

Schedule B-2
Adjustments to Test Year Rate Base

TOTAL ADJUSTMENTS
TEST YEAR ENDED JUNE 30, 2006
(\$000)

Line No.	Description	(1)	(2)	(3)
		Pro Forma Adjustments (A) (a)	Arkansas Jurisdiction Pro Forma Adjustments (1)	Adjustment No.
	Gross Utility Plant in Service			
1	Production	237,048		#5,14,20
2	Transmission	30,725		#14,20
3	Distribution	64,162		#14
4	General	4,756		#2,14
5	Intangible	66,461		#2,14,21
6	Total Gross Utility Plant in Service	403,151		#2,5,14,20,21
	Accumulated Depreciation and Amortization			
7	Production	(81,837)		#2,5,14
8	Transmission	(16,888)		#2,14
9	Distribution	(72,521)		#14
10	General	1,777		#2,14
11	Intangible	(30,851)		#2,14
12	Total Accumulated Depr and Amortization	(200,320)		#2,5,14
13	Net Plant in Service	202,831		#2,5,14,20,21
14	Plant Held for Future Use	-		
15	Construction Work in Progress	-		
16	Working Capital Assets	323,598		#10
17	Fuel Inventory	(844)		#3
18	Materials & Supplies	2,147		#20
19	Prepayments	0		
20	Investment in System Fuels, Inc.	11,001		#4
21	Total Rate Base Adjustments	538,733		#2,3,4,5,10,14,20,21

Numbers may not add or tie to other schedules due to rounding.

Note (1): Adjustments are not on an Arkansas jurisdictional basis. This schedule is filed in accordance with General Requirement 2.

Supporting Schedules

(a) Workpaper pages RBS 1-1 through RBS 1-4

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ADJUSTMENT 2 - RECLASSIFICATION
TEST YEAR ENDED JUNE 30, 2006
(\$000)

Adjustment to Rate Base & Expenses associated with eliminating the co-owners' share of North Antelope Coal Mining equipment, accumulated depreciation associated with Plant Held for Future Use, and reclassifying ISES Synchronization.

Line No.	Description	(1) Pro Forma Adjustments (A)	(2) Arkansas Jurisdiction Pro Forma Adjustments (1)
		(a)	
	Gross Utility Plant in Service		
1	Production	0	
2	Transmission	0	
3	Distribution	0	
4	General	(2,485)	
5	Intangible	12,231	
6	Total Gross Utility Plant in Service	9,745	
	Accumulated Depreciation and Amortization		
7	Production	11	
8	Transmission	(376)	
9	Distribution	0	
10	General	2,573	
11	Intangible	(9,303)	
12	Total Accumulated Depreciation and Amortization	(7,094)	
13	Net Plant in Service	2,651	
14	Plant Held for Future Use	-	
15	Construction Work in Progress	-	
16	Working Capital Assets	0	
17	Fuel Inventory	0	
18	Materials & Supplies	0	
19	Prepayments	0	
20	Investment in System Fuels, Inc.	0	
21	Total Rate Base Adjustments	2,651	
	Numbers may not add or tie to other schedules due to rounding.		

Note (1): Adjustments are not on an Arkansas jurisdictional basis. This schedule is filed in accordance with General Requirement 2.

Supporting Schedules
(a) Workpaper pages AJ 2-1 through AJ 2-7

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ADJUSTMENT 3 - FUEL INVENTORY
TEST YEAR ENDED JUNE 30, 2006
(\$000)

To adjust coal fuel inventory to a 45 day burn level.

Line No.	Description	(1) Pro Forma Adjustments (A) (a)	(2) Arkansas Jurisdiction Pro Forma Adjustments (1)
	Gross Utility Plant in Service		
1	Production	0	
2	Transmission	0	
3	Distribution	0	
4	General	0	
5	Intangible	0	
6	Total Gross Utility Plant in Service	0	
	Accumulated Depreciation and Amortization		
7	Production	0	
8	Transmission	0	
9	Distribution	0	
10	General	0	
11	Intangible	0	
12	Total Accumulated Depreciation and Amortization	0	
13	Net Plant in Service	0	
14	Plant Held for Future Use	-	
15	Construction Work in Progress	-	
16	Working Capital Assets	0	
17	Fuel Inventory	(844)	
18	Materials & Supplies	0	
19	Prepayments	0	
20	Investment in System Fuels, Inc.	0	
21	Total Rate Base Adjustments	(844)	
	Numbers may not add or tie to other schedules due to rounding.		

Note (1): Adjustments are not on an Arkansas jurisdictional basis. This schedule is filed in accordance with General Requirement 2.

Supporting Schedules

(a) Workpaper pages AJ 3-1 through AJ 3-4

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ADJUSTMENT 4 - INVESTMENT IN SFI
TEST YEAR ENDED JUNE 30, 2006
(\$000)

Reflects the reclassification of interest income from System Fuels, Incorporated ("SFI") from below the line to Operating revenues and the inclusion of the Investment in SFI in Rate Base.

Line No.	Description	(1) Pro Forma Adjustments (A) (a)	(2) Arkansas Jurisdiction Pro Forma Adjustments (1)
	Gross Utility Plant in Service		
1	Production	0	
2	Transmission	0	
3	Distribution	0	
4	General	0	
5	Intangible	0	
6	Total Gross Utility Plant in Service	0	
	Accumulated Depreciation and Amortization		
7	Production	0	
8	Transmission	0	
9	Distribution	0	
10	General	0	
11	Intangible	0	
12	Total Accumulated Depreciation and Amortization	0	
13	Net Plant in Service	0	
14	Plant Held for Future Use	-	
15	Construction Work in Progress	-	
16	Working Capital Assets	0	
17	Fuel Inventory	0	
18	Materials & Supplies	0	
19	Prepayments	0	
20	Investment in System Fuels, Inc.	11,001	
21	Total Rate Base Adjustments	11,001	
	Numbers may not add or tie to other schedules due to rounding.		

Note (1): Adjustments are not on an Arkansas jurisdictional basis. This schedule is filed in accordance with General Requirement 2.

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ADJUSTMENT 5 - DECOMMISSIONING
TEST YEAR ENDED JUNE 30, 2006
(\$000)

Adjustment to eliminate the effects of Decommissioning, Asset Retirement Obligation ("ARO"), and Accretion Expense from Rate Base and Expenses.

Line No.	Description	(1) Pro Forma Adjustments (A) (a)	(2) Arkansas Jurisdiction Pro Forma Adjustments (1)
	Gross Utility Plant in Service		
1	Production	(64,112)	
2	Transmission	0	
3	Distribution	0	
4	General	0	
5	Intangible	0	
6	Total Gross Utility Plant in Service	<u>(64,112)</u>	
	Accumulated Depreciation and Amortization		
7	Production	63,563	
8	Transmission	0	
9	Distribution	0	
10	General	0	
11	Intangible	0	
12	Total Accumulated Depreciation and Amortization	<u>63,563</u>	
13	Net Plant in Service	(549)	
14	Plant Held for Future Use	-	
15	Construction Work in Progress	-	
16	Working Capital Assets	0	
17	Fuel Inventory	0	
18	Materials & Supplies	0	
19	Prepayments	0	
20	Investment in System Fuels, Inc.	<u>0</u>	
21	Total Rate Base Adjustments	<u>(549)</u>	
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ADJUSTMENT 10 - WORKING CASH
TEST YEAR ENDED JUNE 30, 2006
(\$000)

Working Capital adds to rate base the 13-month average balance of certain asset accounts. Reflected in the embedded cost of capital calculation are the 13-month average balances of certain liability accounts at a zero cost.

Line No.	Description	(1) Pro Forma Adjustments (A) (a)	(2) Arkansas Jurisdiction Pro Forma Adjustments (1)
	Gross Utility Plant in Service		
1	Production	0	
2	Transmission	0	
3	Distribution	0	
4	General	0	
5	Intangible	0	
6	Total Gross Utility Plant in Service	0	
	Accumulated Depreciation and Amortization		
7	Production	0	
8	Transmission	0	
9	Distribution	0	
10	General	0	
11	Intangible	0	
12	Total Accumulated Depreciation and Amortization	0	
13	Net Plant in Service	0	
14	Plant Held for Future Use	-	
15	Construction Work in Progress	-	
16	Working Capital Assets	323,598	
17	Fuel Inventory	0	
18	Materials & Supplies	0	
19	Prepayments	0	
20	Investment in System Fuels, Inc.	0	
21	Total Rate Base Adjustments	323,598	
	Numbers may not add or tie to other schedules due to rounding.		

Note (1): Adjustments are not on an Arkansas jurisdictional basis. This schedule is filed in accordance with General Requirement 2.

Supporting Schedules

(a) Workpaper pages AJ 10-1 through AJ 10-17

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ADJUSTMENT 14 - PLANT TRANSFERS
TEST YEAR ENDED JUNE 30, 2006
(\$000)

Plant Transfers recognizes the additions to and retirements of plant-in-service related changes in Accumulated Provision for Depreciation and Depreciation Expense projected to occur between the test year June 30, 2006 and June 30, 2007

Line No.	Description	(1) Pro Forma Adjustments (A) (a)	(2) Arkansas Jurisdiction Pro Forma Adjustments (1)
	Gross Utility Plant in Service		
1	Production	120,069	
2	Transmission	18,844	
3	Distribution	64,162	
4	General	7,241	
5	Intangible	53,780	
6	Total Gross Utility Plant in Service	264,095	
	Accumulated Depreciation and Amortization		
7	Production	(145,412)	
8	Transmission	(16,512)	
9	Distribution	(72,521)	
10	General	(797)	
11	Intangible	(21,547)	
12	Total Accumulated Depreciation and Amortization	(256,789)	
13	Net Plant in Service	7,306	
14	Plant Held for Future Use	-	
15	Construction Work in Progress	-	
16	Working Capital Assets	0	
17	Fuel Inventory	0	
18	Materials & Supplies	0	
19	Prepayments	0	
20	Investment in System Fuels, Inc.	0	
21	Total Rate Base Adjustments	7,306	
	Numbers may not add or tie to other schedules due to rounding.		

Note (1): Adjustments are not on an Arkansas jurisdictional basis. This schedule is filed in accordance with General Requirement 2.

Supporting Schedules

(a) Workpaper pages AJ 14-1 through AJ 14-14

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ADJUSTMENT 20 - CAPACITY ACQUISITION
TEST YEAR ENDED JUNE 30, 2006
(\$000)

Adjustment to reflect a capacity acquisition, the associated operating costs and the impact of this purchase on MSS-1.

Line No.	Description	(1) Pro Forma Adjustments (A) (a)	(2) Arkansas Jurisdiction Pro Forma Adjustments (1)
	Gross Utility Plant in Service		
1	Production	181,091	
2	Transmission	11,881	
3	Distribution	0	
4	General	0	
5	Intangible	0	
6	Total Gross Utility Plant in Service	192,972	
	Accumulated Depreciation and Amortization		
7	Production	0	
8	Transmission	0	
9	Distribution	0	
10	General	0	
11	Intangible	0	
12	Total Accumulated Depreciation and Amortization	0	
13	Net Plant in Service	192,972	
14	Plant Held for Future Use	-	
15	Construction Work in Progress	-	
16	Working Capital Assets	0	
17	Fuel Inventory	0	
18	Materials & Supplies	2,147	
19	Prepayments	0	
20	Investment in System Fuels, Inc.	0	
21	Total Rate Base Adjustments	195,119	
	Numbers may not add or tie to other schedules due to rounding.		

Note (1): Adjustments are not on an Arkansas jurisdictional basis. This schedule is filed in accordance with General Requirement 2.

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(a) Workpaper pages AJ 20-1 through AJ 20-5

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ADJUSTMENT 21 - BROADBAND OVER POWERLINES
TEST YEAR ENDED JUNE 30, 2006
(\$000)

Adjustment to Rate Base & Expenses associated with the investment in broadband over powerlines.
Estimated inservice date is June 2007 and is amortized over 5 years.

Line No.	Description	(1) Pro Forma Adjustments (A) (a)	(2) Arkansas Jurisdiction Pro Forma Adjustments (1)
	Gross Utility Plant in Service		
1	Production	0	
2	Transmission	0	
3	Distribution	0	
4	General	0	
5	Intangible	451	
6	Total Gross Utility Plant in Service	451	
	Accumulated Depreciation and Amortization		
7	Production	0	
8	Transmission	0	
9	Distribution	0	
10	General	0	
11	Intangible	0	
12	Total Accumulated Depreciation and Amortization	0	
13	Net Plant in Service	451	
14	Plant Held for Future Use	-	
15	Construction Work in Progress	-	
16	Working Capital Assets	0	
17	Fuel Inventory	0	
18	Materials & Supplies	0	
19	Prepayments	0	
20	Investment in System Fuels, Inc.	0	
21	Total Rate Base Adjustments	451	
	Numbers may not add or tie to other schedules due to rounding.		

Note (1): Adjustments are not on an Arkansas jurisdictional basis. This schedule is filed in accordance with General Requirement 2.

Supporting Schedules

(a) Workpaper pages AJ 21-1 through AJ 21-4

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