Illustrative Example:

	Reference	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Calendar Year	Reference	2023	2024	2025	2026	2027	2028	2029	2030
Three Year Plan		2023 - 2025 Plan	2024 - 2026 Plan	2025 - 2027 Plan	2026 - 2028 Plan	2027 - 2029 Plan	2028 - 2030 Plan	2029 - 2031 Plan	2030 - 2032 Plan
Executive Salary	(escalated by 3% Merit Increase)	200,000	206,000	212,180	218,545	225,102	231,855	238,810	245,975
Target Award Percentage		25%	25%	25%	25%	25%	25%	25%	25%
Calculated Long-Term Incentive	Line 10 x Line 11	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494
Annual Expense	Line 12 / 3	16,667	17,167	17,682	18,212	18,758	19,321	19,901	20,498

Long-term ASC 718 Compensation Expense:

	Reference	2023	2024	2025	2026	2027	2028	2029	2030	All Years	% Change
2023 - 2025 Plan	Col (A) Line 13	16,667	16,667	16,667						50,000	
2024 - 2026 Plan	Col (B) Line 13		17,167	17,167	17,167					51,500	3.0%
2025 - 2027 Plan	Col (C) Line 13			17,682	17,682	17,682				53,045	3.0%
2026 - 2028 Plan	Col (D) Line 13				18,212	18,212	18,212			54,636	3.0%
2027 - 2029 Plan	Col (E) Line 13					18,758	18,758	18,758		56,275	3.0%
2028 - 2030 Plan	Col (F) Line 13						19,321	19,321	19,321	57,964	3.0%
Thereafter								…	…		
Total	Sum Lines 18 through 24			51,515	53,060	54,652	56,292	38,080	19,321	323,420	
					3.00%	3.00%	3.00%				

Rate Year Expense

	Reference	Col (E) Jul-Dec 2027 50% of above	Col (F) Jan-Jun 2028 50% of above	Rate Year	
2025 - 2027 Plan	Line 20 / 2	8,841		8,841	6 months included in the Rate Year
2026 - 2028 Plan	Line 21 / 2	9,106	9,106	18,212	12 months included in the Rate Year
2027 - 2029 Plan	Line 22 / 2	9,379	9,379	18,758	12 months included in the Rate Year
2028 - 2030 Plan	Line 23 / 2	-	9,661	9,661	6 months included in the Rate Year
Total		27,326	28,146	55,472	

Reconciliation	Reference		
Test Year Expense	Col (C) Line 25	51,515	
3% escalation 2026	Line 38 x 3%	1,545	
3% escalation 2027	(Line 38 + 39) x 3%	1,592	
3% through Jun 2027	Sum Lines 38 thru 40	54,652	
3% Rate Year escalation Jan - Jun 2028	Line 41 x (3% / 2)	820	
Total Rate Year Expense	Line 41 + 42	55,472	
Total Per Above	Col (C) Line 35	55,472	Agrees to Line 35
Difference		-	