

PTT Cost Benefit Analysis

Line	yrs.	GL In-Service - <--- WAM In-Service --->																		GL Project	WAM Project
		project start	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Complete	Complete
		2013&2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
3	Costs (\$'000s)																				
4	GL Capital Spend	(\$21,045)	(\$43,779)	(\$5,735)																	
6	Plant in Service	\$0	(\$4,986)	(\$70,559)	(\$70,559)	(\$70,559)	(\$70,559)	(\$70,559)	(\$70,559)	(\$70,559)	(\$70,559)	(\$70,559)	(\$70,559)	(\$70,559)	(\$70,559)	(\$70,559)	(\$70,559)	(\$70,559)	(\$70,559)	(\$70,559)	(\$70,559)
7	GL Revenue Requirement Factor	0.00%	2.82%	14.82%	13.53%	12.56%	11.90%	11.43%	10.98%	10.52%	10.06%	9.60%	9.15%	8.69%	8.23%	7.77%	7.32%	6.30%	0.00%	0.00%	
9	GL Revenue Requirements	\$0	(\$141)	(\$10,456)	(\$9,547)	(\$8,863)	(\$8,395)	(\$8,068)	(\$7,745)	(\$7,422)	(\$7,099)	(\$6,776)	(\$6,453)	(\$6,130)	(\$5,808)	(\$5,485)	(\$5,162)	(\$4,442)	\$0	\$0	
11	WAM Capital Spend	(\$24,528)	(\$82,638)	(\$129,125)	(\$113,709)																
13	Plant in Service	\$0	\$0	(\$36,352)	(\$217,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)
14	WAM Revenue Requirement Factor	0.00%	0.00%	8.23%	15.68%	14.27%	13.16%	12.25%	11.65%	11.19%	10.73%	10.27%	9.81%	9.35%	8.88%	8.42%	7.96%	7.50%	7.04%	2.14%	
16	WAM Revenue Requirements	\$0	\$0	(\$2,991)	(\$34,030)	(\$49,938)	(\$46,060)	(\$42,892)	(\$40,766)	(\$39,154)	(\$37,543)	(\$35,931)	(\$34,320)	(\$32,708)	(\$31,096)	(\$29,485)	(\$27,873)	(\$26,262)	(\$24,650)	(\$7,495)	
18	GL and WAM O&M Costs	(\$15,347)	(\$12,784)	(\$16,304)	(\$18,912)	(\$7,744)	(\$7,623)	(\$7,524)	(\$7,524)	(\$7,524)	(\$7,524)	(\$7,524)	(\$7,524)	(\$7,524)	(\$7,524)	(\$7,524)	(\$7,524)	(\$7,524)	(\$7,524)	(\$7,524)	\$0
20	Total Revenue Requirements	(\$15,347)	(\$12,925)	(\$29,752)	(\$62,490)	(\$66,545)	(\$62,077)	(\$58,484)	(\$56,035)	(\$54,100)	(\$52,166)	(\$50,231)	(\$48,297)	(\$46,362)	(\$44,427)	(\$42,493)	(\$40,558)	(\$38,227)	(\$32,174)	(\$7,495)	
21	Present Value Revenue Requirements	(\$454,957)																			
23	Benefits (\$'000s)																				
24	O&M Benefits	\$2,090	\$5,442	\$12,226	\$36,633	\$77,672	\$86,968	\$88,706	\$89,973	\$91,075	\$91,075	\$91,075	\$91,075	\$91,075	\$91,075	\$91,075	\$91,075	\$91,075	\$91,075	\$91,075	\$91,075
26	Total Benefits	\$2,090	\$5,442	\$12,226	\$36,633	\$77,672	\$86,968	\$88,706	\$89,973	\$91,075	\$91,075	\$91,075	\$91,075	\$91,075	\$91,075	\$91,075	\$91,075	\$91,075	\$91,075	\$91,075	\$91,075
27	Present Value (Benefits)	\$679,709																			
29	Total Cost and Benefits NPV (6.75%)	(\$13,257)	(\$7,483)	(\$17,526)	(\$25,856)	\$11,126	\$24,890	\$30,223	\$33,938	\$36,974	\$38,909	\$40,843	\$42,778	\$44,712	\$46,647	\$48,582	\$50,516	\$52,847	\$58,901	\$83,579	
30	NPV (6.75%)	\$224,752																			
32	Benefit /Cost	1.4940																			

WACC - Regulated				
Component	Structure	Return	Before Tax WACC	After Tax WACC
L-T Debt	44.75%	4.38%	1.96%	1.22%
Common Equity	55.25%	10.00%	5.53%	5.53%
S-T Debt	0.00%	0.00%	0.00%	0.00%
Preferred Stock	0.00%	0.00%	0.00%	0.00%
TOTAL	100.00%		7.49%	6.75%
Other				
State Income Tax Rate		4.63%		
Federal Income Tax Rate		35.00%		
Combined Federal & State Tax Rate		38.01%		