

**Buckingham project**  
**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
<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			60	56	54	4	4
11.	Commercial			2	2	-	-	-
12.	Total Annual Volumes							
13.	Residential (m <sup>3</sup> )			42,900	123,500	197,650	239,300	249,700
14.	Commercial (m <sup>3</sup> )			7,500	22,500	30,000	30,000	30,000
15.	Capital Costs							
16.	Up front Mains (Dollars)		451,575					
17.	Contribution in Aid of Construction (Dollars)		-					
18.	Distribution Mains			0	0	0	0	0
19.	Services (Dollars)			44,915	44,915	44,915	0	0
20.	Meters (Dollars)			65,480	54,244	48,485	11,236	11,236
21.	Stations (Dollars)			8,000	7,400	6,850	600	600
21.	Stations (Dollars)		0					
22.	Annual Revenues (Dollars)			25,364	73,574	115,756	137,610	142,647
23.	Annual O&M (Dollars)			2,808	8,251	13,226	15,740	16,087
<b>FEASIBILITY RESULTS</b>								
24.	Net Present Value (Dollars)	200.03						
25.	Profitability Index	1.00						
26.	Contribution in Aid of Construction (Dollars)	-						
27.	IRR	5.57%						
28.	Levelized Rate Impact (55 years)	0.003%						
29.	Cross-Over Year	Year 20						

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**DCF Analysis**

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12
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	0.96	0.91	0.87	0.82	0.78	0.74	0.70	0.66	0.62	0.59
<b><u>INCREMENTAL CAPITAL INVESTMENT</u></b>												
1.	Investment In Mains	(451,575)	(44,915)	(44,915)	(44,915)	-	-	-	-	-	-	-
2.	Investment in Services		(65,480)	(54,244)	(48,485)	(11,236)	(11,236)	(2,809)	(2,809)	(2,809)	(2,809)	(2,809)
3.	Investment in Stations	-	-	-	-	-	-	-	-	-	-	-
4.	Investment in Meters		(8,000)	(7,400)	(6,850)	(600)	(600)	(150)	(150)	(150)	(150)	(150)
5.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-	-
6.	Net Investment Capital	(451,575)	(118,395)	(106,559)	(100,250)	(11,836)	(11,836)	(2,959)	(2,959)	(2,959)	(2,959)	(2,959)
7.	Working Capital		(553)	(504)	(424)	(49)	(49)	(12)	(12)	(12)	(12)	(12)
8.	Total Investments	(451,575)	(118,948)	(107,064)	(100,673)	(11,885)	(11,885)	(2,971)	(2,971)	(2,971)	(2,971)	(2,971)
9.	PV Of Net Investment At Project Outset	(449,539)	(114,724)	(97,811)	(87,117)	(9,741)	(9,227)	(2,185)	(2,070)	(1,960)	(1,857)	(1,759)
10.	<b>ACCUMULATED PV OF TOTAL INVESTMENT</b>	(449,539)	(564,263)	(662,074)	(749,191)	(758,932)	(768,160)	(770,345)	(772,414)	(774,375)	(776,232)	(777,991)
<b><u>CCA TAX SHIELD</u></b>												
11.	CCA Tax Shield		4,571	9,728	10,813	11,069	10,596	10,080	9,523	8,999	8,507	8,044
12.	PV Of CCA Tax Shield At Project Outset		4,409	8,887	9,357	9,073	8,227	7,413	6,633	5,938	5,317	4,762
13.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>		4,409	13,296	22,654	31,726	39,953	47,366	53,999	59,937	65,253	70,016
<b><u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u></b>												
14.	Gas Distribution Revenue		25,364	73,574	115,756	137,610	142,647	145,795	147,054	148,314	149,573	150,832
15.	Gas Costs		(12,109)	(35,071)	(54,724)	(64,778)	(67,289)	(68,858)	(69,485)	(70,113)	(70,741)	(71,368)
16.	O&M		(2,808)	(8,251)	(13,226)	(15,740)	(16,087)	(16,303)	(16,390)	(16,477)	(16,563)	(16,650)
17.	Net Operating Cash (Before Taxes)		10,447	30,252	47,806	57,092	59,272	60,634	61,179	61,724	62,269	62,814
18.	PV of Net Operating Cash (Before Taxes) At Project Outset		10,076	27,638	41,368	46,796	46,018	44,591	42,617	40,727	38,917	37,186
19.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>		10,076	37,714	79,082	125,879	171,897	216,488	259,105	299,831	338,749	375,934
<b><u>TAXES</u></b>												
20.	Income Tax (Before Interest Tax Shield)		(1,669)	(6,801)	(11,350)	(13,862)	(14,468)	(14,872)	(15,058)	(15,243)	(15,429)	(15,615)
21.	Municipal Tax		(4,245)	(4,968)	(5,611)	(5,559)	(5,488)	(5,347)	(5,203)	(5,058)	(4,912)	(4,765)
22.	Capital Tax		-	-	-	-	-	-	-	-	-	-
23.	Federal Tax		-	-	-	-	-	-	-	-	-	-
24.	Total Taxes		(5,913)	(11,769)	(16,962)	(19,421)	(19,956)	(20,219)	(20,261)	(20,301)	(20,341)	(20,380)
25.	PV of Total Taxes At Project Outset		(5,703)	(10,752)	(14,678)	(15,919)	(15,494)	(14,869)	(14,113)	(13,395)	(12,713)	(12,065)
26.	<b>ACCUMULATED PV OF TOTAL TAXES</b>		(5,703)	(16,455)	(31,133)	(47,052)	(62,546)	(77,415)	(91,529)	(104,924)	(117,636)	(129,701)
<b><u>ACCUMULATED NPV AND PI</u></b>												
27.	Net Present Value	(449,539)	(555,481)	(627,519)	(678,588)	(648,379)	(618,855)	(583,906)	(550,839)	(519,530)	(489,866)	(461,742)
28.	Profitability Index		0.016	0.052	0.094	0.146	0.194	0.242	0.287	0.329	0.369	0.406

Note a) Construction period is 2 months, August1 2016- September 30th 2016 considered mid-term discounting.

Discount period equals 0.083 ( 0.5 \* 2/12). August 1 2016 is project outset as time 0.

Note b) Year1 Revenue start from October 1 2016-September 30th 2017.

Year 2 Revenues start from October 1 2017 to September 30 2018, and so on.

**Buckingham Project**  
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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>
<u>Line No.</u>	<u>Description</u>	<u>Year 11</u>	<u>Year 12</u>	<u>Year 13</u>	<u>Year 14</u>	<u>Year 15</u>	<u>Year 16</u>	<u>Year 17</u>	<u>Year 18</u>	<u>Year 19</u>	<u>Year 20</u>	<u>Year 21</u>
	Discount factors to project outset	0.56	0.53	0.50	0.48	0.45	0.43	0.40	0.38	0.36	0.34	0.33
<b><u>INCREMENTAL CAPITAL INVESTMENT</u></b>												
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.	<b>ACCUMULATED PV OF TOTAL INVESTMENT</b>	<b>(777,991)</b>	<b>(777,991)</b>	<b>(777,991)</b>	<b>(777,991)</b>	<b>(777,991)</b>	<b>(777,991)</b>	<b>(777,991)</b>	<b>(777,991)</b>	<b>(777,991)</b>	<b>(777,991)</b>	<b>(777,991)</b>
<b><u>CCA TAX SHIELD</u></b>												
11.	CCA Tax Shield	7,585	7,130	6,702	6,300	5,922	5,567	5,233	4,919	4,624	8,395	4,086
12.	PV Of CCA Tax Shield At Project Outset	4,253	3,787	3,372	3,002	2,673	2,380	2,119	1,887	1,680	2,889	1,332
13.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>	<b>74,269</b>	<b>78,056</b>	<b>81,428</b>	<b>84,431</b>	<b>87,104</b>	<b>89,484</b>	<b>91,603</b>	<b>93,490</b>	<b>95,170</b>	<b>98,060</b>	<b>99,392</b>
<b><u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u></b>												
14.	Gas Distribution Revenue	151,462	151,462	151,462	151,462	151,462	151,462	151,462	151,462	151,462	151,462	151,462
15.	Gas Costs	(71,682)	(71,682)	(71,682)	(71,682)	(71,682)	(71,682)	(71,682)	(71,682)	(71,682)	(71,682)	(71,682)
16.	O&M	(16,693)	(16,693)	(16,693)	(16,693)	(16,693)	(16,693)	(16,693)	(16,693)	(16,693)	(16,693)	(16,693)
17.	Net Operating Cash (Before Taxes)	63,087	63,087	63,087	63,087	63,087	63,087	63,087	63,087	63,087	63,087	63,087
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	35,375	33,508	31,739	30,064	28,477	26,973	25,549	24,201	22,923	21,713	20,567
19.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>	<b>411,310</b>	<b>444,818</b>	<b>476,557</b>	<b>506,620</b>	<b>535,097</b>	<b>562,070</b>	<b>587,619</b>	<b>611,820</b>	<b>634,743</b>	<b>656,456</b>	<b>677,023</b>
<b><u>TAXES</u></b>												
20.	Income Tax (Before Interest Tax Shield)	(15,734)	(15,780)	(15,826)	(15,872)	(15,918)	(15,964)	(16,010)	(16,056)	(16,102)	(16,148)	(16,194)
21.	Municipal Tax	(4,595)	(4,424)	(4,253)	(4,082)	(3,911)	(3,740)	(3,569)	(3,398)	(3,228)	(3,057)	(2,886)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(20,329)	(20,204)	(20,079)	(19,954)	(19,829)	(19,704)	(19,579)	(19,455)	(19,330)	(19,205)	(19,080)
25.	PV of Total Taxes At Project Outset	(11,399)	(10,731)	(10,102)	(9,509)	(8,951)	(8,425)	(7,929)	(7,463)	(7,024)	(6,610)	(6,220)
26.	<b>ACCUMULATED PV OF TOTAL TAXES</b>	<b>(141,101)</b>	<b>(151,832)</b>	<b>(161,934)</b>	<b>(171,443)</b>	<b>(180,393)</b>	<b>(188,818)</b>	<b>(196,748)</b>	<b>(204,211)</b>	<b>(211,234)</b>	<b>(217,844)</b>	<b>(224,064)</b>
<b><u>ACCUMULATED NPV AND PI</u></b>												
27.	Net Present Value	(433,513)	(406,949)	(381,939)	(358,383)	(336,183)	(315,255)	(295,516)	(276,891)	(259,311)	(241,319)	(225,640)
28.	Profitability Index	0.443	0.477	0.509	0.539	0.568	0.595	0.620	0.644	0.667	0.690	0.710

Note a) Construction period is 2 months, August1 2016- September 30th 2016 consid  
Discount period equals 0.083 ( 0.5 \* 2/12). August 1 2016 is project outset as ti

Note b) Year1 Revenue start from October 1 2016-September 30th 2017.

Year 2 Revenues start from October 1 2017 to September 30 2018, and so on

**Buckingham Project**  
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**DCF Analysis**

	<u>Col. 1</u>	<u>Col. 24</u>	<u>Col. 25</u>	<u>Col. 26</u>	<u>Col. 27</u>	<u>Col. 28</u>	<u>Col. 29</u>	<u>Col. 30</u>	<u>Col. 31</u>	<u>Col. 32</u>	<u>Col. 33</u>	<u>Col. 34</u>
<u>Line No.</u>	<u>Description</u>	<u>Year 22</u>	<u>Year 23</u>	<u>Year 24</u>	<u>Year 25</u>	<u>Year 26</u>	<u>Year 27</u>	<u>Year 28</u>	<u>Year 29</u>	<u>Year 30</u>	<u>Year 31</u>	<u>Year 32</u>
	Discount factors to project outset	0.31	0.29	0.28	0.26	0.25	0.24	0.22	0.21	0.20	0.19	0.18
<b><u>INCREMENTAL CAPITAL INVESTMENT</u></b>												
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	-	-	-	-	-	-	-	-	(131)	-	-
8.	Total Investments	-	-	-	-	-	-	-	-	(131)	-	-
9.	PV Of Net Investment At Project Outset	-	-	-	-	-	-	-	-	-	25	-
10.	<b>ACCUMULATED PV OF TOTAL INVESTMENT</b>	<b>(777,991)</b>	<b>(777,991)</b>	<b>(777,991)</b>	<b>(777,991)</b>	<b>(777,991)</b>	<b>(777,991)</b>	<b>(777,991)</b>	<b>(777,991)</b>	<b>(777,991)</b>	<b>(777,966)</b>	<b>(777,966)</b>
<b><u>CCA TAX SHIELD</u></b>												
11.	CCA Tax Shield	3,840	3,610	3,393	3,190	2,998	2,819	2,649	2,490	2,341	2,201	2,069
12.	PV Of CCA Tax Shield At Project Outset	1,186	1,056	940	837	745	664	591	526	468	417	371
13.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>	<b>100,578</b>	<b>101,633</b>	<b>102,574</b>	<b>103,411</b>	<b>104,156</b>	<b>104,820</b>	<b>105,411</b>	<b>105,937</b>	<b>106,405</b>	<b>106,822</b>	<b>107,194</b>
<b><u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u></b>												
14.	Gas Distribution Revenue	151,462	151,462	151,462	151,462	151,462	151,462	151,462	151,462	151,462	140,112	140,112
15.	Gas Costs	(71,682)	(71,682)	(71,682)	(71,682)	(71,682)	(71,682)	(71,682)	(71,682)	(71,682)	(64,671)	(64,671)
16.	O&M	(16,693)	(16,693)	(16,693)	(16,693)	(16,693)	(16,693)	(16,693)	(16,693)	(16,693)	(15,862)	(15,862)
17.	Net Operating Cash (Before Taxes)	63,087	63,087	63,087	63,087	63,087	63,087	63,087	63,087	63,087	59,578	59,578
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	19,481	18,453	17,479	16,556	15,682	14,854	14,070	13,327	12,624	11,292	10,696
19.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>	<b>696,504</b>	<b>714,957</b>	<b>732,435</b>	<b>748,991</b>	<b>764,673</b>	<b>779,527</b>	<b>793,597</b>	<b>806,924</b>	<b>819,548</b>	<b>830,840</b>	<b>841,537</b>
<b><u>TAXES</u></b>												
20.	Income Tax (Before Interest Tax Shield)	(16,240)	(16,284)	(16,322)	(16,355)	(16,385)	(16,415)	(16,443)	(16,471)	(16,499)	(15,587)	(15,614)
21.	Municipal Tax	(2,715)	(2,552)	(2,411)	(2,287)	(2,174)	(2,066)	(1,960)	(1,855)	(1,751)	(1,634)	(1,532)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(18,955)	(18,836)	(18,733)	(18,642)	(18,560)	(18,480)	(18,403)	(18,326)	(18,250)	(17,221)	(17,146)
25.	PV of Total Taxes At Project Outset	(5,853)	(5,510)	(5,190)	(4,892)	(4,614)	(4,351)	(4,104)	(3,871)	(3,652)	(3,264)	(3,078)
26.	<b>ACCUMULATED PV OF TOTAL TAXES</b>	<b>(229,918)</b>	<b>(235,427)</b>	<b>(240,617)</b>	<b>(245,509)</b>	<b>(250,123)</b>	<b>(254,474)</b>	<b>(258,578)</b>	<b>(262,450)</b>	<b>(266,102)</b>	<b>(269,366)</b>	<b>(272,444)</b>
<b><u>ACCUMULATED NPV AND PI</u></b>												
27.	Net Present Value	(210,827)	(196,828)	(183,599)	(171,098)	(159,284)	(148,118)	(137,561)	(127,579)	(118,139)	(109,669)	(101,680)
28.	Profitability Index	0.729	0.747	0.764	0.780	0.795	0.810	0.823	0.836	0.848	0.859	0.869

Note a) Construction period is 2 months, August1 2016- September 30th 2016 consid  
Discount period equals 0.083 ( 0.5 \* 2/12). August 1 2016 is project outset as ti

Note b) Year1 Revenue start from October 1 2016-September 30th 2017.

Year 2 Revenues start from October 1 2017 to September 30 2018, and so on

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**DCF Analysis**

	<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>
<u>Line No.</u>	<u>Description</u>	<u>Year 33</u>	<u>Year 34</u>	<u>Year 35</u>	<u>Year 36</u>	<u>Year 37</u>	<u>Year 38</u>	<u>Year 39</u>	<u>Year 40</u>	<u>Year 41</u>	<u>Year 42</u>	<u>Year 43</u>
	Discount factors to project outset	0.17	0.16	0.15	0.14	0.14	0.13	0.12	0.12	0.11	0.10	0.10
<b><u>INCREMENTAL CAPITAL INVESTMENT</u></b>												
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.	<b>ACCUMULATED PV OF TOTAL INVESTMENT</b>	<b>(777,966)</b>	<b>(777,966)</b>	<b>(777,966)</b>	<b>(777,966)</b>	<b>(777,966)</b>	<b>(777,966)</b>	<b>(777,966)</b>	<b>(777,966)</b>	<b>(777,966)</b>	<b>(777,966)</b>	<b>(777,966)</b>
<b><u>CCA TAX SHIELD</u></b>												
11.	CCA Tax Shield	1,944	1,828	1,718	1,615	1,518	1,427	1,341	1,261	1,185	1,114	1,047
12.	PV Of CCA Tax Shield At Project Outset	331	294	262	233	208	185	165	147	131	116	104
13.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>	<b>107,524</b>	<b>107,819</b>	<b>108,081</b>	<b>108,314</b>	<b>108,522</b>	<b>108,707</b>	<b>108,872</b>	<b>109,019</b>	<b>109,149</b>	<b>109,265</b>	<b>109,369</b>
<b><u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u></b>												
14.	Gas Distribution Revenue	140,112	140,112	140,112	140,112	140,112	140,112	140,112	140,112	140,112	140,112	140,112
15.	Gas Costs	(64,671)	(64,671)	(64,671)	(64,671)	(64,671)	(64,671)	(64,671)	(64,671)	(64,671)	(64,671)	(64,671)
16.	O&M	(15,862)	(15,862)	(15,862)	(15,862)	(15,862)	(15,862)	(15,862)	(15,862)	(15,862)	(15,862)	(15,862)
17.	Net Operating Cash (Before Taxes)	59,578	59,578	59,578	59,578	59,578	59,578	59,578	59,578	59,578	59,578	59,578
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	10,132	9,597	9,090	8,610	8,156	7,725	7,317	6,931	6,565	6,219	5,890
19.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>	<b>851,668</b>	<b>861,265</b>	<b>870,355</b>	<b>878,965</b>	<b>887,121</b>	<b>894,846</b>	<b>902,164</b>	<b>909,095</b>	<b>915,660</b>	<b>921,879</b>	<b>927,769</b>
<b><u>TAXES</u></b>												
20.	Income Tax (Before Interest Tax Shield)	(15,642)	(15,669)	(15,696)	(15,724)	(15,751)	(15,778)	(15,805)	(15,833)	(15,860)	(15,887)	(15,915)
21.	Municipal Tax	(1,431)	(1,329)	(1,228)	(1,126)	(1,025)	(923)	(822)	(720)	(619)	(517)	(416)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(17,072)	(16,998)	(16,924)	(16,850)	(16,776)	(16,701)	(16,627)	(16,553)	(16,479)	(16,405)	(16,331)
25.	PV of Total Taxes At Project Outset	(2,903)	(2,738)	(2,582)	(2,435)	(2,296)	(2,166)	(2,042)	(1,926)	(1,816)	(1,712)	(1,615)
26.	<b>ACCUMULATED PV OF TOTAL TAXES</b>	<b>(275,347)</b>	<b>(278,085)</b>	<b>(280,667)</b>	<b>(283,103)</b>	<b>(285,399)</b>	<b>(287,565)</b>	<b>(289,607)</b>	<b>(291,533)</b>	<b>(293,348)</b>	<b>(295,061)</b>	<b>(296,675)</b>
<b><u>ACCUMULATED NPV AND PI</u></b>												
27.	Net Present Value	(94,121)	(86,968)	(80,197)	(73,789)	(67,722)	(61,977)	(56,537)	(51,385)	(46,505)	(41,882)	(37,503)
28.	Profitability Index	0.879	0.888	0.897	0.905	0.913	0.920	0.927	0.934	0.940	0.946	0.952

Note a) Construction period is 2 months, August1 2016- September 30th 2016 consider Discount period equals 0.083 ( 0.5 \* 2/12). August 1 2016 is project outset as ti

Note b) Year1 Revenue start from October 1 2016-September 30th 2017.

Year 2 Revenues start from October 1 2017 to September 30 2018, and so on

**Buckingham Project**  
**Financial Feasibility - 55 year Horizon**  
**DCF Analysis**

	<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	0.09	0.09	0.08	0.08	0.08	0.07	0.07	0.06	0.06	0.06	0.05	0.05
<b><u>INCREMENTAL CAPITAL INVESTMENT</u></b>													
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.	<b>ACCUMULATED PV OF TOTAL INVESTMENT</b>	<b>(777,966)</b>	<b>(777,966)</b>	<b>(777,966)</b>	<b>(777,966)</b>	<b>(777,966)</b>	<b>(777,966)</b>	<b>(777,966)</b>	<b>(777,966)</b>	<b>(777,966)</b>	<b>(777,966)</b>	<b>(777,966)</b>	<b>(777,966)</b>
<b><u>CCA TAX SHIELD</u></b>													
11.	CCA Tax Shield	984	925	870	818	769	722	679	638	600	564	530	4,547
12.	PV Of CCA Tax Shield At Project Outset	92	82	73	65	58	52	46	41	36	32	29	234
13.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>	<b>109,461</b>	<b>109,543</b>	<b>109,616</b>	<b>109,681</b>	<b>109,739</b>	<b>109,791</b>	<b>109,837</b>	<b>109,878</b>	<b>109,914</b>	<b>109,947</b>	<b>109,975</b>	<b>110,210</b>
<b><u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u></b>													
14.	Gas Distribution Revenue	140,112	140,112	140,112	140,112	140,112	140,112	140,112	140,112	140,112	140,112	140,112	140,112
15.	Gas Costs	(64,671)	(64,671)	(64,671)	(64,671)	(64,671)	(64,671)	(64,671)	(64,671)	(64,671)	(64,671)	(64,671)	(64,671)
16.	O&M	(15,862)	(15,862)	(15,862)	(15,862)	(15,862)	(15,862)	(15,862)	(15,862)	(15,862)	(15,862)	(15,862)	(15,862)
17.	Net Operating Cash (Before Taxes)	59,578	59,578	59,578	59,578	59,578	59,578	59,578	59,578	59,578	59,578	59,578	59,578
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	5,579	5,285	5,006	4,742	4,491	4,254	4,030	3,817	3,615	3,425	3,244	3,073
19.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>	<b>933,348</b>	<b>938,633</b>	<b>943,639</b>	<b>948,381</b>	<b>952,872</b>	<b>957,126</b>	<b>961,156</b>	<b>964,973</b>	<b>968,588</b>	<b>972,013</b>	<b>975,257</b>	<b>978,329</b>
<b><u>TAXES</u></b>													
20.	Income Tax (Before Interest Tax Shield)	(15,942)	(15,969)	(15,986)	(15,991)	(15,993)	(15,993)	(15,993)	(15,994)	(15,994)	(15,994)	(15,994)	(15,994)
21.	Municipal Tax	(314)	(213)	(149)	(134)	(126)	(124)	(123)	(123)	(122)	(122)	(122)	(122)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(16,256)	(16,182)	(16,136)	(16,124)	(16,119)	(16,117)	(16,116)	(16,116)	(16,116)	(16,116)	(16,116)	(16,116)
25.	PV of Total Taxes At Project Outset	(1,522)	(1,435)	(1,356)	(1,283)	(1,215)	(1,151)	(1,090)	(1,033)	(978)	(926)	(877)	(831)
26.	<b>ACCUMULATED PV OF TOTAL TAXES</b>	<b>(298,198)</b>	<b>(299,633)</b>	<b>(300,989)</b>	<b>(302,272)</b>	<b>(303,487)</b>	<b>(304,638)</b>	<b>(305,728)</b>	<b>(306,761)</b>	<b>(307,739)</b>	<b>(308,665)</b>	<b>(309,542)</b>	<b>(310,374)</b>
<b><u>ACCUMULATED NPV AND PI</u></b>													
27.	Net Present Value	(33,354)	(29,422)	(25,699)	(22,176)	(18,842)	(15,687)	(12,701)	(9,876)	(7,202)	(4,671)	(2,276)	<b>200</b>
28.	Profitability Index	0.957	0.962	0.967	0.971	0.976	0.980	0.984	0.987	0.991	0.994	0.997	<b>1.000</b>

Note a) Construction period is 2 months, August1 2016- September 30th 2016 consid  
Discount period equals 0.083 ( 0.5 \* 2/12). August 1 2016 is project outset as ti

Note b) Year1 Revenue start from October 1 2016-September 30th 2017.

Year 2 Revenues start from October 1 2017 to September 30 2018, and so on