

**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
<b>FEASIBILITY PARAMETERS</b>								
1.	Discount Rate	5.57%						
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 <sup>3</sup> )			765,549	1,531,097	1,531,097	1,531,097	1,531,097
14.	Commercial (m <sup>3</sup> )			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.	Commercial program (Dollars)		55,000	0	0	0	0	0
21.	Annual Revenues (Dollars)			534,517	1,069,033	1,069,033	1,069,033	1,069,033
22.	Annual O&M (Dollars)			51,909	103,819	103,819	103,819	103,819
<b>FEASIBILITY RESULTS</b>								
23.	Net Present Value (Dollars)	791,673						
24.	Profitability Index	1.165						
25.	IRR	6.73%						
26.	Levelized Rate Impact (55 years)	-0.089%						
27.	Cross-Over Year	Year 11						

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**DCF Analysis**

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
<b><u>INCREMENTAL CAPITAL INVESTMENT</u></b>												
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.	Investment in Commercial program	55,000										
6.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-	-
7.	Net Investment Capital	4,788,484	-	-	-	-	-	-	-	-	-	-
8.	Working Capital	13,295	-	-	-	-	-	-	-	-	-	-
9.	Total Investments	4,801,779	-	-	-	-	-	-	-	-	-	-
10.	PV Of Net Investment At Project Outset	(4,788,484)	(12,939)	-	-	-	-	-	-	-	-	-
11.	<b>ACCUMULATED PV OF TOTAL INVESTMENT</b>	<b>(4,788,484)</b>	<b>(4,801,423)</b>	<b>(4,801,423)</b>	<b>(4,801,423)</b>	<b>(4,801,423)</b>	<b>(4,801,423)</b>	<b>(4,801,423)</b>	<b>(4,801,423)</b>	<b>(4,801,423)</b>	<b>(4,801,423)</b>	<b>(4,801,423)</b>
<b><u>CCA TAX SHIELD</u></b>												
12.	CCA Tax Shield		38,199	74,106	69,660	65,480	61,552	57,859	54,387	51,124	48,056	45,173
13.	PV Of CCA Tax Shield At Project Outset		37,177	68,317	60,828	54,160	48,222	42,936	38,229	34,039	30,307	26,985
14.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>		<b>37,177</b>	<b>105,494</b>	<b>166,321</b>	<b>220,481</b>	<b>268,703</b>	<b>311,640</b>	<b>349,869</b>	<b>383,908</b>	<b>414,215</b>	<b>441,200</b>
<b><u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u></b>												
15.	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
16.	Gas Costs		(267,419)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)
17.	O&M		(51,909)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)
18.	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
19.	PV of Net Operating Cash (Before Taxes) At Project Outset		209,431	396,750	375,806	355,968	337,176	319,377	302,517	286,548	271,421	257,093
20.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>		<b>209,431</b>	<b>606,181</b>	<b>981,987</b>	<b>1,337,955</b>	<b>1,675,131</b>	<b>1,994,508</b>	<b>2,297,026</b>	<b>2,583,573</b>	<b>2,854,994</b>	<b>3,112,087</b>
<b><u>TAXES</u></b>												
21.	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)
22.	Municipal Tax		(35,384)	(34,685)	(33,507)	(32,328)	(31,150)	(29,971)	(28,793)	(27,614)	(26,436)	(25,257)
23.	Capital Tax		-	-	-	-	-	-	-	-	-	-
24.	Federal Tax		-	-	-	-	-	-	-	-	-	-
25.	Total Taxes		(83,751)	(141,126)	(140,264)	(139,403)	(138,541)	(137,680)	(136,818)	(135,957)	(135,096)	(134,234)
26.	PV of Total Taxes At Project Outset		(81,510)	(130,100)	(122,480)	(115,301)	(108,540)	(102,171)	(96,172)	(90,521)	(85,200)	(80,187)
27.	<b>ACCUMULATED PV OF TOTAL TAXES</b>		<b>(81,510)</b>	<b>(211,610)</b>	<b>(334,090)</b>	<b>(449,391)</b>	<b>(557,931)</b>	<b>(660,102)</b>	<b>(756,273)</b>	<b>(846,795)</b>	<b>(931,994)</b>	<b>(1,012,182)</b>
<b><u>ACCUMULATED NPV AND PI</u></b>												
28.	Net Present Value		(4,623,386)	(4,301,358)	(3,987,204)	(3,692,378)	(3,415,519)	(3,155,377)	(2,910,802)	(2,680,737)	(2,464,208)	(2,260,317)
29.	Profitability Index		0.034	0.104	0.170	0.231	0.289	0.343	0.394	0.442	0.487	0.529

**Rate Case 2016**  
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**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>
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
<b><u>INCREMENTAL CAPITAL INVESTMENT</u></b>												
1.	Investment In Mains	-	-	-	-	-	-	-	-	-	-	-
2.	Investment in Services	-	-	-	-	-	-	-	-	-	-	-
3.	Investment in Stations											
4.	Investment in Meters											
5.	Investment in Commercial program											
6.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-	-
7.	Net Investment Capital	-	-	-	-	-	-	-	-	-	-	-
8.	Working Capital	-	-	-	-	-	-	-	-	-	-	-
9.	Total Investments	-	-	-	-	-	-	-	-	-	-	-
10.	PV Of Net Investment At Project Outset	-	-	-	-	-	-	-	-	-	-	-
11.	<b>ACCUMULATED PV OF TOTAL INVESTMENT</b>	(4,801,423)	(4,801,423)	(4,801,423)	(4,801,423)	(4,801,423)	(4,801,423)	(4,801,423)	(4,801,423)	(4,801,423)	(4,801,423)	(4,801,423)
<b><u>CCA TAX SHIELD</u></b>												
12.	CCA Tax Shield	42,463	39,915	37,520	35,269	33,153	31,163	29,294	27,536	25,884	46,993	22,871
13.	PV Of CCA Tax Shield At Project Outset	24,027	21,393	19,048	16,960	15,101	13,445	11,971	10,659	9,491	16,321	7,524
14.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>	465,227	486,620	505,668	522,627	537,728	551,173	563,145	573,804	583,294	599,615	607,139
<b><u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u></b>												
15.	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
16.	Gas Costs	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)
17.	O&M	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)
18.	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
19.	PV of Net Operating Cash (Before Taxes) At Project Outset	243,521	230,666	218,489	206,955	196,030	185,682	175,880	166,595	157,801	149,471	141,580
20.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>	3,355,608	3,586,274	3,804,763	4,011,719	4,207,749	4,393,431	4,569,311	4,735,906	4,893,707	5,043,178	5,184,758
<b><u>TAXES</u></b>												
21.	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)
22.	Municipal Tax	(24,079)	(22,900)	(21,722)	(20,544)	(19,365)	(18,187)	(17,008)	(15,830)	(14,651)	(13,473)	(12,294)
23.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
25.	Total Taxes	(133,373)	(132,511)	(131,650)	(130,788)	(129,927)	(129,065)	(128,204)	(127,343)	(126,481)	(125,620)	(124,758)
26.	PV of Total Taxes At Project Outset	(75,467)	(71,021)	(66,835)	(62,892)	(59,180)	(55,684)	(52,393)	(49,293)	(46,375)	(43,628)	(41,042)
27.	<b>ACCUMULATED PV OF TOTAL TAXES</b>	(1,087,649)	(1,158,670)	(1,225,505)	(1,288,397)	(1,347,577)	(1,403,261)	(1,455,654)	(1,504,947)	(1,551,323)	(1,594,951)	(1,635,992)
<b><u>ACCUMULATED NPV AND PI</u></b>												
28.	Net Present Value	(2,068,236)	(1,887,199)	(1,716,497)	(1,555,474)	(1,403,523)	(1,260,080)	(1,124,621)	(996,660)	(875,744)	(753,581)	(645,518)
29.	Profitability Index	0.569	0.607	0.643	0.676	0.708	0.738	0.766	0.792	0.818	0.843	0.866

**Rate Case 2016**  
**Financial Feasibility - 55 year Horizon**  
**DCF Analysis**

	Col. 1	Col. 24	Col. 25	Col. 26	Col. 27	Col. 28	Col. 29	Col. 30	Col. 31	Col. 32	Col. 33	Col. 34
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
	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
<b><u>INCREMENTAL CAPITAL INVESTMENT</u></b>												
1.	Investment In Mains	-	-	-	-	-	-	-	-	-	-	-
2.	Investment in Services	-	-	-	-	-	-	-	-	-	-	-
3.	Investment in Stations											
4.	Investment in Meters											
5.	Investment in Commercial program											
6.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-	-
7.	Net Investment Capital	-	-	-	-	-	-	-	-	-	-	-
8.	Working Capital	-	-	-	-	-	-	-	-	(3,082)	-	-
9.	Total Investments	-	-	-	-	-	-	-	-	(3,082)	-	-
10.	PV Of Net Investment At Project Outset	-	-	-	-	-	-	-	-	-	590	-
11.	<b>ACCUMULATED PV OF TOTAL INVESTMENT</b>	(4,801,423)	(4,801,423)	(4,801,423)	(4,801,423)	(4,801,423)	(4,801,423)	(4,801,423)	(4,801,423)	(4,801,423)	(4,800,833)	(4,800,833)
<b><u>CCA TAX SHIELD</u></b>												
12.	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
13.	PV Of CCA Tax Shield At Project Outset	6,699	5,965	5,311	4,729	4,210	3,749	3,338	2,972	2,646	2,356	2,098
14.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>	613,838	619,803	625,114	629,842	634,053	637,801	641,139	644,111	646,757	649,113	651,211
<b><u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u></b>												
15.	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
16.	Gas Costs	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(534,839)	(387,214)	(387,214)
17.	O&M	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(103,819)	(89,646)	(89,646)
18.	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
19.	PV of Net Operating Cash (Before Taxes) At Project Outset	134,106	127,027	120,321	113,970	107,953	102,254	96,857	91,744	86,900	82,174	77,680
20.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>	5,318,864	5,445,891	5,566,213	5,680,182	5,788,135	5,890,390	5,987,247	6,078,990	6,165,891	6,232,064	6,294,745
<b><u>TAXES</u></b>												
21.	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)
22.	Municipal Tax	(11,116)	(10,226)	(9,815)	(9,405)	(8,994)	(8,583)	(8,172)	(7,761)	(7,350)	(6,669)	(6,258)
23.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
25.	Total Taxes	(123,897)	(123,246)	(122,946)	(122,646)	(122,345)	(122,045)	(121,745)	(121,444)	(121,144)	(97,946)	(97,646)
26.	PV of Total Taxes At Project Outset	(38,607)	(36,377)	(34,372)	(32,478)	(30,689)	(28,997)	(27,399)	(25,888)	(24,461)	(18,733)	(17,690)
27.	<b>ACCUMULATED PV OF TOTAL TAXES</b>	(1,674,599)	(1,710,976)	(1,745,348)	(1,777,826)	(1,808,515)	(1,837,512)	(1,864,911)	(1,890,799)	(1,915,260)	(1,933,994)	(1,951,683)
<b><u>ACCUMULATED NPV AND PI</u></b>												
28.	Net Present Value	(543,319)	(446,704)	(355,445)	(269,225)	(187,750)	(110,744)	(37,948)	30,879	95,965	145,761	193,439
29.	Profitability Index	0.887	0.907	0.926	0.944	0.961	0.977	0.992	1.006	1.020	1.030	1.040

**Rate Case 2016**  
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	<u>Col. 1</u>	<u>Col. 35</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>
Line No.	Description	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40	Year 41	Year 42	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
<b><u>INCREMENTAL CAPITAL INVESTMENT</u></b>												
1.	Investment In Mains	-	-	-	-	-	-	-	-	-	-	-
2.	Investment in Services	-	-	-	-	-	-	-	-	-	-	-
3.	Investment in Stations											
4.	Investment in Meters											
5.	Investment in Commercial program											
6.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-	-
7.	Net Investment Capital	-	-	-	-	-	-	-	-	-	-	-
8.	Working Capital	-	-	-	-	-	-	-	-	-	-	-
9.	Total Investments	-	-	-	-	-	-	-	-	-	-	-
10.	PV Of Net Investment At Project Outset	-	-	-	-	-	-	-	-	-	-	-
11.	<b>ACCUMULATED PV OF TOTAL INVESTMENT</b>	(4,800,833)	(4,800,833)	(4,800,833)	(4,800,833)	(4,800,833)	(4,800,833)	(4,800,833)	(4,800,833)	(4,800,833)	(4,800,833)	(4,800,833)
<b><u>CCA TAX SHIELD</u></b>												
12.	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
13.	PV Of CCA Tax Shield At Project Outset	1,868	1,663	1,481	1,318	1,174	1,045	931	829	738	657	585
14.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>	653,079	654,742	656,223	657,541	658,715	659,760	660,691	661,520	662,257	662,914	663,499
<b><u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u></b>												
15.	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
16.	Gas Costs	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)
17.	O&M	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)
18.	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
19.	PV of Net Operating Cash (Before Taxes) At Project Outset	59,372	56,237	53,269	50,457	47,793	45,270	42,880	40,617	38,473	36,442	34,518
20.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>	6,354,116	6,410,354	6,463,623	6,514,079	6,561,872	6,607,143	6,650,023	6,690,640	6,729,112	6,765,554	6,800,072
<b><u>TAXES</u></b>												
21.	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)
22.	Municipal Tax	(5,847)	(5,436)	(5,025)	(4,615)	(4,204)	(3,793)	(3,382)	(2,971)	(2,560)	(2,150)	(1,749)
23.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
25.	Total Taxes	(97,346)	(97,045)	(96,745)	(96,445)	(96,144)	(95,844)	(95,544)	(95,243)	(94,943)	(94,643)	(94,350)
26.	PV of Total Taxes At Project Outset	(16,704)	(15,774)	(14,895)	(14,065)	(13,281)	(12,540)	(11,841)	(11,181)	(10,557)	(9,968)	(9,413)
27.	<b>ACCUMULATED PV OF TOTAL TAXES</b>	(1,968,388)	(1,984,162)	(1,999,056)	(2,013,121)	(2,026,402)	(2,038,942)	(2,050,784)	(2,061,965)	(2,072,522)	(2,082,490)	(2,091,903)
<b><u>ACCUMULATED NPV AND PI</u></b>												
28.	Net Present Value	237,974	280,101	319,956	357,666	393,352	427,127	459,097	489,361	518,014	545,145	570,835
29.	Profitability Index	1.050	1.058	1.067	1.075	1.082	1.089	1.096	1.102	1.108	1.114	1.119

**Rate Case 2016**  
**Financial Feasibility - 55 year Horizon**  
**DCF Analysis**

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
	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
<b><u>INCREMENTAL CAPITAL INVESTMENT</u></b>												
1.	Investment In Mains	-	-	-	-	-	-	-	-	-	-	-
2.	Investment in Services	-	-	-	-	-	-	-	-	-	-	-
3.	Investment in Stations											
4.	Investment in Meters											
5.	Investment in Commercial program											
6.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-	-
7.	Net Investment Capital	-	-	-	-	-	-	-	-	-	-	-
8.	Working Capital	-	-	-	-	-	-	-	-	-	-	-
9.	Total Investments	-	-	-	-	-	-	-	-	-	-	-
10.	PV Of Net Investment At Project Outset	-	-	-	-	-	-	-	-	-	-	-
11.	<b>ACCUMULATED PV OF TOTAL INVESTMENT</b>	(4,800,833)	(4,800,833)	(4,800,833)	(4,800,833)	(4,800,833)	(4,800,833)	(4,800,833)	(4,800,833)	(4,800,833)	(4,800,833)	(4,800,833)
<b><u>CCA TAX SHIELD</u></b>												
12.	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
13.	PV Of CCA Tax Shield At Project Outset	521	464	413	368	327	291	259	231	206	183	163
14.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>	664,020	664,484	664,896	665,264	665,591	665,883	666,142	666,373	666,579	666,762	666,925
<b><u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u></b>												
15.	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
16.	Gas Costs	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)	(387,214)
17.	O&M	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)	(89,646)
18.	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
19.	PV of Net Operating Cash (Before Taxes) At Project Outset	32,696	30,970	29,335	27,786	26,320	24,930	23,614	22,368	21,187	20,068	19,009
20.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>	6,832,768	6,863,738	6,893,072	6,920,859	6,947,178	6,972,108	6,995,723	7,018,090	7,039,277	7,059,345	7,078,354
<b><u>TAXES</u></b>												
21.	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)
22.	Municipal Tax	(1,354)	(960)	(733)	(706)	(689)	(689)	(689)	(689)	(689)	(689)	(689)
23.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
25.	Total Taxes	(94,061)	(93,773)	(93,607)	(93,588)	(93,575)	(93,575)	(93,575)	(93,575)	(93,575)	(93,575)	(93,575)
26.	PV of Total Taxes At Project Outset	(8,889)	(8,394)	(7,936)	(7,516)	(7,118)	(6,742)	(6,387)	(6,049)	(5,730)	(5,428)	(5,141)
27.	<b>ACCUMULATED PV OF TOTAL TAXES</b>	(2,100,792)	(2,109,185)	(2,117,122)	(2,124,638)	(2,131,756)	(2,138,499)	(2,144,885)	(2,150,935)	(2,156,665)	(2,162,092)	(2,167,233)
<b><u>ACCUMULATED NPV AND PI</u></b>												
28.	Net Present Value	595,163	618,202	640,014	660,652	680,180	698,659	716,146	732,695	748,358	763,182	777,213
29.	Profitability Index	1.124	1.129	1.133	1.138	1.142	1.146	1.149	1.153	1.156	1.159	1.162

**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	
<b>REVENUE</b>											
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	
<b>REVENUE REQUIREMENT</b>											
D. Effective Project Revenue Requirement		598,729	1,147,834	1,140,340	1,132,480	1,124,278	1,115,753	1,106,925	1,097,812	1,088,431	1,078,798
E. Year "0" Revenue Requirement	60,741,800										
F. Total Revenue Requirement (year "0" + project rev.req.)	60,741,800	61,340,529	61,889,634	61,882,140	61,874,280	61,866,078	61,857,553	61,848,725	61,839,612	61,830,231	61,820,598
<b>(D - A) DEFICIENCY or RATE IMPACT</b>		64,213	78,801	71,307	63,447	55,245	46,720	37,892	28,779	19,398	9,765
<b>(D - A)/ C % Rate Impact vs Yr 0</b>		0.105%	0.13%	0.12%	0.10%	0.089%	0.08%	0.06%	0.05%	0.03%	0.02%
<b>LEVELIZED RATE IMPACT CALCULATION</b>											
L. Rate Impact (D -A)		64,213	78,801	71,307	63,447	55,245	46,720	37,892	28,779	19,398	9,765
M. \$ Levelized Impact (55 yrs.)	Disc. Rate of	(55,123)									
N. Levelized Revenue	6.285%	61,746,026									
O. % Levelized Impact		-0.089%	(54,704)	(55,181)	(55,181)	(55,181)	(55,181)	(55,181)	(55,181)	(55,181)	(55,181)

**Rate Case 2016**  
**Financial Feasibility - 55 year Horizon**  
**Rate Impact Analysis**

Dollars	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
	11	12	13	14	15	16	17	18	19	20	21
<b>REVENUE</b>											
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
<b>REVENUE REQUIREMENT</b>											
D. Effective Project Revenue Requirement	1,061,614	1,051,942	1,042,060	1,031,982	1,021,719	1,011,282	1,000,682	989,929	979,031	967,998	956,837
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	61,803,414	61,793,742	61,783,860	61,773,782	61,763,519	61,753,082	61,742,482	61,731,729	61,720,831	61,709,798	61,698,637
<b>(D - A) DEFICIENCY or RATE IMPACT</b>	(7,419)	(17,091)	(26,973)	(37,051)	(47,314)	(57,751)	(68,351)	(79,104)	(90,002)	(101,035)	(112,196)
<b>(D - A) / C % Rate Impact vs Yr 0</b>	-0.01%	-0.03%	-0.04%	-0.06%	-0.08%	-0.09%	-0.11%	-0.13%	-0.15%	-0.16%	-0.18%
<b>LEVELIZED RATE IMPACT CALCULATION</b>											
L. Rate Impact (D -A)	(7,419)	(17,091)	(26,973)	(37,051)	(47,314)	(57,751)	(68,351)	(79,104)	(90,002)	(101,035)	(112,196)
M. \$ Levelized Impact (55 yrs.)											
N. Levelized Revenue											
O. % Levelized Impact	(55,181)	(55,181)	(55,181)	(55,181)	(55,181)	(55,181)	(55,181)	(55,181)	(55,181)	(55,181)	(55,181)



**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	
<b>REVENUE</b>													
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
<b>REVENUE REQUIREMENT</b>													
D. Effective Project Revenue Requirement	945,557	883,260	790,545	787,517	784,395	781,186	777,894	774,524	771,081	767,630	605,385	601,691	598,054
E. Year "0" Revenue Requirement													
F. Total Revenue Requirement (year "0" + project rev.req.)	61,687,357	61,625,060	61,532,345	61,529,317	61,526,195	61,522,986	61,519,694	61,516,324	61,512,881	61,509,430	61,347,185	61,343,491	61,339,854
<b>(D - A) DEFICIENCY or RATE IMPACT</b>	(123,476)	(185,773)	(278,488)	(281,516)	(284,638)	(287,847)	(291,139)	(294,509)	(297,952)	(301,351)	(217,467)	(221,160)	(224,797)
<b>(D - A) / C % Rate Impact vs Yr 0</b>	-0.20%	-0.30%	-0.45%	-0.46%	-0.46%	-0.47%	-0.47%	-0.48%	-0.48%	-0.48%	-0.35%	-0.36%	-0.37%
<b>LEVELIZED RATE IMPACT CALCULATION</b>													
L. Rate Impact (D -A)	(123,476)	(185,773)	(278,488)	(281,516)	(284,638)	(287,847)	(291,139)	(294,509)	(297,952)	(301,351)	(217,467)	(221,160)	(224,797)
M. \$ Levelized Impact (55 yrs.)													
N. Levelized Revenue													
O. % Levelized Impact	(55,181)	(55,181)	(55,181)	(55,181)	(55,181)	(55,181)	(55,181)	(55,181)	(55,181)	(55,181)	(54,961)	(54,961)	(54,961)

**Rate Case 2016**  
**Financial Feasibility - 55 year Horizon**  
**Rate Impact Analysis**

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
<b>REVENUE</b>											
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
<b>REVENUE REQUIREMENT</b>											
D. Effective Project Revenue Requirement	594,361	590,613	586,816	582,971	579,081	575,149	571,179	567,171	563,128	557,262	552,205
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	61,336,161	61,332,413	61,328,616	61,324,771	61,320,881	61,316,949	61,312,979	61,308,971	61,304,928	61,299,062	61,294,005
<b>(D - A) DEFICIENCY or RATE IMPACT</b>	(228,491)	(232,238)	(236,036)	(239,881)	(243,771)	(247,702)	(251,673)	(255,681)	(259,723)	(265,589)	(270,647)
<b>(D - A)/ C % Rate Impact vs Yr 0</b>	-0.37%	-0.38%	-0.38%	-0.39%	-0.40%	-0.40%	-0.41%	-0.42%	-0.42%	-0.43%	-0.44%
<b>LEVELIZED RATE IMPACT CALCULATION</b>											
L. Rate Impact (D -A)	(228,491)	(232,238)	(236,036)	(239,881)	(243,771)	(247,702)	(251,673)	(255,681)	(259,723)	(265,589)	(270,647)
M. \$ Levelized Impact (55 yrs.)											
N. Levelized Revenue											
O. % Levelized Impact	(54,961)	(54,961)	(54,961)	(54,961)	(54,961)	(54,961)	(54,961)	(54,961)	(54,961)	(54,961)	(54,961)

**Rate Case 2016**  
**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	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
<b>REVENUE REQUIREMENT</b>											
D. Effective Project Revenue Requirement	548,251	514,709	477,161	475,724	472,796	473,128	473,440	473,733	474,009	474,268	474,511
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	61,290,051	61,256,509	61,218,961	61,217,524	61,214,596	61,214,928	61,215,240	61,215,533	61,215,809	61,216,068	61,216,311
<b>(D - A) DEFICIENCY or RATE IMPACT</b>	(274,601)	(308,142)	(345,691)	(347,128)	(350,056)	(349,724)	(349,412)	(349,119)	(348,843)	(348,584)	(348,340)
<b>(D - A)/ C % Rate Impact vs Yr 0</b>	-0.45%	-0.50%	-0.56%	-0.56%	-0.57%	-0.57%	-0.57%	-0.57%	-0.57%	-0.57%	-0.57%
<b>LEVELIZED RATE IMPACT CALCULATION</b>											
L. Rate Impact (D -A)	(274,601)	(308,142)	(345,691)	(347,128)	(350,056)	(349,724)	(349,412)	(349,119)	(348,843)	(348,584)	(348,340)
M. \$ Levelized Impact (55 yrs.)											
N. Levelized Revenue											
O. % Levelized Impact	(54,961)	(54,961)	(54,961)	(54,961)	(54,961)	(54,961)	(54,961)	(54,961)	(54,961)	(54,961)	(54,961)

**Rate Case 2016  
55 Year Rate Impact**

