

**From:** Kennedy, John  
**Sent:** Tuesday, April 24, 2018 3:22 PM  
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**Subject:** Confidential Model  
**Attachments:** Copy of 2018.01.23 HBDP Financial Model.CEC.Log.Graphs.vF JCK changes.xlsx

David, Andy and Brice

Here is what I have for the 30 and 35 year cross over graph. I made adjustments to the Poseidon model.

I put in the approved MWD rates for 2019 and 2020. I added \$80/af for the RTS and CC to the MWD volumetric rate. Beginning in 2021 I have MWD rates increasing at 3%, 4.1% and 6%

I put \$350/af in the year 2022 for distribution cost. And I inflated that at 1% going into the future.

Sandy's latest distribution cost was \$320/af in 2017 dollars. I inflated it for 5 years to 2022 and just rounded up to \$350/af.

Any concerns?