-H Swap Termination Value
 3/18/2009

Nominal Dat	Payment Dates	Notional	Scheduled Fixed Fixed Rate Payments(Pay)	Estimated Floating Rate Receipts (Rcv)	Net Payments	Days in Period	LIBOR Reset Rate (for next pymt)	Bloomberg Discount Factor	Net PV
03/01/2033	3/1/2033	47,810,000	(140,521.56)	89,288.93	(51,232.63)	28	2.435097	0.436382	(22,357.00)
04/01/2033	4/1/2033	47,810,000	(140,521.56)	98,878.94	(41,642.62)	31	2.435435	0.435020	(18,115.37)
05/01/2033	5/3/2033	47,810,000	(140,521.56)	102,082.76	(38,438.80)	32	2.435519	0.433618	(16,667.76)
06/01/2033	6/1/2033	47,810,000	(140,521.56)	92,515.70	(48,005.86)	29	2.435591	0.432351	(20,755.38)
07/01/2033	7/1/2033	47,810,000	(140,521.56)	95,708.72	(44,812.84)	30	2.435922	0.431044	(19,316.31)
08/01/2033	8/1/2033	47,810,000	(140,521.56)	98,912.46	(41,609.10)	31	2.436132	0.429698	(17,879.35)
09/01/2033	9/1/2033	47,810,000	(140,521.56)	98,920.98	(41,600.58)	31	2.436470	0.428357	(17,819.90)
10/01/2033	10/3/2033	47,810,000	(140,521.56)	102,126.15	(38,395.41)	32	2.436554	0.426976	(16,393.92)
11/01/2033	11/1/2033	47,810,000	(140,521.56)	92,555.02	(47,966.54)	29	2.436626	0.425729	(20,420.75)
12/01/2033	12/1/2033	47,810,000	(140,521.56)	95,749.39	(44,772.17)	30	2.437214	0.424442	(19,003.19)
01/01/2034	1/3/2034	47,810,000	(140,521.56)	105,349.75	(35,171.81)	33	2.437176	0.423031	(14,878.77)
02/01/2034	2/1/2034	47,810,000	(140,521.56)	92,578.65	(47,942.91)	29	2.436991	0.421796	(20,222.13)
03/01/2034	3/1/2034	47,810,000	(140,521.56)	89,379.49	(51,142.07)	28	2.427053	0.420606	(21,510.66)
04/01/2034	4/3/2034	47,810,000	(140,521.56)	104,910.55	(35,611.01)	33	2.412224	0.419211	(14,928.53)
05/01/2034	5/2/2034	47,810,000	(140,521.56)	91,630.80	(48,890.76)	29	2.412473	0.417994	(20,436.04)
06/01/2034	6/1/2034	47,810,000	(140,521.56)	94,800.29	(45,721.27)	30	2.412729	0.416738	(19,053.79)
07/01/2034	7/3/2034	47,810,000	(140,521.56)	101,131.04	(39,390.52)	32	2.412736	0.415402	(16,362.90)
08/01/2034	8/1/2034	47,810,000	(140,521.56)	91,650.27	(48,871.29)	29	2.412864	0.414195	(20,242.24)
09/01/2034	9/1/2034	47,810,000	(140,521.56)	97,976.17	(42,545.39)	31	2.412997	0.412907	(17,567.37)
10/01/2034	10/2/2034	47,810,000	(140,521.56)	97,981.55	(42,540.01)	31	2.413127	0.411628	(17,510.66)
11/01/2034	11/1/2034	47,810,000	(140,521.56)	94,825.98	(45,695.58)	30	2.413131	0.410391	(18,753.05)
12/01/2034	12/1/2034	47,810,000	(140,521.56)	94,826.15	(45,695.41)	30	2.413511	0.409158	(18,696.64)
01/01/2035	1/2/2035	47,810,000	(140,521.56)	101,163.80	(39,357.76)	32	2.413520	0.407846	(16,051.90)
02/01/2035	2/1/2035	47,810,000	(140,521.56)	94,841.41	(45,680.15)	30	2.413273	0.406621	(18,574.51)
03/01/2035	3/1/2035	47,810,000	(140,521.56)	88,509.59	(52,011.97)	28	2.413895	0.405480	(21,089.81)
04/01/2035	4/2/2035	47,810,000	(140,521.56)	101,179.91	(39,341.85)	32	2.413778	0.404181	(15,901.15)
05/01/2035	5/1/2035	47,810,000	(140,521.56)	91,689.85	(48,831.71)	29	2.414030	0.403007	(19,679.52)
06/01/2035	6/1/2035	47,810,000	(140,521.56)	98,023.51	(42,498.05)	31	2.414162	0.401756	(17,073.85)
07/01/2035	7/2/2035	47,810,000	(140,521.56)	98,028.88	(42,492.68)	31	2.414293	0.400508	(17,018.66)
08/01/2035	8/1/2035	47,810,000	(140,521.56)	94,871.78	(45,649.78)	30	2.414800	0.399305	(18,228.19)
09/01/2035	9/4/2035	47,810,000	(140,521.56)	107,543.94	(32,977.62)	34	2.414436	0.397945	(13,123.28)
10/01/2035	10/1/2035	47,810,000	(140,521.56)	85,389.67	(55,131.89)	27	2.414683	0.396869	(21,880.14)
11/01/2035	11/1/2035	47,810,000	(140,521.56)	98,050.02	(42,471.54)	31	2.414941	0.395637	(16,803.31)
12/01/2035	12/3/2035	47,810,000	(140,521.56)	101,223.74	(39,297.82)	32	2.414730	0.394369	(15,497.84)
01/01/2036	1/2/2036	47,810,000	(140,521.56)	94,888.96	(45,632.60)	30	2.408726	0.393184	(17,942.01)
02/01/2036	2/1/2036	47,810,000	(140,521.56)	94,653.03	(45,868.53)	30	2.408609	0.392003	(17,980.60)
03/01/2036	3/3/2036	47,810,000	(140,521.56)	97,803.37	(42,718.19)	31	2.408736	0.390786	(16,693.67)
04/01/2036	4/1/2036	47,810,000	(140,521.56)	91,498.33	(49,023.23)	29	2.408738	0.389650	(19,101.90)
05/01/2036	5/1/2036	47,810,000	(140,521.56)	94,653.52	(45,868.04)	30	2.409117	0.388480	(17,818.82)
06/01/2036	6/2/2036	47,810,000	(140,521.56)	100,979.62	(39,541.94)	32	2.409000	0.387235	(15,312.02)
07/01/2036	7/1/2036	23,905,000	(140,521.56)	91,508.34	(49,013.22)	29	2.409251	0.386110	(18,924.49)
08/01/2036	8/1/2036	23,905,000	(70,260.78)	48,914.72	(21,346.06)	31	2.409508	0.384911	(8,216.33)
09/01/2036	9/2/2036	23,905,000	(70,260.78)	50,498.01	(19,762.77)	32	2.409391	0.383678	(7,582.54)
10/01/2036	10/1/2036	23,905,000	(70,260.78)	45,761.60	(24,499.18)	29	2.409893	0.382563	(9,372.48)
11/01/2036	11/3/2036	23,905,000	(70,260.78)	52,084.38	(18,176.40)	33	2.409653	0.381299	(6,930.64)
12/01/2036	12/1/2036	23,905,000	(70,260.78)	44,188.41	(26,072.37)	28	2.410233	0.380229	(9,913.47)
01/01/2037	1/2/2037	-	(23,975,260.78)	23,955,513.20	(19,747.58)	32		0.379011	(7,484.55)
									\$ (11,722,901.55)

3/18/2009		Bloomberg Closing	Quick and	
Years		Yield Curve	Discount Factor	Simple Calc
to Mat	Mty/Term	RATE		of Disc Factor
	1 DY	0.30938	0.999974	
	2 DY	0.35000	0.999961	
	1 WK	0.40625	0.999921	
	2 WK	0.47000	0.999817	
	1 MO	0.54500	0.999531	
	2 MO	1.00063	0.998307	
	STUB	1.24403	0.996934	
	EDM9	1.15900	0.994022	
	EDU9	1.15300	0.991133	
	EDZ9	1.31100	0.987859	
	EDH0	1.36900	0.984453	
2	2 YR	1.45400	0.971492	0.97144
3	3 YR	1.75400	0.948889	0.94896
4	4 YR	2.05100	0.921180	0.92162
5	5 YR	2.25150	0.893197	0.89409
6	6 YR	2.47400	0.861131	0.86284
7	7 YR	2.61300	0.831346	0.83383
8	8 YR	2.75300	0.800127	0.80353
9	9 YR	2.84800	0.771062	0.77529
10	10 YR	2.94750	0.741001	0.74632
11	11 YR	3.01300	0.713540	0.71967
12	12 YR	3.12300	0.681431	0.68945
15	15 YR	3.26500	0.604765	0.61521
20	20 YR	3.33600	0.504724	0.51598
25	25 YR	3.38700	0.419808	0.43186
30	30 YR	3.41800	0.349510	0.36177
40	40 YR	3.37450	0.257011	0.26223
50	50 YR	3.40100	0.178615	0.18522

Quick and Simple Disc Factor: The discount factor, P(T), is the number which a future cash flow, to be received at time T, must be multiplied by in order to obtain the current present value. Thus, a fixed annually compounded discount rate is:

$$P(T) = \frac{1}{(1+r)^T}$$

1 Month LIBOR

[Historical Graph](#) | [Historical Chart](#) | [Other Rates/Indexes](#) | [Add this Page to Your Favorites \(click here\)](#)

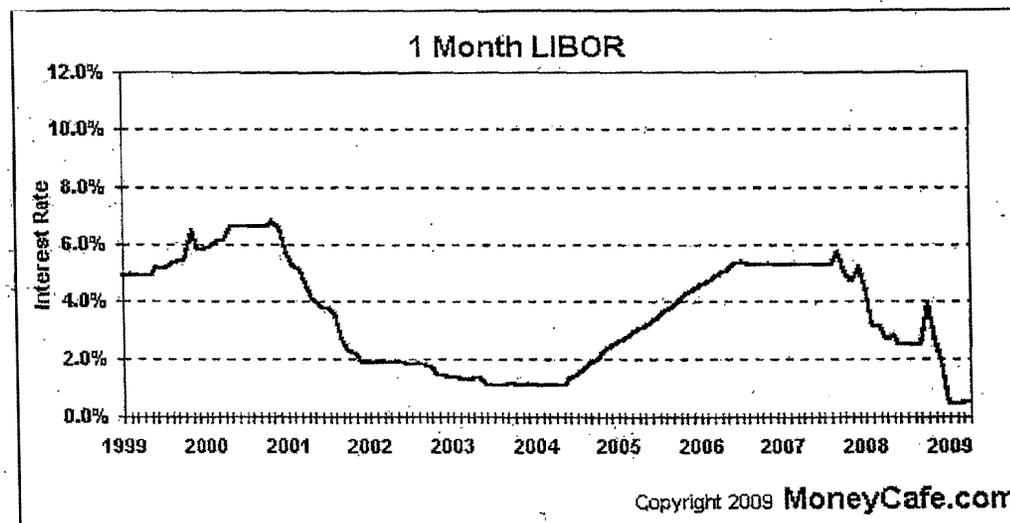
The Last Reported Monthly Rate is: **0.50063%**

Click here for [Daily LIBOR Rates](#).

LIBOR stands for "London Inter-Bank Offered Rate." It is based on rates that contributor banks in London offer each other for inter-bank deposits. From a bank's perspective, deposits are simply funds that are loaned to them. So in effect, a LIBOR is a rate at which a fellow London bank can borrow money from other banks. Rate calculations are complex as they incorporate variables such as time, maturity and currency rates. There are hundreds of LIBOR rates reported each month in numerous currencies. We report the One Month LIBOR on or after the first of the month. This is the LIBOR for a one month deposit in U.S. Dollars on the last business day of the previous month.

Note: Rates published prior to July 2007 reflect the Fannie Mae LIBOR rate which used a different calculation. Fannie Mae discontinued its use and publication of LIBOR rates at the end of June 2007 and suggested a replacement rate using our current methodology, which is similar but not the same as the Wall Street Journal LIBOR (WSJ LIBOR).

Historical Graph



1 Month LIBOR											
Month	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Jan	4.946%	5.856%	5.622%	1.829%	1.339%	1.098%	2.5892%	4.5720%	5.3201%	4.6000%	0.43625%
Feb	5.003%	5.907%	5.278%	1.883%	1.334%	1.097%	2.6895%	4.6310%	5.3214%	3.1438%	0.41938%
Mar	4.940%	6.133%	5.078%	1.880%	1.306%	1.091%	2.8582%	4.8260%	5.3195%	3.1106%	0.49625%
Apr	4.902%	6.197%	4.435%	1.842%	1.318%	1.101%	3.0826%	5.0245%	5.3201%	2.7031%	0.50063%
May	4.930%	6.641%	4.059%	1.844%	1.319%	1.1089%	3.1126%	5.1071%	5.3210%	2.8025%	
Jun	5.223%	6.649%	3.835%	1.836%	1.123%	1.3582%	3.3401%	5.3451%	5.3195%	2.4575%	
Jul	5.178%	6.625%	3.760%	1.818%	1.104%	1.4929%	3.5107%	5.4045%	5.3200%	2.46250%	
Aug	5.370%	6.628%	3.584%	1.820%	1.117%	1.6482%	3.6942%	5.3314%	5.3200%	2.46125%	
Sep	5.396%	6.620%	2.637%	1.819%	1.121%	1.8401%	3.8584%	5.3229%	5.7200%	2.48563%	
Oct	5.410%	6.621%	2.321%	1.741%	1.120%	1.9870%	4.0882%	5.3198%	5.1238%	3.92625%	
Nov	6.503%	6.827%	2.145%	1.380%	1.116%	2.2826%	4.2954%	5.3479%	4.7063%	2.58125%	
Dec	5.832%	6.565%	1.876%	1.382%	1.120%	2.4178%	4.3857%	5.3279%	5.2363%	1.90125%	

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Sources: Fannie Mae, British Bankers' Association

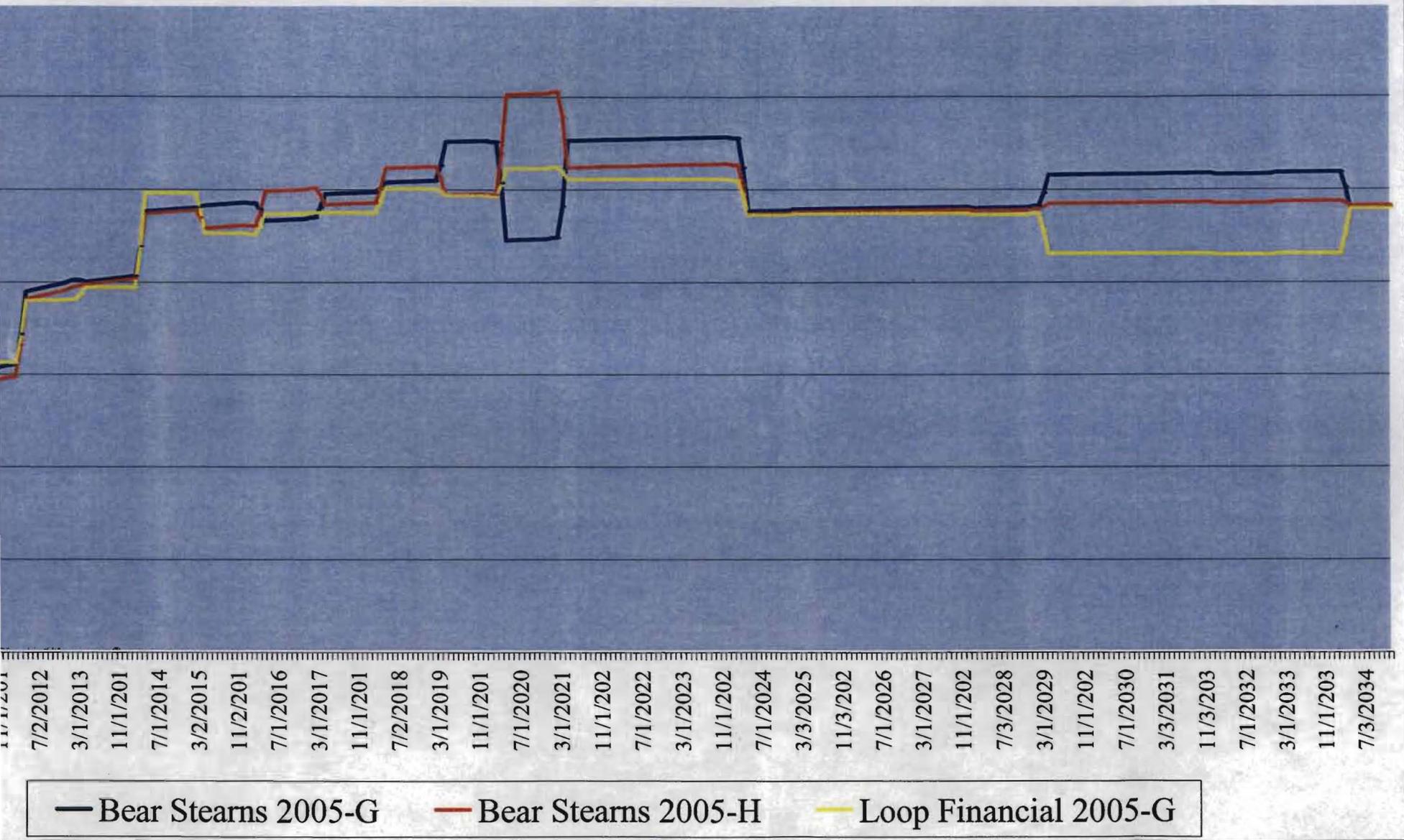
Additional LIBOR data can be found at [Fannie Mae](#) and [British Bankers' Association](#) websites.

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Advertising removed by witness

Forecasted Interest Rates (1 Month LIBOR) Used for Swap Termination Price



TESTIMONY OF MARGARET A. STULL
CAUSE NO. 43645
CITY OF INDIANAPOLIS
DEPARTMENT OF WATERWORKS

I. Introduction

1 **Q: Please state your name and business address.**

2 A: My name is Margaret A. Stull, and my business address is 115 W. Washington St.,
3 Suite 1500 South, Indianapolis, Indiana 46204.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am employed by the Indiana Office of Utility Consumer Counselor ("OUCC") as a
6 Utility Analyst II in the Water/Wastewater Division.

7 **Q: Please describe your background and experience.**

8 A: I graduated from the University of Houston at Clear Lake City in August 1982 with
9 a Bachelor of Science degree in accounting. From 1982 to 1985, I held the position
10 of Gas Pipeline Accountant at Seagull Energy in Houston, Texas. From 1985 until
11 2001 I worked for Enron in various positions of increasing responsibility and
12 authority; first in their gas pipeline accounting department, then in financial
13 reporting and planning, both for the gas pipeline group and the international group,
14 and finally providing accounting support for infrastructure projects in Central and
15 South America. From 2002 until 2003, I held non-utility accounting positions in
16 Indianapolis. In August 2003, I accepted my current position with the OUCC.

1 Since joining the OUCC, I attended the NARUC Eastern Utility Rate School in
2 Clearwater Beach, Florida.

3 **Q: Do you hold any professional licenses?**

4 A: Yes. I passed the CPA exam in 1984 and was licensed as a CPA in the State of
5 Texas.

6 **Q: Have you testified previously before the Indiana Utility Regulatory**
7 **Commission (“IURC” or “Commission”)?**

8 A: Yes.

9 **Q: What is the purpose of your testimony?**

10 A: I address Petitioner’s proposed emergency rate increase and revenue requirements.

11 **Q: What have you done to formulate your opinions and prepare your testimony in**
12 **the emergency portion of this Cause?**

13 A: I read Petitioner’s pre-filed testimony and reviewed its schedules and work papers
14 filed in this Cause. I participated in the preparation of discovery questions and
15 reviewed Petitioner’s responses. (I have attached the narrative portion of
16 Petitioner’s responses to the OUCC’s data requests, but I have omitted most
17 attachments and electronically provided data (MAS Attachment 1).) I will provide
18 more complete data request responses as workpapers. Finally, I attended several
19 meetings with other OUCC staff members to identify and discuss the issues in this
20 Cause.

1 **Q: Are you sponsoring any schedules or attachments with your testimony?**

2 A: Yes. I am sponsoring the following schedules and attachment, which reflect the
3 issues addressed in the testimony of the OUCC witnesses in this Cause:

4 Schedule 1 -- Comparison of Revenue Requirement **excluding**
5 Extensions and Replacements

6 Schedule 2 -- Comparison of Revenue Requirement **including**
7 Extensions and Replacements

8 MAS Attachment 1 -- Petitioner's narrative responses to the OUCC's
9 data requests.

II. Rate Overview

10 **Q: Please provide an overview of Petitioner's proposal in this Cause.**

11 A: Petitioner proposes an across-the-board emergency rate increase of 17.56%, to
12 generate additional annual revenues of \$21,940,000. Currently, the average monthly
13 residential customer bill is \$20.95 for 700 cubic feet of water. This monthly bill
14 would increase to \$24.63 after the proposed emergency rate increase if approved by
15 the Commission.

16 **Q: Does the OUCC agree with Petitioner's proposal?**

17 A: Not at this time. The OUCC is concerned that the Department's presentation does
18 not provide a sufficient factual basis to determine the level of emergency revenues
19 required by the Department at this present time. For example, as described more
20 fully in Mr. Kaufman's testimony, Petitioner currently has \$26.4 million in a cash
21 reserve fund. Petitioner is requesting \$21.9 million in additional annual revenues.
22 Mr. Kaufman discusses the possibility that the \$21.9 million needed in additional

1 annual revenues might appropriately be met by the \$26.4 million in the cash reserve
2 fund, making the emergency rate relief unnecessary. The OUCC also has issues with
3 particular components of the request, which are discussed below.

4 **Q: Mr. Kaufman criticized the Department for presenting its case-in-chief via**
5 **revenue requirements (as a traditional rate case) instead of presenting a**
6 **cash-flow analysis. Is your proposed emergency rate relief analysis**
7 **presented on a cash-flow basis?**

8 A: No. While the OUCC believes a cash-flow analysis is ultimately required to
9 appropriately determine the need for emergency relief, for ease of comparison
10 with the Department's case-in-chief, I am presenting my rate relief analysis in
11 terms of revenue requirements. Ultimately, these "revenue requirements" would
12 form the basis of an appropriate cash-flow analysis.

13 **Q: If the Commission determines that Petitioner has adequately explained why**
14 **the cash reserve fund should not be used to meet the emergency revenue**
15 **requirement, what rate relief should be provided?**

16 A: The OUCC recommends an across-the-board emergency rate increase of 3.51%,
17 which will generate additional annual revenues of \$4,204,000. This increase
18 results in an average residential monthly bill of \$21.69 for 700 cubic feet of water.

III. Revenue Requirement

19 **Q: What revenue requirement does Petitioner propose to meet through its**
20 **emergency rates?**

21 A: Petitioner has proposed to include cash revenue requirements including operating
22 expenses, taxes other than income taxes, payment in lieu of property taxes ("PILT"),

1 debt service, and certain financing fees. Petitioner has also proposed to include
2 “essential” extensions and replacements (“E&R”). Petitioner proposed a total
3 revenue requirement of \$149,727,000 offset by \$7,368,000 of other revenues and
4 cash receipts for a net revenue requirement of \$142,359,000. With test year
5 operating revenues of only \$120,726,000, an increase in revenues of \$21,633,000 is
6 proposed. After grossing up this revenue increase for utility receipts taxes, a total
7 increase of \$21,940,000 is proposed.

8 **Q: Does the OUCC accept Petitioner’s proposed revenue requirement?**

9 A: No. As explained by Mr. Kaufman in his testimony, the OUCC maintains that, until
10 permanent rates are implemented, Petitioner should rely on the monies in its cash
11 reserve fund or, alternatively, explain and prove why it would be detrimental to use
12 those funds. However, even if Petitioner justifies the implementation of emergency
13 rates (rather than spending monies from its cash reserve fund), the OUCC does not
14 entirely agree with Petitioner’s proposed emergency rate. More specifically, the
15 OUCC disagrees with Petitioner’s proposed debt service revenue requirement (Mr.
16 Kaufman’s testimony) and the 5% increase to management fees. Also, the OUCC
17 disagrees at this time with Petitioner’s inclusion of E&R in its emergency revenue
18 requirement.

19 **Q: Does the OUCC have any other comments regarding the calculation of**
20 **emergency rate relief?**

21 A: Yes. Miscellaneous revenues recorded below-the-line should be an offset against
22 the total revenue requirement. Although Petitioner offset its total revenue

1 requirement by deducting interest income as well as cash receipts from Carmel and
2 system development charges, it neglected to include in its revenue offset the
3 \$701,000 of miscellaneous revenues recorded below the line. These are revenues
4 from Petitioner's tariffed non-recurring charges such as bad check charges and
5 reconnect fees. Non-recurring charges are cost-based and are designed to recover
6 the cost of certain services from the customers that generate these costs. As such,
7 the costs (e.g. labor, equipment, bank fees, etc.) related to these miscellaneous
8 revenues are included in operating expenses. Thus, they are also included in the
9 total revenue requirement.

10 **Q: Has the OUCC prepared a schedule of emergency rate revenue requirements?**

11 **A:** Yes. The following table shows the OUCC's emergency rate revenue requirement
12 and compares it to Petitioner's proposal.

Table MAS-1: Comparison of Revenue Requirements (In Thousands)

	<u>Per Petitioner</u>	<u>Per OUCC</u>	<u>OUCC More (Less)</u>
Operating Expenses	\$ 65,714	\$ 63,199	\$ (2,515)
Taxes other than Income Taxes	1,676	1,676	-
Extensions and Replacements	12,300	-	(12,300)
Working Capital	-	-	-
Payment in Lieu of Taxes	8,923	8,923	-
Debt Service	59,463	55,091	(4,372)
Indianapolis Local Public Improvement Bond Bank	1,063	1,063	-
Purchase Agreement and Marketing Fee	588	588	-
Debt Service Reserve	-	-	-
Total Revenue Requirements	149,727	130,540	(19,187)
Less: Interest Income	3,168	3,168	-
System Development Charges	2,400	-	(2,400)
Carmel Water Repayment of Note	1,800	1,800	-
Miscellaneous Service Revenues	-	701	701
Net Revenue Requirements	142,359	124,871	(16,787)
Less: Revenues at current rates subject to increase	(119,636)	(119,636)	-
Other revenues at current rates	(1,090)	(1,090)	-
Net Revenue Increase Required	21,633	4,145	(16,787)
Divide by Revenue Conversion Factor (100% - 1.4%)	0.986	0.986	0.986
Recommended Increase	\$ 21,940	\$ 4,204	\$ (17,736)
Recommended Percentage Increase	18.34%	3.51%	-14.83%
Requested Percentage Increase	17.56%	3.51%	-14.05%

1 **Q: Does the OUCC oppose any of Petitioners's operating expense adjustments?**

2 A: Yes. The OUCC does not accept Petitioner's proposed management fee increase.
3 The OUCC does not oppose either of Petitioner's other proposed operating expense
4 adjustments for purposes of setting emergency rates. That we do not oppose any
5 particular expense for purposes of the emergency rates should not be construed as a

1 statement that we consider such expense to be accepted as an allowed expense in the
2 permanent part of Petitioner's general rate case.

Management Fees

3 **Q: Why has the OUCC excluded Petitioner's proposed management fee**
4 **adjustment?**

5 A: The OUCC does not believe that Petitioner has adequately supported its proposed
6 5% increase to the management fee. Based on Mr. Skomp's testimony, Petitioner's
7 management determined that management fees would increase by 5% in 2009 and
8 appears to derive this estimate based on an alleged 4.55% increase in management
9 fees from 2007 to 2008. The OUCC's review found no specific requirement that
10 stated a 5% increase was due in 2009, and Petitioner provides no other support or
11 explanation for the proposed 5% increase.

12 **Q: Did management fees increase 4.55% from 2007 to 2008?**

13 A: No, it does not appear that this is the correct percentage increase from 2007 to 2008
14 based on the OUCC's review of available financial information. Per the table
15 below, based on Petitioner's numbers the indicated increase was actually \$147,937
16 or .3%. There *was* a large increase in management fees from 2006 to 2007 (12.9%),
17 which coincides with the renegotiation of Petitioner's management agreement with
18 Veolia, which increase we are not disputing for purposes of establishing emergency
19 rates. (See following table.)

		<u>Annual Fees</u>	<u>Annual Increase</u>	<u>% Increase</u>
2008	(1)	\$ 50,303,000	\$ 147,937	0.295%
2007	(2)	50,155,063	5,729,074	12.896%
2006	(2)	44,425,989	1,193,069	2.760%
2005	(2)	43,232,920	1,160,228	2.758%
2004	(2)	42,072,692		
Totals		<u>230,189,664</u>	<u>8,230,308</u>	
Averages		46,037,933	2,057,577	4.47%

(1) *Per Adjustment (1), Schedule C-1, page 18 of Petitioner's Rate and Financing Report.*

(2) *Per page W-2(a) of Petitioner's annual IURC reports.*

IV. Extensions and Replacements

1 **Q: Are Extensions and Replacements (“E&R”) typically included as a revenue**
2 **requirement in emergency rates?**

3 A: No. When a utility is provided emergency rates, non-essential E&R projects are
4 typically deferred until permanent rate relief. While emergency rates are in place,
5 revenues for E & R projects are not included in the revenue requirements.

6 **Q: Has Petitioner eliminated all of its E&R projects from its proposed emergency**
7 **revenue requirements?**

8 A: No. But Petitioner has reduced its planned 2009 capital expenditures from \$34.5
9 million to \$12.3 million. (See page 11 of Mr. Steele’s Testimony.) Petitioner asserts
10 in its case that disallowing certain essential revenue-funded capital projects in
11 emergency rates will add to a substantial backlog of revenue-funded capital projects and
12 potentially jeopardize the Department's service. Mr. Steele testifies that eliminating

1 these essential projects could cause the Department's service to deteriorate. Mr.
2 Steele explained that he directed Mr. Jousset to limit the list of revenue-funded
3 capital projects to only those projects essential to prevent service deterioration.
4 Petitioner describes the remaining \$12.3 million as "essential" projects needed to
5 maintain service integrity, reliability and safety.

6 **Q: Are the selected 2009 capital projects essential for plant and system reliability**
7 **and safety?**

8 A: Petitioner is in the best position to determine which of its projects should be
9 considered essential. However, Petitioner did not actually list the actual projects in
10 SJ-E1 or explain in detail why the particular projects deemed essential should be so
11 considered. Rather, Petitioner's SJ-E1 set forth five categories that totaled the \$12.3
12 million. (On April 22, 2009, Petitioner responded to the OUCC's data request Q-57
13 and provided a list of the revenue funded E & R projects it considered essential and
14 those it considered non-essential.) Nor did Petitioner explain in any detail why any
15 particular project was deemed essential. While we agree with the concept in this
16 case that some of the Department's projects should not be delayed, there should be
17 more transparency to justify the Department's proposal to include E & R projects as
18 a revenue requirement in its emergency rates. Therefore, the OUCC believes that
19 Petitioner needs to provide more detailed support and explanation regarding why the
20 selected E&R projects are essential to maintain service integrity, reliability and
21 safety.

1 **Q: Does the OUCC accept Petitioner's proposed E&R revenue requirement?**

2 A: The OUCC agrees with the concept that certain of the Department's revenue funded
3 projects should not be delayed. However, it is Petitioner's burden to prove that its
4 retained projects are essential. Until the Department provides more detailed
5 justification, the proposed E&R revenue requirement should not be included in
6 emergency rates. Given the emergency nature of this matter, the OUCC
7 recommends the Department provide this justification in its rebuttal case.

8 **Q: Is the OUCC's position in this Cause a change in policy?**

9 A: No. In an emergency rate case, expenses or projects that can reasonably be deferred
10 until the permanent portion of the rate case should be deferred and not included as a
11 revenue requirement. Including essential projects is not a change to the OUCC's
12 policy on how emergency rates should be determined. One of the purposes of
13 emergency rate relief is to prevent curtailment of essential services. To the extent
14 E&R projects are essential to prevent such curtailment, then, yes, they should be
15 included in emergency rates.

16 **Q: What rate increase does the OUCC recommend if Petitioner provides sufficient**
17 **proof to establish its retained revenue funded E & R projects are essential?**

18 A: Provided it is not necessary for Petitioner to use its cash reserve fund, the OUCC
19 would recommend an across-the-board emergency rate increase of 11.91%, which
20 would generate additional annual revenues of \$14,244,000. This increase would
21 result in an average residential monthly bill of \$23.44 for 700 cubic feet of water.

22 See following Table MAS-2.

Table MAS-2: Comparison of Revenue Requirements (In Thousands)

	<u>Per Petitioner</u>	<u>Per OUCC</u>	<u>OUCC More (Less)</u>
Operating Expenses	\$ 65,714	\$ 63,199	\$ (2,515)
Taxes other than Income Taxes	1,676	1,676	-
Extensions and Replacements	12,300	12,300	-
Working Capital	-	-	-
Payment in Lieu of Taxes	8,923	8,923	-
Debt Service	59,463	55,091	(4,372)
Indianapolis Local Public Improvement Bond Bank	1,063	1,063	-
Purchase Agreement and Marketing Fee	588	588	-
Debt Service Reserve	-	-	-
Total Revenue Requirements	<u>149,727</u>	<u>142,840</u>	<u>(6,887)</u>
Less: Interest Income	3,168	3,168	-
System Development Charges	2,400	2,400	-
Carmel Water Repayment of Note	1,800	1,800	-
Miscellaneous Service Revenues	-	701	701
Net Revenue Requirements	<u>142,359</u>	<u>134,771</u>	<u>(6,887)</u>
Less: Revenues at current rates subject to increase	(119,636)	(119,636)	-
Other revenues at current rates	<u>(1,090)</u>	<u>(1,090)</u>	<u>-</u>
Net Revenue Increase Required	21,633	14,045	(6,887)
Divide by Revenue Conversion Factor (100% - 1.4%)	<u>0.986</u>	<u>0.986</u>	<u>0.986</u>
Recommended Increase	<u>\$ 21,940</u>	<u>\$ 14,244</u>	<u>\$ (7,696)</u>
Recommended Percentage Increase	<u>18.34%</u>	<u>11.91%</u>	<u>-6.43%</u>
Requested Percentage Increase	<u>17.56%</u>	<u>11.91%</u>	<u>-5.65%</u>

1 Q: Does this conclude your testimony?

2 A: Yes.

**CITY OF INDIANAPOLIS
DEPARTMENT OF WATERWORKS
CAUSE NUMBER 43645**

**Comparison of Petitioner's and OUCC's
Revenue Requirements
(In thousands)**

(Excluding Extensions and Replacements)

	<u>Per Petitioner</u>	<u>Per OUCC</u>	<u>OUCC More (Less)</u>
Operating Expenses	\$ 65,714	\$ 63,199	\$ (2,515)
Taxes other than Income Taxes	1,676	1,676	-
Extensions and Replacements	12,300	-	(12,300)
Working Capital	-	-	-
Payment in Lieu of Taxes	8,923	8,923	-
Debt Service	59,463	55,091	(4,372)
Indianapolis Local Public Improvement Bond Bank	1,063	1,063	-
Purchase Agreement and Marketing Fee	588	588	-
Debt Service Reserve	-	-	-
Total Revenue Requirements	149,727	130,540	(19,187)
Less: Interest Income	3,168	3,168	-
System Development Charges	2,400	-	(2,400)
Carmel Water Repayment of Note	1,800	1,800	-
Miscellaneous Service Revenues	-	701	701
Net Revenue Requirements	142,359	124,871	(20,886)
Less: Revenues at current rates subject to increase	(119,636)	(119,636)	-
Other revenues at current rates	(1,090)	(1,090)	-
Net Revenue Increase Required	21,633	4,145	(20,886)
Divide by Revenue Conversion Factor (100% - 1.4%)	0.986	0.986	0.986
Recommended Increase	\$ 21,940	\$ 4,204	\$ (17,736)
Recommended Percentage Increase	18.34%	3.51%	-14.83%
Requested Percentage Increase	17.56%	3.51%	-14.05%

<u>Current Rate for 700 cubic feet</u>	<u>Proposed</u>		<u>OUCC More (Less)</u>
	<u>Petitioner</u>	<u>OUCC</u>	
Current Rate = \$20.95	\$ 24.63	\$ 21.69	\$ (2.94)

**CITY OF INDIANAPOLIS
DEPARTMENT OF WATERWORKS
CAUSE NUMBER 43645**

**Comparison of Petitioner's and OUCC's
Revenue Requirements
(In thousands)**

(Including Extensions and Replacements)

	<u>Per Petitioner</u>	<u>Per OUCC</u>	<u>OUCC More (Less)</u>
Operating Expenses	\$ 65,714	\$ 63,199	\$ (2,515)
Taxes other than Income Taxes	1,676	1,676	-
Extensions and Replacements	12,300	12,300	-
Working Capital	-	-	-
Payment in Lieu of Taxes	8,923	8,923	-
Debt Service	59,463	55,091	(4,372)
Indianapolis Local Public Improvement Bond Bank	1,063	1,063	-
Purchase Agreement and Marketing Fee	588	588	-
Debt Service Reserve	-	-	-
Total Revenue Requirements	<u>149,727</u>	<u>142,840</u>	<u>(6,887)</u>
Less: Interest Income	3,168	3,168	-
System Development Charges	2,400	2,400	-
Carmel Water Repayment of Note	1,800	1,800	-
Miscellaneous Service Revenues	-	701	701
Net Revenue Requirements	<u>142,359</u>	<u>134,771</u>	<u>(6,186)</u>
Less: Revenues at current rates subject to increase	(119,636)	(119,636)	-
Other revenues at current rates	<u>(1,090)</u>	<u>(1,090)</u>	<u>-</u>
Net Revenue Increase Required	21,633	14,045	(6,186)
Divide by Revenue Conversion Factor (100% - 1.4%)	0.986	0.986	0.986
Recommended Increase	<u>\$ 21,940</u>	<u>\$ 14,244</u>	<u>\$ (7,696)</u>
Recommended Percentage Increase	<u>18.34%</u>	<u>11.91%</u>	<u>-6.43%</u>
Requested Percentage Increase	<u>17.56%</u>	<u>11.91%</u>	<u>-5.65%</u>

<u>Current Rate for 700 cubic feet</u>	<u>Proposed</u>		<u>OUCC</u>
	<u>Petitioner</u>	<u>OUCC</u>	<u>More (Less)</u>
Current Rate = \$20.95	\$ 24.63	\$ 23.44	\$ (1.19)

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION)
OF THE DEPARTMENT OF WATERWORKS)
OF THE CONSOLIDATED CITY OF)
INDIANAPOLIS, INDIANA, FOR)
AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR WATER UTILITY)
SERVICE ON BOTH EMERGENCY AND)
NON-EMERGENCY BASES, FOR) CAUSE NO. 43645
APPROVAL OF A NEW SCHEDULE OF)
RATES AND CHARGES APPLICABLE)
THERE TO, AND FOR APPROVAL OF A)
MECHANISM TO ANNUALLY IMPLEMENT)
RATE CHANGES BASED ON THE ANNUAL)
ADJUSTMENT TO THE DEPARTMENT'S)
PAYMENTS UNDER THE MANAGEMENT)
AGREEMENT WITH VEOLIA WATER)
INDIANAPOLIS, LLC)

**OBJECTIONS AND RESPONSES OF PETITIONER TO
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR'S
FIRST SET OF DATA REQUESTS**

Petitioner, Department of Waterworks of the Consolidated City of Indianapolis, Indiana ("Petitioner" or "Department"), pursuant to Ind. Tr. R. 26(B), by its counsel, hereby submits the following objections and responses to the Indiana Office of Utility Consumer Counselor's First Set of Data Requests (the "Data Requests").

GENERAL OBJECTIONS

1. Petitioner objects to the Data Requests on the basis of attorney-client privilege to the extent the Data Requests seek disclosure of documents constituting, evidencing or reflecting confidential communication between Petitioner and attorneys or documents that are otherwise protected from disclosure by the attorney-client privilege.
2. Petitioner objects to the Data Requests to the extent the Data Requests seek the disclosure of confidential, proprietary, competitively sensitive and/or trade secret information.
3. Petitioner objects to the Data Requests to the extent the Data Requests are overly broad in terms of time and/or scope in that the Data Requests seek documents or information which are neither relevant nor material to the subject matter of this Cause and which are not reasonably calculated to lead to the discovery of admissible evidence.

4. Petitioner objects to the Data Requests to the extent the Data Requests seek information outside the scope of this proceeding, and as such, the Data Requests seek information not reasonably calculated to lead to the discovery of admissible evidence.

5. Petitioner objects to the Data Requests to the extent the Data Requests call for Petitioner to speculate about future events.

6. Petitioner objects to the Data Requests to the extent the Data Requests are vague and ambiguous and provide no basis on which Petitioner can determine what information is sought.

7. Petitioner objects to the Data Requests on the grounds and to the extent the Data Requests attempt or purport to impose upon Petitioner any obligation to respond to the Data Requests beyond those requirements imposed by the Indiana Rules of Trial Procedure or to supplement these responses except to the extent required by Indiana Trial Rule 26(E).

8. Petitioner further objects to the Data Requests on the grounds and to the extent the Data Requests seek the name(s) of the person(s) responsible for preparing the responses and concerning all documents produced as part of the responses. *See United States v. National Steel Corp.*, 18 F.R.D. 599, 600 (S.D. Tex. 1960); *Hopkins Theatre, Inc. v. RKO Radio Pictures, Inc.*, 18 F.R.D. 379, 383 (S.D.N.Y. 1956); *Maple Drive-In Theatre Corp. v. Radio-Keith-Orpheum Corp.*, 23 Fed. R. Serv. 33,321, case 2 (S.D.N.Y. 1956). Subject to and without waiver or objection, the Responses constitute the corporate responses of Petitioner and contain information gathered from a variety of sources.

Without waiving these objections, Petitioner responds to the Data Requests in the manner set forth below.

RESPONSES TO REQUESTS

Q-1: Please provide all analyses completed by Petitioner that demonstrate its proposed emergency relief will prevent Petitioner from reaching a negative cash balance.

Response: Please see Attachment A.

Information and Witnesses:

Information supplied by John Skomp, Ryan Pastorius and Robert Erney. Proposed witnesses at this time would include, but may not be limited to, the following: John Skomp.

Q-2: Please provide all analyses completed by Petitioner that demonstrate its proposed emergency relief will maintain coverage ratios and will help prevent or reverse a reduction in its credit rating.

Response: Please see Attachment B that shows the Credit Rating Presentation materials prepared by the Indianapolis Public Improvement Bond Bank (the "Bond Bank") for the presentations made to Standard & Poor's, Moody's and Fitch on February 26, 2009. Also, please see Attachment C which is a ratings release from Fitch announcing the downgrade of the Bond Bank's Waterworks Bonds.

Information and Witnesses:

Information supplied by John Skomp, Kevin Taylor, Ryan Pastorius and Robert Erney. Proposed witnesses at this time would include, but may not be limited to, the following: John Skomp, Kevin Taylor.

Q-3: Based on the most recent end of month cash balance available, what is Petitioner's current cash balance?

Response: Please see Attachment A.

Information and Witnesses:

Information supplied by John Skomp, Ryan Pastorius and Robert Erney. Proposed witnesses at this time would include, but may not be limited to, the following: John Skomp.

Q-4: When does Petitioner anticipate it will file its permanent rate case in this cause?

Response: Petitioner expects KPMG to complete its audit of Petitioner's books and to provide its audit report by May 15. From that point, it will take Petitioner and its sponsoring witnesses approximately two to three months to analyze the information, draft testimony, and produce exhibits for the non-emergency case in

chief. Assuming the Department receives the audit by May 15, the Department anticipates filing its case in chief by mid-August.

Information and Witnesses:

Information supplied by Jim Steele, John Skomp and Kerry Heid. Proposed witnesses at this time would include, but may not be limited to, the following: Jim Steele, John Skomp and Kerry Heid.

Q-5: When does Petitioner anticipate the IURC will issue a final order in the permanent phase of this cause?

Response: Petitioner hopes that the IURC will issue a final Order in this Cause during the first quarter of 2010.

Information and Witnesses:

Information supplied by Jim Steele. Proposed witnesses at this time would include, but may not be limited to, the following: Jim Steele.

Q-6: Starting from the most recent end of month cash balance and ending with the anticipated date of a final order in the non-emergency portion of this cause, please provide a projected month to month cash flow statement in Excel format with the formulas intact. As part of the projections, please include the effect of Petitioner's proposed emergency rates.

Response: Please see Attachment A.

Information and Witnesses:

Information supplied by John Skomp, Ryan Pastorius and Robert Erney. Proposed witnesses at this time would include, but may not be limited to, the following: John Skomp.

Q-7: Please provide a list of the projects, with their respective costs, which DOW submitted for SRF funding consideration as part of the federal stimulus package. Please describe the funding that the DOW is seeking from the SRF. When will Petitioner know if it is granted funds under the federal stimulus package? Which of the projects listed above are included in Petitioner's proposed E&R in the emergency portion of its proposed rate case?

Response: Petitioner submitted five projects for funding consideration to the State Revolving Loan Fund. All costs are estimated.

- White River Intake Structure, \$28.7 million
 - This critical project will provide an emergency water supply and redundancy for Indianapolis Water's largest surface water treatment plant. The White River Plant. The White River Plant provides 44

percent of the system's treated water, and 85 percent of its raw water supply is conveyed by the Central Canal. The project includes an intake structure, 70 mgd pump station and 8800 feet of a 54 inch transmission pipe.

- TW Moses Regulatory Upgrades, \$31.1 million
 - This federally mandated project will upgrade the TW Moses Surface Water Treatment Plant to comply with new EPA rules requiring enhanced treatment of cryptosporidium using an ultraviolet disinfection system. It also reduces disinfection by-products forming in the distribution system. The project also includes construction of a filter backwash water treatment system, which will conserve water and reduce the load on the City's sewer system.
- Main Replacements, \$8 million
 - These projects replace aging water main and service connections that have a high incidence of failure. About 60 percent of all pipe failures are from cast iron pipes installed from 1945 to 1965. Replacing the aging mains will reduce customer inconvenience and roadway damage and improve fire protection and water conservation. Indianapolis Water identified 17 locations for main replacements.
- Feeder Mains, \$17 million
 - These projects install water mains to improve system effectiveness and redundancy. Indianapolis Water identified 14 locations for feeder mains.
- Unserved Areas, \$7.7 million
 - These projects install water mains in areas currently not receiving water. The areas were chosen because residents have requested water service, but have been unsuccessful in obtaining funding for the service because residents are required to pay a substantial portion of the cost. In a few instances, there also are water quality issues with the wells. Several projects are included in the Department of Public Works Septic Tank Elimination Program.

After the Department's initial request for the above projects, DOW submitted preliminary engineering reports for the first two items, as well three other specific projects; again costs are estimated:

- Unserved Areas: 64th Street and Coburn Ave., \$272,300
 - This project will install 1320 feet of 6-inch water main along 64th Street, between Coburn Ave. and Grandview Dr. and 1580 feet of 8-inch water main along Coburn Ave. between Fox Hill and 62nd Street. The project will provide drinking water to residents currently served by wells.
- Unserved Areas: Hickory Lane and Lindenwood Dr., \$560,300

- This project will install multiple mains in this area to provide drinking water to residents currently served by wells.
- Main Replacement: Meridian Street, from W. 72nd to W. 75th Streets, \$409,000
 - This project will replace a cast iron water main that has had more than 20 failures, and serves more than 100 homes.
- The SRF has not provided the Department with a timeline for decisions on funding the above projects.
- None of the above projects are included in the emergency portion of the rate case.

Information and Witnesses:

Information supplied by James Steele, Robert Erney, Hal Gurkin and Ed Malone. Proposed witnesses at this time would include, but may not be limited to, the following: Ed Malone.

Q-8: On page 6 of his testimony, Mr. Skomp stated that “The Utility’s management has estimated that the contract cost will increase by approximately 5% during the 2009 calendar year.”

- a) When during 2009 does the DOW expect the increase to the contract cost to take place?
- b) What is the basis of Petitioner’s estimate of a 5% increase?
- c) Please show all analyses and calculations that the DOW relied upon to support its opinion that a 5% increase will take place.

Response: a) The contract between Petitioner and Veolia calls for the costs to “...be adjusted annually, effective January 1 of each Billing Year...”

b) The increase from the costs incurred during 2007 to the costs for 2008 was approximately 4.55%. The management at the Department used an estimate of a 5% increase in order to prepare the annual budget that was approved by the Department’s Board on November 20, 2009.

c) The negotiations of the cost increase for the calendar year 2009 have recently begun. There are many factors that comprise the actual annual increase and those factors are listed in the First Amendment to the Management Agreement which is included as Attachment D

Information and Witnesses:

Information supplied by James Steele, John Skomp, Ryan Pastorius and Robert Erney. Proposed witnesses at this time would include, but may not be limited to, the following: James Steele, John Skomp.

Q-9: Please provide the bond agreements for the DOW's 2005G, 2005H and 2004A bonds.

Response: Please see Attachment E.

Information and Witnesses:

Information supplied by James Steele, John Skomp, Brenda Horn and Kevin Taylor. Proposed witnesses at this time would include, but may not be limited to, the following: James Steele, John Skomp.

Q-10: For each of Petitioner's variable rate demand bonds ("VRDBs") please provide the weekly interest rate and interest expense in Excel format spreadsheet with the formulas intact from the date each bond was issued until its most recent payment. If the interest rate involves a calculation, please provide the inputs and equation to replicate the calculation.

Response: Please see Attachment F for the data used to compute the historical interest expense on the 2005G and 2005H Waterworks Bonds. This information was pulled directly from the Trust Statements of the Bonds or other information that was provided by the Bond Bank. Not all of the information included the interest rate detail.

Information and Witnesses:

Information supplied by John Skomp, Kevin Taylor. Proposed witnesses at this time would include, but may not be limited to, the following: John Skomp, Kevin Taylor.

Q-11: For Petitioner's ARS (auction rate securities) debt please provide the interest rate and interest expense (for each 35 day period) in Excel format spreadsheet with the formulas intact from the date each bond was issued until its most recent payment. If the interest rate involves a calculation, please provide the inputs and equation to replicate the calculation.

Response: Please see Attachment G for the data used to compute the historical interest expense on the 2004A Waterworks Bonds. This information was pulled directly from the Trust Statements of the Bonds or other information that was provided by the Bond Bank. Not all of the information included the interest rate detail.

Information and Witnesses:

Information supplied by John Skomp, Kevin Taylor. Proposed witnesses at this time would include, but may not be limited to, the following: John Skomp, Kevin Taylor.

Q-12: Please provide a copy of the interest rate swap agreement discussed in Mr. Taylor's testimony.

Response: Please see Document 44 ISDA Master (agreement with Bear Stearns) and Document 45 ISDA Master (agreement with Loop Financial) of the Indianapolis Local Public Improvement Bond Bank Bonds, Series 2005G-1, G2 and G3 and see Document 42 ISDA Master (agreement with Bear Stearns) of the Indianapolis Local Public Improvement Bond Bank Bonds, Series 2005H (Waterworks Project) of Attachment E.

Information and Witnesses:

Information supplied by James Steele, John Skomp and Brenda Horn. Proposed witnesses at this time would include, but may not be limited to, the following: John Skomp.

Q-13: Please answer the following questions related to the DOW's swap agreement. Parts of answers that require calculations should be provided in Excel format with formulas intact.

- a) When did the swap agreement go into effect?
- b) For each month since the swap agreement was made, how much has the DOW paid to its counter party?
- c) For each month since the swap agreement was made, how much has the DOW received from its counter party?
- d) For each payment made by the DOW on its variable rate demand bonds since the swap agreement was made, please provide the SIFMA index interest rate
- e) For each payment received by the DOW on its variable rate demand bonds since the swap agreement was made please provide the LIBOR index interest rate.
- f) Please provide all analyses and calculations that support Petitioner's estimate that it will cost \$90 million to terminate its swap contracts.

Response:

- a) At the closing of each bond issue.
- b) This detail is provided in Attachment F.
- c) This detail is provided in Attachment F.
- d)

<u>Payment Date</u>	<u>SIFMA</u>	<u>1-Month LIBOR</u>
11/17/2005	3.03%	4.159%
11/24/2005	3.04%	4.200%
12/1/2005	2.98%	4.311%
12/8/2005	2.81%	4.360%

12/15/2005	3.07%	4.370%
12/22/2005	3.38%	4.379%
12/29/2005	3.51%	4.385%
1/5/2006	2.93%	4.419%
1/12/2006	2.96%	4.470%
1/19/2006	3.01%	4.510%
1/26/2006	3.02%	4.560%
2/2/2006	2.98%	4.570%
2/9/2006	3.11%	4.570%
2/16/2006	3.22%	4.570%
2/23/2006	3.18%	4.581%
3/2/2006	3.02%	4.661%
3/9/2006	3.05%	4.720%
3/16/2006	3.14%	4.776%
3/23/2006	3.16%	4.818%
3/30/2006	3.17%	4.826%
4/6/2006	3.06%	4.849%
4/13/2006	3.44%	4.910%
4/20/2006	3.70%	4.950%
4/27/2006	3.80%	5.023%
5/4/2006	3.59%	5.069%
5/11/2006	3.56%	5.081%
5/18/2006	3.44%	5.081%
5/25/2006	3.47%	5.091%
6/1/2006	3.22%	5.129%
6/8/2006	3.48%	5.170%
6/15/2006	3.88%	5.252%
6/22/2006	3.97%	5.333%
6/29/2006	3.97%	5.346%
7/6/2006	3.67%	5.345%
7/13/2006	3.43%	5.369%
7/20/2006	3.56%	5.400%
7/27/2006	3.64%	5.400%
8/3/2006	3.44%	5.406%
8/10/2006	3.42%	5.330%
8/17/2006	3.65%	5.325%
8/24/2006	3.58%	5.328%
8/31/2006	3.41%	5.330%
9/7/2006	3.35%	5.330%
9/14/2006	3.54%	5.330%
9/21/2006	3.73%	5.330%
9/28/2006	3.74%	5.323%
10/5/2006	3.37%	5.320%
10/12/2006	3.51%	5.320%
10/19/2006	3.57%	5.320%
10/26/2006	3.56%	5.320%

11/2/2006	3.39%	5.320%
11/9/2006	3.63%	5.320%
11/16/2006	3.67%	5.320%
11/23/2006	3.67%	5.320%
11/30/2006	3.48%	5.350%
12/7/2006	3.40%	5.350%
12/14/2006	3.59%	5.350%
12/21/2006	3.89%	5.350%
12/28/2006	3.91%	5.326%
1/4/2007	3.45%	5.320%
1/11/2007	3.63%	5.320%
1/18/2007	3.62%	5.320%
1/25/2007	3.61%	5.320%
2/1/2007	3.50%	5.320%
2/8/2007	3.59%	5.320%
2/15/2007	3.65%	5.320%
2/22/2007	3.65%	5.320%
3/1/2007	3.51%	5.320%
3/8/2007	3.52%	5.320%
3/15/2007	3.60%	5.320%
3/22/2007	3.65%	5.320%
3/29/2007	3.65%	5.320%
4/5/2007	3.61%	5.320%
4/12/2007	3.70%	5.320%
4/19/2007	3.78%	5.320%
4/26/2007	3.92%	5.320%
5/3/2007	3.92%	5.320%
5/10/2007	3.91%	5.320%
5/17/2007	3.85%	5.320%
5/24/2007	3.83%	5.320%
5/31/2007	3.76%	5.320%
6/7/2007	3.61%	5.320%
6/14/2007	3.71%	5.320%
6/21/2007	3.73%	5.320%
6/28/2007	3.73%	5.320%
7/5/2007	3.60%	5.320%
7/12/2007	3.58%	5.320%
7/19/2007	3.61%	5.320%
7/26/2007	3.61%	5.320%
8/2/2007	3.52%	5.330%
8/9/2007	3.51%	5.541%
8/16/2007	3.69%	5.538%
8/23/2007	3.89%	5.505%
8/30/2007	3.95%	5.665%
9/6/2007	3.85%	5.820%
9/13/2007	3.73%	5.753%

9/20/2007	3.77%	5.136%
9/27/2007	3.84%	5.128%
10/4/2007	3.56%	5.125%
10/11/2007	3.55%	5.090%
10/18/2007	3.49%	4.998%
10/25/2007	3.43%	4.819%
11/1/2007	3.26%	4.688%
11/8/2007	3.41%	4.660%
11/15/2007	3.54%	4.686%
11/23/2007	3.58%	4.793%
11/29/2007	3.58%	5.225%
12/6/2007	3.40%	5.243%
12/13/2007	3.09%	5.028%
12/20/2007	3.16%	4.896%
12/27/2007	3.42%	4.845%
1/3/2008	3.06%	4.540%
1/10/2008	3.02%	4.319%
1/17/2008	2.93%	3.959%
1/24/2008	2.78%	3.285%
1/31/2008	2.20%	3.144%
2/7/2008	1.73%	3.165%
2/14/2008	1.24%	3.116%
2/21/2008	2.37%	3.135%
2/28/2008	3.16%	3.119%
3/6/2008	2.96%	3.058%
3/13/2008	2.75%	2.818%
3/20/2008	2.33%	2.606%
3/27/2008	2.21%	2.704%
4/3/2008	1.89%	2.741%
4/10/2008	1.80%	2.718%
4/17/2008	2.10%	2.800%
4/24/2008	2.43%	2.886%
5/1/2008	2.67%	2.724%
5/8/2008	2.33%	2.590%
5/15/2008	1.83%	2.498%
5/22/2008	1.70%	2.393%
5/29/2008	1.62%	2.459%
6/5/2008	1.48%	2.448%
6/12/2008	1.64%	2.471%
6/19/2008	1.66%	2.481%
6/26/2008	1.55%	2.483%
7/3/2008	1.40%	2.460%
7/10/2008	1.36%	2.456%
7/17/2008	1.49%	2.458%
7/24/2008	2.35%	2.460%
7/31/2008	2.24%	2.461%

8/7/2008	1.80%	2.463%
8/14/2008	1.66%	2.466%
8/21/2008	1.66%	2.472%
8/28/2008	1.84%	2.486%
9/4/2008	1.63%	2.487%
9/11/2008	1.79%	2.488%
9/18/2008	5.15%	3.188%
9/25/2008	7.96%	3.709%
10/2/2008	5.74%	4.045%
10/9/2008	4.82%	4.513%
10/16/2008	3.45%	4.278%
10/23/2008	2.28%	3.259%
10/30/2008	1.82%	2.850%
11/6/2008	1.26%	1.768%
11/13/2008	1.14%	1.423%
11/20/2008	1.12%	1.399%
11/27/2008	1.03%	1.900%
12/4/2008	0.85%	1.876%
12/11/2008	0.85%	1.195%
12/18/2008	1.08%	0.508%
12/25/2008	1.25%	0.471%
1/1/2009	0.90%	0.436%
1/8/2009	0.59%	0.386%
1/15/2009	0.46%	0.334%
1/22/2009	0.51%	0.389%
1/29/2009	0.53%	0.413%
2/5/2009	0.48%	0.448%
2/12/2009	0.55%	0.455%
2/19/2009	0.66%	0.473%
2/26/2009	0.67%	0.497%
3/5/2009	0.55%	0.533%
3/12/2009	0.58%	0.556%

- e) Please see the table provided in response to Question 13-(d).
- f) There are two swaps related to the 2005G bonds. The first swap is with Bear Stearns Financial Products Inc., while the second is with Loop Financial Products I LLC. There is one swap related to the 2005H bonds, which is with Bear Stearns Financial Products Inc.

The estimated mark-to-market value of the three swaps, as of approximately 3pm EST on March 18, 2009, is as follows. Please see the provided Excel spreadsheets which contain supporting calculations for further detail. *Note that the market value, or mark-to-market valuation, of these swaps fluctuates with interest rates (in this case, the LIBOR yield*

curve). so the values provided represent a snapshot of the market value at this particular point in time only.

Counterparty	Estimated Market Value
Bear Steams (2005-G) \$	(56,829,749.46)
Loop (2005-G)	(23,034,898.16)
Bear Steams (2005-H)	(11,722,901.55)
Total	\$ (91,587,549.17)

In simple terms, an interest rate swap's market value is the net present value ("NPV") of the swap's fixed and floating legs cash flows. In more detailed terms, the mechanics to determine the NPV or market value of a swap can be described as follows:

- Swap market participants (input prices and/or yield curve data observed in the marketplace into their interest rate models from data sources such as Bloomberg, Reuters, Telerate, etc.
- Floating leg of the swap:
 - Swap models project, from the "spot" or cash LIBOR yield curve (yields starting today for a period into the future), what the expected interest-rate resets will be in the future (the forward rates) on the floating leg of the swap (i.e., projected LIBOR resets that will occur during the life of the swap)
 - Using the expected or forward LIBOR rates, a series of cash flows is projected for the floating leg on each payment date
 - The floating leg cash flows are discounted by zero-coupon LIBOR rates which are observed in the marketplace
 - Discounting the projected floating leg cash flows gives the present value of the floating leg of the swap
- Fixed leg of the swap:
 - The scheduled fixed interest rate payments in the swap are discounted by using the zero-coupon LIBOR rates which are observed in the marketplace
 - Discounting the scheduled fixed leg cash flows gives the present value ("PV") of the fixed leg of the swap
- The net of the floating and fixed legs' PVs, as described above, provides the mark-to-market value of the swap
- When a swap is terminated, an adjustment is made to the mark-to-market value described above. The adjustment will capture a negotiated Swap Dealer profit margin to early terminate the transaction, additional transaction costs of the Swap Dealer to terminate early (i.e., costs to remove Dealer hedges), and the marketplace bid-offer spread for similar swap transactions

Information and Witnesses:

Information supplied by John Skomp, Kevin Taylor. Proposed witnesses at this time would include, but may not be limited to, the following: John Skomp, Kevin Taylor.

Q-14: What is the SIMFA index?

Response: The SIFMA Index stands for Securities Industry and Financial Markets Association Municipal Swap Index. MMD ("Municipal Market Data") produces the SIFMA Index, a 7-day high grade market index comprised of tax-exempt VRDBs from MMD's extensive database.

In 1991, The SIFMA Index was created in response to industry participants' demand for a short-term index which accurately reflected activity in the VRDB market. Criteria for inclusion in the Index: 7-day with Wednesday resets, non-AMT, \$10 million + par, VMIG1/A-1+, monthly interest payment calculated on actual/actual basis, and issued from any state. Considerations in the Index calculation: any issue falling outside of +/- 1.0 standard deviations dropped, any one remarketing agent limited to no more than 15% of the Index. Typically, the Index includes 650 issues in any given week.

Information and Witnesses:

Information supplied by Kevin Taylor. Proposed witnesses at this time would include, but may not be limited to, the following: Kevin Taylor.

Q-15: Why was the SIMFA index used?

Response: As a point of clarification, none of the swap or variable rate payments on the Series 2005GH bonds are indexed off SIFMA. The swap cash flow receipts from the swap counterparties are calculated at 67% of 1M LIBOR. VRDB trading performance is not indexed directly off SIFMA, although historically is expected to track near and around SIFMA. Because of the MBIA insurance and DEPPFA liquidity facility backing the bonds and recent market reception to this credit enhancement, these bonds have traded at levels higher than SIFMA in recent resets.

Information and Witnesses:

Information supplied by Kevin Taylor. Proposed witnesses at this time would include, but may not be limited to, the following: Kevin Taylor.

Q-16: Please provide all analyses that Petitioner relies on to demonstrate the benefits of refinancing the 2004A bonds. Please state all assumptions made by Petitioner as part of the proposed refinancing.

Response: Petitioner believes that achieving certainty and predictability in its debt service will ultimately be beneficial to Petitioner and its customers. Presently, Petitioner has \$842.54 Million in bonds outstanding. These bonds consist of 42.5% in fixed-rate bonds and 57.5% in variable-rate bonds. Petitioner believes that the percentage of variable rate debt in its portfolio is far too high for it to manage with its projected cash flows and is taking steps to reduce that percentage to between 10% and 15% variable-rate debt. This level of variable-rate debt would be consistent with Petitioner's cash flow and revenue stream.

Petitioner believes that having 57.5% of its portfolio in variable-rate bonds subjects Petitioner to an unacceptable level of uncertainty as to the future cost of its debt service. While variable-rate debt can and likely has resulted in a lower cost of capital to Petitioner, it subjects Petitioner to an unacceptable risk of uncertainty influenced by rates, the Federal Reserve, credit factors and counterparty factors, which is playing out today and subjecting Petitioner to fluctuations in rate from 3.5% to 9.5% during 2008. This fluctuation increased the cost of Petitioner's debt service by approximately \$15 Million from 2007 to 2008 due to interest rate volatility.

Under Petitioner's plan, the 2004A bonds and the 2005G bonds are to be restructured via the issuance of fixed-rate refunding bonds. The 2005H bonds are to be refunded via the issuance of variable-rate bonds secured by a Harris Bank LOC, which will eliminate the MBIA and DEPPFA security connected with those bonds. Petitioner intends to achieve a debt coverage ratio of 1.4x and to establish an operating reserve account equal to 30 days of budgeted operating expenditures.

Petitioner has assumed that it will be able to refinance the identified bonds at an estimated average rate of 5.75% to 6.25% with maturities ranging from 20 to 28 years. Petitioner has also assumed that emergency rates will be in place by June 1, 2009, with permanent rates in place in the first quarter of 2010.

As a part of this refinancing, Petitioner will be required to terminate the two interest rate swap contracts associated with the Series 2005G bonds. Elimination of the swaps associated with the Series 2005G will eliminate a monthly expense to Petitioner created by the inversion of the indices used to determine the amount paid by Petitioner to the counterparty for the swaps and the amount received from the counterparty under the swap. This expense has been running approximately \$1 Million per month, and Petitioner has determined that it is unlikely that this inversion will correct itself at any point in the near term. Petitioner assumes that the cost to terminate the swaps will be approximately \$75 Million to \$82 Million.

Attached to this response as Attachment B is the financial information/assumptions prepared by the Bond Bank for the presentations made to Standard & Poor's, Moody's and Fitch on February 26, 2009.

Information and Witnesses:

Information supplied by John Skomp, James Steele, Kevin Taylor (and Morgan Stanley). Proposed witnesses at this time would include, but may not be limited to, the following: John Skomp, Kevin Taylor, James Steele.

Q-17: Please provide all analyses that Petitioner relies on to demonstrate the benefits of refinancing the 2005h bonds. Please state all assumptions made by Petitioner as part of the proposed refinancing.

Response: Please see the response to Question 16.

Information and Witnesses:

Please see the response to Question 16.

Q-18: Will the funds Petitioner borrows through its "proposed" 2009C revenue bonds be used in part to terminate its swap agreements? If yes, please provide all analyses that Petitioner relies upon to support its belief that there is a benefit to terminating its swap agreements.

Response: Please see the response to Question 16.

Information and Witnesses:

Please see the response to Question 16.

Q-19: Please provide the analysis that supports the .99 coverage ratio listed on page 12 line 9 of Mr. Taylor's testimony.

Response: The information that supports the .99 coverage ratio is provided in Section 4 Page 23 of Attachment B. However, a correction to that calculation has recently been discovered and the corrected calculation is included as Attachment H.

Information and Witnesses:

Information supplied by John Skomp, Kevin Taylor, Ryan Pastorius and Robert Erney. Proposed witnesses at this time would include, but may not be limited to, the following: John Skomp, Kevin Taylor.

Q-20: Mr. Taylor claims that this ratio is not sufficient to meet the terms of the bonds or the Department's expenses. What coverage ratio is sufficient? Explain why.

Response: Please see Attachment I for a summary of the current and proposed Board requirements for coverage, parity tests and other bonding related matters. The estimated coverage ratio of .97 for 2008 does not meet the current Board

requirements which were in effect at the time the bonds were issued. The proposed requirements are intended to provide additional assurance to current and future bondholders that the financial condition of the Department will allow for appropriate payments in a timely manner. It was hoped that these proposed requirements would prevent a current downgrade of the Department's bonds but, as previously mentioned, Fitch has already issued a ratings release. However, the Department believes these proposed requirements are essential to insure future access to the bond market at competitive rates.

Information and Witnesses:

Information supplied by John Skomp, Kevin Taylor, Ryan Pastorius and Robert Erney. Proposed witnesses at this time would include, but may not be limited to, the following: John Skomp, Kevin Taylor.

Q-21: Have coverage ratios been calculated for January and February of 2009? If no, why not? If yes, please provide the achieved coverage ratio and the calculation of the coverage ratio.

Response: No. Coverage ratios are calculated on either an annual or pro forma basis. Since all bond payments are not due on a monthly basis, monthly coverage calculations would not yield any useful information.

Information and Witnesses:

Information supplied by John Skomp. Proposed witnesses at this time would include, but may not be limited to, the following: John Skomp.

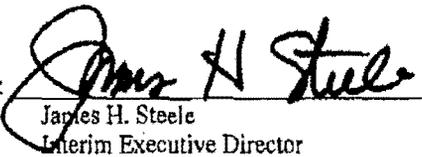
VERIFICATION

I, James H. Steele, hereby affirm under the penalties for perjury that I am an authorized representative of the Department, and that I am authorized to make this verification. I have read the foregoing Objections and Responses to the Data Requests (the "Response") and know the contents thereof. The Response set forth herein, subject to inadvertent and undiscovered errors, is based upon information provided by others and thus may not be within my personal knowledge. The Department reserves the right to make any change in this Response if it appears at any time that omissions or errors have been made therein, and subject to the limitations set forth herein, that said Response is true to the best of his knowledge, information and belief.

Dated this 23rd day of March, 2009.

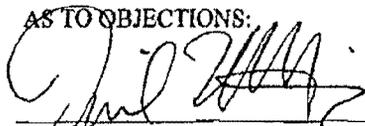
THE DEPARTMENT OF WATERWORKS OF THE
CONSOLIDATED CITY OF INDIANAPOLIS

By:


James H. Steele
Interim Executive Director

AS TO OBJECTIONS:

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From: Courter, Leja
Sent: Tuesday, March 31, 2009 4:28 PM
To: Daniels, Sandy; Kaufman, Edward
Subject: FW: Cause No. 43645: Petitioner's Third Supplemental Response to OUCC Data Request Set No. 1

Attachments: Loop 2005-G Termination Value 3-18-09.xls; Bear 2005-G Termination Value 3-18-09.xls; Bear 2005-H Termination Value 3-18-09.xls; 3-18 vs 3-30 Bloomberg Closing Curves.xls; Supplemental Response to Q-13 part f.doc

From: David McGimpsey [mailto:DMcGimpsey@binghamchale.com]
Sent: Tuesday, March 31, 2009 4:19 PM
To: bdodd@lewis-kappes.com; tstewart@lewis-kappes.com; Levay, Daniel; Reed, Jeffrey; Courter, Leja; Jim Buddenbaum (jbuddenbaum@parrlaw.com); Ellen Casper Borissov (eborissov@parrlaw.com)
Cc: Toppen, Lauren R.; Brian Welch; Casey M Holsapple
Subject: Cause No. 43645: Petitioner's Third Supplemental Response to OUCC Data Request Set No. 1

Dear Counsel-

Pursuant to Ind. Trial Rule 26(E), please find attached the Department's third supplemental response to OUCC Data Request Set No. 1. This supplemental response is subject to the same objections included in the Department's Objections and Responses to OUCC Data Request Set No. 1. This supplemental response provides supplemental information to the prior response to OUCC Data Request Set No. 1, Q13(f). The Word file provides answers and commentary to requests made by Ed Kauffman during a March 30, 2009 phone call. On the Excel spreadsheets with Termination Value in the title, Peter Grimm of Lamont, the Department's advisor on swap matters, added columns to the Excel spreadsheets that were previously provided in response to Q13(f) for the Swap termination calculation. Mr. Grimm added columns titled "Nominal Dates", "Notional", "Days in Period", "LIBOR Reset Rate (for next pymt)" and "Years to Mat". Mr. Grimm also provided a new Excel schedule that depicts the Bloomberg closing curves on 3/18/09 and on 3/30/09.

Upon your review, please contact me with any questions.

Thanks,
Dave

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not be used or referred to in promoting, marketing or recommending a transaction or arrangement to another party. Further information concerning this disclosure, and the reasons for such disclosure, may be obtained upon request from the author of this e-mail. Thank you.

Response to Questions on 3/30/09 Call with Ed Kaufman, Jennifer Wilson and Jennie Huang:

Request: Ed Kaufman requested additional details to support each swap's projected monthly floating leg payments, namely what the projected forward LIBOR resets are.

Response: Lamont has updated the spreadsheets which were previously provided. The spreadsheets now include each period's notional balance, the number of days in each calculation period, and the Bloomberg LIBOR reset rate which is used to calculate the projected floating leg receipts.

Request: Ed Kaufman requested information on the approximate change in the LIBOR yield curve from 3/18/09 to now.

Response: We have provided a new spreadsheet, "3-18 vs 3-30 Bloomberg Closing Curves" that reflects a change from 3/18/09's closing Bloomberg LIBOR curve until this morning (not a closing curve).

Please note that the original termination values provided on 3/18/09 were NOT completed with the 3/18/09 Bloomberg closing curve, but rather an intra-day curve was used when providing the original spreadsheet results; therefore, the values reflected in this spreadsheet may not match what was shown in the previous spreadsheets provided.

If required, Lamont can re-run the termination values as of 3/18/09 using the closing Bloomberg LIBOR yield curves.

Request: Ed Kaufman requested additional information relating to the "Bloomberg Discount Factor" column used to calculate the Net PVs in each of the spreadsheets provided.

Response: In simple terms, the discount factor, $P(T)$, is the number which a future cash flow, to be received at time T, must be multiplied by in order to obtain the current present value. Thus, a fixed annually compounded discount rate is:

$$P(T) = \frac{1}{(1 + r)^T}$$

I have added Column P which is "Quick and Simple Calc of Disc Factor" which puts the LIBOR rates into the basic formula shown above. Comparing the "quick and simple" Column P to the more complex Bloomberg derivation shows similar results.

Bloomberg uses a more sophisticated variation of the simple formula shown above, but the concept of determining discount factors is the same. I have attached two Bloomberg presentations which reveal their methodology:

"Swap Bloomberg Presentation" (Acrobat file): See slides numbered 18, 19, 20 and 21

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION)	
OF THE DEPARTMENT OF WATERWORKS)	
OF THE CONSOLIDATED CITY OF)	
INDIANAPOLIS, INDIANA, FOR)	
AUTHORITY TO INCREASE ITS RATES)	
AND CHARGES FOR WATER UTILITY)	
SERVICE ON BOTH EMERGENCY AND)	
NON-EMERGENCY BASES, FOR)	CAUSE NO. 43645
APPROVAL OF A NEW SCHEDULE OF)	
RATES AND CHARGES APPLICABLE)	
THERE TO, AND FOR APPROVAL OF A)	
MECHANISM TO ANNUALLY IMPLEMENT)	
RATE CHANGES BASED ON THE ANNUAL)	
ADJUSTMENT TO THE DEPARTMENT'S)	
PAYMENTS UNDER THE MANAGEMENT)	
AGREEMENT WITH VEOLIA WATER)	
INDIANAPOLIS, LLC)	

**OBJECTIONS AND RESPONSES OF PETITIONER TO
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR'S
SECOND SET OF DATA REQUESTS**

Petitioner, Department of Waterworks of the Consolidated City of Indianapolis, Indiana ("Petitioner" or "Department"), pursuant to Ind. Tr. R. 26(B), by its counsel, hereby submits the following objections and responses to the Indiana Office of Utility Consumer Counselor's Second Set of Data Requests (the "Data Requests").

GENERAL OBJECTIONS

1. Petitioner objects to the Data Requests on the basis of the attorney-client privilege, the work-product doctrine, and any public records exemptions, to the extent the Data Requests seek disclosure of documents constituting, evidencing or reflecting confidential communication between Petitioner and attorneys or documents that are otherwise protected from disclosure by the attorney-client privilege, the work-product doctrine, or public records exemptions.

2. Petitioner objects to the Data Requests to the extent the Data Requests seek the disclosure of confidential, proprietary, competitively sensitive and/or trade secret information. Petitioner has made reasonable efforts to maintain the secrecy of this information and such information derives independent economic value from not being generally known to nor readily ascertainable by proper means by others who can obtain economic value from its disclosure or use.

3. Petitioner objects to the Data Requests to the extent the Data Requests are overly broad in terms of time and/or scope in that the Data Requests seek documents or information which are neither relevant nor material to the subject matter of this Cause and which are not reasonably calculated to lead to the discovery of admissible evidence.

4. Petitioner objects to the Data Requests to the extent the Data Requests seek information outside the scope of this proceeding, and as such, the Data Requests seek information not reasonably calculated to lead to the discovery of admissible evidence.

5. Petitioner objects to the Data Requests to the extent the Data Requests seek information that is irrelevant to this proceeding and that is not calculated to lead to the discovery of admissible evidence inasmuch as this proceeding is limited to Petitioner's provision of Alternative Operator Service. To the extent the data requests are vague, ambiguous, or unduly burdensome

6. Petitioner objects to the Data Requests to the extent the Data Requests are vague, ambiguous or unduly burdensome and provide no basis on which Petitioner can determine what information is sought.

7. Petitioner objects to the Data Requests on the grounds and to the extent the Data Requests attempt or purport to impose upon Petitioner any obligation to respond to the Data Requests beyond those requirements imposed by the Indiana Rules of Trial Procedure or to supplement these responses except to the extent required by Indiana Trial Rule 26(E).

8. Petitioner further objects to the Data Requests on the grounds and to the extent the Data Requests seek the name(s) of the person(s) responsible for preparing the responses and concerning all documents produced as part of the responses. *United States v. National Steel Corp.*, 18 F.R.D. 599, 600 (S.D. Tex. 1960); *Hopkins Theatre, Inc. v. RKO Radio Pictures, Inc.*, 18 F.R.D. 379, 383 (S.D.N.Y. 1956); *Maple Drive-In Theatre Corp. v. Radio-Keith-Orpheum Corp.*, 23 Fed. R. Serv. 33.321, case 2 (S.D.N.Y. 1956). Subject to and without waiver of the foregoing objections, the following Responses constitute the corporate responses of Petitioner and contain information gathered from a variety of sources.

Without waiving these objections, Petitioner responds to the Data Requests in the manner set forth below.

RESPONSES TO OUCC DATA REQUEST # 2

Q-22: On page 5 of his testimony, Mr. Taylor states “The prevailing interest rates at the time of the tender sets the new interest cost for these bonds.” (“These bonds” refer to series 2005G and series 2005H.) Please define the term “prevailing interest rates.” Please explain how the prevailing interest rates affect the interest cost for “these bonds.”

Response: The “prevailing interest rate” determines the Petitioner’s interest rate. It is a relative yield. The SIFMA index is a benchmark for the entire municipal market. A number of factors--credit, Federal Reserve actions, economic news, world events, among others--impact the SIFMA index. The “prevailing interest rate” is a reference to the market’s acceptance of the Petitioner’s VRDBs relative to SIFMA, that is to say the yield expected by bondholders to hold the Petitioner’s bonds relative to all other municipal bonds trading and re-setting that day. SIFMA is a summary or indication of the market conditions.

Information and Witnesses:

Information supplied by Kevin Taylor. Proposed witnesses at this time would include, but may not be limited to, the following: Kevin Taylor.

Q-23: On page 7 of his testimony, Mr. Taylor refers to “the Securities Industry and Financial Markets Association Index (SIFMA)” as “the index used to set the variable rate on the bonds.” Is it the “prevailing interest rate” that determines the interest rate on the VRDBs (as described on page 5 of Mr. Taylor’s testimony) or is it the SIFMA index, as described on page 7 of Mr. Taylor’s testimony, that determines the interest rate on Petitioner’s VRDBs? Please explain.

Response: The “prevailing interest rate” determines the Petitioner’s interest rate. The VRDBs are traded in the market and the result is the variable rate that the bonds receive. As noted in Q-22 above, the SIFMA index is a benchmark for the entire municipal market. Thus, the SIFMA index is a representation of the market, but does not set the variable rate.

Information and Witnesses:

Information supplied by Kevin Taylor. Proposed witnesses at this time would include, but may not be limited to, the following: Kevin Taylor.

Q-24: On page 7 of his testimony, Mr. Taylor asserts that LIBOR is used to calculate the payments received by the Department. LIBOR has terms of one-month, three-month, six-month and one-year loans. Which term of LIBOR is the Department referring to in its testimony?

Response: The reference is to one-month LIBOR.

Information and Witnesses:

Information supplied by Kevin Taylor. Proposed witnesses at this time would include, but may not be limited to, the following: Kevin Taylor.

Q-25: What is MBIA's current bond rating? Provide any supporting documentation.

Response: Please refer to the Moody's, Standard & Poor's and Fitch credit reports that have been attached to this data request as Attachment J.

Information and Witnesses:

Information supplied by Kevin Taylor. Proposed witnesses at this time would include, but may not be limited to, the following: Kevin Taylor.

Q-26: What is DEPPFA's current bond rating? Provide any supporting documentation.

Response: Please refer to the Moody's, Standard & Poor's and Fitch credit reports that have been attached to this data request as Attachment K.

Information and Witnesses:

Information supplied by Kevin Taylor. Proposed witnesses at this time would include, but may not be limited to, the following: Kevin Taylor.

Q-27: What is the status of the Department's proposed 2009(A), (B) & (C) bonds?

Response: The current expectations with respect to the bond issues are as follows:

- 2009A Bonds will refund the 2004A auction rate bonds and will be issued in fixed rate mode. This refunding is expected by the end of April.
- 2009B Bonds will refund the 2005H Bonds and will remain in variable rate mode. The liquidity provider is Harris Bank. The swap agreement associated with these bonds will remain. This refunding is expected to occur by the end of May.
- 2009C Bonds will refund the 2005G Bonds and are expected to be issued in fixed rate mode. This would require a termination of the swap agreement associated with the 2005G Bonds. This refunding is expected to occur by the end of June.

Information and Witnesses:

Information supplied by Kevin Taylor and John Skomp. Proposed witnesses at this time would include, but may not be limited to, the following: Kevin Taylor and John Skomp.

Q-28: On page 8 of his testimony, Mr. Taylor asserts that “the failed auction rate is generally set by the indenture’s formula factor for A-rated MBIA of 2.5 times the 30-day LIBOR.” (emphasis added). Please explain what Mr. Taylor means by the term “generally”? Under what circumstances is the formula used? Under what circumstances is the formula not used? Since LIBOR has decreased to historic lows (page 7 lines 16-17) why have the rates on the ARS debt increased?

Response: The term “generally” in this context refers to auction rate securities in general. With respect to the 2004A Bonds specifically, this is in fact how the failed auction rate is always set. Because the failed auction rate is based off a one-month LIBOR, any reduction in LIBOR will lead to a reduction in the failed auction rate.

Information and Witnesses:

Information supplied by Kevin Taylor. Proposed witnesses at this time would include, but may not be limited to, the following: Kevin Taylor.

Q-29: On pages 9 & 10 of his testimony, Mr. Taylor refers to the Department’s purchase of the water utility and the subsequent water rate freeze as a factor that motivated the Department to rely on variable rate debt. Please explain why the Department agreed to the freeze? At that time, did the department consider it would elect to rely on variable rate debt? When did the Department determine to rely on variable rate debt?

Response: In 2001, the City of Indianapolis learned that the Indianapolis Water Company (“IWC”) would be for sale. NiSource, the utility’s owner at the time, was ordered by the federal government to divest itself of all non-electric and non-gas assets. The City wanted to maintain local control of a precious natural resource, keep water rates affordable for ratepayers, maintain the City as the headquarters of the utility, and support economic development. If a private investor group purchased the utility, water rates would likely have increased significantly. City ownership also would eliminate the need to generate revenue to pay investor dividends.

In an effort to gain support from the public, City-County Council members and government entities outside of Marion County in the Indianapolis Water Company service territory, the City pledged to freeze rates for five years. The Department agreed to freeze the rates because there were several buyers that were interested in purchasing IWC at the time, and this offer made the Department’s bid more competitive. In addition, the City was interested in retaining a corporate headquarters. IWC had planned a substantial rate increase at the time, but the Department was confident that it could maintain rates at their present level because it could borrow funds with a lower interest rate and because the Department does not have any corporate tax expense. The Department’s financial analysis at the time indicated that the Department could sustain a rate freeze for

five years. The OUCC supported the rate freeze at the time. *See Prefiled Testimony of E. Curtis Gassert, Cause No. 41821 (Feb. 1, 2002), pg. 3, lines 4-5.*

The Department acquired the utility through the issuance of Series 2002A fixed-rate bonds in the principal amount of \$575,955,000. During the period of the rate freeze, records indicate that the Department did not have sufficient cash to fund capital and it relied on bond proceeds to fund needed capital projects. The minutes of bond bank meetings from September 19, 2005 and October 17, 2005 and the minutes of the City-County Council's Public Works Committee from October 10, 2005 have been attached to this data request as Attachment L in support of these statements. In 2004, the Department issued its Series 2004A ARS bonds in the principal amount of \$50 Million to be used for capital improvements, infrastructure, and regulatory improvements. In 2005, the Department engaged in an overall refinancing plan, which included the issuance of refunding bonds and improvement bonds to generate "39.5 million in savings and to meet capital needs over the next 24 months." See Attachment L. As part of that plan, the Department issued the Series 2005F fixed-rate bonds to refund certain obligations it assumed in connection with its acquisition of the utility and a portion of the Series 2002A bonds. That resulted in a net present value savings of \$1,229,193. The 2005 refinancing plan also included the refunding of a significant portion of the Series 2002A bonds with the issuance of the Series 2005G VRDB in the principal amount of \$388,100,000. That resulted in a net present value savings of \$45,160,349. The final piece of the 2005 refinancing plan involved the issuance of the Series 2005H VRDBs, which was a new money issue in the principal amount of \$47,810,000. Stated explanations for the refinancing transaction were "very favorable interest rates, the environment, but primarily to generate capital," and the City's assurances that rates would not increase for five years. See Attachment L, Minutes of October 17, 2005 Bond Bank Board off Directors, page 4. The Department could have raised rates at the time if an emergency existed, but the Department did not feel as though it met the criteria for emergency relief because it was able to remedy its cash-flow shortage through the refinancing.

Information and Witnesses:

Information supplied by James H. Steele, John Skomp, and Kevin Taylor. Proposed witnesses at this time would include, but may not be limited to, the following: James H. Steele, John Skomp, and Kevin Taylor.

Q-30: Please provide in electronic format a copy of the "MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE DEPARTMENT OF WATERWORKS" for each month from 2005 through the most recent month.

Response: This request has been provided in electronic format as Attachment M to this data request.

Information and Witnesses:

Information supplied by James H. Steele. Proposed witnesses at this time would include, but may not be limited to, the following: James H. Steele.

Q-31: Please explain the increase in miscellaneous deferred debits on page 2 of Mr. Skomp's accounting report.

Response: The increase to the miscellaneous deferred debits is due to the posting of a \$60,146,765 deferred charge for subsidiary supported. It is to record the loss on the refunding transactions.

Information and Witnesses:

Information supplied by John Skomp. Proposed witnesses at this time would include, but may not be limited to, the following: John Skomp.

Q-32: What does the utility believe the reasons are for the lower sales revenue of water it experienced in 2008 (see page 4, lines 8-9 of the testimony of James H. Steele)?

Response: In 2008, the central Indiana experienced higher than normal rainfall, which created less demand for water to irrigate lawns and water plants. For example, 5.53 inches of rain fell in May 2008; 7.71 inches fell in June 2008; and 6.58 inches fell in July 2008. In May, June and July of 2007, a dry year, only 1.97, 2.22 and 1.93 inches fell, respectively. In May, June and July of 2006, a more normal year, 4.34, 5.63 and 3.98 inches fell, respectively. The additional rainfall in 2008 led to decreased summer pumpage. (See rainfall and pumpage chart, attached to this data request as Attachment N).

Information and Witnesses:

Information supplied by James H. Steele and John Skomp. Proposed witnesses at this time would include, but may not be limited to, the following: James H. Steele and John Skomp.

Q-33: Regarding the projects on the list in Exhibit A attached to the testimony of James H. Steele, for the projects each with a cost estimate of \$2,000,000 or greater, identify the year of completion (if finished) or the planned completion year (if not finished).

Response: A copy of the projects and their year of completion or planned completion year is attached as Attachment O to this data request.

Information and Witnesses:

Information supplied by Stéphane Jousset, James H. Steele, and Robert L. Erney. Proposed witnesses at this time would include, but may not be limited to, the following: Stéphane Jousset and James H. Steele.

Q-34: Please provide a copy of the First Amendment to the Management Agreement.

Response: A copy of the First Amendment to the Management Agreement was provided as Attachment D in response to the OUCC's Data Request # 1.

Information and Witnesses:

Information supplied by James H. Steele. Proposed witnesses at this time would include, but may not be limited to, the following: James H. Steele.

Q-35: Please explain why the Department of Waterworks amended its agreement with Veolia Water.

Response: The Department was forced to re-open its agreement with Veolia pursuant to Sections 4.09(b) and 5.02(c) of the Management Agreement. The trigger to re-open the agreement was the sale of a portion of its system to the City of Carmel.

Information and Witnesses:

Information supplied by James H. Steele. Proposed witnesses at this time would include, but may not be limited to, the following: James H. Steele.

Q-36: Please describe the benefit to the Department of amending its agreement with Veolia Water. In other words, what consideration did the Department receive?

Response: By reaching an agreement on the First Amendment with Veolia, the primary benefit that the Department received was continuity and stability in the operation of the utility. It did not have to find a new operator through rebidding of the agreement, nor did it have to undertake the operation of the utility itself. Any additional benefits or protections realized by the Department may be found in the terms of the First Amendment itself. Such benefits include, but are not limited to, the following: (1) Section II.3., modifying the Fixed Fee adjustment mechanism to more accurately reflect inflation as it relates to Veolia's actual costs; (2) Section II.5.(ii), allowing for adjustments in the Fixed Fee based on increases or decreases in Veolia's O&M costs as a result of New Major Capital or New Major Decommissioning Projects; (3) Section II.6., terminating the Ancillary Services Agreement; (4) Section II.9., clarifying the parties' obligations with respect to retiree medical benefits; and (5) Section II.11., providing for a reduction in Veolia's compensation under the First Amendment if the Department is unable to meet certain payment obligations as a result of the IURC's disallowance of any fees or expenses to be paid under the First Amendment.

Information and Witnesses:

Information supplied by James H. Steele. Proposed witnesses at this time would include, but may not be limited to, the following: James H. Steele.

Q-37: Please describe the benefit to Veolia Water of amending its agreement with the Department.

Objection: The Department objects to this data request as it is speculative in nature and calls for a conclusion which the Department is not competent to make.

Q-38: Will emergency rates be used to pay any part of the \$5 million DOW has agreed to pay Veolia Water for “past unexpected expenses?” (See II. 4. b. (ii) of the First Amendment to the Management Agreement.) Please explain.

Response: There is a payment due on September 30, 2009 of \$1,667,000. To the extent that the emergency rate increase rates and charges are put into place before September, cash from the rate increase will be used. However, the Petitioner has not included this payment within the revenue requirements of this emergency rate case. Emergency rates will generate revenue and cash flow that will be used to make the last payment in the three-year payback schedule for the \$5 Million agreed to as a part of the First Amendment.

Information and Witnesses:

Information supplied by John Skomp and James H. Steele. Proposed witnesses at this time would include, but may not be limited to, the following: John Skomp and James H. Steele.

Q-39: Prior to the First Amendment to the Management Agreement, were “meters, hydrants, valves and service taps” treated as Capital Projects or as operations and maintenance expenses?

Response: Meters, hydrants, valves and service taps were treated as contributed capital on the books of the DOW.

Information and Witnesses:

Information supplied by James H. Steele. Proposed witnesses at this time would include, but may not be limited to, the following: James H. Steele.

Q-40: Please provide a copy of the Ancillary Services Agreement referenced on page 8 of the First Amendment to the Management Agreement.

Response: A copy of the Ancillary Services Agreement has been attached to this data request as Attachment P.

Information and Witnesses:

Information supplied by James H. Steele Proposed witnesses at this time would include, but may not be limited to, the following: James H. Steele.

FROM :

FAX NO. :

Mar. 30 2009 04:42 PM

VERIFICATION

I, **Matthew T. Klein**, hereby affirm under the penalties for perjury that I am an authorized representative of the Department, and that I am authorized to make this verification. I have read the foregoing Objections and Responses to the Data Requests (the "Response") and know the contents thereof. The Response set forth herein, subject to inadvertent and undiscovered errors, is based upon information provided by others and thus may not be within my personal knowledge. The Department reserves the right to make any change in this Response if it appears at any time that omissions or errors have been made therein, and subject to the limitations set forth herein, that said Response is true to the best of his knowledge, information and belief.

Dated this 30th day of March, 2009.

THE DEPARTMENT OF WATERWORKS OF THE
CONSOLIDATED CITY OF INDIANAPOLIS

By: *Matthew T. Klein*
Matthew T. Klein
Executive Director

AS TO OBJECTIONS:

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STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION)
OF THE DEPARTMENT OF WATERWORKS)
OF THE CONSOLIDATED CITY OF)
INDIANAPOLIS, INDIANA, FOR)
AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR WATER UTILITY)
SERVICE ON BOTH EMERGENCY AND)
NON-EMERGENCY BASES, FOR)
APPROVAL OF A NEW SCHEDULE OF)
RATES AND CHARGES APPLICABLE)
THERE TO, AND FOR APPROVAL OF A)
MECHANISM TO ANNUALLY IMPLEMENT)
RATE CHANGES BASED ON THE ANNUAL)
ADJUSTMENT TO THE DEPARTMENT'S)
PAYMENTS UNDER THE MANAGEMENT)
AGREEMENT WITH VEOLIA WATER)
INDIANAPOLIS, LLC)

CAUSE NO. 43645

OBJECTIONS AND RESPONSES OF PETITIONER TO
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR'S
THIRD SET OF DATA REQUESTS

Petitioner, Department of Waterworks of the Consolidated City of Indianapolis, Indiana ("Petitioner" or "Department"), pursuant to Ind. Tr. R. 26(B), by its counsel, hereby submits the following objections and responses to the Indiana Office of Utility Consumer Counselor's Third Set of Data Requests (the "Data Requests").

GENERAL OBJECTIONS

1. Petitioner objects to the Data Requests on the basis of the attorney-client privilege, the work-product doctrine, and any public records exemptions, to the extent the Data Requests seek disclosure of documents constituting, evidencing or reflecting confidential communication between Petitioner and attorneys or documents that are otherwise protected from disclosure by the attorney-client privilege, the work-product doctrine, or public records exemptions.

2. Petitioner objects to the Data Requests to the extent the Data Requests seek the disclosure of confidential, proprietary, competitively sensitive and/or trade secret information. Petitioner has made reasonable efforts to maintain the secrecy of this information and such information derives independent economic value from not being generally known to nor readily ascertainable by proper means by others who can obtain economic value from its disclosure or use.

3. Petitioner objects to the Data Requests to the extent the Data Requests are overly broad in terms of time and/or scope in that the Data Requests seek documents or information which are neither relevant nor material to the subject matter of this Cause and which are not reasonably calculated to lead to the discovery of admissible evidence.

4. Petitioner objects to the Data Requests to the extent the Data Requests seek information outside the scope of this proceeding, and as such, the Data Requests seek information not reasonably calculated to lead to the discovery of admissible evidence.

5. Petitioner objects to the Data Requests to the extent the Data Requests seek information that is irrelevant to this proceeding and that is not calculated to lead to the discovery of admissible evidence inasmuch as this proceeding is limited to Petitioner's provision of Alternative Operator Service.

6. Petitioner objects to the Data Requests to the extent the Data Requests are vague, ambiguous or unduly burdensome and provide no basis on which Petitioner can determine what information is sought.

7. Petitioner objects to the Data Requests on the grounds and to the extent the Data Requests attempt or purport to impose upon Petitioner any obligation to respond to the Data Requests beyond those requirements imposed by the Indiana Rules of Trial Procedure or to supplement these responses except to the extent required by Indiana Trial Rule 26(E).

8. Petitioner further objects to the Data Requests on the grounds and to the extent the Data Requests seek the name(s) of the person(s) responsible for preparing the responses and concerning all documents produced as part of the responses. *United States v. National Steel Corp.*, 18 F.R.D. 599, 600 (S.D. Tex. 1960); *Hopkins Theatre, Inc. v. RKO Radio Pictures, Inc.*, 18 F.R.D. 379, 383 (S.D.N.Y. 1956); *Maple Drive-In Theatre Corp. v. Radio-Keith-Orpheum Corp.*, 23 Fed. R. Serv. 33,321, case 2 (S.D.N.Y. 1956). Subject to and without waiver of the foregoing objections, the following Responses constitute the corporate responses of Petitioner and contain information gathered from a variety of sources.

Without waiving these objections, Petitioner responds to the Data Requests in the manner set forth below.

RESPONSES

Q-41: In response to OUCC data request question 6, Petitioner provided a month by month cash flow statement for 2009. Please answer the following questions related to Petitioner's response:

a) Which months use projections and which months use actual figures?

Response: The months of January and February 2009 are actual figures and the remaining monthly figures are projections.

b) How were the monthly receipts of water sales (line 1) determined? Please provide all analysis that supports the estimated receipts of water.

Response: The monthly receipts of water sales for the months of March through December are estimated based upon the monthly receipts in 2008 (the receipts starting in July assume an increase in the rates and charges set forth in Petitioner's emergency case-in-chief filed in this Cause), a growth factor to account for possibly better sales and some growth in the actual number of customers being served.

c) Do the monthly revenues include Petitioner's proposed emergency increase?

Response: Yes.

d) What were the actual monthly receipts of water sales for 2007 and 2008?

Response: Please see Attachment Q, disc with Excel file providing the requested data.

e) Petitioner's beginning cash balance shows Less Amount Required for Reserve of \$26,409,913. What is this reserve? Please explain why this cash is reserved. Under what conditions can Petitioner spend these funds? Why is Petitioner restricting the money in this fund at this time? Is Petitioner permitted to spend these funds to help alleviate its current financial crises? Please explain any repercussions that will take place if Petitioner uses funds from its restricted reserve?

Response: The Reserve is the combination of all the Common Reserve Subaccounts which is described on page 5 of the Bond Ordinance which was provided in the workpapers. The Common Reserve Requirement, defined on page 5 of the Bond Ordinance, has been established at "fifty percent (50%) of the Combined

Maximum Annual Principal and Interest Requirements.” This cash is reserved as a requirement of the Bond Ordinance.

The conditions under which the Petitioner can spend the Reserve are described in the Bond Ordinance on pages 45 and 46 under Section 508. The Reserve can be drawn upon to transfer funds to the Bond Fund to make principal and interest payments in the case that there are insufficient funds within the Bond Fund at the time a debt service payment is required. However, such transfer would be considered a “material event” under the Continuing Disclosure Undertaking Agreement and would need to be reported to each Nationally Recognized Municipal Securities Information Repository (NRMSIR). Providing notice of a “material event” sends a signal to the market that scares investors and would make any future sale of debt more difficult and at a higher interest rate. Because the Bond Bank is the entity that issued the bonds (and does so for other agencies of the Consolidated City of Indianapolis), providing a notice to each NRMSIR would taint every bond issued through the Bond Bank, not just the Department’s debt. Accordingly, such an event would have significant negative consequences to both the Department and the Consolidated City of Indianapolis’ ability to issue additional long term debt.

- f) The cash flow statement shows that Petitioner made over \$12.9 million in debt service payments in January of 2009. Note the total “projected” debt service payments made for 2009 are over \$70 million. The \$70 million figure is far in excess of Petitioner’s annual projected debt service. Petitioner typically makes significant debt service payments in June and December. Why were payments made in January too?

Response: The beginning cash balance included funds that had been accumulated to make the January 1, 2009 payments. While these payments would normally be made in December of the previous year, the Department actually made these payments in January of 2009; therefore, a deduction needed to be shown in the month of January.

- g) Do the projected cash flows incorporate the 2009 bonds and subsequent refinancing? How would that change the projected cash flows?

Response: No. The primary purpose of the refinancings is to move the Series 2005G Bonds variable rate debt and the Series 2004A Bonds auction rate debt to a fixed rate debt and to replace the liquidity provider and insurance on the Series 2005H Bonds. Therefore, the refinancings are intended to stabilize long term debt payments rather than improve the short term cash position of the Department.

- h) What is the current status of Petitioner’s proposed refinancing?

Response: The current status of the refinancing is that approvals for both the Series 2004A Bonds and the Series 2005H Bonds are complete and both will be issued by end of May 2009. The Series 2005H Bonds could be issued by end of April 2009. As to the Series 2005G Bonds, those bonds still need approvals from Department's Board, the City-County Council, and the Bond Bank's Board. This refunding is expected to occur by end of June 2009.

Information and Witnesses:

Information supplied by John Skomp, James H. Steele, Ryan Pastorius, Hal Gurkin, Robert Erney, Deron Kintner, and Kevin Taylor. Proposed witnesses at this time would include, but may not be limited to, the following: John Skomp, James H. Steele, and Kevin Taylor.

Q-42: On page 6 of his testimony, Mr. Steele noted that the Department has approximately \$3.4 million in its System Development Charge account, but the use of those funds is restricted to increasing system capacity according to the final order in Cause No. 43056. Is the Department asking in this emergency case for permission to use these funds to meet its anticipated shortfall? Please explain.

Response: No, the Department is not asking for permission to use these funds to meet its anticipated financial shortfall. The use of those funds is restricted to increasing system capacity according to the Commission's final order in Cause No. 43056, pg. 5.

Information and Witnesses:

Information supplied by James H. Steele and Ryan Pastorius. Proposed witnesses at this time would include, but may not be limited to, the following: James H. Steele.

Q-43: Please provide any reports or analysis for determining only those capital projects needed to prevent the department's service from deteriorating? (See page 8 of Mr. Steele's testimony.)

Response: The capital projects presented in Exhibit SJ-E1 were identified through discussions between the Department and Malcolm Pirnie. No report or analysis was prepared. Every year, Veolia submits a rolling five-year capital project proposal to the Department. The 2009 proposal comprised approximately 210 capital projects. Out of these 210 projects, the Department and Malcolm Pirnie singled out the five bucket projects presented in Exhibit SJ-E1 to be funded from cash. The "bucket" designation signifies that the monies allocated under each bucket category represent a reserve for the funding of planned and unplanned (emergency) capital projects that fit the bucket category description. For each

bucket, the dollar amount was determined on the basis of historical spending and known, anticipated projects for 2009.

Information and Witnesses:

Information supplied by Robert Erney, Hal Gurkin, and Stéphane Jousset. Proposed witnesses at this time would include, but may not be limited to, the following: Stéphane Jousset.

Q-44: How have the Department's recent hires affected its Veolia's costs? (See page 8 of Mr. Steele's testimony.)

Objection: To the extent that this question asks whether the Department's recent hires have affected Veolia's costs, the Department objects to this data request as it is speculative and calls for a conclusion that the Department is not competent to make.

Response: The Department has a fixed-rate contract for Veolia's services. Therefore, the Department's recent hires will not affect the Department's Veolia costs.

To the extent that this question asks whether the Department's recent hires affect Veolia's costs, the Department is unable to answer that question on behalf of Veolia.

Information and Witnesses:

Information supplied by James H. Steele and Ryan Pastorius. Proposed witnesses at this time would include, but may not be limited to, the following: James H. Steele.

Q-45: For purpose of stating that it does not have sufficient funds to meet its operating expenses, is DOW considering its approximately \$26 million of debt service reserve. Please explain.

Response: Please see the response to Question 41E.

Information and Witnesses:

Information supplied by John Skomp, Kevin Taylor, and Deron Kintner. Proposed witnesses at this time would include, but may not be limited to, the following: John Skomp and Kevin Taylor.

Q-46: Even with the proposed emergency increase, DOW projects a cash deficit in excess of \$9 million. What funds will the department access to the extent it does not have sufficient funds to meet its operating expenses?

Response: The Bond Bank has made inquiries to local banks to determine the possibility of acquiring short term financing to bridge the projected deficit.

Information and Witnesses:

Information supplied by Kevin Taylor, John Skomp, Ryan Pastorius and Robert Erney. Proposed witnesses at this time would include, but may not be limited to, the following: John Skomp and Kevin Taylor.

Q-47: Explain the current process of how the DOW issues its debt? Who advises the DOW on what kind of debt to issue? Who makes the final decision?

Response: See Attachment L to DOW's response to OUCC's Second Data Request.

The Department's debt issuance process is comprised of two essential components: the advisory process and the formal approval process. During the advisory process, the Department primarily relies on the advice of the Bond Bank, including the Bond Bank's underwriters and financial advisors, for market information and to determine the optimal debt issuance structure, and on the advice of bond counsel with respect to legal structure.

To issue debt, the Department must obtain the approval of the Board of Waterworks and the City-County Council, and the Bond Bank's Board must approve the purchase of the Department's bonds. First, the Board of Waterworks approves a preliminary supplemental bond resolution, which establishes the parameters of the transaction terms, such as the principal and interest amounts of the issuance. The City-County Council approves the issuance of the Department's bonds. The Department then presents the appropriate resolutions and related bond documents to the Board of Waterworks. The Board of Waterworks adopts the final terms of the supplemental bond resolution and the form of the bond documents. The Bond Bank's Board approves the purchase of the Department's bonds and the issuance of the Bond Bank's bonds to be issued for the purposes of purchasing the Board of Waterworks' bonds. The final approvals generally occur around the same time, but do not have to follow a particular order.

Information and Witnesses:

Information supplied by Kevin Taylor and James H. Steele. Proposed witnesses at this time would include, but may not be limited to, the following: Kevin Taylor and James H. Steele.

Q-48: At the time the DOW issued its variable rate debts at issue in this case, what was the process of how the DOW determined what debt it would issue? Who advised the DOW on what kind of debt to issue? Who made the final decision?

Response: See Attachment L to DOW's response to OUCC's Second Data Request.

The debt issuance process identified in Q-47 would have been the same process utilized by the Department in 2004 and 2005 when it issued its variable rate debts. The variable rate debts received final approvals on the dates as follows:

Board of Waterworks:	February 26, 2004 October 20, 2005
Bond Bank Board:	March 22, 2004 October 17, 2005
City-County Council:	January 26, 2004 October 10, 2005

The minutes from the Board of Waterworks and City-County Council meetings approving the Department's variable rate debt issuances are attached as Attachment R.

Information and Witnesses:

Information supplied by Kevin Taylor and James H. Steele. Proposed witnesses at this time would include, but may not be limited to, the following: Kevin Taylor and James H. Steele.

Q-49: Please provide any report or other written communication advising the DOW whether to issue variable rate debt or enter into a swap agreement.

Response: See Attachment L to DOW's response to OUCC's Second Data Request.

Information and Witnesses:

Information supplied by Kevin Taylor and James H. Steele. Proposed witnesses at this time would include, but may not be limited to, the following: Kevin Taylor and James H. Steele.

Q-50: What is the current status of DOW's refinancing plans? How does any change affect the level of emergency rate relief requested? Will DOW be revising its emergency case-in-chief? If so, when.

Response: The current refinancing plans do not affect the level of emergency rate relief requested. The Department does not plan on revising its emergency case-in-chief at this time. Also, please see DOW's response to OUCC Question 27.

Information and Witnesses:

Information supplied by John Skomp, Ryan Pastorius and Robert Erney. Proposed witnesses at this time would include, but may not be limited to, the following: John Skomp.

VERIFICATION

I, Matthew T. Klein, hereby affirm under the penalties for perjury that I am an authorized representative of the Department, and that I am authorized to make this verification. I have read the foregoing Objections and Responses to the Data Requests (the "Response") and know the contents thereof. The Response set forth herein, subject to inadvertent and undiscovered errors, is based upon information provided by others and thus may not be within my personal knowledge. The Department reserves the right to make any change in this Response if it appears at any time that omissions or errors have been made therein, and subject to the limitations set forth herein, that said Response is true to the best of his knowledge, information and belief.

Dated this 6th day of April, 2009.

THE DEPARTMENT OF WATERWORKS OF
THE CONSOLIDATED CITY OF
INDIANAPOLIS

By: Matthew T. Klein
Matthew T. Klein
Executive Director

AS TO OBJECTIONS:

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STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION)	
OF THE DEPARTMENT OF WATERWORKS)	
OF THE CONSOLIDATED CITY OF)	
INDIANAPOLIS, INDIANA, FOR)	
AUTHORITY TO INCREASE ITS RATES)	
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SERVICE ON BOTH EMERGENCY AND)	
NON-EMERGENCY BASES, FOR)	CAUSE NO. 43645
APPROVAL OF A NEW SCHEDULE OF)	
RATES AND CHARGES APPLICABLE)	
THERE TO, AND FOR APPROVAL OF A)	
MECHANISM TO ANNUALLY IMPLEMENT)	
RATE CHANGES BASED ON THE ANNUAL)	
ADJUSTMENT TO THE DEPARTMENT'S)	
PAYMENTS UNDER THE MANAGEMENT)	
AGREEMENT WITH VEOLIA WATER)	
INDIANAPOLIS, LLC)	

**OBJECTIONS AND RESPONSES OF PETITIONER TO
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR'S
FOURTH SET OF DATA REQUESTS**

Petitioner, Department of Waterworks of the Consolidated City of Indianapolis, Indiana ("Petitioner" or "Department"), pursuant to Ind. Tr. R. 26(B), by its counsel, hereby submits the following objections and responses to the Indiana Office of Utility Consumer Counselor's Fourth Set of Data Requests (the "Data Requests").

GENERAL OBJECTIONS

1. Petitioner objects to the Data Requests on the basis of the attorney-client privilege, the work-product doctrine, and any public records exemptions, to the extent the Data Requests seek disclosure of documents constituting, evidencing or reflecting confidential communication between Petitioner and attorneys or documents that are otherwise protected from disclosure by the attorney-client privilege, the work-product doctrine, or public records exemptions.
2. Petitioner objects to the Data Requests to the extent the Data Requests seek the disclosure of confidential, proprietary, competitively sensitive and/or trade secret information. Petitioner has made reasonable efforts to maintain the secrecy of this information and such information derives independent economic value from not being generally known to nor readily ascertainable by proper means by others who can obtain economic value from its disclosure or use.

3. Petitioner objects to the Data Requests to the extent the Data Requests are overly broad in terms of time and/or scope in that the Data Requests seek documents or information which are neither relevant nor material to the subject matter of this Cause and which are not reasonably calculated to lead to the discovery of admissible evidence.

4. Petitioner objects to the Data Requests to the extent the Data Requests seek information outside the scope of this proceeding, and as such, the Data Requests seek information not reasonably calculated to lead to the discovery of admissible evidence.

5. Petitioner objects to the Data Requests to the extent the Data Requests seek information that is irrelevant to this proceeding and that is not calculated to lead to the discovery of admissible evidence inasmuch as this proceeding is limited to Petitioner's provision of Alternative Operator Service.

6. Petitioner objects to the Data Requests to the extent the Data Requests are vague, ambiguous or unduly burdensome and provide no basis on which Petitioner can determine what information is sought.

7. Petitioner objects to the Data Requests on the grounds and to the extent the Data Requests attempt or purport to impose upon Petitioner any obligation to respond to the Data Requests beyond those requirements imposed by the Indiana Rules of Trial Procedure or to supplement these responses except to the extent required by Indiana Trial Rule 26(E).

8. Petitioner further objects to the Data Requests on the grounds and to the extent the Data Requests seek the name(s) of the person(s) responsible for preparing the responses and concerning all documents produced as part of the responses. *United States v. National Steel Corp.*, 18 F.R.D. 599, 600 (S.D. Tex. 1960); *Hopkins Theatre, Inc. v. RKO Radio Pictures, Inc.*, 18 F.R.D. 379, 383 (S.D.N.Y. 1956); *Maple Drive-In Theatre Corp. v. Radio-Keith-Orpheum Corp.*, 23 Fed. R. Serv. 33,321, case 2 (S.D.N.Y. 1956). Subject to and without waiver of the foregoing objections, the following Responses constitute the corporate responses of Petitioner and contain information gathered from a variety of sources.

Without waiving these objections, Petitioner responds to the Data Requests in the manner set forth below.

RESPONSES

Q-51: In data request question 28 the OUCC asked the following question:

Q-28 On page 8 of his testimony Mr. Taylor asserts that “the failed auction rate is generally set by the indenture’s formula factor for A-rated MBIA of 2.5 times the 30-day Libor.” (emphasis added). Please explain what Mr. Taylor means by the term “generally”? Under what circumstances is the formula used? Under what circumstances is the formula not used? Since LIBOR has decreased to historic lows (page 7 lines 16-17) why have the rates on the ABS debt increased?

Petitioner gave the following response

Response: The term “generally” in this context refers to auction rate securities in general. With respect to the 2004A Bonds specifically, this is in fact how the failed auction rate is always set. Because the failed auction rate is based off a one-month LIBOR, any reduction in LIBOR will lead to a reduction in the failed auction rate.

Petitioner’s response failed to address:

Objection: The OUCC’s question mischaracterizes the previously submitted data request of Petitioner. Petitioner does not admit that it failed to address any portion of the question.

a) Under what circumstances is the formula used?

Response: The formula is used when there are no bids received on the ARS containing an interest rate that is less than the Maximum Auction Rate (which is 12%). This is referred to as a failed auction.

b) Under what circumstances is the formula not used?

Response: The formula is not used when bids received on the Series 2004A Bonds contain an interest rate that is less than the Maximum Auction Rate.

c) Since LIBOR has decreased to historic lows (page 7 lines 16-17) why have the rates on the ABS debt increased?

Response: The rates on the ARS debt have decreased as LIBOR has decreased. However, before LIBOR decreased to historic lows, the ARS debt rates were significantly higher and were as high as 9.3% in 2008.

Please provide an answer to these questions as well as the following additional questions related to Petitioner's response.

d) What is the precise formula used?

Response: The Auction Rate is set as follows:

On each Auction Date (every 5th Monday), the Auction Agent (Wilmington Trust Company) collects bids and orders from existing owners and potential owners of bonds which bids specify, in short, the amount of bonds which will be subject to sale in the auction process.

If there are sufficient bids submitted for the amount of bonds subject to sale that specify one or more rates not higher than the Maximum Auction Rate, the Auction Agent selects the lowest rate specified in any submitted bid which would be applicable to all bonds subject to sale.

If there are not sufficient bids specifying a rate not higher than the Maximum Auction Rate, which would be applicable to all bonds subject to sale, the Auction Rate becomes the Maximum Auction Rate. The Maximum Auction Rate is calculated by multiplying (1) the greater of LIBOR or the 30 day "AA" Financial Composite Commercial Paper Rate on the Auction Date by (2) a percentage based on the rating of the bonds (i.e. "AAA" rating corresponds with 175%, "AA" with 200%). Currently, the percentage multiplier used is 250%, which corresponds to the current "A" rating category for MBIA, the bond insurer on the ARS. The Maximum Auction Rate may not exceed 12% (or the maximum permitted by law).

e) How often is the formula used?

Response: The formula is used as often as there is a failed auction.

f) How often is the formula not used?

Response: The formula is not used so long as there are no failed auctions.

g) Why hasn't the reduction in LIBOR lead to a lower failed auction rate as described in Petitioner's response?

Response: The reduction in LIBOR has lead to a lower failed auction rate. The most current auction rate is 1.305%. However, as stated in Q-51(c), the auction rate was as

high as 9.3% in 2008. As long as the ARS debt remains outstanding, the Petitioner is subject to fluctuations in this interest rate.

- h) What specific factors are used to set the indenture's formula factor?

Response: Please see the response to Question 51(d).

Information and Witnesses:

Information supplied by Kevin Taylor. Proposed witnesses at this time would include, but may not be limited to, the following: Kevin Taylor.

Q-52: In response to OUCC data request question 29, Petitioner stated as follows:

The 2005 refinancing plan also included the refunding of a significant portion of the Series 2002A bonds with the issuance of the Series 2005G VRDB in the principal amount of \$388,100,000. This resulted in a net present value savings of \$45,160,349.

- a) Please provide a copy of the analysis relied on by Petitioner to calculate the net present value savings of \$45,160,349.
- b) Please provide your answer in Excel format if possible.

Response: A copy of the analysis has been attached to this response as Attachment S.

Information and Witnesses:

Information supplied by James H. Steele, John Skomp, and Kevin Taylor. Proposed witnesses at this time would include, but may not be limited to, the following: James H. Steele, John Skomp, and Kevin Taylor.

VERIFICATION

I, Matthew T. Klein, hereby affirm under the penalties for perjury that I am an authorized representative of the Department, and that I am authorized to make this verification. I have read the foregoing Objections and Responses to the Data Requests (the "Response") and know the contents thereof. The Response set forth herein, subject to inadvertent and undiscovered errors, is based upon information provided by others and thus may not be within my personal knowledge. The Department reserves the right to make any change in this Response if it appears at any time that omissions or errors have been made therein, and subject to the limitations set forth herein, that said Response is true to the best of his knowledge, information and belief.

Dated this 9th day of April, 2009.

THE DEPARTMENT OF WATERWORKS OF THE
CONSOLIDATED CITY OF INDIANAPOLIS

By: _____

Matthew T. Klein
Executive Director

AS TO OBJECTIONS:

David T. McGimpsey

David T. McGimpsey (21015-49)
Brian W. Welch (1556-49)
Casey M. Holsapple (27165-49)
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10 West Market Street
Indianapolis, IN 46204
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Lauren R. Toppen (23778-49)
General Counsel
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Consolidated City of Indianapolis
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(317) 327-3968 - facsimile

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION)
OF THE DEPARTMENT OF WATERWORKS)
OF THE CONSOLIDATED CITY OF)
INDIANAPOLIS, INDIANA, FOR)
AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR WATER UTILITY)
SERVICE ON BOTH EMERGENCY AND)
NON-EMERGENCY BASES, FOR) CAUSE NO. 43645
APPROVAL OF A NEW SCHEDULE OF)
RATES AND CHARGES APPLICABLE)
THERETO, AND FOR APPROVAL OF A)
MECHANISM TO ANNUALLY IMPLEMENT)
RATE CHANGES BASED ON THE ANNUAL)
ADJUSTMENT TO THE DEPARTMENT'S)
PAYMENTS UNDER THE MANAGEMENT)
AGREEMENT WITH VEOLIA WATER)
INDIANAPOLIS, LLC)

**OBJECTIONS AND RESPONSES OF PETITIONER TO
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR'S
FIFTH SET OF DATA REQUESTS**

Petitioner, Department of Waterworks of the Consolidated City of Indianapolis, Indiana ("Petitioner" or "Department"), pursuant to Ind. Tr. R. 26(B), by its counsel, hereby submits the following objections and responses to the Indiana Office of Utility Consumer Counselor's Fifth Set of Data Requests (the "Data Requests").

GENERAL OBJECTIONS

1. Petitioner objects to the Data Requests on the basis of the attorney-client privilege, the work-product doctrine, and any public records exemptions, to the extent the Data Requests seek disclosure of documents constituting, evidencing or reflecting confidential communication between Petitioner and attorneys or documents that are otherwise protected from disclosure by the attorney-client privilege, the work-product doctrine, or public records exemptions.

2. Petitioner objects to the Data Requests to the extent the Data Requests seek the disclosure of confidential, proprietary, competitively sensitive and/or trade secret information. Petitioner has made reasonable efforts to maintain the secrecy of this information and such information derives independent economic value from not being generally known to nor readily ascertainable by proper means by others who can obtain economic value from its disclosure or use.

APR 13 PM 4:00

3. Petitioner objects to the Data Requests to the extent the Data Requests are overly broad in terms of time and/or scope in that the Data Requests seek documents or information which are neither relevant nor material to the subject matter of this Cause and which are not reasonably calculated to lead to the discovery of admissible evidence.

4. Petitioner objects to the Data Requests to the extent the Data Requests seek information outside the scope of this proceeding, and as such, the Data Requests seek information not reasonably calculated to lead to the discovery of admissible evidence.

5. Petitioner objects to the Data Requests to the extent the Data Requests seek information that is irrelevant to this proceeding and that is not calculated to lead to the discovery of admissible evidence inasmuch as this proceeding is limited to Petitioner's provision of Alternative Operator Service.

6. Petitioner objects to the Data Requests to the extent the Data Requests are vague, ambiguous or unduly burdensome and provide no basis on which Petitioner can determine what information is sought.

7. Petitioner objects to the Data Requests on the grounds and to the extent the Data Requests attempt or purport to impose upon Petitioner any obligation to respond to the Data Requests beyond those requirements imposed by the Indiana Rules of Trial Procedure or to supplement these responses except to the extent required by Indiana Trial Rule 26(E).

8. Petitioner further objects to the Data Requests on the grounds and to the extent the Data Requests seek the name(s) of the person(s) responsible for preparing the responses and concerning all documents produced as part of the responses. *United States v. National Steel Corp.*, 18 F.R.D. 599, 600 (S.D. Tex. 1960); *Hopkins Theatre, Inc. v. RKO Radio Pictures, Inc.*, 18 F.R.D. 379, 383 (S.D.N.Y. 1956); *Maple Drive-In Theatre Corp. v. Radio-Keith-Orpheum Corp.*, 23 Fed. R. Serv. 33,321, case 2 (S.D.N.Y. 1956). Subject to and without waiver of the foregoing objections, the following Responses constitute the corporate responses of Petitioner and contain information gathered from a variety of sources.

Without waiving these objections, Petitioner responds to the Data Requests in the manner set forth below.

RESPONSES

Q-53: Please provide documentation and support for the \$588,000 purchase agreement and remarketing fees shown on the Statement of Revenue Requirement (page 19 of filing and referred to in note A).

Response: Please see response to Question 7 of Petitioner's Submission of Responses to Docket Entry Questions filed with the Commission on April 3, 2009.

Information and Witnesses:

Information supplied by Jennifer Wilson and John R. Skomp. Proposed witnesses at this time would include, but may not be limited to, the following: John R. Skomp.

Q-54: Please provide documentation and support for the \$2,400,000 in system development charges shown on the Statement of Revenue Requirement (page 19 of Petitioner's filing and referred to in note C).

Response: System development charges are estimated to be approximately \$200,000 per month. This is a reduction from the 2008 average of \$258,000 per month. The estimated monthly system development charges were reduced to \$200,000 because of the dramatic decrease to less than \$120,000 in January of 2009. The average monthly system development charges for the first quarter of 2009 have been \$188,400.

Information and Witnesses:

Information supplied by Jennifer Wilson and John R. Skomp. Proposed witnesses at this time would include, but may not be limited to, the following: John R. Skomp.

Q-55: Please provide an explanation of the \$1,800,000 in Carmel Water Repayment of Note found on page 19 of Petitioner's filing.

Response: As a part of the sale of assets in Clay Township to the City of Carmel, equal payments of \$900,000 are to be made every six months for nineteen years to compensate the Department of Waterworks for the value of the assets sold.

Information and Witnesses:

Information supplied by Robert L. Erney. Proposed witnesses at this time would include, but may not be limited to, the following: James H. Steele and John Skomp.

Q-56: Please provide a detailed explanation of the calculation of the estimated 5% increase in the Veolia Contract in 2009 referred to in Adjustment One on Schedule C-1. (Page 18 of

Petitioner's Rate and Financing Report). Included in this explanation should be detailed calculations and supporting references to the materials provided in Petitioner's response to the IURC's March 31, 2009 docket entry. (responded to on April 3, 2009).

Response: Details for this calculation have not been prepared. Please see the response to Q-8(b) of the OUCC Data Request Set #1 for the basis of the five percent (5%) estimate.

Information and Witnesses:

Information supplied by Jennifer Wilson and John R. Skomp. Proposed witnesses at this time would include, but may not be limited to, the following: John R. Skomp.

VERIFICATION

I, Matthew T. Klein, hereby affirm under the penalties for perjury that I am an authorized representative of the Department, and that I am authorized to make this verification. I have read the foregoing Objections and Responses to the Data Requests (the "Response") and know the contents thereof. The Response set forth herein, subject to inadvertent and undiscovered errors, is based upon information provided by others and thus may not be within my personal knowledge. The Department reserves the right to make any change in this Response if it appears at any time that omissions or errors have been made therein, and subject to the limitations set forth herein, that said Response is true to the best of his knowledge, information and belief.

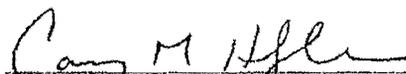
Dated this 19th day of April, 2009.

THE DEPARTMENT OF WATERWORKS OF THE
CONSOLIDATED CITY OF INDIANAPOLIS

By: 
Matthew T. Klein
Executive Director

AS TO OBJECTIONS:

Lauren R. Toppen (23778-49)
General Counsel
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Consolidated City of Indianapolis
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1387267/19530.85003

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION)
OF THE DEPARTMENT OF WATERWORKS)
OF THE CONSOLIDATED CITY OF)
INDIANAPOLIS, INDIANA, FOR)
AUTHORITY TO INCREASE ITS RATES)
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SERVICE ON BOTH EMERGENCY AND)
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APPROVAL OF A NEW SCHEDULE OF)
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RATE CHANGES BASED ON THE ANNUAL)
ADJUSTMENT TO THE DEPARTMENT'S)
PAYMENTS UNDER THE MANAGEMENT)
AGREEMENT WITH VEOLIA WATER)
INDIANAPOLIS, LLC)

**OBJECTIONS AND RESPONSES OF PETITIONER TO
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR'S
SIXTH SET OF DATA REQUESTS**

Petitioner, Department of Waterworks of the Consolidated City of Indianapolis, Indiana ("Petitioner" or "Department"), pursuant to Ind. Tr. R. 26(B), by its counsel, hereby submits the following objections and responses to the Indiana Office of Utility Consumer Counselor's Sixth Set of Data Requests (the "Data Requests").

GENERAL OBJECTIONS

1. Petitioner objects to the Data Requests on the basis of the attorney-client privilege, the work-product doctrine, and any public records exemptions, to the extent the Data Requests seek disclosure of documents constituting, evidencing or reflecting confidential communication between Petitioner and attorneys or documents that are otherwise protected from disclosure by the attorney-client privilege, the work-product doctrine, or public records exemptions.

2. Petitioner objects to the Data Requests to the extent the Data Requests seek the disclosure of confidential, proprietary, competitively sensitive and/or trade secret information. Petitioner has made reasonable efforts to maintain the secrecy of this information and such information derives independent economic value from not being generally known to nor readily ascertainable by proper means by others who can obtain economic value from its disclosure or use.

3. Petitioner objects to the Data Requests to the extent the Data Requests are overly broad in terms of time and/or scope in that the Data Requests seek documents or information which are neither relevant nor material to the subject matter of this Cause and which are not reasonably calculated to lead to the discovery of admissible evidence.

4. Petitioner objects to the Data Requests to the extent the Data Requests seek information outside the scope of this proceeding, and as such, the Data Requests seek information not reasonably calculated to lead to the discovery of admissible evidence.

5. Petitioner objects to the Data Requests to the extent the Data Requests seek information that is irrelevant to this proceeding and that is not calculated to lead to the discovery of admissible evidence.

6. Petitioner objects to the Data Requests to the extent the Data Requests are vague, ambiguous or unduly burdensome and provide no basis on which Petitioner can determine what information is sought.

7. Petitioner objects to the Data Requests on the grounds and to the extent the Data Requests attempt or purport to impose upon Petitioner any obligation to respond to the Data Requests beyond those requirements imposed by the Indiana Rules of Trial Procedure or to supplement these responses except to the extent required by Indiana Trial Rule 26(E).

8. Petitioner further objects to the Data Requests on the grounds and to the extent the Data Requests seek the name(s) of the person(s) responsible for preparing the responses and concerning all documents produced as part of the responses. *United States v. National Steel Corp.*, 18 F.R.D. 599, 600 (S.D. Tex. 1960); *Hopkins Theatre, Inc. v. RKO Radio Pictures, Inc.*, 18 F.R.D. 379, 383 (S.D.N.Y. 1956); *Maple Drive-In Theatre Corp. v. Radio-Keith-Orpheum Corp.*, 23 Fed. R. Serv. 33.321, case 2 (S.D.N.Y. 1956). Subject to and without waiver of the foregoing objections, the following Responses constitute the corporate responses of Petitioner and contain information gathered from a variety of sources.

Without waiving these objections, Petitioner responds to the Data Requests in the manner set forth below.

RESPONSES

Q-57: Please provide a listing of those specific projects from the scheduled 2009 Capital Projects that were deemed essential as well as those not designated as such.

Response: Objection. Question 57 is vague and ambiguous in that it fails to clearly state whether it refers to projects which are revenue-funded, projects which are bond-funded, or both. Subject to and without waiving this objection, the Department responds as follows:

<u>Project Name</u>	<u>Project Type</u>
Arlington Pumping Station: Replace Switchgear & Piping Change Order	Essential
Electrical Grounding of Facilities	Essential
Fall Creek Low Head Dam and 4 mgd WWTP Engineering Design	Essential
Fall Creek WTP Regulatory Upgrades: Preliminary Engineering	Essential
Fall Creek WTP: Upgrade Filter Controls	Essential
Fall Creek WTP: Upgrade Two (2) Filters	Essential
Geist Dam: Restoration of Erosion Wave Protection Blocks	Essential
Geist Dam: Upgrade Outlet Control Valves	Essential
Harding Station: Aerolator Rehabilitation	Essential
Indianapolis Canal: Repair Levee	Essential
New Palestine Bleeder Valve Construction	Essential
Repair Chemical Storage Tanks including Feed and Bulk Fill Piping	Essential
Riverside Pumping Station: Pump Renovations	Essential
TW Moses WTP: Facility and Regulatory Upgrades (Design & Construction)	Essential
TW Moses WTP: Filter Turbidimeter	Essential
White River North WTP: Regulatory Upgrades: Preliminary Engineering	Essential
White River North WTP: Upgrade Flocculator Shafts	Essential
White River WTP: Sanitary Lift Station Design and Construction	Essential
White River WTP: Replace Sludge Collection System Basins 4 & 5	Essential
Amrnonia Detectors (Various)	Essential
Asbestos, Mercury, & Lead Paint Removal for Maintenance Projects (Bucket)	Essential
Easements (Bucket)	Essential
Meters, Valves & Hydrants Replacement (Bucket)	Essential
Plant Facility Refurbishments (Bucket)	Essential
Safety and Security (Bucket)	Essential
Tank Safety Upgrades (Various): Comply with Tank Safety Requirements	Essential
Underground Infrastructure Relocations (E- and F-Jobs)	Essential
Dan Jones Road South of Cardinal Street Reinforcement Main	Essential
Dan Jones Road North of Cardinal Street Reinforcement Main	Essential
County Road 300: Michigan Road to End of Main Reinforcement Main	Essential
Lindley Avenue: Howard Street North to End of Main Main Replacement	Essential
Hanna Avenue: Otterbein Avenue to Matthews Avenue Main Replacement	Essential
Automated Meter Reading (AMR) System: Installation for Targeted Accounts	Non-Essential
Terry Tank Pumping Station Design and Construction	Non-Essential
Town of Lizton: Participation Toward Construction of Water Distribution System	Non-Essential

Well Repairs included in Ortman Inspection Report	Non-Essential
White River Intake: Engineering for 60% Contract Documents	Non-Essential
Aggregate Barn Replacement	Non-Essential
Fall Creek WTP: Replace Valve on No. 5 Low-Lift Pump	Non-Essential
Geist Tank Refurbishment (Recoat Boat Heads)	Non-Essential
Preliminary Engineering Cost Sharing with VWI (Bucket)	Non-Essential
Underground Infrastructure Area Rate Main Extensions (L-Jobs)	Non-Essential
White River WTP: Paint Washwater Tank	Non-Essential

Information and Witnesses:

Information supplied by Robert Erney and Stephane Jousset. Proposed witnesses at this time would include, but may not be limited to, the following: Stephane Jousset.

Q-58: What does the utility believe the reasons are for the lower sales revenue of water it experienced in 2008 (see page 4, lines 8-9 of the testimony of James H. Steele)?

Response: Objection. Question 58 has been asked and answered in that it is identical to Question 32 of the OUCC's Data Request Set No. 2. Subject to and without waiving this objection, please see the Department's response to Question 32.

Information and Witnesses:

Information supplied by James Steele and John Skomp. Proposed witnesses at this time would include, but may not be limited to, the following: James Steele and John Skomp.

Q-59: Regarding the projects on the list in Exhibit A attached to the testimony of James H. Steele, for the projects each with a cost estimate of \$2,000,000 or greater, identify the year of completion (if finished) or the planned completion year (if not finished).

Response: Objection. Question 59 has been asked and answered in that it is identical to Question 33 of the OUCC's Data Request Set No. 2. Subject to and without waiving this objection, please see the Department's response to Question 33.

Information and Witnesses:

Information supplied by Stephane Jousset, James Steele, and Robert Erney. Proposed witnesses at this time would include, but may not be limited to, the following: Stephane Jousset and James Steele.

Q-60: Please answer the following questions related to Petitioner's Series 2005 G Bonds (please provide your response in Excel format):

- a) How many failed auctions has the DOW had with its Series 2005 G Bonds?
- b) What was the date of each failed auction?
- c) For each week since the Series 2005 G Bond's initial issuance up to the most recent payment, what was the interest rate paid on the 2005 Series G bonds?

Response:

- a) None. The Series 2005G Bonds are variable rate demand bonds; as such, their interest rates are not determined by auction.
- b) Not applicable. See response to Question 60a.
- c) See "Attachment OUCC-Q60, 61, and 62," disc with Excel file labeled "2005G and 2005H.xls," worksheet labeled "2005G."

Information and Witnesses:

Information supplied by Jennifer Wilson and John R. Skomp. Proposed witnesses at this time would include, but may not be limited to, the following: John R. Skomp.

Q-61: Please answer the following questions related to Petitioner's Series 2005 H Bonds (please provide your response in Excel format):

- a) How many failed auctions has the DOW had with its Series 2005 H bonds?
- b) What was the date of each failed auction?
- c) For each week since the Series 2005 H Bond's initial issuance up to the most recent payment, what was the interest rate paid on the 2005 Series H bonds?

Response:

- a) None. The Series 2005H Bonds are variable rate demand bonds; as such, their interest rates are not determined by auction.
- b) Not applicable. See response to Question 61a.
- c) See "Attachment OUCC-Q60, 61, and 62," disc with Excel file labeled "2005G and 2005H.xls," worksheet labeled "2005H."

Information and Witnesses:

Information supplied by Jennifer Wilson and John R. Skomp. Proposed witnesses at this time would include, but may not be limited to, the following: John R. Skomp.

Q-62: Please answer the following questions related to Petitioner's Series 2004 A Bonds (please provide your response in Excel format):

- a) How many failed auctions has the DOW had with its Series 2004 A bonds?
- b) What was the date of each failed auction?
- c) For each month (period) since the Series 2004 A Bond's initial issuance up to the most recent payment, what was the interest rate paid on the 2004 Series A bonds?

Response: a) 12.

- b) 3/3/2008
4/7/2008
5/12/2008
6/16/2008
7/21/2008
8/26/2008
9/29/2008
11/3/2008
12/8/2008
1/12/2009
2/13/2009
3/23/2009

c) See "Attachment OUCC-Q60, 61, and 62," disc with Excel file labeled "2004A Final.xls."

Information and Witnesses:

Information supplied by Jennifer Wilson and John R. Skomp. Proposed witnesses at this time would include, but may not be limited to, the following: John R. Skomp.

FROM :

FAX NO. :

Apr. 21 2009 04:46 PM

VERIFICATION

I, Matthew T. Klein, hereby affirm under the penalties for perjury that I am an authorized representative of the Department, and that I am authorized to make this verification. I have read the foregoing Objections and Responses to the Data Requests (the "Response") and know the contents thereof. The Response set forth herein, subject to inadvertent and undiscovered errors, is based upon information provided by others and thus may not be within my personal knowledge. The Department reserves the right to make any change in this Response if it appears at any time that omissions or errors have been made therein, and subject to the limitations set forth herein, that said Response is true to the best of his knowledge, information and belief.

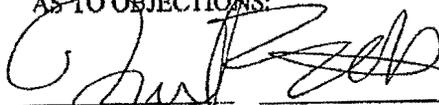
Dated this 21st day of April, 2009.

THE DEPARTMENT OF WATERWORKS OF THE
CONSOLIDATED CITY OF INDIANAPOLIS

By: 
Matthew T. Klein
Executive Director

Lauren R. Toppen (23778-49)
General Counsel
Department of Waterworks of the
Consolidated City of Indianapolis
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Indianapolis, IN 46202
(317) 263-6387
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AS TO OBJECTIONS:


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