

APPENDIX B-3
CASE 3
 COMBINATION CASE - IOU ACQUIRES BOTH
IMPACTS
 (000s)

<u>LEVELIZED RESULTS</u>	
<u>RATE IMPACT</u>	
STANDALONE	12.64 cents/KWh
COMBINATION CASE - IOU ACQUIRES BOTH	14.30 cents/KWh
% CHANGE	<u>13.11%</u>
<u>RETAIL (SAVINGS) INCREASE (000s \$)</u>	
	<u>\$ 349,584</u>
<u>ANNUAL RETAIL (SAVINGS) INCREASE (000s \$/Year)</u>	
	<u>\$ 29,132</u>
<u>ASSESSMENTS - (000s \$/Year)</u>	
STANDALONE	5,119
COMBINATION CASE - IOU ACQUIRES BOTH	5,119
CHANGE	<u>-</u>
<u>DIVIDENDS - (000s \$/Year)</u>	
STANDALONE	4,670
COMBINATION CASE - IOU ACQUIRES BOTH	-
CHANGE	<u>4,670</u>
<u>RETURN</u>	
STANDALONE	53,684
COMBINATION CASE - IOU ACQUIRES BOTH	77,186
CHANGE	<u>23,503</u>
<u>OPERATIONAL COST SAVINGS</u>	
STANDALONE	29,505
COMBINATION CASE - IOU ACQUIRES BOTH	16,695
CHANGE	<u>(12,810)</u>
<u>WHOLESALE REVENUES</u>	
STANDALONE	50,352
COMBINATION CASE - IOU ACQUIRES BOTH	50,351
CHANGE	<u>(1)</u>
<u>NET CASH FLOW IN (OUT)</u>	
	<u>16,647</u>

<u>FINANCIAL METRICS</u>	
AVERAGE DEBT/EQUITY RATIO OVER STUDY PERIOD	1.11
AVERAGE TIMES INTEREST EARNED RATIO (TIER)	2.07
AVERAGE DEBT SERVICE COVERAGE	3.49
WEIGHTED AVERAGE COST OF CAPITAL OVER PERIOD	8.73%
END OF STUDY PERIOD (2020) CASH BALANCE	353,766
ACQUISITION COST TO NET ASSETS RATIO	1.02
<u>ACQUISITION PAYMENT METHOD</u>	
BONDS/DEBT TO DEFEASE EXISTING DEBT	543,558
NEW DEBT FOR EQUITY/PATRONAGE CAPITAL	64,613
TOTAL DEBT	608,171
TOTAL CASH/EQUITY CONTRIBUTION	255,534
TOTAL ACQUISITION PAYMENT	<u>863,705</u>

APPENDIX B-3
CASE 3
 COMBINATION CASE - IOU ACQUIRES BOTH
LOAD RESOURCE BALANCE

Line	Description (A)	2008 (B)	2009 (C)	2010 (D)	2011 (E)	2012 (F)	2013 (G)	2014 (H)	2015 (I)	2016 (J)	2017 (K)	2018 (L)	2019 (M)	2020 (N)
1	<u>COMBINED CASE</u>													
2	Peak Demand	661.84	671.77	676.71	686.65	695.59	704.54	633.49	464.45	468.41	472.38	475.35	478.33	482.31
3	Existing Generation	905.06	905.06	905.06	905.06	1,162.06	1,162.06	1,162.06	1,155.06	1,155.06	1,155.06	1,155.06	1,155.06	1,155.06
4	Plus Purchased Power	109.00	109.00	109.00	109.00	109.00	109.00	53.00	37.00	37.00	37.00	37.00	37.00	37.00
5	(Less) Retirements	-	-	-	-	(65.80)	(65.80)	(186.80)	(186.80)	(186.80)	(186.80)	(186.80)	(186.80)	(186.80)
6	Available Resources	1,014.06	1,014.06	1,014.06	1,014.06	1,205.26	1,205.26	1,028.26	1,005.26	1,005.26	1,005.26	1,005.26	1,005.26	1,005.26
7	RESERVE MARGIN	53.22%	50.95%	49.85%	47.68%	73.27%	71.07%	62.32%	116.44%	114.61%	112.81%	111.48%	110.16%	108.43%
8	Retail Sales	2,371,324	2,393,372	2,408,809	2,428,718	2,448,641	2,468,578	2,487,528	2,505,492	2,523,131	2,540,789	2,557,466	2,573,163	2,587,974
9	Wholesale Sales	1,247,471	1,322,000	1,325,000	1,353,000	1,380,000	1,411,000	962,000	70,000	70,000	71,000	72,000	73,000	73,000
10	Economy Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
11	TOTAL SALES	3,618,795	3,715,372	3,733,809	3,781,718	3,828,641	3,879,578	3,449,528	2,575,492	2,593,131	2,611,789	2,629,466	2,646,163	2,660,974
12	TOTAL REQUIREMENTS	3,755,533	3,850,219	3,869,521	3,919,151	3,967,765	4,020,514	3,577,829	2,677,820	2,696,220	2,715,670	2,734,091	2,751,485	2,766,920

APPENDIX B-3

CASE 3

COMBINATION CASE - IOU ACQUIRES BOTH

STATEMENT OF OPERATIONS

(000s)

Line	Description (A)	2008 (B)	2009 (C)	2010 (D)	2011 (E)	2012 (F)	2013 (G)	2014 (H)	2015 (I)	2016 (J)	2017 (K)	2018 (L)	2019 (M)	2020 (N)
1	ELECTRIC REVENUES [2]													
2	Retail Revenues		312,420	305,505	283,744	330,920	356,756	352,786	385,785	393,565	401,930	410,490	407,055	411,858
3	Adjusted Retail Revenues		312,420	305,505	283,744	330,920	356,756	352,786	385,785	393,565	401,930	410,490	407,055	411,858
4	Wholesale Revenues		115,707	118,435	118,523	119,152	129,744	92,215	7,849	7,949	8,186	8,429	8,674	8,825
5	Other Revenues		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
6	Total - Electric Revenues		<u>433,126</u>	<u>428,940</u>	<u>407,267</u>	<u>455,072</u>	<u>491,500</u>	<u>450,001</u>	<u>398,634</u>	<u>406,514</u>	<u>415,116</u>	<u>423,919</u>	<u>420,729</u>	<u>425,684</u>
7	ELECTRIC EXPENSES													
8	Fuel Costs		174,847	174,251	159,707	155,938	163,762	136,431	86,390	87,863	91,125	94,961	86,910	87,587
9	Purchased Power Costs		31,818	31,920	31,757	32,118	32,690	10,780	8,517	8,614	8,714	8,815	8,919	9,025
10	Operations and Maintenance Expenses		59,912	61,410	62,945	66,367	68,087	66,982	63,509	65,088	66,705	68,352	70,030	71,725
11	General and Administrative Expenses		34,534	28,540	19,270	19,751	20,245	20,751	21,270	21,802	22,347	22,906	23,478	24,065
12	Assessments in Lieu of Taxes		4,521	4,951	5,165	5,527	6,605	8,939	9,109	9,108	9,133	9,253	9,298	9,252
13	Depreciation and Amortization		47,165	48,941	50,912	62,903	81,050	83,515	85,731	88,059	90,434	92,797	95,346	97,968
14	Total Electric Expenses		<u>352,797</u>	<u>350,012</u>	<u>329,756</u>	<u>342,606</u>	<u>372,439</u>	<u>327,397</u>	<u>274,526</u>	<u>280,534</u>	<u>288,458</u>	<u>297,084</u>	<u>293,981</u>	<u>299,622</u>
15	Net Income		80,329	78,928	77,511	112,466	119,061	122,603	124,108	125,979	126,658	126,836	126,748	126,061
16	Taxable Income		47,427	43,214	42,826	66,853	77,853	86,091	91,696	96,836	100,649	103,531	105,865	107,421
17	State Income Tax @9.4%		4,458	4,062	4,026	6,284	7,318	8,093	8,619	9,103	9,461	9,732	9,951	10,098
18	Federal Income Tax @35%		15,039	13,703	13,580	21,199	24,687	27,300	29,077	30,707	31,916	32,830	33,570	34,063
19	Sub - Total - Income Taxes		<u>19,497</u>	<u>17,765</u>	<u>17,606</u>	<u>27,483</u>	<u>32,005</u>	<u>35,392</u>	<u>37,696</u>	<u>39,809</u>	<u>41,377</u>	<u>42,562</u>	<u>43,521</u>	<u>44,161</u>
20	After Tax Return on Equity		<u>27,930</u>	<u>25,449</u>	<u>25,220</u>	<u>39,370</u>	<u>45,847</u>	<u>50,699</u>	<u>54,000</u>	<u>57,027</u>	<u>59,272</u>	<u>60,970</u>	<u>62,344</u>	<u>63,260</u>

NOTES

[1] Revenues for retail, wholesale and other set equal to Revenue Requirements.

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CASE 3
COMBINATION CASE - IOU ACQUIRES BOTH
FINANCIAL RATIOS
(000s)

Line	Description (A)	2008 (B)	2009 (C)	2010 (D)	2011 (E)	2012 (F)	2013 (G)	2014 (H)	2015 (I)	2016 (J)	2017 (K)	2018 (L)	2019 (M)	2020 (N)
1	Net Income		80,329	78,928	77,511	112,466	119,061	122,603	124,108	125,979	126,658	126,836	126,748	126,061
2	Plus Other Non Operating Revenues		-	-	-	-	-	-	-	-	-	-	-	-
3	Plus: Depreciation and Amortization		47,165	48,941	50,912	62,903	81,050	83,515	85,731	88,059	90,434	92,797	95,346	97,968
4	Plus Interest Expense		<u>46,910</u>	<u>54,531</u>	<u>59,419</u>	<u>58,626</u>	<u>57,781</u>	<u>56,881</u>	<u>55,923</u>	<u>54,903</u>	<u>53,816</u>	<u>52,658</u>	<u>51,426</u>	<u>50,113</u>
4	Cash Available For Debt Service		<u>174,404</u>	<u>182,399</u>	<u>187,843</u>	<u>233,995</u>	<u>257,892</u>	<u>262,999</u>	<u>265,762</u>	<u>268,941</u>	<u>270,908</u>	<u>272,291</u>	<u>273,520</u>	<u>274,142</u>
5	Interest on Long Term Debt		46,910	54,531	59,419	58,626	57,781	56,881	55,923	54,903	53,816	52,658	51,426	50,113
6	Principal Payments		8,355	10,420	12,204	12,997	13,842	14,741	15,700	16,720	17,807	18,964	20,197	21,510
7	Times Interest Earned Ratio		1.71	1.45	1.30	1.92	2.06	2.16	2.22	2.29	2.35	2.41	2.46	2.52
8	Debt Service Coverage Ratio		3.16	2.81	2.62	3.27	3.60	3.67	3.71	3.75	3.78	3.80	3.82	3.83
9	% Debt - Actual		65%	69%	69%	66%	60%	55%	50%	46%	42%	39%	36%	33%
10	% Equity - Actual		35%	31%	31%	34%	40%	45%	50%	54%	58%	61%	64%	67%

APPENDIX B-3
CASE 3
COMBINATION CASE - IOU ACQUIRES BOTH
STATEMENT OF CASH FLOWS
(000s)

Line	Description (A)	2008 (D)	2009 (E)	2010 (F)	2011 (G)	2012 (H)	2013 (I)	2014 (J)	2015 (K)	2016 (L)	2017 (M)	2018 (N)	2019 (O)	2020 (P)
1	Beginning Balance		38,821	24,690	51,216	50,665	57,602	83,259	120,813	161,823	199,601	241,720	281,304	316,952
2														
3	Plus Cash From Operations													
4	Net Income After Taxes		60,832	61,163	59,905	84,983	87,056	87,211	86,412	86,170	85,281	84,274	83,227	81,900
5	Plus Depreciation and Amortization		<u>47,165</u>	<u>48,941</u>	<u>50,912</u>	<u>62,903</u>	<u>81,050</u>	<u>83,515</u>	<u>85,731</u>	<u>88,059</u>	<u>90,434</u>	<u>92,797</u>	<u>95,346</u>	<u>97,968</u>
6	Total Cash From Operations		<u>107,997</u>	<u>110,103</u>	<u>110,818</u>	<u>147,886</u>	<u>168,106</u>	<u>170,726</u>	<u>172,143</u>	<u>174,229</u>	<u>175,715</u>	<u>177,071</u>	<u>178,573</u>	<u>179,869</u>
7	Plus Proceeds from Financing		174,640	123,996	85,422	-	-	-	-	-	-	-	-	-
8	Plus Non-Operating Revenue		-	-	-	-	-	-	-	-	-	-	-	-
9	(Less) Const. Expenditures - Other Capital Projects		(47,222)	(55,333)	(52,426)	(69,327)	(70,826)	(61,549)	(59,510)	(64,829)	(61,973)	(65,864)	(71,303)	(71,431)
10	(Less) Const. Expenditures - New Generation		(130,935)	(87,290)	(72,742)	-	-	-	-	-	-	-	-	-
11	(Less) Principal Payments		(8,355)	(10,420)	(12,204)	(12,997)	(13,842)	(14,741)	(15,700)	(16,720)	(17,807)	(18,964)	(20,197)	(21,510)
12	(Less) Interest Payments		(46,910)	(54,531)	(59,419)	(58,626)	(57,781)	(56,881)	(55,923)	(54,903)	(53,816)	(52,658)	(51,426)	(50,113)
13	(Less) Retirement of Patronage Capital Fund		(63,346)	-	-	-	-	-	-	-	-	-	-	-
14	(Less) Dividend Payments		-	-	-	-	-	-	-	-	-	-	-	-
15	Ending Balance	<u>38,821</u>	<u>24,690</u>	<u>51,216</u>	<u>50,665</u>	<u>57,602</u>	<u>83,259</u>	<u>120,813</u>	<u>161,823</u>	<u>199,601</u>	<u>241,720</u>	<u>281,304</u>	<u>316,952</u>	<u>353,766</u>

APPENDIX B-3

CASE 3

COMBINATION CASE - IOU ACQUIRES BOTH

CONSOLIDATED BALANCE SHEET

(000s)

Line	Description	(A)	2008 (B)	2009 (C)	2010 (D)	2011 (E)	2012 (F)	2013 (G)	2014 (H)	2015 (I)	2016 (J)	2017 (K)	2018 (L)	2019 (M)	2020 (N)
1	Assets														
2	Plant in Service														
3	Production		389,202	396,912	412,612	432,430	773,927	803,407	824,192	844,969	871,584	893,350	917,502	944,575	
4	Transmission		324,207	334,362	345,278	351,956	364,021	375,501	386,986	397,034	406,644	417,320	428,563	441,375	
5	Distribution		452,846	476,307	500,450	522,096	546,727	572,570	597,675	622,082	646,300	671,336	697,197	723,893	
6	General and Intangible		<u>135,145</u>	<u>141,041</u>	<u>145,615</u>	<u>149,899</u>	<u>155,705</u>	<u>159,728</u>	<u>163,902</u>	<u>168,180</u>	<u>172,566</u>	<u>177,061</u>	<u>181,668</u>	<u>186,390</u>	
7	Subtotal		<u>1,301,400</u>	<u>1,348,622</u>	<u>1,403,955</u>	<u>1,456,381</u>	<u>1,840,380</u>	<u>1,911,206</u>	<u>1,972,755</u>	<u>2,032,265</u>	<u>2,097,094</u>	<u>2,159,067</u>	<u>2,224,931</u>	<u>2,296,234</u>	
8	Plus CWIP TO Plant in Service		-	-	-	-	-	-	-	-	-	-	-	-	
9	Production		7,710	15,700	19,818	26,825	29,480	20,785	20,777	26,615	21,766	24,152	27,073	23,671	
10	New Generation		-	-	-	314,672	-	-	-	-	-	-	-	-	
11	Transmission		10,155	10,916	6,679	12,065	11,480	11,485	10,047	9,611	10,676	11,243	12,812	13,882	
12	Distribution		23,461	24,143	21,645	24,631	25,843	25,105	24,408	24,218	25,036	25,862	26,696	29,038	
13	General and Intangible		<u>5,896</u>	<u>4,574</u>	<u>4,284</u>	<u>5,806</u>	<u>4,023</u>	<u>4,174</u>	<u>4,278</u>	<u>4,385</u>	<u>4,495</u>	<u>4,607</u>	<u>4,722</u>	<u>4,841</u>	
14	Subtotal		<u>47,222</u>	<u>55,333</u>	<u>52,426</u>	<u>383,999</u>	<u>70,826</u>	<u>61,549</u>	<u>59,510</u>	<u>64,829</u>	<u>61,973</u>	<u>65,864</u>	<u>71,303</u>	<u>71,431</u>	
15	Gross Plant in Service		-	-	-	-	-	-	-	-	-	-	-	-	
16	Production		396,912	412,612	432,430	773,927	803,407	824,192	844,969	871,584	893,350	917,502	944,575	968,246	
17	Transmission		334,362	345,278	351,956	364,021	375,501	386,986	397,034	406,644	417,320	428,563	441,375	455,257	
18	Distribution		476,307	500,450	522,096	546,727	572,570	597,675	622,082	646,300	671,336	697,197	723,893	752,931	
19	General and Intangible		<u>141,041</u>	<u>145,615</u>	<u>149,899</u>	<u>155,705</u>	<u>159,728</u>	<u>163,902</u>	<u>168,180</u>	<u>172,566</u>	<u>177,061</u>	<u>181,668</u>	<u>186,390</u>	<u>191,231</u>	
20	Subtotal		<u>1,348,622</u>	<u>1,403,955</u>	<u>1,456,381</u>	<u>1,840,380</u>	<u>1,911,206</u>	<u>1,972,755</u>	<u>2,032,265</u>	<u>2,097,094</u>	<u>2,159,067</u>	<u>2,224,931</u>	<u>2,296,234</u>	<u>2,367,665</u>	
21	(Less) Accumulated Depreciation		-	-	-	-	-	-	-	-	-	-	-	-	
22	Production		(226,474)	(246,412)	(267,225)	(298,886)	(347,434)	(397,221)	(448,031)	(500,008)	(553,176)	(607,476)	(663,037)	(719,848)	
23	Transmission		(148,074)	(156,112)	(164,359)	(172,827)	(181,574)	(190,592)	(199,865)	(209,371)	(219,116)	(229,121)	(239,410)	(250,015)	
24	Distribution		(193,361)	(208,445)	(224,237)	(240,744)	(258,030)	(276,103)	(294,940)	(314,529)	(334,878)	(356,013)	(377,960)	(400,768)	
25	General and Intangible		<u>(87,071)</u>	<u>(92,950)</u>	<u>(99,011)</u>	<u>(105,278)</u>	<u>(111,747)</u>	<u>(118,385)</u>	<u>(125,195)</u>	<u>(132,183)</u>	<u>(139,354)</u>	<u>(146,711)</u>	<u>(154,259)</u>	<u>(162,004)</u>	
26	Subtotal		<u>(654,979)</u>	<u>(703,920)</u>	<u>(754,832)</u>	<u>(817,735)</u>	<u>(898,786)</u>	<u>(982,300)</u>	<u>(1,068,031)</u>	<u>(1,156,091)</u>	<u>(1,246,525)</u>	<u>(1,339,321)</u>	<u>(1,434,667)</u>	<u>(1,532,636)</u>	
27	Net Plant in Service		<u>693,643</u>	<u>700,035</u>	<u>701,549</u>	<u>1,022,645</u>	<u>1,012,421</u>	<u>990,455</u>	<u>964,234</u>	<u>941,004</u>	<u>912,542</u>	<u>885,610</u>	<u>861,567</u>	<u>835,030</u>	
28	Plus CWIP - Generation		130,935	218,225	290,967	-	-	-	-	-	-	-	-	-	
29	IDC and AFUDC		10,900	18,121	23,706	-	-	-	-	-	-	-	-	-	
30	Plus Working Capital		<u>37,123</u>	<u>36,508</u>	<u>33,741</u>	<u>33,802</u>	<u>35,110</u>	<u>28,966</u>	<u>22,153</u>	<u>22,607</u>	<u>23,288</u>	<u>24,045</u>	<u>23,343</u>	<u>23,721</u>	
31	Total Assets		<u>872,601</u>	<u>972,890</u>	<u>1,049,962</u>	<u>1,056,447</u>	<u>1,047,531</u>	<u>1,019,421</u>	<u>986,387</u>	<u>963,610</u>	<u>935,830</u>	<u>909,655</u>	<u>884,910</u>	<u>858,751</u>	
32	Liabilities		-	-	-	-	-	-	-	-	-	-	-	-	
33	Long-Term Debt		713,336	829,392	904,319	891,322	877,481	862,739	847,040	830,319	812,513	793,548	773,351	751,841	
34	Retained Earnings/Patronage Capital		379,820	379,820	409,751	456,677	579,845	711,950	839,221	966,916	1,102,822	1,237,637	1,377,678	1,524,303	
35	Current Liabilities		<u>(220,556)</u>	<u>(236,323)</u>	<u>(264,108)</u>	<u>(291,552)</u>	<u>(409,794)</u>	<u>(555,269)</u>	<u>(699,874)</u>	<u>(833,625)</u>	<u>(979,504)</u>	<u>(1,121,530)</u>	<u>(1,266,120)</u>	<u>(1,417,394)</u>	
36	Total Liabilities		<u>872,601</u>	<u>972,890</u>	<u>1,049,962</u>	<u>1,056,447</u>	<u>1,047,531</u>	<u>1,019,421</u>	<u>986,387</u>	<u>963,610</u>	<u>935,830</u>	<u>909,655</u>	<u>884,910</u>	<u>858,751</u>	
	Ratios														
	Long-Term Debt		65%	69%	69%	66%	60%	55%	50%	46%	42%	39%	36%	33%	
	Retained Earnings/Patronage Capital		35%	31%	31%	34%	40%	45%	50%	54%	58%	61%	64%	67%	

APPENDIX B-3
CASE 3
 COMBINATION CASE - IOU ACQUIRES BOTH
DEFEASANCE FUND CALCULATIONS
 (000s)

Proceeds from Defeasance Bond 532,900
Interest Rate for Earnings on EOY Balances in Defeasance Fund 3.00%

Line	Description (A)	2008 (B)	2009 (C)	2010 (D)	2011 (E)	2012 (F)	2013 (G)	2014 (H)	2015 (I)	2016 (J)	2017 (K)	2018 (L)	2019 (M)	2020 (N)
1	BEGINNING BALANCE IN DEFEASANCE FUND		532,900	494,426	456,120	274,883	125,023	102,659	79,444	55,603	42,967	32,737	22,189	11,261
2	(LESS) CEA DEBT SERVICE PAYMENTS													
3	Cobank 2		(2,133)	(1,528)	-	-	-	-	-	-	-	-	-	-
4	Cobank 3		(1,945)	(1,956)	(1,968)	(1,982)	(1,996)	(2,012)	(2,030)	(2,049)	(744)	(744)	(744)	(744)
5	Cobank 4		(2,139)	(2,153)	(2,167)	(2,183)	(2,201)	(2,220)	(2,241)	(2,264)	(813)	(813)	(813)	(813)
6	Cobank 5		(1,207)	(1,137)	(1,067)	(507)	-	-	-	-	-	-	-	-
7	Series 2001A		(9,825)	(9,825)	(151,638)	-	-	-	-	-	-	-	-	-
8	Series 2002A		(7,440)	(7,440)	(7,440)	(120,620)	-	-	-	-	-	-	-	-
9	Series 2002B		(7,909)	(7,892)	(7,851)	(9,559)	-	-	-	-	-	-	-	-
10	Series 1993A		(5,728)	(5,755)	(5,791)	-	-	-	-	-	-	-	-	-
11	Series 1996A		(5,507)	(5,482)	(5,446)	(5,395)	(7,745)	(11,802)	(11,798)	-	-	-	-	-
12	Series 1996B		-	-	-	-	-	-	-	-	-	-	-	-
13	Series 1999A		-	-	-	-	-	-	-	-	-	-	-	-
14	Series 2005A - Electric		(3,188)	(3,187)	(3,181)	(8,764)	(6,401)	(2,725)	(2,729)	(2,724)	(2,718)	(2,716)	(2,714)	(2,706)
15	Inter-fund Loan (LM2500+ Hank Nikkels Plant 1)		(1,877)	(1,877)	(1,877)	(1,877)	(1,877)	(1,877)	(1,876)	(1,876)	(1,876)	(1,875)	(1,875)	(1,875)
16	2008 Ongoing CIP Bond		(2,684)	(2,684)	(2,684)	(4,329)	(5,277)	(5,277)	(5,277)	(5,277)	(5,277)	(5,277)	(5,277)	(5,277)
17	Unamortized Premiums, Discounts, and Losses		(2,073)	(1,438)	(930)	(553)	(231)	6	114	96	80	65	-	-
18	TOTAL		(53,656)	(52,354)	(192,040)	(155,770)	(25,728)	(25,906)	(25,837)	(14,093)	(11,348)	(11,360)	(11,423)	(11,415)
19	BEGINNING BALANCE LESS CEA DEBT SERVICE PAYMENTS		479,244	442,072	264,080	119,113	99,295	76,753	53,607	41,510	31,618	21,377	10,766	(154)
20	PLUS INTEREST EARNINGS		15,182	14,047	10,803	5,910	3,365	2,691	1,996	1,457	1,119	812	494	167
21	ENDING BALANCE INCLUDING INTEREST [1]		494,426	456,120	274,883	125,023	102,659	79,444	55,603	42,967	32,737	22,189	11,261	12

NOTES

[1] Note that ending balance in 2020 is such that funds available are sufficient to retire outstanding debt debt service payments in 2020

APPENDIX B-3
CASE 3
 COMBINATION CASE - IOU ACQUIRES BOTH
OPERATIONS AND MAINTENANCE SAVINGS - LABOR, CONTRACTED SERVICES, AND NON LABOR
 (000s)

Line	Description (A)	Escalation For Inflation				2009 Dollars (F)	2008 (B)	2009 (C)	2010 (D)	2011 (E)	2012 (F)	2013 (G)	2014 (H)	2015 (I)	2016 (J)	2017 (K)	2018 (L)	2019 (M)	2020 (N)
		2007 Dollars (B)	2008 Dollars (C)	2008 Dollars (D)	2009 Dollars (E)														
1	LABOR AND BENEFITS																		
2	Direct Labor Savings	(2,934)	(6,416)	(3,007)	(6,576)	(6,740)		(3,082)	(10,068)	(10,320)	(10,578)	(10,842)	(11,113)	(11,391)	(11,676)	(11,968)	(12,267)	(12,574)	(12,888)
3	Benefit Savings	(1,467)	(3,208)	(1,504)	(3,288)	(3,370)		(1,541)	(5,034)	(5,160)	(5,289)	(5,421)	(5,557)	(5,696)	(5,838)	(5,984)	(6,134)	(6,287)	(6,444)
4	Total - Labor and Benefit Savings							(4,623)	(15,102)	(15,480)	(15,867)	(16,264)	(16,670)	(17,087)	(17,514)	(17,952)	(18,401)	(18,861)	(19,332)
5	CONTRACTED SERVICES																		
6	Financial Information Systems	(1,400)		(1,435)				(1,471)	(1,508)	(1,545)	(1,584)	(1,624)	(1,664)	(1,706)	(1,748)	(1,792)	(1,837)	(1,883)	(1,930)
7	Services Provided by Mayor's Office	(290)		(297)				(305)	(312)	(320)	(328)	(336)	(345)	(353)	(362)	(371)	(381)	(390)	(400)
8	Services Provided by Municipal Manager's Office	(145)		(149)				(152)	(156)	(160)	(164)	(168)	(172)	(177)	(181)	(186)	(190)	(195)	(200)
9	Purchasing Services	(180)		(185)				(189)	(194)	(199)	(204)	(209)	(214)	(219)	(225)	(230)	(236)	(242)	(248)
10	Accounts Payable	(80)		(82)				(84)	(86)	(88)	(91)	(93)	(95)	(97)	(100)	(102)	(105)	(108)	(110)
11	Emergency Management	(240)		(246)				(252)	(258)	(265)	(272)	(278)	(285)	(292)	(300)	(307)	(315)	(323)	(331)
12	Other InterGovernmental Charges	(390)		(400)				(410)	(420)	(430)	(441)	(452)	(464)	(475)	(487)	(499)	(512)	(525)	(538)
13	Total - Contract Savings							(2,863)	(2,935)	(3,008)	(3,083)	(3,160)	(3,239)	(3,320)	(3,403)	(3,488)	(3,575)	(3,665)	(3,756)
14	NON LABOR																		
15	Advertising	(150)		(154)				(158)	(162)	(166)	(170)	(174)	(178)	(183)	(187)	(192)	(197)	(202)	(207)
16	Office Supplies	(250)		(256)				(263)	(269)	(276)	(283)	(290)	(297)	(305)	(312)	(320)	(328)	(336)	(345)
17	General Materials	(200)		(205)				(210)	(215)	(221)	(226)	(232)	(238)	(244)	(250)	(256)	(262)	(269)	(276)
18	Building Expenses	(250)		(256)				(263)	(269)	(276)	(283)	(290)	(297)	(305)	(312)	(320)	(328)	(336)	(345)
19	Total - Non-Labor Cost Savings							(893)	(915)	(938)	(962)	(986)	(1,010)	(1,036)	(1,062)	(1,088)	(1,115)	(1,143)	(1,172)
20	TOTAL SAVINGS							(8,379)	(18,952)	(19,426)	(19,912)	(20,409)	(20,920)	(21,443)	(21,979)	(22,528)	(23,091)	(23,669)	(24,260)
21	PLUS COST TO ACHIEVE SAVINGS	2,934	6,416	3,007	6,576	6,740		3,082	6,740	-	-	-	-	-	-	-	-	-	-
22	IMPLEMENTATION COSTS							3,000	3,000	-	-	-	-	-	-	-	-	-	-
23	NET SAVINGS							\$ (2,297)	\$ (9,212)	\$ (19,426)	\$ (19,912)	\$ (20,409)	\$ (20,920)	\$ (21,443)	\$ (21,979)	\$ (22,528)	\$ (23,091)	\$ (23,669)	\$ (24,260)