

Cost Benefit Analysis of Refinancing IAWC 6.0% Taxable Bond

Expected Refund Date	12/31/2014
Maturity of Bond	12/1/2039
Bond Notional Amount	\$13,899,567
Old Coupon payment	6.000%
New Coupon Payment	2.500%
Average life of bond	24.9
Duration of new bond	5.0
Annual interest of old bond	(\$833,974)
Annual interest of new bond	(\$347,489)
Annual savings	<u>\$486,485</u>
PV of Savings	\$2,260,125
Underwriter's Discount	(\$90,347)
Trustee	(\$394)
Trustee Counsel	(\$88)
Company Counsel	(\$1,695)
Rating cost- Moodys	(\$10,656)
Rating cost - S&P	(\$5,212)
Printing & Miscellaneous	(\$731)
PWC fee	(\$3,475)
SEC Fee	(\$2,387)
Miscellaneous expenses	(\$34,000)
Total Issuance cost	<u>(\$148,985)</u>
Net PV of Savings	<u>\$2,145,140</u>
Payback Period (years)	0.31