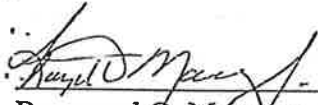


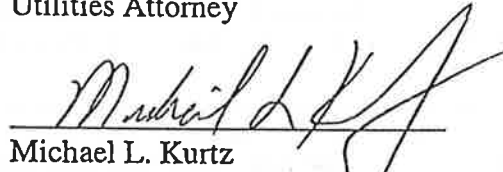
Fiscal Impact: Special counsel estimates that the cost of litigating the matter will range between \$75,000 and \$100,000 which will be shared by nine members of FMEA (\$10,000 each) and a \$10,000 contribution from FMPA. GRUCom staff project that without a successful challenge to this litigation the annual ad valorem tax impact to the utility will average over \$100,000 annually for the next six years. In the year 2005 certain exemptions will expire and the tax is expected to be at least \$300,000 annually thereafter. Funds for the purpose of this litigation are available in the current and proposed GRU budgets.

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