

**Financial Feasibility - 38 year Horizon
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>
Line No.	Description	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
	Discount factors to project outset	0.989	0.953	0.906	0.861	0.818	0.778	0.739	0.703	0.668	0.635
<u>INCREMENTAL CAPITAL INVESTMENT</u>											
1.	Investment In Mains	-	-	-	-	-	-	-	-	-	-
2.	Investment in Services	-	-	-	-	-	-	-	-	-	-
3.	Investment in Stations	(1,644,885)	-	-	-	-	-	-	-	-	-
4.	Investment in Meters	-	-	-	-	-	-	-	-	-	-
5.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-
6.	Net Investment Capital	(1,644,885)	-	-	-	-	-	-	-	-	-
7.	Working Capital	-	-	-	-	-	-	-	-	-	-
8.	Total Investments	(1,644,885)	-	-	-	-	-	-	-	-	-
9.	PV of Net Investment At Project outset	(1,626,109)	-	-	-	-	-	-	-	-	-
10.	ACCUMULATED PV OF TOTAL INVESTMENT	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)
<u>CCA TAX SHIELD</u>											
11.	CCA Tax Shield	-	13,018	25,256	23,740	22,316	20,977	19,718	18,535	17,423	16,378
12.	PV Of CCA Tax Shield At Project Outset	-	12,404	22,874	20,439	18,262	16,318	14,580	13,028	11,641	10,401
13.	ACCUMULATED PV OF CCA TAX SHIELD	-	12,404	35,279	55,718	73,980	90,298	104,878	117,906	129,547	139,948
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>											
14.	Gas Distribution Revenue	-	-	-	-	-	-	-	-	-	-
15.	Gas Costs	-	-	-	-	-	-	-	-	-	-
16.	O&M	-	-	-	-	-	-	-	-	-	-
17.	Net Operating Cash (Before Taxes)	-	-	-	-	-	-	-	-	-	-
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	-	-	-	-	-	-	-	-	-	-
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	-	-	-	-	-	-	-	-	-	-
<u>TAXES</u>											
20.	Income Tax (Before Interest Tax Shield)	-	3,263	3,177	3,090	3,004	2,918	2,832	2,745	2,659	2,573
21.	Municipal Tax	-	(12,176)	(11,854)	(11,532)	(11,210)	(10,888)	(10,566)	(10,244)	(9,922)	(9,600)
22.	Total Taxes	-	(8,913)	(8,677)	(8,441)	(8,205)	(7,970)	(7,734)	(7,498)	(7,263)	(7,027)
23.	PV of Total Taxes At Project Outset	-	(8,492)	(7,859)	(7,267)	(6,715)	(6,200)	(5,719)	(5,270)	(4,852)	(4,463)
24.	ACCUMULATED PV OF TOTAL TAXES	-	(8,492)	(16,351)	(23,618)	(30,333)	(36,533)	(42,252)	(47,522)	(52,375)	(56,837)
<u>ACCUMULATED NPV AND PI</u>											
25.	Net Present Value	(1,626,109)	(1,622,197)	(1,607,181)	(1,594,010)	(1,582,462)	(1,572,344)	(1,563,483)	(1,555,725)	(1,548,937)	(1,542,998)
26.	Profitability Index	-	0.002	0.012	0.020	0.027	0.033	0.039	0.043	0.047	0.051

Note a) Construction period from June 18 2018 to November 30 2018 .
Considered mid-term discounting, $0.5^* 5.43/12 = 0.2264$. June 18 2018 is project outset as time 0.

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Line No.	Col. 1 Description	Col. 12 Year 10	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
	Discount factors to project outset	0.604	0.574	0.545	0.518	0.493	0.468	0.445	0.423	0.402	0.382	0.364
<u>INCREMENTAL CAPITAL INVESTMENT</u>												
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.	ACCUMULATED PV OF TOTAL INVESTMENT	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)
<u>CCA TAX SHIELD</u>												
11.	CCA Tax Shield	15,395	14,471	13,603	12,787	12,020	11,298	10,621	9,983	9,384	8,821	8,292
12.	PV Of CCA Tax Shield At Project Outset	9,294	8,304	7,420	6,630	5,924	5,293	4,729	4,226	3,776	3,374	3,015
13.	ACCUMULATED PV OF CCA TAX SHIELD	149,242	157,546	164,965	171,595	177,519	182,812	187,541	191,767	195,543	198,917	201,932
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>												
14.	Gas Distribution Revenue	-	-	-	-	-	-	-	-	-	-	-
15.	Gas Costs	-	-	-	-	-	-	-	-	-	-	-
16.	O&M	-	-	-	-	-	-	-	-	-	-	-
17.	Net Operating Cash (Before Taxes)	-	-	-	-	-	-	-	-	-	-	-
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	-	-	-	-	-	-	-	-	-	-	-
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	-	-	-	-	-	-	-	-	-	-	-
<u>TAXES</u>												
20.	Income Tax (Before Interest Tax Shield)	2,486	2,400	2,314	2,228	2,141	2,055	1,969	1,882	1,796	1,710	1,624
21.	Municipal Tax	(9,278)	(8,956)	(8,634)	(8,312)	(7,990)	(7,668)	(7,346)	(7,024)	(6,702)	(6,380)	(6,058)
22.	Total Taxes	(6,791)	(6,556)	(6,320)	(6,084)	(5,849)	(5,613)	(5,377)	(5,141)	(4,906)	(4,670)	(4,434)
23.	PV of Total Taxes At Project Outset	(4,100)	(3,762)	(3,447)	(3,155)	(2,882)	(2,629)	(2,395)	(2,176)	(1,974)	(1,786)	(1,612)
24.	ACCUMULATED PV OF TOTAL TAXES	(60,937)	(64,699)	(68,146)	(71,301)	(74,183)	(76,813)	(79,207)	(81,383)	(83,357)	(85,143)	(86,756)
<u>ACCUMULATED NPV AND PI</u>												
25.	Net Present Value	(1,537,805)	(1,533,262)	(1,529,290)	(1,525,815)	(1,522,773)	(1,520,110)	(1,517,775)	(1,515,725)	(1,513,923)	(1,512,335)	(1,510,933)
26.	Profitability Index	0.054	0.057	0.060	0.062	0.064	0.065	0.067	0.068	0.069	0.070	0.071

Note a) Construction period from June 18 2018 to November 30 2018 .
Considered mid-term discounting, $0.5^* 5.43/12 = 0.2264$. June 18 2018 is project outset as time 0.

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	<u>Col. 1</u>	<u>Col. 23</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>
Line No.	Description	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29
	Discount factors to project outset	0.346	0.328	0.312	0.297	0.282	0.268	0.255	0.242	0.230
<u>INCREMENTAL CAPITAL INVESTMENT</u>										
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.	ACCUMULATED PV OF TOTAL INVESTMENT	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)
<u>CCA TAX SHIELD</u>										
11.	CCA Tax Shield	7,794	7,327	6,887	6,474	6,086	5,720	5,377	5,055	4,751
12.	PV Of CCA Tax Shield At Project Outset	2,694	2,407	2,151	1,922	1,717	1,534	1,371	1,225	1,094
13.	ACCUMULATED PV OF CCA TAX SHIELD	204,625	207,032	209,183	211,104	212,821	214,355	215,726	216,951	218,045
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>										
14.	Gas Distribution Revenue	-	-	-	-	-	-	-	-	-
15.	Gas Costs	-	-	-	-	-	-	-	-	-
16.	O&M	-	-	-	-	-	-	-	-	-
17.	Net Operating Cash (Before Taxes)	-	-	-	-	-	-	-	-	-
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	-	-	-	-	-	-	-	-	-
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	-	-	-	-	-	-	-	-	-
<u>TAXES</u>										
20.	Income Tax (Before Interest Tax Shield)	1,537	1,451	1,365	1,278	1,192	1,106	1,019	933	847
21.	Municipal Tax	(5,736)	(5,414)	(5,092)	(4,770)	(4,448)	(4,126)	(3,804)	(3,482)	(3,160)
22.	Total Taxes	(4,199)	(3,963)	(3,727)	(3,492)	(3,256)	(3,020)	(2,785)	(2,549)	(2,313)
23.	PV of Total Taxes At Project Outset	(1,451)	(1,302)	(1,164)	(1,036)	(919)	(810)	(710)	(618)	(533)
24.	ACCUMULATED PV OF TOTAL TAXES	(88,207)	(89,508)	(90,672)	(91,709)	(92,627)	(93,437)	(94,147)	(94,765)	(95,297)
<u>ACCUMULATED NPV AND PI</u>										
25.	Net Present Value	(1,509,690)	(1,508,585)	(1,507,599)	(1,506,714)	(1,505,915)	(1,505,191)	(1,504,530)	(1,503,923)	(1,503,361)
26.	Profitability Index	0.072	0.072	0.073	0.073	0.074	0.074	0.075	0.075	0.075

Note a) Construction period from June 18 2018 to November 30 2018 .
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Line No.	Description	Col. 1 Year 30	Col. 32 Year 31	Col. 33 Year 32	Col. 34 Year 33	Col. 35 Year 34	Col. 36 Year 35	Col. 37 Year 36	Col. 38 Year 37	Col. 39 Year 38	Col. 40 Year 38
	Discount factors to project outset	0.219	0.208	0.198	0.188	0.179	0.170	0.162	0.154	0.146	
<u>INCREMENTAL CAPITAL INVESTMENT</u>											
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.	ACCUMULATED PV OF TOTAL INVESTMENT	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)	(1,626,109)
<u>CCA TAX SHIELD</u>											
11.	CCA Tax Shield	4,466	4,198	3,946	3,710	3,487	3,278	3,081	2,896	25,568	
12.	PV Of CCA Tax Shield At Project Outset	978	874	781	698	623	557	498	445	3,731	
13.	ACCUMULATED PV OF CCA TAX SHIELD	219,023	219,897	220,677	221,375	221,998	222,555	223,053	223,497	227,228	
<u>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</u>											
14.	Gas Distribution Revenue	-	-	-	-	-	-	-	-	-	-
15.	Gas Costs	-	-	-	-	-	-	-	-	-	-
16.	O&M	-	-	-	-	-	-	-	-	-	-
17.	Net Operating Cash (Before Taxes)	-	-	-	-	-	-	-	-	-	-
18.	PV of Net Operating Cash (Before Taxes) At Project Outset	-	-	-	-	-	-	-	-	-	-
19.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	-	-	-	-	-	-	-	-	-	-
<u>TAXES</u>											
20.	Income Tax (Before Interest Tax Shield)	761	674	588	502	415	329	243	157	70	
21.	Municipal Tax	(2,838)	(2,516)	(2,194)	(1,872)	(1,550)	(1,228)	(906)	(584)	(262)	
22.	Total Taxes	(2,077)	(1,842)	(1,606)	(1,370)	(1,135)	(899)	(663)	(428)	(192)	
23.	PV of Total Taxes At Project Outset	(455)	(383)	(318)	(258)	(203)	(153)	(107)	(66)	(28)	
24.	ACCUMULATED PV OF TOTAL TAXES	(95,752)	(96,135)	(96,453)	(96,711)	(96,914)	(97,066)	(97,174)	(97,239)	(97,267)	
<u>ACCUMULATED NPV AND PI</u>											
25.	Net Present Value	(1,502,838)	(1,502,348)	(1,501,885)	(1,501,445)	(1,501,025)	(1,500,621)	(1,500,230)	(1,499,851)	(1,496,148)	
26.	Profitability Index	0.076	0.076	0.076	0.077	0.077	0.077	0.077	0.078	0.080	

Note a) Construction period from June 18 2018 to November 30 2018 .
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