

Traditional Ratemaking (Based on Application of 4.05% Debt Return) vs. Securitization Based on Office of the Public Counsel's Recommended Recovery Amount

Line No.		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Original Cost of Plant	897,863,380														
2	Depreciation Reserve	422,627,751														
3	Net Plant	475,235,629														
4	Book Basis	475,235,629														
5	Tax Basis	0														
6	Cumulative Tax Timing Difference	475,235,629														
7	Tax Rate	23.733%														
8	ADIT or Deferred Tax Liability	138,927,203														
9	Rate Base	336,308,426														
10	OPC Adjustment	-34,000,000														
11	Total Regulatory Asset	302,308,426														

Traditional Ratemaking for Early Retirement:

	Years														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
12 Regulatory Asset	302,308,426	282,154,531	262,000,636	241,846,741	221,692,846	201,538,951	181,385,056	161,231,160	141,077,265	120,923,370	100,769,475	80,615,580	60,461,685	40,307,790	20,153,895
13 Equity Return	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Debt Return	12,243,491	11,427,258	10,611,026	9,794,793	8,978,560	8,162,327	7,346,095	6,529,862	5,713,629	4,897,396	4,081,164	3,264,931	2,448,698	1,632,465	816,233
15 Amortization	20,153,895	20,153,895	20,153,895	20,153,895	20,153,895	20,153,895	20,153,895	20,153,895	20,153,895	20,153,895	20,153,895	20,153,895	20,153,895	20,153,895	20,153,895
16 Income Taxes	6,271,551	6,271,551	6,271,551	6,271,551	6,271,551	6,271,551	6,271,551	6,271,551	6,271,551	6,271,551	6,271,551	6,271,551	6,271,551	6,271,551	6,271,551
17 Total Traditional Revenue Requirement	38,668,937	37,852,705	37,036,472	36,220,239	35,404,006	34,587,774	33,771,541	32,955,308	32,139,075	31,322,843	30,506,610	29,690,377	28,874,144	28,057,912	27,241,679
18 Present Value of Annual RR	349,712,584														

Securitization Revenue Requirement for Early Retirement:

	Years														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
19 Principal Payment	13,678,388	14,443,010	15,250,374	16,102,870	17,003,020	17,953,489	18,957,089	20,016,790	21,135,729	22,317,216	23,564,749	24,882,018	26,272,923	27,741,579	29,292,333
20 Interest Payment	17,251,387	16,486,765	15,679,401	14,826,905	13,926,755	12,976,286	11,972,686	10,912,985	9,794,046	8,612,559	7,365,026	6,047,757	4,656,852	3,188,196	1,637,441
21 Income Taxes	4,256,483	4,494,420	4,745,658	5,010,941	5,291,052	5,586,822	5,899,125	6,228,886	6,577,081	6,944,740	7,332,951	7,742,863	8,175,689	8,632,710	9,115,279
22 Ongoing Financing Costs	725,930	725,930	725,930	725,930	725,930	725,930	725,930	725,930	725,930	725,930	725,930	725,930	725,930	725,930	725,930
23 Total Securitization Annual Revenue Requirements	35,912,188	36,150,125	36,401,363	36,666,646	36,946,757	37,242,527	37,554,830	37,884,591	38,232,786	38,600,445	38,988,656	39,398,568	39,831,394	40,288,415	40,770,984
24 Present Value of Annual RR	391,833,260														
25 Quantifiable NPV Benefits of Securitization	-42,120,676														