

## Potential Credit Risk - Stress Scenarios

Credit Working Group Meeting 25 Apr 2008

## Stress Scenarios - Base Case

Credit Loss Distributions - Base Case														
Loss Statistics	Base Case (Millions \$)				Marke	et Ever	se with Higher It Sensitivity and Inp (Millions \$)	Base Case with More Volume Escalation (Millions \$)			Base Case With Default Correlation at 100% (Millions \$)			
Expected Loss		3	3.0	П			6.6		5.0	)	2.8			
Median Loss		(	0.2	П			0.6	0.3			< 0.1			
90.0%		8	3.3	П	20.9				9.6	ĵ .	3.8			
95.0%	15.8				36.6				21.	3	18.7			
99.0%		42.6					84.2	101.9			54.5			
99.9%	99.8					1	190.8	221.9			121.1			
% Change from Base Case at 99.9%					91.2%			122.1%			21.3%			
Input Assumptions														
Market Event Sensitivity														
Gen/Trade/Public Power/Mixed	20%				100%			20%			20%			
Small Retailer / Large Retailer	50%				100%			50%			50%			
Volume Escalation During Market Events														
	Gen	SR	Other		Gen	SR	Other	Gen	SR	Other	Gen	SR	Other	
No Volume	10%	5%	0%		10%	5%	0%	10%	5%	0%	10%	5%	0%	
Historic	50%	20%	50%	Ш	50%	20%	50%	50%	20%	50%	50%	20%	50%	
20%	30%	40%	40%		30%	40%	40%	10%	0%	20%	30%	40%	40%	
40%	9%	10%	9%		9%	10%	9%	10%	0%	10%	9%	10%	9%	
70%	0%	0%	0%		0%	0%	0%	10%	0%	10%	0%	0%	0%	
100%	1%	25%	1%		1%	25%	1%	10%	75%	10%	1%	25%	1%	
Price Jump Parameters														
Raw likelihood of jumps	7.0%				7.0%				7.0%			7.0%		
Percent of common jumps	80%						80%	80%			80%			
Mean jump size	80.0				120.0			80.0			80.0			
99th percentile jump size	375.0						600.0	375.0			375.0			
% of jumps in 1dayseries	75%				75%			75%			75%			
%of jumps in 3 dayseries		20%				20%			20%			20%		
% of jumps in 6dayseries	5%					5%	5%			5%				
Default Correlation														
	Various - 0% to 30%				Various - 0% to 30%				Various - 0% to 30%			100.0%		



## Stress Scenarios - Current Case

Credit Loss Distributions - Current Case														
	Current Case with				Curr	ent Ca	ise with Higher	Cu	Current Case with			Current Case with Default		
Loss Statistics	Guarantees and LCs held			Market Event Sensitivity and					More ∀olume			Correlation at 100%		
	at (	Oct 200	7 (Millions \$)		Pri	ce Jur	np (Millions \$)	Escalation (Millions \$)			(Millions \$)			
Expected Loss		(	0.7				2.5	1.9			1.0			
Median Loss		<	0.1				0.2	< 0.1			< 0.1			
90.0%		1.4					5.3		2.	7	1.0			
95.0%		4.0					14.2	6.8			5.0			
99.0%			0.9				40.2	38.2			22.9			
99.9%		29.8				1	23.5		152	2.1	52.3			
% Change from Corresponding Base														
Case at 99.9%	-70.0%				-67.3%				-69.8%			-68.8%		
Input Assumptions														
Market Event Sensitivity														
Gen/Trade/Public Power/Mixed	20%				100%			20%			20%			
Small Retailer / Large Retailer	50%				100%				50%			50%		
Volume Escalation During Market Events														
	Gen	SR	Other		Gen	SR	Other	Gen	SR	Other	Gen	SR	Other	
No Volume	10%	5%	0%		10%	5%	0%	10%	5%	0%	10%	5%	0%	
Historic	50%	20%	50%		50%	20%	50%	50%	20%	50%	50%	20%	50%	
20%	30%	40%	40%		30%	40%	40%	10%		20%	30%	40%	40%	
40%	9%	10%	9%		9%	10%	9%	10%		10%	9%	10%	9%	
70%	0%	0%	0%		0%	0%	0%	10%		10%	0%	0%	0%	
100%	1%	25%	1%	Ļ	1%	25%	1%	10%	75%	10%	1%	25%	1%	
David Charles and a filtering	_			TI	ce Jun		meters	_	7.0	10/ I	_		00/	
Raw likelihood of jumps	7.0%				7.0%				7.0%			7.0% 80%		
Percent of common jumps	80%				80%			80%						
Mean jump size	80.0 375.0				120.0			80.0			80.0 375.0			
99th percentile jump size	75%				600.0				375.0 75%			75%		
% of jumps in 1dayseries	20%				75% 20%			20%			75% 20%			
%of jumps in 3 dayseries	5%				20% 5%			5%						
% of jumps in 6dayseries					Dofort				57	/0	_	5%		
	T 0.	rious	0% to 30%	L	Default		lation - 0% to 30%	LVor	iouo O	10/ +a 200/ T	_	100	0.00/.	
	V 3	#NOUS -	070 10 3070			anous ·	- 070 10 3070	Various - 0% to 30%			100.0%			

