

Appendix G

Calculation of Total Present Value Cost of the Regulation

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Calculation of Total Present Value Cost of the Regulation

Total Present Value (2008) Cost of the regulation over 6 year life

Fuel costs:

Year	Total Added Cost (millions)	$1/(1+i)^n$ i= 5%; n= years	2008 Present Value (millions)
2009	\$142.6	0.9524	\$135.8
2010	\$275.0	0.9070	\$249.4
2011	\$282.8	0.8638	\$244.3
2012	\$343.8	0.8227	\$282.8
2013	\$353.0	0.7835	\$276.6
2014	\$362.7	0.7462	\$270.6
Total			\$1,459.50

Total Present Value (2008) Benefit of the regulation over 6 year life

Year	Premature Deaths Avoided	Cost Savings (2005 \$ millions)	$(1+i)^n$ i= 5%; n=3 years	2008 Present Value (millions) ₂
2009 ₁	139	\$1,123	1.1576	\$1,300
2010	264	\$2,142	1.1576	\$2,480
2011	272	\$2,205	1.1576	\$2,552
2012	314	\$2,544	1.1576	\$2,945
2013	323	\$2,615	1.1576	\$3,027
2014	333	\$2,701	1.1576	\$3,127
Total	1,646			\$15,431.00

1. Proposed regulation implemented mid-year.

2. 2005 Costs adjusted to 2008 present value by multiplying by $(1+i)^n$, where $i=5\%$ and $n=3$.