

I-17 Appendix E and J Operating Instructions

Updates to Appendix E may be triggered by unexpected events (milestone extension requests) and expected events (annual roll of new FY, FY+1 and FY+2 milestones). The attached figures reflect the Parties interpretation of the process reflected in Sections XVIII, XIX, and XXXVIII for reaching timely updates to Appendix E milestones, including the rollover of the FY+3 non-enforceable milestones into the Appendix E as FY+2 enforceable milestones annually October 1.

Annual Required Milestone Update (i.e., “roll”) and Budget Development/Planning Events/Submittals

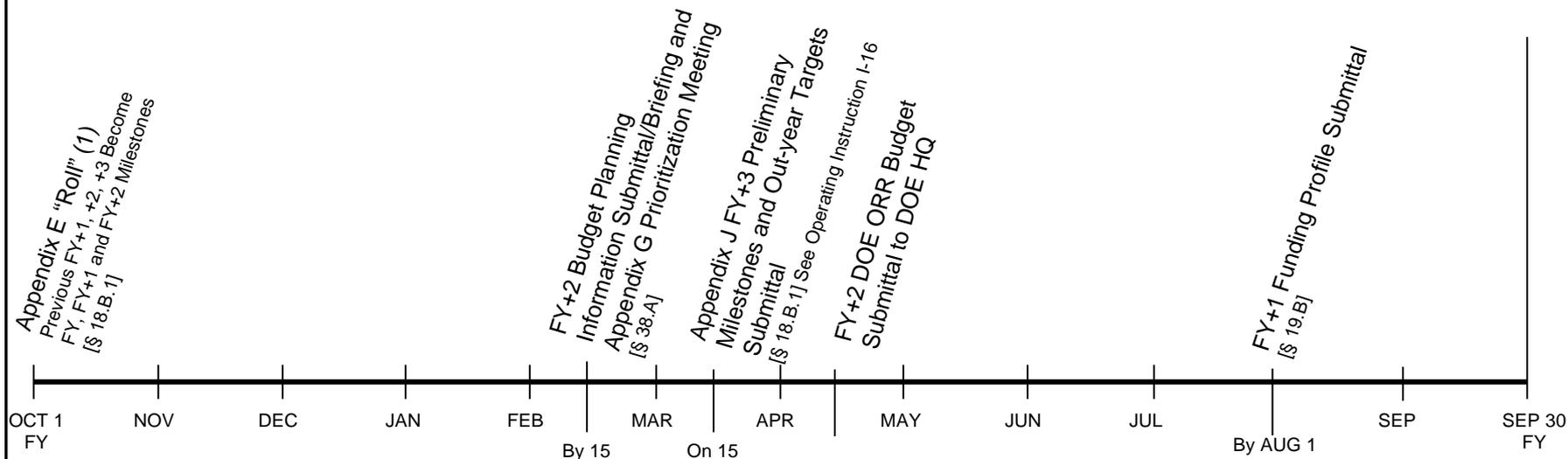


Figure 1

(1) – Does not require FFA modification form

The timeline above illustrates key dates for budget development and annual events to establish planning milestones and the subsequent rolling of established milestones into Current Year Enforceable Milestones

Procedures and timelines for DOE proposed modifications of established milestones are shown in Figures 2-5

FY Milestones - DOE Proposed Modifications*
Event Sequence for Projected or Actual DOE Funding Shortfall **
FFA §XIX.B and §XXXVIII.D

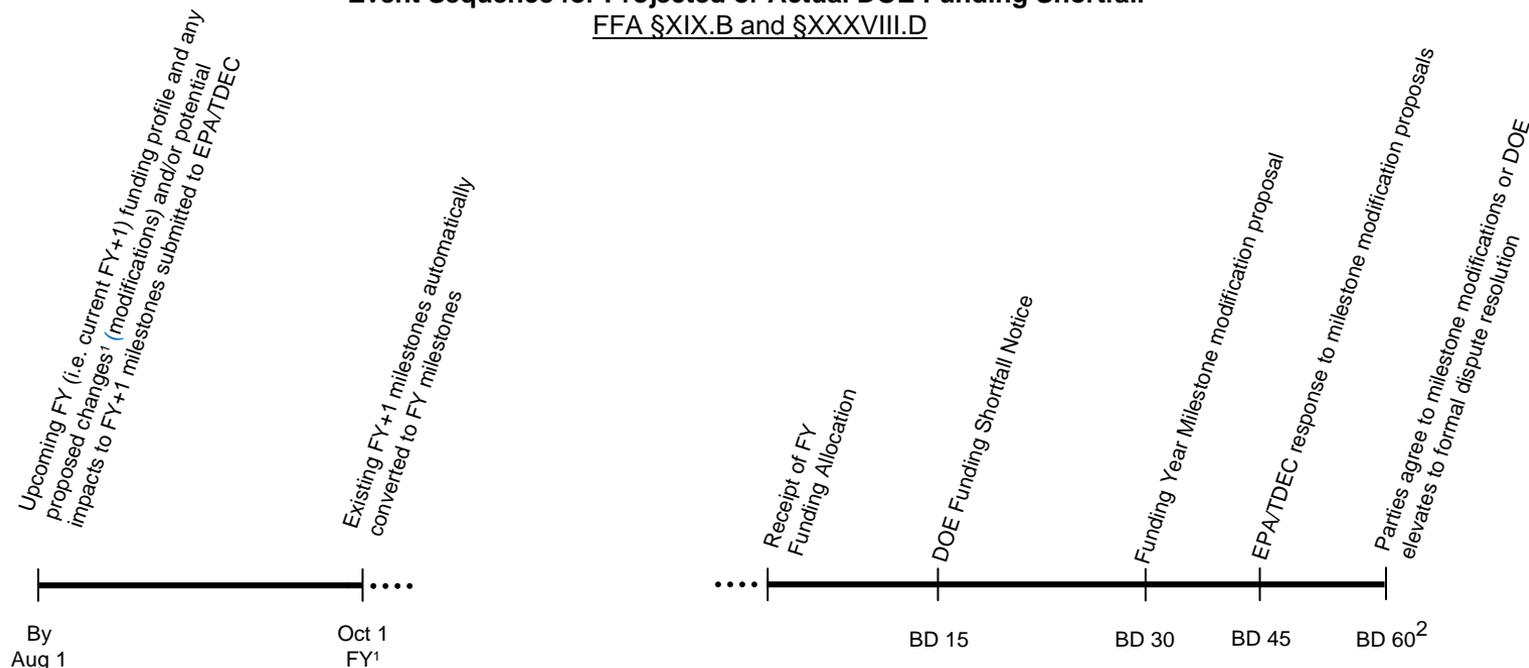


Figure 2

¹ – Proposed changes will roll in on Oct 1 upon agreement of all FFA parties or conclusion of the dispute resolution process
² – The period leading up to BD 60 constitutes informal dispute.

•- DOE shall make good faith efforts to comply with the enforceable commitments of the Agreement prior to proposing changes to existing enforceable milestones.
 ** - This timeline is concurrent with the Figure 3 starting at the “Receipt of FY funding allocation,” whether or not the funding allocation occurs prior to or after October 1. The good cause for FY Milestone modifications in this figure pertains only to funding year work impacted by a funding year shortfall.
 BD = Business Days
 CD = Calendar Days

FY+1 Milestones - DOE Proposed Modifications*
Funding Year Allocation Shortfall**
FFA §XIX.C

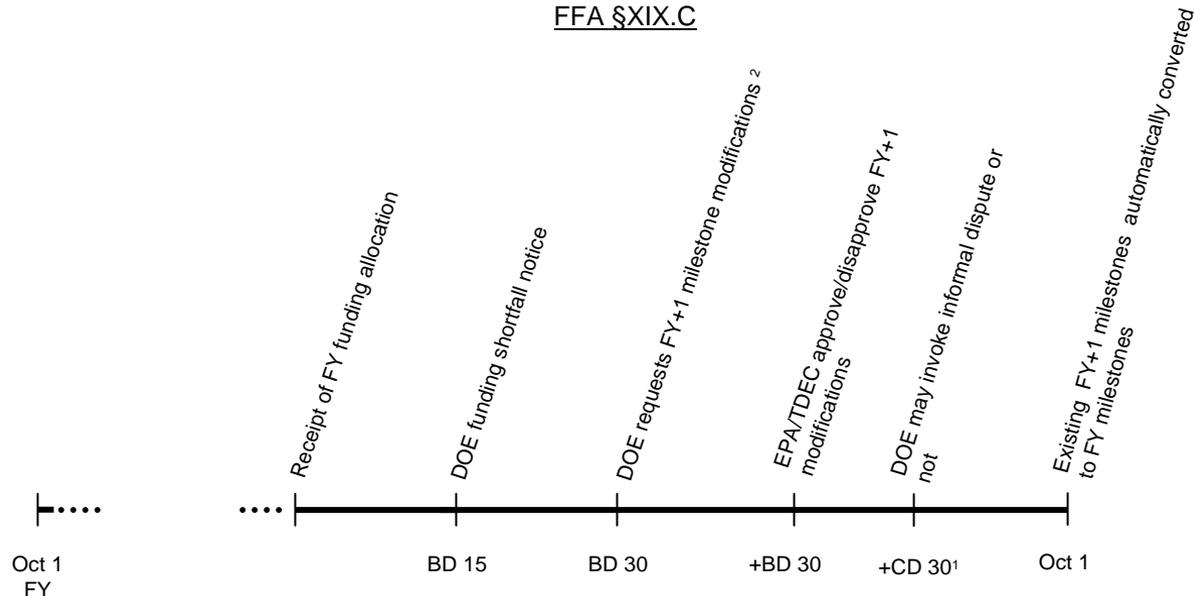


Figure 3

1 - Any FFA party can determine failure of informal dispute resolution. If agreement cannot be reached on any issue during the informal dispute resolution process, the disputing Party shall forward the written statement of dispute to the Dispute Resolution Committee (DRC), thereby elevating the dispute to the DRC for resolution.
 2 - Although Figures 2 and 3 represent the process for making timely modifications to FY and FY+1 Milestones due to a funding year allocation shortfall affecting funding year work, DOE may request additional time to evaluate FY+1 milestone impacts when warranted. Additionally, DOE may pursue later modifications of FY+1 milestones after "BD-30" if new information regarding allocated funding is sufficiently demonstrated.

* - DOE shall make good faith efforts to comply with the enforceable commitments of the Agreement prior to proposing changes to existing enforceable milestones.

** - This timeline is concurrent with the Figure 2 starting at the "Receipt of FY funding allocation," whether or not the funding allocation occurs prior to or after October 1. The good cause for FY+1 Milestone modifications in this figure pertains only to funding year work impacted by a funding year shortfall. DOE may also pursue FY+2 Milestone modifications which can be shown to be directly impacted by a funding year shortfall.

BD = Business Days
 CD = Calendar Days

FY+2 Budget Development Process EPA/TDEC Additional/Accelerated Activities

FFA §XXXVIII. A - C

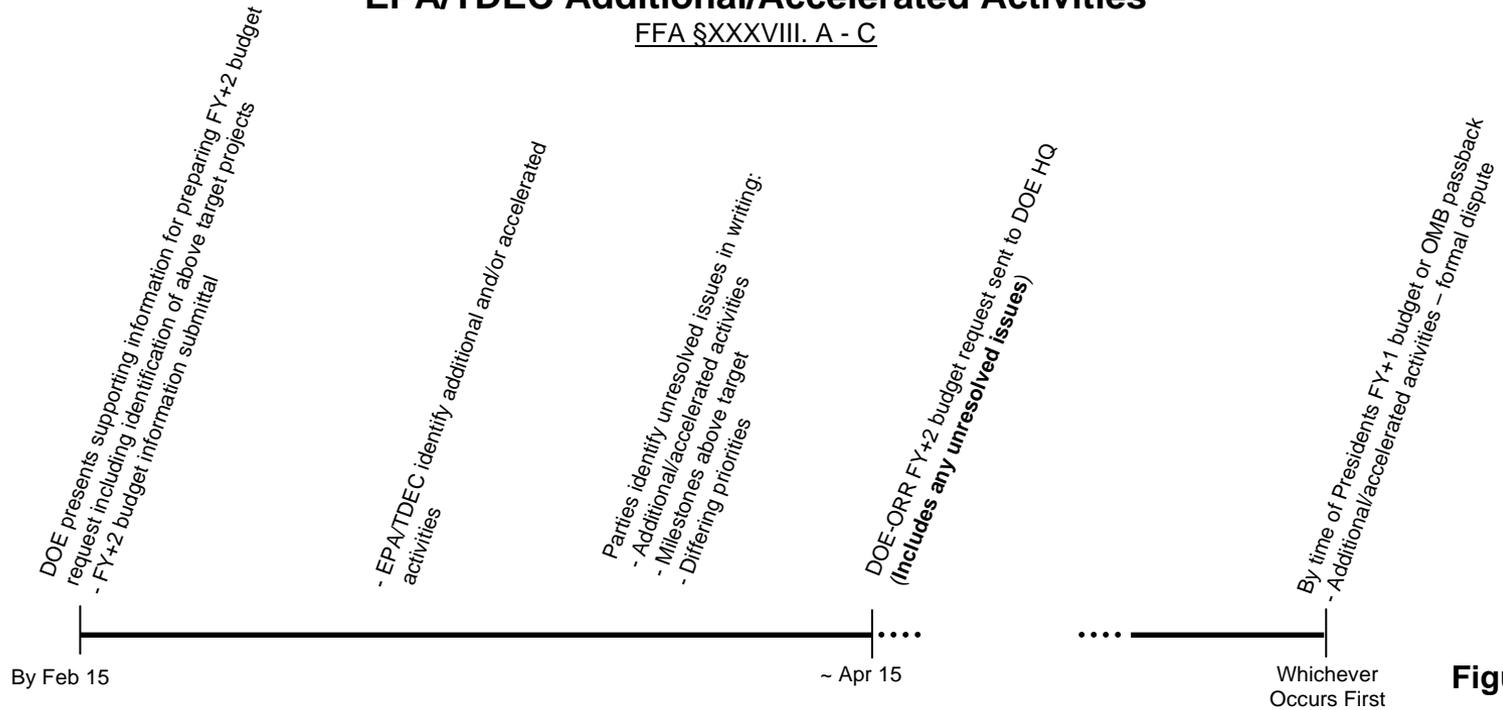


Figure 4

FY+3 Milestone - DOE Proposed Changes

FY+3 Automatic Conversion to FY+2 Milestones

FFA §XVIII.B.1 and §XVIII.B.2

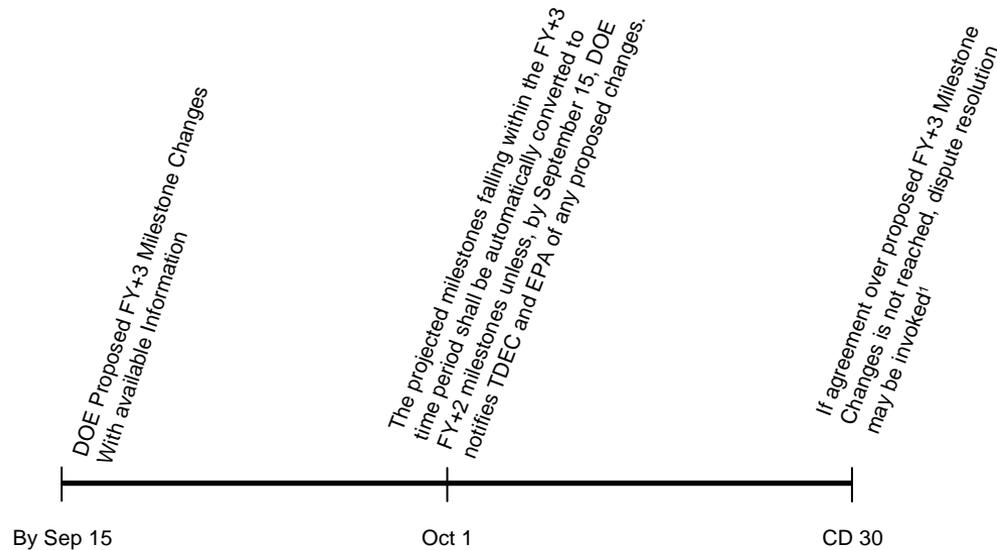


Figure 5

¹ The parties expect through effective implementation of Operating Instruction I-16 to resolve Appendix J disputes well before September 15 so that by September 15, the Parties have a consensus on the FY+3 milestones that will automatically roll into FY+2 on October 1. Changes related to this step are expected to be based on new information not available during review and finalization of Appendix J.