

**Boulevard Lorrain Relocation Pipe
Financial Feasibility
DCF Analysis**

| | Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 | Col. 7 | Col. 8 | Col. 9 | Col. 10 | Col. 11 |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Line No. | Description | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 |
| <u>INCREMENTAL CAPITAL INVESTMENT</u> | | | | | | | | | | | |
| 1. | Investment In Mains | (774,670) | - | - | - | - | - | - | - | - | - |
| 2. | Investment in Services | - | - | - | - | - | - | - | - | - | - |
| 3. | Investment in Stations | - | - | - | - | - | - | - | - | - | - |
| 4. | Investment in Meters | - | - | - | - | - | - | - | - | - | - |
| 5. | Contribution In Aid Of Construction | - | - | - | - | - | - | - | - | - | - |
| 6. | Net Investment Capital | (774,670) | - | - | - | - | - | - | - | - | - |
| 7. | Working Capital | - | - | - | - | - | - | - | - | - | - |
| 8. | Total Investments | (774,670) | - | - | - | - | - | - | - | - | - |
| 9. | PV of Net Investment At Project outset | (772,218) | - | - | - | - | - | - | - | - | - |
| 10. | ACCUMULATED PV OF TOTAL INVESTMENT | (772,218) | (772,218) | (772,218) | (772,218) | (772,218) | (772,218) | (772,218) | (772,218) | (772,218) | (772,218) |
| <u>CCA TAX SHIELD</u> | | | | | | | | | | | |
| 11. | CCA Tax Shield | - | 6,228 | 12,083 | 11,358 | 10,677 | 10,036 | 9,434 | 8,868 | 8,336 | 7,836 |
| 12. | PV Of CCA Tax Shield At Project Outset | - | 6,034 | 11,127 | 9,942 | 8,884 | 7,938 | 7,093 | 6,337 | 5,663 | 5,060 |
| 13. | ACCUMULATED PV OF CCA TAX SHIELD | - | 6,034 | 17,161 | 27,104 | 35,987 | 43,925 | 51,018 | 57,355 | 63,018 | 68,077 |
| <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) | - | 1,525 | 1,493 | 1,460 | 1,428 | 1,396 | 1,364 | 1,331 | 1,299 | 1,267 |
| 21. | Municipal Tax | - | (5,690) | (5,569) | (5,449) | (5,329) | (5,209) | (5,088) | (4,968) | (4,848) | (4,728) |
| 22. | Total Taxes | - | (4,165) | (4,077) | (3,989) | (3,901) | (3,813) | (3,725) | (3,637) | (3,549) | (3,461) |
| 23. | PV of Total Taxes At Project Outset | - | (4,035) | (3,754) | (3,492) | (3,246) | (3,016) | (2,800) | (2,599) | (2,411) | (2,235) |
| 24. | ACCUMULATED PV OF TOTAL TAXES | - | (4,035) | (7,789) | (11,281) | (14,527) | (17,542) | (20,343) | (22,942) | (25,352) | (27,587) |
| <u>ACCUMULATED NPV AND PI</u> | | | | | | | | | | | |
| 25. | Net Present Value | (772,218) | (770,219) | (762,846) | (756,396) | (750,758) | (745,836) | (741,543) | (737,805) | (734,553) | (731,728) |
| 26. | Profitability Index | - | 0.003 | 0.012 | 0.020 | 0.028 | 0.034 | 0.040 | 0.045 | 0.049 | 0.052 |

Note a) Construction period September 15 2018 - October 31 2018.

Note b) Year 1 of project is defined as November 1 2018 - October 31 2019. Year 2 from November 1 2019 - October 31 2020 and so on.

**Boulevard Lorrain Relocation Pipe
Financial Feasibility
DCF Analysis**

| | Col. 1 | Col. 12 | Col. 13 | Col. 14 | Col. 15 | Col. 16 | Col. 17 | Col. 18 | Col. 19 | Col. 20 | Col. 21 | Col. 22 |
|--|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Line No. | Description | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
| <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 | (772,218) |
| <u>CCA TAX SHIELD</u> | | | | | | | | | | | | |
| 11. | CCA Tax Shield | 7,365 | 6,923 | 6,508 | 6,118 | 5,751 | 5,406 | 5,081 | 4,776 | 4,490 | 4,220 | 3,967 |
| 12. | PV Of CCA Tax Shield At Project Outset | 4,521 | 4,039 | 3,609 | 3,225 | 2,882 | 2,575 | 2,301 | 2,056 | 1,837 | 1,641 | 1,466 |
| 13. | ACCUMULATED PV OF CCA TAX SHIELD | 72,598 | 76,637 | 80,247 | 83,472 | 86,353 | 88,928 | 91,229 | 93,285 | 95,121 | 96,762 | 98,229 |
| <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) | 1,235 | 1,203 | 1,170 | 1,138 | 1,106 | 1,074 | 1,041 | 1,009 | 977 | 945 | 912 |
| 21. | Municipal Tax | (4,607) | (4,487) | (4,367) | (4,247) | (4,126) | (4,006) | (3,886) | (3,765) | (3,645) | (3,525) | (3,405) |
| 22. | Total Taxes | (3,373) | (3,285) | (3,197) | (3,108) | (3,020) | (2,932) | (2,844) | (2,756) | (2,668) | (2,580) | (2,492) |
| 23. | PV of Total Taxes At Project Outset | (2,070) | (1,916) | (1,773) | (1,639) | (1,514) | (1,397) | (1,288) | (1,186) | (1,092) | (1,003) | (921) |
| 24. | ACCUMULATED PV OF TOTAL TAXES | (29,657) | (31,573) | (33,346) | (34,985) | (36,498) | (37,895) | (39,183) | (40,369) | (41,461) | (42,464) | (43,386) |
| <u>ACCUMULATED NPV AND PI</u> | | | | | | | | | | | | |
| 25. | Net Present Value | (729,277) | (727,154) | (725,318) | (723,731) | (722,363) | (721,185) | (720,172) | (719,303) | (718,558) | (717,920) | (717,375) |
| 26. | Profitability Index | 0.056 | 0.058 | 0.061 | 0.063 | 0.065 | 0.066 | 0.067 | 0.069 | 0.069 | 0.070 | 0.071 |

Note a) Construction period September 15 2018 - October 31 2018 .

Note b) Year 1 of project is defined as November 1 2018 - October 31 2019. Year 2 from November 1 2019 - October

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| | Col. 1 | Col. 23 | Col. 24 | Col. 25 | Col. 26 | Col. 27 | Col. 28 | Col. 29 | Col. 30 | Col. 31 |
|--|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Line No. | Description | Year 21 | Year 22 | Year 23 | Year 24 | Year 25 | Year 26 | Year 27 | Year 28 | Year 29 |
| <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 | (772,218) |
| <u>CCA TAX SHIELD</u> | | | | | | | | | | |
| 11. | CCA Tax Shield | 3,729 | 3,505 | 3,295 | 3,097 | 2,911 | 2,737 | 2,573 | 2,418 | 2,273 |
| 12. | PV Of CCA Tax Shield At Project Outset | 1,310 | 1,171 | 1,046 | 935 | 835 | 746 | 667 | 596 | 532 |
| 13. | ACCUMULATED PV OF CCA TAX SHIELD | 99,539 | 100,710 | 101,756 | 102,691 | 103,526 | 104,272 | 104,939 | 105,535 | 106,067 |
| <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) | 880 | 848 | 816 | 784 | 751 | 719 | 687 | 655 | 622 |
| 21. | Municipal Tax | (3,284) | (3,164) | (3,044) | (2,924) | (2,803) | (2,683) | (2,563) | (2,443) | (2,322) |
| 22. | Total Taxes | (2,404) | (2,316) | (2,228) | (2,140) | (2,052) | (1,964) | (1,876) | (1,788) | (1,700) |
| 23. | PV of Total Taxes At Project Outset | (845) | (774) | (707) | (646) | (589) | (536) | (486) | (441) | (398) |
| 24. | ACCUMULATED PV OF TOTAL TAXES | (44,230) | (45,004) | (45,711) | (46,357) | (46,946) | (47,481) | (47,968) | (48,408) | (48,806) |
| <u>ACCUMULATED NPV AND PI</u> | | | | | | | | | | |
| 25. | Net Present Value | (716,909) | (716,512) | (716,174) | (715,885) | (715,638) | (715,427) | (715,247) | (715,092) | (714,957) |
| 26. | Profitability Index | 0.072 | 0.072 | 0.073 | 0.073 | 0.073 | 0.074 | 0.074 | 0.074 | 0.074 |

Note a) Construction period September 15 2018 - October 31 2018.

Note b) Year 1 of project is defined as November 1 2018 - October 31 2019. Year 2 from November 1 2019 - October

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| | Col. 1 | Col. 32 | Col. 33 | Col. 34 | Col. 35 | Col. 36 | Col. 37 | Col. 38 | Col. 39 | Col. 40 |
|--|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Line No. | Description | Year 30 | Year 31 | Year 32 | Year 33 | Year 34 | Year 35 | Year 36 | Year 37 | Year 38 |
| <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 | (772,218) |
| <u>CCA TAX SHIELD</u> | | | | | | | | | | |
| 11. | CCA Tax Shield | 2,137 | 2,009 | 1,888 | 1,775 | 1,668 | 1,568 | 1,474 | 1,386 | 1,302 |
| 12. | PV Of CCA Tax Shield At Project Outset | 476 | 425 | 380 | 339 | 303 | 271 | 242 | 216 | 193 |
| 13. | ACCUMULATED PV OF CCA TAX SHIELD | 106,543 | 106,968 | 107,348 | 107,687 | 107,990 | 108,261 | 108,503 | 108,719 | 108,913 |
| <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) | 590 | 558 | 526 | 493 | 461 | 429 | 397 | 365 | 332 |
| 21. | Municipal Tax | (2,202) | (2,082) | (1,961) | (1,841) | (1,721) | (1,601) | (1,480) | (1,360) | (1,240) |
| 22. | Total Taxes | (1,612) | (1,524) | (1,436) | (1,348) | (1,260) | (1,172) | (1,084) | (996) | (908) |
| 23. | PV of Total Taxes At Project Outset | (359) | (322) | (289) | (258) | (229) | (202) | (178) | (155) | (135) |
| 24. | ACCUMULATED PV OF TOTAL TAXES | (49,165) | (49,487) | (49,776) | (50,034) | (50,263) | (50,465) | (50,643) | (50,799) | (50,933) |
| <u>ACCUMULATED NPV AND PI</u> | | | | | | | | | | |
| 25. | Net Present Value | (714,840) | (714,738) | (714,647) | (714,565) | (714,491) | (714,423) | (714,358) | (714,298) | (714,239) |
| 26. | Profitability Index | 0.074 | 0.074 | 0.075 | 0.075 | 0.075 | 0.075 | 0.075 | 0.075 | 0.075 |

Note a) Construction period September 15 2018 - October 31 2018.

Note b) Year 1 of project is defined as November 1 2018 - October 31 2019. Year 2 from November 1 2019 - October