

# Gas Price Escalation Worksheet

**TAX YEAR: 2018**

Calendar Year 2017

EIA Prev Year Price:	<b>\$3.05</b>
P&A Gas Reference Price:	<b>\$2.96</b>

-2.95%

Gas PAF =	<b>1.02623</b>
BLS Esc% =	<b>0.501%</b>

		EIA/BLS Gas Price Scenario					LOE Scenario	
		1	2	3	4	5	LOE Esc	Real
Year		Stated Price	Calculated HB925 Esc	Cumul Esc From Yr-0	P&A Ref Price w/EIABLS Esc	Yearly \$Change		Net Income Growth
1	2018	<b>\$3.13</b>	2.623%	2.623%	<b>\$3.04</b>	\$3.0376	0.000%	2.623%
2	2019	\$3.15	0.501%	3.124%	<b>\$3.05</b>	\$0.0152	0.000%	0.501%
3	2020	\$3.16	0.501%	3.625%	<b>\$3.07</b>	\$0.0153	0.000%	0.501%
4	2021	\$3.18	0.501%	4.126%	<b>\$3.08</b>	\$0.0154	0.000%	0.501%
5	2022	\$3.19	0.501%	4.627%	<b>\$3.10</b>	\$0.0154	0.000%	0.501%
6	2023	\$3.21	0.501%	5.128%	<b>\$3.11</b>	\$0.0155	0.000%	0.501%
7	2024	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
8	2025	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
9	2026	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
10	2027	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
11	2028	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
12	2029	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
13	2030	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
14	2031	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
15	2032	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
16	2033	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
17	2034	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
18	2035	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
19	2036	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
20	2037	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
21	2038	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
22	2039	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
23	2040	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
24	2041	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
25	2042	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
26	2043	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
27	2044	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
28	2045	\$3.21	0.000%	5.128%	<b>\$3.11</b>	\$0.0000	0.000%	0.000%
		102.53%	0.21%		102.53%			
		total	avg		total			

## WEIGHTED GAS PRICE USING DISCOUNT FACTORS AS WEIGHTING PARAMETER

	Year	P&A Projected*	15.00% Disc Rate	Weighted Avg
1	2018	\$3.04	0.932505	\$3.04
2	2019	\$3.05	0.810874	\$3.04
3	2020	\$3.07	0.705108	\$3.05
4	2021	\$3.08	0.613137	\$3.06
5	2022	\$3.10	0.533163	<b>\$3.06</b>
6	2023	\$3.11	0.463620	\$3.07
7	2024	\$3.11	0.403148	\$3.07
8	2025	\$3.11	0.350563	\$3.08
9	2026	\$3.11	0.304837	\$3.08
10	2027	\$3.11	0.265076	<b>\$3.08</b>
11	2028	\$3.11	0.230501	\$3.08
12	2029	\$3.11	0.200436	\$3.08
13	2030	\$3.11	0.174292	\$3.08
14	2031	\$3.11	0.151558	\$3.08
15	2032	\$3.11	0.131790	<b>\$3.09</b>
16	2033	\$3.11	0.114600	\$3.09
17	2034	\$3.11	0.099652	\$3.09
18	2035	\$3.11	0.086654	\$3.09
19	2036	\$3.11	0.075351	\$3.09
20	2037	\$3.11	0.065523	<b>\$3.09</b>
21	2038	\$3.11	0.056976	\$3.09
22	2039	\$3.11	0.049545	\$3.09
23	2040	\$3.11	0.043082	\$3.09
24	2041	\$3.11	0.037463	\$3.09
25	2042	\$3.11	0.032576	<b>\$3.09</b>
26	2043	\$3.11	0.028327	\$3.09
27	2044	\$3.11	0.024632	\$3.09
28	2045	\$3.11	0.021420	\$3.09

\* Estimated Texas state-wide composite price

Note: Projections shown here are for 28 years, the maximum projected years life in P&A's cashflow program.

\* Effective escalation percentages are back-calculated from prices that have been rounded to two decimal places. Therefore, they do not exactly match the stated escalation percentages used to calculate the prices.