

Mr. Charles Morgan, Director  
Bank of Columbia, Western Regional Division  
4802 Wilshire Blvd.  
Los Angeles, CA 90010

Please fill in the missing numbers for me and attach your calculations. Need this done by 3 pm to get in today's mail.--J.T.

Dear Mr. Morgan:

I appreciate your time on the telephone yesterday and your interest in our project. Let me outline here the basics of the financial side of our plan; attached you will find the calculations behind these figures.

We estimate that the construction of a wind power generation facility which is capable of generating up to 10 megawatts (an estimated 25,000,000 kilowatt-hours of energy per year) will cost \$8 million dollars. Operating costs will be \$1.5 million per year, and the lifetime of this plant will be 25 years.

We can sell the electricity we produce at the current rate of 10 cents per kilowatt-hour. At that rate, assuming the plant always delivers at full capacity of 10 megawatts, we would be able to pay back the initial loan of \$8 million in \_\_\_\_ years. We could pay it back with an additional 25% interest in \_\_\_\_ years.

However, we know that, as the cost of oil and coal goes up, electrical rates will also rise, and the stricter emissions requirements that will be imposed on fossil fuel power generation plants will also act to raise power costs. Estimating this quite conservatively, industry experts say that 5 years from now electricity will be selling for 15 cents per kilowatt hour, and 10 years from now it will go up to 20 cents per kilowatt hour. If we match those prices, then the initial loan of \$8 million, with 25% interest, could be paid back in \_\_\_\_ years.

To look at this another way, paying back the original loan plus 25% interest within a period of 30 years would require an average selling price of electricity of only \_\_\_\_ cents per kilowatt hour.

All of these figures are in current dollars, and since inflation will act on all of them in the same way we can ignore it for these rough calculations.

I think you will agree that this project is not only financially attractive, but will have a strong appeal to those of your investors who have an interest in environmentally responsible development.

I will look forward to your response.

Sincerely,

John Thrasher  
President  
Windbeaters, Inc.