

Rate of Return Information

Proforma Overall Rate of Return		Component Ratio		Component Cost Rate		Weighted Average Cost Rate
Equity Capital		-1.71%		10.06%		-0.17%
Long Term Debt		101.71%		5.56%		5.66%
Total Capital		100.00%				5.48%

Note: Since Dockham's Equity Capital is negative, the Company is utilizing Long Term Debt cost rate for the rate of return.

Actual Overall Rate of Return		Component Ratio		Component Cost Rate		Weighted Average Cost Rate
Equity Capital		-4.69%		9.60%		-0.45%
Long Term Debt		104.69%		1.42%		1.49%
Total Capital		100.00%				1.04%

Capital Structure for Ratemaking Purposes	12/31/2018 Proforma		12/31/2018 Proforma %		12/31/2018 Actual		12/31/2018 Actual %
Common Stock							
Other Paid in Capital	-		0.00%		-		0.00%
Retained Earnings	(5,775)		-1.71%		(5,775)		-4.69%
Total Equity	\$ (5,775)		-1.71%		\$ (5,775)		-4.69%
Long Term Debt	\$343,986		101.71%		\$128,986		104.69%
Total Capital	\$ 338,211		100.00%		\$ 123,211		100.00%

Long Term Debt	12/31/2018 Proforma		12/31/2018 Actual				
CoBank Loans	\$343,986		\$128,986				
Total Long Term Debt	\$343,986		\$128,986		\$0		\$0

Proforma Cost of Debt	12/31/2018 Amount		Interest Rate	Interest Expense	Amortization of Fin Costs	Total Interest	Cost Rate
2018 CoBank T04 Loan	\$ 128,986		5.45%	\$ 7,276	41	\$ 7,317	5.67%
2019 CoBank Loan	215,000		5.50%	11,673	136	11,809	5.49%
Total Cost of Debt	\$343,986			\$18,949	\$177	\$19,126	5.56%

Actual Cost of Debt	12/31/2018 Actual		Interest Rate	Interest Expense	Amortization of Fin Costs	Total Interest	Cost Rate
2018 CoBank T04 Loan	\$ 128,986			\$ 1,795	\$ 41	\$ 1,836	1.42%
Total Cost of Debt	\$128,986			\$1,795	\$ -	\$1,836	1.42%

Cost of Common Equity Capital
The Company is utilizing a cost of common equity of 10.06% (9.56% plus .50%) for pro forma purposes.