

Rate Case 2009
Financial Feasibility - 55/30 year Horizon
Parameters and Results

Line No.	<u>Col. 1</u> Description	<u>Col. 2</u>	<u>Col. 3</u> Year 0	<u>Col. 4</u> Year 1	<u>Col. 5</u> Year 2	<u>Col. 6</u> Year 3	<u>Col. 7</u> Year 4	<u>Col. 8</u> Year 5-55
FEASIBILITY PARAMETERS								
1.	Discount Rate	6.24%						
2.	CCA Rate	6.00%						
3.	Tax Rate	31.90%						
4.	Municipal Tax rate	0.75%						
5.	Capital Tax Rate	0.36%						
6.	Federal Large Corp. Tax rate	0.000%						
7.	Customer Revenue Horizon							
8.	Residential (Years)	55						
9.	Commercial (Years)	30						
10.	Customer Additions							
11.	Residential			1,155	0	0	0	0
12.	Commercial			58	0	0	0	0
13.	Total Annual Volumes							
14.	Residential (m ³)			1,024,485	2,048,970	2,048,970	2,048,970	2,048,970
15.	Commercial (m ³)			436,452	872,904	872,904	872,904	872,904
13.	Capital Costs							
14.	Mains (Dollars)		2,182,089	0	0	0	0	0
15.	Services (Dollars)		1,741,820	0	0	0	0	0
16.	Meters (Dollars)		191,118	0	0	0	0	0
17.	Stations (Dollars)		68,000	0	0	0	0	0
18.	Annual Revenues (Dollars)			871,491	1,742,982	1,742,982	1,742,982	1,742,982
19.	Annual O&M (Dollars)			47,600	95,200	95,200	95,200	95,200
FEASIBILITY RESULTS								
20.	Net Present Value (Dollars)	1,428,241						
21.	Profitability Index	1.339						
22.	IRR	8.78%						
23.	Levelized Rate Impact (55 years)	-0.167%						
24.	Cross-Over Year	Year 3						

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	<u>Col. 1</u>	<u>Col. 2</u>	<u>Col. 3</u>	<u>Col. 4</u>	<u>Col. 5</u>	<u>Col. 6</u>	<u>Col. 7</u>	<u>Col. 8</u>	<u>Col. 9</u>	<u>Col. 10</u>	<u>Col. 11</u>	<u>Col. 12</u>
Line No.	Description	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Discount factors to project outset	0.50	1.50	2.50	3.50	4.50	5.50	6.50	7.50	8.50	9.50	10.50
<u>INCREMENTAL CAPITAL INVESTMENT</u>												
1.	Investment In Mains	2,182,089	-	-	-	-	-	-	-	-	-	-
2.	Investment in Services	1,741,820	-	-	-	-	-	-	-	-	-	-
3.	Investment in Stations	68,000	-	-	-	-	-	-	-	-	-	-
4.	Investment in Meters	191,118	-	-	-	-	-	-	-	-	-	-
5.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-	-
6.	Net Investment Capital	4,183,027	-	-	-	-	-	-	-	-	-	-
7.	Working Capital	30,083	-	-	-	-	-	-	-	-	-	-
8.	Total Investments	4,213,110	-	-	-	-	-	-	-	-	-	-
9.	PV Of Net Investment At Project Outset	(4,183,027)	(29,187)	-	-	-	-	-	-	-	-	-
10.	ACCUMULATED PV OF TOTAL INVESTMENT	(4,183,027)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield		40,032	77,661	73,002	68,621	64,504	60,634	56,996	53,576	50,362	47,340
12.	PV Of CCA Tax Shield At Project Outset		38,839	70,925	62,756	55,528	49,132	43,473	38,466	34,036	30,116	26,647
13.	ACCUMULATED PV OF CCA TAX SHIELD		38,839	109,764	172,519	228,047	277,179	320,652	359,118	393,154	423,270	449,917
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue		871,491	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982
15.	Gas Costs		(565,040)	(1,130,080)	(1,130,080)	(1,130,080)	(1,130,080)	(1,130,080)	(1,130,080)	(1,130,080)	(1,130,080)	(1,130,080)
16.	O&M		(47,600)	(95,200)	(95,200)	(95,200)	(95,200)	(95,200)	(95,200)	(95,200)	(95,200)	(95,200)
17.	Net Operating Cash (Before Taxes)		258,851	517,702	517,702	517,702	517,702	517,702	517,702	517,702	517,702	517,702
18.	PV of Net Operating Cash (Before Taxes) At Project Outset		251,139	472,795	445,042	418,918	394,328	371,181	349,393	328,884	309,579	291,407
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)		251,139	723,934	1,168,975	1,587,894	1,982,222	2,353,403	2,702,797	3,031,681	3,341,260	3,632,667
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)		(67,902)	(150,925)	(151,542)	(152,142)	(152,728)	(153,300)	(153,858)	(154,405)	(154,940)	(155,464)
21.	Municipal Tax		(31,384)	(30,851)	(29,743)	(28,635)	(27,527)	(26,418)	(25,310)	(24,202)	(23,094)	(21,985)
22.	Capital Tax		(14,607)	(13,731)	(12,907)	(12,132)	(11,405)	(10,720)	(10,077)	(9,472)	(8,904)	(8,370)
23.	Federal Tax		-	-	-	-	-	-	-	-	-	-
24.	Total Taxes		(113,893)	(195,507)	(194,191)	(192,909)	(191,659)	(190,438)	(189,246)	(188,079)	(186,937)	(185,819)
25.	PV of Total Taxes At Project Outset		(110,500)	(178,548)	(166,936)	(156,100)	(145,985)	(136,540)	(127,720)	(119,482)	(111,786)	(104,595)
26.	ACCUMULATED PV OF TOTAL TAXES		(110,500)	(289,048)	(455,985)	(612,085)	(758,069)	(894,609)	(1,022,330)	(1,141,812)	(1,253,599)	(1,358,193)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value		(4,003,549)	(3,667,565)	(3,326,704)	(3,008,358)	(2,710,882)	(2,432,768)	(2,172,629)	(1,929,191)	(1,701,283)	(1,487,823)
28.	Profitability Index		0.043	0.129	0.210	0.286	0.356	0.422	0.484	0.542	0.596	0.647

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	<u>Col. 1</u>	<u>Col. 13</u>	<u>Col. 14</u>	<u>Col. 15</u>	<u>Col. 16</u>	<u>Col. 17</u>	<u>Col. 18</u>	<u>Col. 19</u>	<u>Col. 20</u>	<u>Col. 21</u>	<u>Col. 22</u>	<u>Col. 23</u>
Line No.	Description	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
	Discount factors to project outset	11.50	12.50	13.50	14.50	15.50	16.50	17.50	18.50	19.50	20.50	21.50
<u>INCREMENTAL CAPITAL INVESTMENT</u>												
1.	Investment In Mains	-	-	-	-	-	-	-	-	-	-	-
2.	Investment in Services	-	-	-	-	-	-	-	-	-	-	-
3.	Investment in Stations	-	-	-	-	-	-	-	-	-	-	-
4.	Investment in Meters	-	-	-	-	-	-	-	-	-	-	-
5.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-	-
6.	Net Investment Capital	-	-	-	-	-	-	-	-	-	-	-
7.	Working Capital	-	-	-	-	-	-	-	-	-	-	-
8.	Total Investments	-	-	-	-	-	-	-	-	-	-	-
9.	PV Of Net Investment At Project Outset	-	-	-	-	-	-	-	-	-	-	-
10.	ACCUMULATED PV OF TOTAL INVESTMENT	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield	44,499	41,830	39,320	36,961	34,743	32,658	30,699	28,857	27,126	47,961	23,968
12.	PV Of CCA Tax Shield At Project Outset	23,578	20,862	18,459	16,333	14,452	12,787	11,315	10,011	8,858	14,743	6,935
13.	ACCUMULATED PV OF CCA TAX SHIELD	473,494	494,357	512,816	529,149	543,601	556,389	567,703	577,715	586,573	601,317	608,252
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982
15.	Gas Costs	(1,130,080)	(1,130,080)	(1,130,080)	(1,130,080)	(1,130,080)	(1,130,080)	(1,130,080)	(1,130,080)	(1,130,080)	(1,130,080)	(1,130,080)
16.	O&M	(95,200)	(95,200)	(95,200)	(95,200)	(95,200)	(95,200)	(95,200)	(95,200)	(95,200)	(95,200)	(95,200)
17.	Net Operating Cash (Before Taxes)	517,702	517,702	517,702	517,702	517,702	517,702	517,702	517,702	517,702	517,702	517,702
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	274,302	258,200	243,044	228,778	215,349	202,708	190,809	179,609	169,066	159,142	149,800
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	3,906,969	4,165,169	4,408,213	4,636,991	4,852,340	5,055,047	5,245,857	5,425,465	5,594,531	5,753,673	5,903,473
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)	(155,977)	(156,481)	(156,976)	(157,463)	(157,942)	(158,413)	(158,877)	(159,334)	(159,785)	(160,231)	(160,670)
21.	Municipal Tax	(20,877)	(19,769)	(18,661)	(17,553)	(16,444)	(15,336)	(14,228)	(13,120)	(12,012)	(10,903)	(9,795)
22.	Capital Tax	(7,868)	(7,396)	(6,952)	(6,535)	(6,143)	(5,774)	(5,428)	(5,102)	(4,796)	(4,508)	(4,238)
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(184,722)	(183,646)	(182,589)	(181,550)	(180,529)	(179,523)	(178,532)	(177,556)	(176,593)	(175,642)	(174,703)
25.	PV of Total Taxes At Project Outset	(97,874)	(91,592)	(85,720)	(80,229)	(75,095)	(70,293)	(65,802)	(61,600)	(57,670)	(53,992)	(50,551)
26.	ACCUMULATED PV OF TOTAL TAXES	(1,456,067)	(1,547,660)	(1,633,379)	(1,713,608)	(1,788,703)	(1,858,996)	(1,924,797)	(1,986,398)	(2,044,067)	(2,098,060)	(2,148,611)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value	(1,287,818)	(1,100,348)	(924,564)	(759,682)	(604,976)	(459,773)	(323,451)	(195,431)	(75,177)	44,716	150,900
28.	Profitability Index	0.694	0.739	0.781	0.820	0.856	0.891	0.923	0.954	0.982	1.011	1.036

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	<u>Col. 1</u>	<u>Col. 24</u>	<u>Col. 25</u>	<u>Col. 26</u>	<u>Col. 27</u>	<u>Col. 28</u>	<u>Col. 29</u>	<u>Col. 30</u>	<u>Col. 31</u>	<u>Col. 32</u>	<u>Col. 33</u>	<u>Col. 34</u>
Line No.	Description	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32
	Discount factors to project outset	22.50	23.50	24.50	25.50	26.50	27.50	28.50	29.50	30.50	31.50	32.50
<u>INCREMENTAL CAPITAL INVESTMENT</u>												
1.	Investment In Mains	-	-	-	-	-	-	-	-	-	-	-
2.	Investment in Services	-	-	-	-	-	-	-	-	-	-	-
3.	Investment in Stations	-	-	-	-	-	-	-	-	-	-	-
4.	Investment in Meters	-	-	-	-	-	-	-	-	-	-	-
5.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-	-
6.	Net Investment Capital	-	-	-	-	-	-	-	-	-	-	-
7.	Working Capital	-	-	-	-	-	-	-	-	-	-	-
8.	Total Investments	-	-	-	-	-	-	-	-	-	-	-
9.	PV Of Net Investment At Project Outset	-	-	-	-	-	-	-	-	-	-	-
10.	ACCUMULATED PV OF TOTAL INVESTMENT	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield	22,530	21,178	19,908	18,713	17,590	16,535	15,543	14,610	13,734	12,910	12,135
12.	PV Of CCA Tax Shield At Project Outset	6,137	5,430	4,804	4,251	3,761	3,328	2,945	2,606	2,306	2,040	1,805
13.	ACCUMULATED PV OF CCA TAX SHIELD	614,388	619,818	624,622	628,873	632,635	635,963	638,908	641,513	643,819	645,859	647,664
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,266,517	1,266,517
15.	Gas Costs	(1,130,080)	(1,130,080)	(1,130,080)	(1,130,080)	(1,130,080)	(1,130,080)	(1,130,080)	(1,130,080)	(1,130,080)	(793,706)	(793,706)
16.	O&M	(95,200)	(95,200)	(95,200)	(95,200)	(95,200)	(95,200)	(95,200)	(95,200)	(95,200)	(84,907)	(84,907)
17.	Net Operating Cash (Before Taxes)	517,702	517,702	517,702	517,702	517,702	517,702	517,702	517,702	517,702	387,905	387,905
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	141,007	132,730	124,939	117,605	110,702	104,204	98,087	92,329	86,910	61,297	57,699
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	6,044,480	6,177,211	6,302,150	6,419,755	6,530,457	6,634,660	6,732,747	6,825,077	6,911,987	6,973,284	7,030,983
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)	(161,105)	(161,464)	(161,701)	(161,929)	(162,151)	(162,369)	(162,584)	(162,795)	(163,003)	(121,912)	(122,114)
21.	Municipal Tax	(8,687)	(7,801)	(7,283)	(6,778)	(6,281)	(5,785)	(5,288)	(4,791)	(4,294)	(3,453)	(2,957)
22.	Capital Tax	(3,983)	(3,744)	(3,520)	(3,309)	(3,110)	(2,923)	(2,748)	(2,583)	(2,428)	(2,282)	(2,145)
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(173,775)	(173,009)	(172,504)	(172,016)	(171,542)	(171,077)	(170,619)	(170,169)	(169,725)	(127,648)	(127,216)
25.	PV of Total Taxes At Project Outset	(47,331)	(44,357)	(41,631)	(39,076)	(36,681)	(34,435)	(32,327)	(30,349)	(28,493)	(20,171)	(18,923)
26.	ACCUMULATED PV OF TOTAL TAXES	(2,195,943)	(2,240,300)	(2,281,931)	(2,321,007)	(2,357,688)	(2,392,123)	(2,424,450)	(2,454,798)	(2,483,291)	(2,503,462)	(2,522,385)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value	250,712	344,515	432,628	515,407	593,189	666,286	734,992	799,578	860,301	903,467	944,049
28.	Profitability Index	1.060	1.082	1.103	1.122	1.141	1.158	1.174	1.190	1.204	1.214	1.224

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	<u>Col. 1</u>	<u>Col. 35</u>	<u>Col. 36</u>	<u>Col. 37</u>	<u>Col. 38</u>	<u>Col. 39</u>	<u>Col. 40</u>	<u>Col. 41</u>	<u>Col. 42</u>	<u>Col. 43</u>	<u>Col. 44</u>	<u>Col. 45</u>
Line No.	Description	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40	Year 41	Year 42	Year 43
	Discount factors to project outset	33.50	34.50	35.50	36.50	37.50	38.50	39.50	40.50	41.50	42.50	43.50
<u>INCREMENTAL CAPITAL INVESTMENT</u>												
1.	Investment In Mains	-	-	-	-	-	-	-	-	-	-	-
2.	Investment in Services	-	-	-	-	-	-	-	-	-	-	-
3.	Investment in Stations	-	-	-	-	-	-	-	-	-	-	-
4.	Investment in Meters	-	-	-	-	-	-	-	-	-	-	-
5.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-	-
6.	Net Investment Capital	-	-	-	-	-	-	-	-	-	-	-
7.	Working Capital	-	-	-	-	-	-	-	-	-	-	-
8.	Total Investments	-	-	-	-	-	-	-	-	-	-	-
9.	PV Of Net Investment At Project Outset	-	-	-	-	-	-	-	-	-	-	-
10.	ACCUMULATED PV OF TOTAL INVESTMENT	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield	11,407	10,722	10,079	9,474	8,906	8,372	7,869	7,397	6,953	6,536	6,144
12.	PV Of CCA Tax Shield At Project Outset	1,597	1,413	1,250	1,106	979	866	766	678	600	531	470
13.	ACCUMULATED PV OF CCA TAX SHIELD	649,261	650,674	651,925	653,031	654,010	654,876	655,643	656,321	656,921	657,452	657,922
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517
15.	Gas Costs	(793,706)	(793,706)	(793,706)	(793,706)	(793,706)	(793,706)	(793,706)	(793,706)	(793,706)	(793,706)	(793,706)
16.	O&M	(84,907)	(84,907)	(84,907)	(84,907)	(84,907)	(84,907)	(84,907)	(84,907)	(84,907)	(84,907)	(84,907)
17.	Net Operating Cash (Before Taxes)	387,905	387,905	387,905	387,905	387,905	387,905	387,905	387,905	387,905	387,905	387,905
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	54,312	51,124	48,123	45,299	42,640	40,137	37,781	35,563	33,475	31,511	29,661
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	7,085,296	7,136,420	7,184,544	7,229,842	7,272,482	7,312,619	7,350,399	7,385,962	7,419,438	7,450,948	7,480,609
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)	(122,314)	(122,511)	(122,702)	(122,881)	(122,982)	(123,012)	(123,040)	(123,067)	(123,092)	(123,116)	(123,138)
21.	Municipal Tax	(2,460)	(1,963)	(1,477)	(1,022)	(807)	(807)	(807)	(807)	(807)	(807)	(807)
22.	Capital Tax	(2,017)	(1,896)	(1,782)	(1,675)	(1,575)	(1,480)	(1,391)	(1,308)	(1,229)	(1,156)	(1,086)
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(126,790)	(126,369)	(125,961)	(125,578)	(125,364)	(125,299)	(125,239)	(125,182)	(125,129)	(125,078)	(125,031)
25.	PV of Total Taxes At Project Outset	(17,753)	(16,655)	(15,627)	(14,665)	(13,780)	(12,965)	(12,198)	(11,477)	(10,798)	(10,160)	(9,560)
26.	ACCUMULATED PV OF TOTAL TAXES	(2,540,138)	(2,556,793)	(2,572,419)	(2,587,084)	(2,600,864)	(2,613,829)	(2,626,027)	(2,637,504)	(2,648,302)	(2,658,462)	(2,668,023)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value	982,206	1,018,088	1,051,835	1,083,576	1,113,414	1,141,452	1,167,801	1,192,566	1,215,843	1,237,724	1,258,294
28.	Profitability Index	1.233	1.242	1.250	1.257	1.264	1.271	1.277	1.283	1.289	1.294	1.299

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Rate Case 2009
Financial Feasibility - 55 year Horizon
DCF Analysis

	<u>Col. 1</u>	<u>Col. 46</u>	<u>Col. 47</u>	<u>Col. 48</u>	<u>Col. 49</u>	<u>Col. 50</u>	<u>Col. 51</u>	<u>Col. 52</u>	<u>Col. 53</u>	<u>Col. 54</u>	<u>Col. 55</u>	<u>Col. 56</u>
Line No.	Description	Year 44	Year 45	Year 46	Year 47	Year 48	Year 49	Year 50	Year 51	Year 52	Year 53	Year 54
	Discount factors to project outset	44.50	45.50	46.50	47.50	48.50	49.50	50.50	51.50	52.50	53.50	54.50
<u>INCREMENTAL CAPITAL INVESTMENT</u>												
1.	Investment In Mains	-	-	-	-	-	-	-	-	-	-	-
2.	Investment in Services	-	-	-	-	-	-	-	-	-	-	-
3.	Investment in Stations	-	-	-	-	-	-	-	-	-	-	-
4.	Investment in Meters	-	-	-	-	-	-	-	-	-	-	-
5.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-	-
6.	Net Investment Capital	-	-	-	-	-	-	-	-	-	-	-
7.	Working Capital	-	-	-	-	-	-	-	-	-	-	-
8.	Total Investments	-	-	-	-	-	-	-	-	-	-	-
9.	PV Of Net Investment At Project Outset	-	-	-	-	-	-	-	-	-	-	-
10.	ACCUMULATED PV OF TOTAL INVESTMENT	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)	(4,212,214)
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield	5,775	5,429	5,103	4,797	4,509	4,239	3,984	3,745	3,520	3,309	3,111
12.	PV Of CCA Tax Shield At Project Outset	416	368	325	288	255	225	199	177	156	138	122
13.	ACCUMULATED PV OF CCA TAX SHIELD	658,337	658,705	659,031	659,319	659,573	659,799	659,998	660,175	660,331	660,469	660,592
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517
15.	Gas Costs	(793,706)	(793,706)	(793,706)	(793,706)	(793,706)	(793,706)	(793,706)	(793,706)	(793,706)	(793,706)	(793,706)
16.	O&M	(84,907)	(84,907)	(84,907)	(84,907)	(84,907)	(84,907)	(84,907)	(84,907)	(84,907)	(84,907)	(84,907)
17.	Net Operating Cash (Before Taxes)	387,905	387,905	387,905	387,905	387,905	387,905	387,905	387,905	387,905	387,905	387,905
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	27,920	26,281	24,738	23,286	21,919	20,633	19,422	18,281	17,208	16,198	15,247
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	7,508,529	7,534,810	7,559,548	7,582,834	7,604,754	7,625,386	7,644,808	7,663,089	7,680,298	7,696,496	7,711,743
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)	(123,158)	(123,178)	(123,196)	(123,214)	(123,230)	(123,245)	(123,259)	(123,273)	(123,286)	(123,298)	(123,309)
21.	Municipal Tax	(807)	(807)	(807)	(807)	(807)	(807)	(807)	(807)	(807)	(807)	(807)
22.	Capital Tax	(1,021)	(960)	(902)	(848)	(797)	(749)	(704)	(662)	(622)	(585)	(550)
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(124,987)	(124,945)	(124,906)	(124,869)	(124,834)	(124,802)	(124,771)	(124,742)	(124,715)	(124,690)	(124,666)
25.	PV of Total Taxes At Project Outset	(8,996)	(8,465)	(7,966)	(7,496)	(7,054)	(6,638)	(6,247)	(5,879)	(5,533)	(5,207)	(4,900)
26.	ACCUMULATED PV OF TOTAL TAXES	(2,677,019)	(2,685,484)	(2,693,450)	(2,700,946)	(2,708,000)	(2,714,638)	(2,720,885)	(2,726,764)	(2,732,297)	(2,737,503)	(2,742,404)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value	1,277,634	1,295,817	1,312,915	1,328,993	1,344,113	1,358,333	1,371,707	1,384,286	1,396,118	1,407,248	1,417,717
28.	Profitability Index	1.303	1.308	1.312	1.316	1.319	1.322	1.326	1.329	1.331	1.334	1.337

Rate Case 2009
Financial Feasibility - 55 year Horizon
Rate Impact Analysis

Dollars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
	1	2	3	4	5	6	7	8	9	10	11
REVENUE											
A. Effective Project Revenue	871,491	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982
B. Year "0" Revenue (2008 Rate Case)	69,902,900										
C. Total Revenue (year "0" + projected revenue)	69,902,900	70,774,391	71,645,882	71,645,882	71,645,882	71,645,882	71,645,882	71,645,882	71,645,882	71,645,882	71,645,882
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement	899,835	1,744,938	1,736,317	1,727,336	1,718,015	1,708,375	1,698,436	1,688,214	1,677,727	1,666,991	1,656,021
E. Year "0" Revenue Requirement	69,902,900										
F. Total Revenue Requirement (year "0" + project rev.req.)	69,902,900	70,802,735	71,647,838	71,639,217	71,630,236	71,620,915	71,611,275	71,601,336	71,591,114	71,580,627	71,569,891
(D - A) DEFICIENCY or RATE IMPACT	28,344	1,956	(6,665)	(15,646)	(24,967)	(34,607)	(44,546)	(54,768)	(65,255)	(75,991)	(86,961)
(D - A)/ C % Rate Impact vs Yr 0	0.040%	0.00%	-0.01%	-0.02%	-0.035%	-0.05%	-0.06%	-0.08%	-0.09%	-0.11%	-0.12%

LEVELIZED RATE IMPACT CALCULATION

L. Rate Impact (D -A)		28,344	1,956	(6,665)	(15,646)	(24,967)	(34,607)	(44,546)	(54,768)	(65,255)	(75,991)	(86,961)
M. \$ Levelized Impact (55 yrs.)	Disc. Rate of	(119,262)										
N. Levelized Revenue	7.44%	71,537,284										
O. % Levelized Impact		-0.167%	(117,990)	(119,443)	(119,443)	(119,443)	(119,443)	(119,443)	(119,443)	(119,443)	(119,443)	(119,443)

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Rate Case 2009
Financial Feasibility - 55 year Horizon
Rate Impact Analysis

Dollars	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22
	12	13	14	15	16	17	18	19	20	21	22
REVENUE											
A. Effective Project Revenue	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982
B. Year "0" Revenue (2008 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	71,645,882	71,645,882	71,645,882	71,645,882	71,645,882	71,645,882	71,645,882	71,645,882	71,645,882	71,645,882	71,645,882
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement	1,644,831	1,633,434	1,621,842	1,610,068	1,598,122	1,586,014	1,573,754	1,561,352	1,548,815	1,536,152	1,523,371
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	71,547,731	71,536,334	71,524,742	71,512,968	71,501,022	71,488,914	71,476,654	71,464,252	71,451,715	71,439,052	71,426,271
(D - A) DEFICIENCY or RATE IMPACT	(98,151)	(109,548)	(121,140)	(132,914)	(144,861)	(156,968)	(169,228)	(181,630)	(194,167)	(206,830)	(219,611)
(D - A)/ C % Rate Impact vs Yr 0	-0.14%	-0.15%	-0.17%	-0.19%	-0.20%	-0.22%	-0.24%	-0.25%	-0.27%	-0.29%	-0.31%

LEVELIZED RATE IMPACT CALCULATION

L. Rate Impact (D -A)		(98,151)	(109,548)	(121,140)	(132,914)	(144,861)	(156,968)	(169,228)	(181,630)	(194,167)	(206,830)	(219,611)
M. \$ Levelized Impact (55 yrs.)	Disc. Rate of											
N. Levelized Revenue	7.44%											
O. % Levelized Impact		(119,443)	(119,443)	(119,443)	(119,443)	(119,443)	(119,443)	(119,443)	(119,443)	(119,443)	(119,443)	(119,443)

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Rate Case 2009
Financial Feasibility - 55 year Horizon
Rate Impact Analysis

Dollars	Year 23 23	Year 24 24	Year 25 25	Year 26 26	Year 27 27	Year 28 28	Year 29 29	Year 30 30	Year 31 31	Year 32 32	Year 33 33
REVENUE											
A. Effective Project Revenue	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,742,982	1,266,517	1,266,517	1,266,517
B. Year "0" Revenue (2008 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	71,645,882	71,645,882	71,645,882	71,645,882	71,645,882	71,645,882	71,645,882	71,645,882	71,169,417	71,169,417	71,169,417
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement	1,468,574	1,389,000	1,381,298	1,374,538	1,369,338	1,364,057	1,358,699	1,353,268	1,000,758	995,196	989,574
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	71,371,474	71,291,900	71,284,198	71,277,438	71,272,238	71,266,957	71,261,599	71,256,168	70,903,658	70,898,096	70,892,474
(D - A) DEFICIENCY or RATE IMPACT	(274,408)	(353,983)	(361,684)	(368,444)	(373,644)	(378,925)	(384,283)	(389,714)	(265,759)	(271,321)	(276,944)
(D - A)/ C % Rate Impact vs Yr 0	-0.38%	-0.49%	-0.50%	-0.51%	-0.52%	-0.53%	-0.54%	-0.54%	-0.37%	-0.38%	-0.39%

LEVELIZED RATE IMPACT CALCULATION

L. Rate Impact (D -A)		(274,408)	(353,983)	(361,684)	(368,444)	(373,644)	(378,925)	(384,283)	(389,714)	(265,759)	(271,321)	(276,944)
M. \$ Levelized Impact (55 yrs.)	Disc. Rate of											
N. Levelized Revenue	7.44%											
O. % Levelized Impact		(119,443)	(119,443)	(119,443)	(119,443)	(119,443)	(119,443)	(119,443)	(119,443)	(118,649)	(118,649)	(118,649)

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Rate Case 2009
Financial Feasibility - 55 year Horizon
Rate Impact Analysis

Dollars	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40	Year 41	Year 42	Year 43	Year 44
	34	35	36	37	38	39	40	41	42	43	44
REVENUE											
A. Effective Project Revenue	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517
B. Year "0" Revenue (2008 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	71,169,417	71,169,417	71,169,417	71,169,417	71,169,417	71,169,417	71,169,417	71,169,417	71,169,417	71,169,417	71,169,417
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement	983,895	976,162	964,624	913,956	871,361	872,010	872,620	873,193	873,732	874,239	874,715
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	70,886,795	70,879,062	70,867,524	70,816,856	70,774,261	70,774,910	70,775,520	70,776,093	70,776,632	70,777,139	70,777,615
(D - A) DEFICIENCY or RATE IMPACT	(282,622)	(290,356)	(301,893)	(352,562)	(395,156)	(394,507)	(393,897)	(393,324)	(392,785)	(392,279)	(391,803)
(D - A)/ C % Rate Impact vs Yr 0	-0.40%	-0.41%	-0.42%	-0.50%	-0.56%	-0.55%	-0.55%	-0.55%	-0.55%	-0.55%	-0.55%

LEVELIZED RATE IMPACT CALCULATION

L. Rate Impact (D -A)		(282,622)	(290,356)	(301,893)	(352,562)	(395,156)	(394,507)	(393,897)	(393,324)	(392,785)	(392,279)	(391,803)
M. \$ Levelized Impact (55 yrs.)	Disc. Rate of											
N. Levelized Revenue	7.44%											
O. % Levelized Impact		(118,649)	(118,649)	(118,649)	(118,649)	(118,649)	(118,649)	(118,649)	(118,649)	(118,649)	(118,649)	(118,649)

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Rate Case 2009
Financial Feasibility - 55 year Horizon
Rate Impact Analysis

Dollars	Year 45	Year 46	Year 47	Year 48	Year 49	Year 50	Year 51	Year 52	Year 53	Year 54	Year 55
	45	46	47	48	49	50	51	52	53	54	55
REVENUE											
A. Effective Project Revenue	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517	1,266,517
B. Year "0" Revenue (2008 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	71,169,417	71,169,417	71,169,417	71,169,417	71,169,417	71,169,417	71,169,417	71,169,417	71,169,417	71,169,417	71,169,417
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement	875,162	875,583	875,979	876,350	876,700	877,028	877,337	877,627	877,900	878,156	878,398
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	70,778,062	70,778,483	70,778,879	70,779,250	70,779,600	70,779,928	70,780,237	70,780,527	70,780,800	70,781,056	70,781,298
(D - A) DEFICIENCY or RATE IMPACT	(391,355)	(390,934)	(390,539)	(390,167)	(389,818)	(389,489)	(389,180)	(388,890)	(388,617)	(388,361)	(388,120)
(D - A)/ C % Rate Impact vs Yr 0	-0.55%	-0.55%	-0.55%	-0.55%	-0.55%	-0.55%	-0.55%	-0.55%	-0.55%	-0.55%	-0.55%

LEVELIZED RATE IMPACT CALCULATION

L. Rate Impact (D -A)		(391,355)	(390,934)	(390,539)	(390,167)	(389,818)	(389,489)	(389,180)	(388,890)	(388,617)	(388,361)	(388,120)
M. \$ Levelized Impact (55 yrs.)	Disc. Rate of											
N. Levelized Revenue	7.44%											
O. % Levelized Impact		(118,649)	(118,649)	(118,649)	(118,649)	(118,649)	(118,649)	(118,649)	(118,649)	(118,649)	(118,649)	(118,649)

Rate Case 2009 55 Year Rate Impact

