CONTRACTOR: The Lignite Energy Council

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PARTICIPANTS

<table>
<thead>
<tr>
<th>Sponsor</th>
<th>Cost Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Dakota Industrial Commission</td>
<td>$975,000</td>
</tr>
<tr>
<td>Lignite Energy Council</td>
<td>$975,000</td>
</tr>
<tr>
<td>Total Project Costs</td>
<td>$1,950,000</td>
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</tbody>
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Project Schedule – Three Years

| Contract Date – 9/12/02 | Project Deliverables
|-------------------------|------------------------|
| Start Date – 10/1/02    | Contract Execution – 10/21/02 (✓)
| Completion Date 10/1/05 | First Annual Report – 10/1/03 (✓)
| Extended to 12/31/06    | Second Annual Report – 12/31/04 (✓)
|                         | Third Annual Report – 12/31/05 (✓)
|                         | Final Report – 12/31/06 (✓)

OBJECTIVE / STATEMENT OF WORK

The primary goal of this project is to improve the overall public regional image of coal. Project activities include promoting the use of coal as a low-cost, efficient and environmentally compatible energy source to ensure the continued utilization and growth of coal-based electrical energy. Specific tasks include improving the image of coal through image advertising, web site promotion, news releases, brochures, media relation activities and preparation of Environmental Success stories to inform and educate the public and PAE supporters relative to the benefits of coal-based electricity, and to develop support for state policies that address future energy reliability concerns, power line transmission expansion and new coal-based power generation.

STATUS

10/1/02 – 9/30/03
A North Dakota communications director was hired to complement the existing Minnesota communications director. Image advertising included radio, newspaper and magazine media. PAE also launched a new Web site – www.powerofcoal.com.

10/1/03 – 12/31/04
PAE’s developed, produced and disseminated image advertising that was broadcast on television stations in Minnesota and North Dakota. In addition, radio and newspaper advertising continued
to be used. PAE also expanded the popular Environmental Success Stories to cover broader topics and renamed them Energy Success Stories. Six new North Dakota coalition members were added.

1/1/05 – 12/31/05
PAE expanded its TV broadcast advertising from four flights to five flights on Minnesota and North Dakota television stations. Radio and newspaper advertising continued to complement the TV advertising campaign. Six new North Dakota coalition members were added.

Final Report: 1/1/06 – 12/31/06
PAE continued its five flights of TV broadcast advertising on Minnesota and North Dakota television stations. Radio and newspaper advertising continued to complement the TV advertising campaign. Ten new North Dakota coalition members were added.