

Rate Case 2012
Financial Feasibility - 55/30 year Horizon
Parameters and Results

Line No.	Col. 1 Description	Col. 2	Col. 3 Year 0	Col. 4 Year 1	Col. 5 Year 2	Col. 6 Year 3	Col. 7 Year 4	Col. 8 Year 5-55
FEASIBILITY PARAMETERS								
1.	Discount Rate	6.14%						
2.	CCA Rate	6.00%						
3.	Tax Rate	29.90%						
4.	Municipal Tax rate	0.75%						
5.	Capital Tax Rate	0.12%						
6.	Customer Revenue Horizon							
7.	Residential (Years)	55						
8.	Commercial (Years)	30						
9.	Customer Additions							
10.	Residential		1,132	0	0	0	0	0
11.	Commercial		55	0	0	0	0	0
12.	Total Annual Volumes							
13.	Residential (m ³)		1,046,627	2,093,253	2,093,253	2,093,253	2,093,253	2,093,253
14.	Commercial (m ³)		484,813	969,626	969,626	969,626	969,626	969,626
15.	Capital Costs							
16.	Mains (Dollars)		2,504,225	0	0	0	0	0
17.	Services (Dollars)		1,674,629	0	0	0	0	0
18.	Meters (Dollars)		214,170	0	0	0	0	0
19.	Stations (Dollars)		53,300	0	0	0	0	0
20.	Annual Revenues (Dollars)		740,420	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840
21.	Annual O&M (Dollars)		49,983	99,966	99,966	99,966	99,966	99,966
FEASIBILITY RESULTS								
22.	Net Present Value (Dollars)	2,134,433						
23.	Profitability Index	1.478						
24.	IRR	9.67%						
25.	Levelized Rate Impact (55 years)	-0.314%						
26.	Cross-Over Year	Year 1						

Note a) 50% effectivity considered for the first year revenues of customer adds

Rate Case 2012
Financial Feasibility - 55 year Horizon
DCF Analysis

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12
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	2,504,225	-	-	-	-	-	-	-	-	-	-
2.	Investment in Services	1,674,629	-	-	-	-	-	-	-	-	-	-
3.	Investment in Stations	53,300	-	-	-	-	-	-	-	-	-	-
4.	Investment in Meters	214,170	-	-	-	-	-	-	-	-	-	-
5.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-	-
6.	Net Investment Capital	4,446,324	-	-	-	-	-	-	-	-	-	-
7.	Working Capital	21,395	-	-	-	-	-	-	-	-	-	-
8.	Total Investments	4,467,719	-	-	-	-	-	-	-	-	-	-
9.	PV Of Net Investment At Project Outset	(4,446,324)	(20,767)	-	-	-	-	-	-	-	-	-
10.	ACCUMULATED PV OF TOTAL INVESTMENT	-4,446,324	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield		39,884	77,374	72,732	68,368	64,266	60,410	56,785	53,378	50,175	47,165
12.	PV Of CCA Tax Shield At Project Outset		38,713	70,757	62,663	55,495	49,147	43,525	38,547	34,137	30,232	26,774
13.	ACCUMULATED PV OF CCA TAX SHIELD		38,713	109,469	172,132	227,628	276,775	320,300	358,847	392,984	423,216	449,990
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue		740,420	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840
15.	Gas Costs		(398,057)	(796,113)	(796,113)	(796,113)	(796,113)	(796,113)	(796,113)	(796,113)	(796,113)	(796,113)
16.	O&M		(49,983)	(99,966)	(99,966)	(99,966)	(99,966)	(99,966)	(99,966)	(99,966)	(99,966)	(99,966)
17.	Net Operating Cash (Before Taxes)		292,380	584,761	584,761	584,761	584,761	584,761	584,761	584,761	584,761	584,761
18.	PV of Net Operating Cash (Before Taxes) At Project Outset		283,796	534,751	503,810	474,660	447,196	421,321	396,944	373,976	352,338	331,952
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)		283,796	818,546	1,322,357	1,797,016	2,244,212	2,665,533	3,062,477	3,436,453	3,788,792	4,120,744
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)		(75,890)	(163,561)	(163,993)	(164,420)	(164,842)	(165,259)	(165,672)	(166,081)	(166,486)	(166,887)
21.	Municipal Tax		(33,392)	(32,868)	(31,715)	(30,562)	(29,409)	(28,256)	(27,103)	(25,950)	(24,797)	(23,643)
22.	Capital Tax		(5,176)	(4,865)	(4,573)	(4,299)	(4,041)	(3,798)	(3,570)	(3,356)	(3,155)	(2,966)
23.	Federal Tax		-	-	-	-	-	-	-	-	-	-
24.	Total Taxes		(114,458)	(201,295)	(200,282)	(199,281)	(198,292)	(197,313)	(196,345)	(195,387)	(194,437)	(193,496)
25.	PV of Total Taxes At Project Outset		(111,097)	(184,079)	(172,556)	(161,760)	(151,644)	(142,165)	(133,282)	(124,957)	(117,155)	(109,842)
26.	ACCUMULATED PV OF TOTAL TAXES		(111,097)	(295,176)	(467,732)	(629,492)	(781,136)	(923,300)	(1,056,582)	(1,181,539)	(1,298,695)	(1,408,537)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value		(4,234,913)	(3,834,251)	(3,440,334)	(3,071,939)	(2,727,239)	(2,404,558)	(2,102,349)	(1,819,193)	(1,553,777)	(1,304,894)
28.	Profitability Index		0.048	0.142	0.230	0.312	0.389	0.462	0.529	0.593	0.652	0.708

Rate Case 2012
Financial Feasibility - 55 year Horizon
DCF Analysis

	<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>	<u>Col. 24</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	Year 22
	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	22.50
<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	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091
<u>CCA TAX SHIELD</u>													
11.	CCA Tax Shield	44,335	41,675	39,174	36,824	34,614	32,538	30,585	28,750	27,025	47,958	23,879	22,447
12.	PV Of CCA Tax Shield At Project Outset	23,711	20,999	18,597	16,470	14,586	12,917	11,440	10,131	8,972	15,001	7,037	6,232
13.	ACCUMULATED PV OF CCA TAX SHIELD	473,702	494,701	513,298	529,768	544,354	557,271	568,711	578,842	587,814	602,815	609,852	616,084
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>													
14.	Gas Distribution Revenue	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840
15.	Gas Costs	(796,113)	(796,113)	(796,113)	(796,113)	(796,113)	(796,113)	(796,113)	(796,113)	(796,113)	(796,113)	(796,113)	(796,113)
16.	O&M	(99,966)	(99,966)	(99,966)	(99,966)	(99,966)	(99,966)	(99,966)	(99,966)	(99,966)	(99,966)	(99,966)	(99,966)
17.	Net Operating Cash (Before Taxes)	584,761	584,761	584,761	584,761	584,761	584,761	584,761	584,761	584,761	584,761	584,761	584,761
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	312,745	294,650	277,601	261,539	246,407	232,150	218,718	206,063	194,140	182,907	172,324	162,353
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	4,433,489	4,728,139	5,005,740	5,267,279	5,513,686	5,745,836	5,964,553	6,170,616	6,364,756	6,547,663	6,719,987	6,882,340
<u>TAXES</u>													
20.	Income Tax (Before Interest Tax Shield)	(167,285)	(167,680)	(168,072)	(168,461)	(168,847)	(169,231)	(169,613)	(169,992)	(170,369)	(170,744)	(171,118)	(171,489)
21.	Municipal Tax	(22,490)	(21,337)	(20,184)	(19,031)	(17,878)	(16,725)	(15,572)	(14,418)	(13,265)	(12,112)	(10,959)	(9,806)
22.	Capital Tax	(2,788)	(2,620)	(2,463)	(2,315)	(2,176)	(2,046)	(1,923)	(1,808)	(1,699)	(1,597)	(1,501)	(1,411)
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(192,563)	(191,638)	(190,719)	(189,807)	(188,901)	(188,002)	(187,107)	(186,218)	(185,334)	(184,454)	(183,578)	(182,707)
25.	PV of Total Taxes At Project Outset	(102,988)	(96,563)	(90,539)	(84,893)	(79,599)	(74,637)	(69,984)	(65,621)	(61,531)	(57,695)	(54,099)	(50,727)
26.	ACCUMULATED PV OF TOTAL TAXES	(1,511,525)	(1,608,087)	(1,698,627)	(1,783,520)	(1,863,119)	(1,937,756)	(2,007,739)	(2,073,360)	(2,134,891)	(2,192,586)	(2,246,685)	(2,297,411)
<u>ACCUMULATED NPV AND PI</u>													
27.	Net Present Value	(1,071,425)	(852,338)	(646,679)	(453,563)	(272,170)	(101,739)	58,434	209,007	350,589	490,801	616,063	733,922
28.	Profitability Index	0.760	0.809	0.855	0.898	0.939	0.977	1.013	1.047	1.078	1.110	1.138	1.164

Rate Case 2012
Financial Feasibility - 55 year Horizon
DCF Analysis

	<u>Col. 1</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>	<u>Col. 35</u>
Line No.	Description	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33
	Discount factors to project outset	23.50	24.50	25.50	26.50	27.50	28.50	29.50	30.50	31.50	32.50	33.50
<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	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield	21,100	19,834	18,644	17,525	16,474	15,485	14,556	13,683	12,862	12,090	11,365
12.	PV Of CCA Tax Shield At Project Outset	5,519	4,888	4,329	3,834	3,395	3,007	2,663	2,358	2,088	1,850	1,638
13.	ACCUMULATED PV OF CCA TAX SHIELD	621,604	626,492	630,820	634,654	638,049	641,056	643,719	646,077	648,165	650,015	651,653
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,070,127	1,070,127	1,070,127
15.	Gas Costs	(796,113)	(796,113)	(796,113)	(796,113)	(796,113)	(796,113)	(796,113)	(796,113)	(547,102)	(547,102)	(547,102)
16.	O&M	(99,966)	(99,966)	(99,966)	(99,966)	(99,966)	(99,966)	(99,966)	(99,966)	(88,359)	(88,359)	(88,359)
17.	Net Operating Cash (Before Taxes)	584,761	584,761	584,761	584,761	584,761	584,761	584,761	584,761	434,665	434,665	434,665
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	152,960	144,109	135,771	127,915	120,514	113,541	106,972	100,782	70,579	66,495	62,648
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	7,035,299	7,179,409	7,315,180	7,443,095	7,563,609	7,677,151	7,784,122	7,884,905	7,955,484	8,021,980	8,084,628
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)	(171,796)	(171,995)	(172,189)	(172,380)	(172,570)	(172,759)	(172,946)	(173,133)	(128,559)	(128,744)	(128,927)
21.	Municipal Tax	(8,866)	(8,281)	(7,705)	(7,136)	(6,567)	(5,998)	(5,429)	(4,860)	(3,893)	(3,324)	(2,755)
22.	Capital Tax	(1,327)	(1,247)	(1,172)	(1,102)	(1,036)	(974)	(915)	(860)	(809)	(760)	(715)
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(181,989)	(181,523)	(181,067)	(180,619)	(180,173)	(179,731)	(179,291)	(178,854)	(133,261)	(132,828)	(132,397)
25.	PV of Total Taxes At Project Outset	(47,604)	(44,735)	(42,041)	(39,510)	(37,132)	(34,898)	(32,798)	(30,825)	(21,638)	(20,320)	(19,082)
26.	ACCUMULATED PV OF TOTAL TAXES	(2,345,015)	(2,389,750)	(2,431,791)	(2,471,301)	(2,508,433)	(2,543,331)	(2,576,129)	(2,606,954)	(2,628,592)	(2,648,912)	(2,667,995)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value	844,797	949,059	1,047,119	1,139,358	1,226,135	1,307,785	1,384,622	1,456,937	1,507,966	1,555,991	1,601,195
28.	Profitability Index	1.189	1.212	1.234	1.255	1.274	1.293	1.310	1.326	1.338	1.348	1.358

Rate Case 2012
Financial Feasibility - 55 year Horizon
DCF Analysis

	<u>Col. 1</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>	<u>Col. 46</u>
Line No.	Description	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40	Year 41	Year 42	Year 43	Year 44
	Discount factors to project outset	34.50	35.50	36.50	37.50	38.50	39.50	40.50	41.50	42.50	43.50	44.50
<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	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield	10,683	10,042	9,439	8,873	8,341	7,840	7,370	6,928	6,512	6,121	5,754
12.	PV Of CCA Tax Shield At Project Outset	1,451	1,285	1,138	1,008	892	790	700	620	549	486	431
13.	ACCUMULATED PV OF CCA TAX SHIELD	653,103	654,388	655,526	656,533	657,426	658,216	658,916	659,536	660,085	660,571	661,001
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127
15.	Gas Costs	(547,102)	(547,102)	(547,102)	(547,102)	(547,102)	(547,102)	(547,102)	(547,102)	(547,102)	(547,102)	(547,102)
16.	O&M	(88,359)	(88,359)	(88,359)	(88,359)	(88,359)	(88,359)	(88,359)	(88,359)	(88,359)	(88,359)	(88,359)
17.	Net Operating Cash (Before Taxes)	434,665	434,665	434,665	434,665	434,665	434,665	434,665	434,665	434,665	434,665	434,665
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	59,023	55,608	52,391	49,359	46,503	43,813	41,278	38,889	36,639	34,519	32,522
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	8,143,651	8,199,259	8,251,650	8,301,009	8,347,513	8,391,325	8,432,603	8,471,493	8,508,132	8,542,651	8,575,173
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)	(129,110)	(129,289)	(129,457)	(129,541)	(129,551)	(129,560)	(129,569)	(129,577)	(129,585)	(129,592)	(129,599)
21.	Municipal Tax	(2,186)	(1,628)	(1,106)	(860)	(860)	(860)	(860)	(860)	(860)	(860)	(860)
22.	Capital Tax	(672)	(631)	(594)	(558)	(524)	(493)	(463)	(436)	(409)	(385)	(362)
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(131,968)	(131,549)	(131,156)	(130,959)	(130,936)	(130,913)	(130,893)	(130,873)	(130,855)	(130,838)	(130,822)
25.	PV of Total Taxes At Project Outset	(17,920)	(16,830)	(15,808)	(14,871)	(14,008)	(13,196)	(12,430)	(11,709)	(11,030)	(10,391)	(9,788)
26.	ACCUMULATED PV OF TOTAL TAXES	(2,685,915)	(2,702,744)	(2,718,552)	(2,733,424)	(2,747,432)	(2,760,628)	(2,773,058)	(2,784,767)	(2,795,797)	(2,806,188)	(2,815,976)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value	1,643,749	1,683,812	1,721,532	1,757,028	1,790,415	1,821,823	1,851,370	1,879,170	1,905,328	1,929,943	1,953,108
28.	Profitability Index	1.368	1.377	1.385	1.393	1.401	1.408	1.414	1.421	1.427	1.432	1.437

Rate Case 2012
Financial Feasibility - 55 year Horizon
DCF Analysis

	<u>Col. 1</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 45	Year 46	Year 47	Year 48	Year 49	Year 50	Year 51	Year 52	Year 53	Year 54	Year 55
	Discount factors to project outset	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	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091	-4,467,091
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield	5,409	5,084	4,779	4,492	4,223	3,969	3,731	3,507	3,297	3,099	25,468
12.	PV Of CCA Tax Shield At Project Outset	381	338	299	265	235	208	184	163	144	128	989
13.	ACCUMULATED PV OF CCA TAX SHIELD	661,383	661,720	662,019	662,284	662,519	662,726	662,910	663,073	663,217	663,345	664,334
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127
15.	Gas Costs	(547,102)	(547,102)	(547,102)	(547,102)	(547,102)	(547,102)	(547,102)	(547,102)	(547,102)	(547,102)	(547,102)
16.	O&M	(88,359)	(88,359)	(88,359)	(88,359)	(88,359)	(88,359)	(88,359)	(88,359)	(88,359)	(88,359)	(88,359)
17.	Net Operating Cash (Before Taxes)	434,665	434,665	434,665	434,665	434,665	434,665	434,665	434,665	434,665	434,665	434,665
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	30,640	28,867	27,197	25,624	24,141	22,744	21,428	20,188	19,020	17,920	16,883
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	8,605,814	8,634,681	8,661,878	8,687,502	8,711,643	8,734,387	8,755,815	8,776,004	8,795,024	8,812,944	8,829,827
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)	(129,606)	(129,612)	(129,618)	(129,623)	(129,628)	(129,633)	(129,637)	(129,642)	(129,646)	(129,649)	(129,653)
21.	Municipal Tax	(860)	(860)	(860)	(860)	(860)	(860)	(860)	(860)	(860)	(860)	(860)
22.	Capital Tax	(340)	(320)	(300)	(282)	(266)	(250)	(235)	(221)	(207)	(195)	(1,692)
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(130,806)	(130,792)	(130,779)	(130,766)	(130,754)	(130,743)	(130,732)	(130,722)	(130,713)	(130,704)	(132,205)
25.	PV of Total Taxes At Project Outset	(9,221)	(8,686)	(8,183)	(7,709)	(7,262)	(6,841)	(6,445)	(6,072)	(5,720)	(5,389)	(5,135)
26.	ACCUMULATED PV OF TOTAL TAXES	(2,825,197)	(2,833,883)	(2,842,066)	(2,849,775)	(2,857,037)	(2,863,878)	(2,870,323)	(2,876,394)	(2,882,114)	(2,887,503)	(2,892,638)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value	1,974,908	1,995,427	2,014,741	2,032,920	2,050,034	2,066,145	2,081,312	2,095,592	2,109,036	2,121,695	2,134,433
28.	Profitability Index	1.442	1.447	1.451	1.455	1.459	1.463	1.466	1.469	1.472	1.475	1.478

Rate Case 2012
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
	1	2	3	4	5	6	7	8	9	10
REVENUE										
A. Effective Project Revenue	740,420	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840
B. Year "0" Revenue (2012 Rate Case)	55,279,600									
C. Total Revenue (year "0" + projected revenue)	55,279,600	56,020,020	56,760,440	56,760,440	56,760,440	56,760,440	56,760,440	56,760,440	56,760,440	56,760,440
REVENUE REQUIREMENT										
D. Effective Project Revenue Requirement	733,096	1,420,356	1,412,073	1,403,410	1,394,390	1,385,034	1,375,363	1,365,395	1,355,149	1,344,640
E. Year "0" Revenue Requirement	55,279,600									
F. Total Revenue Requirement (year "0" + project rev.req.)	55,279,600	56,012,696	56,699,956	56,691,673	56,683,010	56,673,990	56,664,634	56,654,963	56,644,995	56,634,749
(D - A) DEFICIENCY or RATE IMPACT	(7,324)	(60,484)	(68,767)	(77,430)	(86,450)	(95,806)	(105,477)	(115,445)	(125,691)	(136,200)
(D - A) / C % Rate Impact vs Yr 0	-0.013%	-0.11%	-0.12%	-0.14%	-0.152%	-0.17%	-0.19%	-0.20%	-0.22%	-0.24%
LEVELIZED RATE IMPACT CALCULATION										
L. Rate Impact (D -A)	-7,324	-60,484	-68,767	-77,430	-86,450	-95,806	-105,477	-115,445	-125,691	-136,200
M. \$ Levelized Impact (55 yrs.)	Disc. Rate of	-178,061								
N. Levelized Revenue	7.311%	56,623,483								
O. % Levelized Impact		-0.314%	-176,163	-178,491	-178,491	-178,491	-178,491	-178,491	-178,491	-178,491

Rate Case 2012
Financial Feasibility - 55 year Horizon
Rate Impact Analysis

Dollars	Year 11 11	Year 12 12	Year 13 13	Year 14 14	Year 15 15	Year 16 16	Year 17 17	Year 18 18	Year 19 19	Year 20 20	Year 21 21	Year 22 22
REVENUE												
A. Effective Project Revenue	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840
B. Year "0" Revenue (2012 Rate Case)												
C. Total Revenue (year "0" + projected revenue)	56,760,440	56,760,440	56,760,440	56,760,440	56,760,440	56,760,440	56,760,440	56,760,440	56,760,440	56,760,440	56,760,440	56,760,440
REVENUE REQUIREMENT												
D. Effective Project Revenue Requirement	1,333,885	1,322,899	1,311,695	1,300,286	1,288,685	1,276,903	1,264,952	1,252,840	1,240,579	1,228,176	1,215,641	1,202,981
E. Year "0" Revenue Requirement												
F. Total Revenue Requirement (year "0" + project rev.req.)	56,613,485	56,602,499	56,591,295	56,579,886	56,568,285	56,556,503	56,544,552	56,532,440	56,520,179	56,507,776	56,495,241	56,482,581
(D - A) DEFICIENCY or RATE IMPACT	(146,955)	(157,941)	(169,145)	(180,554)	(192,155)	(203,936)	(215,888)	(228,000)	(240,261)	(252,664)	(265,199)	(277,859)
(D - A) / C % Rate Impact vs Yr 0	-0.26%	-0.28%	-0.30%	-0.32%	-0.34%	-0.36%	-0.38%	-0.40%	-0.42%	-0.45%	-0.47%	-0.49%
LEVELIZED RATE IMPACT CALCULATION												
L. Rate Impact (D -A)	-146,955	-157,941	-169,145	-180,554	-192,155	-203,936	-215,888	-228,000	-240,261	-252,664	-265,199	-277,859
M. \$ Levelized Impact (55 yrs.)												
N. Levelized Revenue												
O. % Levelized Impact	-178,491	-178,491	-178,491	-178,491	-178,491	-178,491	-178,491	-178,491	-178,491	-178,491	-178,491	-178,491

Original: 2011-08-29

Rate Case 2012
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	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,480,840	1,070,127	1,070,127	1,070,127
B. Year "0" Revenue (2012 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	56,760,440	56,760,440	56,760,440	56,760,440	56,760,440	56,760,440	56,760,440	56,760,440	56,349,727	56,349,727	56,349,727
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement	1,151,052	1,075,924	1,068,295	1,061,355	1,055,578	1,049,714	1,043,769	1,037,749	770,641	764,482	758,259
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	56,430,652	56,355,524	56,347,895	56,340,955	56,335,178	56,329,314	56,323,369	56,317,349	56,050,241	56,044,082	56,037,859
(D - A) DEFICIENCY or RATE IMPACT	(329,788)	(404,916)	(412,545)	(419,485)	(425,262)	(431,126)	(437,070)	(443,091)	(299,486)	(305,645)	(311,867)
(D - A) / C % Rate Impact vs Yr 0	-0.58%	-0.71%	-0.73%	-0.74%	-0.75%	-0.76%	-0.77%	-0.78%	-0.53%	-0.54%	-0.55%

LEVELIZED RATE IMPACT CALCULATION

L. Rate Impact (D - A)		-329,788	-404,916	-412,545	-419,485	-425,262	-431,126	-437,070	-443,091	-299,486	-305,645	-311,867
M. \$ Levelized Impact (55 yrs.)	Disc. Rate of											
N. Levelized Revenue	7.311%											
O. % Levelized Impact		-178,491	-178,491	-178,491	-178,491	-178,491	-178,491	-178,491	-178,491	-177,200	-177,200	-177,200

Rate Case 2012
Financial Feasibility - 55 year Horizon
Rate Impact Analysis

Dollars	Year 34 34	Year 35 35	Year 36 36	Year 37 37	Year 38 38	Year 39 39	Year 40 40	Year 41 41	Year 42 42	Year 43 43	Year 44 44
REVENUE											
A. Effective Project Revenue	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127
B. Year "0" Revenue (2012 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	56,349,727	56,349,727	56,349,727	56,349,727	56,349,727	56,349,727	56,349,727	56,349,727	56,349,727	56,349,727	56,349,727
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement	751,978	743,461	730,800	674,329	626,821	627,504	628,145	628,748	629,315	629,848	630,349
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	56,031,578	56,023,061	56,010,400	55,953,929	55,906,421	55,907,104	55,907,745	55,908,348	55,908,915	55,909,448	55,909,949
(D - A) DEFICIENCY or RATE IMPACT	(318,149)	(326,666)	(339,326)	(395,797)	(443,305)	(442,623)	(441,981)	(441,378)	(440,811)	(440,279)	(439,778)
(D - A) / C % Rate Impact vs Yr 0	-0.56%	-0.58%	-0.60%	-0.70%	-0.79%	-0.79%	-0.78%	-0.78%	-0.78%	-0.78%	-0.78%
LEVELIZED RATE IMPACT CALCULATION											
L. Rate Impact (D -A)	-318,149	-326,666	-339,326	-395,797	-443,305	-442,623	-441,981	-441,378	-440,811	-440,279	-439,778
M. \$ Levelized Impact (55 yrs.)											
N. Levelized Revenue											
O. % Levelized Impact	-177,200	-177,200	-177,200	-177,200	-177,200	-177,200	-177,200	-177,200	-177,200	-177,200	-177,200
		Disc. Rate of 7.311%									

Rate Case 2012
Financial Feasibility - 55 year Horizon
Rate Impact Analysis

Dollars	Year 45 45	Year 46 46	Year 47 47	Year 48 48	Year 49 49	Year 50 50	Year 51 51	Year 52 52	Year 53 53	Year 54 54	Year 55 55
REVENUE											
A. Effective Project Revenue	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127	1,070,127
B. Year "0" Revenue (2012 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	56,349,727	56,349,727	56,349,727	56,349,727	56,349,727	56,349,727	56,349,727	56,349,727	56,349,727	56,349,727	56,349,727
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement	630,819	631,262	631,678	632,069	632,437	632,782	633,107	633,412	633,699	633,969	634,222
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	55,910,419	55,910,862	55,911,278	55,911,669	55,912,037	55,912,382	55,912,707	55,913,012	55,913,299	55,913,569	55,913,822
(D - A) DEFICIENCY or RATE IMPACT	(439,307)	(438,865)	(438,449)	(438,058)	(437,690)	(437,344)	(437,020)	(436,714)	(436,427)	(436,158)	(435,904)
(D - A)/ C % Rate Impact vs Yr 0	-0.78%	-0.78%	-0.78%	-0.78%	-0.78%	-0.78%	-0.78%	-0.78%	-0.77%	-0.77%	-0.77%
LEVELIZED RATE IMPACT CALCULATION											
L. Rate Impact (D - A)	-439,307	-438,865	-438,449	-438,058	-437,690	-437,344	-437,020	-436,714	-436,427	-436,158	-435,904
M. \$ Levelized Impact (55 yrs.)											
N. Levelized Revenue											
O. % Levelized Impact	-177,200	-177,200	-177,200	-177,200	-177,200	-177,200	-177,200	-177,200	-177,200	-177,200	-177,200
		Disc. Rate of 7.311%									

Rate Case 2012 55 Year Rate Impact

