

**Rate Case 2013**  
**Financial Feasibility - 55/30 year Horizon**  
**Parameters and Results**  
**Scenario : Excluding Non-Heating Residential Customers**

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
<b>FEASIBILITY PARAMETERS</b>								
1.	Discount Rate	5.90%						
2.	CCA Rate	6.00%						
3.	Tax Rate	26.90%						
4.	Municipal Tax rate	0.75%						
5.	Capital Tax Rate	0.00%						
6.	Customer Revenue Horizon							
7.	Residential (Years)	55						
8.	Commercial (Years)	30						
9.	Customer Additions							
10.	Residential		907	0	0	0	0	0
11.	Commercial		55	0	0	0	0	0
12.	Total Annual Volumes							
13.	Residential (m <sup>3</sup> )		843,786	1,687,571	1,687,571	1,687,571	1,687,571	1,687,571
14.	Commercial (m <sup>3</sup> )		412,749	825,497	825,497	825,497	825,497	825,497
15.	Capital Costs							
16.	Mains (Dollars)		2,033,580	0	0	0	0	0
17.	Services (Dollars)		1,476,572	0	0	0	0	0
18.	Meters (Dollars)		152,387	0	0	0	0	0
19.	Stations (Dollars)		95,003	0	0	0	0	0
20.	Annual Revenues (Dollars)		559,020	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039
21.	Annual O&M (Dollars)		44,385	88,769	88,769	88,769	88,769	88,769
<b>FEASIBILITY RESULTS</b>								
22.	Net Present Value (Dollars)	1,660,997						
23.	Profitability Index	1.440						
24.	IRR	9.07%						
25.	Levelized Rate Impact (55 years)	-0.232%						
26.	Cross-Over Year	Year 1						

Note : 50% effectivity considered for the first year revenues of customer adds  
Excluding from the 2013 system expansion analysis the 68 total residential non-heating customers, the associated capital cost of \$114,838 and the accompanying cash flows, results in an NPV of \$1,660,9997. There is no significant impact to the overall 2013 investment portfolio performance.

**Rate Case 2013**  
**Financial Feasibility - 55 year Horizon**  
**DCF Analysis**

	<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	0.00	0.50	1.50	2.50	3.50	4.50	5.50	6.50	7.50	8.50	9.50
<b><u>INCREMENTAL CAPITAL INVESTMENT</u></b>												
1.	Investment In Mains	2,033,580	-	-	-	-	-	-	-	-	-	-
2.	Investment in Services	1,476,572	-	-	-	-	-	-	-	-	-	-
3.	Investment in Stations	95,003	-	-	-	-	-	-	-	-	-	-
4.	Investment in Meters	152,387	-	-	-	-	-	-	-	-	-	-
5.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-	-
6.	Net Investment Capital	3,757,542	-	-	-	-	-	-	-	-	-	-
7.	Working Capital	19,555	-	-	-	-	-	-	-	-	-	-
8.	Total Investments	3,777,096	-	-	-	-	-	-	-	-	-	-
9.	PV Of Net Investment At Project Outset	(3,757,542)	(19,002)	-	-	-	-	-	-	-	-	-
10.	<b>ACCUMULATED PV OF TOTAL INVESTMENT</b>	<b>(3,757,542)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>
<b><u>CCA TAX SHIELD</u></b>												
11.	CCA Tax Shield		30,323	58,827	55,298	51,980	48,861	45,929	43,174	40,583	38,148	35,859
12.	PV Of CCA Tax Shield At Project Outset		29,466	53,977	47,910	42,525	37,745	33,503	29,737	26,394	23,428	20,794
13.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>		<b>29,466</b>	<b>83,443</b>	<b>131,354</b>	<b>173,879</b>	<b>211,624</b>	<b>245,127</b>	<b>274,864</b>	<b>301,258</b>	<b>324,686</b>	<b>345,480</b>
<b><u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u></b>												
14.	Gas Distribution Revenue		559,020	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039
15.	Gas Costs		(289,239)	(578,478)	(578,478)	(578,478)	(578,478)	(578,478)	(578,478)	(578,478)	(578,478)	(578,478)
16.	O&M		(44,385)	(88,769)	(88,769)	(88,769)	(88,769)	(88,769)	(88,769)	(88,769)	(88,769)	(88,769)
17.	Net Operating Cash (Before Taxes)		225,396	450,793	450,793	450,793	450,793	450,793	450,793	450,793	450,793	450,793
18.	PV of Net Operating Cash (Before Taxes) At Project Outset		219,024	413,628	390,570	368,797	348,238	328,825	310,495	293,186	276,842	261,409
19.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>		<b>219,024</b>	<b>632,652</b>	<b>1,023,222</b>	<b>1,392,019</b>	<b>1,740,257</b>	<b>2,069,082</b>	<b>2,379,577</b>	<b>2,672,763</b>	<b>2,949,604</b>	<b>3,211,013</b>
<b><u>TAXES</u></b>												
20.	Income Tax (Before Interest Tax Shield)		(53,030)	(113,757)	(113,993)	(114,230)	(114,467)	(114,704)	(114,940)	(115,177)	(115,414)	(115,651)
21.	Municipal Tax		(28,260)	(27,906)	(27,026)	(26,145)	(25,265)	(24,385)	(23,505)	(22,625)	(21,744)	(20,864)
22.	Capital Tax		-	-	-	-	-	-	-	-	-	-
23.	Federal Tax		-	-	-	-	-	-	-	-	-	-
24.	Total Taxes		(81,289)	(141,662)	(141,019)	(140,376)	(139,732)	(139,089)	(138,445)	(137,802)	(137,158)	(136,515)
25.	PV of Total Taxes At Project Outset		(78,991)	(129,983)	(122,180)	(114,842)	(107,943)	(101,457)	(95,358)	(89,623)	(84,232)	(79,163)
26.	<b>ACCUMULATED PV OF TOTAL TAXES</b>		<b>(78,991)</b>	<b>(208,974)</b>	<b>(331,154)</b>	<b>(445,997)</b>	<b>(553,940)</b>	<b>(655,397)</b>	<b>(750,754)</b>	<b>(840,377)</b>	<b>(924,610)</b>	<b>(1,003,773)</b>
<b><u>ACCUMULATED NPV AND PI</u></b>												
27.	Net Present Value		(3,588,043)	(3,269,423)	(2,953,122)	(2,656,642)	(2,378,602)	(2,117,731)	(1,872,857)	(1,642,900)	(1,426,863)	(1,223,823)
28.	Profitability Index		0.045	0.134	0.218	0.297	0.370	0.439	0.504	0.565	0.622	0.676

**Rate Case 2013**  
**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	10.50	11.50	12.50	13.50	14.50	15.50	16.50	17.50	18.50	19.50	20.50	21.50
<b><u>INCREMENTAL CAPITAL INVESTMENT</u></b>													
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.	<b>ACCUMULATED PV OF TOTAL INVESTMENT</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>
<b><u>CCA TAX SHIELD</u></b>													
11.	CCA Tax Shield	33,708	31,685	29,784	27,997	26,317	24,738	23,254	21,859	20,547	36,805	18,156	17,066
12.	PV Of CCA Tax Shield At Project Outset	18,457	16,382	14,541	12,907	11,456	10,168	9,025	8,011	7,110	12,026	5,602	4,972
13.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>	<b>363,937</b>	<b>380,320</b>	<b>394,861</b>	<b>407,767</b>	<b>419,223</b>	<b>429,391</b>	<b>438,417</b>	<b>446,427</b>	<b>453,538</b>	<b>465,564</b>	<b>471,166</b>	<b>476,138</b>
<b><u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u></b>													
14.	Gas Distribution Revenue	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039
15.	Gas Costs	(578,478)	(578,478)	(578,478)	(578,478)	(578,478)	(578,478)	(578,478)	(578,478)	(578,478)	(578,478)	(578,478)	(578,478)
16.	O&M	(88,769)	(88,769)	(88,769)	(88,769)	(88,769)	(88,769)	(88,769)	(88,769)	(88,769)	(88,769)	(88,769)	(88,769)
17.	Net Operating Cash (Before Taxes)	450,793	450,793	450,793	450,793	450,793	450,793	450,793	450,793	450,793	450,793	450,793	450,793
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	246,836	233,076	220,083	207,814	196,229	185,290	174,961	165,208	155,998	147,302	139,090	131,337
19.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>	<b>3,457,850</b>	<b>3,690,926</b>	<b>3,911,009</b>	<b>4,118,823</b>	<b>4,315,053</b>	<b>4,500,343</b>	<b>4,675,304</b>	<b>4,840,512</b>	<b>4,996,510</b>	<b>5,143,812</b>	<b>5,282,903</b>	<b>5,414,239</b>
<b><u>TAXES</u></b>													
20.	Income Tax (Before Interest Tax Shield)	(115,888)	(116,124)	(116,361)	(116,598)	(116,835)	(117,071)	(117,308)	(117,545)	(117,782)	(118,018)	(118,255)	(118,492)
21.	Municipal Tax	(19,984)	(19,104)	(18,224)	(17,344)	(16,463)	(15,583)	(14,703)	(13,823)	(12,943)	(12,062)	(11,182)	(10,302)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(135,872)	(135,228)	(134,585)	(133,941)	(133,298)	(132,654)	(132,011)	(131,368)	(130,724)	(130,081)	(129,437)	(128,794)
25.	PV of Total Taxes At Project Outset	(74,398)	(69,918)	(65,706)	(61,747)	(58,024)	(54,525)	(51,236)	(48,144)	(45,238)	(42,505)	(39,937)	(37,524)
26.	<b>ACCUMULATED PV OF TOTAL TAXES</b>	<b>(1,078,171)</b>	<b>(1,148,089)</b>	<b>(1,213,795)</b>	<b>(1,275,541)</b>	<b>(1,333,566)</b>	<b>(1,388,091)</b>	<b>(1,439,327)</b>	<b>(1,487,471)</b>	<b>(1,532,709)</b>	<b>(1,575,214)</b>	<b>(1,615,151)</b>	<b>(1,652,675)</b>
<b><u>ACCUMULATED NPV AND PI</u></b>													
27.	Net Present Value	(1,032,927)	(853,387)	(684,469)	(525,494)	(375,833)	(234,900)	(102,150)	22,925	140,796	257,619	362,374	461,159
28.	Profitability Index	0.726	0.774	0.819	0.861	0.900	0.938	0.973	1.006	1.037	1.068	1.096	1.122

**Rate Case 2013**  
**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	22.50	23.50	24.50	25.50	26.50	27.50	28.50	29.50	30.50	31.50	32.50
<b><u>INCREMENTAL CAPITAL INVESTMENT</u></b>												
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.	<b>ACCUMULATED PV OF TOTAL INVESTMENT</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>
<b><u>CCA TAX SHIELD</u></b>												
11.	CCA Tax Shield	16,042	15,080	14,175	13,324	12,525	11,773	11,067	10,403	9,779	9,192	8,641
12.	PV Of CCA Tax Shield At Project Outset	4,413	3,917	3,477	3,086	2,739	2,431	2,158	1,915	1,700	1,509	1,339
13.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>	<b>480,551</b>	<b>484,469</b>	<b>487,946</b>	<b>491,032</b>	<b>493,771</b>	<b>496,202</b>	<b>498,360</b>	<b>500,276</b>	<b>501,976</b>	<b>503,485</b>	<b>504,825</b>
<b><u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u></b>												
14.	Gas Distribution Revenue	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	805,202	805,202	805,202
15.	Gas Costs	(578,478)	(578,478)	(578,478)	(578,478)	(578,478)	(578,478)	(578,478)	(578,478)	(395,053)	(395,053)	(395,053)
16.	O&M	(88,769)	(88,769)	(88,769)	(88,769)	(88,769)	(88,769)	(88,769)	(88,769)	(76,835)	(76,835)	(76,835)
17.	Net Operating Cash (Before Taxes)	450,793	450,793	450,793	450,793	450,793	450,793	450,793	450,793	333,314	333,314	333,314
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	124,015	117,102	110,574	104,410	98,589	93,093	87,904	83,003	57,951	54,721	51,670
19.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>	<b>5,538,254</b>	<b>5,655,356</b>	<b>5,765,930</b>	<b>5,870,340</b>	<b>5,968,929</b>	<b>6,062,022</b>	<b>6,149,926</b>	<b>6,232,929</b>	<b>6,290,880</b>	<b>6,345,601</b>	<b>6,397,271</b>
<b><u>TAXES</u></b>												
20.	Income Tax (Before Interest Tax Shield)	(118,678)	(118,780)	(118,882)	(118,985)	(119,087)	(119,189)	(119,291)	(119,393)	(87,986)	(88,089)	(88,191)
21.	Municipal Tax	(9,610)	(9,230)	(8,851)	(8,471)	(8,091)	(7,712)	(7,332)	(6,953)	(6,227)	(5,847)	(5,468)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(128,288)	(128,011)	(127,733)	(127,456)	(127,178)	(126,901)	(126,623)	(126,346)	(94,214)	(93,936)	(93,659)
25.	PV of Total Taxes At Project Outset	(35,293)	(33,253)	(31,331)	(29,520)	(27,814)	(26,206)	(24,691)	(23,264)	(16,380)	(15,422)	(14,519)
26.	<b>ACCUMULATED PV OF TOTAL TAXES</b>	<b>(1,687,968)</b>	<b>(1,721,221)</b>	<b>(1,752,552)</b>	<b>(1,782,073)</b>	<b>(1,809,887)</b>	<b>(1,836,093)</b>	<b>(1,860,784)</b>	<b>(1,884,048)</b>	<b>(1,900,428)</b>	<b>(1,915,850)</b>	<b>(1,930,369)</b>
<b><u>ACCUMULATED NPV AND PI</u></b>												
27.	Net Present Value	554,295	642,060	724,780	802,755	876,270	945,588	1,010,958	1,072,614	1,115,885	1,156,693	1,195,184
28.	Profitability Index	1.147	1.170	1.192	1.213	1.232	1.250	1.268	1.284	1.295	1.306	1.316

**Rate Case 2013**  
**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	33.50	34.50	35.50	36.50	37.50	38.50	39.50	40.50	41.50	42.50	43.50
<b><u>INCREMENTAL CAPITAL INVESTMENT</u></b>												
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.	<b>ACCUMULATED PV OF TOTAL INVESTMENT</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>
<b><u>CCA TAX SHIELD</u></b>												
11.	CCA Tax Shield	8,122	7,635	7,177	6,746	6,341	5,961	5,603	5,267	4,951	4,654	4,375
12.	PV Of CCA Tax Shield At Project Outset	1,189	1,055	937	831	738	655	581	516	458	407	361
13.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>	<b>506,013</b>	<b>507,069</b>	<b>508,005</b>	<b>508,837</b>	<b>509,575</b>	<b>510,230</b>	<b>510,811</b>	<b>511,327</b>	<b>511,785</b>	<b>512,192</b>	<b>512,552</b>
<b><u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u></b>												
14.	Gas Distribution Revenue	805,202	805,202	805,202	805,202	805,202	805,202	805,202	805,202	805,202	805,202	805,202
15.	Gas Costs	(395,053)	(395,053)	(395,053)	(395,053)	(395,053)	(395,053)	(395,053)	(395,053)	(395,053)	(395,053)	(395,053)
16.	O&M	(76,835)	(76,835)	(76,835)	(76,835)	(76,835)	(76,835)	(76,835)	(76,835)	(76,835)	(76,835)	(76,835)
17.	Net Operating Cash (Before Taxes)	333,314	333,314	333,314	333,314	333,314	333,314	333,314	333,314	333,314	333,314	333,314
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	48,790	46,070	43,502	41,077	38,787	36,625	34,583	32,655	30,835	29,116	27,493
19.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>	<b>6,446,061</b>	<b>6,492,131</b>	<b>6,535,632</b>	<b>6,576,709</b>	<b>6,615,496</b>	<b>6,652,120</b>	<b>6,686,703</b>	<b>6,719,358</b>	<b>6,750,193</b>	<b>6,779,309</b>	<b>6,806,801</b>
<b><u>TAXES</u></b>												
20.	Income Tax (Before Interest Tax Shield)	(88,293)	(88,395)	(88,497)	(88,599)	(88,701)	(88,803)	(88,906)	(89,008)	(89,110)	(89,209)	(89,307)
21.	Municipal Tax	(5,088)	(4,709)	(4,329)	(3,949)	(3,570)	(3,190)	(2,810)	(2,431)	(2,051)	(1,682)	(1,319)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(93,381)	(93,103)	(92,826)	(92,548)	(92,271)	(91,993)	(91,716)	(91,438)	(91,161)	(90,891)	(90,626)
25.	PV of Total Taxes At Project Outset	(13,669)	(12,869)	(12,115)	(11,405)	(10,737)	(10,108)	(9,516)	(8,958)	(8,433)	(7,940)	(7,475)
26.	<b>ACCUMULATED PV OF TOTAL TAXES</b>	<b>(1,944,038)</b>	<b>(1,956,906)</b>	<b>(1,969,021)</b>	<b>(1,980,427)</b>	<b>(1,991,164)</b>	<b>(2,001,272)</b>	<b>(2,010,788)</b>	<b>(2,019,746)</b>	<b>(2,028,179)</b>	<b>(2,036,119)</b>	<b>(2,043,594)</b>
<b><u>ACCUMULATED NPV AND PI</u></b>												
27.	Net Present Value	1,231,493	1,265,750	1,298,073	1,328,576	1,357,363	1,384,535	1,410,183	1,434,396	1,457,255	1,478,838	1,499,216
28.	Profitability Index	1.326	1.335	1.344	1.352	1.359	1.367	1.373	1.380	1.386	1.392	1.397

**Rate Case 2013**  
**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	44.50	45.50	46.50	47.50	48.50	49.50	50.50	51.50	52.50	53.50	54.50
<b><u>INCREMENTAL CAPITAL INVESTMENT</u></b>												
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.	<b>ACCUMULATED PV OF TOTAL INVESTMENT</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>	<b>(3,776,543)</b>
<b><u>CCA TAX SHIELD</u></b>												
11.	CCA Tax Shield	4,112	3,865	3,634	3,416	3,211	3,018	2,837	2,667	2,507	2,356	19,705
12.	PV Of CCA Tax Shield At Project Outset	320	284	252	224	199	176	157	139	123	110	865
13.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>	<b>512,873</b>	<b>513,157</b>	<b>513,409</b>	<b>513,633</b>	<b>513,832</b>	<b>514,008</b>	<b>514,165</b>	<b>514,304</b>	<b>514,427</b>	<b>514,537</b>	<b>515,402</b>
<b><u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u></b>												
14.	Gas Distribution Revenue	805,202	805,202	805,202	805,202	805,202	805,202	805,202	805,202	805,202	805,202	805,202
15.	Gas Costs	(395,053)	(395,053)	(395,053)	(395,053)	(395,053)	(395,053)	(395,053)	(395,053)	(395,053)	(395,053)	(395,053)
16.	O&M	(76,835)	(76,835)	(76,835)	(76,835)	(76,835)	(76,835)	(76,835)	(76,835)	(76,835)	(76,835)	(76,835)
17.	Net Operating Cash (Before Taxes)	333,314	333,314	333,314	333,314	333,314	333,314	333,314	333,314	333,314	333,314	333,314
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	25,960	24,513	23,146	21,856	20,638	19,487	18,401	17,375	16,406	15,492	14,628
19.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>	<b>6,832,761</b>	<b>6,857,274</b>	<b>6,880,420</b>	<b>6,902,276</b>	<b>6,922,914</b>	<b>6,942,401</b>	<b>6,960,802</b>	<b>6,978,177</b>	<b>6,994,584</b>	<b>7,010,076</b>	<b>7,024,704</b>
<b><u>TAXES</u></b>												
20.	Income Tax (Before Interest Tax Shield)	(89,404)	(89,460)	(89,467)	(89,471)	(89,471)	(89,471)	(89,471)	(89,471)	(89,471)	(89,471)	(89,471)
21.	Municipal Tax	(956)	(748)	(723)	(707)	(707)	(707)	(707)	(707)	(707)	(707)	(707)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(90,361)	(90,208)	(90,190)	(90,178)	(90,178)	(90,178)	(90,178)	(90,178)	(90,178)	(90,178)	(90,178)
25.	PV of Total Taxes At Project Outset	(7,038)	(6,634)	(6,263)	(5,913)	(5,584)	(5,272)	(4,978)	(4,701)	(4,439)	(4,191)	(3,958)
26.	<b>ACCUMULATED PV OF TOTAL TAXES</b>	<b>(2,050,632)</b>	<b>(2,057,266)</b>	<b>(2,063,529)</b>	<b>(2,069,442)</b>	<b>(2,075,026)</b>	<b>(2,080,298)</b>	<b>(2,085,276)</b>	<b>(2,089,977)</b>	<b>(2,094,416)</b>	<b>(2,098,607)</b>	<b>(2,102,565)</b>
<b><u>ACCUMULATED NPV AND PI</u></b>												
27.	Net Present Value	1,518,459	1,536,622	1,553,757	1,569,924	1,585,177	1,599,568	1,613,148	1,625,961	1,638,052	1,649,462	<b>1,660,997</b>
28.	Profitability Index	1.402	1.407	1.411	1.416	1.420	1.424	1.427	1.431	1.434	1.437	<b>1.440</b>

**Rate Case 2013**  
**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
<b>REVENUE</b>											
A. Effective Project Revenue		559,020	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039
B. Year "0" Revenue (2009 Rate Case)	55,236,300										
C. Total Revenue (year "0" + projected revenue)	55,236,300	55,795,320	56,354,339	56,354,339	56,354,339	56,354,339	56,354,339	56,354,339	56,354,339	56,354,339	56,354,339
<b>REVENUE REQUIREMENT</b>											
D. Effective Project Revenue Requirement		552,214	1,070,501	1,064,978	1,059,165	1,053,079	1,046,738	1,040,156	1,033,347	1,026,327	1,019,106
E. Year "0" Revenue Requirement	55,236,300										
F. Total Revenue Requirement (year "0" + project rev.req.)	55,236,300	55,788,514	56,306,801	56,301,278	56,295,465	56,289,379	56,283,038	56,276,456	56,269,647	56,262,627	56,255,406
<b>(D - A) DEFICIENCY or RATE IMPACT</b>		(6,805)	(47,538)	(53,062)	(58,875)	(64,960)	(71,302)	(77,884)	(84,692)	(91,713)	(98,934)
<b>(D - A) / C % Rate Impact vs Yr 0</b>		-0.012%	-0.08%	-0.09%	-0.10%	-0.115%	-0.13%	-0.14%	-0.15%	-0.16%	-0.18%
<b>LEVELIZED RATE IMPACT CALCULATION</b>											
L. Rate Impact (D - A)		(6,805)	(47,538)	(53,062)	(58,875)	(64,960)	(71,302)	(77,884)	(84,692)	(91,713)	(98,934)
M. \$ Levelized Impact (55 yrs.)	Disc. Rate of	(130,424)									
N. Levelized Revenue	7.311%	56,281,927									
O. % Levelized Impact		-0.232%	(129,297)	(130,592)	(130,592)	(130,592)	(130,592)	(130,592)	(130,592)	(130,592)	(130,592)

**Rate Case 2013**  
**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
<b>REVENUE</b>											
A. Effective Project Revenue	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039
B. Year "0" Revenue (2009 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	56,354,339	56,354,339	56,354,339	56,354,339	56,354,339	56,354,339	56,354,339	56,354,339	56,354,339	56,354,339	56,354,339
<b>REVENUE REQUIREMENT</b>											
D. Effective Project Revenue Requirement	1,011,697	1,004,112	996,361	988,453	980,399	972,207	963,886	955,443	946,885	938,219	929,453
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	56,247,997	56,240,412	56,232,661	56,224,753	56,216,699	56,208,507	56,200,186	56,191,743	56,183,185	56,174,519	56,165,753
<b>(D - A) DEFICIENCY or RATE IMPACT</b>	(106,342)	(113,928)	(121,679)	(129,586)	(137,640)	(145,832)	(154,154)	(162,597)	(171,155)	(179,820)	(188,587)
<b>(D - A) / C % Rate Impact vs Yr 0</b>	-0.19%	-0.20%	-0.22%	-0.23%	-0.24%	-0.26%	-0.27%	-0.29%	-0.30%	-0.32%	-0.33%
<b>LEVELIZED RATE IMPACT CALCULATION</b>											
L. Rate Impact (D - A)	(106,342)	(113,928)	(121,679)	(129,586)	(137,640)	(145,832)	(154,154)	(162,597)	(171,155)	(179,820)	(188,587)
M. \$ Levelized Impact (55 yrs.)											
N. Levelized Revenue											
O. % Levelized Impact	(130,592)	(130,592)	(130,592)	(130,592)	(130,592)	(130,592)	(130,592)	(130,592)	(130,592)	(130,592)	(130,592)



**Rate Case 2013**  
**Financial Feasibility - 55 year Horizon**  
**Rate Impact Analysis**

Dollars	Year 22 22	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
<b>REVENUE</b>												
A. Effective Project Revenue	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	1,118,039	805,202	805,202	805,202
B. Year "0" Revenue (2009 Rate Case)												
C. Total Revenue (year "0" + projected revenue)	56,354,339	56,354,339	56,354,339	56,354,339	56,354,339	56,354,339	56,354,339	56,354,339	56,354,339	56,041,502	56,041,502	56,041,502
<b>REVENUE REQUIREMENT</b>												
D. Effective Project Revenue Requirement	920,591	878,502	816,711	813,484	810,183	806,812	803,375	799,876	796,320	596,989	593,313	589,602
E. Year "0" Revenue Requirement												
F. Total Revenue Requirement (year "0" + project rev.req.)	56,156,891	56,114,802	56,053,011	56,049,784	56,046,483	56,043,112	56,039,675	56,036,176	56,032,620	55,833,289	55,829,613	55,825,902
<b>(D - A) DEFICIENCY or RATE IMPACT</b>	(197,449)	(239,537)	(301,328)	(304,555)	(307,857)	(311,228)	(314,665)	(318,163)	(321,720)	(208,213)	(211,889)	(215,600)
<b>(D - A) / C % Rate Impact vs Yr 0</b>	-0.35%	-0.43%	-0.53%	-0.54%	-0.55%	-0.55%	-0.56%	-0.56%	-0.57%	-0.37%	-0.38%	-0.38%
<b>LEVELIZED RATE IMPACT CALCULATION</b>												
L. Rate Impact (D - A)	(197,449)	(239,537)	(301,328)	(304,555)	(307,857)	(311,228)	(314,665)	(318,163)	(321,720)	(208,213)	(211,889)	(215,600)
M. \$ Levelized Impact (55 yrs.)												
N. Levelized Revenue												
O. % Levelized Impact	(130,592)	(130,592)	(130,592)	(130,592)	(130,592)	(130,592)	(130,592)	(130,592)	(130,592)	(129,867)	(129,867)	(129,867)

**Rate Case 2013**  
**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
<b>REVENUE</b>											
A. Effective Project Revenue	805,202	805,202	805,202	805,202	805,202	805,202	805,202	805,202	805,202	805,202	805,202
B. Year "0" Revenue (2009 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	56,041,502	56,041,502	56,041,502	56,041,502	56,041,502	56,041,502	56,041,502	56,041,502	56,041,502	56,041,502	56,041,502
<b>REVENUE REQUIREMENT</b>											
D. Effective Project Revenue Requirement	585,847	582,048	578,210	574,334	570,423	566,479	562,503	558,498	554,465	548,551	543,488
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	55,822,147	55,818,348	55,814,510	55,810,634	55,806,723	55,802,779	55,798,803	55,794,798	55,790,765	55,784,851	55,779,788
<b>(D - A) DEFICIENCY or RATE IMPACT</b>	(219,355)	(223,154)	(226,992)	(230,868)	(234,779)	(238,723)	(242,699)	(246,704)	(250,737)	(256,651)	(261,714)
<b>(D - A) / C % Rate Impact vs Yr 0</b>	-0.39%	-0.40%	-0.41%	-0.41%	-0.42%	-0.43%	-0.43%	-0.44%	-0.45%	-0.46%	-0.47%

**LEVELIZED RATE IMPACT CALCULATION**

L. Rate Impact (D - A)		(219,355)	(223,154)	(226,992)	(230,868)	(234,779)	(238,723)	(242,699)	(246,704)	(250,737)	(256,651)	(261,714)
M. \$ Levelized Impact (55 yrs.)	Disc. Rate of											
N. Levelized Revenue	7.311%											
O. % Levelized Impact		(129,867)	(129,867)	(129,867)	(129,867)	(129,867)	(129,867)	(129,867)	(129,867)	(129,867)	(129,867)	(129,867)

**Rate Case 2013**  
**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
<b>REVENUE</b>											
A. Effective Project Revenue	805,202	805,202	805,202	805,202	805,202	805,202	805,202	805,202	805,202	805,202	805,202
B. Year "0" Revenue (2009 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	56,041,502	56,041,502	56,041,502	56,041,502	56,041,502	56,041,502	56,041,502	56,041,502	56,041,502	56,041,502	56,041,502
<b>REVENUE REQUIREMENT</b>											
D. Effective Project Revenue Requirement	539,580	508,536	473,914	472,519	469,752	470,016	470,263	470,496	470,715	470,921	471,114
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	55,775,880	55,744,836	55,710,214	55,708,819	55,706,052	55,706,316	55,706,563	55,706,796	55,707,015	55,707,221	55,707,414
<b>(D - A) DEFICIENCY or RATE IMPACT</b>	(265,622)	(296,666)	(331,288)	(332,683)	(335,450)	(335,186)	(334,939)	(334,706)	(334,487)	(334,281)	(334,088)
<b>(D - A) / C % Rate Impact vs Yr 0</b>	-0.47%	-0.53%	-0.59%	-0.59%	-0.60%	-0.60%	-0.60%	-0.60%	-0.60%	-0.60%	-0.60%
<b>LEVELIZED RATE IMPACT CALCULATION</b>											
L. Rate Impact (D - A)	(265,622)	(296,666)	(331,288)	(332,683)	(335,450)	(335,186)	(334,939)	(334,706)	(334,487)	(334,281)	(334,088)
M. \$ Levelized Impact (55 yrs.)											
N. Levelized Revenue											
O. % Levelized Impact	(129,867)	(129,867)	(129,867)	(129,867)	(129,867)	(129,867)	(129,867)	(129,867)	(129,867)	(129,867)	(129,867)

### Rate Case 2013 55 Year Rate Impact

