

		Projected Savings For Years 1 - 10														
		Combined Company Details													Savings	
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10 Year Total	Retained Yrs 1-6	Net		
Executive - 10%	Reduction in Executive Positions	Base Salaries + Benefits + 5% A&G Savings on Base	\$ 1,925,000	\$ 1,958,688	\$ 1,992,965	\$ 2,035,215	\$ 2,072,867	\$ 2,452,500	\$ 2,497,871	\$ 2,547,079	\$ 2,601,077	\$ 2,658,041	\$ 22,741,303	\$ (9,435,968)	\$ 13,305,334	Combining resources and reducing executive staff.
Natural Turnover & Retirements - 39%	Natural Retirements - CVPS	Base Salaries + Benefits	\$ 616,005	\$ 1,263,403	\$ 2,230,589	\$ 3,691,030	\$ 4,854,329	\$ 5,744,734	\$ 7,053,163	\$ 7,454,550	\$ 7,612,586	\$ 7,779,302	\$ 48,299,690	\$ (13,959,909)	\$ 34,339,781	Due to consolidation of the employee base, duplicate staffing can be utilized to back fill the organization which will lead to greater efficiency in operations.
	Natural Retirements - GMP	Base Salaries + Benefits	\$ 741,506	\$ 1,667,059	\$ 2,119,010	\$ 2,560,379	\$ 2,866,327	\$ 2,957,802	\$ 3,012,521	\$ 3,071,868	\$ 3,136,992	\$ 3,205,692	\$ 25,339,155	\$ (9,796,230)	\$ 15,542,925	Same as CVPS Above
	CVPS & GMP	Natural Attrition (Turnover) Salary, Benefits, A&G support.	\$ -	\$ 325,501	\$ 783,790	\$ 1,284,600	\$ 1,776,376	\$ 2,066,719	\$ 2,013,818	\$ 2,051,175	\$ 2,091,401	\$ 2,136,361	\$ 14,529,740	\$ (4,731,920)	\$ 9,797,820	Utilizing employee turn over through natural course of business to reduce the number of positions.
Regulatory - 11%	CVPS	Audit Fees/SEC Filings/Board of Director meetings	\$ 890,000	\$ 1,913,918	\$ 2,049,906	\$ 2,093,364	\$ 2,132,092	\$ 2,171,535	\$ 2,211,709	\$ 2,255,279	\$ 2,303,091	\$ 2,353,529	\$ 20,374,424	\$ (8,535,848)	\$ 11,838,576	Eliminated as a result of CVPS no longer being a public company
	GMP	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Based on GMP's reduced costs based on GazMet's acquisition, resulting in annual customer savings of approx \$1.5 mil per year. This includes lower insurance, governance, stockholder reporting, trustee fees, SEC and audit requirements.
	CVPS	Regulatory Expense	\$ 300,470	\$ 450,704	\$ 540,845	\$ 552,311	\$ 562,529	\$ 572,936	\$ 583,535	\$ 595,030	\$ 607,645	\$ 620,953	\$ 5,386,957	\$ (2,260,731)	\$ 3,126,226	One representation for state, federal requirements and rating agencies presentations
Outside Consultants - 8%	CVPS & GMP	Outside Services - Non Audit	\$ 530,477	\$ 707,303	\$ 884,129	\$ 1,105,161	\$ 1,381,451	\$ 1,407,008	\$ 1,433,038	\$ 1,461,269	\$ 1,771,057	\$ 2,158,919	\$ 12,839,812	\$ (4,563,904)	\$ 8,275,908	Reduction in legal fees and other consultants. Opportunity with deployment of Smart Grid.
	CVPS	Market Facilitation, Monitoring & Compliance	\$ 53,400	\$ 195,000	\$ 292,500	\$ 365,625	\$ 457,031	\$ 465,486	\$ 474,098	\$ 567,495	\$ 579,526	\$ 592,218	\$ 4,042,379	\$ (1,387,671)	\$ 2,654,708	Eliminate duplicate requirements and activity
	Eliminate On-going Temp/Summer Staff at GMP	Temporary Staff	\$ 68,750	\$ 137,500	\$ 162,500	\$ 165,945	\$ 169,015	\$ 172,142	\$ 175,326	\$ 178,780	\$ 182,570	\$ 186,569	\$ 1,599,098	\$ (664,497)	\$ 934,600	Eliminate temp staffing at GMP; replace resources needed with CVPS staff
Operations - 24%	CVPS & GMP	A&G Rents and Service Centers	\$ 240,000	\$ 790,700	\$ 830,235	\$ 913,259	\$ 1,095,910	\$ 1,260,297	\$ 1,449,341	\$ 1,485,575	\$ 1,559,854	\$ 1,637,846	\$ 11,263,016	\$ (3,892,368)	\$ 7,370,648	Opportunity to have better locations throughout all of the service territory and reduce overhead costs. Estimating consolidation of 3 centers. Allows for better communications and staging for storm restoration and support.
	CVPS & GMP	Distribution Expense 7% - 10%	\$ 484,814	\$ 1,469,817	\$ 1,498,692	\$ 1,653,526	\$ 1,716,202	\$ 1,747,951	\$ 1,780,288	\$ 1,815,360	\$ 1,853,846	\$ 1,894,445	\$ 15,914,941	\$ (6,502,708)	\$ 9,412,233	Better contract negotiations on price and service with vendors including outside line support on calls during storms. Reduction in overtime and resources during storms through integration of line crews.
	GMP Only	O&M Reductions & Other Misc	\$ 416,684	\$ 1,858,584	\$ 2,105,554	\$ 2,150,192	\$ 2,189,970	\$ 2,230,485	\$ 2,260,749	\$ 2,295,285	\$ 2,333,946	\$ 2,380,634	\$ 20,222,083	\$ (8,308,738)	\$ 11,913,345	Reduce GMP reliance on outside specialty services that CV can offer, consolidation of inventory levels, back up for on-demand inventory requirements, reduce fleet due to contiguous territory, reduce recruitment expense, reduction in insurance premiums (less service centers, vehicles, etc.), eliminate duplicate industry dues expense, etc.
	CVPS & GMP	Customer Services	\$ 141,201	\$ 282,402	\$ 337,344	\$ 394,496	\$ 451,794	\$ 470,152	\$ 488,850	\$ 508,480	\$ 529,260	\$ 550,851	\$ 4,154,828	\$ (1,576,087)	\$ 2,578,741	Better return (lower bad debt) from collection agencies with larger account group; eliminate GMP's lock box service and transfer to CVPS in-house process
	CVPS & GMP	Assumes 5% of A&G Costs associated with staff reductions	\$ 50,278	\$ 108,536	\$ 161,096	\$ 231,534	\$ 285,950	\$ 322,316	\$ 372,803	\$ 389,867	\$ 398,133	\$ 406,852	\$ 2,727,365	\$ (879,857)	\$ 1,847,508	Reduction in overhead associated with staffing level such as reduced energy costs, housing, travel, support, computer needs, etc.
IT - 8%	CVPS & GMP	Information Technology Initiatives	\$ -	\$ 550,000	\$ 1,357,000	\$ 1,884,868	\$ 1,950,776	\$ 1,983,165	\$ 2,134,734	\$ 2,322,404	\$ 2,367,399	\$ 2,414,865	\$ 16,965,211	\$ (5,861,472)	\$ 11,103,739	Eliminate duplication of major I.T. software, maintenance and licensing costs by using the best solutions residing in each company. Also opportunity to reduce costs associated with two redundant systems and enhance overall security platform.
Total Savings By Year			\$ 6,458,585	\$ 13,679,113	\$ 17,346,154	\$ 21,081,504	\$ 23,962,618	\$ 26,025,240	\$ 27,941,856	\$ 28,999,508	\$ 29,928,394	\$ 30,977,086	\$ 226,400,000	\$ (82,357,908)	\$ 144,042,092	