

Rate Case 2017
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	5.31%						
2.	CCA Rate	6.00%						
3.	Tax Rate	26.80%						
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			685	0	0	0	0
11.	Commercial			59	0	0	0	0
12.	Total Annual Volumes							
13.	Residential (m ³)			514,163	1,028,326	1,028,326	1,028,326	1,028,326
14.	Commercial (m ³)			274,578	549,156	549,156	549,156	549,156
15.	Capital Costs							
16.	Mains (Dollars)		1,906,490	0	0	0	0	0
17.	Services (Dollars)		1,736,940	0	0	0	0	0
18.	Meters (Dollars)		73,157	0	0	0	0	0
19.	Stations (Dollars)		78,869	0	0	0	0	0
20.	Commercial program (Dollars)		110,000	0	0	0	0	0
21.	Annual Revenues (Dollars)			369,960	739,920	739,920	739,920	739,920
22.	Annual O&M (Dollars)			35,818	71,635	71,635	71,635	71,635
FEASIBILITY RESULTS								
23.	Net Present Value (Dollars)	80,472						
24.	Profitability Index	1.02						
25.	IRR	5.45%						
26.	Levelized Rate Impact (55 years)	-0.0003%						
27.	Cross-Over Year	Year 16						

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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	1.00	0.97	0.93	0.88	0.83	0.79	0.75	0.71	0.68	0.64	0.61
<u>INCREMENTAL CAPITAL INVESTMENT</u>												
1.	Investment In Mains	1,906,490	-	-	-	-	-	-	-	-	-	-
2.	Investment in Services	1,736,940	-	-	-	-	-	-	-	-	-	-
3.	Investment in Stations	78,869	-	-	-	-	-	-	-	-	-	-
4.	Investment in Meters	73,157	-	-	-	-	-	-	-	-	-	-
5.	Investment in Commercial program	110,000	-	-	-	-	-	-	-	-	-	-
6.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-	-
7.	Net Investment Capital	3,905,456	-	-	-	-	-	-	-	-	-	-
8.	Working Capital	-	8,014	-	-	-	-	-	-	-	-	-
9.	Total Investments	3,905,456	8,014	-	-	-	-	-	-	-	-	-
10.	PV Of Net Investment At Project Outset	(3,905,456)	(7,810)	-	-	-	-	-	-	-	-	-
11.	ACCUMULATED PV OF TOTAL INVESTMENT	(3,905,456)	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)
<u>CCA TAX SHIELD</u>												
12.	CCA Tax Shield		60,105	59,200	55,648	52,309	49,171	46,220	43,447	40,840	38,390	36,086
13.	PV Of CCA Tax Shield At Project Outset		58,571	54,781	48,898	43,647	38,960	34,776	31,042	27,708	24,733	22,077
14.	ACCUMULATED PV OF CCA TAX SHIELD		58,571	113,351	162,249	205,896	244,856	279,632	310,674	338,382	363,115	385,192
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
15.	Gas Distribution Revenue		369,960	739,920	739,920	739,920	739,920	739,920	739,920	739,920	739,920	739,920
16.	Gas Costs		(188,288)	(376,576)	(376,576)	(376,576)	(376,576)	(376,576)	(376,576)	(376,576)	(376,576)	(376,576)
17.	O&M		(35,818)	(71,635)	(71,635)	(71,635)	(71,635)	(71,635)	(71,635)	(71,635)	(71,635)	(71,635)
18.	Net Operating Cash (Before Taxes)		145,854	291,709	291,709	291,709	291,709	291,709	291,709	291,709	291,709	291,709
19.	PV of Net Operating Cash (Before Taxes) At Project Outset		142,131	269,932	256,324	243,403	231,133	219,482	208,418	197,911	187,935	178,461
20.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)		142,131	412,062	668,387	911,790	1,142,923	1,362,405	1,570,822	1,768,734	1,956,669	2,135,130
<u>TAXES</u>												
21.	Income Tax (Before Interest Tax Shield)		(31,485)	(70,717)	(70,956)	(71,195)	(71,434)	(71,673)	(71,911)	(72,150)	(72,389)	(72,628)
22.	Municipal Tax		(28,372)	(27,840)	(26,949)	(26,057)	(25,165)	(24,274)	(23,382)	(22,491)	(21,599)	(20,708)
23.	Capital Tax		-	-	-	-	-	-	-	-	-	-
24.	Federal Tax		-	-	-	-	-	-	-	-	-	-
25.	Total Taxes		(59,857)	(98,557)	(97,904)	(97,252)	(96,599)	(95,946)	(95,294)	(94,641)	(93,989)	(93,336)
26.	PV of Total Taxes At Project Outset		(58,329)	(91,199)	(86,029)	(81,147)	(76,540)	(72,190)	(68,085)	(64,210)	(60,553)	(57,101)
27.	ACCUMULATED PV OF TOTAL TAXES		(58,329)	(149,528)	(235,557)	(316,704)	(393,244)	(465,434)	(533,519)	(597,729)	(658,281)	(715,382)
<u>ACCUMULATED NPV AND PI</u>												
28.	Net Present Value	(3,905,456)	(3,770,893)	(3,537,381)	(3,318,187)	(3,112,284)	(2,918,730)	(2,736,663)	(2,565,288)	(2,403,878)	(2,251,763)	(2,108,326)
29.	Profitability Index		0.036	0.096	0.152	0.205	0.254	0.301	0.344	0.386	0.425	0.461

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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	0.58	0.55	0.52	0.50	0.47	0.45	0.43	0.40	0.38	0.36	0.35
<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	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)
<u>CCA TAX SHIELD</u>												
12.	CCA Tax Shield	33,921	31,886	29,973	28,174	26,484	24,895	23,401	21,997	20,677	19,437	18,271
13.	PV Of CCA Tax Shield At Project Outset	19,706	17,590	15,701	14,015	12,510	11,167	9,968	8,897	7,942	7,089	6,328
14.	ACCUMULATED PV OF CCA TAX SHIELD	404,898	422,488	438,190	452,205	464,715	475,881	485,849	494,746	502,688	509,777	516,104
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
15.	Gas Distribution Revenue	739,920	739,920	739,920	739,920	739,920	739,920	739,920	739,920	739,920	739,920	739,920
16.	Gas Costs	(376,576)	(376,576)	(376,576)	(376,576)	(376,576)	(376,576)	(376,576)	(376,576)	(376,576)	(376,576)	(376,576)
17.	O&M	(71,635)	(71,635)	(71,635)	(71,635)	(71,635)	(71,635)	(71,635)	(71,635)	(71,635)	(71,635)	(71,635)
18.	Net Operating Cash (Before Taxes)	291,709	291,709	291,709	291,709	291,709	291,709	291,709	291,709	291,709	291,709	291,709
19.	PV of Net Operating Cash (Before Taxes) At Project Outset	169,465	160,922	152,810	145,107	137,792	130,846	124,250	117,987	112,039	106,391	101,028
20.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	2,304,594	2,465,516	2,618,326	2,763,433	2,901,225	3,032,071	3,156,321	3,274,308	3,386,347	3,492,738	3,593,766
<u>TAXES</u>												
21.	Income Tax (Before Interest Tax Shield)	(72,867)	(73,106)	(73,345)	(73,584)	(73,823)	(74,062)	(74,301)	(74,540)	(74,779)	(75,018)	(75,257)
22.	Municipal Tax	(19,816)	(18,925)	(18,033)	(17,141)	(16,250)	(15,358)	(14,467)	(13,575)	(12,684)	(11,792)	(10,900)
23.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
25.	Total Taxes	(92,683)	(92,031)	(91,378)	(90,725)	(90,073)	(89,420)	(88,768)	(88,115)	(87,462)	(86,810)	(86,157)
26.	PV of Total Taxes At Project Outset	(53,843)	(50,769)	(47,868)	(45,130)	(42,547)	(40,109)	(37,810)	(35,640)	(33,592)	(31,661)	(29,839)
27.	ACCUMULATED PV OF TOTAL TAXES	(769,225)	(819,994)	(867,862)	(912,992)	(955,539)	(995,649)	(1,033,458)	(1,069,098)	(1,102,690)	(1,134,351)	(1,164,190)
<u>ACCUMULATED NPV AND PI</u>												
28.	Net Present Value	(1,972,998)	(1,845,255)	(1,724,612)	(1,610,620)	(1,502,865)	(1,400,962)	(1,304,554)	(1,213,310)	(1,126,921)	(1,045,102)	(967,586)
29.	Profitability Index	0.496	0.528	0.559	0.588	0.616	0.642	0.667	0.690	0.712	0.733	0.753

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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>
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	0.33	0.31	0.30	0.28	0.27	0.25	0.24	0.23	0.22	0.21	0.20
<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	-	-	-	-	-	-	-	-	-	(2,282)	-
9.	Total Investments	-	-	-	-	-	-	-	-	-	(2,282)	-
10.	PV Of Net Investment At Project Outset	-	-	-	-	-	-	-	-	-	471	-
11.	ACCUMULATED PV OF TOTAL INVESTMENT	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)	(3,913,266)	(3,912,795)	(3,912,795)
<u>CCA TAX SHIELD</u>												
12.	CCA Tax Shield	17,174	16,144	15,175	14,265	13,409	12,604	11,848	11,137	10,469	9,841	9,250
13.	PV Of CCA Tax Shield At Project Outset	5,648	5,042	4,500	4,017	3,586	3,201	2,857	2,550	2,276	2,032	1,814
14.	ACCUMULATED PV OF CCA TAX SHIELD	521,752	526,794	531,294	535,311	538,897	542,097	544,954	547,504	549,781	551,812	553,626
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
15.	Gas Distribution Revenue	739,920	739,920	739,920	739,920	739,920	739,920	739,920	739,920	739,920	536,590	536,590
16.	Gas Costs	(376,576)	(376,576)	(376,576)	(376,576)	(376,576)	(376,576)	(376,576)	(376,576)	(376,576)	(248,238)	(248,238)
17.	O&M	(71,635)	(71,635)	(71,635)	(71,635)	(71,635)	(71,635)	(71,635)	(71,635)	(71,635)	(59,375)	(59,375)
18.	Net Operating Cash (Before Taxes)	291,709	291,709	291,709	291,709	291,709	291,709	291,709	291,709	291,709	228,977	228,977
19.	PV of Net Operating Cash (Before Taxes) At Project Outset	95,935	91,099	86,507	82,146	78,005	74,073	70,339	66,793	63,426	47,276	44,893
20.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	3,689,701	3,780,800	3,867,307	3,949,453	4,027,458	4,101,530	4,171,869	4,238,662	4,302,088	4,349,365	4,394,258
<u>TAXES</u>												
21.	Income Tax (Before Interest Tax Shield)	(75,496)	(75,735)	(75,879)	(75,966)	(76,052)	(76,138)	(76,225)	(76,311)	(76,398)	(59,739)	(59,825)
22.	Municipal Tax	(10,009)	(9,117)	(8,577)	(8,255)	(7,932)	(7,610)	(7,288)	(6,965)	(6,643)	(6,070)	(5,748)
23.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
25.	Total Taxes	(85,504)	(84,852)	(84,456)	(84,220)	(83,984)	(83,748)	(83,513)	(83,277)	(83,041)	(65,809)	(65,573)
26.	PV of Total Taxes At Project Outset	(28,120)	(26,499)	(25,046)	(23,717)	(22,458)	(21,266)	(20,137)	(19,068)	(18,055)	(13,588)	(12,856)
27.	ACCUMULATED PV OF TOTAL TAXES	(1,192,310)	(1,218,809)	(1,243,855)	(1,267,571)	(1,290,029)	(1,311,295)	(1,331,432)	(1,350,500)	(1,368,556)	(1,382,143)	(1,395,000)
<u>ACCUMULATED NPV AND PI</u>												
28.	Net Present Value	(894,123)	(824,481)	(758,519)	(696,073)	(636,941)	(580,933)	(527,875)	(477,600)	(429,953)	(393,761)	(359,910)
29.	Profitability Index	0.772	0.789	0.806	0.822	0.837	0.852	0.865	0.878	0.890	0.899	0.908

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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	0.19	0.18	0.17	0.16	0.15	0.14	0.14	0.13	0.12	0.12	0.11
<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	(3,912,795)	(3,912,795)	(3,912,795)	(3,912,795)	(3,912,795)	(3,912,795)	(3,912,795)	(3,912,795)	(3,912,795)	(3,912,795)	(3,912,795)
<u>CCA TAX SHIELD</u>												
12.	CCA Tax Shield	8,695	8,174	7,683	7,222	6,789	6,382	5,999	5,639	5,300	4,982	4,683
13.	PV Of CCA Tax Shield At Project Outset	1,619	1,445	1,290	1,151	1,028	917	819	731	652	582	520
14.	ACCUMULATED PV OF CCA TAX SHIELD	555,245	556,690	557,980	559,131	560,159	561,076	561,895	562,626	563,278	563,861	564,380
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
15.	Gas Distribution Revenue	536,590	536,590	536,590	536,590	536,590	536,590	536,590	536,590	536,590	536,590	536,590
16.	Gas Costs	(248,238)	(248,238)	(248,238)	(248,238)	(248,238)	(248,238)	(248,238)	(248,238)	(248,238)	(248,238)	(248,238)
17.	O&M	(59,375)	(59,375)	(59,375)	(59,375)	(59,375)	(59,375)	(59,375)	(59,375)	(59,375)	(59,375)	(59,375)
18.	Net Operating Cash (Before Taxes)	228,977	228,977	228,977	228,977	228,977	228,977	228,977	228,977	228,977	228,977	228,977
19.	PV of Net Operating Cash (Before Taxes) At Project Outset	42,630	40,481	38,441	36,503	34,663	32,915	31,256	29,680	28,184	26,764	25,414
20.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	4,436,888	4,477,369	4,515,810	4,552,313	4,586,975	4,619,891	4,651,147	4,680,827	4,709,012	4,735,775	4,761,189
<u>TAXES</u>												
21.	Income Tax (Before Interest Tax Shield)	(59,912)	(59,998)	(60,084)	(60,171)	(60,257)	(60,344)	(60,427)	(60,509)	(60,592)	(60,674)	(60,756)
22.	Municipal Tax	(5,426)	(5,104)	(4,781)	(4,459)	(4,137)	(3,814)	(3,503)	(3,196)	(2,889)	(2,582)	(2,275)
23.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
25.	Total Taxes	(65,337)	(65,102)	(64,866)	(64,630)	(64,394)	(64,158)	(63,930)	(63,705)	(63,481)	(63,256)	(63,031)
26.	PV of Total Taxes At Project Outset	(12,164)	(11,509)	(10,890)	(10,303)	(9,748)	(9,223)	(8,727)	(8,258)	(7,814)	(7,394)	(6,996)
27.	ACCUMULATED PV OF TOTAL TAXES	(1,407,164)	(1,418,673)	(1,429,563)	(1,439,866)	(1,449,614)	(1,458,837)	(1,467,563)	(1,475,821)	(1,483,635)	(1,491,028)	(1,498,024)
<u>ACCUMULATED NPV AND PI</u>												
28.	Net Present Value	(327,826)	(297,409)	(268,568)	(241,217)	(215,275)	(190,665)	(167,316)	(145,162)	(124,139)	(104,187)	(85,249)
29.	Profitability Index	0.916	0.924	0.931	0.938	0.945	0.951	0.957	0.963	0.968	0.973	0.978

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	<u>Col. 1</u>	<u>Col. 46</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 44	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	0.11	0.10	0.10	0.09	0.09	0.08	0.08	0.07	0.07	0.07	0.06	0.06
<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	(3,912,795)	(3,912,795)	(3,912,795)	(3,912,795)	(3,912,795)	(3,912,795)	(3,912,795)	(3,912,795)	(3,912,795)	(3,912,795)	(3,912,795)	(3,912,795)
<u>CCA TAX SHIELD</u>													
12.	CCA Tax Shield	4,402	4,138	3,890	3,657	3,437	3,231	3,037	2,855	2,684	2,523	2,371	20,756
13.	PV Of CCA Tax Shield At Project Outset	464	414	370	330	295	263	235	209	187	167	149	1,238
14.	ACCUMULATED PV OF CCA TAX SHIELD	564,844	565,259	565,628	565,958	566,253	566,516	566,751	566,960	567,147	567,314	567,463	568,701
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>													
15.	Gas Distribution Revenue	536,590	536,590	536,590	536,590	536,590	536,590	536,590	536,590	536,590	536,590	536,590	536,590
16.	Gas Costs	(248,238)	(248,238)	(248,238)	(248,238)	(248,238)	(248,238)	(248,238)	(248,238)	(248,238)	(248,238)	(248,238)	(248,238)
17.	O&M	(59,375)	(59,375)	(59,375)	(59,375)	(59,375)	(59,375)	(59,375)	(59,375)	(59,375)	(59,375)	(59,375)	(59,375)
18.	Net Operating Cash (Before Taxes)	228,977	228,977	228,977	228,977	228,977	228,977	228,977	228,977	228,977	228,977	228,977	228,977
19.	PV of Net Operating Cash (Before Taxes) At Project Outset	24,133	22,917	21,761	20,664	19,623	18,634	17,694	16,802	15,955	15,151	14,387	13,662
20.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	4,785,323	4,808,239	4,830,001	4,850,665	4,870,288	4,888,922	4,906,616	4,923,418	4,939,373	4,954,524	4,968,912	4,982,574
<u>TAXES</u>													
21.	Income Tax (Before Interest Tax Shield)	(60,838)	(60,920)	(61,003)	(61,085)	(61,167)	(61,234)	(61,237)	(61,240)	(61,240)	(61,240)	(61,240)	(61,240)
22.	Municipal Tax	(1,968)	(1,662)	(1,355)	(1,048)	(741)	(491)	(480)	(469)	(469)	(469)	(469)	(469)
23.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-	-
24.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-	-
25.	Total Taxes	(62,807)	(62,582)	(62,357)	(62,133)	(61,908)	(61,725)	(61,717)	(61,709)	(61,709)	(61,709)	(61,709)	(61,709)
26.	PV of Total Taxes At Project Outset	(6,620)	(6,263)	(5,926)	(5,607)	(5,305)	(5,023)	(4,769)	(4,528)	(4,300)	(4,083)	(3,877)	(3,682)
27.	ACCUMULATED PV OF TOTAL TAXES	(1,504,644)	(1,510,907)	(1,516,833)	(1,522,441)	(1,527,746)	(1,532,769)	(1,537,538)	(1,542,066)	(1,546,366)	(1,550,450)	(1,554,327)	(1,558,009)
<u>ACCUMULATED NPV AND PI</u>													
28.	Net Present Value	(67,271)	(50,204)	(33,999)	(18,612)	(4,000)	9,874	23,033	35,517	47,359	58,594	69,253	80,472
29.	Profitability Index	0.983	0.987	0.991	0.995	0.999	1.003	1.006	1.009	1.012	1.015	1.018	1.021

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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	369,960	739,920	739,920	739,920	739,920	739,920	739,920	739,920	739,920	739,920
B. Year "0" Revenue (2016 Rate Case)	58,995,000									
C. Total Revenue (year "0" + projected revenue)	58,995,000	59,364,960	59,734,920	59,734,920	59,734,920	59,734,920	59,734,920	59,734,920	59,734,920	59,734,920
REVENUE REQUIREMENT										
D. Effective Project Revenue Requirement	447,737	846,522	841,064	835,315	829,292	823,012	816,491	809,741	802,779	795,615
E. Year "0" Revenue Requirement	58,995,000									
F. Total Revenue Requirement (year "0" + project rev.req.)	58,995,000	59,442,737	59,841,522	59,836,064	59,830,315	59,824,292	59,818,012	59,811,491	59,804,741	59,797,779
(D - A) DEFICIENCY	77,777	106,602	101,144	95,395	89,373	83,093	76,571	69,822	62,859	55,695
(D - A) / C % Rate Impact	0.131%	0.18%	0.17%	0.16%	0.150%	0.14%	0.13%	0.12%	0.11%	0.09%
LEVELIZED RATE IMPACT CALCULATION										
L. Deficiency (D - A)	77,777	106,602	101,144	95,395	89,373	83,093	76,571	69,822	62,859	55,695
M. \$ Levelized Deficiency (55 yrs.)	Disc. Rate of	(201)								
N. Levelized Revenue	6.285%	59,684,494								
O. % Levelized Rate Impact		-0.0003%	(200)	(201)	(201)	(201)	(201)	(201)	(201)	(201)

Rate Case 2017
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	739,920	739,920	739,920	739,920	739,920	739,920	739,920	739,920	739,920	739,920	739,920
B. Year "0" Revenue (2016 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	59,734,920	59,734,920	59,734,920	59,734,920	59,734,920	59,734,920	59,734,920	59,734,920	59,734,920	59,734,920	59,734,920
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement	773,634	766,902	760,003	752,947	745,744	738,402	730,930	723,335	715,626	707,808	699,889
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	59,768,634	59,761,902	59,755,003	59,747,947	59,740,744	59,733,402	59,725,930	59,718,335	59,710,626	59,702,808	59,694,889
(D - A) DEFICIENCY	33,714	26,982	20,083	13,027	5,824	(1,518)	(8,990)	(16,585)	(24,294)	(32,112)	(40,031)
(D - A) / C % Rate Impact	0.06%	0.05%	0.03%	0.02%	0.010%	-0.003%	-0.02%	-0.03%	-0.04%	-0.05%	-0.07%

LEVELIZED RATE IMPACT CALCULATION

L. Deficiency (D - A)		33,714	26,982	20,083	13,027	5,824	(1,518)	(8,990)	(16,585)	(24,294)	(32,112)	(40,031)
M. \$ Levelized Deficiency (55 yrs.)	Disc. Rate of											
N. Levelized Revenue	6.285%											
O. % Levelized Rate Impact		(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)

Rate Case 2017
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	739,920	739,920	739,920	739,920	739,920	739,920	739,920	739,920	739,920	536,590	536,590	536,590
B. Year "0" Revenue (2016 Rate Case)												
C. Total Revenue (year "0" + projected revenue)	59,734,920	59,734,920	59,734,920	59,734,920	59,734,920	59,734,920	59,734,920	59,734,920	59,734,920	59,531,590	59,531,590	59,531,590
REVENUE REQUIREMENT												
D. Effective Project Revenue Requirement	691,874	683,769	613,679	570,684	568,414	566,075	563,669	561,202	558,676	415,164	412,449	409,769
E. Year "0" Revenue Requirement												
F. Total Revenue Requirement (year "0" + project rev.req.)	59,686,874	59,678,769	59,608,679	59,565,684	59,563,414	59,561,075	59,558,669	59,556,202	59,553,676	59,410,164	59,407,449	59,404,769
(D - A) DEFICIENCY	(48,046)	(56,151)	(126,241)	(169,236)	(171,506)	(173,845)	(176,251)	(178,718)	(181,244)	(121,426)	(124,141)	(126,821)
(D - A) / C % Rate Impact	-0.08%	-0.09%	-0.21%	-0.28%	-0.29%	-0.29%	-0.30%	-0.30%	-0.30%	-0.20%	-0.21%	-0.21%
LEVELIZED RATE IMPACT CALCULATION												
L. Deficiency (D - A)	(48,046)	(56,151)	(126,241)	(169,236)	(171,506)	(173,845)	(176,251)	(178,718)	(181,244)	(121,426)	(124,141)	(126,821)
M. \$ Levelized Deficiency (55 yrs.)												
N. Levelized Revenue												
O. % Levelized Rate Impact	(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)

Rate Case 2017
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	536,590	536,590	536,590	536,590	536,590	536,590	536,590	536,590	536,590	536,590	536,590
B. Year "0" Revenue (2016 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	59,531,590	59,531,590	59,531,590	59,531,590	59,531,590	59,531,590	59,531,590	59,531,590	59,531,590	59,531,590	59,531,590
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement	407,043	404,274	401,465	398,619	395,736	390,954	387,265	384,453	381,614	378,748	375,858
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	59,402,043	59,399,274	59,396,465	59,393,619	59,390,736	59,385,954	59,382,265	59,379,453	59,376,614	59,373,748	59,370,858
(D - A) DEFICIENCY	(129,547)	(132,316)	(135,124)	(137,971)	(140,853)	(145,636)	(149,325)	(152,137)	(154,976)	(157,842)	(160,732)
(D - A) / C % Rate Impact	-0.22%	-0.22%	-0.23%	-0.23%	-0.24%	-0.24%	-0.25%	-0.26%	-0.26%	-0.27%	-0.27%

LEVELIZED RATE IMPACT CALCULATION

L. Deficiency (D - A)		(129,547)	(132,316)	(135,124)	(137,971)	(140,853)	(145,636)	(149,325)	(152,137)	(154,976)	(157,842)	(160,732)
M. \$ Levelized Deficiency (55 yrs.)	Disc. Rate of											
N. Levelized Revenue	6.285%											
O. % Levelized Rate Impact		(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)

Rate Case 2017
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	536,590	536,590	536,590	536,590	536,590	536,590	536,590	536,590	536,590	536,590	536,590
B. Year "0" Revenue (2016 Rate Case)											
C. Total Revenue (year "0" + projected revenue)	59,531,590	59,531,590	59,531,590	59,531,590	59,531,590	59,531,590	59,531,590	59,531,590	59,531,590	59,531,590	59,531,590
REVENUE REQUIREMENT											
D. Effective Project Revenue Requirement	372,945	370,010	367,055	364,081	351,131	306,496	306,629	304,842	305,051	305,258	305,452
E. Year "0" Revenue Requirement											
F. Total Revenue Requirement (year "0" + project rev.req.)	59,367,945	59,365,010	59,362,055	59,359,081	59,346,131	59,301,496	59,301,629	59,299,842	59,300,051	59,300,258	59,300,452
(D - A) DEFICIENCY	(163,645)	(166,579)	(169,534)	(172,509)	(185,459)	(230,093)	(229,960)	(231,748)	(231,538)	(231,332)	(231,137)
(D - A) / C % Rate Impact	-0.27%	-0.28%	-0.28%	-0.29%	-0.31%	-0.39%	-0.39%	-0.39%	-0.39%	-0.39%	-0.39%

LEVELIZED RATE IMPACT CALCULATION

L. Deficiency (D - A)		(163,645)	(166,579)	(169,534)	(172,509)	(185,459)	(230,093)	(229,960)	(231,748)	(231,538)	(231,332)	(231,137)
M. \$ Levelized Deficiency (55 yrs.)	Disc. Rate of											
N. Levelized Revenue	6.285%											
O. % Levelized Rate Impact		(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)

**Rate Case 2017
55 Year Rate Impact**

