

# California High-Speed Rail Project



## High, Medium, Low Cash Flows

April 2012



## ***Project Cash Flow Analysis***

Chapter 7 provides a description of assumptions and potential cash flows from the high-speed rail system for the high, medium, and low ridership projections. Each scenario's net project cash flows through Phase 1 Blended (YOE dollars in millions) through 2060 are included in this appendix. The net project cash flow calculation begins with the net cash flow from operations (revenue less operations and maintenance costs). Depreciation is a non-cash item and is excluded from this calculation. To account for capital replacement needs, the projected annual expenditures for repairing and replacing capital assets over time, including trains, equipment, and rail infrastructure, are then deducted to arrive at net operating cash flow after capital replacement costs. This represents the net cash flow available to be used for capital purposes and is before consideration of any debt service or investment returns.

This analysis provides an understanding of how total revenues, operating and maintenance costs, capital replacement, and construction costs interact together without regard to sources. The net cash flows are used to calculate an internal rate of return and capital payback period for the project before any consideration of financing or any particular source of funding.

The cash flows included herein are based on assumptions related to revenues, operating and maintenance costs, capital replacement costs, and capital costs as described in the Revised Business Plan.



### Exhibit 1. Net Project Cash Flow Through Phase 1 Blended (YOE dollars in millions) HIGH Case

	Total Cash Flow through 2060	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenue	\$201,159	—	—	—	—	—	—	—	—	—
Less: O&M	\$(82,694)	—	—	—	—	—	—	—	—	—
<b>Net cash flow from operations</b>	<b>\$118,465</b>	—	—	—	—	—	—	—	—	—
Capital replacement costs	\$(6,609)	—	—	—	—	—	—	—	—	—
<b>Net operating cash flow after capital replacement</b>	<b>\$111,856</b>	—	—	—	—	—	—	—	—	—
Capital cost	\$(68,365)	\$(1,334)	\$(1,289)	\$(4,101)	\$(4,224)	\$(4,351)	\$(4,741)	\$(4,884)	\$(5,030)	\$(5,385)
<b>Net project cash flow</b>	<b>\$43,491</b>	<b>\$(1,334)</b>	<b>\$(1,289)</b>	<b>\$(4,101)</b>	<b>\$(4,224)</b>	<b>\$(4,351)</b>	<b>\$(4,741)</b>	<b>\$(4,884)</b>	<b>\$(5,030)</b>	<b>\$(5,385)</b>
<b>Cumulative net project cash flow</b>		<b>\$(1,334)</b>	<b>\$(2,623)</b>	<b>\$(6,724)</b>	<b>\$(10,948)</b>	<b>\$(15,299)</b>	<b>\$(20,040)</b>	<b>\$(24,924)</b>	<b>\$(29,954)</b>	<b>\$(35,339)</b>
<b>Project IRR</b>	<b>2.00%</b>									

**Exhibit 1. Net Project Cash Flow Through Phase 1 Blended (YOE dollars in millions) HIGH Case (continued)**

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Revenue	\$486	\$675	\$878	\$1,096	\$1,329	\$1,915	\$2,174	\$2,649	\$3,019	\$3,345
O&M	(334)	(354)	(527)	(556)	(591)	(875)	(976)	(1,133)	(1,216)	(1,334)
<b>Net cash flow from operations</b>	<b>\$151</b>	<b>\$321</b>	<b>\$351</b>	<b>\$540</b>	<b>\$738</b>	<b>\$1,040</b>	<b>\$1,198</b>	<b>\$1,516</b>	<b>\$1,804</b>	<b>\$2,010</b>
Capital replacement costs	—	\$(1)	\$(4)	\$(4)	\$(4)	\$(14)	\$(15)	\$(16)	\$(17)	\$(17)
<b>Net operating cash flow after capital replacement</b>	<b>\$151</b>	<b>\$319</b>	<b>\$348</b>	<b>\$536</b>	<b>\$735</b>	<b>\$1,026</b>	<b>\$1,184</b>	<b>\$1,499</b>	<b>\$1,787</b>	<b>\$1,993</b>
Capital cost	\$(4,805)	\$(6,315)	\$(6,505)	\$(6,700)	\$(3,685)	\$(2,471)	\$(2,545)	—	—	—
<b>Net project cash flow</b>	<b>\$(4,654)</b>	<b>\$(5,996)</b>	<b>\$(6,157)</b>	<b>\$(6,164)</b>	<b>\$(2,951)</b>	<b>\$(1,445)</b>	<b>\$(1,362)</b>	<b>\$1,499</b>	<b>\$1,787</b>	<b>\$1,993</b>
<b>Cumulative net project cash flow</b>	<b>\$(39,993)</b>	<b>\$(45,988)</b>	<b>\$(52,145)</b>	<b>\$(58,309)</b>	<b>\$(61,260)</b>	<b>\$(62,705)</b>	<b>\$(64,066)</b>	<b>\$(62,567)</b>	<b>\$(60,780)</b>	<b>\$(58,787)</b>

**Exhibit 1. Net Project Cash Flow Through Phase 1 Blended (YOE dollars in millions) HIGH Case (continued)**

	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Revenue	\$3,605	\$3,879	\$4,016	\$4,157	\$4,303	\$4,454	\$4,611	\$4,773	\$4,941	\$5,114
O&M	\$(1,419)	\$(1,564)	\$(1,624)	\$(1,691)	\$(1,761)	\$(1,830)	\$(1,900)	\$(1,972)	\$(2,048)	\$(2,131)
<b>Net cash flow from operations</b>	<b>\$2,186</b>	<b>\$2,316</b>	<b>\$2,391</b>	<b>\$2,466</b>	<b>\$2,542</b>	<b>\$2,624</b>	<b>\$2,711</b>	<b>\$2,800</b>	<b>\$2,893</b>	<b>\$2,983</b>
Capital replacement costs	\$(24)	\$(24)	\$(25)	\$(27)	\$(23)	\$(24)	\$(24)	\$(27)	\$(22)	\$(23)
<b>Net operating cash flow after capital replacement</b>	<b>\$2,162</b>	<b>\$2,291</b>	<b>\$2,366</b>	<b>\$2,439</b>	<b>\$2,519</b>	<b>\$2,600</b>	<b>\$2,687</b>	<b>\$2,774</b>	<b>\$2,870</b>	<b>\$2,960</b>
Capital cost	—	—	—	—	—	—	—	—	—	—
<b>Net project cash flow</b>	<b>\$2,162</b>	<b>\$2,291</b>	<b>\$2,366</b>	<b>\$2,439</b>	<b>\$2,519</b>	<b>\$2,600</b>	<b>\$2,687</b>	<b>\$2,774</b>	<b>\$2,870</b>	<b>\$2,960</b>
<b>Cumulative net project cash flow</b>	<b>\$(56,625)</b>	<b>\$(54,334)</b>	<b>\$(51,967)</b>	<b>\$(49,528)</b>	<b>\$(47,009)</b>	<b>\$(44,409)</b>	<b>\$(41,722)</b>	<b>\$(38,949)</b>	<b>\$(36,079)</b>	<b>\$(33,118)</b>

**Exhibit 1. Net Project Cash Flow Through Phase 1 Blended (YOE dollars in millions) HIGH Case (continued)**

	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Revenue	\$5,294	\$5,480	\$5,673	\$5,872	\$6,079	\$6,292	\$6,513	\$6,742	\$6,979	\$7,225
O&M	\$(2,210)	\$(2,288)	\$(2,383)	\$(2,462)	\$(2,554)	\$(2,636)	\$(2,715)	\$(2,889)	\$(2,961)	\$(3,028)
<b>Net cash flow from operations</b>	<b>\$3,084</b>	<b>\$3,192</b>	<b>\$3,290</b>	<b>\$3,410</b>	<b>\$3,525</b>	<b>\$3,657</b>	<b>\$3,798</b>	<b>\$3,853</b>	<b>\$4,019</b>	<b>\$4,197</b>
Capital replacement costs	\$(26)	\$(341)	\$(325)	\$(335)	\$(345)	\$(32)	\$(399)	\$(34)	\$(753)	\$(1,059)
<b>Net operating cash flow after capital replacement</b>	<b>\$3,058</b>	<b>\$2,851</b>	<b>\$2,965</b>	<b>\$3,076</b>	<b>\$3,180</b>	<b>\$3,625</b>	<b>\$3,400</b>	<b>\$3,819</b>	<b>\$3,266</b>	<b>\$3,138</b>
Capital cost	—	—	—	—	—	—	—	—	—	—
<b>Net project cash flow</b>	<b>\$3,058</b>	<b>\$2,851</b>	<b>\$2,965</b>	<b>\$3,076</b>	<b>\$3,180</b>	<b>\$3,625</b>	<b>\$3,400</b>	<b>\$3,819</b>	<b>\$3,266</b>	<b>\$3,138</b>
<b>Cumulative net project cash flow</b>	<b>\$(30,060)</b>	<b>\$(27,209)</b>	<b>\$(24,244)</b>	<b>\$(21,168)</b>	<b>\$(17,988)</b>	<b>\$(14,363)</b>	<b>\$(10,964)</b>	<b>\$(7,145)</b>	<b>\$(3,879)</b>	<b>\$(742)</b>



**Exhibit 1. Net Project Cash Flow Through Phase 1 Blended (YOE dollars in millions) HIGH Case (continued)**

	2052	2053	2054	2055	2056	2057	2058	2059	2060
Revenue	\$7,479	\$7,742	\$8,014	\$8,295	\$8,587	\$8,889	\$9,201	\$9,525	\$9,859
O&M	\$(3,100)	\$(3,164)	\$(3,254)	\$(3,336)	\$(3,406)	\$(3,484)	\$(3,570)	\$(3,660)	\$(3,758)
<b>Net cash flow from operations</b>	<b>\$4,379</b>	<b>\$4,578</b>	<b>\$4,759</b>	<b>\$4,960</b>	<b>\$5,181</b>	<b>\$5,405</b>	<b>\$5,631</b>	<b>\$5,864</b>	<b>\$6,102</b>
Capital replacement costs	\$(1,001)	\$(1,029)	\$(48)	\$(267)	\$(60)	\$(53)	\$(52)	\$(53)	\$(64)
<b>Net operating cash flow after capital replacement</b>	<b>\$3,378</b>	<b>\$3,549</b>	<b>\$4,712</b>	<b>\$4,693</b>	<b>\$5,121</b>	<b>\$5,352</b>	<b>\$5,579</b>	<b>\$5,811</b>	<b>\$6,037</b>
Capital cost	—	—	—	—	—	—	—	—	—
<b>Net project cash flow</b>	<b>\$3,378</b>	<b>\$3,549</b>	<b>\$4,712</b>	<b>\$4,693</b>	<b>\$5,121</b>	<b>\$5,352</b>	<b>\$5,579</b>	<b>\$5,811</b>	<b>\$6,037</b>
<b>Cumulative net project cash flow</b>	<b>\$2,637</b>	<b>\$6,186</b>	<b>\$10,898</b>	<b>\$15,591</b>	<b>\$20,711</b>	<b>\$26,063</b>	<b>\$31,642</b>	<b>\$37,453</b>	<b>\$43,491</b>



## Exhibit 2. Net Project Cash Flow Through Phase 1 Blended (YOE dollars in millions) MEDIUM Case

	Total Cash Flow through 2060	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenue	\$160,585	—	—	—	—	—	—	—	—	—
Less: O&M	(\$70,643)	—	—	—	—	—	—	—	—	—
<b>Net cash flow from operations</b>	<b>\$89,942</b>	—	—	—	—	—	—	—	—	—
Capital replacement costs	\$(6,609)	—	—	—	—	—	—	—	—	—
<b>Net operating cash flow after capital replacement</b>	<b>\$83,333</b>	—	—	—	—	—	—	—	—	—
Capital cost	\$(68,365)	\$(1,334)	\$(1,289)	\$(4,101)	\$(4,224)	\$(4,351)	\$(4,741)	\$(4,884)	\$(5,030)	\$(5,385)
<b>Net project cash flow</b>	<b>\$14,968</b>	<b>\$(1,334)</b>	<b>\$(1,289)</b>	<b>\$(4,101)</b>	<b>\$(4,224)</b>	<b>\$(4,351)</b>	<b>\$(4,741)</b>	<b>\$(4,884)</b>	<b>\$(5,030)</b>	<b>\$(5,385)</b>
<b>Cumulative net project cash flow</b>		<b>\$(1,334)</b>	<b>\$(2,623)</b>	<b>\$(6,724)</b>	<b>\$(10,948)</b>	<b>\$(15,299)</b>	<b>\$(20,040)</b>	<b>\$(24,924)</b>	<b>\$(29,954)</b>	<b>\$(35,339)</b>
<b>Project IRR</b>	<b>0.78%</b>									

**Exhibit 2. Net Project Cash Flow Through Phase 1 Blended (YOE dollars in millions) MEDIUM Case (continued)**

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Revenue	\$380	\$524	\$678	\$844	\$1,020	\$1,492	\$1,698	\$2,089	\$2,392	\$2,659
O&M	\$(321)	\$(345)	\$(382)	\$(499)	\$(547)	\$(755)	\$(814)	\$(945)	\$(1,075)	\$(1,133)
<b>Net cash flow from operations</b>	<b>\$59</b>	<b>\$179</b>	<b>\$296</b>	<b>\$345</b>	<b>\$473</b>	<b>\$737</b>	<b>\$884</b>	<b>\$1,144</b>	<b>\$1,316</b>	<b>\$1,526</b>
Capital replacement costs	\$0	\$(1)	\$(4)	\$(4)	\$(4)	\$(14)	\$(15)	\$(16)	\$(17)	\$(17)
<b>Net operating cash flow after capital replacement</b>	<b>\$59</b>	<b>\$178</b>	<b>\$292</b>	<b>\$341</b>	<b>\$469</b>	<b>\$723</b>	<b>\$869</b>	<b>\$1,128</b>	<b>\$1,300</b>	<b>\$1,509</b>
Capital cost	\$(4,805)	\$(6,315)	\$(6,505)	\$(6,700)	\$(3,685)	\$(2,471)	\$(2,545)	—	—	—
<b>Net project cash flow</b>	<b>\$(4,746)</b>	<b>\$(6,137)</b>	<b>\$(6,212)</b>	<b>\$(6,359)</b>	<b>\$(3,216)</b>	<b>\$(1,749)</b>	<b>\$(1,676)</b>	<b>\$1,128</b>	<b>\$1,300</b>	<b>\$1,509</b>
<b>Cumulative net project cash flow</b>	<b>\$(40,085)</b>	<b>\$(46,222)</b>	<b>\$(52,435)</b>	<b>\$(58,793)</b>	<b>\$(62,010)</b>	<b>\$(63,758)</b>	<b>\$(65,435)</b>	<b>\$(64,307)</b>	<b>\$(63,007)</b>	<b>\$(61,498)</b>

**Exhibit 2. Net Project Cash Flow Through Phase 1 Blended (YOE dollars in millions) MEDIUM Case (continued)**

	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Revenue	\$2,875	\$3,102	\$3,211	\$3,324	\$3,441	\$3,562	\$3,687	\$3,817	\$3,951	\$4,090
O&M	\$(1,252)	\$(1,328)	\$(1,381)	\$(1,440)	\$(1,531)	\$(1,594)	\$(1,656)	\$(1,721)	\$(1,789)	\$(1,860)
<b>Net cash flow from operations</b>	<b>\$1,623</b>	<b>\$1,775</b>	<b>\$1,830</b>	<b>\$1,885</b>	<b>\$1,910</b>	<b>\$1,968</b>	<b>\$2,031</b>	<b>\$2,096</b>	<b>\$2,162</b>	<b>\$2,230</b>
Capital replacement costs	\$(24)	\$(24)	\$(25)	\$(27)	\$(23)	\$(24)	\$(24)	\$(27)	\$(22)	\$(23)
<b>Net operating cash flow after capital replacement</b>	<b>\$1,598</b>	<b>\$1,750</b>	<b>\$1,805</b>	<b>\$1,858</b>	<b>\$1,887</b>	<b>\$1,944</b>	<b>\$2,007</b>	<b>\$2,069</b>	<b>\$2,139</b>	<b>\$2,207</b>
Capital cost	—	—	—	—	—	—	—	—	—	—
<b>Net project cash flow</b>	<b>\$1,598</b>	<b>\$1,750</b>	<b>\$1,805</b>	<b>\$1,858</b>	<b>\$1,887</b>	<b>\$1,944</b>	<b>\$2,007</b>	<b>\$2,069</b>	<b>\$2,139</b>	<b>\$2,207</b>
<b>Cumulative net project cash flow</b>	<b>\$(59,900)</b>	<b>\$(58,149)</b>	<b>\$(56,345)</b>	<b>\$(54,487)</b>	<b>\$(52,599)</b>	<b>\$(50,655)</b>	<b>\$(48,648)</b>	<b>\$(46,579)</b>	<b>\$(44,440)</b>	<b>\$(42,234)</b>

**Exhibit 2. Net Project Cash Flow Through Phase 1 Blended (YOE dollars in millions) MEDIUM Case (continued)**

	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Revenue	\$4,234	\$4,382	\$4,537	\$4,696	\$4,861	\$5,032	\$5,209	\$5,392	\$5,581	\$5,778
O&M	\$(1,931)	\$(2,001)	\$(2,073)	\$(2,143)	\$(2,229)	\$(2,302)	\$(2,371)	\$(2,435)	\$(2,492)	\$(2,546)
<b>Net cash flow from operations</b>	<b>\$2,303</b>	<b>\$2,382</b>	<b>\$2,463</b>	<b>\$2,553</b>	<b>\$2,632</b>	<b>\$2,730</b>	<b>\$2,838</b>	<b>\$2,957</b>	<b>\$3,089</b>	<b>\$3,232</b>
Capital replacement costs	\$(26)	\$(341)	\$(325)	\$(335)	\$(345)	\$(32)	\$(399)	\$(34)	\$(753)	\$(1,059)
<b>Net operating cash flow after capital replacement</b>	<b>\$2,277</b>	<b>\$2,041</b>	<b>\$2,138</b>	<b>\$2,218</b>	<b>\$2,287</b>	<b>\$2,699</b>	<b>\$2,439</b>	<b>\$2,923</b>	<b>\$2,336</b>	<b>\$2,173</b>
Capital cost	—	—	—	—	—	—	—	—	—	—
<b>Net project cash flow</b>	<b>\$2,277</b>	<b>\$2,041</b>	<b>\$2,138</b>	<b>\$2,218</b>	<b>\$2,287</b>	<b>\$2,699</b>	<b>\$2,439</b>	<b>\$2,923</b>	<b>\$2,336</b>	<b>\$2,173</b>
<b>Cumulative net project cash flow</b>	<b>\$(39,956)</b>	<b>\$(37,916)</b>	<b>\$(35,777)</b>	<b>\$(33,560)</b>	<b>\$(31,273)</b>	<b>\$(28,574)</b>	<b>\$(26,135)</b>	<b>\$(23,212)</b>	<b>\$(20,876)</b>	<b>\$(18,704)</b>

**Exhibit 2. Net Project Cash Flow Through Phase 1 Blended (YOE dollars in millions) MEDIUM Case (continued)**

	2052	2053	2054	2055	2056	2057	2058	2059	2060
Revenue	\$5,981	\$6,191	\$6,408	\$6,634	\$6,867	\$7,108	\$7,358	\$7,617	\$7,885
O&M	\$(2,597)	\$(2,646)	\$(2,700)	\$(2,749)	\$(2,811)	\$(2,871)	\$(2,981)	\$(3,157)	\$(3,240)
<b>Net cash flow from operations</b>	<b>\$3,384</b>	<b>\$3,545</b>	<b>\$3,708</b>	<b>\$3,884</b>	<b>\$4,056</b>	<b>\$4,237</b>	<b>\$4,377</b>	<b>\$4,459</b>	<b>\$4,645</b>
Capital replacement costs	\$(1,001)	\$(1,029)	\$(48)	\$(267)	\$(60)	\$(53)	\$(52)	\$(53)	\$(64)
<b>Net operating cash flow after capital replacement</b>	<b>\$2,383</b>	<b>\$2,517</b>	<b>\$3,661</b>	<b>\$3,618</b>	<b>\$3,996</b>	<b>\$4,185</b>	<b>\$4,326</b>	<b>\$4,406</b>	<b>\$4,580</b>
Capital cost	—	—	—	—	—	—	—	—	—
<b>Net project cash flow</b>	<b>\$2,383</b>	<b>\$2,517</b>	<b>\$3,661</b>	<b>\$3,618</b>	<b>\$3,996</b>	<b>\$4,185</b>	<b>\$4,326</b>	<b>\$4,406</b>	<b>\$4,580</b>
<b>Cumulative net project cash flow</b>	<b>\$(16,320)</b>	<b>\$(13,804)</b>	<b>\$(10,143)</b>	<b>\$(6,525)</b>	<b>\$(2,529)</b>	<b>\$1,655</b>	<b>\$5,981</b>	<b>\$10,387</b>	<b>\$14,968</b>





### Exhibit 3. Net Project Cash Flow Through Phase 1 Blended (YOE dollars in millions) LOW Case

	Total Cash Flow through 2060	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenue	\$120,013	—	—	—	—	—	—	—	—	—
Less: O&M	\$(60,963)	—	—	—	—	—	—	—	—	—
<b>Net cash flow from operations</b>	<b>\$59,050</b>	—	—	—	—	—	—	—	—	—
Capital replacement costs	\$(6,609)	—	—	—	—	—	—	—	—	—
<b>Net operating cash flow after capital replacement</b>	<b>\$52,441</b>	—	—	—	—	—	—	—	—	—
Capital cost	\$(68,365)	\$(1,334)	\$(1,289)	\$(4,101)	\$(4,224)	\$(4,351)	\$(4,741)	\$(4,884)	\$(5,030)	\$(5,385)
<b>Net project cash flow</b>	<b>\$(15,924)</b>	<b>\$(1,334)</b>	<b>\$(1,289)</b>	<b>\$(4,101)</b>	<b>\$(4,224)</b>	<b>\$(4,351)</b>	<b>\$(4,741)</b>	<b>\$(4,884)</b>	<b>\$(5,030)</b>	<b>\$(5,385)</b>
<b>Cumulative net project cash flow</b>		<b>\$(1,334)</b>	<b>\$(2,623)</b>	<b>\$(6,724)</b>	<b>\$(10,948)</b>	<b>\$(15,299)</b>	<b>\$(20,040)</b>	<b>\$(24,924)</b>	<b>\$(29,954)</b>	<b>\$(35,339)</b>
<b>Project IRR</b>	<b>0.00%</b>									

**Exhibit 3. Net Project Cash Flow Through Phase 1 Blended (YOE dollars in millions) LOW Case (continued)**

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Revenue	\$274	\$373	\$478	\$591	\$711	\$1,069	\$1,222	\$1,530	\$1,765	\$1,973
O&M	\$(239)	\$(322)	\$(354)	\$(376)	\$(386)	\$(646)	\$(734)	\$(830)	\$(889)	\$(951)
<b>Net cash flow from operations</b>	<b>\$35</b>	<b>\$51</b>	<b>\$124</b>	<b>\$215</b>	<b>\$325</b>	<b>\$423</b>	<b>\$487</b>	<b>\$700</b>	<b>\$875</b>	<b>\$1,022</b>
Capital replacement costs	—	\$(1)	\$(4)	\$(4)	\$(4)	\$(14)	\$(15)	\$(16)	\$(17)	\$(17)
<b>Net operating cash flow after capital replacement</b>	<b>\$35</b>	<b>\$50</b>	<b>\$120</b>	<b>\$212</b>	<b>\$322</b>	<b>\$408</b>	<b>\$472</b>	<b>\$684</b>	<b>\$859</b>	<b>\$1,005</b>
Capital cost	\$(4,805)	\$(6,315)	\$(6,505)	\$(6,700)	\$(3,685)	\$(2,471)	\$(2,545)	—	—	—
<b>Net project cash flow</b>	<b>\$(4,770)</b>	<b>\$(6,265)</b>	<b>\$(6,384)</b>	<b>\$(6,488)</b>	<b>\$(3,364)</b>	<b>\$(2,063)</b>	<b>\$(2,073)</b>	<b>\$684</b>	<b>\$859</b>	<b>\$1,005</b>
<b>Cumulative net project cash flow</b>	<b>\$(40,109)</b>	<b>\$(46,374)</b>	<b>\$(52,759)</b>	<b>\$(59,247)</b>	<b>\$(62,611)</b>	<b>\$(64,673)</b>	<b>\$(66,746)</b>	<b>\$(66,062)</b>	<b>\$(65,204)</b>	<b>\$(64,199)</b>

**Exhibit 3. Net Project Cash Flow Through Phase 1 Blended (YOE dollars in millions) LOW Case (continued)**

	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Revenue	\$2,144	\$2,325	\$2,407	\$2,492	\$2,579	\$2,670	\$2,764	\$2,861	\$2,961	\$3,065
O&M	\$(1,072)	\$(1,116)	\$(1,163)	\$(1,215)	\$(1,281)	\$(1,337)	\$(1,391)	\$(1,449)	\$(1,509)	\$(1,632)
<b>Net cash flow from operations</b>	<b>\$1,073</b>	<b>\$1,210</b>	<b>\$1,244</b>	<b>\$1,277</b>	<b>\$1,298</b>	<b>\$1,333</b>	<b>\$1,372</b>	<b>\$1,412</b>	<b>\$1,453</b>	<b>\$1,433</b>
Capital replacement costs	\$(24)	\$(24)	\$(25)	\$(27)	\$(23)	\$(24)	\$(24)	\$(27)	\$(22)	\$(23)
<b>Net operating cash flow after capital replacement</b>	<b>\$1,048</b>	<b>\$1,185</b>	<b>\$1,219</b>	<b>\$1,250</b>	<b>\$1,275</b>	<b>\$1,309</b>	<b>\$1,348</b>	<b>\$1,385</b>	<b>\$1,430</b>	<b>\$1,410</b>
Capital cost	—	—	—	—	—	—	—	—	—	—
<b>Net project cash flow</b>	<b>\$1,048</b>	<b>\$1,185</b>	<b>\$1,219</b>	<b>\$1,250</b>	<b>\$1,275</b>	<b>\$1,309</b>	<b>\$1,348</b>	<b>\$1,385</b>	<b>\$1,430</b>	<b>\$1,410</b>
<b>Cumulative net project cash flow</b>	<b>\$(63,151)</b>	<b>\$(61,965)</b>	<b>\$(60,746)</b>	<b>\$(59,496)</b>	<b>\$(58,221)</b>	<b>\$(56,912)</b>	<b>\$(55,564)</b>	<b>\$(54,179)</b>	<b>\$(52,749)</b>	<b>\$(51,339)</b>

**Exhibit 3. Net Project Cash Flow Through Phase 1 Blended (YOE dollars in millions) LOW Case (continued)**

	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Revenue	\$3,173	\$3,285	\$3,400	\$3,520	\$3,643	\$3,772	\$3,904	\$4,041	\$4,183	\$4,330
O&M	\$(1,696)	\$(1,759)	\$(1,822)	\$(1,884)	\$(1,947)	\$(2,012)	\$(2,073)	\$(2,144)	\$(2,194)	\$(2,238)
<b>Net cash flow from operations</b>	<b>\$1,477</b>	<b>\$1,526</b>	<b>\$1,578</b>	<b>\$1,635</b>	<b>\$1,696</b>	<b>\$1,759</b>	<b>\$1,831</b>	<b>\$1,897</b>	<b>\$1,990</b>	<b>\$2,092</b>
Capital replacement costs	\$(26)	\$(341)	\$(325)	\$(335)	\$(345)	\$(32)	\$(399)	\$(34)	\$(753)	\$(1,059)
<b>Net operating cash flow after capital replacement</b>	<b>\$1,451</b>	<b>\$1,185</b>	<b>\$1,253</b>	<b>\$1,301</b>	<b>\$1,351</b>	<b>\$1,727</b>	<b>\$1,432</b>	<b>\$1,862</b>	<b>\$1,237</b>	<b>\$1,033</b>
Capital cost	—	—	—	—	—	—	—	—	—	—
<b>Net project cash flow</b>	<b>\$1,451</b>	<b>\$1,185</b>	<b>\$1,253</b>	<b>\$1,301</b>	<b>\$1,351</b>	<b>\$1,727</b>	<b>\$1,432</b>	<b>\$1,862</b>	<b>\$1,237</b>	<b>\$1,033</b>
<b>Cumulative net project cash flow</b>	<b>\$(49,888)</b>	<b>\$(48,703)</b>	<b>\$(47,450)</b>	<b>\$(46,149)</b>	<b>\$(44,798)</b>	<b>\$(43,071)</b>	<b>\$(41,638)</b>	<b>\$(39,776)</b>	<b>(38,540)</b>	<b>\$(37,506)</b>

**Exhibit 3. Net Project Cash Flow Through Phase 1 Blended (YOE dollars in millions) LOW Case (continued)**

	2052	2053	2054	2055	2056	2057	2058	2059	2060
Revenue	\$4,483	\$4,640	\$4,803	\$4,972	\$5,147	\$5,328	\$5,515	\$5,709	\$5,910
O&M	\$(2,280)	\$(2,319)	\$(2,357)	\$(2,412)	\$(2,455)	\$(2,525)	\$(2,581)	\$(2,641)	\$(2,731)
<b>Net cash flow from operations</b>	<b>\$2,203</b>	<b>\$2,321</b>	<b>\$2,446</b>	<b>\$2,560</b>	<b>\$2,692</b>	<b>\$2,803</b>	<b>\$2,934</b>	<b>\$3,068</b>	<b>\$3,179</b>
Capital replacement costs	\$(1,001)	\$(1,029)	\$(48)	\$(267)	\$(60)	\$(53)	\$(52)	\$(53)	\$(64)
<b>Net operating cash flow after capital replacement</b>	<b>\$1,202</b>	<b>\$1,292</b>	<b>\$2,398</b>	<b>\$2,294</b>	<b>\$2,632</b>	<b>\$2,750</b>	<b>\$2,883</b>	<b>\$3,015</b>	<b>\$3,115</b>
Capital cost	—	—	—	—	—	—	—	—	—
<b>Net project cash flow</b>	<b>\$1,202</b>	<b>\$1,292</b>	<b>\$2,398</b>	<b>\$2,294</b>	<b>\$2,632</b>	<b>\$2,750</b>	<b>\$2,883</b>	<b>\$3,015</b>	<b>\$3,115</b>
<b>Cumulative net project cash flow</b>	<b>\$(36,304)</b>	<b>\$(35,012)</b>	<b>\$(32,613)</b>	<b>\$(30,320)</b>	<b>\$(27,687)</b>	<b>\$(24,937)</b>	<b>\$(22,054)</b>	<b>\$(19,039)</b>	<b>\$(15,925)</b>