

South Beloit Water, Gas and Electric Company  
FAC Reconciliation

|     |   |                     |
|-----|---|---------------------|
| 1.  | Balance of Factor Ra at December 31, 2002 per 2002 Reconciliation                           | \$ (196,671)        |
| 2a. | Balance of Factor Ro at December 31, 2002   | \$ (333,019)        |
| 2b. | Unamortized Balance at December 31, 2002  | \$ (158,465)        |
| 3.  | Factor Ro to be Collected/(Refunded) per the 2002 Reconciliation <sup>1</sup>               | -                   |
| 4.  | Balance to be Collected/(Refunded) During 2003 from prior periods<br>(Sum of Lines 1 and 3) | \$ (688,155)        |
| 5.  | 2003 FAC Recoverable Costs  | \$ 7,054,664        |
| 6.  | Less 2003 FAC Revenues  | \$ (2,105,722)      |
| 7.  | Less 2003 Base Fuel Cost (BFC) Revenues   | \$ (4,601,182)      |
| 8.  | Under/(Over) Recovery for 2003 (Sum of Line 5 to Line 7)                                    | \$ 347,759          |
| 9.  | FAC Reconciliation Balance at December 31, 2003 (Line 4 + Line 8)                           | \$ (340,396)        |
| 10. | Balance of Factor Ra at December 31, 2003   | \$ 53,836           |
| 11. | Unamortized Balance of Factor Ro at December 31, 2003                                       | -                   |
| 12. | Requested Factor Ro Collection/(Refund) (sum of Line 9 - Line 12)                           | <u>\$ (394,232)</u> |

<sup>1</sup> The 2002 Ro Factor of \$79,638 was implemented in January 2004 and should be included in the 2004 annual reconciliation.