

Exhibit JD 5
Spare Truck Rental Asset Return Analysis

This example illustrates the effect of using an affiliated companies capital structure. In example one the actual debt associated with the purchase is used. In example 2 the entire affiliated entity debt is used. We have used the affiliated entity debt structure for Heirborne which just built a transfer station for use by a separate affiliated company using bond financing. If the transfer station transaction had not occurred and the capital structure was not so greatly effected the rent allowed on the spare truck in this example would be far more. The method for calculating allowable rent is to treat the asset as if it were owned by the regulated company in which case you would get the actual return allowed using the actual debt.

EXAMPLE 1

	yr 1	yr 2	yr 3	yr 4	yr 5	yr 6	yr 7	yr 8	yr 9	yr 10	yr 11
Cost	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000
Salvage value	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
Depreciable basis	192,000	192,000	192,000	192,000	192,000	192,000	192,000	192,000	192,000	192,000	192,000
Prior depreciation		19,200	38,400	57,600	76,800	96,000	115,200	134,400	153,600	172,800	192,000
Basis, Beginning of year	240,000	220,800	201,600	182,400	163,200	144,000	124,800	105,600	86,400	67,200	48,000
Depreciation expense	19,200	19,200	19,200	19,200	19,200	19,200	19,200	19,200	19,200	19,200	
Basis, End of year	220,800	201,600	182,400	163,200	144,000	124,800	105,600	86,400	67,200	48,000	48,000
Average Investment	230,400	211,200	192,000	172,800	153,600	134,400	115,200	96,000	76,800	57,600	48,000
Financing - 5 years											
Balance at year end	192,000	144,000	96,000	48,000	0	0	0	0	0	0	0
Interest rate	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Return on Equity	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt percentage	83%	68%	50%	28%	0%	0%	0%	0%	0%	0%	0%
Equity percentage	17%	32%	50%	72%	100%	100%	100%	100%	100%	100%	100%
Return on debt portion	9,600	7,200	4,800	2,400	0	0	0	0	0	0	0
Return on equity portion	5,760	10,080	14,400	18,720	23,040	20,160	17,280	14,400	11,520	8,640	7,200
Subtotal return on investment	15,360	17,280	19,200	21,120	23,040	20,160	17,280	14,400	11,520	8,640	7,200

