

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

Line No.	Col. 1 Description	Col. 2	Col. 3 Year 0	Col. 4 Year 1	Col. 5 Year 2	Col. 6 Year 3	Col. 7 Year 4	Col. 8 Year 5-55
FEASIBILITY PARAMETERS								
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 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)		2,170,516	0	0	0	0	0
17.	Services (Dollars)		2,217,898	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
FEASIBILITY RESULTS								
23.	Net Present Value (Dollars)	887,372						
24.	Profitability Index	1.188						
25.	IRR	6.90%						
26.	Levelized Rate Impact (55 years)	-0.100%						
27.	Cross-Over Year	Year 11						

Rate Case 2016
Financial Feasibility - 55 year Horizon
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
<u>INCREMENTAL CAPITAL INVESTMENT</u>												
1.	Investment In Mains	2,170,516	-	-	-	-	-	-	-	-	-	-
2.	Investment in Services	2,217,898	-	-	-	-	-	-	-	-	-	-
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	4,699,255	-	-	-	-	-	-	-	-	-	-
8.	Working Capital	13,295	-	-	-	-	-	-	-	-	-	-
9.	Total Investments	4,712,550	-	-	-	-	-	-	-	-	-	-
10.	PV Of Net Investment At Project Outset	(4,699,255)	(12,939)	-	-	-	-	-	-	-	-	-
11.	ACCUMULATED PV OF TOTAL INVESTMENT	(4,699,255)	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)
<u>CCA TAX SHIELD</u>												
12.	CCA Tax Shield		52,274	72,710	68,347	64,246	60,391	56,768	53,362	50,160	47,150	44,321
13.	PV Of CCA Tax Shield At Project Outset		50,876	67,029	59,681	53,139	47,313	42,127	37,509	33,397	29,736	26,476
14.	ACCUMULATED PV OF CCA TAX SHIELD		50,876	117,904	177,585	230,724	278,037	320,164	357,673	391,070	420,806	447,282
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
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.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)		209,431	606,181	981,987	1,337,955	1,675,131	1,994,508	2,297,026	2,583,573	2,854,994	3,112,087
<u>TAXES</u>												
21.	Income Tax (Before Interest Tax Shield)		(48,544)	(106,611)	(106,922)	(107,233)	(107,544)	(107,855)	(108,166)	(108,477)	(108,787)	(109,098)
22.	Municipal Tax		(34,726)	(34,050)	(32,895)	(31,739)	(30,583)	(29,428)	(28,272)	(27,117)	(25,961)	(24,805)
23.	Capital Tax		-	-	-	-	-	-	-	-	-	-
24.	Federal Tax		-	-	-	-	-	-	-	-	-	-
25.	Total Taxes		(83,270)	(140,662)	(139,817)	(138,972)	(138,127)	(137,283)	(136,438)	(135,593)	(134,748)	(133,904)
26.	PV of Total Taxes At Project Outset		(81,042)	(129,672)	(122,089)	(114,945)	(108,216)	(101,876)	(95,904)	(90,279)	(84,981)	(79,990)
27.	ACCUMULATED PV OF TOTAL TAXES		(81,042)	(210,714)	(332,803)	(447,748)	(555,964)	(657,840)	(753,744)	(844,023)	(929,004)	(1,008,994)
<u>ACCUMULATED NPV AND PI</u>												
28.	Net Present Value		(4,519,991)	(4,198,823)	(3,885,424)	(3,591,263)	(3,314,989)	(3,055,361)	(2,811,239)	(2,581,574)	(2,365,397)	(2,161,818)
29.	Profitability Index		0.038	0.109	0.175	0.238	0.297	0.352	0.403	0.452	0.498	0.541

Rate Case 2016
Financial Feasibility - 55 year Horizon
DCF Analysis

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.	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.	ACCUMULATED PV OF TOTAL INVESTMENT	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)
<u>CCA TAX SHIELD</u>												
12.	CCA Tax Shield	41,662	39,162	36,813	34,604	32,528	30,576	28,741	27,017	25,396	46,108	22,440
13.	PV Of CCA Tax Shield At Project Outset	23,574	20,990	18,689	16,640	14,816	13,192	11,746	10,458	9,312	16,013	7,382
14.	ACCUMULATED PV OF CCA TAX SHIELD	470,856	491,846	510,535	527,175	541,991	555,183	566,928	577,386	586,698	602,711	610,093
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
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.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	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
<u>TAXES</u>												
21.	Income Tax (Before Interest Tax Shield)	(109,409)	(109,720)	(110,031)	(110,342)	(110,653)	(110,963)	(111,274)	(111,585)	(111,896)	(112,207)	(112,518)
22.	Municipal Tax	(23,650)	(22,494)	(21,339)	(20,183)	(19,028)	(17,872)	(16,716)	(15,561)	(14,405)	(13,250)	(12,094)
23.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
25.	Total Taxes	(133,059)	(132,214)	(131,370)	(130,525)	(129,680)	(128,835)	(127,991)	(127,146)	(126,301)	(125,456)	(124,612)
26.	PV of Total Taxes At Project Outset	(75,289)	(70,862)	(66,693)	(62,766)	(59,068)	(55,585)	(52,305)	(49,217)	(46,309)	(43,571)	(40,993)
27.	ACCUMULATED PV OF TOTAL TAXES	(1,084,283)	(1,155,145)	(1,221,838)	(1,284,604)	(1,343,671)	(1,399,256)	(1,451,562)	(1,500,779)	(1,547,088)	(1,590,660)	(1,631,653)
<u>ACCUMULATED NPV AND PI</u>												
28.	Net Present Value	(1,970,013)	(1,789,219)	(1,618,734)	(1,457,904)	(1,306,126)	(1,162,837)	(1,027,517)	(899,681)	(778,877)	(656,965)	(548,996)
29.	Profitability Index	0.582	0.620	0.656	0.691	0.723	0.753	0.782	0.809	0.835	0.861	0.883

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
<u>INCREMENTAL CAPITAL INVESTMENT</u>												
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.	ACCUMULATED PV OF TOTAL INVESTMENT	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)	(4,712,194)	(4,711,604)	(4,711,604)
<u>CCA TAX SHIELD</u>												
12.	CCA Tax Shield	21,093	19,828	18,638	17,520	16,469	15,481	14,552	13,679	12,858	12,086	11,361
13.	PV Of CCA Tax Shield At Project Outset	6,573	5,852	5,211	4,640	4,131	3,678	3,275	2,916	2,596	2,312	2,058
14.	ACCUMULATED PV OF CCA TAX SHIELD	616,666	622,518	627,729	632,369	636,500	640,178	643,453	646,368	648,965	651,276	653,335
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
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.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	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
<u>TAXES</u>												
21.	Income Tax (Before Interest Tax Shield)	(112,829)	(113,063)	(113,172)	(113,280)	(113,389)	(113,498)	(113,606)	(113,715)	(113,823)	(91,305)	(91,414)
22.	Municipal Tax	(10,938)	(10,066)	(9,662)	(9,258)	(8,854)	(8,451)	(8,047)	(7,643)	(7,240)	(6,565)	(6,161)
23.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
25.	Total Taxes	(123,767)	(123,129)	(122,834)	(122,539)	(122,244)	(121,948)	(121,653)	(121,358)	(121,063)	(97,871)	(97,576)
26.	PV of Total Taxes At Project Outset	(38,566)	(36,342)	(34,341)	(32,450)	(30,663)	(28,974)	(27,378)	(25,870)	(24,445)	(18,719)	(17,677)
27.	ACCUMULATED PV OF TOTAL TAXES	(1,670,219)	(1,706,561)	(1,740,902)	(1,773,353)	(1,804,016)	(1,832,990)	(1,860,368)	(1,886,238)	(1,910,683)	(1,929,401)	(1,947,078)
<u>ACCUMULATED NPV AND PI</u>												
28.	Net Present Value	(446,883)	(350,346)	(259,155)	(172,996)	(91,574)	(14,616)	58,137	126,927	191,979	241,745	289,397
29.	Profitability Index	0.905	0.926	0.945	0.963	0.981	0.997	1.012	1.027	1.041	1.051	1.061

Rate Case 2016
Financial Feasibility - 55 year Horizon
DCF Analysis

Line No.	Col. 1	Col. 35	Col. 36	Col. 37	Col. 38	Col. 39	Col. 40	Col. 41	Col. 42	Col. 43	Col. 44	Col. 45
Description	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40	Year 41	Year 42	Year 43	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. 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. ACCUMULATED PV OF TOTAL INVESTMENT	(4,711,604)	(4,711,604)	(4,711,604)	(4,711,604)	(4,711,604)	(4,711,604)	(4,711,604)	(4,711,604)	(4,711,604)	(4,711,604)	(4,711,604)	(4,711,604)
<u>CCA TAX SHIELD</u>												
12. CCA Tax Shield	10,680	10,039	9,436	8,870	8,338	7,838	7,368	6,925	6,510	6,119	5,752	
13. PV Of CCA Tax Shield At Project Outset	1,833	1,632	1,453	1,294	1,152	1,026	913	813	724	645	574	
14. ACCUMULATED PV OF CCA TAX SHIELD	655,167	656,799	658,252	659,545	660,697	661,723	662,636	663,449	664,173	664,817	665,391	
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
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	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)	(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)	(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	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. ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	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	
<u>TAXES</u>												
21. Income Tax (Before Interest Tax Shield)	(91,523)	(91,631)	(91,740)	(91,848)	(91,957)	(92,066)	(92,174)	(92,283)	(92,391)	(92,500)	(92,606)	
22. Municipal Tax	(5,758)	(5,354)	(4,950)	(4,547)	(4,143)	(3,739)	(3,335)	(2,932)	(2,528)	(2,124)	(1,731)	
23. Capital Tax	-	-	-	-	-	-	-	-	-	-	-	-
24. Federal Tax	-	-	-	-	-	-	-	-	-	-	-	-
25. Total Taxes	(97,280)	(96,985)	(96,690)	(96,395)	(96,100)	(95,805)	(95,510)	(95,215)	(94,919)	(94,624)	(94,337)	
26. PV of Total Taxes At Project Outset	(16,693)	(15,764)	(14,886)	(14,058)	(13,275)	(12,535)	(11,837)	(11,177)	(10,555)	(9,966)	(9,412)	
27. ACCUMULATED PV OF TOTAL TAXES	(1,963,772)	(1,979,536)	(1,994,422)	(2,008,480)	(2,021,754)	(2,034,290)	(2,046,127)	(2,057,304)	(2,067,859)	(2,077,825)	(2,087,237)	
<u>ACCUMULATED NPV AND PI</u>												
28. Net Present Value	333,908	376,013	415,848	453,541	489,211	522,971	554,928	585,180	613,822	640,942	666,622	
29. Profitability Index	1.071	1.080	1.088	1.096	1.104	1.111	1.118	1.124	1.130	1.136	1.141	

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	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.	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.	ACCUMULATED PV OF TOTAL INVESTMENT	(4,711,604)	(4,711,604)	(4,711,604)	(4,711,604)	(4,711,604)	(4,711,604)	(4,711,604)	(4,711,604)	(4,711,604)	(4,711,604)	(4,711,604)	(4,711,604)
<u>CCA TAX SHIELD</u>													
12.	CCA Tax Shield	5,407	5,083	4,778	4,491	4,222	3,968	3,730	3,506	3,296	3,098	2,912	24,973
13.	PV Of CCA Tax Shield At Project Outset	511	455	405	361	321	286	255	227	202	180	160	1,300
14.	ACCUMULATED PV OF CCA TAX SHIELD	665,902	666,357	666,762	667,123	667,444	667,730	667,984	668,211	668,413	668,593	668,753	670,052
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>													
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	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)	(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)	(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	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	18,005
20.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	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	7,096,360
<u>TAXES</u>													
21.	Income Tax (Before Interest Tax Shield)	(92,710)	(92,814)	(92,874)	(92,881)	(92,886)	(92,886)	(92,886)	(92,886)	(92,886)	(92,886)	(92,886)	(92,886)
22.	Municipal Tax	(1,343)	(956)	(733)	(706)	(689)	(689)	(689)	(689)	(689)	(689)	(689)	(689)
23.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-	-
24.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-	-
25.	Total Taxes	(94,053)	(93,770)	(93,607)	(93,588)	(93,575)	(93,575)	(93,575)	(93,575)	(93,575)	(93,575)	(93,575)	(93,575)
26.	PV of Total Taxes At Project Outset	(8,888)	(8,393)	(7,936)	(7,516)	(7,118)	(6,742)	(6,387)	(6,049)	(5,730)	(5,428)	(5,141)	(4,870)
27.	ACCUMULATED PV OF TOTAL TAXES	(2,096,125)	(2,104,518)	(2,112,455)	(2,119,971)	(2,127,089)	(2,133,831)	(2,140,218)	(2,146,267)	(2,151,997)	(2,157,425)	(2,162,566)	(2,167,436)
<u>ACCUMULATED NPV AND PI</u>													
28.	Net Present Value	690,941	713,972	735,775	756,406	775,929	794,402	811,885	828,429	844,088	858,908	872,936	887,372
29.	Profitability Index	1.147	1.152	1.156	1.161	1.165	1.169	1.172	1.176	1.179	1.182	1.185	1.188

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	
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement		593,628	1,138,369	1,131,015	1,123,303	1,115,254	1,106,889	1,098,227	1,089,285	1,080,081	1,070,629
E. Year "0" Revenue Requirement	60,741,800										
F. Total Revenue Requirement (year "0" + project rev.req.)	60,741,800	61,335,428	61,880,169	61,872,815	61,865,103	61,857,054	61,848,689	61,840,027	61,831,085	61,821,881	61,812,429
(D - A) DEFICIENCY or RATE IMPACT		59,111	69,335	61,982	54,270	46,221	37,856	29,194	20,252	11,048	1,596
(D - A)/ C % Rate Impact vs Yr 0		0.096%	0.11%	0.10%	0.09%	0.075%	0.06%	0.05%	0.03%	0.02%	0.00%
LEVELIZED RATE IMPACT CALCULATION											
L. Rate Impact (D -A)		59,111	69,335	61,982	54,270	46,221	37,856	29,194	20,252	11,048	1,596
M. \$ Levelized Impact (55 yrs.)	Disc. Rate of	(61,621)									
N. Levelized Revenue	6.285%	61,746,026									
O. % Levelized Impact		-0.100%	(61,152)	(61,685)	(61,685)	(61,685)	(61,685)	(61,685)	(61,685)	(61,685)	(61,685)

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
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	1,053,631	1,044,148	1,034,460	1,024,579	1,014,517	1,004,284	993,891	983,348	972,663	961,845	950,902
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	61,795,431	61,785,948	61,776,260	61,766,379	61,756,317	61,746,084	61,735,691	61,725,148	61,714,463	61,703,645	61,692,702
(D - A) DEFICIENCY or RATE IMPACT	(15,402)	(24,885)	(34,573)	(44,454)	(54,516)	(64,749)	(75,142)	(85,685)	(96,370)	(107,188)	(118,131)
(D - A)/ C % Rate Impact vs Yr 0	-0.02%	-0.04%	-0.06%	-0.07%	-0.09%	-0.10%	-0.12%	-0.14%	-0.16%	-0.17%	-0.19%
LEVELIZED RATE IMPACT CALCULATION											
L. Rate Impact (D -A)	(15,402)	(24,885)	(34,573)	(44,454)	(54,516)	(64,749)	(75,142)	(85,685)	(96,370)	(107,188)	(118,131)
M. \$ Levelized Impact (55 yrs.)											
N. Levelized Revenue											
O. % Levelized Impact	(61,685)	(61,685)	(61,685)	(61,685)	(61,685)	(61,685)	(61,685)	(61,685)	(61,685)	(61,685)	(61,685)

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	939,841	878,811	787,987	785,009	781,939	778,783	775,546	772,233	768,848	603,211	599,578	596,003	
E. Year "0" Revenue Requirement													
F. Total Revenue Requirement (year "0" + project rev.req.)	61,681,641	61,620,611	61,529,787	61,526,809	61,523,739	61,520,583	61,517,346	61,514,033	61,510,648	61,345,011	61,341,378	61,337,803	
(D - A) DEFICIENCY or RATE IMPACT	(129,192)	(190,222)	(281,046)	(284,024)	(287,094)	(290,250)	(293,487)	(296,800)	(300,185)	(219,641)	(223,274)	(226,849)	
(D - A)/ C % Rate Impact vs Yr 0	-0.21%	-0.31%	-0.45%	-0.46%	-0.46%	-0.47%	-0.47%	-0.48%	-0.49%	-0.36%	-0.36%	-0.37%	
LEVELIZED RATE IMPACT CALCULATION													
L. Rate Impact (D -A)	(129,192)	(190,222)	(281,046)	(284,024)	(287,094)	(290,250)	(293,487)	(296,800)	(300,185)	(219,641)	(223,274)	(226,849)	
M. \$ Levelized Impact (55 yrs.)													
N. Levelized Revenue													
O. % Levelized Impact	(61,685)	(61,685)	(61,685)	(61,685)	(61,685)	(61,685)	(61,685)	(61,685)	(61,685)	(61,440)	(61,440)	(61,440)	

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	592,372	588,688	584,955	581,175	577,352	573,488	569,585	565,646	561,672	555,876	550,889
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	61,334,172	61,330,488	61,326,755	61,322,975	61,319,152	61,315,288	61,311,385	61,307,446	61,303,472	61,297,676	61,292,689
(D - A) DEFICIENCY or RATE IMPACT	(230,480)	(234,164)	(237,897)	(241,676)	(245,499)	(249,364)	(253,267)	(257,206)	(261,179)	(266,975)	(271,962)
(D - A)/ C % Rate Impact vs Yr 0	-0.37%	-0.38%	-0.39%	-0.39%	-0.40%	-0.41%	-0.41%	-0.42%	-0.42%	-0.43%	-0.44%
LEVELIZED RATE IMPACT CALCULATION											
L. Rate Impact (D -A)	(230,480)	(234,164)	(237,897)	(241,676)	(245,499)	(249,364)	(253,267)	(257,206)	(261,179)	(266,975)	(271,962)
M. \$ Levelized Impact (55 yrs.)											
N. Levelized Revenue											
O. % Levelized Impact	(61,440)	(61,440)	(61,440)	(61,440)	(61,440)	(61,440)	(61,440)	(61,440)	(61,440)	(61,440)	(61,440)

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
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	547,006	514,107	477,279	475,834	472,900	473,226	473,532	473,820	474,090	474,344	474,583
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	61,288,806	61,255,907	61,219,079	61,217,634	61,214,700	61,215,026	61,215,332	61,215,620	61,215,890	61,216,144	61,216,383
(D - A) DEFICIENCY or RATE IMPACT	(275,845)	(308,744)	(345,573)	(347,017)	(349,952)	(349,626)	(349,320)	(349,032)	(348,761)	(348,507)	(348,268)
(D - A)/ C % Rate Impact vs Yr 0	-0.45%	-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)	(275,845)	(308,744)	(345,573)	(347,017)	(349,952)	(349,626)	(349,320)	(349,032)	(348,761)	(348,507)	(348,268)
M. \$ Levelized Impact (55 yrs.)											
N. Levelized Revenue											
O. % Levelized Impact	(61,440)	(61,440)	(61,440)	(61,440)	(61,440)	(61,440)	(61,440)	(61,440)	(61,440)	(61,440)	(61,440)

Rate Case 2016 55 Year Rate Impact

