

(Spending November 1 to October 31)

Input Capital Costs and Rates			
Cost of Capital	% of Capital	Cost	Weighted Cost
Pre Tax Long Term Debt	48.00%	6.22%	2.99%
Pre Tax Short Term Debt	4.00%	2.68%	0.11%
Common Equity	48.00%	9.80%	4.70%
Total Pre Tax Cost of Capital	100.00%		7.80%
Federal Tax Rate			35.00%
Revenue Sensitive Rate			4.39%
Depreciation Rate			2.77%
Property Tax Rate			
Incremental O&M - Dupont		\$ 700,000	
Incremental O&M - Cross Bore		\$ 7,000,000	
Bonus Tax Depreciation toggled (1 = yes, 2 = no)			2
Replacement Plan Investment			30,000,000
Normalized Investment (baseline)			2,400,000
Investment			\$ 27,600,000

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
1 Depreciation	\$ 764,520	\$ 764,520	\$ 764,520	\$ 764,520	\$ 764,520	\$ 764,520	\$ 764,520
2 O&M - Dupont	\$ 700,000						
3 O&M - Cross Bore	\$ 7,000,000						
4 Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5 Federal Taxes on Equity Return	\$ 686,676	\$ 656,350	\$ 621,680	\$ 589,213	\$ 558,728	\$ 530,041	\$ 502,614
Return on Rate Base							
6 Long Term Debt	\$ 809,397	\$ 773,651	\$ 732,785	\$ 694,516	\$ 658,582	\$ 624,768	\$ 592,439
7 Short Term Debt	\$ 29,062	\$ 27,778	\$ 26,311	\$ 24,937	\$ 23,647	\$ 22,433	\$ 21,272
8 Common Equity	\$ 1,275,256	\$ 1,218,935	\$ 1,154,549	\$ 1,094,253	\$ 1,037,637	\$ 984,361	\$ 933,425
9 Total Return	\$ 2,113,715	\$ 2,020,365	\$ 1,913,646	\$ 1,813,705	\$ 1,719,866	\$ 1,631,562	\$ 1,547,137
10 Cost of Service - Dupont	\$ 4,264,911	\$ 3,441,235	\$ 3,299,846	\$ 3,167,438	\$ 3,043,113	\$ 2,926,122	\$ 2,814,270
11 Revenue Sensitive Items	\$ 195,644	\$ 157,860	\$ 151,374	\$ 145,300	\$ 139,597	\$ 134,230	\$ 129,099
12 Total Dupont Cost of Service	\$ 4,460,556	\$ 3,599,094	\$ 3,451,220	\$ 3,312,738	\$ 3,182,710	\$ 3,060,353	\$ 2,943,370
13 Cost of Service - Cross Bore	\$ 7,000,000						
14 Revenue Sensitive Items	\$ 321,111						
15 Total Cross Bore Cost of Service	\$ 7,321,111						
16 Total Cost of Service (Capital & O&M)	\$ 11,781,667	\$ 3,599,094	\$ 3,451,220	\$ 3,312,738	\$ 3,182,710	\$ 3,060,353	\$ 2,943,370
Rate Base - net of deprec. & def. tax	\$ 27,110,031	\$ 25,912,743	\$ 24,543,990	\$ 23,262,177	\$ 22,058,610	\$ 20,926,044	\$ 19,843,227
Income Taxes							
Federal Taxable Equity Income	\$ 1,961,932	\$ 1,875,285	\$ 1,776,230	\$ 1,683,466	\$ 1,596,365	\$ 1,514,402	\$ 1,436,039
Less: Federal Tax Return	\$ 686,676	\$ 656,350	\$ 621,680	\$ 589,213	\$ 558,728	\$ 530,041	\$ 502,614
	\$ 1,275,256	\$ 1,218,935	\$ 1,154,549	\$ 1,094,253	\$ 1,037,637	\$ 984,361	\$ 933,425
Deferred Taxes							
Book Depreciation	\$ 764,520	\$ 764,520	\$ 764,520	\$ 764,520	\$ 764,520	\$ 764,520	\$ 764,520
Tax Depreciation	\$ 1,380,000	\$ 2,622,000	\$ 2,359,800	\$ 2,125,200	\$ 1,912,680	\$ 1,719,480	\$ 1,628,400
Book-Tax Difference	\$ 615,480	\$ 1,857,480	\$ 1,595,280	\$ 1,360,680	\$ 1,148,160	\$ 954,960	\$ 863,880
Tax Effect	\$ 215,418	\$ 650,118	\$ 558,348	\$ 476,238	\$ 401,856	\$ 334,236	\$ 302,358
MACRS Depreciation - 15 year	5.00%	9.50%	8.55%	7.70%	6.93%	6.23%	5.90%
Property Tax Base	\$ 27,325,449	\$ 26,560,929	\$ 25,796,409	\$ 25,031,889	\$ 24,267,369	\$ 23,502,849	\$ 22,738,329
Tax Calculation Check	0	0	0	0	0	0	0
MACRS Depreciation - 15 year	5.00%	9.50%	8.55%	7.70%	6.93%	6.23%	5.90%
MACRS Depreciation - 15 year - Bonus	52.50%	4.75%	4.28%	3.85%	3.47%	3.12%	2.95%