



# Fourth Quarter 2009 Earnings Teleconference

February 25, 2010

# Forward-Looking Statements



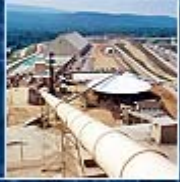
*This news release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are statements that contain projections, estimates or assumptions about our revenues, income, capital structure and other financial items, our plans and objectives for future operations or about our future economic performance, possible transactions, dispositions, financings or offerings, and our view of economic and market conditions,. In many cases you can identify forward-looking statements by terminology such as "anticipate," "estimate," "believe," "continue," "could," "intend," "may," "plan," "potential," "predict," "should," "will," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target" and other similar words. However, the absence of these words does not mean that the statements are not forward-looking.*

*Actual results may differ materially from those expressed or implied by forward-looking statements as a result of many factors or events, including, but not limited to, legislative, regulatory and/or market developments, the outcome of pending or threatened lawsuits, regulatory or tax proceedings or investigations, the effects of competition or regulatory intervention, financial and economic market conditions, access to capital, the timing and extent of changes in law and regulation (including environmental), commodity prices, prevailing demand and market prices for electricity, capacity, fuel and emission allowances, weather conditions, operational constraints or outages, fuel supply or transmission issues, hedging ineffectiveness and other factors we discuss or refer to in the "Risk Factors" section of our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission. Our filings and other important information are also available on the Investor Relations page of our website at [www.rrienery.com](http://www.rrienery.com).*

*Each forward-looking statement speaks only as of the date of the particular statement and we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.*

*This presentation contains non-GAAP measures as defined by the Securities and Exchange Commission rules. Reconciliations of these measures to the most directly comparable GAAP measures are contained herein or within our earnings release and the financial tables attached thereto, which are available, together with this presentation, on our investors page at [www.rrienery.com](http://www.rrienery.com). To the extent required, statements disclosing the utility and purposes of these measures are set forth in Item 2.02 to our current report on Form 8-K accompanying the earnings release, which is available on our web site.*

*Certain factors that could affect GAAP financial measures are not accessible on a forward-looking basis, but could be material to future reported earnings and cash flows.*



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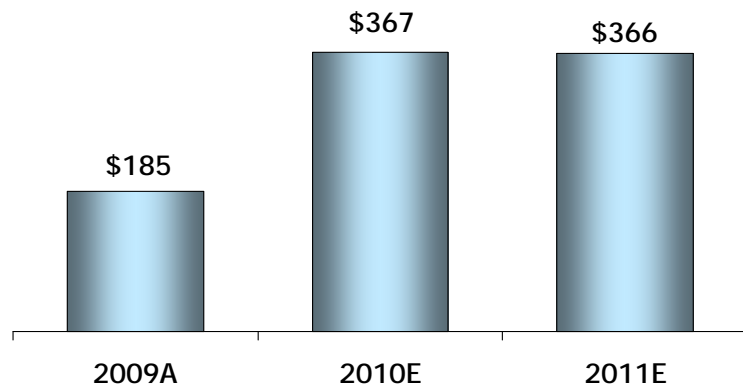
Mark Jacobs  
*President & CEO*

# Financial Review

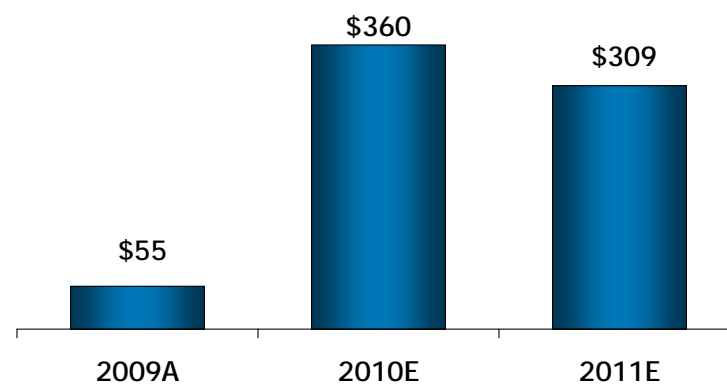


\$ millions

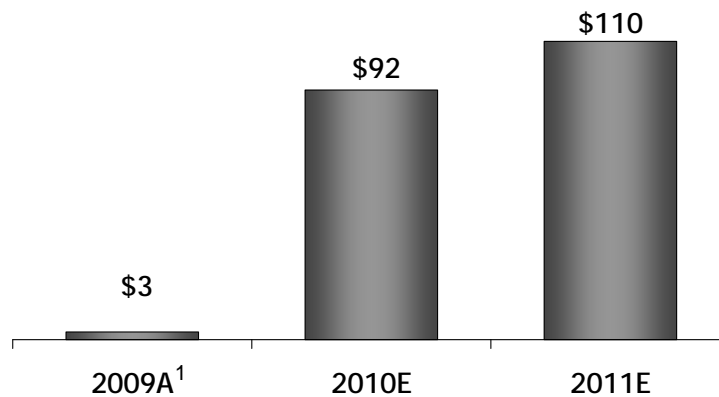
## Open EBITDA



## Adjusted EBITDA



## Free Cash Flow



1. Includes \$330 million from discontinued operations.

## Strategic Priorities

- Manage risk in current market environment
- Operate our assets efficiently and effectively
- Position for the future—market recovery and consolidation
- Act as a disciplined steward of capital—recognize industry characteristics and challenges
- Support business with the appropriate capital structure and liquidity

- ✓ Significantly reduced business risk profile
  - ✓ Sold retail business eliminating nearly \$3 billion of collateral obligations & contingent capital
  - ✓ Implemented modest hedging for 2010 & 2011 for free cash flow break-even or better
  - ✓ Completed comprehensive enterprise risk management assessment & implementing improvements
- ✓ Improved core operations
  - ✓ Captured over \$415 million in future forward capacity & PPA revenue
  - ✓ Realigned corporate support costs by \$40 million
- ✓ Positioned for the future
  - ✓ Implemented revised plans for profitability at Elrama, Avon Lake, Niles, New Castle & Indian River
  - ✓ Completed Keystone scrubber removing 175,000 tons SO<sub>2</sub> annually<sup>1</sup>
- ✓ Reduced gross debt by ~\$540 million<sup>2</sup> and maintained liquidity at \$1.6 billion

1. Represents total Keystone. RRI's share is 16.67%.

2. Includes \$261 million from discontinued operations.

*Industry faces significant near-term uncertainty*

## **Supply & Demand Fundamentals**

- Economic recovery
- Demand response
- Renewable portfolio standards
- Supply retirements

## **Gas – Coal Spread**

- Natural gas prices
- Coal prices

## **Environmental**

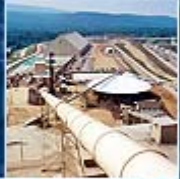
- Legislation
- Regulation

*RRI is well positioned to deliver long-term value*

## Strategic Priorities

- Manage risk in current market environment
- Operate our assets efficiently and effectively
- Position for the future—market recovery and consolidation
- Act as a disciplined steward of capital—recognize industry characteristics and challenges
- Support business with the appropriate capital structure and liquidity

- Enterprise-wide execution excellence
  - Achieve efficiency & effectiveness metrics
    - Cost/MWh: \$23
    - Cost (\$ thousands)/MW: \$44.6
    - TCMF: 90.1%
  - Focus on plant level operating and financial performance
  - Complete implementation of enterprise risk management
- Maintain financial flexibility
  - Address Orion Power Holdings maturity
  - Achieve free cash neutral or better
  - Implement 2012 free cash flow hedging
  - Extend revolver
  - Implement collateral structure
- Position for long-term value
  - Strategically position to benefit from market recovery
  - Address marginal plant long-term value proposition
  - Complete Cheswick scrubber installation
  - Develop additional clarity on environmental investments
  - Create value from industry consolidation



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Rick Dobson  
*EVP & CFO*

# Financial Overview



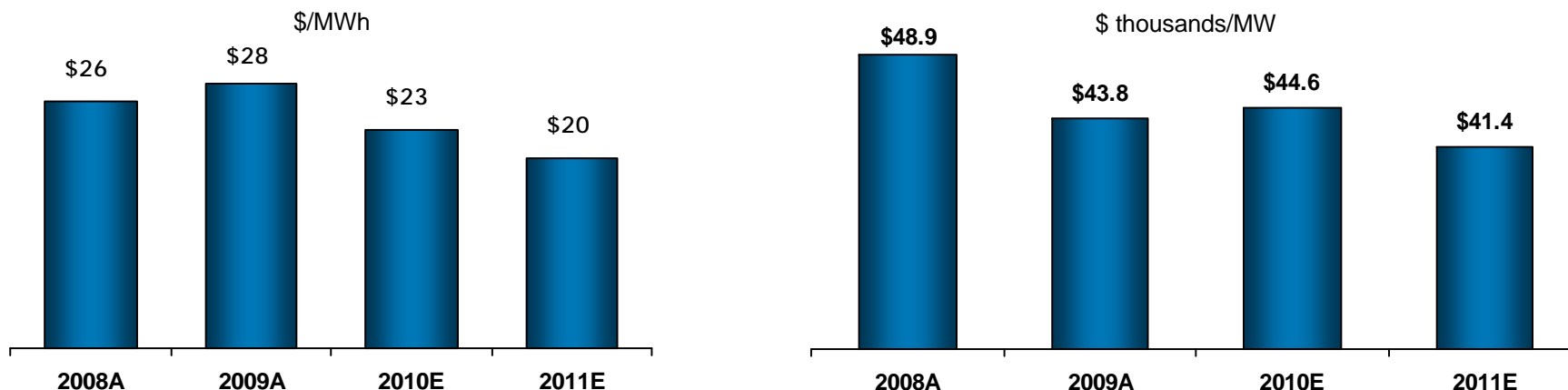
\$ millions

	2009	2008	Impact
Economic generation (TWh)	26.9	31.1	(47)
Commercial capacity factor	83.6%	87.1%	(11)
Generation (TWh)	22.5	27.1	
Open energy unit margin (\$/MWh)	\$12.14	\$28.07	\$(430)
Open energy gross margin	\$273	\$761	
Other margin	553	495	58
Open gross margin	826	1,256	
Operation & maintenance (excluding severance)	(544)	(595)	51
General and administrative (excluding severance) and other, net	(97)	(116)	19
<b>Open EBITDA</b>	<b>\$185</b>	<b>\$545</b>	
Hedges and other items	(152)	233	(385)
Gains on sales of assets and emission and exchange allowances, net	22	93	
<b>Adjusted EBITDA</b>	<b>\$55</b>	<b>\$871</b>	
<b>Free cash flow provided by (used in) continuing operations</b>	<b>\$(327)</b>	<b>\$241</b>	
Free cash flow provided by (used in) discontinued operations	330	(192)	
<b>Overall free cash flow</b>	<b>\$3</b>	<b>\$49</b>	

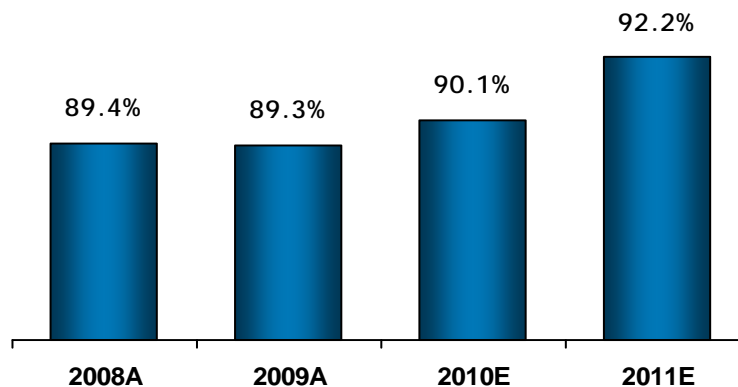
# Enterprise-Wide Operational Excellence



## Efficiency Measure – Total Cost<sup>1</sup>



## Effectiveness Measure – TCMF<sup>2</sup>



1. Total cost includes O&M (excluding REMA lease expense of \$60 million and severance) and G&A (excluding severance) and maintenance capital expenditures.
2. Total Margin Capture Factor is the percentage of open gross margin earned against total open gross margin available, assuming 100% availability.

# Maintain Financial Flexibility



\$ millions

	12/31/09	Target
<b>Debt Instrument</b>		
Secured debt	\$650	
Sr. unsecured notes	1,300	
Orion Power notes <sup>1</sup>	400	
REMA lease	423	
Gross debt	<b>\$2,773</b>	<b>\$1,250 - \$1,750</b>

## Liquidity<sup>2</sup>

Cash	\$967	250
Secured revolver	500	250 - 500
LC facility <sup>3</sup>	250	250
Collateral structure	n/a	1,000
	<b>\$1,717</b>	<b>\$1,750 - \$2,000</b>

1. Excludes purchase accounting write-up of \$5 million.

2. Includes \$24 million of restricted cash & excludes net margin deposits and cash collateral of \$260 million.

3. \$81 million of letters of credit are outstanding.

\$ millions

	2010E	2011E
Open gross margin	\$1,024	\$983
Operation and maintenance (excluding severance) <sup>2</sup>	567	530
General and administrative (excluding severance) and other, net	90	87
<b>Open EBITDA</b>	<b>\$367</b>	<b>\$366</b>
Hedges and other items	\$(7)	\$(57)
Gains on sales of assets and emission and exchange allowances, net	--	--
<b>Adjusted EBITDA</b>	<b>\$360</b>	<b>\$309</b>
Depreciation and amortization	\$256	\$241
Emission allowances amortization	39	36
Total depreciation and amortization	\$295	\$277
Interest expense, net	\$161	\$150
Adjusted cash flow provided by continuing operations	\$206	\$196
Maintenance capital expenditures	(48)	(42)
Environmental capital expenditures and capitalized interest	(40)	(20)
Emission and exchange activity, net	(26)	(24)
<b>Free cash flow provided by continuing operations</b>	<b>\$92</b>	<b>\$110</b>

1. Forward commodity prices as of February 5, 2010.

2. Includes REMA lease expense of \$60 million for each of 2010E and 2011E.

- Significant upside when commodity prices and economy recover
- Financial strength and actions to manage risks in challenging near-term environment
- Portfolio positioned to meet industry challenges and deliver value
- Disciplined capital investment approach
- Long-term value creation through industry consolidation

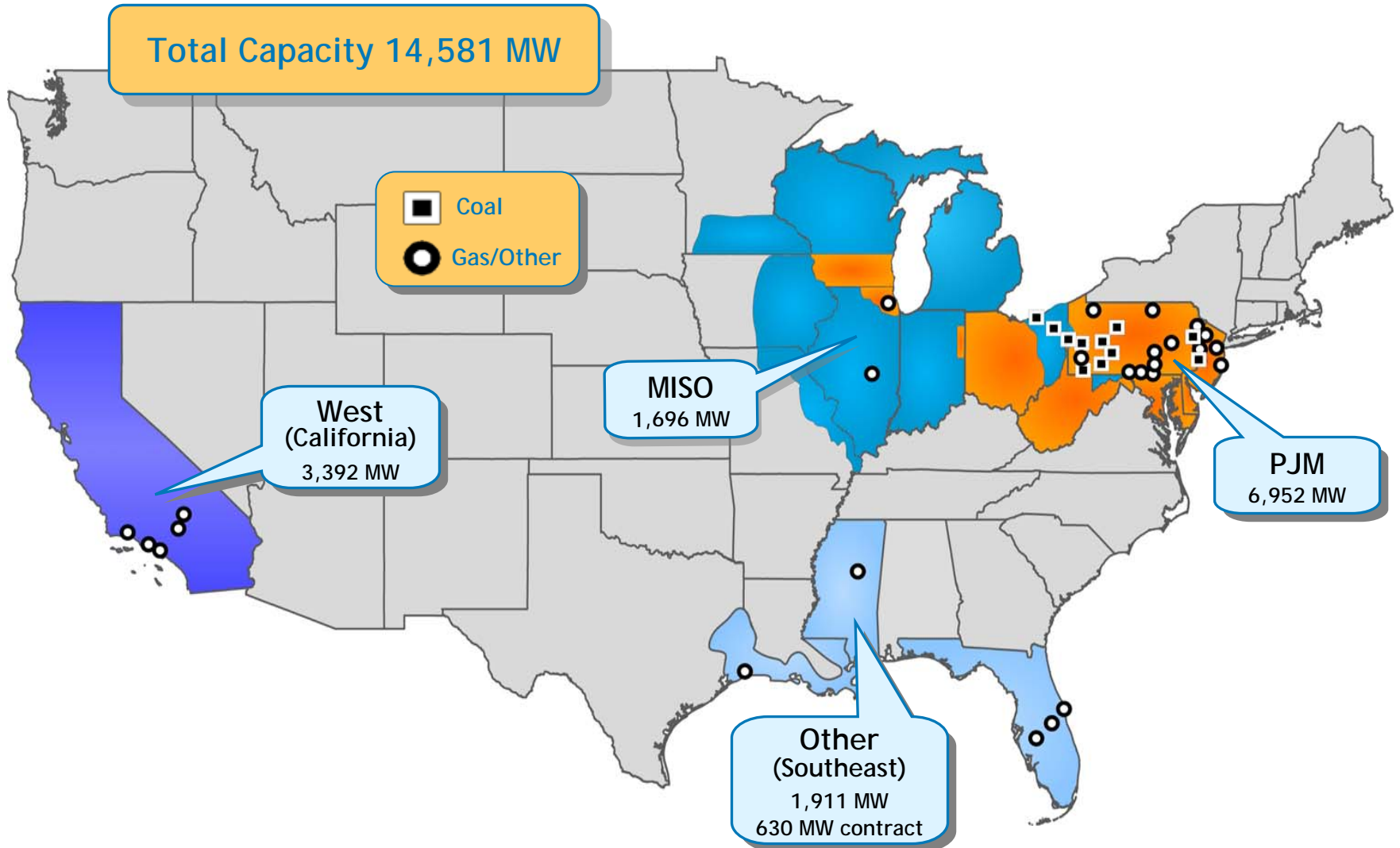


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## Appendix

# Generation Portfolio



# 4Q Financial Overview



\$ millions

	4Q 2009	4Q 2008	Impact
Economic generation (TWh)	6.7	7.5	(9)
Commercial capacity factor	83.5%	88.6%	(4)
Generation (TWh)	5.6	6.6	
Open energy unit margin (\$/MWh)	\$11.67	\$16.45	\$(31)
Open energy gross margin	\$65	\$109	
Other margin	132	107	25
Open gross margin	197	216	
Operation & maintenance (excluding severance)	(120)	(139)	19
General and administrative (excluding severance) and other, net	(21)	(37)	16
<b>Open EBITDA</b>	<b>\$56</b>	<b>\$40</b>	
Hedges and other items	(44)	69	(113)
Gains on sales of assets and emission and exchange allowances, net	1	53	
<b>Adjusted EBITDA</b>	<b>\$13</b>	<b>\$162</b>	

# Forward Market Data <sup>1</sup>



	2010	2011
NYMEX Gas (\$/MMBtu)	5.79	6.33
TETCO M3 (\$/MMBtu)	6.41	6.91
Central Appalachian (\$/MMBtu)	2.30	2.69
Central Pennsylvania (\$/MMBtu)	2.57	2.90
Pittsburgh Seam (\$/MMBtu)	2.36	2.56
Coal - Simple Average (\$/MMBtu) <sup>2</sup>	2.41	2.72
PJM simple average plant to West Hub basis (\$/MWh) (5X16) <sup>3</sup>	(5.23)	(5.56)
PJM WHub (\$/MWh) (5X16)	56.38	58.18
PJM on-peak 7HR Spark Spread to TETCO M3 (\$/MWh)	11.50	9.81
PJM Market Implied Heat Rate - on-peak (5X16)	8.85	8.47
PJM WHub off-peak (\$/MWh)	39.54	40.65
SO <sub>2</sub> (\$/ton)	83	80
NO <sub>x</sub> (\$/ton)		
-Seasonal <sup>4</sup>	45	15
-Annual	619	493

1. Forward curves as of February 5, 2010.
2. Simple average of Central Appalachian, Central Pennsylvania and Pittsburgh Seam coal. Does not include transportation costs.
3. Forward plant to hub basis estimated by RRI Energy utilizing forward market data and historical commodity relationships.
4. Seasonal NO<sub>x</sub> program from May – September.

# Generation Detail<sup>1</sup>



Economic Generation		2010E		2011E	
(TWh in the money)		TWh	% Econ	TWh	% Econ
PJM Coal		22.0	75.8%	22.3	77.0%
MISO Coal		7.0	74.0%	7.0	74.4%
East Coal		29.0	75.4%	29.3	76.4%
East Gas		1.6	4.7%	1.3	3.9%
West		2.0	9.0%	2.8	9.8%
Other		0.1	1.7%	0.1	1.8%
Total Gas/Oil		3.7	6.0%	4.2	6.1%
<b>Total</b>		<b>32.7</b>	<b>32.2%</b>	<b>33.5</b>	<b>31.2%</b>

Commercial Capacity Factor	2010E	2011E
PJM Coal	86.0%	87.2%
MISO Coal	83.1%	86.7%
East Coal	85.3%	87.1%
East Gas	91.4%	94.1%
West	94.7%	93.8%
Other	95.5%	96.0%
Total Gas/Oil	93.3%	93.9%
<b>Total</b>	<b>86.2%</b>	<b>87.9%</b>

Generation Volume (TWh)	2010E	2011E
PJM Coal	18.9	19.4
MISO Coal	5.8	6.1
East Coal	24.7	25.5
East Gas	1.5	1.3
West	1.9	2.6
Other	0.1	0.1
Total Gas/Oil	3.5	4.0
<b>Total</b>	<b>28.2</b>	<b>29.5</b>

## SO<sub>2</sub> Emissions Allowances<sup>2</sup>:

Current Position (tons)	2010E	2011E
Current allowance inventory	70,934	72,110
Expected emissions	251,503	252,488

1. Excludes PPAs and tolling agreements.

2. Does not include futures contracts. Represents inventory under CAIR, which beginning in 2010, two allowances are required for one ton of emissions. Total allowances are 141,868 and 144,220 for 2010 and 2011, respectively.

# Plant Margins



Open Energy Unit Margin (\$/MWh)	2010E	2011E
PJM Coal	\$17.99	\$17.97
MISO Coal	14.69	12.72
East Coal	17.22	16.72
East Gas	14.90	14.90
West	5.36	10.23
Other	--	--
Total Gas/Oil	9.02	11.25
<b>Total</b>	<b>\$16.19</b>	<b>\$15.99</b>
Open Energy Gross Margin (\$MM)	2010E	2011E
PJM Coal	\$340	\$349
MISO Coal	85	77
East Coal	425	426
East Gas	22	19
West	10	26
Other	--	--
Total Gas/Oil	32	45
<b>Total</b>	<b>\$457</b>	<b>\$471</b>
Other Margin (\$MM)	2010E	2011E
PJM Coal	\$206	\$170
MISO Coal	12	16
East Coal	218	186
East Gas	215	178
West	108	121
Other	26	27
Total Gas/Oil	349	326
<b>Total</b>	<b>\$567</b>	<b>\$512</b>
<b>Open gross margin</b>	<b>\$1,024</b>	<b>\$983</b>

# Hedges and Other Items<sup>1</sup>



*NPV<sup>2</sup> of hedges Jan 10 ~\$(190) million; Jan 11 ~\$(196) million*

	2010E	2011E
Coal Hedges (million mmBtu's) <sup>3</sup>	145	15
Avg. Hedged Cost	\$2.89	\$2.89
Avg. Market Cost	\$2.74	\$3.04
Coal Hedge Value	\$(21)	\$2
Other <sup>4</sup> , \$MM	\$3	\$1
<b>Total Coal Hedge Value</b>	<b>\$(18)</b>	<b>\$3</b>
Coal Sales (million mmBtu's) <sup>3</sup>	16	-
Avg. Hedged Cost	\$2.20	\$ -
Avg. Sales Price	\$2.20	\$ -
Coal Sales	\$-	\$ -
Coal Settlements	\$1	\$ -
<b>Total Coal Sales and Settlements</b>	<b>\$1</b>	<b>\$ -</b>
Options value	\$ -	\$(11)
Power Hedges (TWh's)	5.4	6.0
Avg. Hedged Cost	\$52.58	\$50.45
Avg. Market Cost	\$51.09	\$47.40
<b>Total Power Hedge Value</b>	<b>\$ 8</b>	<b>\$18</b>
Forward Gas Hedges (million mmBtu's)	7.1	-
Avg. Hedged Cost	\$5.79	-
Avg. Market Cost	\$8.74	-
<b>Total Forward Gas Hedge Value</b>	<b>\$21</b>	<b>\$ -</b>
<b>Total Closed Hedges</b>	<b>\$(39)</b>	<b>\$(36)</b>
<b>Tolling/Gas Transport/Other</b>	<b>\$20</b>	<b>\$(31)</b>
<b>Total</b>	<b>\$(7)</b>	<b>\$(57)</b>

1. Forward commodity prices as of February 5, 2010.

2. Includes tolling/other hedges that extend through 2023, based on 5.62% after-tax debt rate and 38% tax rate.

3. Coal hedge data excludes Seward, Keystone and Conemaugh.

4. Includes adjustments for WACOG, LCM and supplier performance.

# Open Energy Gross Margin Sensitivities



	Change (\$MM)
<b>Natural gas sensitivity (\$1/mmbtu)</b>	
On-peak power price impact - assumes 8.5 market implied heat rate (MIHR) and all 5x16 hours are affected	
\$1/mmbtu nat gas change x 8.5mmbtu/MWh on-peak x 4600MW coal x 4160 hrs per year x 80% economic on-peak x 85% Commercial Capacity Factor (CCF)	111
Off-peak power price impact - assumed to be negligible	0
Average on-peak and off-peak plant-to-hub congestion (PJM only)	
0.5 mmbtu/MWh (MIHR) congestion per \$1/mmbtu nat gas move x 3300MW coal x 8760hrs x 82% economic x 87% CCF	(10)
<b>Estimated net gross margin change from \$1 move in natural gas</b>	<b>101</b>
<b>Coal sensitivity (\$0.10/mmbtu)</b>	
On-peak power price impact - assumes are not affected, while costs increase	
\$0.10/mmbtu coal price move x 10.3 mmbtu/MWh unit heat rate x 3500 MW <sup>1</sup> coal x 4160 hours x 85% CCF x 90% economic on-peak	11
Off-peak power price impact - assumes off-peak prices increase in line with coal cost	0
<b>Estimated net gross margin change from \$0.10 move in coal</b>	<b>11</b>

1. Excludes Keystone, Conemaugh and Seward.

# 2010E Outlook Changes from 3Q 2009 to 4Q 2009



\$ Millions

## Open EBITDA:

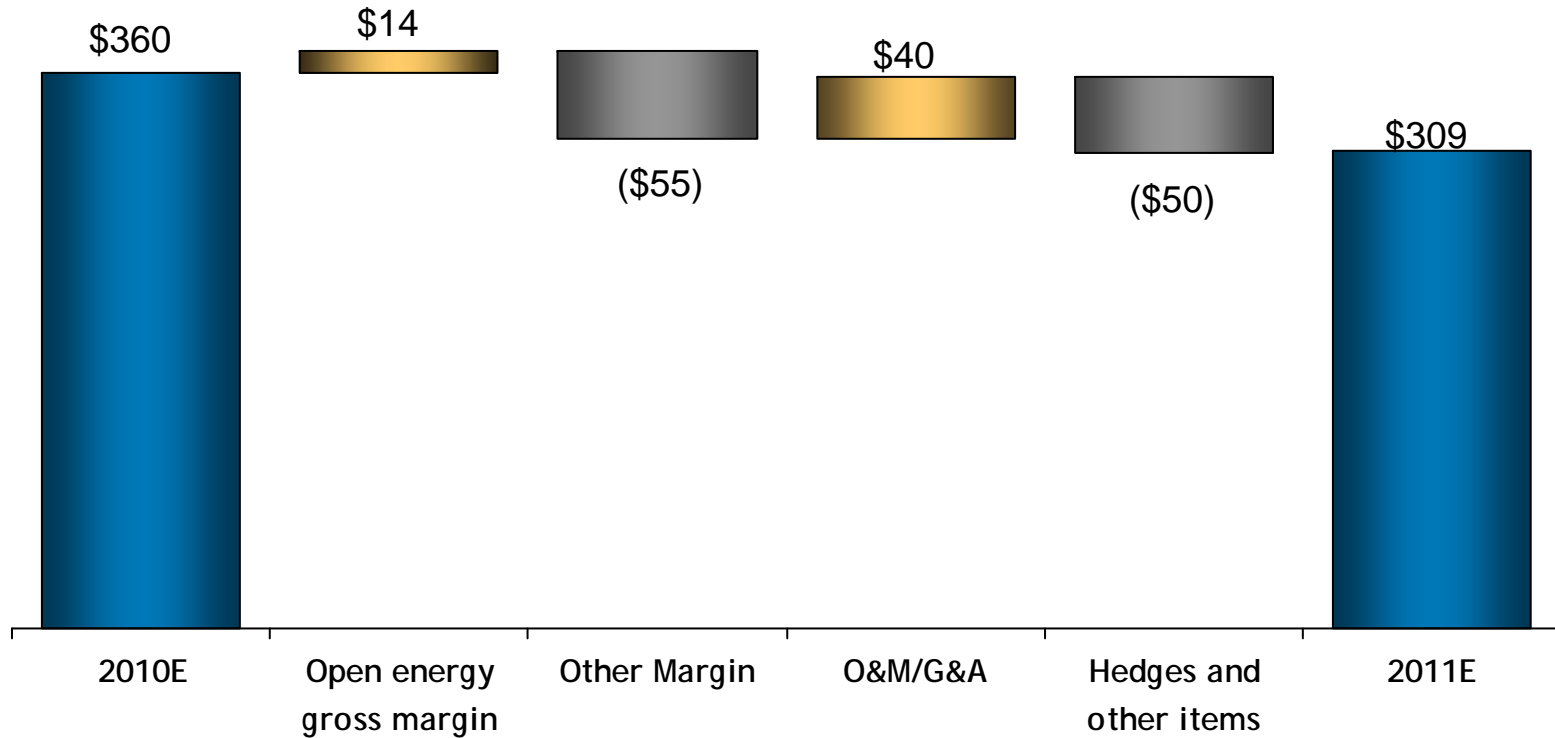
	<b>2010E</b>
<b>3Q Outlook<sup>1</sup></b>	<b>\$ 455</b>
Gas - TETCO M3	(40)
Coal	(10)
Expenses	(17)
Off-peak power prices	(14)
Other	(7)
<b>4Q Outlook</b>	<b>\$367</b>

1. Reconciliation to GAAP available in the 3<sup>rd</sup> quarter 2009 earnings presentation at [www.rrienergy.com](http://www.rrienergy.com) in the investor relations section.

# Adjusted EBITDA from 2010E to 2011E



\$ Millions



\$ millions

## Efficiency Measure - Total Cost

	2008A	2009A	2010E	2011E
Operation & maintenance, excluding severance	\$595	\$544	\$567	\$530
REMA lease expense	(60)	(60)	(60)	(60)
General and administrative, excluding severance	122	98	95	91
Maintenance capital expenditures	56	56	48	42
<b>Total Costs</b>	<b>\$713</b>	<b>\$638</b>	<b>\$650</b>	<b>\$603</b>
TWh generation	27.1	22.5	28.2	29.5
<b>Total Cost/MWh</b>	<b>\$26/MWh</b>	<b>\$28/MWh</b>	<b>\$23/MWh</b>	<b>\$20/MWh</b>
MW	14,580	14,581	14,581	14,581
<b>Total Cost (\$ thousands)/MW capacity</b>	<b>\$48.9/MW</b>	<b>\$43.8/MW</b>	<b>\$44.6/MW</b>	<b>\$41.4/MW</b>

## Effectiveness Measure - TCMF

	2010E			2011E		
	Open energy margin	Other margin	Open gross margin	Open energy margin	Other margin	Open gross margin
Margin available	\$527	\$610	\$1,137	\$526	\$539	\$1,065
TCMF	86.8%	93.0%	90.1%	89.6%	95.0%	92.2%
Margin captured	\$457	\$567	\$1,024	\$471	\$512	\$983

Contracted PPAs and Capacity <sup>1</sup>			
(\$ millions)	2010E	2011E	2012E
PJM	\$391	\$317	\$235
MISO	10	10	--
West (CA)	107	95	168
Other (SE)	28	28	28
<b>Total</b>	<b>\$537</b>	<b>\$450</b>	<b>\$431</b>

Uncontracted Capacity			
(MWs)	2010E	2011E	2012E
PJM	N/A	N/A	764 <sup>2</sup>
MISO <sup>3</sup>	643	928	1,528
West (CA) <sup>3</sup>	94	690	--
Other (SE) <sup>3</sup>	1,342	1,342	1,342

1. Component of Other Margin, which is \$567 million and \$512 million in 2010E and 2011E, respectively.

2. June – December uncontracted capacity.

3. July – August uncontracted capacity.

## Calendar Year

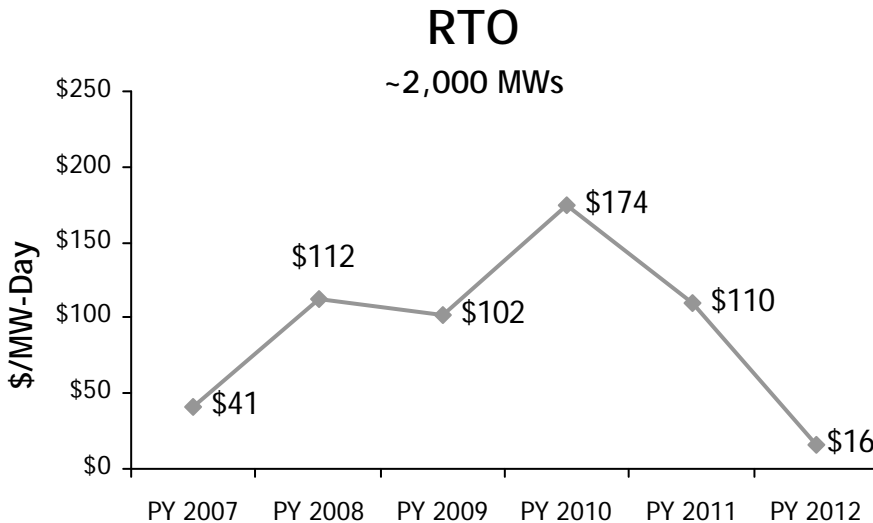
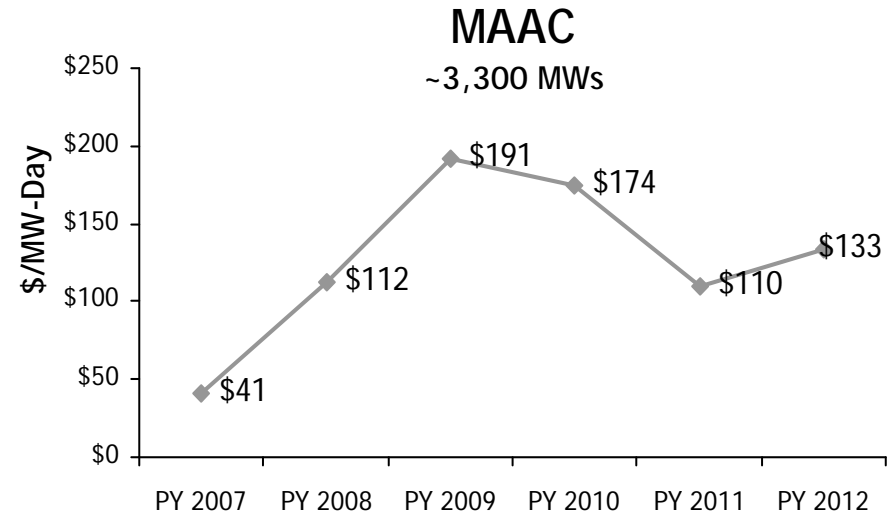
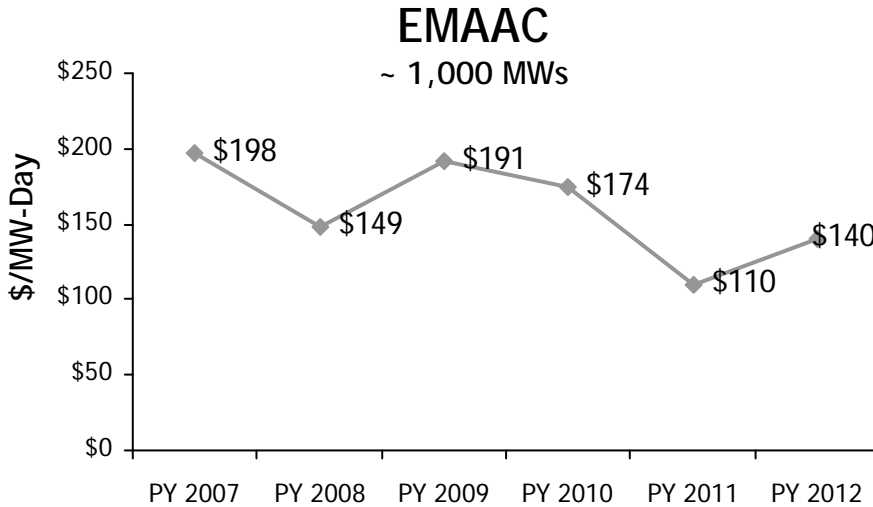
PJM Zone	2007		2008		2009		2010		2011		2012	
	\$/MW-day	\$MM	\$/MW-day	\$MM	\$/MW-day	\$MM	\$/MW-day	\$MM	\$/MW-day	\$MM	\$/MW-day	\$MM
EMAAC	\$132.35	\$43	\$168.85	\$63	\$173.72	\$64	N/A	N/A	N/A	N/A	\$140.06	\$29
RTO	\$29.37	\$41	\$84.06	\$155	\$106.10	\$79	\$144.75	\$106	\$122.26	\$203	\$66.53	38
MAAC+APS	N/A	N/A	N/A	N/A	\$158.80	\$190	N/A	N/A	N/A	N/A	N/A	N/A
MAAC	N/A	N/A	N/A	N/A	N/A	N/A	\$181.27	\$285	\$173.98	\$114	\$122.03	168
		\$84		\$218		\$333		\$391		\$317		\$235

## Planning Year<sup>1</sup>

PJM Zone	2007		2008		2009		2010		2011		2012	
	\$/MW-day	\$MM	\$/MW-day	\$MM	\$/MW-day	\$MM	\$/MW-day	\$MM	\$/MW-day	\$MM	\$/MW-day	\$MM
EMAAC	\$197.67	\$73	\$148.80	\$55	\$191.32	\$70	N/A	N/A	N/A	N/A	\$139.73	\$51
RTO	\$40.80	\$70	\$111.92	\$215	\$102.04	\$74	\$174.29	\$129	\$110.00	\$256	\$16.46	\$7
MAAC+APS	N/A	N/A	N/A	N/A	\$191.32	\$230	N/A	N/A	N/A	N/A	N/A	N/A
MAAC	N/A	N/A	N/A	N/A	N/A	N/A	\$174.29	\$278	N/A	N/A	\$133.37	\$162
		\$143		\$270		\$374		\$407		\$256		\$220

1. Planning year is June 1 through May 31 of the following year.

# RPM Planning Year Results



#### MAAC

Blossburg  
Conemaugh  
Hamilton  
Hunterstown  
Keystone  
Mountain  
Orrtanna  
Portland  
Seward  
Shawnee  
Shawville  
Titus  
Tolna

#### EMAAC

Gilbert  
Glen Gardener  
Sayreville  
Werner

#### RTO

Aurora  
Brunot Island  
Cheswick  
Elrama

# Capital Structure 12/31/09



\$ millions

Gross debt	\$2,773 <sup>1,2</sup>
Less:	
Cash/restricted cash	(967)
Net margin deposits and cash collateral	(260) <sup>3</sup>
<b>Net Debt</b>	<b>\$1,546</b>

<b>RRI Energy, Inc</b>	
<i>14,581 MW</i>	
\$500M revolver	-
\$250M pre-funded L/C	-
Senior secured notes	\$279
Unsecured notes	\$1,300
PEDFA fixed-rate bonds	\$371 <sup>4</sup>

   Debt equivalents

*8,502 MW*

REMA (principal)  
Lease \$423 (off-B/S)

Orion Power Holdings (OPH)  
Notes \$400<sup>2</sup>

*3,430 MW*

*2,649 MW*

- Blossburg
- Conemaugh
- Gilbert
- Glenn Gardener
- Hamilton
- Hunterstown CT
- Keystone
- Mountain
- Ortanna
- Portland
- Sayreville
- Shawnee
- Shawville
- Titus
- Tolna Station
- Warren
- Werner

- Avon Lake
- Brunot Island
- Cheswick
- Elrama
- New Castle
- Niles

1. Includes \$423 million off-balance sheet REMA lease. Total GAAP debt as of 12/31/09 is \$2,355 million.

2. Excludes purchase accounting write-up of \$5 million on OPH debt.

3. Includes \$45 million related to discontinued operations.

4. Represents debt related to the Seward plant, which has a secured guarantee by RRI Energy, Inc. and certain of its subsidiaries.

# Reg G Reconciliation



\$ millions

	2009A	2010E <sup>1</sup>	2011E <sup>1</sup>
East coal open gross margin	\$ 425	\$ 643	\$612
East gas open gross margin	208	237	197
West open gross margin	133	118	147
Other open gross margin	60	26	27
<b>Total</b>	<b>826</b>	<b>1,024</b>	<b>983</b>
Operation and maintenance, (excluding severance)	(544)	(567)	(530)
General and administrative, (excluding severance) and Other, net	(97)	(90)	(87)
<b>Open EBITDA</b>	<b>185</b>	<b>367</b>	<b>366</b>
Power	(40)	(31)	(18)
Fuel	(228)	(17)	3
Tolling/Other	116	41	(42)
<b>Hedges and other items</b>	<b>(152)</b>	<b>(7)</b>	<b>(57)</b>
Gains on sales of assets and emission and exchange allowances, net	22	--	--
<b>Adjusted EBITDA</b>	<b>55</b>	<b>360</b>	<b>309</b>
Unrealized gains (losses) on energy derivatives	22	(4)	(7)
Severance – operation and maintenance and general and administrative	(9)	(4)	--
Long-lived assets impairments	(211)	--	--
Debt extinguishments losses	(8)	--	--
<b>EBITDA</b>	<b>(151)</b>	<b>352</b>	<b>302</b>
Depreciation and amortization	(269)	(295)	(277)
Interest expense, net	(184)	(161)	(150)
<b>Loss from continuing operations before income taxes</b>	<b>\$(604)</b>	<b>\$(104)</b>	<b>\$(125)</b>

1. Based on forward commodity prices as of February 5, 2010.

# Reg G Reconciliation



\$ millions

	2008A	2009A	2010E <sup>1</sup>	2011E <sup>1</sup>
Operation and maintenance	\$595	\$550	\$571	\$530
General and administrative	122	101	95	91
Capital expenditures	279	190	88	62
Total operation and maintenance, general and administrative and capital expenditures	\$996	\$841	\$754	\$683
Total costs in the efficiency measure	\$713	\$638	\$650	\$603
REMA lease expense in operation and maintenance	60	60	60	60
Severance included in operation and maintenance	-	6	4	-
Severance in general and administrative	-	3	-	-
Environmental capital expenditures	206	111	34	20
Capitalized interest	17	23	6	-
Total operation and maintenance, general and administrative and capital expenditures	\$996	\$841	\$754	\$683
TWh generation	27.1	22.5	28.2	29.5
Total O&M, G&A and capital expenditures/MWh	\$37	\$37	\$27	\$23
MW capacity	14,580	14,581	14,581	14,581
Total O&M, G&A and capital expenditures (\$ thousands)/MW capacity	\$68.3	\$57.7	\$51.7	\$46.8

1. Based on forward commodity prices as of February 5, 2010.