

ATTACHMENT 1  
RNG INJECTION  
ECONOMIC FEASIBILITY

RNG INJECTION  
Economic Feasibility  
Parameters and Results

<u>Line No.</u>	<u>Col. 1</u> Description	<u>Col. 2</u>
FEASIBILITY PARAMETERS		
1.	Discount Rate	5.43%
2.	CCA Rate - Biomethane Injection Capital	6.00%
3.	Income Tax Rate	26.50%
4.	Municipal Tax Rate	0.59%
5.	Customer Revenue Horizon (Years)	20
6.	Capital Investment (Dollars)	
7.	Biomethane Injection Capital	5,439,025
8.	Working Capital (Days of Revenue)	30
FEASIBILITY RESULTS		
9.	Net Present Value (Dollars)	961,720
10.	Profitability Index	1.18

**RNG INJECTION**  
**Economic Feasibility - 20 year Horizon**  
**DCF Analysis**

Line No.	Col.1 Description	Col.2 Year 0	Col.3 Year 1	Col.4 Year 2	Col.5 Year 3	Col.6 Year 4	Col.7 Year 5	Col.8 Year 6	Col.9 Year 7	Col.10 Year 8	Col.11 Year 9	Col.12 Year 10
	Discount factors to project outset	0.9912	0.9569	0.9076	0.8608	0.8165	0.7744	0.7345	0.6967	0.6608	0.6268	0.5945
	<b>INCREMENTAL CAPITAL INVESTMENT</b>	(5,439,025)	-	-	-	-	-	-	-	-	-	-
1.	Bio-methane Injection capital	-	-	-	-	-	-	-	-	-	-	-
2.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-	-
3.	Net Investment Capital	(5,439,025)	(63,083)	-	-	-	-	-	-	-	-	-
4.	Working Capital	-	(63,083)	-	-	-	-	-	-	-	-	-
5.	Total Investment	(5,439,025)	(63,083)	-	-	-	-	-	-	-	-	-
6.	PV Of Total Investment At Project Outset	(5,391,295)	(60,364)	-	-	-	-	-	-	-	-	-
7.	<b>ACCUMULATED PV OF TOTAL INVESTMENT</b>	(5,391,295)	(5,451,658)	(5,451,658)	(5,451,658)	(5,451,658)	(5,451,658)	(5,451,658)	(5,451,658)	(5,451,658)	(5,451,658)	(5,451,658)
	<b>CCA TAX SHIELD</b>											
8.	CCA Tax Shield	-	39,750	77,115	72,488	68,139	64,050	60,207	56,595	53,199	50,007	47,007
9.	PV Of CCA Tax Shield At Project Outset	-	38,036	69,989	62,401	55,635	49,603	44,225	39,430	35,155	31,344	27,945
10.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>	-	38,036	108,025	170,426	226,062	275,665	319,890	359,320	394,476	425,819	453,765
	<b>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</b>											
11.	Bio-methane Injection Revenues	-	757,000	757,000	757,000	757,000	757,000	757,000	757,000	757,000	757,000	757,000
12.	O&M Expenses	-	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)
13.	Net Operating Cash (Before Taxes)	-	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000
14.	PV of Net Operating Cash (Before Taxes) At Project Outset	-	645,898	612,627	581,069	551,137	522,747	495,820	470,279	446,055	423,078	401,284
15.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>	-	645,898	1,258,524	1,839,594	2,390,731	2,913,478	3,409,298	3,879,578	4,325,632	4,748,710	5,149,994
	<b>TAXES</b>											
16.	Income Tax (Before Interest Tax Shield)	-	(170,371)	(170,371)	(170,371)	(170,371)	(170,371)	(170,371)	(170,371)	(170,371)	(170,371)	(170,371)
17.	Municipal Tax	-	(32,090)	(32,090)	(32,090)	(32,090)	(32,090)	(32,090)	(32,090)	(32,090)	(32,090)	(32,090)
18.	Total Taxes	-	(202,461)	(202,461)	(202,461)	(202,461)	(202,461)	(202,461)	(202,461)	(202,461)	(202,461)	(202,461)
19.	PV of Total Taxes At Project Outset	-	(193,732)	(183,753)	(174,287)	(165,310)	(156,794)	(148,718)	(141,057)	(133,791)	(126,899)	(120,362)
20.	<b>ACCUMULATED PV OF TOTAL TAXES</b>	-	(193,732)	(377,485)	(551,773)	(717,082)	(873,877)	(1,022,594)	(1,163,651)	(1,297,442)	(1,424,341)	(1,544,703)
	<b>ACCUMULATED NPV AND PI</b>											
21.	Net Present Value	(5,391,295)	(4,961,456)	(4,462,594)	(3,993,411)	(3,551,948)	(3,136,391)	(2,745,064)	(2,376,411)	(2,028,992)	(1,701,470)	(1,392,602)
22.	Profitability Index	0.000	0.090	0.181	0.267	0.348	0.425	0.496	0.564	0.628	0.688	0.745

**RNG INJECTION**  
**Economic Feasibility - 20 year Horizon**  
**DCF Analysis**

Line No.	Col. 1	Col. 13	Col. 14	Col. 15	Col. 16	Col. 17	Col. 18	Col. 19	Col. 20	Col. 21	Col. 22
	Description	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
	Discount factors to project outset	0.5639	0.5348	0.5073	0.4811	0.4564	0.4329	0.4106	0.3894	0.3683	0.3503
	<b>INCREMENTAL CAPITAL INVESTMENT</b>										
1.	Bio-methane Injection capital	-	-	-	-	-	-	-	-	-	-
2.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-
3.	Net Investment Capital	-	-	-	-	-	-	-	-	-	-
4.	Working Capital	-	-	-	-	-	-	-	-	-	-
5.	Total Investment	-	-	-	-	-	-	-	-	-	-
6.	PV Of Total Investment At Project Outset	(5,451,658)	(5,451,658)	(5,451,658)	(5,451,658)	(5,451,658)	(5,451,658)	(5,451,658)	(5,451,658)	(5,451,658)	(5,451,658)
7.	<b>ACCUMULATED PV OF TOTAL INVESTMENT</b>										<b>(5,451,658)</b>
	<b>CCA TAX SHIELD</b>										
8.	CCA Tax Shield	44,186	41,535	39,043	36,701	34,489	32,429	30,483	28,654	26,935	233,622
9.	PV Of CCA Tax Shield At Project Outset	24,916	22,214	19,806	17,658	15,744	14,037	12,515	11,158	9,948	81,808
10.	<b>ACCUMULATED PV OF CCA TAX SHIELD</b>										<b>663,568</b>
	<b>INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)</b>										
11.	Bio-methane Injection Revenues	757,000	757,000	757,000	757,000	757,000	757,000	757,000	757,000	757,000	757,000
12.	O&M Expenses	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)	(82,000)
13.	Net Operating Cash (Before Taxes)	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000	675,000
14.	PV of Net Operating Cash (Before Taxes) At Project Outset	380,613	361,007	342,411	324,773	308,044	292,176	277,125	262,850	249,310	236,468
15.	<b>ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)</b>										<b>8,164,773</b>
	<b>TAXES</b>										
16.	Income Tax (Before Interest Tax Shield)	(170,371)	(170,371)	(170,371)	(170,371)	(170,371)	(170,371)	(170,371)	(170,371)	(170,371)	(170,371)
17.	Municipal Tax	(32,090)	(32,090)	(32,090)	(32,090)	(32,090)	(32,090)	(32,090)	(32,090)	(32,090)	(32,090)
18.	Total Taxes	(202,461)	(202,461)	(202,461)	(202,461)	(202,461)	(202,461)	(202,461)	(202,461)	(202,461)	(202,461)
19.	PV of Total Taxes At Project Outset	(114,162)	(108,282)	(102,704)	(97,413)	(92,395)	(87,636)	(83,122)	(78,840)	(74,779)	(70,927)
20.	<b>ACCUMULATED PV OF TOTAL TAXES</b>										<b>(2,454,963)</b>
	<b>ACCUMULATED NPV AND PI</b>										
21.	Net Present Value	(1,101,236)	(826,296)	(566,782)	(321,764)	(90,372)	128,204	334,723	529,891	714,371	961,720
22.	Profitability Index	0.798	0.848	0.896	0.941	0.983	1.024	1.061	1.097	1.131	1.176