

**Analysis of the "All in" costs of the \$5.1M portion of the Integrated Capital Finance Plan
Credit Facility with TD Bank vs Taxable Bond Issuance**

	<u>Credit Facility</u>	<u>Taxable Bonds</u>
Issuance Costs:		
Costs of Issuance		\$ 126,936.07
Underwriter's Discount		\$ 59,145.78
BFA Fees		\$ 13,087.50
Loan Origination Fee (from Discussion Term Sheet)	\$ 25,000.00	
Estimated legal for documentation (per bank's attorney)	\$ 8,000.00	
Subtotal Issuance Costs	<u>\$ 33,000.00</u> (a)	<u>\$ 199,169.35</u> (a)
Interest Rates (rates used per analysis provided with data responses to original testimony):		
20-year Credit Facility (30-Day LIBOR plus 2.25%; interest rate protected with SWAP for at least 1st 9 years)	4.85%	
Taxable 30-year Bonds		4.50%
Annual Principal Payments	\$ 255,000.00	\$ 170,000.00
<u>Bullet Maturities:</u>		
Credit Facility - at year 10	\$ 2,500,000.00	
Taxable Bonds		\$ -
<u>Gross Debt Service:</u>		
Credit Facility (assuming credit facility renewed at year 10 for remaining 10 years of original term, at same interest rate)	\$8,080,970.00	
Taxable Bonds		\$9,761,255.00
PV of \$5.1M debt obligation at designated interest rates and terms (assuming credit facility renewed at year 10 for remaining 10 years at same interest rate) ^{Note 1}	\$5,706,297.41 (b)	
PV of \$5.3M debt obligation at designated interest rates and terms ^{Note 1}		\$5,633,235.95 (b)
"All in" cost of financing - Note 2	<u>\$ 5,739,297.41</u>	<u>\$5,633,235.95</u>

Note 1: Estimated Discount Rate of 3.57% for Credit Facility and 3.99% for Taxable Bonds based upon the forward looking yield curves for the 20 and 30 years terms, respectively.

Note 2: "All in" cost for the Credit Facility is the PV of the Credit facility on line (b) plus the upfront issuance costs on line (a), as the Issuance Costs would have been paid out of funds available, and not incorporated into the borrowed amount. For the Taxable Bonds the "All in" cost is only the PV of the bonds, as the Cost of Issuance was included in the bonds amount.