

Rate Case 2015
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	5.89%						
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			756	0	0	0	0
11.	Commercial			60	0	0	0	0
12.	Total Annual Volumes							
13.	Residential (m ³)			616,720	1,233,439	1,233,439	1,233,439	1,233,439
14.	Commercial (m ³)			322,816	645,631	645,631	645,631	645,631
15.	Capital Costs							
16.	Mains (Dollars)		2,002,999	0	0	0	0	0
17.	Services (Dollars)		1,408,019	0	0	0	0	0
18.	Meters (Dollars)		134,370	0	0	0	0	0
19.	Stations (Dollars)		83,334	0	0	0	0	0
20.	Annual Revenues (Dollars)			432,587	865,173	865,173	865,173	865,173
21.	Annual O&M (Dollars)			41,921	83,843	83,843	83,843	83,843
FEASIBILITY RESULTS								
22.	Net Present Value (Dollars)	835,079						
23.	Profitability Index	1.229						
24.	IRR	7.57%						
25.	Levelized Rate Impact (55 years)	-0.114%						
26.	Cross-Over Year	Year 6						

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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
<u>INCREMENTAL CAPITAL INVESTMENT</u>												
1.	Investment In Mains	2,002,999	-	-	-	-	-	-	-	-	-	-
2.	Investment in Services	1,408,019	-	-	-	-	-	-	-	-	-	-
3.	Investment in Stations	83,334	-	-	-	-	-	-	-	-	-	-
4.	Investment in Meters	134,370	-	-	-	-	-	-	-	-	-	-
5.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-	-
6.	Net Investment Capital	3,628,722	-	-	-	-	-	-	-	-	-	-
7.	Working Capital	12,699	-	-	-	-	-	-	-	-	-	-
8.	Total Investments	3,641,421	-	-	-	-	-	-	-	-	-	-
9.	PV Of Net Investment At Project Outset	(3,628,722)	(12,340)	-	-	-	-	-	-	-	-	-
10.	ACCUMULATED PV OF TOTAL INVESTMENT	(3,628,722)	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield		29,284	56,811	53,402	50,198	47,186	44,355	41,693	39,192	36,840	34,630
12.	PV Of CCA Tax Shield At Project Outset		28,457	52,134	46,278	41,080	36,466	32,370	28,734	25,506	22,641	20,098
13.	ACCUMULATED PV OF CCA TAX SHIELD		28,457	80,591	126,869	167,949	204,414	236,784	265,518	291,024	313,666	333,764
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue		432,587	865,173	865,173	865,173	865,173	865,173	865,173	865,173	865,173	865,173
15.	Gas Costs		(207,779)	(415,559)	(415,559)	(415,559)	(415,559)	(415,559)	(415,559)	(415,559)	(415,559)	(415,559)
16.	O&M		(41,921)	(83,843)	(83,843)	(83,843)	(83,843)	(83,843)	(83,843)	(83,843)	(83,843)	(83,843)
17.	Net Operating Cash (Before Taxes)		182,886	365,772	365,772	365,772	365,772	365,772	365,772	365,772	365,772	365,772
18.	PV of Net Operating Cash (Before Taxes) At Project Outset		177,723	335,661	316,977	299,333	282,671	266,937	252,079	238,047	224,797	212,284
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)		177,723	513,384	830,361	1,129,695	1,412,366	1,679,303	1,931,382	2,169,429	2,394,226	2,606,509
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)		(41,879)	(91,192)	(91,419)	(91,647)	(91,875)	(92,103)	(92,331)	(92,558)	(92,786)	(93,014)
21.	Municipal Tax		(27,201)	(26,770)	(25,923)	(25,076)	(24,229)	(23,382)	(22,535)	(21,688)	(20,842)	(19,995)
22.	Capital Tax		-	-	-	-	-	-	-	-	-	-
23.	Federal Tax		-	-	-	-	-	-	-	-	-	-
24.	Total Taxes		(69,080)	(117,962)	(117,342)	(116,723)	(116,104)	(115,485)	(114,866)	(114,247)	(113,628)	(113,009)
25.	PV of Total Taxes At Project Outset		(67,130)	(108,251)	(101,689)	(95,522)	(89,726)	(84,280)	(79,162)	(74,353)	(69,834)	(65,587)
26.	ACCUMULATED PV OF TOTAL TAXES		(67,130)	(175,381)	(277,070)	(372,591)	(462,318)	(546,598)	(625,760)	(700,112)	(769,946)	(835,533)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value		(3,489,672)	(3,222,468)	(2,960,901)	(2,716,010)	(2,486,599)	(2,271,572)	(2,069,922)	(1,880,721)	(1,703,117)	(1,536,322)
28.	Profitability Index		0.038	0.115	0.187	0.254	0.317	0.376	0.432	0.483	0.532	0.578

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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	10.50	11.50	12.50	13.50	14.50	15.50	16.50	17.50	18.50	19.50	20.50
<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	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield	32,552	30,599	28,763	27,037	25,415	23,890	22,457	21,109	19,843	35,556	17,533
12.	PV Of CCA Tax Shield At Project Outset	17,841	15,837	14,058	12,479	11,077	9,833	8,729	7,748	6,878	11,638	5,420
13.	ACCUMULATED PV OF CCA TAX SHIELD	351,605	367,442	381,500	393,978	405,056	414,889	423,617	431,365	438,243	449,882	455,301
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue	865,173	865,173	865,173	865,173	865,173	865,173	865,173	865,173	865,173	865,173	865,173
15.	Gas Costs	(415,559)	(415,559)	(415,559)	(415,559)	(415,559)	(415,559)	(415,559)	(415,559)	(415,559)	(415,559)	(415,559)
16.	O&M	(83,843)	(83,843)	(83,843)	(83,843)	(83,843)	(83,843)	(83,843)	(83,843)	(83,843)	(83,843)	(83,843)
17.	Net Operating Cash (Before Taxes)	365,772	365,772	365,772	365,772	365,772	365,772	365,772	365,772	365,772	365,772	365,772
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	200,467	189,309	178,771	168,820	159,423	150,549	142,169	134,256	126,783	119,726	113,061
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	2,806,977	2,996,286	3,175,057	3,343,877	3,503,301	3,653,850	3,796,019	3,930,275	4,057,058	4,176,783	4,289,844
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)	(93,242)	(93,470)	(93,698)	(93,925)	(94,153)	(94,381)	(94,609)	(94,837)	(95,065)	(95,292)	(95,520)
21.	Municipal Tax	(19,148)	(18,301)	(17,454)	(16,607)	(15,760)	(14,913)	(14,066)	(13,219)	(12,372)	(11,525)	(10,678)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(112,390)	(111,771)	(111,151)	(110,532)	(109,913)	(109,294)	(108,675)	(108,056)	(107,437)	(106,818)	(106,199)
25.	PV of Total Taxes At Project Outset	(61,597)	(57,848)	(54,325)	(51,016)	(47,906)	(44,985)	(42,240)	(39,662)	(37,239)	(34,964)	(32,826)
26.	ACCUMULATED PV OF TOTAL TAXES	(897,130)	(954,978)	(1,009,303)	(1,060,319)	(1,108,225)	(1,153,210)	(1,195,450)	(1,235,112)	(1,272,351)	(1,307,315)	(1,340,141)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value	(1,379,611)	(1,232,313)	(1,093,809)	(963,525)	(840,931)	(725,533)	(616,875)	(514,533)	(418,112)	(321,712)	(236,058)
28.	Profitability Index	0.621	0.662	0.700	0.735	0.769	0.801	0.831	0.859	0.885	0.912	0.935

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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>	<u>Col. 35</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	Year 33
	Discount factors to project outset	21.50	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	-	-	-	-	-	-	-	-	(3,509)	-	-	-
8.	Total Investments	-	-	-	-	-	-	-	-	(3,509)	-	-	-
9.	PV Of Net Investment At Project Outset	-	-	-	-	-	-	-	-	-	612	-	-
10.	ACCUMULATED PV OF TOTAL INVESTMENT	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)	(3,641,062)	(3,640,450)	(3,640,450)	(3,640,450)
<u>CCA TAX SHIELD</u>													
11.	CCA Tax Shield	16,481	15,492	14,563	13,689	12,868	12,096	11,370	10,688	10,046	9,444	8,877	8,344
12.	PV Of CCA Tax Shield At Project Outset	4,811	4,270	3,791	3,365	2,987	2,651	2,354	2,089	1,855	1,646	1,461	1,297
13.	ACCUMULATED PV OF CCA TAX SHIELD	460,112	464,382	468,173	471,538	474,525	477,177	479,530	481,620	483,474	485,120	486,582	487,879
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>													
14.	Gas Distribution Revenue	865,173	865,173	865,173	865,173	865,173	865,173	865,173	865,173	865,173	622,157	622,157	622,157
15.	Gas Costs	(415,559)	(415,559)	(415,559)	(415,559)	(415,559)	(415,559)	(415,559)	(415,559)	(415,559)	(276,167)	(276,167)	(276,167)
16.	O&M	(83,843)	(83,843)	(83,843)	(83,843)	(83,843)	(83,843)	(83,843)	(83,843)	(83,843)	(70,053)	(70,053)	(70,053)
17.	Net Operating Cash (Before Taxes)	365,772	365,772	365,772	365,772	365,772	365,772	365,772	365,772	365,772	275,938	275,938	275,938
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	106,768	100,825	95,213	89,913	84,908	80,182	75,719	71,504	67,524	48,104	45,427	42,898
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	4,396,612	4,497,437	4,592,650	4,682,563	4,767,471	4,847,653	4,923,371	4,994,875	5,062,399	5,110,503	5,155,930	5,198,828
<u>TAXES</u>													
20.	Income Tax (Before Interest Tax Shield)	(95,748)	(95,928)	(96,027)	(96,126)	(96,226)	(96,325)	(96,425)	(96,524)	(96,624)	(72,634)	(72,734)	(72,833)
21.	Municipal Tax	(9,831)	(9,164)	(8,794)	(8,425)	(8,055)	(7,686)	(7,316)	(6,946)	(6,577)	(5,921)	(5,551)	(5,182)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(105,579)	(105,092)	(104,821)	(104,551)	(104,281)	(104,011)	(103,741)	(103,470)	(103,200)	(78,556)	(78,285)	(78,015)
25.	PV of Total Taxes At Project Outset	(30,818)	(28,968)	(27,286)	(25,700)	(24,207)	(22,800)	(21,475)	(20,227)	(19,051)	(13,695)	(12,888)	(12,128)
26.	ACCUMULATED PV OF TOTAL TAXES	(1,370,959)	(1,399,928)	(1,427,213)	(1,452,914)	(1,477,121)	(1,499,922)	(1,521,397)	(1,541,624)	(1,560,675)	(1,574,370)	(1,587,258)	(1,599,386)
<u>ACCUMULATED NPV AND PI</u>													
27.	Net Present Value	(155,297)	(79,170)	(7,453)	60,125	123,813	183,846	240,442	293,808	344,135	380,191	414,803	446,870
28.	Profitability Index	0.957	0.978	0.998	1.017	1.034	1.050	1.066	1.081	1.095	1.104	1.114	1.123

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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	(3,640,450)	(3,640,450)	(3,640,450)	(3,640,450)	(3,640,450)	(3,640,450)	(3,640,450)	(3,640,450)	(3,640,450)	(3,640,450)	(3,640,450)
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield	7,844	7,373	6,931	6,515	6,124	5,757	5,411	5,086	4,781	4,494	4,225
12.	PV Of CCA Tax Shield At Project Outset	1,152	1,022	907	805	715	635	563	500	444	394	350
13.	ACCUMULATED PV OF CCA TAX SHIELD	489,031	490,053	490,960	491,766	492,481	493,115	493,679	494,179	494,623	495,017	495,367
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue	622,157	622,157	622,157	622,157	622,157	622,157	622,157	622,157	622,157	622,157	622,157
15.	Gas Costs	(276,167)	(276,167)	(276,167)	(276,167)	(276,167)	(276,167)	(276,167)	(276,167)	(276,167)	(276,167)	(276,167)
16.	O&M	(70,053)	(70,053)	(70,053)	(70,053)	(70,053)	(70,053)	(70,053)	(70,053)	(70,053)	(70,053)	(70,053)
17.	Net Operating Cash (Before Taxes)	275,938	275,938	275,938	275,938	275,938	275,938	275,938	275,938	275,938	275,938	275,938
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	40,510	38,255	36,126	34,115	32,216	30,423	28,729	27,130	25,620	24,194	22,847
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	5,239,338	5,277,594	5,313,720	5,347,835	5,380,051	5,410,474	5,439,203	5,466,333	5,491,953	5,516,147	5,538,995
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)	(72,933)	(73,032)	(73,132)	(73,231)	(73,330)	(73,430)	(73,529)	(73,629)	(73,728)	(73,825)	(73,921)
21.	Municipal Tax	(4,812)	(4,443)	(4,073)	(3,703)	(3,334)	(2,964)	(2,595)	(2,225)	(1,855)	(1,495)	(1,140)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(77,745)	(77,475)	(77,205)	(76,934)	(76,664)	(76,394)	(76,124)	(75,854)	(75,583)	(75,320)	(75,061)
25.	PV of Total Taxes At Project Outset	(11,414)	(10,741)	(10,108)	(9,512)	(8,951)	(8,423)	(7,926)	(7,458)	(7,018)	(6,604)	(6,215)
26.	ACCUMULATED PV OF TOTAL TAXES	(1,610,800)	(1,621,541)	(1,631,649)	(1,641,160)	(1,650,111)	(1,658,534)	(1,666,459)	(1,673,917)	(1,680,935)	(1,687,539)	(1,693,754)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value	477,118	505,655	532,581	557,990	581,970	604,605	625,972	646,144	665,191	683,175	700,157
28.	Profitability Index	1.131	1.139	1.146	1.153	1.160	1.166	1.172	1.177	1.183	1.188	1.192

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	<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	(3,640,450)	(3,640,450)	(3,640,450)	(3,640,450)	(3,640,450)	(3,640,450)	(3,640,450)	(3,640,450)	(3,640,450)	(3,640,450)	(3,640,450)
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield	3,971	3,733	3,509	3,298	3,101	2,915	2,740	2,575	2,421	2,276	19,043
12.	PV Of CCA Tax Shield At Project Outset	311	276	245	217	193	171	152	135	120	106	840
13.	ACCUMULATED PV OF CCA TAX SHIELD	495,677	495,953	496,197	496,415	496,607	496,779	496,930	497,065	497,185	497,291	498,131
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue	622,157	622,157	622,157	622,157	622,157	622,157	622,157	622,157	622,157	622,157	622,157
15.	Gas Costs	(276,167)	(276,167)	(276,167)	(276,167)	(276,167)	(276,167)	(276,167)	(276,167)	(276,167)	(276,167)	(276,167)
16.	O&M	(70,053)	(70,053)	(70,053)	(70,053)	(70,053)	(70,053)	(70,053)	(70,053)	(70,053)	(70,053)	(70,053)
17.	Net Operating Cash (Before Taxes)	275,938	275,938	275,938	275,938	275,938	275,938	275,938	275,938	275,938	275,938	275,938
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	21,576	20,375	19,240	18,170	17,158	16,203	15,301	14,449	13,645	12,886	12,168
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	5,560,570	5,580,945	5,600,185	5,618,355	5,635,513	5,651,716	5,667,017	5,681,467	5,695,112	5,707,997	5,720,166
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)	(74,016)	(74,071)	(74,076)	(74,080)	(74,080)	(74,080)	(74,080)	(74,080)	(74,080)	(74,080)	(74,080)
21.	Municipal Tax	(785)	(582)	(561)	(546)	(546)	(546)	(546)	(546)	(546)	(546)	(546)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(74,801)	(74,653)	(74,637)	(74,627)	(74,627)	(74,627)	(74,627)	(74,627)	(74,627)	(74,627)	(74,627)
25.	PV of Total Taxes At Project Outset	(5,849)	(5,512)	(5,204)	(4,914)	(4,640)	(4,382)	(4,138)	(3,908)	(3,690)	(3,485)	(3,291)
26.	ACCUMULATED PV OF TOTAL TAXES	(1,699,603)	(1,705,115)	(1,710,319)	(1,715,233)	(1,719,873)	(1,724,256)	(1,728,394)	(1,732,301)	(1,735,992)	(1,739,477)	(1,742,768)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value	716,194	731,332	745,613	759,086	771,797	783,789	795,104	805,780	815,855	825,362	835,079
28.	Profitability Index	1.197	1.201	1.205	1.209	1.212	1.215	1.218	1.221	1.224	1.227	1.229

Rate Case 2015
Financial Feasibility - 55 year Horizon
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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	432,587	865,173	865,173	865,173	865,173	865,173	865,173	865,173	865,173	865,173
B. Year "0" Revenue (2014 Rate Case)	54,681,500									
C. Total Revenue (year "0" + projected revenue)	54,681,500	55,114,087	55,546,673	55,546,673	55,546,673	55,546,673	55,546,673	55,546,673	55,546,673	55,546,673
REVENUE REQUIREMENT										
D. Effective Project Revenue Requirement	459,923	887,375	882,085	876,516	870,683	864,604	858,292	851,762	845,026	838,097
E. Year "0" Revenue Requirement	54,681,500									
F. Total Revenue Requirement (year "0" + project rev.req.)	54,681,500	55,141,423	55,568,875	55,563,585	55,558,016	55,552,183	55,546,104	55,539,792	55,533,262	55,526,526
(D - A) DEFICIENCY or RATE IMPACT	27,336	22,201	16,912	11,342	5,510	(569)	(6,881)	(13,412)	(20,148)	(27,076)
(D - A)/ C % Rate Impact vs Yr 0	0.050%	0.04%	0.03%	0.02%	0.010%	0.00%	-0.01%	-0.02%	-0.04%	-0.05%
LEVELIZED RATE IMPACT CALCULATION										
L. Rate Impact (D -A)	27,336	22,201	16,912	11,342	5,510	(569)	(6,881)	(13,412)	(20,148)	(27,076)
M. \$ Levelized Impact (55 yrs.)	Disc. Rate of	(63,381)								
N. Levelized Revenue	6.724%	55,490,125								
O. % Levelized Impact		-0.114%	(62,952)	(63,446)	(63,446)	(63,446)	(63,446)	(63,446)	(63,446)	(63,446)

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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	865,173	865,173	865,173	865,173	865,173	865,173	865,173	865,173	865,173	865,173	865,173
B. Year "0" Revenue (2014 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	55,546,673	55,546,673	55,546,673	55,546,673	55,546,673	55,546,673	55,546,673	55,546,673	55,546,673	55,546,673	55,546,673
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement	830,987	823,706	816,265	808,673	800,940	793,074	785,082	776,973	768,753	760,429	752,007
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	55,512,487	55,505,206	55,497,765	55,490,173	55,482,440	55,474,574	55,466,582	55,458,473	55,450,253	55,441,929	55,433,507
(D - A) DEFICIENCY or RATE IMPACT	(34,186)	(41,467)	(48,908)	(56,500)	(64,233)	(72,100)	(80,091)	(88,201)	(96,421)	(104,745)	(113,166)
(D - A)/ C % Rate Impact vs Yr 0	-0.06%	-0.07%	-0.09%	-0.10%	-0.12%	-0.13%	-0.14%	-0.16%	-0.17%	-0.19%	-0.20%
LEVELIZED RATE IMPACT CALCULATION											
L. Rate Impact (D -A)	(34,186)	(41,467)	(48,908)	(56,500)	(64,233)	(72,100)	(80,091)	(88,201)	(96,421)	(104,745)	(113,166)
M. \$ Levelized Impact (55 yrs.)											
N. Levelized Revenue											
O. % Levelized Impact	(63,446)	(63,446)	(63,446)	(63,446)	(63,446)	(63,446)	(63,446)	(63,446)	(63,446)	(63,446)	(63,446)

Rate Case 2015
Financial Feasibility - 55 year Horizon
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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	865,173	865,173	865,173	865,173	865,173	865,173	865,173	865,173	865,173	622,157	622,157	622,157
B. Year "0" Revenue (2014 Rate Case)												
C. Total Revenue (year "0" + projected revenue)	55,546,673	55,546,673	55,546,673	55,546,673	55,546,673	55,546,673	55,546,673	55,546,673	55,546,673	55,303,657	55,303,657	55,303,657
REVENUE REQUIREMENT												
D. Effective Project Revenue Requirement	743,494	703,294	644,304	641,155	637,936	634,648	631,298	627,887	624,421	467,293	463,583	459,968
E. Year "0" Revenue Requirement												
F. Total Revenue Requirement (year "0" + project rev.req.)	55,424,994	55,384,794	55,325,804	55,322,655	55,319,436	55,316,148	55,312,798	55,309,387	55,305,921	55,148,793	55,145,083	55,141,468
(D - A) DEFICIENCY or RATE IMPACT	(121,680)	(161,880)	(220,870)	(224,018)	(227,238)	(230,525)	(233,876)	(237,286)	(240,752)	(154,864)	(158,574)	(162,189)
(D - A)/ C % Rate Impact vs Yr 0	-0.22%	-0.29%	-0.40%	-0.40%	-0.41%	-0.42%	-0.42%	-0.43%	-0.43%	-0.28%	-0.29%	-0.29%
LEVELIZED RATE IMPACT CALCULATION												
L. Rate Impact (D -A)	(121,680)	(161,880)	(220,870)	(224,018)	(227,238)	(230,525)	(233,876)	(237,286)	(240,752)	(154,864)	(158,574)	(162,189)
M. \$ Levelized Impact (55 yrs.)												
N. Levelized Revenue												
O. % Levelized Impact	(63,446)	(63,446)	(63,446)	(63,446)	(63,446)	(63,446)	(63,446)	(63,446)	(63,446)	(63,168)	(63,168)	(63,168)

Rate Case 2015
Financial Feasibility - 55 year Horizon
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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	622,157	622,157	622,157	622,157	622,157	622,157	622,157	622,157	622,157	622,157	622,157
B. Year "0" Revenue (2014 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	55,303,657	55,303,657	55,303,657	55,303,657	55,303,657	55,303,657	55,303,657	55,303,657	55,303,657	55,303,657	55,303,657
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement	456,310	452,610	448,872	445,097	441,289	437,448	433,577	429,677	425,752	420,172	415,338
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	55,137,810	55,134,110	55,130,372	55,126,597	55,122,789	55,118,948	55,115,077	55,111,177	55,107,252	55,101,672	55,096,838
(D - A) DEFICIENCY or RATE IMPACT	(165,847)	(169,547)	(173,285)	(177,060)	(180,869)	(184,709)	(188,580)	(192,480)	(196,406)	(201,985)	(206,819)
(D - A) / C % Rate Impact vs Yr 0	-0.30%	-0.31%	-0.31%	-0.32%	-0.33%	-0.33%	-0.34%	-0.35%	-0.36%	-0.37%	-0.37%
LEVELIZED RATE IMPACT CALCULATION											
L. Rate Impact (D -A)	(165,847)	(169,547)	(173,285)	(177,060)	(180,869)	(184,709)	(188,580)	(192,480)	(196,406)	(201,985)	(206,819)
M. \$ Levelized Impact (55 yrs.)											
N. Levelized Revenue											
O. % Levelized Impact	(63,168)	(63,168)	(63,168)	(63,168)	(63,168)	(63,168)	(63,168)	(63,168)	(63,168)	(63,168)	(63,168)

Rate Case 2015
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	622,157	622,157	622,157	622,157	622,157	622,157	622,157	622,157	622,157	622,157	622,157
B. Year "0" Revenue (2014 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	55,303,657	55,303,657	55,303,657	55,303,657	55,303,657	55,303,657	55,303,657	55,303,657	55,303,657	55,303,657	55,303,657
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement	411,515	380,963	346,887	345,682	343,265	343,520	343,759	343,984	344,195	344,394	344,581
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	55,093,015	55,062,463	55,028,387	55,027,182	55,024,765	55,025,020	55,025,259	55,025,484	55,025,695	55,025,894	55,026,081
(D - A) DEFICIENCY or RATE IMPACT	(210,642)	(241,194)	(275,271)	(276,475)	(278,892)	(278,637)	(278,398)	(278,173)	(277,962)	(277,763)	(277,576)
(D - A) / C % Rate Impact vs Yr 0	-0.38%	-0.44%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%
LEVELIZED RATE IMPACT CALCULATION											
L. Rate Impact (D -A)	(210,642)	(241,194)	(275,271)	(276,475)	(278,892)	(278,637)	(278,398)	(278,173)	(277,962)	(277,763)	(277,576)
M. \$ Levelized Impact (55 yrs.)											
N. Levelized Revenue											
O. % Levelized Impact	(63,168)	(63,168)	(63,168)	(63,168)	(63,168)	(63,168)	(63,168)	(63,168)	(63,168)	(63,168)	(63,168)

Rate Case 2014 55 Year Rate Impact

