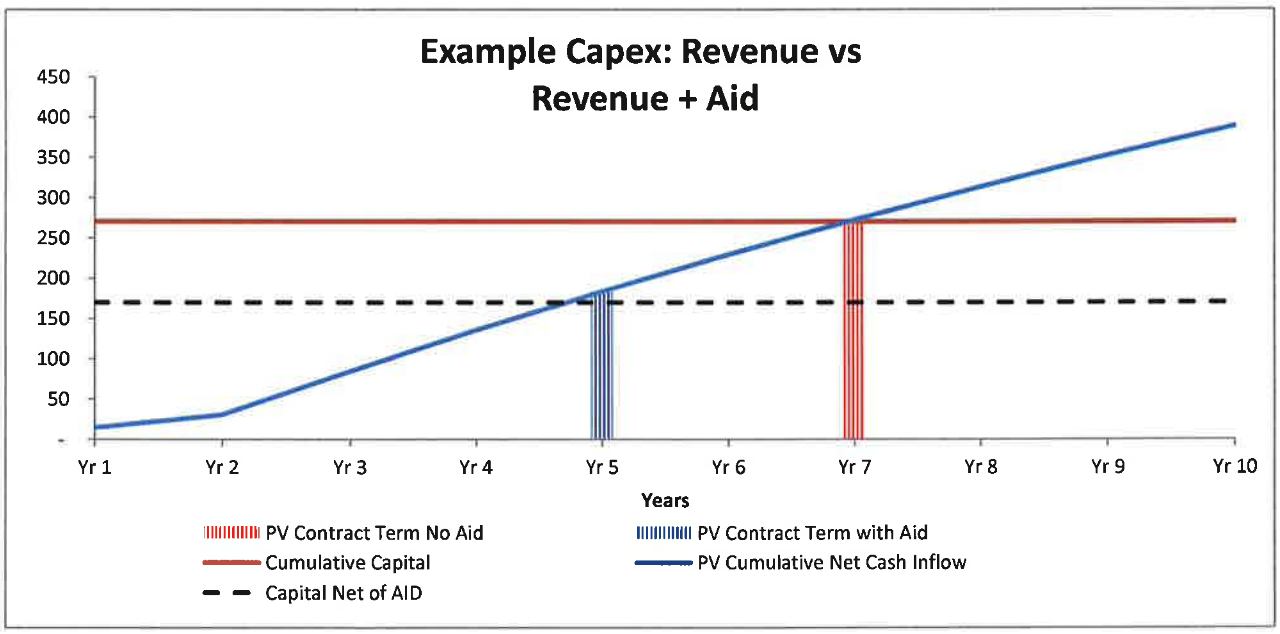
Ktl.2

Simplified Illustration of the Present Value of Future Revenue vs Capital Costs

Figures in $ 000's

Line		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
1	PV Cash Inflows by Year	14	16	54	51	48	46	43	41	39	37
2	PV Cumulative Net Cash Inflow	14	30	84	135	183	229	272	313	352	389
3	Cumulative Capital	270	270	270	270	270	270	270	270	270	270
4	NPV	(256)	(240)	(186)	(135)	(87)	(41)	2	43	82	119
5	Flag NPV > zero	-	-	-	-	-	-	1	-	-	-
6	Term for Contract 7										
7	PV Contract Term No Aid	-	-	-	-	-	-	272	-	-	-
	Case 2: Same Annual Revenue + Aid Paid										
8	PV Cash Inflows by Year	14	16	54	51	48	46	43	41	39	37
9	PV Cumulative Net Cash Inflow	14	30	84	135	183	229	272	313	352	389
10	Cumulative Capital	270	270	270	270	270	270	270	270	270	270
11	Less Aid Paid	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
12	Capital Net of AID	170	170	170	170	170	170	170	170	170	170
13	NPV	(156)	(140)	(86)	(35)	13	59	102	143	182	219
14	Flag NPV > zero	-	-	-	-	1	-	-	-	-	-
15	Term for Contract 5										
16	PV Contract Term with Aid	-	-	-	-	183	-	-	-	-	-



Notes: Net Inflows are PV of the Incremental Revenue less O&M and Taxes

This is an example of one of the 55 customers identified in Schedule 3 of the pre-filed evidence