

## **Essential Reference Paper "C"**

**Hertford Hydro -20 Year F** (note: excludes £21,000 for flood modelling)

### **Projected Cash Flows**

<b>Years</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b><u>Operating Income</u></b>					
Feed in Tariff		6,605	6,737	6,871	7,009
Export Tariff		3,207	3,271	3,336	3,403
Electricity Savings (Day)		8,527	8,698	8,872	9,049
Electricity Savings (Night)		882	900	918	936
<b>Total Income</b>		<b>19,220</b>	<b>19,605</b>	<b>19,997</b>	<b>20,397</b>
<b><u>Operating Expenses</u></b>					
Maintenance		800	816	832	849
<b>Total Expenses</b>	<b>231,359</b>	<b>800</b>	<b>816</b>	<b>832</b>	<b>849</b>
<b>Net Operating Income</b>	<b>(231,359)</b>	<b>18,420</b>	<b>18,789</b>	<b>19,165</b>	<b>19,548</b>
Opening Cash	0	(231,359)	(212,939)	(194,150)	(174,985)
Annual Profit/(Loss)	(231,359)	18,420	18,789	19,165	19,548
Closing Cash	(231,359)	(212,939)	(194,150)	(174,985)	(155,438)

Payback period 11.31 years

**Internal rate of return 6.8%**

<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>
7,149	7,292	7,438	7,586	7,738	7,893	8,051	8,212
3,471	3,540	3,611	3,683	3,757	3,832	3,909	3,987
9,230	9,415	9,603	9,795	9,991	10,191	10,395	10,603
955	974	993	1,013	1,033	1,054	1,075	1,097
<b>20,805</b>	<b>21,221</b>	<b>21,645</b>	<b>22,078</b>	<b>22,520</b>	<b>22,970</b>	<b>23,429</b>	<b>23,898</b>
866	883	901	919	937	956	975	995
<b>866</b>	<b>883</b>	<b>901</b>	<b>919</b>	<b>937</b>	<b>956</b>	<b>975</b>	<b>995</b>
<b>19,939</b>	<b>20,338</b>	<b>20,744</b>	<b>21,159</b>	<b>21,582</b>	<b>22,014</b>	<b>22,454</b>	<b>22,903</b>
(155,438)	(135,499)	(115,161)	(94,417)	(73,258)	(51,676)	(29,662)	(7,207)
19,939	20,338	20,744	21,159	21,582	22,014	22,454	22,903
(135,499)	(115,161)	(94,417)	(73,258)	(51,676)	(29,662)	(7,207)	15,696

<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>
8,376	8,544	8,714	8,889	9,067	9,248	9,433	9,622
4,067	4,148	4,231	4,316	4,402	4,490	4,580	4,671
10,815	11,031	11,251	11,476	11,706	11,940	12,179	12,423
1,119	1,141	1,164	1,187	1,211	1,235	1,260	1,285
<b>24,376</b>	<b>24,864</b>	<b>25,361</b>	<b>25,868</b>	<b>26,385</b>	<b>26,913</b>	<b>27,451</b>	<b>28,000</b>
1,015	1,035	1,056	1,077	1,098	1,120	1,143	1,165
<b>1,015</b>	<b>1,035</b>	<b>1,056</b>	<b>1,077</b>	<b>1,098</b>	<b>1,120</b>	<b>1,143</b>	<b>1,165</b>
<b>23,361</b>	<b>23,829</b>	<b>24,305</b>	<b>24,791</b>	<b>25,287</b>	<b>25,793</b>	<b>26,309</b>	<b>26,835</b>
15,696	39,057	62,886	87,191	111,983	137,270	163,063	189,372
23,361	23,829	24,305	24,791	25,287	25,793	26,309	26,835
39,057	62,886	87,191	111,983	137,270	163,063	189,372	216,206