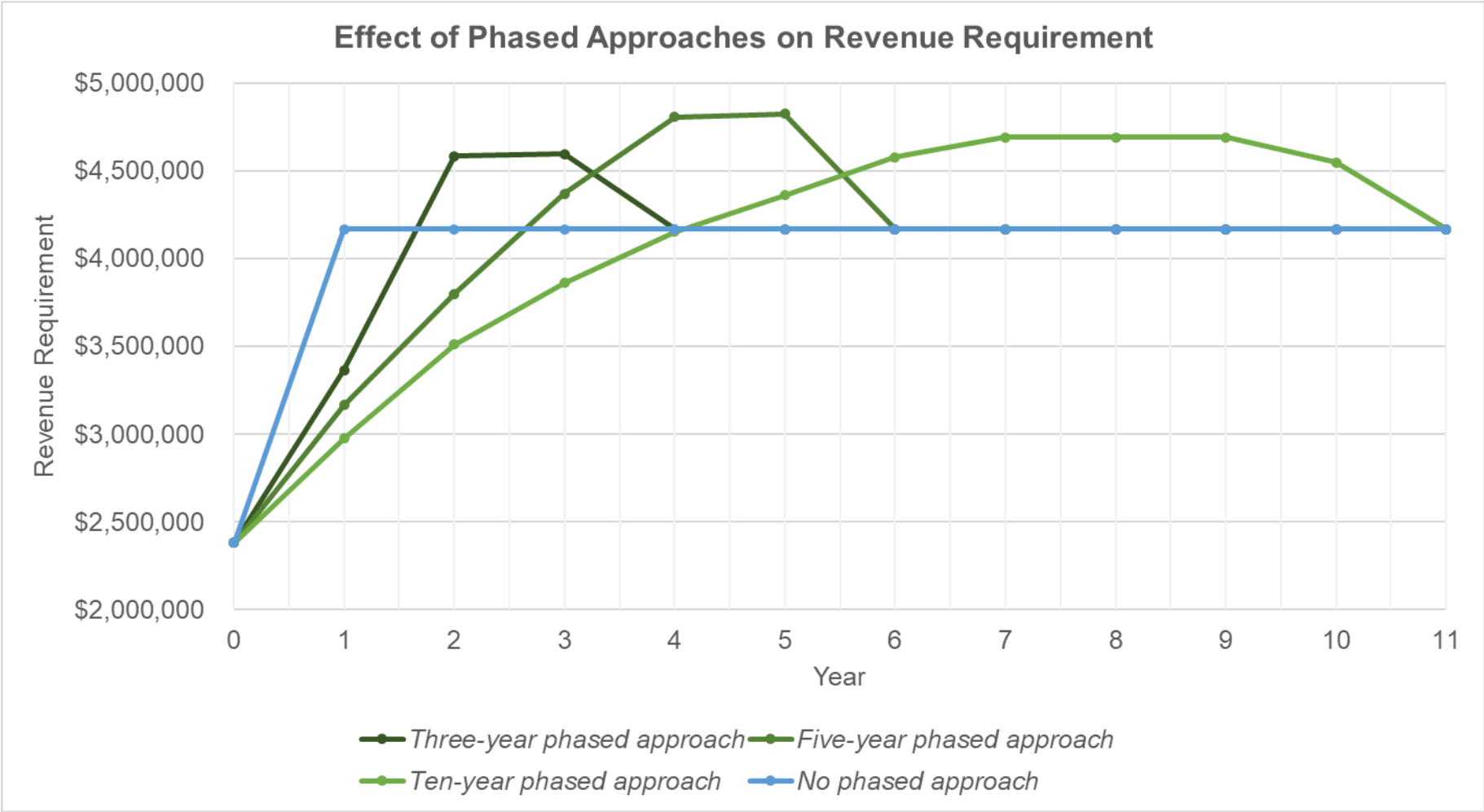


Attachment 3: Phased Rate Approaches



	Maximum revenue requirement	Total carrying costs
No phased approach	\$ 4,169,937	\$ -
Three-year phased approach	\$ 4,596,202	\$ 35,864
Five-year phased approach	\$ 4,827,199	\$ 122,484
Ten-year phased approach	\$ 4,693,332	\$ 375,587

Carrying cost interest rate
3%

Year	0	1	2	3	4	5	6	7	8	9	10	11
No phased approach	Test year revenue requirement	\$ 2,381,144	\$ 2,381,144	\$ 2,381,144	\$ 2,381,144	\$ 2,381,144	\$ 2,381,144	\$ 2,381,144	\$ 2,381,144	\$ 2,381,144	\$ 2,381,144	\$ 2,381,144
	Additional revenue requested	\$ 1,788,793	\$ 1,788,793	\$ 1,788,793	\$ 1,788,793	\$ 1,788,793	\$ 1,788,793	\$ 1,788,793	\$ 1,788,793	\$ 1,788,793	\$ 1,788,793	\$ 1,788,793
	Total revenue requirement	\$ 2,381,144	\$ 4,169,937	\$ 4,169,937	\$ 4,169,937	\$ 4,169,937	\$ 4,169,937	\$ 4,169,937	\$ 4,169,937	\$ 4,169,937	\$ 4,169,937	\$ 4,169,937
	Revenue requirement % change from previous year	N/A	41.3%	36.2%	0.3%	-9.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Three-year phased approach	Total revenue requirement	\$ 2,381,144	\$ 3,364,980	\$ 4,584,490	\$ 4,596,202	\$ 4,169,937	\$ 4,169,937	\$ 4,169,937	\$ 4,169,937	\$ 4,169,937	\$ 4,169,937	\$ 4,169,937
	Additional revenue incorporated	\$ -	\$ 983,836	\$ 2,203,346	\$ 2,215,058	\$ 1,788,793	\$ 1,788,793	\$ 1,788,793	\$ 1,788,793	\$ 1,788,793	\$ 1,788,793	\$ 1,788,793
	Deferred revenue	\$ -	\$ 804,956	\$ 390,403	\$ (35,862)	\$ (35,862)	\$ (35,863)	\$ (35,863)	\$ (35,863)	\$ (35,864)	\$ (35,864)	\$ (35,864)
	Carrying costs on deferred revenue	\$ -	\$ 24,149	\$ 11,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Revenue requirement % change from previous year	N/A	33.0%	20.0%	15.0%	10.0%	0.4%	-13.6%	0.0%	0.0%	0.0%	0.0%
Five-year phased approach	Total revenue requirement	\$ 2,381,144	\$ 3,166,922	\$ 3,800,306	\$ 4,370,352	\$ 4,807,387	\$ 4,827,199	\$ 4,169,937	\$ 4,169,937	\$ 4,169,937	\$ 4,169,937	\$ 4,169,937
	Share of additional revenue incorporated	\$ -	\$ 785,778	\$ 1,419,162	\$ 1,989,208	\$ 2,426,243	\$ 2,446,055	\$ 1,788,793	\$ 1,788,793	\$ 1,788,793	\$ 1,788,793	\$ 1,788,793
	Deferred revenue	\$ -	\$ 1,003,015	\$ 1,372,646	\$ 1,172,231	\$ 534,781	\$ (122,482)	\$ (122,482)	\$ (122,483)	\$ (122,483)	\$ (122,484)	\$ (122,484)
	Carrying costs on deferred revenue	\$ -	\$ 30,090	\$ 41,179	\$ 35,167	\$ 16,043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Revenue requirement % change from previous year	N/A	25.0%	18.0%	10.0%	7.5%	5.0%	5.0%	2.5%	0.0%	0.0%	-3.1%
Ten-year phased approach	Total revenue requirement	\$ 2,381,144	\$ 2,976,430	\$ 3,512,187	\$ 3,863,406	\$ 4,153,162	\$ 4,360,820	\$ 4,578,861	\$ 4,693,332	\$ 4,693,332	\$ 4,693,332	\$ 4,550,091
	Share of additional revenue incorporated	\$ -	\$ 595,286	\$ 1,131,043	\$ 1,482,262	\$ 1,772,018	\$ 1,979,676	\$ 2,197,717	\$ 2,312,188	\$ 2,312,188	\$ 2,312,188	\$ 2,168,947
	Deferred revenue	\$ -	\$ 1,193,507	\$ 1,851,256	\$ 2,157,786	\$ 2,174,561	\$ 1,983,678	\$ 1,574,754	\$ 1,051,359	\$ 527,963	\$ 4,568	\$ (375,587)
	Carrying costs on deferred revenue	\$ -	\$ 35,805	\$ 55,538	\$ 64,734	\$ 65,237	\$ 59,510	\$ 47,243	\$ 31,541	\$ 15,839	\$ 137	\$ -