

**Chelsea**  
**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
<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			50	144	144	85	110
11.	Commercial			1	-	-	-	6
12.	Total Annual Volumes							
13.	Residential (m <sup>3</sup> )			34,600	186,850	422,150	620,550	774,200
14.	Commercial (m <sup>3</sup> )			75,000	225,000	225,000	225,000	351,500
15.	Capital Costs							
16.	Up front Mains (Dollars)		1,786,882					
17.	Contribution in Aid of Construction (Dollars)		-					
18.	Distribution Mains			69,858	69,858	69,858	22,576	22,576
19.	Services (Dollars)			126,678	112,176	112,176	74,766	84,798
20.	Meters (Dollars)			11,690	20,900	20,900	13,245	17,385
21.	Stations (Dollars)		-					
22.	Annual Revenues (Dollars)			43,105	168,402	289,352	390,454	510,351
23.	Annual O&M (Dollars)			2,271	10,783	23,264	33,189	42,264
<b>FEASIBILITY RESULTS</b>								
24.	Net Present Value (Dollars)							<u>223,064</u>
25.	Profitability Index							<u>1.086</u>
26.	Contribution in Aid of Construction (Dollars)							-
27.	IRR							<u>6.12%</u>
28.	Levelized Rate Impact (55 years)							-0.022%
29.	Cross-Over Year							Year 9

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

Line No.	Description	Col. 1 Year 0	Col. 2 Year 1	Col. 3 Year 2	Col. 4 Year 3	Col. 5 Year 4	Col. 6 Year 5	Col. 7 Year 6	Col. 8 Year 7	Col. 9 Year 8	Col. 10 Year 9	Col. 11 Year 10
	Discount factors to project outset	0.989	0.952	0.901	0.854	0.809	0.766	0.726	0.687	0.651	0.617	0.584
<b><u>INCREMENTAL CAPITAL INVESTMENT</u></b>												
1.	Investment In Mains	(1,786,882)	(69,858)	(69,858)	(69,858)	(22,576)	(22,576)	-	-	-	-	-
2.	Investment in Services		(126,678)	(112,176)	(112,176)	(74,766)	(84,798)	(28,021)	(19,835)	(21,251)	(21,959)	-
3.	Investment in Stations	-	-	-	-	-	-	-	-	-	-	-
4.	Investment in Meters		(11,690)	(20,900)	(20,900)	(13,245)	(17,385)	(5,775)	(5,175)	(5,575)	(5,775)	-
5.	Contribution In Aid Of Construction	-										
6.	Net Investment Capital	(1,786,882)	(208,226)	(202,934)	(202,934)	(110,587)	(124,759)	(33,796)	(25,010)	(26,826)	(27,734)	-
7.	Working Capital		(656)	(1,770)	(1,271)	(828)	(1,393)	(380)	(288)	(309)	(319)	-
8.	Total Investments	(1,786,882)	(208,882)	(204,704)	(204,205)	(111,415)	(126,152)	(34,176)	(25,298)	(27,135)	(28,053)	-
9.	PV of Net Investment At Project outset	(1,766,806)	(198,751)	(184,494)	(174,329)	(90,093)	(96,625)	(24,795)	(17,385)	(17,663)	(17,297)	-
10.	<b>ACCUMULATED PV OF TOTAL INVESTMENT</b>	(1,766,806)	(1,965,557)	(2,150,052)	(2,324,380)	(2,414,473)	(2,511,099)	(2,535,893)	(2,553,278)	(2,570,941)	(2,588,238)	(2,588,238)
<b><u>CCA TAX SHIELD</u></b>												
11.	CCA Tax Shield		15,876	32,437	33,766	34,270	34,113	33,346	31,820	30,329	28,950	27,436
12.	PV Of CCA Tax Shield At Project Outset		15,106	29,235	28,826	27,712	26,129	24,193	21,867	19,742	17,849	16,023
13.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>		15,106	44,341	73,166	100,878	127,007	151,200	173,067	192,809	210,658	226,682
<b><u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u></b>												
14.	Gas Distribution Revenue		43,105	168,402	289,352	390,454	510,351	571,762	596,936	619,126	642,482	654,354
15.	Gas Costs		(25,880)	(97,688)	(154,490)	(202,383)	(269,037)	(298,130)	(308,805)	(317,505)	(326,640)	(331,280)
16.	O&M		(2,271)	(10,783)	(23,264)	(33,189)	(42,264)	(50,298)	(55,212)	(59,927)	(64,902)	(67,433)
17.	Net Operating Cash (Before Taxes)		14,954	59,932	111,598	154,881	199,050	223,335	232,920	241,694	250,940	255,642
18.	PV of Net Operating Cash (Before Taxes) At Project Outset		14,229	54,015	95,271	125,242	152,461	162,031	160,065	157,327	154,722	149,300
19.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>		14,229	68,243	163,514	288,756	441,216	603,248	763,313	920,639	1,075,361	1,224,661
<b><u>TAXES</u></b>												
20.	Income Tax (Before Interest Tax Shield)		(32)	(11,786)	(25,363)	(36,887)	(48,619)	(55,211)	(57,879)	(60,329)	(62,905)	(64,318)
21.	Municipal Tax		(14,836)	(16,116)	(17,312)	(17,756)	(18,311)	(18,088)	(17,755)	(17,425)	(17,093)	(16,541)
22.	Capital Tax		-	-	-	-	-	-	-	-	-	-
23.	Federal Tax		-	-	-	-	-	-	-	-	-	-
24.	Total Taxes		(14,868)	(27,902)	(42,675)	(54,643)	(66,929)	(73,299)	(75,635)	(77,753)	(79,998)	(80,859)
25.	PV of Total Taxes At Project Outset		(14,147)	(25,147)	(36,431)	(44,186)	(51,264)	(53,179)	(51,977)	(50,612)	(49,324)	(47,224)
26.	<b>ACCUMULATED PV OF TOTAL TAXES</b>		(14,147)	(39,294)	(75,726)	(119,911)	(171,175)	(224,355)	(276,331)	(326,943)	(376,268)	(423,491)
<b><u>ACCUMULATED NPV AND PI</u></b>												
27.	Net Present Value	(1,766,806)	(1,950,369)	(2,076,762)	(2,163,425)	(2,144,750)	(2,114,050)	(2,005,800)	(1,893,230)	(1,784,437)	(1,678,486)	(1,560,386)
28.	Profitability Index		0.008	0.034	0.069	0.112	0.158	0.209	0.259	0.306	0.351	0.397

Note a) Construction period is 2 months, August 1 2016- September 30th 2016 considered mid-term discounting.

Discount period equals 0.083 ( 0.5 \* 2/12). August 1st 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.

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

Line No.	Description	Col. 1 Year 11	Col. 13 Year 12	Col. 14 Year 13	Col. 15 Year 14	Col. 16 Year 15	Col. 17 Year 16	Col. 18 Year 17	Col. 19 Year 18	Col. 20 Year 19	Col. 21 Year 20	Col. 22 Year 21	Col. 23
	Discount factors to project outset	0.553	0.524	0.496	0.470	0.445	0.422	0.400	0.378	0.358	0.340	0.322	
<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>(2,588,238)</b>	<b>(2,588,238)</b>	<b>(2,588,238)</b>	<b>(2,588,238)</b>	<b>(2,588,238)</b>	<b>(2,588,238)</b>	<b>(2,588,238)</b>	<b>(2,588,238)</b>	<b>(2,588,238)</b>	<b>(2,588,238)</b>	<b>(2,588,238)</b>	<b>(2,588,238)</b>
<b><u>CCA TAX SHIELD</u></b>													
11.	CCA Tax Shield	25,790	24,243	22,788	21,421	20,136	18,928	17,792	16,724	15,721	<u>14,778</u>	13,891	
12.	PV Of CCA Tax Shield At Project Outset	14,267	12,703	11,310	10,071	8,967	7,984	7,108	6,329	5,635	<u>5,018</u>	4,468	
13.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>	<b>240,949</b>	<b>253,652</b>	<b>264,962</b>	<b>275,033</b>	<b>283,999</b>	<b>291,983</b>	<b>299,091</b>	<b>305,421</b>	<b>311,056</b>	<b><u>316,074</u></b>	<b><u>320,541</u></b>	
<b><u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u></b>													
14.	Gas Distribution Revenue	654,354	654,354	654,354	654,354	654,354	654,354	654,354	654,354	654,354	654,354	654,354	654,354
15.	Gas Costs	(331,280)	(331,280)	(331,280)	(331,280)	(331,280)	(331,280)	(331,280)	(331,280)	(331,280)	(331,280)	(331,280)	(331,280)
16.	O&M	(67,433)	(67,433)	(67,433)	(67,433)	(67,433)	(67,433)	(67,433)	(67,433)	(67,433)	(67,433)	(67,433)	(67,433)
17.	Net Operating Cash (Before Taxes)	255,642	255,642	255,642	255,642	255,642	255,642	255,642	255,642	255,642	255,642	255,642	255,642
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	141,419	133,953	126,882	120,184	113,840	107,830	102,138	96,746	91,639	86,801	82,219	
19.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>	<b>1,366,080</b>	<b>1,500,034</b>	<b>1,626,916</b>	<b>1,747,100</b>	<b>1,860,939</b>	<b>1,968,770</b>	<b>2,070,907</b>	<b>2,167,653</b>	<b>2,259,292</b>	<b>2,346,094</b>	<b>2,428,313</b>	
<b><u>TAXES</u></b>													
20.	Income Tax (Before Interest Tax Shield)	(64,469)	(64,620)	(64,771)	(64,921)	(65,072)	(65,223)	(65,374)	(65,525)	(65,676)	(65,827)	(65,977)	
21.	Municipal Tax	(15,980)	(15,420)	(14,859)	(14,298)	(13,737)	(13,176)	(12,616)	(12,055)	(11,494)	(10,933)	(10,372)	
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-	
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-	
24.	Total Taxes	(80,449)	(80,039)	(79,629)	(79,219)	(78,810)	(78,400)	(77,990)	(77,580)	(77,170)	(76,760)	(76,350)	
25.	PV of Total Taxes At Project Outset	(44,504)	(41,940)	(39,522)	(37,243)	(35,095)	(33,069)	(31,160)	(29,360)	(27,663)	(26,063)	(24,556)	
26.	<b>ACCUMULATED PV OF TOTAL TAXES</b>	<b>(467,995)</b>	<b>(509,935)</b>	<b>(549,457)</b>	<b>(586,701)</b>	<b>(621,795)</b>	<b>(654,864)</b>	<b>(686,024)</b>	<b>(715,383)</b>	<b>(743,046)</b>	<b>(769,109)</b>	<b>(793,665)</b>	
<b><u>ACCUMULATED NPV AND PI</u></b>													
27.	Net Present Value	(1,449,204)	(1,344,488)	(1,245,818)	(1,152,806)	(1,065,095)	(982,350)	(904,263)	(830,548)	(760,936)	<u>(695,180)</u>	<u>(633,049)</u>	
28.	Profitability Index	0.440	0.481	0.519	0.555	0.588	0.620	0.651	0.679	0.706	<u>0.731</u>	<u>0.755</u>	

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

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

Line No.	Description	Col. 1 Year 22	Col. 24 Year 23	Col. 25 Year 24	Col. 26 Year 25	Col. 27 Year 26	Col. 28 Year 27	Col. 29 Year 28	Col. 30 Year 29	Col. 31 Year 30	Col. 32 Year 31	Col. 33 Year 32	Col. 34
	Discount factors to project outset	0.305	0.289	0.273	0.259	0.245	0.232	0.220	0.208	0.197	0.187	0.177	
<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	-	-	-	-	-	-	-	-	-	1,490	-	-
8.	Total Investments	-	-	-	-	-	-	-	-	-	1,490	-	-
9.	PV of Net Investment At Project outset	-	-	-	-	-	-	-	-	-	279	-	-
10.	<b>ACCUMULATED PV OF TOTAL INVESTMENT</b>	<b>(2,588,238)</b>	<b>(2,588,238)</b>	<b>(2,588,238)</b>	<b>(2,588,238)</b>	<b>(2,588,238)</b>	<b>(2,588,238)</b>	<b>(2,588,238)</b>	<b>(2,588,238)</b>	<b>(2,588,238)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>	
<b><u>CCA TAX SHIELD</u></b>													
11.	CCA Tax Shield	13,058	12,274	11,538	10,845	10,195	9,583	9,008	8,468	7,959	7,482	7,033	
12.	PV Of CCA Tax Shield At Project Outset	3,978	3,542	3,154	2,808	2,500	2,226	1,982	1,765	1,571	1,399	1,246	
13.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>	<b>324,519</b>	<b>328,061</b>	<b>331,214</b>	<b>334,022</b>	<b>336,522</b>	<b>338,748</b>	<b>340,730</b>	<b>342,495</b>	<b>344,066</b>	<b>345,465</b>	<b>346,711</b>	
<b><u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u></b>													
14.	Gas Distribution Revenue	654,354	654,354	654,354	654,354	654,354	654,354	654,354	654,354	654,354	518,510	518,510	
15.	Gas Costs	(331,280)	(331,280)	(331,280)	(331,280)	(331,280)	(331,280)	(331,280)	(331,280)	(331,280)	(234,762)	(234,762)	
16.	O&M	(67,433)	(67,433)	(67,433)	(67,433)	(67,433)	(67,433)	(67,433)	(67,433)	(67,433)	(64,316)	(64,316)	
17.	Net Operating Cash (Before Taxes)	255,642	255,642	255,642	255,642	255,642	255,642	255,642	255,642	255,642	219,433	219,433	
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	77,879	73,768	69,874	66,185	62,691	59,382	56,247	53,278	50,465	41,031	38,865	
19.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>	<b>2,506,192</b>	<b>2,579,960</b>	<b>2,649,833</b>	<b>2,716,018</b>	<b>2,778,709</b>	<b>2,838,091</b>	<b>2,894,338</b>	<b>2,947,616</b>	<b>2,998,081</b>	<b>3,039,112</b>	<b>3,077,976</b>	
<b><u>TAXES</u></b>													
20.	Income Tax (Before Interest Tax Shield)	(66,128)	(66,275)	(66,410)	(66,536)	(66,652)	(66,761)	(66,864)	(66,965)	(67,065)	(57,472)	(57,568)	
21.	Municipal Tax	(9,812)	(9,267)	(8,763)	(8,298)	(7,866)	(7,460)	(7,076)	(6,700)	(6,331)	(5,781)	(5,425)	
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-	
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-	
24.	Total Taxes	(75,940)	(75,542)	(75,174)	(74,833)	(74,517)	(74,221)	(73,940)	(73,665)	(73,396)	(63,254)	(62,993)	
25.	PV of Total Taxes At Project Outset	(23,134)	(21,798)	(20,547)	(19,374)	(18,274)	(17,240)	(16,268)	(15,352)	(14,489)	(11,827)	(11,157)	
26.	<b>ACCUMULATED PV OF TOTAL TAXES</b>	<b>(816,799)</b>	<b>(838,598)</b>	<b>(859,144)</b>	<b>(878,519)</b>	<b>(896,793)</b>	<b>(914,033)</b>	<b>(930,301)</b>	<b>(945,654)</b>	<b>(960,143)</b>	<b>(971,970)</b>	<b>(983,127)</b>	
<b><u>ACCUMULATED NPV AND PI</u></b>													
27.	Net Present Value	<u>(574,327)</u>	<u>(518,815)</u>	<u>(466,335)</u>	<u>(416,716)</u>	<u>(369,799)</u>	<u>(325,432)</u>	<u>(283,471)</u>	<u>(243,781)</u>	<u>(206,234)</u>	<u>(175,353)</u>	<u>(146,399)</u>	
28.	Profitability Index	<u>0.778</u>	<u>0.800</u>	<u>0.820</u>	<u>0.839</u>	<u>0.857</u>	<u>0.874</u>	<u>0.890</u>	<u>0.906</u>	<u>0.920</u>	<u>0.932</u>	<u>0.943</u>	

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

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

Line No.	Description	Col. 1	Col. 35	Col. 36	Col. 37	Col. 38	Col. 39	Col. 40	Col. 41	Col. 42	Col. 43	Col. 44	Col. 45
		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	0.168	0.159	0.151	0.143	0.135	0.128	0.121	0.115	0.109	0.103	0.098	
<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>(2,587,959)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>
<b><u>CCA TAX SHIELD</u></b>													
11.	CCA Tax Shield	6,611	6,214	5,841	5,491	5,162	4,852	4,561	4,287	4,030	3,788	3,561	
12.	PV Of CCA Tax Shield At Project Outset	1,109	988	879	783	697	621	553	492	438	390	347	
13.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>	<b>347,820</b>	<b>348,807</b>	<b>349,687</b>	<b>350,470</b>	<b>351,167</b>	<b>351,787</b>	<b>352,340</b>	<b>352,832</b>	<b>353,270</b>	<b>353,660</b>	<b>354,007</b>	
<b><u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u></b>													
14.	Gas Distribution Revenue	518,510	518,510	518,510	518,510	518,510	518,510	518,510	518,510	518,510	518,510	518,510	518,510
15.	Gas Costs	(234,762)	(234,762)	(234,762)	(234,762)	(234,762)	(234,762)	(234,762)	(234,762)	(234,762)	(234,762)	(234,762)	(234,762)
16.	O&M	(64,316)	(64,316)	(64,316)	(64,316)	(64,316)	(64,316)	(64,316)	(64,316)	(64,316)	(64,316)	(64,316)	(64,316)
17.	Net Operating Cash (Before Taxes)	219,433	219,433	219,433	219,433	219,433	219,433	219,433	219,433	219,433	219,433	219,433	219,433
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	36,813	34,870	33,029	31,285	29,634	28,070	26,588	25,184	23,855	22,595	21,403	
19.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>	<b>3,114,789</b>	<b>3,149,659</b>	<b>3,182,688</b>	<b>3,213,974</b>	<b>3,243,607</b>	<b>3,271,677</b>	<b>3,298,265</b>	<b>3,323,449</b>	<b>3,347,304</b>	<b>3,369,899</b>	<b>3,391,302</b>	
<b><u>TAXES</u></b>													
20.	Income Tax (Before Interest Tax Shield)	(57,664)	(57,760)	(57,856)	(57,952)	(58,048)	(58,144)	(58,240)	(58,336)	(58,432)	(58,528)	(58,624)	
21.	Municipal Tax	(5,068)	(4,711)	(4,354)	(3,997)	(3,640)	(3,283)	(2,927)	(2,570)	(2,213)	(1,856)	(1,499)	
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-	
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-	
24.	Total Taxes	(62,732)	(62,471)	(62,210)	(61,949)	(61,688)	(61,428)	(61,167)	(60,906)	(60,645)	(60,384)	(60,123)	
25.	PV of Total Taxes At Project Outset	(10,524)	(9,927)	(9,364)	(8,832)	(8,331)	(7,858)	(7,411)	(6,990)	(6,593)	(6,218)	(5,864)	
26.	<b>ACCUMULATED PV OF TOTAL TAXES</b>	<b>(993,651)</b>	<b>(1,003,578)</b>	<b>(1,012,942)</b>	<b>(1,021,775)</b>	<b>(1,030,106)</b>	<b>(1,037,963)</b>	<b>(1,045,375)</b>	<b>(1,052,365)</b>	<b>(1,058,958)</b>	<b>(1,065,175)</b>	<b>(1,071,040)</b>	
<b><u>ACCUMULATED NPV AND PI</u></b>													
27.	Net Present Value	<u>(119,001)</u>	<u>(93,071)</u>	<u>(68,527)</u>	<u>(45,291)</u>	<u>(23,291)</u>	<u>(2,459)</u>	<u>17,271</u>	<u>35,957</u>	<u>53,657</u>	<u>70,424</u>	<u>86,310</u>	
28.	Profitability Index	<u>0.954</u>	<u>0.964</u>	<u>0.974</u>	<u>0.982</u>	<u>0.991</u>	<u>0.999</u>	<u>1.007</u>	<u>1.014</u>	<u>1.021</u>	<u>1.027</u>	<u>1.033</u>	

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

**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	0.092	0.088	0.083	0.079	0.074	0.070	0.067	0.063	0.060	0.057	0.054	0.051
<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>(2,587,959)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>	<b>(2,587,959)</b>
<b><u>CCA TAX SHIELD</u></b>													
11.	CCA Tax Shield	3,347	3,146	2,958	2,780	2,613	2,456	2,309	2,171	2,040	1,918	1,803	15,459
12.	PV Of CCA Tax Shield At Project Outset	309	275	245	218	194	173	154	137	122	109	97	787
13.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>	<b>354,317</b>	<b>354,592</b>	<b>354,837</b>	<b>355,055</b>	<b>355,250</b>	<b>355,423</b>	<b>355,577</b>	<b>355,714</b>	<b>355,836</b>	<b>355,945</b>	<b>356,042</b>	<b>356,828</b>
<b><u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u></b>													
14.	Gas Distribution Revenue	518,510	518,510	518,510	518,510	518,510	518,510	518,510	518,510	518,510	518,510	518,510	518,510
15.	Gas Costs	(234,762)	(234,762)	(234,762)	(234,762)	(234,762)	(234,762)	(234,762)	(234,762)	(234,762)	(234,762)	(234,762)	(234,762)
16.	O&M	(64,316)	(64,316)	(64,316)	(64,316)	(64,316)	(64,316)	(64,316)	(64,316)	(64,316)	(64,316)	(64,316)	(64,316)
17.	Net Operating Cash (Before Taxes)	219,433	219,433	219,433	219,433	219,433	219,433	219,433	219,433	219,433	219,433	219,433	219,433
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	20,273	19,203	18,189	17,229	16,319	15,458	14,642	13,869	13,137	12,443	11,786	11,164
19.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>	<b>3,411,575</b>	<b>3,430,777</b>	<b>3,448,966</b>	<b>3,466,195</b>	<b>3,482,514</b>	<b>3,497,972</b>	<b>3,512,614</b>	<b>3,526,483</b>	<b>3,539,620</b>	<b>3,552,063</b>	<b>3,563,849</b>	<b>3,575,013</b>
<b><u>TAXES</u></b>													
20.	Income Tax (Before Interest Tax Shield)	(58,720)	(58,816)	(58,874)	(58,886)	(58,894)	(58,899)	(58,902)	(58,905)	(58,906)	(58,907)	(58,908)	(58,908)
21.	Municipal Tax	(1,142)	(786)	(569)	(527)	(497)	(477)	(464)	(457)	(451)	(448)	(446)	(444)
22.	Capital Tax	-	-	-	-	-	-	-	-	-	-	-	-
23.	Federal Tax	-	-	-	-	-	-	-	-	-	-	-	-
24.	Total Taxes	(59,862)	(59,602)	(59,444)	(59,413)	(59,391)	(59,376)	(59,367)	(59,361)	(59,357)	(59,355)	(59,353)	(59,352)
25.	PV of Total Taxes At Project Outset	(5,531)	(5,216)	(4,927)	(4,665)	(4,417)	(4,183)	(3,961)	(3,752)	(3,554)	(3,366)	(3,188)	(3,020)
26.	<b>ACCUMULATED PV OF TOTAL TAXES</b>	<b>(1,076,570)</b>	<b>(1,081,786)</b>	<b>(1,086,713)</b>	<b>(1,091,378)</b>	<b>(1,095,795)</b>	<b>(1,099,978)</b>	<b>(1,103,939)</b>	<b>(1,107,691)</b>	<b>(1,111,244)</b>	<b>(1,114,610)</b>	<b>(1,117,798)</b>	<b>(1,120,818)</b>
<b><u>ACCUMULATED NPV AND PI</u></b>													
27.	Net Present Value	101,362	115,624	129,131	141,913	154,010	165,458	176,292	186,547	196,252	205,438	214,133	223,064
28.	Profitability Index	1.039	1.045	1.050	1.055	1.060	1.064	1.068	1.072	1.076	1.079	1.083	1.086

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