

## Test Project

### Standard 20-Year Feasibility Model

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
1	Utility Plant in Service	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
2	Accumulated Depreciation	(\$37,500)	(\$75,000)	(\$112,500)	(\$150,000)	(\$187,500)	(\$225,000)	(\$262,500)	(\$300,000)	(\$337,500)	(\$375,000)	(\$412,500)	(\$450,000)	(\$487,500)	(\$525,000)	(\$562,500)	(\$600,000)	(\$637,500)	(\$675,000)	(\$712,500)	(\$750,000)
3	Net Utility Plant in Service	\$1,462,500	\$1,425,000	\$1,387,500	\$1,350,000	\$1,312,500	\$1,275,000	\$1,237,500	\$1,200,000	\$1,162,500	\$1,125,000	\$1,087,500	\$1,050,000	\$1,012,500	\$975,000	\$937,500	\$900,000	\$862,500	\$825,000	\$787,500	\$750,000
4	Accumulated Deferred Taxes	(\$203,475)	(\$215,647)	(\$225,834)	(\$234,192)	(\$240,852)	(\$245,945)	(\$249,585)	(\$251,885)	(\$253,966)	(\$256,044)	(\$258,125)	(\$260,202)	(\$262,283)	(\$264,360)	(\$266,441)	(\$268,518)	(\$270,599)	(\$272,676)	(\$274,757)	(\$276,835)
5	Incremental Utility Rate Base (End of Year)	\$1,259,025	\$1,209,353	\$1,161,666	\$1,115,808	\$1,071,648	\$1,029,055	\$987,915	\$948,115	\$908,534	\$868,956	\$829,375	\$789,798	\$750,217	\$710,640	\$671,059	\$631,482	\$591,901	\$552,324	\$512,743	\$473,165
6	Incremental Utility Rate Base (Average)	\$1,379,513	\$1,234,189	\$1,185,510	\$1,138,737	\$1,093,728	\$1,050,352	\$1,008,485	\$968,015	\$928,324	\$888,745	\$849,166	\$809,587	\$770,008	\$730,429	\$690,850	\$651,270	\$611,691	\$572,112	\$532,533	\$492,954
7	Annual Throughput (Therms)	6,156,540	6,156,540	8,356,540	8,356,540	8,356,540	8,356,540	8,356,540	8,356,540	8,356,540	8,356,540	8,356,540	8,356,540	8,356,540	8,356,540	8,356,540	8,356,540	8,356,540	8,356,540	8,356,540	8,356,540
8	Average Applicable Rate (\$/Therm)	\$0.0320	\$0.0320	\$0.0297	\$0.0297	\$0.0297	\$0.0297	\$0.0297	\$0.0297	\$0.0297	\$0.0297	\$0.0297	\$0.0297	\$0.0297	\$0.0297	\$0.0297	\$0.0297	\$0.0297	\$0.0297	\$0.0297	\$0.0297
9	Operating Revenues - Current Rates	\$196,886	\$196,886	\$248,498	\$248,498	\$248,498	\$248,498	\$248,498	\$248,498	\$248,498	\$248,498	\$248,498	\$248,498	\$248,498	\$248,498	\$248,498	\$248,498	\$248,498	\$248,498	\$248,498	\$248,498
10	Depreciation and Amortization	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500
11	Incremental O&M	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
12	Taxes Other Than Income Taxes	\$56,248	\$56,248	\$76,348	\$76,348	\$76,348	\$76,348	\$76,348	\$76,348	\$76,348	\$76,348	\$76,348	\$76,348	\$76,348	\$76,348	\$76,348	\$76,348	\$76,348	\$76,348	\$76,348	\$76,348
13	Total Operating Expenses	\$108,748	\$108,748	\$128,848	\$128,848	\$128,848	\$128,848	\$128,848	\$128,848	\$128,848	\$128,848	\$128,848	\$128,848	\$128,848	\$128,848	\$128,848	\$128,848	\$128,848	\$128,848	\$128,848	\$128,848
14	Pre-Tax Operating Income	\$88,138	\$88,138	\$119,650	\$119,650	\$119,650	\$119,650	\$119,650	\$119,650	\$119,650	\$119,650	\$119,650	\$119,650	\$119,650	\$119,650	\$119,650	\$119,650	\$119,650	\$119,650	\$119,650	\$119,650
15	Interest Expense	\$31,039	\$27,769	\$26,674	\$25,622	\$24,609	\$23,633	\$22,691	\$21,780	\$20,887	\$19,997	\$19,106	\$18,216	\$17,325	\$16,435	\$15,544	\$14,654	\$13,763	\$12,873	\$11,982	\$11,091
16	Net Income Before Tax	\$57,099	\$60,369	\$92,976	\$94,029	\$95,041	\$96,017	\$96,959	\$97,870	\$98,763	\$99,653	\$100,544	\$101,434	\$102,325	\$103,215	\$104,106	\$104,997	\$105,887	\$106,778	\$107,668	\$108,559
17	Income Taxes	\$21,698	\$22,940	\$35,331	\$35,731	\$36,116	\$36,487	\$36,845	\$37,191	\$37,530	\$37,868	\$38,207	\$38,545	\$38,883	\$39,222	\$39,560	\$39,899	\$40,237	\$40,575	\$40,914	\$41,252
18	Net Income	\$35,401	\$37,429	\$57,645	\$58,298	\$58,926	\$59,531	\$60,115	\$60,679	\$61,233	\$61,785	\$62,337	\$62,889	\$63,441	\$63,994	\$64,546	\$65,098	\$65,650	\$66,202	\$66,754	\$67,306
19	Return on Average Rate Base	2.57%	3.03%	4.86%	5.12%	5.39%	5.67%	5.96%	6.27%	6.60%	6.95%	7.34%	7.77%	8.24%	8.76%	9.34%	10.00%	10.73%	11.57%	12.54%	13.65%
20	Return on Equity	5.13%	6.07%	9.72%	10.24%	10.78%	11.34%	11.92%	12.54%	13.19%	13.90%	14.68%	15.54%	16.48%	17.52%	18.69%	19.99%	21.47%	23.14%	25.07%	27.31%
21	Net Income	\$35,401	\$37,429	\$57,645	\$58,298	\$58,926	\$59,531	\$60,115	\$60,679	\$61,233	\$61,785	\$62,337	\$62,889	\$63,441	\$63,994	\$64,546	\$65,098	\$65,650	\$66,202	\$66,754	\$67,306
22	Depreciation	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500
23	Deferred Taxes	\$203,475	\$12,172	\$10,188	\$8,358	\$6,660	\$5,093	\$3,640	\$2,301	\$2,081	\$2,077	\$2,081	\$2,077	\$2,081	\$2,077	\$2,081	\$2,077	\$2,081	\$2,077	\$2,081	\$2,077
24	Capital Investment	-\$1,500,000																			
25	Customer Contribution (excluding gross-up)	\$0																			
26	Net Residual Value																				\$473,165
27	Net Cash Flow	-\$1,223,624	\$87,100	\$105,333	\$104,156	\$103,085	\$102,124	\$101,255	\$100,480	\$100,814	\$101,362	\$101,918	\$102,467	\$103,022	\$103,571	\$104,127	\$104,675	\$105,231	\$105,779	\$106,335	\$580,049
28	Target Rate of Return	6.40%																			
29	Internal Rate of Return (20 Years)	6.61%																			