Remote Agent Enhancements

		Capital Impacts						Ongoing Operating Expenditures						
				CCA Tax Deductions				Cost Increases		Cost Benefits				
	YEAR	New Software	New Hardware	Software	Hardware	Residual CCA	Total	Labour	Non-Lab	Labour	Non-Lab	Net Operating Expenditures	Income Tax	After-Tax Cash Flow
		A	B		C			D		E		F	G	H
0	2006	($132,300)	($63,000)	$66,150	$9,450		$75,600	$0	$0	$0	$15,000	$15,000	$21,889	($158,411)
1	2007			$66,150	$16,065		$82,215	$0	($3,053)	$8,240	$53,939	$59,126	$8,340	$67,466
2	2008				$11,246		$11,246	$0	($3,109)	$8,570	$54,930	$60,390	($17,751)	$42,639
3	2009				$7,872		$7,872	$0	($3,168)	$8,827	$55,973	$61,632	($19,418)	$42,214
4	2010				$5,510	$10,482	$15,992	$0	($3,221)	$9,091	$56,912	$62,782	($16,901)	$45,882
	Present Value (See Note I)	@		**6.80%**										**$12,060**

NOTES:

A is the sum of the software additions by year adjusted to include an administrative overhead amount of 5% of the direct capital cost.
B is the sum of the computer network hardware additions by year adjusted to include an administrative overhead amount of 5% of the direct capital cost.
C is the Capital Cost Allowance deduction. It was calculated using declining balance depreciation and the 50% rule for capitalizing additions.
D is any software maintenance fees and internal support costs associated with the project. The cost estimates are escalated to the current year using the GDP Deflator Index.
E is the reduced operating costs. The cost estimate is escalated to current year using the GDP Deflator Index.
F is the sum of columns D and E.
G is the impact on taxes from the CCA and operating cost expenditures. It is equal to column C less column F times the tax rate.
H is the after tax revenue requirement which is the sum of the capital expenditure (column A) plus operating expenditures (column F) plus the income tax (column G).
I is the present value of column H. Column H is discounted using the weighted after-tax cost of capital.

Customer Tracking and Set-up Improvements

		Capital Impacts			Ongoing Operating Expenditures						
					Cost Increases		Cost Benefits				
	YEAR	New Software	Capitalized for CCA	CCA Tax Software	Labour	Non-Lab	Labour	Non-Lab	Net Operating Expenditures	Income Tax	After-Tax Cash Flow
		A	B	C	D		E		F	G	H
0	2006	($173,985)	($173,985)	$86,993	$0	$0	$0	$0	$0	$31,422	($142,563)
1	2007			$86,993	$0	$0	$0	$54,448	$54,448	$11,755	$66,203
2	2008				$0	$0	$0	$55,448	$55,448	($20,028)	$35,420
3	2009				$0	$0	$0	$56,501	$56,501	($20,408)	$36,093
4	2010				$0	$0	$0	$57,449	$57,449	($20,751)	$36,699
	Present Value (See Note I)	@		**6.80%**							**$8,314**

NOTES:

A is the sum of the software additions by year adjusted to include an administrative overhead amount of 5% of the direct capital cost.
B is the amount eligible for capital cost allowance deductions.
C is the Capital Cost Allowance deduction. It was calculated using declining balance depreciation and the 50% rule for capitalizing additions.
D is any software maintenance fees and internal support costs associated with the project. The cost estimates are escalated to the current year using the GDP Deflator Index.
E is the reduced operating costs. The cost estimate is escalated to current year using the GDP Deflator Index.
F is the sum of columns D and E.
G is the impact on taxes from the CCA and operating cost expenditures. It is equal to column C less column F times the tax rate.
H is the after tax revenue requirement which is the sum of the capital expenditures (column A) plus operating expenditures (column F) plus the income tax (column G).
I is the present value of column H. Column H is discounted using the weighted after-tax cost of capital.