

Rate Case 2016
Financial Feasibility - 55/30 year Horizon
Parameters and Results

Line No.	<u>Col. 1</u> Description	<u>Col. 2</u>	<u>Col. 3</u> Year 0	<u>Col. 4</u> Year 1	<u>Col. 5</u> Year 2	<u>Col. 6</u> Year 3	<u>Col. 7</u> Year 4	<u>Col. 8</u> Year 5-55
FEASIBILITY PARAMETERS								
1.	Discount Rate	6.41%						
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			985	0	0	0	0
11.	Commercial			62	0	0	0	0
12.	Total Annual Volumes							
13.	Residential (m ³)			765,549	1,531,097	1,531,097	1,531,097	1,531,097
14.	Commercial (m ³)			300,784	601,567	601,567	601,567	601,567
15.	Capital Costs							
16.	Mains (Dollars)		2,213,283	0	0	0	0	0
17.	Services (Dollars)		2,264,360	0	0	0	0	0
18.	Meters (Dollars)		164,331	0	0	0	0	0
19.	Stations (Dollars)		91,510	0	0	0	0	0
20.	Annual Revenues (Dollars)			534,517	1,069,033	1,069,033	1,069,033	1,069,033
21.	Annual O&M (Dollars)			51,909	103,819	103,819	103,819	103,819
FEASIBILITY RESULTS								
22.	Net Present Value (Dollars)	256,394						
23.	Profitability Index	1.054						
24.	IRR	6.82%						
25.	Levelized Rate Impact (55 years)	-0.020%						
26.	Cross-Over Year	Year 14						

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Line No.	Col. 1 Description	Col. 2 Year 0	Col. 3 Year 1	Col. 4 Year 2	Col. 5 Year 3	Col. 6 Year 4	Col. 7 Year 5	Col. 8 Year 6	Col. 9 Year 7	Col. 10 Year 8	Col. 11 Year 9	Col. 12 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	2,213,283	-	-	-	-	-	-	-	-	-	-
2.	Investment in Services	2,264,360	-	-	-	-	-	-	-	-	-	-
3.	Investment in Stations	91,510										
4.	Investment in Meters	164,331	-	-	-	-	-	-	-	-	-	-
5.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-	-
6.	Net Investment Capital	4,733,484	-	-	-	-	-	-	-	-	-	-
7.	Working Capital	13,295	-	-	-	-	-	-	-	-	-	-
8.	Total Investments	4,746,779	-	-	-	-	-	-	-	-	-	-
9.	PV Of Net Investment At Project Outset	(4,733,484)	(12,888)	-	-	-	-	-	-	-	-	-
10.	ACCUMULATED PV OF TOTAL INVESTMENT	(4,733,484)	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield		38,199	74,106	69,660	65,480	61,552	57,859	54,387	51,124	48,056	45,173
12.	PV Of CCA Tax Shield At Project Outset		37,032	67,517	59,646	52,692	46,549	41,122	36,328	32,093	28,351	25,046
13.	ACCUMULATED PV OF CCA TAX SHIELD		37,032	104,549	164,194	216,886	263,435	304,558	340,886	372,978	401,330	426,376
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue		534,517	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033
15.	Gas Costs		(267,419)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)
16.	O&M		(51,909)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)
17.	Net Operating Cash (Before Taxes)		215,188	430,375	430,375	430,375	430,375	430,375	430,375	430,375	430,375	430,375
18.	PV of Net Operating Cash (Before Taxes) At Project Outset		208,611	392,107	368,504	346,322	325,475	305,883	287,471	270,167	253,904	238,620
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)		208,611	600,717	969,221	1,315,543	1,641,019	1,946,902	2,234,373	2,504,540	2,758,444	2,997,064
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)		(48,367)	(106,441)	(106,758)	(107,075)	(107,392)	(107,709)	(108,026)	(108,343)	(108,660)	(108,977)
21.	Municipal Tax		(35,384)	(34,685)	(33,507)	(32,328)	(31,150)	(29,971)	(28,793)	(27,614)	(26,436)	(25,257)
22.	Capital Tax		-	-	-	-	-	-	-	-	-	-
23.	Federal Tax		-	-	-	-	-	-	-	-	-	-
24.	Total Taxes		(83,751)	(141,126)	(140,264)	(139,403)	(138,541)	(137,680)	(136,818)	(135,957)	(135,096)	(134,234)
25.	PV of Total Taxes At Project Outset		(81,191)	(128,577)	(120,100)	(112,177)	(104,773)	(97,854)	(91,388)	(85,347)	(79,701)	(74,426)
26.	ACCUMULATED PV OF TOTAL TAXES		(81,191)	(209,768)	(329,868)	(442,045)	(546,818)	(644,672)	(736,061)	(821,407)	(901,108)	(975,534)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value		(4,569,033)	(4,250,874)	(3,942,824)	(3,655,988)	(3,388,736)	(3,139,585)	(2,907,174)	(2,690,261)	(2,487,707)	(2,298,466)
28.	Profitability Index		0.035	0.104	0.169	0.230	0.286	0.339	0.387	0.433	0.476	0.516

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Line No.	Col. 1 Description	Col. 13 Year 11	Col. 14 Year 12	Col. 15 Year 13	Col. 16 Year 14	Col. 17 Year 15	Col. 18 Year 16	Col. 19 Year 17	Col. 20 Year 18	Col. 21 Year 19	Col. 22 Year 20	Col. 23 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	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield	42,463	39,915	37,520	35,269	33,153	31,163	29,294	27,536	25,884	45,474	22,871
12.	PV Of CCA Tax Shield At Project Outset	22,126	19,547	17,268	15,255	13,476	11,905	10,517	9,291	8,208	13,552	6,406
13.	ACCUMULATED PV OF CCA TAX SHIELD	448,502	468,048	485,316	500,571	514,047	525,952	536,469	545,761	553,968	567,520	573,926
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033
15.	Gas Costs	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)
16.	O&M	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)
17.	Net Operating Cash (Before Taxes)	430,375	430,375	430,375	430,375	430,375	430,375	430,375	430,375	430,375	430,375	430,375
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	224,257	210,758	198,071	186,148	174,943	164,413	154,516	145,215	136,474	128,259	120,538
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	3,221,321	3,432,079	3,630,150	3,816,299	3,991,242	4,155,655	4,310,170	4,455,385	4,591,859	4,720,118	4,840,656
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)	(109,294)	(109,611)	(109,928)	(110,245)	(110,562)	(110,879)	(111,196)	(111,513)	(111,830)	(112,147)	(112,464)
21.	Municipal Tax	(24,079)	(22,900)	(21,722)	(20,544)	(19,365)	(18,187)	(17,008)	(15,830)	(14,651)	(13,473)	(12,294)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(133,373)	(132,511)	(131,650)	(130,788)	(129,927)	(129,065)	(128,204)	(127,343)	(126,481)	(125,620)	(124,758)
25.	PV of Total Taxes At Project Outset	(69,497)	(64,892)	(60,589)	(56,569)	(52,814)	(49,306)	(46,029)	(42,967)	(40,108)	(37,437)	(34,942)
26.	ACCUMULATED PV OF TOTAL TAXES	(1,045,031)	(1,109,923)	(1,170,512)	(1,227,081)	(1,279,895)	(1,329,201)	(1,375,229)	(1,418,196)	(1,458,304)	(1,495,741)	(1,530,683)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value	(2,121,580)	(1,956,167)	(1,801,417)	(1,656,584)	(1,520,978)	(1,393,966)	(1,274,962)	(1,163,423)	(1,058,849)	(954,475)	(862,473)
28.	Profitability Index	0.553	0.588	0.620	0.651	0.680	0.706	0.731	0.755	0.777	0.799	0.818

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Line No.	Col. 1 Description	Col. 24 Year 22	Col. 25 Year 23	Col. 26 Year 24	Col. 27 Year 25	Col. 28 Year 26	Col. 29 Year 27	Col. 30 Year 28	Col. 31 Year 29	Col. 32 Year 30	Col. 33 Year 31	Col. 34 Year 32
	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
<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	-	-	-	-	-	-	-	-	(3,082)	-	-
8.	Total Investments	-	-	-	-	-	-	-	-	(3,082)	-	-
9.	PV Of Net Investment At Project Outset	-	-	-	-	-	-	-	-	-	464	-
10.	ACCUMULATED PV OF TOTAL INVESTMENT	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)	(4,746,372)	(4,745,908)	(4,745,908)
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield	21,499	20,209	18,996	17,857	16,785	15,778	14,831	13,941	13,105	12,319	11,580
12.	PV Of CCA Tax Shield At Project Outset	5,659	4,999	4,416	3,901	3,447	3,045	2,690	2,376	2,099	1,854	1,638
13.	ACCUMULATED PV OF CCA TAX SHIELD	579,585	584,584	589,000	592,902	596,348	599,393	602,083	604,459	606,558	608,413	610,051
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	822,851	822,851
15.	Gas Costs	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(387,214)	(387,214)
16.	O&M	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(89,646)	(89,646)
17.	Net Operating Cash (Before Taxes)	430,375	430,375	430,375	430,375	430,375	430,375	430,375	430,375	430,375	345,991	345,991
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	113,283	106,464	100,055	94,032	88,372	83,052	78,053	73,355	68,939	52,086	48,951
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	4,953,939	5,060,402	5,160,457	5,254,489	5,342,861	5,425,914	5,503,967	5,577,322	5,646,261	5,698,347	5,747,298
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)	(112,781)	(113,020)	(113,131)	(113,241)	(113,352)	(113,462)	(113,573)	(113,683)	(113,794)	(91,278)	(91,388)
21.	Municipal Tax	(11,116)	(10,226)	(9,815)	(9,405)	(8,994)	(8,583)	(8,172)	(7,761)	(7,350)	(6,669)	(6,258)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(123,897)	(123,246)	(122,946)	(122,646)	(122,345)	(122,045)	(121,745)	(121,444)	(121,144)	(97,946)	(97,646)
25.	PV of Total Taxes At Project Outset	(32,612)	(30,488)	(28,583)	(26,797)	(25,122)	(23,552)	(22,080)	(20,699)	(19,405)	(14,745)	(13,815)
26.	ACCUMULATED PV OF TOTAL TAXES	(1,563,295)	(1,593,782)	(1,622,365)	(1,649,162)	(1,674,284)	(1,697,836)	(1,719,916)	(1,740,615)	(1,760,020)	(1,774,765)	(1,788,580)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value	(776,143)	(695,168)	(619,280)	(548,143)	(481,446)	(418,901)	(360,238)	(305,206)	(253,573)	(214,378)	(177,140)
28.	Profitability Index	0.836	0.854	0.870	0.885	0.899	0.912	0.924	0.936	0.947	0.955	0.963

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Line No.	Col. 1 Description	Col. 35 Year 33	Col. 36 Year 34	Col. 37 Year 35	Col. 38 Year 36	Col. 39 Year 37	Col. 40 Year 38	Col. 41 Year 39	Col. 42 Year 40	Col. 43 Year 41	Col. 44 Year 42	Col. 45 Year 43
	Discount factors to project outset	32.50	33.50	34.50	35.50	36.50	37.50	38.50	39.50	40.50	41.50	42.50
<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	(4,745,908)	(4,745,908)	(4,745,908)	(4,745,908)	(4,745,908)	(4,745,908)	(4,745,908)	(4,745,908)	(4,745,908)	(4,745,908)	(4,745,908)
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield	10,885	10,232	9,618	9,041	8,498	7,988	7,509	7,059	6,635	6,237	5,863
12.	PV Of CCA Tax Shield At Project Outset	1,447	1,279	1,129	998	881	779	688	608	537	474	419
13.	ACCUMULATED PV OF CCA TAX SHIELD	611,498	612,777	613,906	614,904	615,786	616,565	617,252	617,860	618,397	618,871	619,290
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue	822,851	822,851	822,851	822,851	822,851	822,851	822,851	822,851	822,851	822,851	822,851
15.	Gas Costs	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)
16.	O&M	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)
17.	Net Operating Cash (Before Taxes)	345,991	345,991	345,991	345,991	345,991	345,991	345,991	345,991	345,991	345,991	345,991
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	46,004	43,235	40,632	38,187	35,888	33,728	31,697	29,789	27,996	26,311	24,727
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	5,793,302	5,836,537	5,877,169	5,915,356	5,951,244	5,984,972	6,016,669	6,046,459	6,074,455	6,100,766	6,125,493
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)	(91,499)	(91,609)	(91,720)	(91,830)	(91,941)	(92,051)	(92,162)	(92,272)	(92,383)	(92,493)	(92,601)
21.	Municipal Tax	(5,847)	(5,436)	(5,025)	(4,615)	(4,204)	(3,793)	(3,382)	(2,971)	(2,560)	(2,150)	(1,749)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(97,346)	(97,045)	(96,745)	(96,445)	(96,144)	(95,844)	(95,544)	(95,243)	(94,943)	(94,643)	(94,350)
25.	PV of Total Taxes At Project Outset	(12,943)	(12,127)	(11,362)	(10,644)	(9,973)	(9,343)	(8,753)	(8,200)	(7,682)	(7,197)	(6,743)
26.	ACCUMULATED PV OF TOTAL TAXES	(1,801,524)	(1,813,651)	(1,825,012)	(1,835,657)	(1,845,629)	(1,854,972)	(1,863,725)	(1,871,926)	(1,879,608)	(1,886,805)	(1,893,548)
<u>ACCUMULATED NPV AND PI</u>												
27.	Net Present Value	(142,632)	(110,245)	(79,844)	(51,304)	(24,508)	656	24,288	46,485	67,336	86,924	105,327
28.	Profitability Index	0.970	0.977	0.983	0.989	0.995	1.000	1.005	1.010	1.014	1.018	1.022

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Line No.	Col. 1 Description	Col. 46 Year 44	Col. 47 Year 45	Col. 48 Year 46	Col. 49 Year 47	Col. 50 Year 48	Col. 51 Year 49	Col. 52 Year 50	Col. 53 Year 51	Col. 54 Year 52	Col. 55 Year 53	Col. 56 Year 54	Col. 57 Year 55
	Discount factors to project outset	43.50	44.50	45.50	46.50	47.50	48.50	49.50	50.50	51.50	52.50	53.50	54.50
<u>INCREMENTAL CAPITAL INVESTMENT</u>													
1.	Investment In Mains	-	-	-	-	-	-	-	-	-	-	-	-
2.	Investment in Services	-	-	-	-	-	-	-	-	-	-	-	-
3.	Investment in Stations	-	-	-	-	-	-	-	-	-	-	-	-
4.	Investment in Meters	-	-	-	-	-	-	-	-	-	-	-	-
5.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-	-	-
6.	Net Investment Capital	-	-	-	-	-	-	-	-	-	-	-	-
7.	Working Capital	-	-	-	-	-	-	-	-	-	-	-	-
8.	Total Investments	-	-	-	-	-	-	-	-	-	-	-	-
9.	PV Of Net Investment At Project Outset	-	-	-	-	-	-	-	-	-	-	-	-
10.	ACCUMULATED PV OF TOTAL INVESTMENT	(4,745,908)	(4,745,908)	(4,745,908)	(4,745,908)	(4,745,908)	(4,745,908)	(4,745,908)	(4,745,908)	(4,745,908)	(4,745,908)	(4,745,908)	(4,745,908)
<u>CCA TAX SHIELD</u>													
11.	CCA Tax Shield	5,511	5,180	4,869	4,577	4,303	4,045	3,802	3,574	3,359	3,158	2,968	23,933
12.	PV Of CCA Tax Shield At Project Outset	370	327	289	255	225	199	176	155	137	121	107	812
13.	ACCUMULATED PV OF CCA TAX SHIELD	619,660	619,987	620,276	620,532	620,757	620,956	621,132	621,288	621,425	621,546	621,653	622,465
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>													
14.	Gas Distribution Revenue	822,851	822,851	822,851	822,851	822,851	822,851	822,851	822,851	822,851	822,851	822,851	822,851
15.	Gas Costs	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)
16.	O&M	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)
17.	Net Operating Cash (Before Taxes)	345,991	345,991	345,991	345,991	345,991	345,991	345,991	345,991	345,991	345,991	345,991	345,991
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	23,239	21,840	20,525	19,290	18,129	17,037	16,012	15,048	14,142	13,291	12,491	11,739
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	6,148,732	6,170,572	6,191,097	6,210,387	6,228,516	6,245,553	6,261,565	6,276,613	6,290,756	6,304,047	6,316,537	6,328,276
<u>TAXES</u>													
20.	Income Tax (Before Interest Tax Shield)	(92,707)	(92,813)	(92,874)	(92,881)	(92,886)	(92,886)	(92,886)	(92,886)	(92,886)	(92,886)	(92,886)	(92,886)
21.	Municipal Tax	(1,354)	(960)	(733)	(706)	(689)	(689)	(689)	(689)	(689)	(689)	(689)	(689)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(94,061)	(93,773)	(93,607)	(93,588)	(93,575)	(93,575)	(93,575)	(93,575)	(93,575)	(93,575)	(93,575)	(93,575)
25.	PV of Total Taxes At Project Outset	(6,318)	(5,919)	(5,553)	(5,218)	(4,903)	(4,608)	(4,331)	(4,070)	(3,825)	(3,595)	(3,378)	(3,175)
26.	ACCUMULATED PV OF TOTAL TAXES	(1,899,866)	(1,905,785)	(1,911,338)	(1,916,556)	(1,921,459)	(1,926,067)	(1,930,398)	(1,934,467)	(1,938,292)	(1,941,887)	(1,945,265)	(1,948,440)
<u>ACCUMULATED NPV AND PI</u>													
27.	Net Present Value	122,618	138,866	154,127	168,454	181,906	194,534	206,392	217,525	227,980	237,798	247,017	256,394
28.	Profitability Index	1.026	1.029	1.032	1.035	1.038	1.041	1.043	1.046	1.048	1.050	1.052	1.054

Rate Case 2016
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		534,517	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033
B. Year "0" Revenue (2015 Rate Case)	60,741,800										
C. Total Revenue (year "0" + projected revenue)	60,741,800	61,276,317	61,810,833	61,810,833	61,810,833	61,810,833	61,810,833	61,810,833	61,810,833	61,810,833	61,810,833
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement		615,875	1,188,964	1,180,101	1,170,873	1,161,301	1,151,407	1,141,211	1,130,729	1,119,979	1,108,977
E. Year "0" Revenue Requirement	60,741,800										
F. Total Revenue Requirement (year "0" + project rev.req.)	60,741,800	61,357,675	61,930,764	61,921,901	61,912,673	61,903,101	61,893,207	61,883,011	61,872,529	61,861,779	61,850,777
(D - A) DEFICIENCY or RATE IMPACT		81,358	119,931	111,068	101,840	92,268	82,374	72,178	61,696	50,946	39,944
(D - A) / C % Rate Impact vs Yr 0		0.133%	0.19%	0.18%	0.16%	0.149%	0.13%	0.12%	0.10%	0.08%	0.06%
LEVELIZED RATE IMPACT CALCULATION											
L. Rate Impact (D -A)		81,358	119,931	111,068	101,840	92,268	82,374	72,178	61,696	50,946	39,944
M. \$ Levelized Impact (55 yrs.)	Disc. Rate of	(12,488)									
N. Levelized Revenue	7.423%	61,748,754									
O. % Levelized Impact		-0.020%	(12,392)	(12,501)	(12,501)	(12,501)	(12,501)	(12,501)	(12,501)	(12,501)	(12,501)

Rate Case 2016
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	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033
B. Year "0" Revenue (2015 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	61,810,833	61,810,833	61,810,833	61,810,833	61,810,833	61,810,833	61,810,833	61,810,833	61,810,833	61,810,833	61,810,833
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement	1,097,739	1,086,279	1,074,609	1,062,743	1,050,692	1,038,467	1,026,079	1,013,537	1,000,851	988,030	975,081
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	61,839,539	61,828,079	61,816,409	61,804,543	61,792,492	61,780,267	61,767,879	61,755,337	61,742,651	61,729,830	61,716,881
(D - A) DEFICIENCY or RATE IMPACT	28,706	17,246	5,576	(6,290)	(18,341)	(30,566)	(42,954)	(55,496)	(68,182)	(81,003)	(93,952)
(D - A) / C % Rate Impact vs Yr 0	0.05%	0.03%	0.01%	-0.01%	-0.03%	-0.05%	-0.07%	-0.09%	-0.11%	-0.13%	-0.15%
LEVELIZED RATE IMPACT CALCULATION											
L. Rate Impact (D -A)	28,706	17,246	5,576	(6,290)	(18,341)	(30,566)	(42,954)	(55,496)	(68,182)	(81,003)	(93,952)
M. \$ Levelized Impact (55 yrs.)											
N. Levelized Revenue											
O. % Levelized Impact	(12,501)	(12,501)	(12,501)	(12,501)	(12,501)	(12,501)	(12,501)	(12,501)	(12,501)	(12,501)	(12,501)

Rate Case 2016
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	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	1,069,033	822,851	822,851	822,851
B. Year "0" Revenue (2015 Rate Case)													
C. Total Revenue (year "0" + projected revenue)	61,810,833	61,810,833	61,810,833	61,810,833	61,810,833	61,810,833	61,810,833	61,810,833	61,810,833	61,810,833	61,564,651	61,564,651	61,564,651
REVENUE REQUIREMENT													
D. Effective Project Revenue Requirement	962,012	898,147	804,445	800,793	797,048	793,216	789,300	785,307	781,241	614,903	610,569	606,309	
E. Year "0" Revenue Requirement													
F. Total Revenue Requirement (year "0" + project rev.req.)	61,703,812	61,639,947	61,546,245	61,542,593	61,538,848	61,535,016	61,531,100	61,527,107	61,523,041	61,356,703	61,352,369	61,348,109	
(D - A) DEFICIENCY or RATE IMPACT	(107,021)	(170,886)	(264,588)	(268,240)	(271,985)	(275,817)	(279,733)	(283,726)	(287,792)	(207,948)	(212,283)	(216,543)	
(D - A) / C % Rate Impact vs Yr 0	-0.17%	-0.28%	-0.43%	-0.43%	-0.44%	-0.45%	-0.45%	-0.46%	-0.47%	-0.34%	-0.34%	-0.35%	

LEVELIZED RATE IMPACT CALCULATION

L. Rate Impact (D -A)		(107,021)	(170,886)	(264,588)	(268,240)	(271,985)	(275,817)	(279,733)	(283,726)	(287,792)	(207,948)	(212,283)	(216,543)
M. \$ Levelized Impact (55 yrs.)	Disc. Rate of												
N. Levelized Revenue	7.423%												
O. % Levelized Impact		(12,501)	(12,501)	(12,501)	(12,501)	(12,501)	(12,501)	(12,501)	(12,501)	(12,501)	(12,451)	(12,451)	(12,451)

Rate Case 2016
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	822,851	822,851	822,851	822,851	822,851	822,851	822,851	822,851	822,851	822,851	822,851
B. Year "0" Revenue (2015 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	61,564,651	61,564,651	61,564,651	61,564,651	61,564,651	61,564,651	61,564,651	61,564,651	61,564,651	61,564,651	61,564,651
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement	601,992	597,621	593,200	588,731	584,219	579,664	575,070	570,438	565,772	559,291	553,630
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	61,343,792	61,339,421	61,335,000	61,330,531	61,326,019	61,321,464	61,316,870	61,312,238	61,307,572	61,301,091	61,295,430
(D - A) DEFICIENCY or RATE IMPACT	(220,860)	(225,230)	(229,651)	(234,120)	(238,633)	(243,188)	(247,782)	(252,413)	(257,079)	(263,561)	(269,222)
(D - A) / C % Rate Impact vs Yr 0	-0.36%	-0.37%	-0.37%	-0.38%	-0.39%	-0.40%	-0.40%	-0.41%	-0.42%	-0.43%	-0.44%

LEVELIZED RATE IMPACT CALCULATION

L. Rate Impact (D -A)		(220,860)	(225,230)	(229,651)	(234,120)	(238,633)	(243,188)	(247,782)	(252,413)	(257,079)	(263,561)	(269,222)
M. \$ Levelized Impact (55 yrs.)	Disc. Rate of											
N. Levelized Revenue	7.423%											
O. % Levelized Impact		(12,451)	(12,451)	(12,451)	(12,451)	(12,451)	(12,451)	(12,451)	(12,451)	(12,451)	(12,451)	(12,451)

Rate Case 2016
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	822,851	822,851	822,851	822,851	822,851	822,851	822,851	822,851	822,851	822,851	822,851
B. Year "0" Revenue (2015 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	61,564,651	61,564,651	61,564,651	61,564,651	61,564,651	61,564,651	61,564,651	61,564,651	61,564,651	61,564,651	61,564,651
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement	549,077	515,064	477,323	475,853	472,912	473,244	473,556	473,849	474,125	474,384	474,628
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	61,290,877	61,256,864	61,219,123	61,217,653	61,214,712	61,215,044	61,215,356	61,215,649	61,215,925	61,216,184	61,216,428
(D - A) DEFICIENCY or RATE IMPACT	(273,774)	(307,787)	(345,528)	(346,998)	(349,940)	(349,608)	(349,296)	(349,002)	(348,727)	(348,467)	(348,224)
(D - A) / C % Rate Impact vs Yr 0	-0.44%	-0.50%	-0.56%	-0.56%	-0.57%	-0.57%	-0.57%	-0.57%	-0.57%	-0.57%	-0.57%

LEVELIZED RATE IMPACT CALCULATION

L. Rate Impact (D -A)		(273,774)	(307,787)	(345,528)	(346,998)	(349,940)	(349,608)	(349,296)	(349,002)	(348,727)	(348,467)	(348,224)
M. \$ Levelized Impact (55 yrs.)	Disc. Rate of											
N. Levelized Revenue	7.423%											
O. % Levelized Impact		(12,451)	(12,451)	(12,451)	(12,451)	(12,451)	(12,451)	(12,451)	(12,451)	(12,451)	(12,451)	(12,451)

Rate Case 2016 55 Year Rate Impact

