

Rate Case 2014
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	5.55%						
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			920	0	0	0	0
11.	Commercial			60	0	0	0	0
12.	Total Annual Volumes							
13.	Residential (m ³)			774,867	1,549,734	1,549,734	1,549,734	1,549,734
14.	Commercial (m ³)			374,094	748,187	748,187	748,187	748,187
15.	Capital Costs							
16.	Mains (Dollars)		2,114,373	0	0	0	0	0
17.	Services (Dollars)		1,509,409	0	0	0	0	0
18.	Meters (Dollars)		154,044	0	0	0	0	0
19.	Stations (Dollars)		101,298	0	0	0	0	0
20.	Annual Revenues (Dollars)			500,203	1,000,407	1,000,407	1,000,407	1,000,407
21.	Annual O&M (Dollars)			47,795	95,591	95,591	95,591	95,591
FEASIBILITY RESULTS								
22.	Net Present Value (Dollars)	1,456,341						
23.	Profitability Index	1.374						
24.	IRR	8.14%						
25.	Levelized Rate Impact (55 years)	-0.204%						
26.	Cross-Over Year	Year 2						

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

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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	0.00	0.50	1.50	2.50	3.50	4.50	5.50	6.50	7.50	8.50	9.50
<u>INCREMENTAL CAPITAL INVESTMENT</u>												
1.	Investment In Mains	2,114,373	-	-	-	-	-	-	-	-	-	-
2.	Investment in Services	1,509,409	-	-	-	-	-	-	-	-	-	-
3.	Investment in Stations	101,298										
4.	Investment in Meters	154,044	-	-	-	-	-	-	-	-	-	-
5.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-	-
6.	Net Investment Capital	3,879,124	-	-	-	-	-	-	-	-	-	-
7.	Working Capital	14,875	-	-	-	-	-	-	-	-	-	-
8.	Total Investments	3,893,999	-	-	-	-	-	-	-	-	-	-
9.	PV Of Net Investment At Project Outset	(3,879,124)	(14,479)	-	-	-	-	-	-	-	-	-
10.	ACCUMULATED PV OF TOTAL INVESTMENT	(3,879,124)	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield		31,305	60,731	57,087	53,662	50,442	47,416	44,571	41,896	39,383	37,020
12.	PV Of CCA Tax Shield At Project Outset		30,470	56,004	49,876	44,418	39,558	35,229	31,374	27,941	24,883	22,160
13.	ACCUMULATED PV OF CCA TAX SHIELD		30,470	86,475	136,351	180,769	220,327	255,556	286,930	314,871	339,754	361,914
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue		500,203	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407
15.	Gas Costs		(243,318)	(486,635)	(486,635)	(486,635)	(486,635)	(486,635)	(486,635)	(486,635)	(486,635)	(486,635)
16.	O&M		(47,795)	(95,591)	(95,591)	(95,591)	(95,591)	(95,591)	(95,591)	(95,591)	(95,591)	(95,591)
17.	Net Operating Cash (Before Taxes)		209,090	418,181	418,181	418,181	418,181	418,181	418,181	418,181	418,181	418,181
18.	PV of Net Operating Cash (Before Taxes) At Project Outset		203,519	385,635	365,358	346,147	327,946	310,702	294,365	278,887	264,223	250,329
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)		203,519	589,154	954,512	1,300,659	1,628,606	1,939,308	2,233,673	2,512,560	2,776,782	3,027,112
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)		(48,410)	(104,766)	(105,010)	(105,254)	(105,497)	(105,741)	(105,985)	(106,229)	(106,472)	(106,716)
21.	Municipal Tax		(29,127)	(28,716)	(27,809)	(26,903)	(25,997)	(25,091)	(24,185)	(23,279)	(22,373)	(21,466)
22.	Capital Tax		-	-	-	-	-	-	-	-	-	-
23.	Federal Tax		-	-	-	-	-	-	-	-	-	-
24.	Total Taxes		(77,537)	(133,482)	(132,819)	(132,157)	(131,495)	(130,832)	(130,170)	(129,507)	(128,845)	(128,183)
25.	PV of Total Taxes At Project Outset		(75,471)	(123,093)	(116,042)	(109,392)	(103,121)	(97,206)	(91,629)	(86,369)	(81,409)	(76,732)
26.	ACCUMULATED PV OF TOTAL TAXES		(75,471)	(198,564)	(314,606)	(423,999)	(527,119)	(624,326)	(715,955)	(802,324)	(883,733)	(960,465)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value		(3,720,605)	(3,416,538)	(3,117,346)	(2,836,173)	(2,571,790)	(2,323,065)	(2,088,955)	(1,868,497)	(1,660,800)	(1,465,042)
28.	Profitability Index		0.041	0.123	0.199	0.272	0.339	0.403	0.463	0.520	0.573	0.624

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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>	<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
<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	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)
<u>CCA TAX SHIELD</u>													
11.	CCA Tax Shield	34,798	32,711	30,748	28,903	27,169	25,539	24,006	22,566	21,212	38,549	18,743	17,618
12.	PV Of CCA Tax Shield At Project Outset	19,736	17,576	15,653	13,940	12,414	11,056	9,846	8,769	7,809	13,445	6,194	5,516
13.	ACCUMULATED PV OF CCA TAX SHIELD	381,650	399,226	414,879	428,818	441,233	452,289	462,135	470,904	478,713	492,159	498,352	503,868
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>													
14.	Gas Distribution Revenue	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407
15.	Gas Costs	(486,635)	(486,635)	(486,635)	(486,635)	(486,635)	(486,635)	(486,635)	(486,635)	(486,635)	(486,635)	(486,635)	(486,635)
16.	O&M	(95,591)	(95,591)	(95,591)	(95,591)	(95,591)	(95,591)	(95,591)	(95,591)	(95,591)	(95,591)	(95,591)	(95,591)
17.	Net Operating Cash (Before Taxes)	418,181	418,181	418,181	418,181	418,181	418,181	418,181	418,181	418,181	418,181	418,181	418,181
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	237,167	224,696	212,881	201,688	191,083	181,035	171,516	162,497	153,953	145,858	138,189	130,922
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	3,264,278	3,488,974	3,701,856	3,903,543	4,094,626	4,275,661	4,447,177	4,609,674	4,763,628	4,909,486	5,047,674	5,178,597
<u>TAXES</u>													
20.	Income Tax (Before Interest Tax Shield)	(106,960)	(107,204)	(107,447)	(107,691)	(107,935)	(108,179)	(108,422)	(108,666)	(108,910)	(109,154)	(109,397)	(109,641)
21.	Municipal Tax	(20,560)	(19,654)	(18,748)	(17,842)	(16,936)	(16,029)	(15,123)	(14,217)	(13,311)	(12,405)	(11,499)	(10,593)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(127,520)	(126,858)	(126,195)	(125,533)	(124,871)	(124,208)	(123,546)	(122,883)	(122,221)	(121,559)	(120,896)	(120,234)
25.	PV of Total Taxes At Project Outset	(72,322)	(68,163)	(64,242)	(60,544)	(57,058)	(53,771)	(50,672)	(47,750)	(44,996)	(42,399)	(39,950)	(37,642)
26.	ACCUMULATED PV OF TOTAL TAXES	(1,032,787)	(1,100,950)	(1,165,191)	(1,225,736)	(1,282,794)	(1,336,565)	(1,387,237)	(1,434,987)	(1,479,983)	(1,522,381)	(1,562,332)	(1,599,974)
<u>ACCUMULATED NPV AND PI</u>													
27.	Net Present Value	(1,280,461)	(1,106,352)	(942,060)	(786,977)	(640,538)	(502,218)	(371,528)	(248,012)	(131,245)	(14,340)	90,092	188,888
28.	Profitability Index	0.671	0.716	0.758	0.798	0.835	0.871	0.905	0.936	0.966	0.996	1.023	1.049

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	<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
<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	-	-	-	-	-	-	-	(3,940)	-	-	-
8.	Total Investments	-	-	-	-	-	-	-	(3,940)	-	-	-
9.	PV Of Net Investment At Project Outset	-	-	-	-	-	-	-	-	759	-	-
10.	ACCUMULATED PV OF TOTAL INVESTMENT	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)	(3,893,603)	(3,892,844)	(3,892,844)	(3,892,844)
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield	16,561	15,568	14,634	13,756	12,930	12,154	11,425	10,740	10,095	9,490	8,920
12.	PV Of CCA Tax Shield At Project Outset	4,912	4,375	3,896	3,470	3,090	2,752	2,451	2,183	1,944	1,731	1,542
13.	ACCUMULATED PV OF CCA TAX SHIELD	508,780	513,155	517,051	520,521	523,611	526,363	528,814	530,996	532,940	534,671	536,213
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	733,303	733,303	733,303
15.	Gas Costs	(486,635)	(486,635)	(486,635)	(486,635)	(486,635)	(486,635)	(486,635)	(486,635)	(330,713)	(330,713)	(330,713)
16.	O&M	(95,591)	(95,591)	(95,591)	(95,591)	(95,591)	(95,591)	(95,591)	(95,591)	(82,101)	(82,101)	(82,101)
17.	Net Operating Cash (Before Taxes)	418,181	418,181	418,181	418,181	418,181	418,181	418,181	418,181	320,489	320,489	320,489
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	124,038	117,516	111,337	105,483	99,936	94,682	89,703	84,986	61,708	58,463	55,389
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	5,302,635	5,420,151	5,531,488	5,636,971	5,736,907	5,831,589	5,921,292	6,006,278	6,067,986	6,126,449	6,181,838
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)	(109,833)	(109,939)	(110,045)	(110,152)	(110,258)	(110,364)	(110,470)	(110,576)	(84,490)	(84,596)	(84,702)
21.	Municipal Tax	(9,879)	(9,484)	(9,090)	(8,695)	(8,301)	(7,906)	(7,512)	(7,118)	(6,401)	(6,006)	(5,612)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(119,712)	(119,424)	(119,135)	(118,847)	(118,559)	(118,270)	(117,982)	(117,694)	(90,890)	(90,602)	(90,314)
25.	PV of Total Taxes At Project Outset	(35,508)	(33,560)	(31,719)	(29,978)	(28,333)	(26,778)	(25,308)	(23,919)	(17,500)	(16,527)	(15,609)
26.	ACCUMULATED PV OF TOTAL TAXES	(1,635,482)	(1,669,042)	(1,700,761)	(1,730,739)	(1,759,072)	(1,785,850)	(1,811,158)	(1,835,077)	(1,852,577)	(1,869,105)	(1,884,713)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value	282,330	370,661	454,175	533,150	607,843	678,499	745,344	808,595	854,746	899,171	940,493
28.	Profitability Index	1.073	1.095	1.117	1.137	1.156	1.174	1.191	1.208	1.220	1.231	1.242

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	<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
<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	(3,892,844)	(3,892,844)	(3,892,844)	(3,892,844)	(3,892,844)	(3,892,844)	(3,892,844)	(3,892,844)	(3,892,844)	(3,892,844)	(3,892,844)
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield	8,385	7,882	7,409	6,964	6,547	6,154	5,785	5,437	5,111	4,805	4,516
12.	PV Of CCA Tax Shield At Project Outset	1,373	1,223	1,089	970	864	769	685	610	543	484	431
13.	ACCUMULATED PV OF CCA TAX SHIELD	537,586	538,808	539,897	540,867	541,731	542,500	543,185	543,795	544,338	544,822	545,253
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue	733,303	733,303	733,303	733,303	733,303	733,303	733,303	733,303	733,303	733,303	733,303
15.	Gas Costs	(330,713)	(330,713)	(330,713)	(330,713)	(330,713)	(330,713)	(330,713)	(330,713)	(330,713)	(330,713)	(330,713)
16.	O&M	(82,101)	(82,101)	(82,101)	(82,101)	(82,101)	(82,101)	(82,101)	(82,101)	(82,101)	(82,101)	(82,101)
17.	Net Operating Cash (Before Taxes)	320,489	320,489	320,489	320,489	320,489	320,489	320,489	320,489	320,489	320,489	320,489
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	52,477	49,717	47,103	44,626	42,280	40,057	37,950	35,955	34,064	32,273	30,576
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	6,234,315	6,284,032	6,331,135	6,375,762	6,418,042	6,458,098	6,496,049	6,532,004	6,566,068	6,598,341	6,628,918
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)	(84,808)	(84,914)	(85,020)	(85,126)	(85,233)	(85,339)	(85,445)	(85,551)	(85,657)	(85,760)	(85,861)
21.	Municipal Tax	(5,217)	(4,823)	(4,428)	(4,034)	(3,639)	(3,245)	(2,850)	(2,456)	(2,062)	(1,678)	(1,302)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(90,025)	(89,737)	(89,449)	(89,160)	(88,872)	(88,584)	(88,295)	(88,007)	(87,719)	(87,438)	(87,163)
25.	PV of Total Taxes At Project Outset	(14,741)	(13,921)	(13,146)	(12,415)	(11,724)	(11,072)	(10,455)	(9,873)	(9,323)	(8,805)	(8,316)
26.	ACCUMULATED PV OF TOTAL TAXES	(1,899,454)	(1,913,375)	(1,926,521)	(1,938,937)	(1,950,661)	(1,961,733)	(1,972,188)	(1,982,061)	(1,991,385)	(2,000,190)	(2,008,506)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value	979,602	1,016,621	1,051,667	1,084,848	1,116,267	1,146,021	1,174,201	1,200,893	1,226,177	1,250,129	1,272,820
28.	Profitability Index	1.252	1.261	1.270	1.279	1.287	1.294	1.302	1.308	1.315	1.321	1.327

Rate Case 2014
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>	<u>Col. 57</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
<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	(3,892,844)	(3,892,844)	(3,892,844)	(3,892,844)	(3,892,844)	(3,892,844)	(3,892,844)	(3,892,844)	(3,892,844)	(3,892,844)	(3,892,844)
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield	4,245	3,991	3,751	3,526	3,315	3,116	2,929	2,753	2,588	2,433	20,896
12.	PV Of CCA Tax Shield At Project Outset	384	342	304	271	241	215	191	170	152	135	1,101
13.	ACCUMULATED PV OF CCA TAX SHIELD	545,636	545,978	546,283	546,554	546,795	547,010	547,201	547,372	547,524	547,659	548,759
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue	733,303	733,303	733,303	733,303	733,303	733,303	733,303	733,303	733,303	733,303	733,303
15.	Gas Costs	(330,713)	(330,713)	(330,713)	(330,713)	(330,713)	(330,713)	(330,713)	(330,713)	(330,713)	(330,713)	(330,713)
16.	O&M	(82,101)	(82,101)	(82,101)	(82,101)	(82,101)	(82,101)	(82,101)	(82,101)	(82,101)	(82,101)	(82,101)
17.	Net Operating Cash (Before Taxes)	320,489	320,489	320,489	320,489	320,489	320,489	320,489	320,489	320,489	320,489	320,489
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	28,969	27,445	26,002	24,635	23,340	22,112	20,950	19,848	18,804	17,816	16,879
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	6,657,886	6,685,331	6,711,334	6,735,969	6,759,308	6,781,421	6,802,370	6,822,218	6,841,023	6,858,839	6,875,717
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)	(85,963)	(86,021)	(86,028)	(86,032)	(86,032)	(86,032)	(86,032)	(86,032)	(86,032)	(86,032)	(86,032)
21.	Municipal Tax	(925)	(709)	(684)	(668)	(668)	(668)	(668)	(668)	(668)	(668)	(668)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(86,888)	(86,730)	(86,712)	(86,700)	(86,700)	(86,700)	(86,700)	(86,700)	(86,700)	(86,700)	(86,700)
25.	PV of Total Taxes At Project Outset	(7,854)	(7,427)	(7,035)	(6,664)	(6,314)	(5,982)	(5,667)	(5,369)	(5,087)	(4,820)	(4,566)
26.	ACCUMULATED PV OF TOTAL TAXES	(2,016,359)	(2,023,786)	(2,030,822)	(2,037,486)	(2,043,800)	(2,049,782)	(2,055,449)	(2,060,819)	(2,065,906)	(2,070,725)	(2,075,291)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value	1,294,319	1,314,679	1,333,950	1,352,192	1,369,459	1,385,804	1,401,278	1,415,927	1,429,797	1,442,928	1,456,341
28.	Profitability Index	1.332	1.338	1.343	1.347	1.352	1.356	1.360	1.364	1.367	1.371	1.374

**Rate Case 2014
Financial Feasibility - 55 year Horizon
Rate Impact Analysis**

Dollars	Year 1 1	Year 2 2	Year 3 3	Year 4 4	Year 5 5	Year 6 6	Year 7 7	Year 8 8	Year 9 9	Year 10 10
REVENUE										
A. Effective Project Revenue	500,203	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407
B. Year "0" Revenue (2009 Rate Case)	51,733,100									
C. Total Revenue (year "0" + projected revenue)	51,733,100	52,233,303	52,733,507	52,733,507	52,733,507	52,733,507	52,733,507	52,733,507	52,733,507	52,733,507

REVENUE REQUIREMENT

D. Effective Project Revenue Requirement	507,122	979,421	974,330	968,940	963,268	957,333	951,149	944,731	938,094	931,250
E. Year "0" Revenue Requirement	51,733,100									
F. Total Revenue Requirement (year "0" + project rev.req.)	51,733,100	52,240,222	52,712,521	52,707,430	52,702,040	52,696,368	52,690,433	52,684,249	52,677,831	52,671,194

(D - A) DEFICIENCY or RATE IMPACT	6,919	(20,985)	(26,077)	(31,467)	(37,138)	(43,074)	(49,258)	(55,676)	(62,313)	(69,156)
(D - A) / C % Rate Impact vs Yr 0	0.013%	-0.04%	-0.05%	-0.06%	-0.070%	-0.08%	-0.09%	-0.11%	-0.12%	-0.13%

LEVELIZED RATE IMPACT CALCULATION

L. Rate Impact (D -A)		6,919	(20,985)	(26,077)	(31,467)	(37,138)	(43,074)	(49,258)	(55,676)	(62,313)	(69,156)
M. \$ Levelized Impact (55 yrs.)	Disc. Rate of	(107,389)									
N. Levelized Revenue	6.439%	52,668,701									
O. % Levelized Impact		-0.204%	(106,502)	(107,522)	(107,522)	(107,522)	(107,522)	(107,522)	(107,522)	(107,522)	(107,522)

Rate Case 2014
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
REVENUE											
A. Effective Project Revenue	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407
B. Year "0" Revenue (2009 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	52,733,507	52,733,507	52,733,507	52,733,507	52,733,507	52,733,507	52,733,507	52,733,507	52,733,507	52,733,507	52,733,507
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement	924,213	916,993	909,602	902,050	894,347	886,501	878,521	870,415	862,192	853,857	845,417
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	52,657,313	52,650,093	52,642,702	52,635,150	52,627,447	52,619,601	52,611,621	52,603,515	52,595,292	52,586,957	52,578,517
(D - A) DEFICIENCY or RATE IMPACT	(76,194)	(83,413)	(90,804)	(98,357)	(106,060)	(113,906)	(121,886)	(129,991)	(138,215)	(146,550)	(154,989)
(D - A)/ C % Rate Impact vs Yr 0	-0.14%	-0.16%	-0.17%	-0.19%	-0.20%	-0.22%	-0.23%	-0.25%	-0.26%	-0.28%	-0.29%
LEVELIZED RATE IMPACT CALCULATION											
L. Rate Impact (D -A)	(76,194)	(83,413)	(90,804)	(98,357)	(106,060)	(113,906)	(121,886)	(129,991)	(138,215)	(146,550)	(154,989)
M. \$ Levelized Impact (55 yrs.)											
N. Levelized Revenue											
O. % Levelized Impact	(107,522)	(107,522)	(107,522)	(107,522)	(107,522)	(107,522)	(107,522)	(107,522)	(107,522)	(107,522)	(107,522)

Rate Case 2014
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	
REVENUE													
A. Effective Project Revenue	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	1,000,407	733,303	733,303	733,303
B. Year "0" Revenue (2009 Rate Case)													
C. Total Revenue (year "0" + projected revenue)	52,733,507	52,733,507	52,733,507	52,733,507	52,733,507	52,733,507	52,733,507	52,733,507	52,733,507	52,466,403	52,466,403	52,466,403	
REVENUE REQUIREMENT													
D. Effective Project Revenue Requirement	836,880	794,314	731,443	728,334	725,149	721,892	718,567	715,178	711,730	538,342	534,634	531,027	
E. Year "0" Revenue Requirement													
F. Total Revenue Requirement (year "0" + project rev.req.)	52,569,980	52,527,414	52,464,543	52,461,434	52,458,249	52,454,992	52,451,667	52,448,278	52,444,830	52,271,442	52,267,734	52,264,127	
(D - A) DEFICIENCY or RATE IMPACT	(163,527)	(206,093)	(268,964)	(272,072)	(275,258)	(278,515)	(281,840)	(285,228)	(288,677)	(194,962)	(198,669)	(202,276)	
(D - A) / C % Rate Impact vs Yr 0	-0.31%	-0.39%	-0.51%	-0.52%	-0.52%	-0.53%	-0.53%	-0.54%	-0.55%	-0.37%	-0.38%	-0.39%	
LEVELIZED RATE IMPACT CALCULATION													
L. Rate Impact (D -A)	(163,527)	(206,093)	(268,964)	(272,072)	(275,258)	(278,515)	(281,840)	(285,228)	(288,677)	(194,962)	(198,669)	(202,276)	
M. \$ Levelized Impact (55 yrs.)													
N. Levelized Revenue													
O. % Levelized Impact	(107,522)	(107,522)	(107,522)	(107,522)	(107,522)	(107,522)	(107,522)	(107,522)	(107,522)	(106,977)	(106,977)	(106,977)	

Rate Case 2014
Financial Feasibility - 55 year Horizon
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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	733,303	733,303	733,303	733,303	733,303	733,303	733,303	733,303	733,303	733,303	733,303
B. Year "0" Revenue (2009 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	52,466,403	52,466,403	52,466,403	52,466,403	52,466,403	52,466,403	52,466,403	52,466,403	52,466,403	52,466,403	52,466,403
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement	527,373	523,675	519,936	516,158	512,343	508,494	504,613	500,701	496,762	490,812	485,766
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	52,260,473	52,256,775	52,253,036	52,249,258	52,245,443	52,241,594	52,237,713	52,233,801	52,229,862	52,223,912	52,218,866
(D - A) DEFICIENCY or RATE IMPACT	(205,930)	(209,628)	(213,368)	(217,146)	(220,960)	(224,809)	(228,690)	(232,602)	(236,542)	(242,491)	(247,537)
(D - A)/ C % Rate Impact vs Yr 0	-0.39%	-0.40%	-0.41%	-0.41%	-0.42%	-0.43%	-0.44%	-0.44%	-0.45%	-0.46%	-0.47%
LEVELIZED RATE IMPACT CALCULATION											
L. Rate Impact (D -A)	(205,930)	(209,628)	(213,368)	(217,146)	(220,960)	(224,809)	(228,690)	(232,602)	(236,542)	(242,491)	(247,537)
M. \$ Levelized Impact (55 yrs.)											
N. Levelized Revenue											
O. % Levelized Impact	(106,977)	(106,977)	(106,977)	(106,977)	(106,977)	(106,977)	(106,977)	(106,977)	(106,977)	(106,977)	(106,977)

Rate Case 2014
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	733,303	733,303	733,303	733,303	733,303	733,303	733,303	733,303	733,303	733,303	733,303
B. Year "0" Revenue (2009 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	52,466,403	52,466,403	52,466,403	52,466,403	52,466,403	52,466,403	52,466,403	52,466,403	52,466,403	52,466,403	52,466,403
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement	481,950	449,869	413,954	412,564	409,778	410,050	410,306	410,546	410,772	410,984	411,184
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	52,215,050	52,182,969	52,147,054	52,145,664	52,142,878	52,143,150	52,143,406	52,143,646	52,143,872	52,144,084	52,144,284
(D - A) DEFICIENCY or RATE IMPACT	(251,353)	(283,435)	(319,349)	(320,740)	(323,525)	(323,253)	(322,998)	(322,757)	(322,531)	(322,319)	(322,119)
(D - A)/ C % Rate Impact vs Yr 0	-0.48%	-0.54%	-0.61%	-0.61%	-0.62%	-0.62%	-0.62%	-0.62%	-0.61%	-0.61%	-0.61%
LEVELIZED RATE IMPACT CALCULATION											
L. Rate Impact (D -A)	(251,353)	(283,435)	(319,349)	(320,740)	(323,525)	(323,253)	(322,998)	(322,757)	(322,531)	(322,319)	(322,119)
M. \$ Levelized Impact (55 yrs.)											
N. Levelized Revenue											
O. % Levelized Impact	(106,977)	(106,977)	(106,977)	(106,977)	(106,977)	(106,977)	(106,977)	(106,977)	(106,977)	(106,977)	(106,977)

Rate Case 2014 55 Year Rate Impact

