

**Projet Bourgeau Nord pipe replacement project
 Financial Feasibility - 40 years
 Parameters and Results**

Base Case

Line No.	<u>Col. 1</u> Description	<u>Col. 2</u>
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FEASIBILITY PARAMETERS

1,	Discount Rate	6,23%
2,	CCA Rate	6,00%
3,	Tax Rate	26,50%
4,	Municipal Tax rate	0,75%

Capital Costs		
5,	Mains (Dollars)	1 934 385
6,	Services (Dollars)	1 277 862

FEASIBILITY RESULTS

7,	Net Present Value (Dollars)	(2 846 766)
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DCF Analysis - 40 Year Horizon
 Projet Bourgeau Nord pipe replacement project

(\$)	Project Total	1	2	3	4	5	6	7	8	9	10
Operating Cash Flow											
Revenue	-	0	0	0	0	0	0	0	0	0	0
Expenses:											
Gas Cost	-	0	0	0	0	0	0	0	0	0	0
O & M Expense	-	0	0	0	0	0	0	0	0	0	0
Municipal Tax + Regie du batiment	(408 838)	(23 400)	(22 645)	(21 890)	(21 135)	(20 380)	(19 625)	(18 870)	(18 115)	(17 360)	(16 605)
Income Tax	108 342	6 201	6 001	5 801	5 601	5 401	5 201	5 001	4 800	4 600	4 400
Net Operating Cash Flow	(300 496)	(17 199)	(16 644)	(16 089)	(15 534)	(14 979)	(14 424)	(13 869)	(13 315)	(12 760)	(12 205)
Capital											
Incremental Capital	(3 212 247)	(3 212 247)	0	0	0	0	0	0	0	0	0
Change in Working Capital	-	-	-	-	-	-	-	-	-	-	-
Total Capital	(3 212 247)	(3 212 247)	-	-	-	-	-	-	-	-	-
CCA Tax Shield											
CCA Tax Shield	773 088	72 591	44 038	41 396	38 912	36 578	34 383	32 320	30 381	28 558	26 844
Net Present Value											
PV of Operating Cash Flow	(149 421)	(15 241)	(13 884)	(12 634)	(11 483)	(10 423)	(9 449)	(8 552)	(7 729)	(6 972)	(6 278)
PV of Capital	(3 080 760)	(3 080 760)	-	-	-	-	-	-	-	-	-
PV of CCA Tax Shield	383 414	64 326	36 736	32 507	28 764	25 453	22 522	19 929	17 635	15 605	13 808
Total NPV by Year	(2 846 766)	(3 031 674)	22 852	19 872	17 281	15 029	13 074	11 377	9 906	8 632	7 530
Cumulative NPV											
	(2 846 766)										
Profitability Index											
By Year PI		0,02	0,02	0,03	0,04	0,04	0,04	0,05	0,05	0,05	0,06
Project PI	0,08										

DCF Analysis - 40 Year Horizon
 Projet Bourgeau Nord pipe replac

(\$)	11	12	13	14	15	16	17	18	19	20
<u>Operating Cash Flow</u>										
Revenue	0	0	0	0	0	0	0	0	0	0
Expenses:										
Gas Cost	0	0	0	0	0	0	0	0	0	0
O & M Expense	0	0	0	0	0	0	0	0	0	0
Municipal Tax + Regie du batin	(15 850)	(15 095)	(14 340)	(13 585)	(12 830)	(12 075)	(11 320)	(10 565)	(9 810)	(9 056)
Income Tax	4 200	4 000	3 800	3 600	3 400	3 200	3 000	2 800	2 600	2 400
Net Operating Cash Flow	(11 650)	(11 095)	(10 540)	(9 985)	(9 430)	(8 875)	(8 320)	(7 766)	(7 211)	(6 656)
<u>Capital</u>										
Incremental Capital	0	0	0	0	0	0	0	0	0	0
Change in Working Capital	-	-	-	-	-	-	-	-	-	-
Total Capital	-	-	-	-	-	-	-	-	-	-
<u>CCA Tax Shield</u>										
CCA Tax Shield	25 234	23 720	22 297	20 959	19 701	18 519	17 408	16 364	15 382	14 459
<u>Net Present Value</u>										
PV of Operating Cash Flow	(5 641)	(5 057)	(4 523)	(4 033)	(3 586)	(3 177)	(2 804)	(2 463)	(2 153)	(1 871)
PV of Capital	-	-	-	-	-	-	-	-	-	-
PV of CCA Tax Shield	12 218	10 812	9 567	8 466	7 491	6 629	5 865	5 190	4 593	4 064
Total NPV by Year	6 577	5 755	5 044	4 432	3 905	3 452	3 062	2 727	2 440	2 193
<u>Cumulative NPV</u>										
<u>Profitability Index</u>										
By Year PI	0,06	0,06	0,06	0,06	0,07	0,07	0,07	0,07	0,07	0,07
Project PI										

DCF Analysis - 40 Year Horizon
 Projet Bourgeau Nord pipe replac

(\$)	21	22	23	24	25	26	27	28	29	30
Operating Cash Flow										
Revenue	0	0	0	0	0	0	0	0	0	0
Expenses:										
Gas Cost	0	0	0	0	0	0	0	0	0	0
O & M Expense	0	0	0	0	0	0	0	0	0	0
Municipal Tax + Regie du batin	(8 301)	(7 546)	(6 791)	(6 354)	(6 013)	(5 672)	(5 331)	(4 990)	(4 649)	(4 308)
Income Tax	2 200	2 000	1 800	1 684	1 593	1 503	1 413	1 322	1 232	1 142
Net Operating Cash Flow	(6 101)	(5 546)	(4 991)	(4 670)	(4 419)	(4 169)	(3 918)	(3 668)	(3 417)	(3 167)
Capital										
Incremental Capital	0	0	0	0	0	0	0	0	0	0
Change in Working Capital	-	-	-	-	-	-	-	-	-	-
Total Capital	-	-	-	-	-	-	-	-	-	-
CCA Tax Shield										
CCA Tax Shield	13 591	12 776	12 009	11 289	10 611	9 975	9 376	8 814	8 285	7 788
Net Present Value										
PV of Operating Cash Flow	(1 614)	(1 381)	(1 170)	(1 031)	(918)	(815)	(721)	(636)	(558)	(486)
PV of Capital	-	-	-	-	-	-	-	-	-	-
PV of CCA Tax Shield	3 596	3 182	2 816	2 492	2 205	1 951	1 726	1 528	1 352	1 196
Total NPV by Year	1 982	1 801	1 645	1 461	1 286	1 136	1 005	892	794	710
Cumulative NPV										
Profitability Index										
By Year PI	0,07	0,07	0,07	0,07	0,07	0,07	0,07	0,07	0,07	0,07
Project PI										

DCF Analysis - 40 Year Horizon
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(\$)	31	32	33	34	35	36	37	38	39	40
Operating Cash Flow										
Revenue	0	0	0	0	0	0	0	0	0	0
Expenses:										
Gas Cost	0	0	0	0	0	0	0	0	0	0
O & M Expense	0	0	0	0	0	0	0	0	0	0
Municipal Tax + Regie du batin	(3 967)	(3 626)	(3 285)	(2 944)	(2 604)	(2 263)	(1 922)	(1 581)	(1 240)	(899)
Income Tax	1 051	961	871	780	690	600	509	419	329	238
Net Operating Cash Flow	(2 916)	(2 665)	(2 415)	(2 164)	(1 914)	(1 663)	(1 412)	(1 162)	(911)	(661)
Capital										
Incremental Capital	0	0	0	0	0	0	0	0	0	0
Change in Working Capital	-	-	-	-	-	-	-	-	-	-
Total Capital	-	-	-	-	-	-	-	-	-	-
CCA Tax Shield										
CCA Tax Shield	7 320	6 881	6 468	6 080	5 715	5 373	5 050	4 747	4 462	36 434
Net Present Value										
PV of Operating Cash Flow	(422)	(363)	(309)	(261)	(217)	(178)	(142)	(110)	(81)	(55)
PV of Capital	-	-	-	-	-	-	-	-	-	-
PV of CCA Tax Shield	1 058	937	829	733	649	574	508	450	398	3 058
Total NPV by Year	637	574	519	472	432	396	366	340	317	3 002
Cumulative NPV										
Profitability Index										
By Year PI	0,07	0,07	0,07	0,07	0,07	0,07	0,07	0,07	0,07	0,08
Project PI										