Input Page : Here you can enter all of the standard inputs for the NES Spreedsheet, Clothes Washer GRIM, Repair GRIM, and Dryer GRIM. Please follow the steps and run the model.

Step 1: NES Inputs

ENERGY PRICE PROJECTION	AEO 1999 - Reference Case	
	Tier 1	*Tier 2*
STANDARD CASE DESIGN (Tier #1 & Tier #2)	Baseline	Baseline
Standard Start Years	2004	2004
Water escalation rate	Medium	
Discount Rate:	7%	
Annual % increase of H-axis	0.50%	

Step 2: Shipment Scenario Inputs

Instructions:.

Select price elasticity, top-loading feature elasticity, and standard level.
Results are displayed in charts and provided in the 'Shipment Forecast' sheet.
Detailed model inputs are in yellow cells in 'Inputs' sheet.

Price Elasticity:	**Income Elasticity:**
Medium	None
Top-Loading Elasticity:	**Price/Income Elasticity:**
Medium	None
Price Markup:	**Interest or Credit Elasticity:**
Medium Markup	None

Note…

Set Current Scenario — **Reset Base Case** — Reset after any change in above scenarios. Efficiency levels and standard years must be set to Baseline and 2004.

Step 3: Financial Inputs for GRIM analysis

Tax Rate	42.8%	
Discount Rate for NPV	6.65%	
Inflation Rate	0.0%	*per annum*
Working Capital	10.50%	*of Revenue*
Net Property, Plant & Equipment	24.80%	*of Revenue*
Standard SG&A	18.0%	*of Revenue*
Research and Development	1.8%	*of Revenue*
Ordinary Depreciation	3.51%	*of Revenue*
Ordinary Capital Expenditures	-3.90%	*of Revenue*
Short-term Variable Overhead as % of Total	60%	*(this assumption is applicable to one year before and three years after the Standard, in the V-Axis-Standard*

Step 4: Scenarios for GRIM analysis

Delay	no	
Stranded assets assumption	Shipments based	
Market Share	100%	
Consolidation Scenario	no	
Range	2	***Min=1, Max=2***

Step 5: Repair GRIM Inputs

Average Repair Cost	$ 100.00	
Labor Split	80.0%	
Parts Split	20.0%	
OEM repair market share - labor	10.0%	
OEM repair market share - parts	68.0%	
Net Industry Profit	5.00%	*of Revenue*

Step 6: Run model

Run Model

Exhibit P2. 1 GRIM Major Assumptions Sheet: Assumptions for the Base Case NPV

Assumptions Page for Clothes Washers			
Scenario Description	Clothes Washers		
Base Year	1999	*Beginning year for analytical purposes*	
Announcement Year	2001	*Year in which the regulation announcement is made*	
Beginning year of delay	2004		
Standard Year (Tier 1)	2004		
Standard Year (Tier 2)	2004	*Year in which the regulation takes effect*	
Base Case	**V-Axis**	**H-Axis**	
Base Year Unit Price	285.90	478.16	*($) per unit*
Mark-up over incremental cost		1.50	
Base Year Unit Sales (from NES)	7.22	0.52	*(000,000)*
Materials / Unit	148.70	235.43	*($) per unit*
Labor / Unit	29.30	40.24	*($) per unit*
Overhead / Unit (excl. Depreciation)	23.45	31.23	*($) per unit*
	Tier 1	**Tier 2**	
Shipment Scenario			
Standards Case Efficiency Level	0	0	*(1 to 11)*
=> Efficiency Improvement of	#VALUE!	#VALUE!	*over Baseline MEF of 0.817*
Tier 1: Standard Case Inputs			
Standard Case Incremental Costs	**V/H -Axis**	**H-Axis**	
	(over Base Case V-Axis)	**(over Base Case H-Axis)**	
Materials / Unit	-	-	*($) per unit*
Labor / Unit	-	-	*($) per unit*
Overhead / Unit (excl. Depreciation)	-	-	*($) per unit*
	#N/A		
Mark-up over incremental cost	#N/A	1.50	*Enter markup or choose default*
Standard Year Unit Price	#N/A	478.16	*($) per unit*
Conversion Costs	**V/H -Axis**	**H-Axis**	
Base Case Shipments in Standard Year	7.18	0.71	*(000,000)*
Capital Expenditure (Tooling + Investment)	-	-	
Useful Life	5	5	*years*
Per unit capital conversion cost	-	-	*($) per unit*
Design & Marketing Expenses (Product Conversion)	-	-	*($000,000)*
Per unit product conversion costs	-	-	*($) per unit*
Depreciation life	5.00		

Exhibit P2. 2 Welcome GRIM Sheet: Assumptions for the Base Case NPV

Clothes Washers																							
BASE CASE SCENARIO for V-Axis Washers	Base Year																						
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Income Statement																							
Price/Unit ($)	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9	285.9
Unit Sales (millions)	7.21	7.26	7.23	7.22	7.18	7.18	7.22	7.31	7.42	7.51	7.61	7.70	7.88	7.89	7.96	7.99	8.01	8.04	8.08	8.08	8.03	8.08
Revenues ($ millions)	2,061.4	2,075.3	2,073.1	2,064.5	2,051.7	2,051.7	2,064.5	2,091.3	2,122.0	2,150.6	2,174.6	2,200.9	2,250.8	2,256.9	2,274.7	2,283.1	2,289.4	2,299.1	2,306.5	2,307.6	2,297.1	2,309.9
Cost of Sales																							
Labor	211.3	213.3	213.4	211.6	210.4	210.3	211.6	214.3	217.5	220.7	223.9	225.6	228.4	231.3	233.1	234.2	234.7	235.6	236.3	236.4	235.4	236.7
Material	1,071.2	1,089.9	1,077.7	1,075.8	1,067.6	1,067.1	1,075.8	1,087.6	1,103.7	1,120.1	1,131.0	1,144.7	1,169.2	1,173.9	1,183.1	1,188.3	1,190.9	1,195.6	1,199.2	1,199.8	1,194.8	1,201.4
Overhead - Fixed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overhead - Variable	169.2	169.8	170.0	169.3	168.4	168.3	169.3	171.5	174.1	176.6	178.4	180.5	184.8	185.1	186.6	187.4	187.8	188.6	187.5	187.6	188.4	189.5
Depreciation	72.4	72.7	72.7	72.5	72.0	72.0	72.5	73.4	74.5	75.6	76.3	77.3	79.1	79.2	79.8	80.2	80.4	80.6	80.3	80.3	80.6	81.1
Selling, General and Administrative																							
Standard SG&A	271.4	272.7	273.0	271.6	269.3	269.3	271.6	276.4	282.0	287.7	291.4	296.2	301.3	306.2	309.6	311.3	312.1	312.0	311.6	311.8	312.3	313.0
R&D	37.1	37.3	37.3	37.2	36.9	36.9	37.2	37.8	38.2	38.8	39.1	39.6	40.3	40.6	40.9	41.1	41.3	41.3	41.2	41.3	41.3	41.6
Product Conversion Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Before Tax	128.3	129.0	129.1	128.6	127.8	127.8	128.6	130.3	133.2	136.1	138.4	137.1	138.9	140.6	140.7	142.3	142.6	142.6	142.4	142.3	140.1	140.9
Taxes	55.6	55.2	55.2	55.0	54.7	54.7	55.0	55.7	56.6	57.6	58.8	58.7	59.3	60.2	60.6	60.9	61.0	61.0	61.0	61.0	60.2	60.6
Net Income Before Financing	72.7	73.8	73.8	73.5	73.1	73.1	73.6	74.5	75.6	78.5	77.5	78.4	79.5	80.4	80.0	81.4	81.6	81.6	81.5	81.3	81.8	82.3
Cash Flow Statement																							
Net Income	72.7	73.8	73.8	73.5	73.1	73.1	73.6	74.5	75.6	78.5	77.5	78.4	79.5	80.4	80.0	81.4	81.6	81.6	81.5	81.3	81.8	82.3
Depreciation	72.4	72.7	72.7	72.5	72.0	72.0	72.5	73.4	74.5	75.6	76.3	77.3	79.1	79.2	79.8	80.2	80.4	80.6	80.3	80.3	80.6	81.1
Changes in Working Capital	(3.7)	(0.8)	(0.2)	0.8	1.2	0.1	(1.3)	(2.8)	(3.2)	(3.3)	(3.2)	(2.8)	(3.1)	(2.7)	(1.9)	(1.1)	(0.3)	0.1	0.3	(0.3)	(1.0)	(1.3)
Cash Flows from Operations	142.2	145.7	146.4	146.8	146.4	145.2	144.7	145.1	146.8	149.0	151.6	152.9	154.6	156.9	159.0	160.5	161.3	162.0	162.0	161.7	161.3	162.0
Ordinary Capital Expenditures	(81.5)	(80.0)	(80.8)	(80.5)	(80.1)	(80.8)	(80.5)	(81.6)	(82.8)	(84.0)	(84.8)	(85.8)	(87.8)	(88.0)	(88.7)	(89.1)	(89.3)	(89.5)	(89.2)	(89.2)	(89.6)	(90.1)
Conversion Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Used in Investment	(81.5)	(80.0)	(80.8)	(80.5)	(80.1)	(80.8)	(80.5)	(81.6)	(82.8)	(84.0)	(84.8)	(85.8)	(87.8)	(88.0)	(88.7)	(89.1)	(89.3)	(89.5)	(89.2)	(89.2)	(89.6)	(90.1)
Net Cash Flow	61.8	64.8	65.6	66.3	66.4	65.2	64.2	63.5	64.1	65.0	66.8	67.1	67.6	68.9	70.3	71.4	72.2	72.7	72.8	72.5	71.9	71.9
Terminal Value																						1,081.8
Present Value Factor	1.0000	0.9574	0.8792	0.8244	0.7728	0.7240	0.6786	0.6361	0.5875	0.5502	0.5153	0.4825	0.4518	0.4230	0.4000	0.3807	0.3578	0.3349	0.3138	0.2940	0.2759	0.2587
Discounted Cash Flow	61.8	62.0	57.7	54.7	51.3	47.2	43.6	40.3	37.6	35.8	34.4	32.4	30.5	29.1	28.1	27.2	25.8	24.3	22.9	21.3	19.8	280.0
Industry Value (Net Present Value)	$ 1,085.8	million																				

Exhibit P2. 3 V-axis Base Case Cash Flows (medium-price elasticity)

Clothes Washers																						
BASE CASE SCENARIO for H-Axis Washers	Base Year																					
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Income Statement																						
Price/Unit ($)	470.2	470.2	470.2	470.2	470.2	470.2	470.2	470.2	470.2	470.2	470.2	470.2	470.2	470.2	470.2	470.2	470.2	470.2	470.2	470.2	470.2	470.2
Unit Sales (millions)	0.52	0.56	0.60	0.64	0.67	0.71	0.76	0.81	0.86	0.92	0.97	1.02	1.08	1.14	1.19	1.24	1.29	1.34	1.39	1.45	1.49	1.54
Revenues ($ million)	248.6	265.1	287.8	304.0	321.3	340.5	361.7	385.8	411.3	437.6	462.4	488.0	516.7	546.3	570.5	595.2	618.6	640.8	662.5	685.4	711.0	738.8
Cost of Sales																						
Labor	20.9	22.6	24.3	25.6	27.1	28.7	30.4	32.5	34.6	36.8	38.9	41.1	43.5	45.8	48.0	50.1	52.1	53.9	55.8	57.7	59.8	62.1
Material	122.4	132.0	148.3	158.1	168.4	167.7	178.1	190.8	202.5	215.5	227.7	240.7	254.4	268.8	280.9	293.1	304.6	315.5	326.2	337.3	350.1	363.4
Overhead - Fixed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overhead - Variable	16.2	17.5	18.7	19.9	21.0	22.2	23.6	25.2	26.9	28.6	30.2	31.9	33.7	35.6	37.2	38.8	40.4	41.8	43.2	44.8	46.4	48.2
Depreciation	14.4	15.5	16.6	17.6	18.6	19.7	20.9	22.3	23.8	25.3	26.8	28.5	29.9	31.3	33.0	34.3	35.8	37.1	38.4	39.7	41.2	42.7
Selling, General and Administrative																						
Standard SG&A	44.7	48.3	51.7	54.9	57.9	61.3	65.1	69.4	74.0	78.8	83.2	88.0	93.0	98.8	102.7	107.1	111.4	115.3	119.3	123.4	128.0	132.8
R&D	4.5	4.8	5.2	5.5	5.8	6.1	6.5	6.9	7.4	7.9	8.3	8.8	9.3	9.8	10.3	10.7	11.1	11.5	11.9	12.3	12.8	13.3
Product Conversion Expense	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.3	0.3	0.3
Profit Before Tax	23.2	27.2	29.2	31.0	32.7	34.6	36.7	39.2	41.8	44.5	47.8	49.7	52.3	55.4	58.1	60.6	63.0	65.3	67.5	69.8	72.4	75.2
Taxes	10.0	11.6	12.5	13.3	14.0	14.8	15.7	16.8	17.9	19.0	20.1	21.3	22.5	23.7	24.9	25.8	27.0	27.9	28.9	29.8	31.0	32.3
Net Income Before Financing	14.4	15.6	16.7	17.7	18.7	19.8	21.0	22.4	23.9	25.4	26.8	28.4	30.1	31.7	33.2	34.7	36.0	37.3	38.6	39.9	41.4	43.0
Cash Flow Statement																						
Net Income	14.4	15.6	16.7	17.7	18.7	19.8	21.0	22.4	23.9	25.4	26.8	28.4	30.1	31.7	33.2	34.7	36.0	37.3	38.6	39.9	41.4	43.0
Depreciation	14.4	15.5	16.6	17.6	18.6	19.7	20.9	22.3	23.8	25.3	26.8	28.5	29.9	31.3	33.0	34.3	35.8	37.1	38.4	39.7	41.2	42.7
Change in Working Capital	(9.1)	(2.0)	(2.0)	(1.9)	(1.8)	(2.0)	(2.2)	(2.5)	(2.7)	(2.8)	(2.6)	(2.8)	(2.9)	(2.9)	(2.7)	(2.6)	(2.5)	(2.3)	(2.3)	(2.4)	(2.7)	(2.8)
Cash Flows from Operations	19.7	29.0	31.3	33.5	35.6	37.5	39.7	42.2	45.0	48.0	51.1	53.9	57.0	60.3	63.5	66.5	69.4	72.1	74.7	77.2	79.9	82.9
Ordinary Capital Expenditures	(14.4)	(15.5)	(16.6)	(17.6)	(18.6)	(19.7)	(20.9)	(22.3)	(23.8)	(25.3)	(26.8)	(28.5)	(29.9)	(31.3)	(33.0)	(34.3)	(35.8)	(37.1)	(38.4)	(39.7)	(41.2)	(42.7)
Conversion Capital Expenditures	(3.6)	(3.5)	(3.3)	(3.1)	(3.3)	(3.5)	(4.4)	(4.7)	(4.9)	(4.6)	(4.5)	(3.1)	(3.1)	(4.0)	(4.6)	(4.3)	(4.1)	(4.0)	(4.2)	(4.7)	(3.0)	(3.0)
Cash Used in Investment	(18.0)	(19.0)	(19.9)	(20.8)	(22.1)	(23.6)	(25.4)	(27.0)	(28.7)	(29.9)	(31.7)	(31.5)	(33.0)	(36.3)	(37.6)	(38.0)	(39.9)	(41.1)	(42.6)	(44.4)	(44.1)	(45.7)
Net Cash Flow	1.7	10.0	11.4	12.7	13.5	13.9	14.3	15.2	16.4	18.1	19.4	22.5	23.9	23.9	25.9	28.5	29.5	31.0	32.1	32.8	35.8	37.2
Terminal Value																						529.3
Present Value Factor	1.0000	0.9378	0.8792	0.8244	0.7730	0.7248	0.6796	0.6372	0.5975	0.5602	0.5253	0.4925	0.4618	0.4330	0.4060	0.3807	0.3570	0.3347	0.3138	0.2943	0.2759	0.2587
Discounted Cash Flow	1.7	9.4	10.0	10.5	10.4	10.1	9.7	9.7	9.8	10.1	10.2	11.1	10.2	10.4	10.5	10.6	10.5	10.4	10.1	9.5	9.5	146.0
Industry Value (Net Present Value) $ 349.3	million																					

Exhibit P2. 4 H-axis Base Case Cash Flows (medium-price elasticity)

Clothes Washers																						
BASE CASE SCENARIO for All Washers	Base Year																					
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Income Statement	23.903.5786																					
Price/Unit ($)	298.8	299.7	300.6	301.5	302.4	303.3	304.1	305.0	305.9	306.7	307.6	308.4	309.3	310.1	311.0	311.8	312.6	313.5	314.3	315.1	315.8	316.7
Unit Sales (millions)	7.74	7.80	7.85	7.90	7.85	7.89	7.98	8.12	8.28	8.40	8.57	8.72	8.88	9.03	9.15	9.24	9.30	9.35	9.38	9.40	9.52	9.62
Revenues ($ million)	2,311.9	2,338.6	2,359.1	2,369.2	2,374.5	2,392.2	2,426.2	2,477.0	2,533.3	2,591.3	2,637.0	2,689.7	2,747.5	2,801.3	2,845.2	2,880.3	2,908.3	2,929.9	2,949.0	2,973.8	3,000.1	3,047.9
Cost of Sales																						
Labor	232.4	234.0	236.5	237.2	237.4	238.9	242.0	246.8	252.1	257.3	261.8	266.7	272.1	277.1	281.1	284.5	286.7	288.5	290.1	292.1	295.3	298.8
Material	1,185.6	1,208.9	1,218.0	1,223.8	1,226.1	1,234.0	1,251.9	1,277.6	1,306.2	1,335.6	1,358.7	1,385.4	1,416.6	1,441.9	1,464.0	1,481.6	1,495.5	1,506.1	1,515.4	1,527.3	1,544.8	1,564.8
Overhead - Fixed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overhead - Variable	185.5	187.3	188.7	189.2	189.6	190.5	193.8	196.7	200.9	205.2	209.6	212.4	216.7	220.7	223.0	226.3	228.2	229.6	230.8	232.4	234.9	237.7
Depreciation	86.8	88.2	89.4	90.1	90.7	91.7	93.4	95.7	98.5	100.9	103.1	103.6	108.2	110.7	112.9	114.7	116.2	117.3	118.6	120.8	121.8	123.8
Selling, General and Administrative																						
Standard 2006A	416.1	420.9	424.6	426.5	427.4	428.6	436.7	445.9	454.0	466.4	474.7	484.1	494.5	504.2	512.1	518.4	523.5	527.4	530.8	535.1	541.5	548.6
R&D	41.6	42.1	42.5	42.6	42.7	43.1	43.7	44.6	45.6	46.6	47.5	48.4	49.5	50.4	51.2	51.8	52.3	52.7	53.1	53.5	54.1	54.8
Product Conversion Expense	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.3
Profit Before Tax	175.7	178.2	178.2	179.6	180.6	182.4	185.3	189.4	193.9	198.6	202.4	198.8	191.3	196.8	199.7	202.9	200.6	197.9	209.8	212.3	215.3	219.8
Taxes	65.8	66.8	67.7	68.3	68.7	69.5	70.8	72.5	74.4	76.4	78.1	79.9	82.0	83.9	85.5	86.9	88.0	89.0	89.8	90.8	92.2	93.7
Net Income Before Financing	87.9	89.3	90.5	91.3	91.8	92.9	94.6	96.9	99.5	102.2	104.6	106.0	109.5	112.1	114.2	116.1	117.6	118.9	120.1	121.4	123.3	125.3
Cash Flow Statement																						
Net Income	87.9	89.3	90.5	91.3	91.8	92.9	94.6	96.9	99.5	102.2	104.6	106.0	109.5	112.1	114.2	116.1	117.6	118.9	120.1	121.4	123.3	125.3
Depreciation	86.8	88.2	89.4	90.1	90.7	91.7	93.4	95.7	98.5	100.9	103.1	103.6	108.2	110.7	112.9	114.7	116.2	117.3	118.6	120.8	121.8	123.8
Change in Working Capital	(12.8)	(2.0)	(2.2)	(1.1)	(0.6)	(1.9)	(2.6)	(5.3)	(3.9)	(6.1)	(4.0)	(3.5)	(6.1)	(5.7)	(4.6)	(3.7)	(2.9)	(2.3)	(2.0)	(2.5)	(3.7)	(4.2)
Cash Flows from Operations	161.9	174.7	177.7	180.3	182.0	182.8	184.4	187.3	193.9	197.0	202.7	206.9	211.7	217.2	222.5	227.1	230.9	234.1	236.7	239.9	241.4	244.9
Ordinary Capital Expenditures	(94.9)	(96.3)	(97.4)	(98.2)	(98.7)	(99.7)	(101.7)	(103.9)	(106.6)	(109.3)	(111.6)	(114.1)	(116.9)	(119.7)	(121.7)	(123.6)	(125.1)	(126.4)	(127.7)	(128.9)	(130.0)	(132.0)
Conversion Capital Expenditures	(3.6)	(3.5)	(3.3)	(3.1)	(3.5)	(3.9)	(4.4)	(4.7)	(4.9)	(4.6)	(4.9)	(5.1)	(5.1)	(4.8)	(4.6)	(4.3)	(4.1)	(4.0)	(4.2)	(4.7)	(5.8)	(5.8)
Cash Used In Investment	(98.5)	(99.8)	(100.7)	(101.3)	(102.1)	(103.6)	(105.8)	(108.6)	(111.4)	(113.9)	(116.5)	(119.3)	(122.0)	(124.4)	(126.3)	(127.9)	(129.2)	(130.4)	(131.8)	(133.6)	(135.7)	(137.8)
Net Cash Flow	63.5	75.0	77.0	79.1	79.8	79.1	78.5	78.7	81.4	83.1	86.2	87.6	89.7	92.8	96.2	99.2	101.7	103.7	104.9	105.3	105.6	107.1
Terminal Value															3446.31679					1582.9803		1,611.8
Present Value Factor	1.0000	0.9196	0.8590	0.8044	0.7530	0.7048	0.6596	0.6172	0.5775	0.5402	0.5253	0.4915	0.4610	0.4318	0.4060	0.3807	0.3570	0.3347	0.3138	0.2941	0.2759	0.2587
Discounted Cash Flow	63.5	70.3	67.7	65.1	61.7	57.3	53.3	50.2	48.1	46.6	45.3	43.1	41.4	40.2	39.1	37.8	36.3	34.7	32.9	31.8	29.1	444.3
															527.43728					465.59692		
Industry Value (Net Present Value) $ 1,439.1	millions														0.44							0.388886

Exhibit P2. 5 Base Case GRIM – V-axis and H-axis segments combined (medium-price elasticity)

Assumptions Page for Clothes Washers			
Scenario Description	Clothes Dryers		
Base Year	1999	*Beginning year for analytical purposes*	
Announcement Year	2001	*Year in which the regulation announcement is made*	
Standard Year (delay year)	2004	*Year in which the regulation takes effect or implemented*	
Standard Year 2	2004		
Shipment Scenario			
Tax Rate	42.8%		
Discount Rate for NPV	6.65%		
Inflation Rate	0.0%	*per annum*	
Working Capital	10.50%	*of Revenue*	
Net Property, Plant & Equipment	21.30%	*of Revenue*	
Base Year Unit Price	220.40	*($)*	
Base Year Unit Sales	5.51	*(000,000)*	
Unit Sales Growth Rate	0.00%	*per annum*	
Standard SG&A	18.0%	*of Revenue*	
Research and Development	1.8%	*of Revenue*	
Ordinary Depreciation	3.51%	*of Revenue*	
Ordinary Capital Expenditures	-3.90%	*of Revenue*	
Variable Overhead as % of Total	60%		
Standards Case Efficiency Level	6	*(1 to 11)*	
=> Efficiency Improvement of	35%	*over Baseline MEF of 0.817*	
	Base Year	**Incremental Due to Standard**	
Manufacturing Costs			
Materials / Unit	114.61	-	*($) per unit*
Labor / Unit	22.48	-	*($) per unit*
Overhead / Unit (excl. Depreciation)	18.29	-	*($) per unit*
Industry Mark-up (over full production costs)		1.35	
Standard Year Unit Price		220.40	*($) per unit*
Conversion Costs			
Base Case Shipments in Standard Year (2003)		5.61	*(000,000)*
Capital Expenditure (Tooling + Investment)		-	*($000,000)*
Useful Life		5	*years*
Per unit capital conversion cost		-	*($) per unit*
Design & Marketing Expenses (Porduct conversion)		-	*($000,000)*
Per unit product conversion costs		-	*($) per unit*

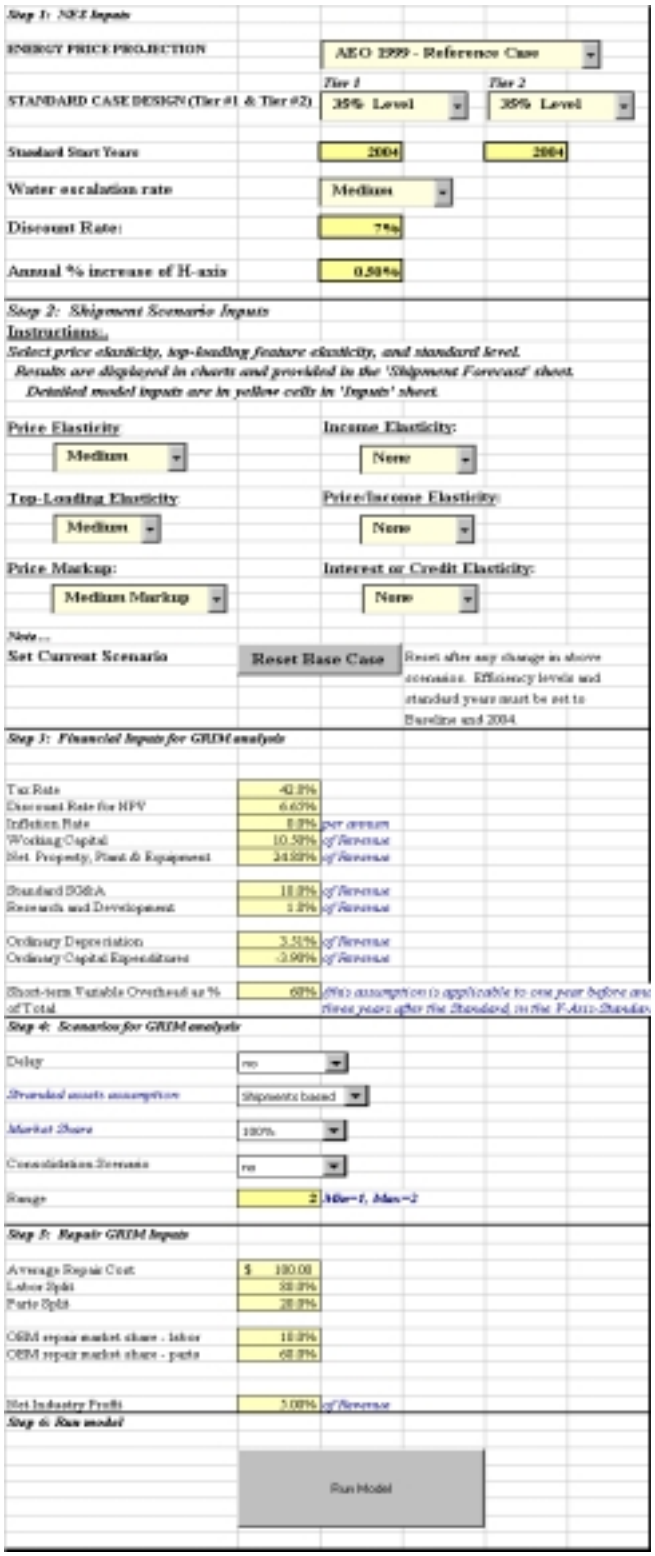
Exhibit P2. 6 Welcome Dryer Sheet: Assumptions for the Dryer GRIM

Clothes Washers																							
BASE CASE SCENARIO	Base Year		Announce Year			Phase 1 Year			Phase 2 Year														
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Income Statement																							
Price/Unit ($)	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40
Unit Sales (millions)	5.51	5.55	5.59	5.59	5.58	5.61	5.60	5.70	5.89	6.06	6.10	6.21	6.32	6.40	6.51	6.57	6.62	6.65	6.68	6.71	6.70	6.85
Revenues ($millions)	1,213.6	1,223.9	1,230.0	1,232.7	1,231.8	1,237.4	1,235.4	1,273.9	1,298.2	1,325.2	1,344.8	1,367.9	1,393.4	1,410.8	1,433.2	1,449.0	1,459.1	1,466.1	1,471.8	1,479.9	1,485.6	1,508.4
Cost of Sales																							
Labor	123.0	124.0	125.6	125.7	125.6	126.2	127.6	128.9	132.5	135.2	137.2	139.5	142.1	144.5	146.4	147.0	148.8	149.5	150.1	151.0	152.3	154.0
Material	631.1	638.4	648.1	641.0	640.3	643.4	650.7	662.4	671.6	689.1	699.3	711.3	724.6	736.0	746.3	753.5	758.8	762.4	765.4	768.6	776.7	784.9
Overhead - Fixed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overhead - Variable	100.7	101.6	102.2	102.3	102.2	102.7	103.9	105.7	107.8	110.8	111.6	113.5	115.7	117.6	119.1	120.3	121.1	121.7	122.2	122.8	124.0	125.3
Depreciation	42.6	43.0	43.2	43.3	43.2	43.4	43.9	44.7	45.6	46.5	47.2	48.0	48.9	49.7	50.4	50.9	51.2	51.5	51.7	51.9	52.4	53.0
Selling, General and Administrative																							
Standard SG&A	218.4	220.3	221.6	221.9	221.7	222.7	225.2	229.3	233.9	238.5	242.1	246.2	250.8	253.0	258.3	260.8	262.6	263.9	264.9	266.4	268.8	271.7
R&D	21.8	22.0	22.2	22.2	22.2	22.3	22.5	22.9	23.4	23.8	24.2	24.6	25.1	25.5	25.8	26.1	26.3	26.4	26.5	26.6	26.9	27.2
Product Conversion Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Before Tax	75.1	75.8	76.2	76.3	76.2	76.6	77.5	78.9	80.4	82.8	83.2	84.7	86.3	87.7	88.8	89.7	90.3	90.8	91.1	91.6	92.5	93.4
Taxes	32.2	32.4	32.6	32.7	32.6	32.8	33.2	33.7	34.4	35.1	35.6	36.2	36.9	37.5	38.0	38.4	38.7	38.8	39.0	39.2	39.6	40.0
Net Income Before Financing	43.0	43.3	43.6	43.6	43.6	43.8	44.3	45.1	46.0	46.9	47.6	48.4	49.3	50.2	50.8	51.3	51.7	51.9	52.1	52.4	52.9	53.4
Cash Flow Statement																							
Net Income	43.0	43.3	43.6	43.6	43.6	43.8	44.3	45.1	46.0	46.9	47.6	48.4	49.3	50.2	50.8	51.3	51.7	51.9	52.1	52.4	52.9	53.4
Depreciation	42.6	43.0	43.2	43.3	43.2	43.4	43.9	44.7	45.6	46.5	47.2	48.0	48.9	49.7	50.4	50.9	51.2	51.5	51.7	51.9	52.4	53.0
Change in Working Capital	(1.1)	(1.1)	(0.7)	(0.2)	0.1	(0.6)	(1.5)	(2.4)	(2.7)	(2.7)	(2.1)	(2.4)	(2.7)	(2.5)	(1.9)	(1.4)	(1.1)	(0.7)	(0.6)	(0.9)	(1.4)	(1.7)
Cash Flows from Operations	84.5	85.2	86.1	86.7	86.8	86.7	86.8	87.5	88.9	90.7	92.8	94.0	95.6	97.4	99.3	100.7	101.8	102.6	103.2	103.5	103.9	104.8
Ordinary Capital Expenditures	(47.3)	(47.7)	(48.0)	(48.1)	(48.0)	(48.3)	(48.8)	(49.7)	(50.7)	(51.7)	(52.4)	(53.3)	(54.3)	(55.3)	(56.0)	(56.5)	(56.9)	(57.2)	(57.4)	(57.7)	(58.2)	(58.9)
Conversion Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Used In Investment	(47.3)	(47.7)	(48.0)	(48.1)	(48.0)	(48.3)	(48.8)	(49.7)	(50.7)	(51.7)	(52.4)	(53.3)	(54.3)	(55.3)	(56.0)	(56.5)	(56.9)	(57.2)	(57.4)	(57.7)	(58.2)	(58.9)
Net Cash Flow	37.2	37.5	38.0	38.7	38.8	38.4	38.0	37.8	38.3	39.0	40.3	40.7	41.2	42.2	43.3	44.2	44.9	45.5	45.8	45.8	45.6	45.9
Terminal Value																						698.1
Present Value Factor	1.0000	0.9376	0.8792	0.8244	0.7728	0.7248	0.6796	0.6372	0.5973	0.5602	0.5253	0.4925	0.4618	0.4330	0.4060	0.3807	0.3570	0.3347	0.3138	0.2943	0.2759	0.2587
Discounted Cash Flow	37.2	35.1	33.4	31.9	30.1	27.8	25.8	24.1	22.9	21.8	21.2	20.0	19.0	18.3	17.6	16.8	16.0	15.2	14.4	13.5	12.6	190.4
Industry Value (Net Present Value) $ 685.1	million																					

Exhibit P2. 7 Base Case Dryer Cash Flows (medium-price elasticity)

Clothes Washers																						
BASE CASE SCENARIO	Base Year		Announce Year			Phase 1 Year			Phase 2 Year													
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Income Statement																						
Repairs	9.75	9.83	9.93	10.06	10.22	10.42	10.63	10.85	11.04	11.24	11.42	11.61	11.78	11.93	12.07	12.21	12.36	12.52	12.70	12.88	13.07	13.26
Revenues	210.5	212.3	214.5	217.4	220.8	225.1	229.6	234.3	238.5	242.7	246.7	250.9	254.5	257.7	260.7	263.7	266.9	270.5	274.2	278.2	282.3	286.4
Net Income Before Financing	10.5	10.6	10.7	10.9	11.0	11.3	11.5	11.7	11.9	12.1	12.3	12.5	12.7	12.9	13.0	13.2	13.3	13.5	13.7	13.9	14.1	14.3
Net Cash Flow	10.5	10.6	10.7	10.9	11.0	11.3	11.5	11.7	11.9	12.1	12.3	12.5	12.7	12.9	13.0	13.2	13.3	13.5	13.7	13.9	14.1	14.3
Terminal Value																						215.3
Present Value Factor	1.0000	0.9376	0.8792	0.8244	0.7730	0.7248	0.6796	0.6372	0.5975	0.5602	0.5253	0.4925	0.4618	0.4330	0.4060	0.3807	0.3570	0.3347	0.3138	0.2943	0.2759	0.2587
Discounted Cash Flow	10.5	10.0	9.4	9.0	8.5	8.2	7.8	7.5	7.1	6.8	6.5	6.2	5.9	5.6	5.3	5.0	4.8	4.5	4.3	4.1	3.9	59.4
Industry Value (Net Present Value)	$ 200.2																					

Exhibit P2. 8 Base Case Repair Cash Flows (medium-price elasticity)



Step 1: NES Inputs

ENERGY PRICE PROJECTION	AEO 1999 - Reference Case	
	Tier 1	*Tier 2*
STANDARD CASE DESIGN (Tier #1 & Tier #2)	35% Level	35% Level
Standard Start Years	2004	2004
Water escalation rate	Medium	
Discount Rate:	7%	
Annual % increase of H-axis	0.50%	

Step 2: Shipment Scenario Inputs

Instructions:

Select price elasticity, top-loading feature elasticity, and standard level.
Results are displayed in charts and provided in the 'Shipment Forecast' sheet.
Detailed model inputs are in yellow cells in 'Inputs' sheet.

Price Elasticity: Medium	Income Elasticity: None
Top-Loading Elasticity: Medium	Price/Income Elasticity: None
Price Markup: Medium Markup	Interest or Credit Elasticity: None

Note...

Set Current Scenario — Reset Base Case — Reset after any change in above scenarios. Efficiency levels and standard years must be set to Baseline and 2004.

Step 3: Financial Inputs for GRIM analysis

Tax Rate	42.0%	
Discount Rate for NPV	6.63%	
Inflation Rate	8.0%	*per annum*
Working Capital	10.50%	*of Revenue*
Net Property, Plant & Equipment	24.80%	*of Revenue*
Standard SG&A	18.0%	*of Revenue*
Research and Development	1.0%	*of Revenue*
Ordinary Depreciation	3.51%	*of Revenue*
Ordinary Capital Expenditures	-3.90%	*of Revenue*
Short-term Variable Overhead as % of Total	60%	*this assumption is applicable to one year before and three years after the Standard, in the V-Axis-Standard*

Step 4: Scenarios for GRIM analysis

Delay	no	
Stranded assets assumption	Shipments based	
Market Share	100%	
Consolidation Scenario	no	
Range	2	*Min=1, Max=2*

Step 5: Repair GRIM Inputs

Average Repair Cost	$ 100.00	
Labor Split	80.0%	
Parts Split	20.0%	
OSM repair market share - labor	10.0%	
OSM repair market share - parts	60.0%	
Net Industry Profit	5.00%	*of Revenue*

Step 6: Run model

Run Model

Exhibit P2.9 GRIM Major Assumptions Sheet: 35 percent Standard Level (no consolidation, medium-price elasticity scenario)

Assumptions Page for Clothes Washers			
Scenario Description	Clothes Washers		
Base Year	1999		*Beginning year for analytical purposes*
Announcement Year	2001		*Year in which the regulation announcement is made*
Beginning year of delay	2004		
Standard Year (Tier 1)	2004		
Standard Year (Tier 2)	2004		*Year in which the regulation takes effect*
Base Case	**V-Axis**	**H-Axis**	
Base Year Unit Price	285.90	478.16	*($) per unit*
Mark-up over incremental cost		1.50	
Base Year Unit Sales (from NES)	7.22	0.52	*(000,000)*
Materials / Unit	148.70	235.43	*($) per unit*
Labor / Unit	29.30	40.24	*($) per unit*
Overhead / Unit (excl. Depreciation)	23.45	31.23	*($) per unit*
	Tier 1	**Tier 2**	
Shipment Scenario			
Standards Case Efficiency Level	6	6	*(1 to 9)*
=> Efficiency Improvement of	35%	35%	*over Baseline MEF of 0.817*
Tier 1: Standard Case Inputs			
Standard Case Incremental Costs	**V/H -Axis (over Base Case V-Axis)**	**H-Axis (over Base Case H-Axis)**	
Materials / Unit	86.73	-	*($) per unit*
Labor / Unit	10.94	-	*($) per unit*
Overhead / Unit (excl. Depreciation)	7.78	-	*($) per unit*
	1.28		
Mark-up over incremental cost	1.28	1.28	*Enter markup or choose default*
Standard Year Unit Price	450.24	450.24	*($) per unit*
Conversion Costs	**V/H -Axis**	**H-Axis**	
Base Case Shipments in Standard Year	7.18	0.71	*(000,000)*
Capital Expenditure (Tooling + Investment)	633.42	-	
Useful Life	5	5	*years*
Per unit capital conversion cost	17.65	-	*($) per unit*
Design & Marketing Expenses (Product Conversion)	181.82	-	*($000,000)*
Per unit product conversion costs	5.07	-	*($) per unit*
Depreciation life	5.00		
Tier 2: Standard Case Inputs			
Standard Case Incremental Costs	**V/H -Axis (over Base Case V-Axis)**	**H-Axis (over Base Case H-Axis)**	
Materials / Unit	86.73	-	*($) per unit*
Labor / Unit	10.94	-	*($) per unit*
Overhead / Unit (excl. Depreciation)	7.78	-	*($) per unit*
Mark-up over incremental cost	1.28	1.28	*Enter markup or choose default*
Standard Year Unit Price	450.24	450.24	*($) per unit*
Conversion Costs	**V/H -Axis**	**H-Axis**	
Base Case Shipments in Standard Year	7.18	0.71	*(000,000)*
Capital Expenditure (Tooling + Investment)	633.42	-	*($000,000)*
Useful Life	5	5	*years*
Per unit capital conversion cost	17.65	-	*($) per unit*
Design & Marketing Expenses (Product Conversion)	181.82	-	*($000,000)*
Per unit product conversion costs	5.07	-	*($) per unit*
% Capital Conversion Reinvestment	16%		

Exhibit P2. 10 Welcome GRIM Sheet: Assumption for the 35 percent Standard Level (no consolidation, medium-price elasticity scenario)

Clothes Washers																						
STANDARD CASE SCHEMO	Base Year		Announce Year			Standard Year																
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Income Statement																						
Price/Unit ($)	285.90	285.90	285.90	285.90	285.90	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24
Unit Sales (millions)	7.22	7.24	7.25	7.22	7.18	6.44	6.52	6.64	6.55	6.92	7.04	7.15	7.33	7.48	7.58	7.65	7.69	7.65	7.56	7.47	7.43	7.42
Revenues ($ million)	2,063.4	2,070.3	2,072.1	2,064.5	2,052.7	2,900.6	2,935.5	2,989.3	3,030.5	3,115.1	3,167.7	3,220.0	3,302.4	3,365.9	3,413.1	3,444.5	3,462.5	3,440.0	3,402.7	3,360.5	3,339.7	3,339.1
Cost of Sales																						
Labor	211.5	212.2	212.4	211.6	210.4	259.2	262.4	267.2	272.6	278.4	283.1	288.9	295.1	300.8	305.0	307.9	309.5	307.7	304.1	300.4	298.4	298.4
Material	1,073.2	1,076.9	1,077.7	1,073.8	1,067.6	1,516.7	1,534.9	1,563.1	1,595.1	1,628.9	1,656.4	1,698.0	1,726.8	1,760.0	1,784.7	1,801.1	1,810.5	1,808.3	1,779.2	1,757.7	1,745.8	1,746.0
Overhead - Fixed	-	-	-	-	47.3	89.6	89.6	89.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overhead - Variable	169.2	169.8	170.0	169.3	168.8	130.7	132.2	134.4	211.6	216.1	219.7	224.2	229.1	233.5	236.7	238.9	240.2	238.8	236.0	233.2	231.6	231.6
Depreciation	72.4	72.7	72.7	72.5	72.8	191.3	192.1	193.3	194.7	196.1	194.8	198.8	203.1	207.0	209.9	211.0	212.9	211.7	209.2	206.7	205.3	203.3
Selling, General and Administrative																						
Standard SG&A	371.4	372.7	373.0	371.6	369.3	522.1	528.4	538.1	549.1	560.7	570.2	581.8	594.4	605.9	614.3	620.0	623.2	619.7	612.5	603.1	601.0	601.0
R&D	37.1	37.3	37.3	37.2	36.9	52.2	52.8	53.8	54.9	56.1	57.0	58.2	59.4	60.6	61.4	62.0	62.3	62.0	61.2	60.5	60.1	60.1
Product Conversion Expense	-	-	44.5	62.4	71.3	2.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Before Tax	128.5	129.0	84.5	66.2	56.2	145.0	153.0	159.0	172.5	178.8	186.5	198.3	194.4	198.2	208.9	202.0	203.0	202.7	200.3	197.9	196.6	196.6
Taxes	55.0	55.2	36.2	28.3	24.0	62.1	65.5	68.4	73.8	76.5	79.8	81.4	83.2	84.8	86.8	86.8	87.2	86.8	85.7	84.7	84.1	84.1
Net Income Before Financing	73.5	73.8	48.3	37.9	32.1	82.9	87.5	91.4	98.7	102.3	106.7	108.8	111.2	113.3	114.9	116.0	116.6	115.9	114.6	113.2	112.4	112.4
Cash Flow Statement																						
Net Income	73.5	73.8	48.3	37.9	32.1	82.9	87.5	91.4	98.7	102.3	106.7	108.8	111.2	113.3	114.9	116.0	116.6	115.9	114.6	113.2	112.4	112.4
Depreciation	72.4	72.7	72.7	72.5	72.8	191.3	192.1	193.3	194.7	196.1	194.8	198.8	203.1	207.0	209.9	211.0	212.9	211.7	209.2	206.7	205.3	203.3
Change in Working Capital	(3.7)	(0.8)	(0.2)	0.8	1.2	(39.0)	(3.7)	(5.7)	(6.4)	(6.8)	(5.5)	(6.8)	(7.4)	(6.7)	(3.8)	(3.3)	(1.9)	2.0	4.2	4.3	2.4	(0.0)
Cash Flows from Operations	142.2	145.7	120.9	111.1	105.4	185.2	276.0	279.1	286.9	291.6	295.9	300.8	306.9	313.7	319.9	324.3	327.6	329.7	328.1	324.2	320.1	317.7
						(105.6)	(107.8)	(111.2)	(115.1)	(119.3)	(129.0)											
Ordinary Capital Expenditures	(80.5)	(80.8)	(80.8)	(80.5)	(80.1)	(105.6)	(107.8)	(111.2)	(115.1)	(119.3)	(129.0)	(206.8)	(211.3)	(215.8)	(218.3)	(220.4)	(221.5)	(220.3)	(217.7)	(213.0)	(213.6)	(213.6)
Conversion Capital Expenditures	-	-	(158.4)	(226.7)	(253.4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Used in Investment	(80.5)	(80.8)	(239.2)	(302.2)	(333.4)	(105.6)	(107.8)	(111.2)	(115.1)	(119.3)	(202.6)	(206.8)	(211.3)	(215.8)	(218.3)	(220.4)	(221.5)	(220.3)	(217.7)	(213.0)	(213.6)	(213.6)
Net Cash Flow	61.8	64.8	(118.3)	(191.1)	(228.0)	(0.3)	88.2	87.8	91.8	92.4	93.3	94.1	95.6	98.3	101.5	104.2	106.1	109.5	110.4	109.2	106.6	104.1
Terminal Value																						1,363.9
Present Value Factor	1.0000	0.9376	0.8792	0.8244	0.7728	0.7248	0.6796	0.6372	0.5975	0.5602	0.5253	0.4925	0.4618	0.4330	0.4060	0.3807	0.3570	0.3347	0.3138	0.2943	0.2759	0.2587
Discounted Cash Flow	61.8	60.8	(104.0)	(157.5)	(176.2)	(0.2)	59.9	56.0	54.8	51.7	49.0	46.3	44.2	42.6	41.2	39.7	37.9	36.6	34.6	32.1	29.4	402.1
Industry Value (Net Present Value)	$ 772.9	**million**																				

Exhibit P2. 11 V-axis Standard Cash Flows, 35 percent Level (no consolidation, medium-price elasticity)

Clothes Washers																						
STANDARD CASE SCENARIO	Base Year		Announce Year			Phase 1 Year																
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Income Statement																						
Price/Unit ($)	470.96	470.96	470.96	470.96	470.96	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24
Unit Sales (millions)	0.52	0.56	0.60	0.64	0.67	0.71	0.76	0.81	0.86	0.92	0.97	1.02	1.08	1.14	1.19	1.24	1.29	1.34	1.39	1.43	1.49	1.54
Revenues ($ million)	248.6	268.1	287.0	304.8	321.8	330.6	340.6	363.3	387.3	412.1	436.4	460.3	486.5	512.6	537.2	560.4	582.5	603.4	623.8	646.4	669.5	694.9
Cost of Sales																						
Labor	20.9	22.6	24.2	25.6	27.1	28.7	30.4	32.5	34.6	36.8	38.9	41.1	43.3	45.8	48.8	50.1	52.1	53.9	55.8	57.7	59.8	62.1
Material	122.4	132.0	140.3	158.1	158.4	167.7	178.1	190.0	202.5	215.5	227.7	240.7	254.4	268.8	280.9	293.1	304.6	315.5	326.2	337.5	350.1	363.4
Overhead - Fixed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overhead - Variable	16.2	17.5	18.7	19.9	21.0	22.2	23.6	25.2	26.9	28.6	30.2	31.9	33.7	35.6	37.3	38.9	40.4	41.9	43.3	44.8	46.4	48.2
Depreciation	14.4	15.3	16.6	17.6	18.6	19.7	20.9	22.3	23.8	25.3	26.8	28.3	29.9	31.3	33.0	34.5	35.8	37.1	38.4	39.7	41.2	42.7
Selling, General and Administrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Standard SG&A	44.7	48.3	51.7	54.9	57.9	57.7	61.5	63.4	69.7	74.2	78.4	82.8	87.6	92.3	96.7	100.9	104.9	108.6	112.3	116.2	120.5	125.1
R&D	4.5	4.8	5.2	5.5	5.8	5.8	6.1	6.5	7.0	7.4	7.8	8.3	8.8	9.2	9.7	10.1	10.5	10.9	11.2	11.6	12.1	12.5
Product Conversion Expense	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Profit Before Tax	25.2	27.2	29.2	31.0	32.7	18.7	19.8	21.1	22.5	24.0	25.4	26.8	28.3	29.9	31.4	32.7	34.1	35.3	36.5	37.7	39.1	40.6
Taxes	10.8	11.6	12.5	13.3	14.0	8.0	8.5	9.0	9.6	10.3	10.9	11.5	12.1	12.8	13.4	14.0	14.6	15.1	15.6	16.1	16.7	17.4
Net Income Before Financing	14.4	15.6	16.7	17.7	18.7	10.7	11.3	12.1	12.9	13.7	14.5	15.3	16.2	17.1	17.9	18.7	19.5	20.2	20.9	21.6	22.4	23.2
Cash Flow Statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	14.4	15.6	16.7	17.7	18.7	10.7	11.3	12.1	12.9	13.7	14.5	15.3	16.2	17.1	17.9	18.7	19.5	20.2	20.9	21.6	22.4	23.2
Depreciation	14.4	15.3	16.6	17.6	18.6	19.7	20.9	22.3	23.8	25.3	26.8	28.3	29.9	31.3	33.0	34.5	35.8	37.1	38.4	39.7	41.2	42.7
Change in Working Capital	(9.1)	(2.0)	(2.0)	(1.9)	(1.8)	8.1	(2.1)	(2.4)	(2.3)	(2.6)	(2.4)	(2.6)	(2.8)	(2.7)	(2.6)	(2.4)	(2.3)	(2.2)	(2.1)	(2.3)	(2.3)	(2.7)
Cash Flows from Operations	19.7	29.0	31.3	33.5	35.6	38.5	38.2	33.0	34.2	36.5	38.8	41.0	43.4	45.8	48.4	50.8	53.0	55.1	57.1	59.0	61.0	63.3
Ordinary Capital Expenditures	(14.6)	(15.5)	(16.6)	(17.6)	(18.6)	(19.7)	(20.9)	(22.3)	(23.8)	(25.3)	(26.8)	(28.3)	(29.9)	(31.3)	(33.0)	(34.5)	(35.8)	(37.1)	(38.4)	(39.7)	(41.2)	(42.7)
Conversion Capital Expenditures	(3.6)	(3.7)	(3.9)	(3.1)	(3.3)	(3.9)	(4.4)	(4.7)	(4.9)	(4.6)	(4.9)	(5.1)	(5.1)	(4.8)	(4.6)	(4.3)	(4.1)	(4.0)	(4.2)	(4.7)	(5.0)	(5.8)
Cash Used in Investment	(18.0)	(19.0)	(19.9)	(20.8)	(22.1)	(23.6)	(25.4)	(27.0)	(28.7)	(29.9)	(31.7)	(33.3)	(35.0)	(36.2)	(37.6)	(38.8)	(39.9)	(41.1)	(42.6)	(44.4)	(46.1)	(47.7)
Net Cash Flow	1.7	10.0	11.4	12.7	13.5	6.9	4.8	5.0	5.5	6.6	7.2	7.6	8.4	9.5	10.8	12.0	13.1	14.0	14.5	14.6	14.9	15.6
Terminal Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	216.5
Present Value Factor	1.0000	0.9576	0.9292	0.9244	0.9230	0.7248	0.6796	0.6372	0.5973	0.5602	0.5253	0.4925	0.4618	0.4328	0.4058	0.3807	0.3570	0.3347	0.3138	0.2943	0.2759	0.2587
Discounted Cash Flow	1.7	9.4	10.6	11.5	12.4	5.0	3.2	3.2	3.3	3.7	3.8	3.7	3.9	4.1	4.4	4.6	4.7	4.7	4.6	4.3	4.1	64.7
Industry Value (Net Present Val. $ 271.8	millions																					

Exhibit P2. 12 H-axis Standard Case Cash Flows, 35 percent Standard Level (no consolidation, medium-price elasticity)

Clothes Washers																						
STANDARD CASE SCENARIO	Base Year		Announce Year			Phase 1 Year																
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Income Statement																						
Price/Unit ($)	280.02	289.71	300.61	301.49	302.38	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24	450.24
Unit Sales (millions)	7.74	7.80	7.83	7.86	7.83	7.13	7.28	7.43	7.64	7.83	8.00	8.20	8.42	8.61	8.77	8.90	8.98	8.99	8.84	8.90	8.98	8.96
Revenues ($ million)	2,311.8	2,338.6	2,359.1	2,369.2	2,374.5	3,221.2	3,279.1	3,332.6	3,437.0	3,527.1	3,603.1	3,692.5	3,788.8	3,878.5	3,950.2	4,005.0	4,045.8	4,046.4	4,028.5	4,006.9	4,080.2	4,034.0
Cost of Sales																						
Labor	232.4	234.0	236.5	237.2	237.4	287.9	292.0	289.6	307.2	315.2	322.0	330.0	338.6	346.6	353.8	357.9	361.3	361.6	359.9	358.1	358.2	360.5
Material	1,195.6	1,208.9	1,219.0	1,223.0	1,226.1	1,684.4	1,713.0	1,753.1	1,797.6	1,844.3	1,884.0	1,930.7	1,981.2	2,028.0	2,065.6	2,094.2	2,115.1	2,115.9	2,105.4	2,095.2	2,095.9	2,109.3
Overhead - Fixed	-	-	-	-	67.7	89.6	89.6	89.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overhead - Variable	185.3	187.3	188.7	189.2	122.0	143.8	145.8	149.6	158.5	244.7	249.9	256.1	262.8	269.0	274.8	277.8	280.6	288.7	279.3	277.9	278.8	279.8
Depreciation	86.8	88.2	89.4	90.1	90.7	211.8	213.1	215.6	218.5	221.5	223.6	227.1	233.8	238.5	242.9	246.3	248.7	248.8	247.6	246.4	246.5	248.1
Selling, General and Administrative																						
Standard SG&A	426.1	428.9	434.6	436.5	437.4	579.8	589.7	605.5	618.8	634.9	648.6	664.6	682.8	698.1	711.8	720.9	728.1	728.4	724.8	721.2	721.3	726.1
R&D	41.8	42.1	42.5	42.6	42.7	58.8	59.0	60.3	61.9	63.5	64.9	66.5	68.2	69.8	71.1	72.1	72.8	72.8	72.5	72.1	72.1	72.6
Product Conversion Expense	0.2	0.2	44.7	62.5	71.5	3.9	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.3
Profit Before Tax	153.7	156.2	113.7	97.2	88.9	163.7	172.0	180.8	193.0	202.8	211.8	217.1	222.8	228.1	232.3	235.5	237.8	238.0	236.0	235.6	235.7	237.2
Taxes	65.8	68.0	48.7	41.6	38.0	70.0	74.0	77.4	83.5	86.8	90.7	92.9	95.3	97.6	99.4	100.8	101.8	101.9	101.4	100.8	100.8	101.5
Net Income Before Financing	87.9	88.3	65.0	55.6	50.8	93.6	98.9	103.5	111.6	116.0	121.2	124.2	127.4	130.4	132.9	134.7	136.1	136.1	135.5	134.8	134.8	135.7
Cash Flow Statement																						
Net Income	87.9	88.3	65.0	55.6	50.8	93.6	98.9	103.5	111.6	116.0	121.2	124.2	127.4	130.4	132.9	134.7	136.1	136.1	135.5	134.8	134.8	135.7
Depreciation	86.8	88.2	89.4	90.1	90.7	211.8	213.1	215.6	218.5	221.5	223.6	227.1	233.8	238.5	242.9	246.3	248.7	248.8	247.6	246.4	246.5	248.1
Change in Working Capital	(12.8)	(2.8)	(2.2)	(1.1)	(0.6)	(88.9)	(5.8)	(6.8)	(8.9)	(9.4)	(8.8)	(9.4)	(10.1)	(9.4)	(7.3)	(5.7)	(4.2)	(0.2)	2.1	2.1	(0.1)	(2.7)
Cash Flows from Operations	161.9	174.7	152.2	144.6	141.0	215.8	306.2	311.3	321.1	328.1	334.8	341.9	350.3	359.6	368.3	375.3	380.6	384.8	385.2	383.2	381.2	381.0
Ordinary Capital Expenditures	(94.8)	(96.3)	(97.4)	(98.2)	(98.7)	(205.3)	(208.7)	(213.6)	(219.0)	(224.6)	(228.4)	(235.1)	(241.2)	(246.8)	(251.4)	(254.8)	(257.3)	(257.4)	(256.0)	(254.7)	(254.8)	(256.3)
Conversion Capital Expenditures	(3.6)	(3.5)	(161.4)	(224.8)	(256.8)	(3.9)	(4.4)	(4.7)	(4.9)	(4.6)	(4.9)	(5.1)	(5.1)	(4.8)	(4.8)	(4.3)	(4.1)	(4.0)	(4.2)	(4.7)	(5.8)	(5.0)
Cash Used in Investment	(98.3)	(99.8)	(259.1)	(323.0)	(355.5)	(209.2)	(213.1)	(218.3)	(223.8)	(229.2)	(234.3)	(240.2)	(246.3)	(251.7)	(255.9)	(259.1)	(261.4)	(261.4)	(260.3)	(259.5)	(259.7)	(261.3)
Net Cash Flow	63.5	73.0	(106.8)	(178.4)	(214.5)	6.6	93.0	92.8	97.3	98.9	100.5	101.7	104.0	107.9	112.3	116.1	119.2	123.4	124.9	123.8	121.4	119.7
Terminal Value																						1,008.4
Present Value Factor	1.0000	0.9376	0.8792	0.8244	0.7730	0.7248	0.6796	0.6372	0.5975	0.5602	0.5253	0.4925	0.4618	0.4330	0.4060	0.3807	0.3570	0.3347	0.3138	0.2943	0.2759	0.2587
Discounted Cash Flow	63.5	78.3	(93.9)	(147.0)	(165.8)	4.8	63.2	59.1	58.1	55.4	52.8	50.1	48.0	46.7	45.6	44.2	42.6	41.3	39.2	36.4	33.5	486.8
Industry Value (Net Present Value) $ 846.7	million														0.774234502							0.325828

Exhibit. P2.13 Standard Cash Flow, 35 percent Standard Level (no consolidation, medium-price elasticity scenario) –V and H-axis market segments combined

Clothes Washer Cash Flow Results		Pre-Regulation Base 1999	Post-Regulation Tier 1 2004	Post-Regulation Tier 2 2004
Unit Shipments	(000,000)	7.74	$ 7.89	NA
Price per unit		$ 298.8	$ 450.2	NA
Total Revenues	($000,000)	$ 2,311.9	$ 3,551.7	NA
Profit After Tax	($000,000)	$ 87.9	$ 93.6	NA
Net Cash Flow	($000,000)	$ 63.5	$ 6.6	NA
Industry Value *(Net Present Value)*	($000,000)	$ 1,439.1	$ 944.7	NA
Change in Industry Value	($000,000)			**$ (494.4)**
% Change in Industry Value				**-34.4%**
Conversion Cost				
Capital Expenditures	($000,000)		$ 633.4	NA
Design & Marketing Expenses	($000,000)		$ 181.8	NA

Exhibit P2. 14 Results for the 35 percent Standard Level (no consolidation, medium-price elasticity)

Clothes Washers

STANDARD CASE SCENARIO	Base Year		Announce Year			Standard Year																
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Income Statement																						
Price/Unit ($)	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40	220.40
Unit Sales (millions)	5.51	5.53	5.59	5.59	5.58	5.29	5.37	5.48	5.61	5.74	5.87	5.95	6.12	6.23	6.33	6.42	6.48	6.49	6.49	6.48	6.51	6.56
Revenues ($millions)	1,213.6	1,223.9	1,231.8	1,232.7	1,231.0	1,166.5	1,183.6	1,208.7	1,236.7	1,265.0	1,289.6	1,317.6	1,348.2	1,376.4	1,398.9	1,415.9	1,428.4	1,430.4	1,429.3	1,428.2	1,433.7	1,446.3
Cost of Sales																						
Labor	123.0	124.0	125.6	125.7	125.6	119.0	120.7	123.3	126.1	129.1	131.3	134.4	137.5	140.4	142.7	144.4	145.7	146.0	145.8	145.7	146.2	147.4
Material	631.1	636.4	640.1	640.8	640.5	686.6	615.5	628.5	643.1	658.2	670.6	685.2	701.1	715.7	727.4	736.3	742.8	744.3	743.3	742.7	745.5	751.6
Overhead - Fixed	-	-	-	-	48.9	41.1	48.1	48.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overhead - Variable	108.7	111.6	102.2	102.3	61.3	50.1	50.9	60.2	102.6	105.1	107.0	109.4	111.9	114.2	116.1	117.5	118.6	118.8	118.6	118.5	119.0	120.0
Depreciation	42.6	43.0	43.2	43.3	43.2	40.9	41.3	42.4	43.4	44.4	45.3	46.2	47.3	48.3	49.1	49.7	50.1	50.2	50.2	50.1	50.3	50.7
Selling, General and Administrative																						
Standard SG&A	218.4	220.3	221.6	221.9	221.7	210.0	213.0	217.6	222.6	227.8	232.1	237.3	242.7	247.8	251.8	254.9	257.1	257.6	257.3	257.1	258.1	260.3
R&D	21.8	22.0	22.2	22.2	22.2	21.0	21.3	21.8	22.3	22.8	23.2	23.7	24.3	24.8	25.2	25.5	25.7	25.8	25.7	25.7	25.8	26.0
Product Conversion Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Before Tax	73.1	73.8	76.2	78.3	78.2	69.8	71.3	73.9	76.3	78.4	79.8	81.6	83.5	83.2	86.6	87.8	88.4	88.6	88.3	88.4	88.7	89.3
Taxes	32.2	32.4	32.6	32.7	32.6	29.9	30.6	31.6	32.8	33.5	34.2	34.9	35.7	36.5	37.1	37.5	37.8	37.9	37.8	37.8	38.0	38.3
Net Income Before Financing	43.0	43.3	43.6	43.6	43.6	40.0	40.9	42.3	43.5	44.9	45.7	46.7	47.7	48.7	49.5	50.1	50.6	50.7	50.6	50.6	50.8	51.3
Cash Flow Statement																						
Net Income	43.0	43.3	43.6	43.6	43.6	40.0	40.9	42.3	43.5	44.9	45.7	46.7	47.7	48.7	49.5	50.1	50.6	50.7	50.6	50.6	50.8	51.3
Depreciation	42.6	43.0	43.2	43.3	43.2	40.9	41.3	42.4	43.4	44.4	45.3	46.2	47.3	48.3	49.1	49.7	50.1	50.2	50.2	50.1	50.3	50.7
Change in Working Capital	(1.1)	(1.1)	(0.7)	(0.2)	1.1	6.9	(1.8)	(2.6)	(2.9)	(3.1)	(2.5)	(2.9)	(3.2)	(3.0)	(2.4)	(1.8)	(1.3)	(0.3)	0.3	0.1	(0.6)	(1.2)
Cash Flows from Operations	84.5	85.2	86.1	86.7	86.9	87.8	80.6	82.8	84.5	86.2	88.4	90.0	91.8	94.1	96.3	98.0	99.4	100.6	101.1	100.8	100.5	100.7
Ordinary Capital Expenditures	(47.5)	(47.7)	(48.0)	(48.1)	(48.0)	(45.3)	(46.2)	(47.1)	(48.2)	(49.4)	(50.3)	(51.4)	(52.6)	(53.7)	(54.6)	(55.2)	(55.7)	(55.8)	(55.7)	(55.7)	(55.9)	(56.4)
Conversion Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Used In Investment	(47.5)	(47.7)	(48.0)	(48.1)	(48.0)	(45.3)	(46.2)	(47.1)	(48.2)	(49.4)	(50.3)	(51.4)	(52.6)	(53.7)	(54.6)	(55.2)	(55.7)	(55.8)	(55.7)	(55.7)	(55.9)	(56.4)
Net Cash Flow	37.2	37.5	38.1	38.7	38.9	42.5	34.5	34.9	36.0	36.8	38.1	38.6	39.3	40.4	41.7	42.8	43.7	44.8	45.3	45.1	44.6	44.3
Terminal Value																						666.4
Present Value Factor	1.0000	0.9356	0.8750	0.8244	0.7730	0.7348	0.6796	0.6371	0.5875	0.5402	0.5253	0.4923	0.4618	0.4330	0.4068	0.3807	0.3570	0.3347	0.3138	0.2940	0.2759	0.2587
Discounted Cash Flow	37.2	35.1	33.4	31.9	30.1	30.6	23.4	22.2	21.5	20.6	20.0	19.0	18.1	17.5	16.9	16.3	15.6	15.0	14.2	13.3	12.3	183.9

Industry Value (Net Present Value) $ 648.3 million

Exhibit P2. 15 Standard Case Dryer Flows, 35 percent Standard Level (medium-price elasticity)

Dryer Cash Flow Results		Pre-Regulation Base 1999	Post-Regulation Tier 1 2004	Post-Regulation Tier 2 2004
Dryer Shipments	(000,000)	5.51	$ 5.29	-
Total Revenues	($000,000)	$ 1,213.6	$ 1,166.5	-
Profit After Tax	($000,000)	$ 43.0	$ 40.0	-
Industry Value ***(Net Present Value)***	($000,000)	$ 665.1	$ 648.3	
Change in Industry Value	($000,000)			**$ (16.8)**
% Change in Industry Value				**-2.5%**

Exhibit P2. 16 Results: Dryer Cash Flows, 35 percent Standard Level (medium-price elasticity)

Clothes Washers																						
STANDARD SCENARIO	35%	Base Year					Standard Year															
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Income Statement																							
Repairs		9.7466	9.8302	9.9329	10.0642	10.2227	10.6307	10.8865	11.1355	11.3480	11.5429	11.7169	11.8843	12.0192	12.1260	12.2100	12.2806	12.3512	12.4448	12.5700	12.7431	12.9559	13.1841
Revenues		210.5	212.3	214.5	217.4	220.8	229.6	235.1	240.5	245.1	249.3	253.1	256.7	259.6	261.9	263.7	265.3	266.8	268.8	271.5	275.3	279.8	284.8
Net Income Before Financing		10.5	10.6	10.7	10.9	11.0	11.5	11.8	12.0	12.3	12.5	12.7	12.8	13.0	13.1	13.2	13.3	13.3	13.4	13.6	13.8	14.0	14.2
Net Cash Flow		10.5	10.6	10.7	10.9	11.0	11.5	11.8	12.0	12.3	12.5	12.7	12.8	13.0	13.1	13.2	13.3	13.3	13.4	13.6	13.8	14.0	14.2
Terminal Value																							214.1
Present Value Factor		1.0000	0.9376	0.8792	0.8244	0.7730	0.7248	0.6796	0.6372	0.5975	0.5602	0.5253	0.4925	0.4618	0.4330	0.4060	0.3807	0.3570	0.3347	0.3138	0.2943	0.2759	0.2587
Discounted Cash Flow		10.5	10.0	9.4	9.0	8.5	8.3	8.0	7.7	7.3	7.0	6.6	6.3	6.0	5.7	5.4	5.0	4.8	4.5	4.3	4.0	3.9	59.1
Industry Value (Net Present Value)	$ 201.2																						

Exhibit P2. 17 Standard Case Repair Cash Flows, 35 percent Standard Level (medium-price elasticity)

Repair Cash Flow Results		Pre-Regulation Base 1999	Post-Regulation Tier 1 2004	Post-Regulation Tier 2 2004
# of Repairs	(000,000)	9.75	$ 10.63	-
Total Revenues	($000,000)	$ 210.5	$ 229.6	-
Profit After Tax	($000,000)	$ 10.5	$ 11.5	-
Industry Value *(Net Present Value)*	($000,000)	$ 200.2	$ 201.2	
Change in Industry Value	($000,000)			$ 1.1
% Change in Industry Value				0.5%

Exhibit P2. 18 Results: Repair Cash Flow, 35 percent Standard Level (medium-price elasticity)

Step 1: NES Inputs			
ENERGY PRICE PROJECTION	AEO 1999 - Reference Case		
	Tier 1	*Tier 2*	
STANDARD CASE DESIGN (Tier #1 & Tier #2)	MEF = 1.04	MEF = 1.26	
Standard Start Years	2004	2007	
Water escalation rate	Medium		
Discount Rate:	7%		
Annual % increase of H-axis	0.50%		
Step 2: Shipment Scenario Inputs			
Instructions:			
Select price elasticity, top-loading feature elasticity, and standard level.			
Results are displayed in charts and provided in the 'Shipment Forecast' sheet.			
Detailed model inputs are in yellow cells in 'Inputs' sheet.			
Price Elasticity:	**Income Elasticity:**		
Medium	None		
Top-Loading Elasticity:	**Price/Income Elasticity:**		
Medium	None		
Price Markup:	**Interest or Credit Elasticity:**		
Medium Markup	None		
Note…			
Set Current Scenario	Reset Base Case	Reset after any change in above scenarios. Efficiency levels and standard years must be set to Baseline and 2004.	
Step 3: Financial Inputs for GRIM analysis			
Tax Rate	42.8%		
Discount Rate for NPV	6.65%		
Inflation Rate	0.0%	*per annum*	
Working Capital	10.50%	*of Revenue*	
Net Property, Plant & Equipment	24.80%	*of Revenue*	
Standard SG&A	18.0%	*of Revenue*	
Research and Development	1.8%	*of Revenue*	
Ordinary Depreciation	3.51%	*of Revenue*	
Ordinary Capital Expenditures	-3.90%	*of Revenue*	
Short-term Variable Overhead as % of Total	60%	*(this assumption is applicable to one year before and three years after the Standard, in the V-Axis-Standard*	
Step 4: Scenarios for GRIM analysis			
Delay	yes		
Stranded assets assumption	Shipments based		
Market Share	100%		
Consolidation Scenario	no		
Range	2	***Min=1, Max=2***	
Step 5: Repair GRIM Inputs			
Average Repair Cost	$ 100.00		
Labor Split	80.0%		
Parts Split	20.0%		
OEM repair market share - labor	10.0%		
OEM repair market share - parts	68.0%		
Net Industry Profit	5.00%	*of Revenue*	
Step 6: Run model			
	Run Model		

Exhibit P2. 19 GRIM Major Assumptions Sheet: Two-Tier Standard Level (no consolidation, medium-price elasticity scenario)

Clothes Washers			
Scenario Description	Clothes Washers		
Base Year	1999	*Beginning year for analytical purposes*	
Announcement Year	2001	*Year in which the regulation announcement is made*	
Beginning year of delay	2004		
Standard Year (Tier 1)	2004		
Standard Year (Tier 2)	2007	*Year in which the regulation takes effect*	
Base Case	**V-Axis**	**H-Axis**	
Base Year Unit Price	285.90	478.16	*($) per unit*
Mark-up over incremental cost		1.50	
Base Year Unit Sales (from NES)	7.22	0.52	*(000,000)*
Materials / Unit	148.70	235.43	*($) per unit*
Labor / Unit	29.30	40.24	*($) per unit*
Overhead / Unit (excl. Depreciation)	23.45	31.23	*($) per unit*
	Tier 1	**Tier 2**	
Shipment Scenario			
Standards Case Efficiency Level	10	11	*(1 to 9)*
=> Efficiency Improvement of	21%	35%	*over Baseline MEF of 0.817*
Tier 1: Standard Case Inputs			
Standard Case Incremental Costs	**V/H-Axis (over Base Case V-Axis)**	**H-Axis (over Base Case H-Axis)**	
Materials / Unit	17.71	-	*($) per unit*
Labor / Unit	2.36	-	*($) per unit*
Overhead / Unit (excl. Depreciation)	(1.28)	-	*($) per unit*
	1.33		
Mark-up over incremental cost	1.33	1.50	*Enter markup or choose default*
Standard Year Unit Price	324.05	478.16	*($) per unit*
Conversion Costs	**V/H-Axis**	**H-Axis**	
Base Case Shipments in Standard Year	7.18	0.71	*(000,000)*
Capital Expenditure (Tooling + Investment)	268.63	-	
Useful Life	5	5	*years*
Per unit capital conversion cost	7.49	-	*($) per unit*
Design & Marketing Expenses (Product Conversion)	83.44	-	*($000,000)*
Per unit product conversion costs	2.33	-	*($) per unit*
Depreciation life	3.00		
Tier 2: Standard Case Inputs			
Standard Case Incremental Costs	**V/H-Axis (over Base Case V-Axis)**	**H-Axis (over Base Case H-Axis)**	
Materials / Unit	86.74	0.01	*($) per unit*
Labor / Unit	10.94	-	*($) per unit*
Overhead / Unit (excl. Depreciation)	7.78	-	*($) per unit*
Mark-up over incremental cost	1.28	1.28	*Enter markup or choose default*
Standard Year Unit Price	450.29	450.29	*($) per unit*
Conversion Costs	**V/H-Axis**	**H-Axis**	
Base Case Shipments in Standard Year	7.18	0.71	*(000,000)*
Capital Expenditure (Tooling + Investment)	633.42	-	*($000,000)*
Useful Life	5	5	*years*
Per unit capital conversion cost	17.65	-	*($) per unit*
Design & Marketing Expenses (Product Conversion)	181.82	-	*($000,000)*
Per unit product conversion costs	5.07	-	*($) per unit*
% Capital Conversion Reinvestment	16%		

Exhibit P2. 20 Welcome GRIM Sheet: Assumption for the Two-Tier Standard Level (no consolidation, medium-price elasticity scenario)

Clothes Washers																							
STANDARD CASE SCENARIO	Base Year		Announce Year			Phase 1 Year			Phase 2 Year														
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Income Statement																							
Price/Unit ($)	285.98	285.98	285.98	285.98	285.98	324.83	324.83	324.83	400.28	400.28	400.28	400.28	400.28	400.28	400.28	400.28	400.28	400.28	400.28	400.28	400.28	400.28
Unit Sales (millions)	7.33	7.34	7.35	7.35	7.33	6.93	6.98	7.08	6.71	6.83	6.96	7.09	7.23	7.35	7.48	7.57	7.62	7.61	7.62	7.61	7.59	7.56
Revenues ($ millions)	2,063.4	2,078.5	2,093.1	2,064.3	2,052.7	2,248.8	2,265.5	2,298.6	2,688.8	2,733.7	2,785.9	2,838.2	2,896.4	2,943.0	2,993.4	3,030.1	3,049.5	3,045.5	3,049.7	3,045.5	3,038.3	3,025.5
Cost of Sales:																							
Labor	211.46	212.19	212.95	211.57	210.37	219.49	221.30	224.55	269.86	275.58	279.97	285.18	291.01	296.58	301.19	304.74	307.17	307.64	308.94	306.30	305.23	304.19
Material	1,075.18	1,076.90	1,077.71	1,073.76	1,067.83	1,153.82	1,163.37	1,180.44	1,378.95	1,402.39	1,428.88	1,458.55	1,732.86	1,758.26	1,782.27	1,795.04	1,797.24	1,799.98	1,795.92	1,792.12	1,785.88	1,779.63
Overhead - Fixed	0.00	0.00	0.00	0.00	67.73	67.64	67.64	67.73	67.72	67.72	67.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Overhead - Variable	169.24	169.83	169.95	169.33	101.02	92.23	92.99	95.80	125.66	128.32	130.37	227.32	225.95	228.17	233.75	236.51	238.39	238.76	238.22	237.7	236.89	236.05
Depreciation	72.42	72.68	72.73	72.48	72.05	158.12	158.68	160.73	195.98	196.41	196.92	197.80	208.25	204.07	207.24	209.69	211.36	211.68	211.20	210.75	210.02	209.29
Selling, General and Administrative																							
Standard SG&A	371.40	372.69	372.87	371.61	369.49	404.42	407.75	410.75	543.58	555.87	563.92	574.41	588.15	597.37	608.67	613.82	618.71	619.95	618.25	616.96	614.80	612.64
R&D	37.14	37.27	37.38	37.16	36.95	17.64	17.99	18.25	54.36	55.51	56.39	57.44	58.61	59.74	60.67	61.38	61.87	61.97	61.83	61.69	61.48	61.26
Product Conversion Expense	0.00	0.00	20.44	29.82	32.71	48.27	62.36	71.27	3.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit Before Tax	128.5	129.0	108.6	100.0	94.0	90.0	76.2	62.1	137.1	168.7	174.9	186.3	189.9	195.5	198.6	208.9	202.5	202.0	202.4	202.0	200.3	200.5
Taxes	55.0	55.2	46.5	42.8	40.4	38.5	32.6	26.6	47.2	72.2	74.9	79.8	82.1	83.7	85.0	86.0	86.7	86.8	86.6	86.4	86.1	85.8
Net Income Before Financing	73.5	73.8	62.1	57.2	54.2	51.5	43.6	35.5	89.8	96.5	100.1	106.7	109.8	111.9	113.6	114.9	115.8	116.0	115.8	115.5	115.1	114.7
Cash Flow Statement																							
Net Income	73.5	73.8	62.1	57.2	54.2	51.5	43.6	35.5	89.8	96.5	100.1	106.7	109.8	111.9	113.6	114.9	115.8	116.0	115.8	115.5	115.1	114.7
Depreciation	72.4	72.7	72.7	72.5	72.0	159.1	159.7	161.7	194.8	197.4	196.9	197.8	208.2	204.1	207.2	209.7	211.4	211.7	211.2	210.8	210.0	209.3
Change in Working Capital	(3.7)	(0.8)	(0.2)	0.0	1.2	(20.4)	(1.9)	(3.3)	(51.7)	(6.7)	(3.2)	(6.1)	(9.0)	(9.5)	(3.4)	(4.2)	(2.9)	(0.3)	0.0	0.0	1.3	1.5
Cash Flows from Operations	142.2	145.7	134.7	130.4	127.5	190.2	201.4	193.7	233.1	287.2	294.4	298.3	300.1	308.4	317.4	320.4	324.4	327.2	327.0	327.0	326.4	325.3
Ordinary Capital Expenditures	-80.47	-80.75	-80.81	-80.51	-80.05	-61.00	-61.34	-62.07	-193.16	-197.25	-200.40	-204.12	-208.30	-212.28	-215.58	-218.13	-219.81	-220.28	-219.70	-219.24	-218.48	-217.71
Conversion Capital Expenditures	0.00	0.00	-67.38	-94.82	-107.45	-158.36	-221.32	-253.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash Used in Investment	(80.5)	(80.8)	(148.2)	(175.3)	(187.5)	(219.4)	(279.0)	(315.4)	(193.2)	(197.3)	(200.4)	(204.1)	(208.3)	(212.3)	(215.6)	(218.1)	(219.8)	(220.3)	(219.7)	(219.2)	(218.5)	(217.7)
Net Cash Flow	61.8	64.9	(13.5)	(44.9)	(60.0)	(29.1)	(75.7)	(122.6)	34.9	88.8	93.8	94.2	94.8	97.1	99.8	102.3	104.5	107.0	108.1	107.8	107.9	107.5
Terminal Value																						1,457.2
Present Value Factor	1.0000	0.9376	0.8792	0.8244	0.7730	0.7248	0.6796	0.6372	0.5975	0.5603	0.5253	0.4925	0.4618	0.4330	0.4060	0.3807	0.3570	0.3347	0.3138	0.2940	0.2759	0.2587
Discounted Cash Flow	61.8	60.9	(11.7)	(36.9)	(46.4)	(21.1)	(51.4)	(78.1)	20.9	49.3	49.3	46.4	43.8	42.0	40.5	39.0	37.3	35.8	33.9	31.7	29.8	446.2
Industry Value (Net Present Value) $ 826.4	million																						

Exhibit J2. 21 V-Axis Standard Case Cash Flows, Two-Tier Standard Level (no consolidation, medium-pr scenario)

Clothes Washers																								
STANDARD CASE SCENARIO	Base Year		Announce Year			Phase 1 Year			Phase 2 Year															
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Income Statement																								
Price/Unit ($)	475.16	475.16	475.16	475.16	475.16	475.16	475.16	475.16	450.29	450.29	450.29	450.29	450.29	450.29	450.29	450.29	450.29	450.29	450.29	450.29	450.29	450.29	450.29
Unit Sales (millions)	0.52	0.56	0.60	0.64	0.67	0.69	0.73	0.78	0.86	0.92	0.97	1.02	1.08	1.14	1.19	1.26	1.29	1.34	1.39	1.43	1.48	1.54	1.59
Revenues ($ million)	248.6	266.1	287.0	304.9	321.9	329.0	348.2	374.1	387.3	417.1	436.4	460.3	486.6	512.6	537.3	566.5	582.6	602.6	623.9	645.5	669.6	696.0	721.6
Cost of Sales																								
Labor	20.9	22.6	24.2	25.6	27.1	27.7	29.3	31.5	34.6	36.8	38.9	41.1	43.3	45.8	48.0	50.1	53.1	53.9	55.8	57.7	59.8	62.1	64.3
Material	122.4	132.0	141.3	150.1	158.4	162.0	171.4	184.2	202.3	213.3	227.7	240.7	254.4	268.0	280.9	295.1	304.6	313.3	326.2	337.3	350.1	363.4	376.8
Overhead - Fixed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overhead - Variable	16.2	17.5	18.7	19.9	21.0	21.5	22.9	24.4	16.1	17.1	18.1	19.9	20.7	21.6	22.3	23.9	24.4	41.9	43.0	44.8	46.4	48.2	49.9
Depreciation	14.4	15.5	16.6	17.6	18.6	19.1	20.3	21.7	23.8	25.3	26.8	28.3	29.9	31.5	33.0	34.5	35.8	37.1	38.4	39.7	41.2	42.7	44.2
Selling, General and Administrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Standard SG&A	44.7	48.3	51.7	54.9	57.9	59.2	62.0	67.2	69.7	74.2	78.4	82.9	87.6	92.3	96.7	100.9	104.9	108.6	112.3	116.1	120.5	125.1	129.8
R&D	4.5	4.8	5.2	5.5	5.8	5.9	6.3	6.7	7.0	7.4	7.8	8.3	8.8	9.2	9.7	10.1	10.5	10.9	11.2	11.6	12.1	12.5	13.0
Product Conversion Expense	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Profit Before Tax	25.2	27.2	29.2	31.0	32.7	33.4	35.5	38.0	33.3	35.5	37.5	38.8	38.4	39.9	41.4	32.8	34.1	35.3	36.5	37.8	39.2	40.7	42.1
Taxes	10.8	11.6	12.5	13.3	14.0	14.3	15.2	16.3	14.2	15.2	16.0	11.5	12.1	12.8	13.4	14.0	14.6	15.1	15.6	16.2	16.8	17.4	18.0
Net Income Before Financing	14.4	15.6	16.7	17.7	18.7	19.1	20.3	21.7	19.0	20.3	21.4	15.3	16.2	17.1	18.0	18.7	19.5	20.2	20.9	21.6	22.4	23.3	24.1
Cash Flow Statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	14.4	15.6	16.7	17.7	18.7	19.1	20.3	21.7	19.0	20.3	21.4	15.3	16.2	17.1	18.0	18.7	19.5	20.2	20.9	21.6	22.4	23.3	24.1
Depreciation	14.4	15.5	16.6	17.6	18.6	19.1	20.3	21.7	23.8	25.3	26.8	28.3	29.9	31.5	33.0	34.5	35.8	37.1	38.4	39.7	41.2	42.7	44.2
Change in Working Capital	(7.1)	(2.0)	(2.0)	(1.8)	(1.8)	(0.8)	(2.2)	(2.3)	(1.4)	(2.6)	(2.4)	(2.6)	(2.8)	(2.7)	(2.6)	(2.4)	(2.3)	(2.2)	(2.1)	(2.3)	(2.3)	(2.3)	(2.7)
Cash Flows from Operations	19.7	29.0	31.3	33.5	35.6	37.4	38.4	40.9	41.5	43.0	45.8	41.0	43.4	45.9	48.4	50.8	53.0	55.1	57.1	59.8	61.3	63.5	65.6
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ordinary Capital Expenditures	(14.4)	(15.5)	(16.6)	(17.6)	(18.6)	(19.1)	(20.3)	(21.7)	(23.8)	(25.3)	(26.8)	(28.3)	(29.9)	(31.5)	(33.0)	(34.5)	(35.8)	(37.1)	(38.4)	(39.7)	(41.2)	(42.7)	(44.2)
Conversion Capital Expenditures	(3.6)	(3.5)	(3.3)	(3.1)	(3.3)	(3.9)	(4.4)	(6.9)	(4.9)	(4.6)	(4.9)	(5.1)	(5.1)	(4.8)	(4.6)	(4.3)	(4.1)	(4.0)	(4.2)	(4.7)	(5.8)	(5.6)	(5.5)
Cash Used in Investment	(18.0)	(19.0)	(19.9)	(20.8)	(20.9)	(23.0)	(24.7)	(28.5)	(28.7)	(29.9)	(31.7)	(33.3)	(35.0)	(36.3)	(37.6)	(38.8)	(39.9)	(41.1)	(42.6)	(44.4)	(46.1)	(48.3)	(49.7)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	1.7	10.0	11.4	12.7	15.6	14.5	13.7	12.4	12.8	13.1	14.1	7.6	8.4	9.6	10.8	12.0	13.1	14.0	14.5	14.6	14.9	15.6	16.0
Terminal Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	234.0
Present Value Factor	1.0000	0.9091	0.8264	0.7513	0.7730	0.7248	0.6796	0.6372	0.5975	0.5602	0.5253	0.4925	0.4618	0.4330	0.4060	0.3807	0.3570	0.3347	0.3138	0.2943	0.2759	0.2587	0.2425
Discounted Cash Flow	1.7	9.4	10.0	10.5	12.1	10.5	9.3	7.9	7.6	7.3	7.4	3.7	3.9	4.1	4.4	4.6	4.7	4.7	4.6	4.3	4.1	4.0	60.8
Industry Value (Net Present Val) $ 281.5	millions																						

Exhibit J2. 22 H-Axis Standard Case Cash Flows, Two-Tier Standard Level (no consolidation, medium-price elasticity scenario)

Clothes Washers																						
STANDARD CASE SCENARIO	Base Year		Announce Year			Phase 1 Year			Phase 2 Year													
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2028
Income Statement																						
Price/Unit ($)	299.82	299.71	300.61	301.49	302.38	307.96	308.66	309.36	458.29	458.29	458.29	458.29	458.29	458.29	458.29	458.29	458.29	458.29	458.29	458.29	458.29	458.29
Unit Sales (millions)	7.74	7.80	7.85	7.86	7.85	7.82	7.72	7.88	7.53	7.76	7.90	8.11	8.31	8.51	8.68	8.82	8.90	8.99	9.01	9.05	9.07	9.18
Revenues ($ million)	2,311.9	2,338.6	2,359.1	2,369.2	2,374.5	2,373.8	2,615.4	2,672.8	3,407.1	3,495.9	3,568.3	3,651.3	3,740.8	3,831.4	3,987.6	3,978.6	4,019.8	4,046.8	4,058.7	4,073.9	4,087.1	4,098.3
Cost of Sales																						
Labor	231.4	234.8	236.5	237.2	237.4	247.2	258.8	256.0	304.3	312.4	318.9	326.3	334.5	342.4	349.2	354.8	359.2	361.6	362.7	364.0	365.1	366.3
Material	1,187.6	1,200.9	1,210.0	1,223.8	1,228.1	1,313.8	1,333.7	1,364.7	1,731.3	1,777.9	1,815.8	1,859.2	1,877.1	2,085.3	2,043.2	2,079.1	2,101.8	2,115.3	2,122.1	2,129.6	2,136.0	2,145.8
Overhead - Fixed	-	-	-	-	67.7	63.6	63.6	67.7	92.7	92.7	92.7	-	-	-	-	-	-	-	-	-	-	-
Overhead - Variable	183.5	187.3	188.7	189.2	190.0	193.7	215.9	224.2	348.8	345.3	348.3	253.2	259.6	265.7	271.0	275.4	278.0	280.6	281.5	282.5	283.3	284.3
Depreciation	86.0	88.2	89.4	90.1	90.7	178.2	180.0	182.4	217.8	220.7	223.3	226.1	230.2	233.6	240.3	244.2	247.2	248.8	249.6	250.4	251.2	252.8
Selling, General and Administrative																						
Standard SG&A	416.1	420.9	424.6	426.5	427.4	463.6	470.8	481.1	613.3	629.3	642.3	657.3	672.7	689.6	703.4	714.7	723.6	726.3	730.6	733.1	735.3	737.7
R&D	41.6	42.1	42.5	42.6	42.7	23.8	24.3	25.0	61.3	62.9	64.2	65.7	67.4	69.0	70.3	71.5	72.4	72.8	73.1	73.3	73.5	73.8
Product Conversion Expense	0.2	0.2	28.6	28.8	32.9	46.4	62.6	71.3	3.9	0.3	0.3	0.3	0.3	0.3	0.3	8.2	0.2	0.2	0.2	8.5	0.3	0.3
Profit Before Tax	133.7	136.2	137.8	138.9	137.5	123.4	111.8	108.1	190.3	204.2	212.4	213.3	220.3	225.5	230.0	233.7	236.6	238.2	238.9	238.7	240.4	241.3
Taxes	63.8	66.0	68.0	68.0	64.6	52.8	47.8	42.8	81.3	87.4	90.9	91.3	94.3	96.5	98.4	100.0	101.3	101.9	102.3	102.6	102.9	103.3
Net Income Before Financing	87.9	89.3	70.0	74.9	72.9	70.6	63.9	57.2	108.9	116.8	121.5	122.0	126.0	129.0	131.6	133.7	135.3	136.2	136.7	137.1	137.5	138.0
Cash Flow Statement																						
Net Income	87.9	89.3	70.0	74.9	72.9	70.6	63.9	57.2	108.9	116.8	121.5	122.0	126.0	129.0	131.6	133.7	135.3	136.2	136.7	137.1	137.5	138.0
Depreciation	86.0	88.2	89.4	90.1	90.7	178.2	180.0	182.4	217.8	220.7	223.3	226.1	230.2	233.6	240.3	244.2	247.2	248.8	249.6	250.4	251.2	252.8
Change in Working Capital	(12.8)	(2.8)	(2.2)	(3.1)	(8.6)	(28.1)	(4.2)	(6.8)	(77.1)	(9.3)	(7.6)	(8.7)	(9.6)	(9.3)	(8.8)	(6.6)	(2.2)	(2.7)	(1.3)	(1.5)	(1.3)	(1.4)
Cash Flows from Operations	161.9	174.7	160.0	163.9	163.0	227.6	239.7	233.6	249.6	328.2	337.2	339.4	346.3	353.3	363.8	371.2	377.4	382.3	384.9	386.1	387.4	389.6
Ordinary Capital Expenditures	(94.9)	(96.3)	(97.4)	(98.2)	(98.7)	(78.1)	(71.6)	(73.7)	(217.8)	(222.6)	(227.2)	(232.4)	(238.2)	(243.8)	(248.6)	(252.6)	(255.7)	(257.2)	(258.1)	(258.9)	(259.6)	(260.4)
Conversion Capital Expenditures	(3.6)	(3.5)	(78.4)	(97.2)	(108.8)	(162.3)	(226.1)	(268.2)	(4.9)	(4.6)	(4.9)	(5.1)	(5.1)	(4.8)	(4.6)	(4.3)	(4.1)	(4.0)	(4.2)	(4.7)	(5.0)	(5.8)
Cash Used in Investment	(98.5)	(99.8)	(175.9)	(195.3)	(207.5)	(232.3)	(297.7)	(341.9)	(222.8)	(227.2)	(232.8)	(237.6)	(243.3)	(248.6)	(253.2)	(256.9)	(259.8)	(261.3)	(262.3)	(263.7)	(264.6)	(265.6)
Net Cash Flow	63.5	75.0	(15.9)	(31.4)	(44.4)	(4.7)	(58.0)	(108.3)	27.7	101.1	105.1	101.8	103.2	106.6	110.6	114.3	117.6	121.0	122.6	122.4	122.8	123.2
Terminal Value																						1,852.1
Present Value Factor	1.0000	0.9376	0.8792	0.8244	0.7730	0.7248	0.6796	0.6372	0.5975	0.5602	0.5253	0.4925	0.4618	0.4330	0.4060	0.3807	0.3570	0.3347	0.3138	0.2940	0.2759	0.2587
Discounted Cash Flow	63.5	70.3	(13.9)	(25.9)	(34.3)	(3.4)	(39.4)	(68.9)	16.6	56.6	55.2	50.1	47.7	46.2	44.9	43.5	42.0	40.5	38.5	36.0	33.9	311.8
Industry Value (Net Present Value)	$ 1,027.8	million													0.700936486							0.4871762

Exhibit J2. 23 Standard Case Cash Flows, Two-Tier Standard Level (no consolidation, medium-price elasticity scenario) -V and H-axis market segment combined

Clothes Washer Cash Flow Results		Pre-Regulation Base 1999	Post-Regulation Tier 1 2004	Post-Regulation Tier 2 2007
Unit Shipments	(000,000)	7.74	$ 7.89	7.89
Price per unit		$ 298.8	$ 338.0	450.3
Total Revenues	($000,000)	$ 2,311.9	$ 2,666.0	3,552.1
Profit After Tax	($000,000)	$ 87.9	$ 179.5	108.9
Net Cash Flow	($000,000)	$ 63.5	$ 23.1	27.7
Industry Value *(Net Present Value)*	($000,000)	$ 1,439.1	$ 1,027.8	NA
Change in Industry Value	($000,000)			**$ (411.2)**
% Change in Industry Value				**-28.6%**
Conversion Cost				
Capital Expenditures	($000,000)		$ 268.6	633.4
Design & Marketing Expenses	($000,000)		$ 83.4	181.8

Exhibit J2. 24 Results for the Two-Tier Standard Level (no consolidation, medium-price elasticity)

Clothes Washers																						
STANDARD CASE SCENARIO	Base Year		Announce Year			Standard Year																
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Income Statement																						
Price/Unit ($)	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00
Unit Sales (millions)	5.51	5.55	5.59	5.59	5.59	5.50	5.57	5.67	5.55	5.71	5.82	5.94	6.07	6.20	6.31	6.39	6.46	6.49	6.52	6.54	6.58	6.62
Revenues ($millions)	1,213.6	1,223.9	1,231.0	1,232.7	1,231.8	1,211.6	1,226.7	1,250.2	1,238.0	1,259.0	1,282.1	1,308.8	1,338.2	1,366.2	1,389.6	1,408.4	1,422.9	1,431.2	1,436.1	1,442.3	1,450.1	1,459.1
Cost of Sales																						
Labor	123.0	124.0	125.6	125.7	125.6	123.6	125.1	127.5	125.3	128.4	130.8	133.5	136.5	139.4	141.7	143.7	145.1	146.0	146.5	147.1	147.9	148.8
Material	631.1	636.4	640.1	641.0	640.5	630.0	637.9	650.1	638.6	654.7	666.7	680.6	695.9	710.4	722.6	732.4	739.9	744.2	746.8	750.0	754.1	758.7
Overhead - Fixed	-	-	-	-	40.9	41.1	41.1	41.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overhead - Variable	100.7	101.6	102.2	102.3	61.3	60.3	61.1	62.3	102.1	104.5	106.4	108.6	111.1	113.4	115.3	116.9	118.1	118.8	119.2	119.7	120.4	121.1
Depreciation	42.6	43.0	43.2	43.3	43.2	42.5	43.1	43.9	43.2	44.2	45.0	45.9	47.0	48.0	48.8	49.4	49.9	50.2	50.4	50.6	50.9	51.2
Selling, General and Administrative																						
Standard SG&A	218.4	220.3	221.6	221.9	221.7	218.1	220.8	225.0	223.4	226.6	230.8	235.6	240.9	245.9	250.1	253.5	256.1	257.6	258.5	259.6	261.0	262.6
R&D	21.8	22.0	22.2	22.2	22.2	21.8	22.1	22.5	22.1	22.7	23.1	23.6	24.1	24.6	25.0	25.4	25.6	25.8	25.8	26.0	26.1	26.3
Product Conversion Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Before Tax	75.1	75.8	76.2	76.3	76.2	74.1	75.6	77.0	76.1	77.9	79.4	81.0	82.8	84.6	86.0	87.2	88.1	88.6	88.9	89.3	89.8	90.3
Taxes	32.2	32.4	32.6	32.7	32.6	31.7	32.3	33.3	32.6	33.4	34.0	34.7	35.5	36.2	36.8	37.3	37.7	37.9	38.0	38.2	38.4	38.7
Net Income Before Financing	43.0	43.3	43.6	43.6	43.6	42.4	43.2	44.5	43.6	44.6	45.4	46.3	47.4	48.4	49.2	49.9	50.4	50.7	50.8	51.1	51.3	51.7
Cash Flow Statement																						
Net Income	43.0	43.3	43.6	43.6	43.6	42.4	43.2	44.5	43.6	44.6	45.4	46.3	47.4	48.4	49.2	49.9	50.4	50.7	50.8	51.1	51.3	51.7
Depreciation	42.6	43.0	43.2	43.3	43.2	42.5	43.1	43.9	43.2	44.2	45.0	45.9	47.0	48.0	48.8	49.4	49.9	50.2	50.4	50.6	50.9	51.2
Change in Working Capital	(1.1)	(1.1)	(0.7)	(0.2)	0.1	2.1	(1.4)	(2.5)	2.1	(2.0)	(2.4)	(2.8)	(3.1)	(2.9)	(2.5)	(2.0)	(1.5)	(0.9)	(0.5)	(0.6)	(0.8)	(0.9)
Cash Flows from Operations	84.5	85.2	86.1	86.7	86.9	87.1	84.7	85.9	88.8	85.7	88.0	89.3	91.3	93.4	95.5	97.3	98.8	100.0	100.7	101.0	101.4	101.9
Ordinary Capital Expenditures	(47.3)	(47.7)	(48.0)	(48.1)	(48.0)	(47.3)	(47.8)	(48.0)	(48.0)	(49.1)	(50.0)	(51.0)	(52.2)	(53.3)	(54.2)	(54.9)	(55.5)	(55.8)	(56.0)	(56.2)	(56.6)	(56.9)
Conversion Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Used in Investment	(47.3)	(47.7)	(48.0)	(48.1)	(48.0)	(47.3)	(47.8)	(48.0)	(48.0)	(49.1)	(50.0)	(51.0)	(52.2)	(53.3)	(54.2)	(54.9)	(55.5)	(55.8)	(56.0)	(56.2)	(56.6)	(56.9)
Net Cash Flow	37.2	37.5	38.0	38.7	38.9	39.8	36.9	37.2	40.9	36.6	38.0	38.4	39.1	40.1	41.3	42.4	43.3	44.2	44.7	44.8	44.9	45.0
Terminal Value																						677.1
Present Value Factor	1.0000	0.9276	0.8592	0.8244	0.7918	0.7268	0.6794	0.6372	0.5975	0.5602	0.5253	0.4925	0.4618	0.4328	0.4060	0.3807	0.3570	0.3347	0.3138	0.2943	0.2759	0.2587
Discounted Cash Flow	37.2	35.1	33.4	31.9	30.1	28.8	25.0	23.7	24.4	20.5	19.9	18.9	18.0	17.4	16.8	16.1	15.5	14.8	14.0	13.2	12.4	186.8
Industry Value (Net Present Value) $ 654.1	million																					

Exhibit P2. 25 Standard Case Dryer Cash Flows, Two-Tier Standard Level (medium-price elasticity)

Dryer Cash Flow Results		Pre-Regulation Base 1999	Post-Regulation Tier 1 2007	Post-Regulation Tier 2 2004
Dryer Shipments	(000,000)	5.51	$ 11.08	5.58
Total Revenues	($000,000)	$ 1,213.6	$ 2,441.6	1,230.0
Profit After Tax	($000,000)	$ 43.0	$ 86.0	43.6
Industry Value *(Net Present Value)*	($000,000)	$ 665.1	$ 654.1	
Change in Industry Value	($000,000)			**$ (11.0)**
% Change in Industry Value				**-1.7%**

Exhibit P2. 26 Results: Dryer Cash Flows, Two-Tier Standard Level (medium-price elasticity)

Clothes Washers																						
STANDARD SCENARIO	21%	Base Year								Standard Year												
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Income Statement																							
Repairs		9.7466	9.8302	9.9329	10.0642	10.2227	10.4976	10.7243	10.9529	11.2940	11.5192	11.7217	11.9151	12.0729	12.1998	12.3020	12.3898	12.4775	12.5782	12.6890	12.8204	12.9753	13.1510
Revenues		210.5	212.3	214.5	217.4	220.8	226.7	231.6	236.6	244.0	248.8	253.2	257.4	260.8	263.5	265.7	267.6	269.5	271.7	274.1	276.9	280.3	284.1
Net Income Before Financing		10.5	10.6	10.7	10.9	11.0	11.3	11.6	11.8	12.2	12.4	12.7	12.9	13.0	13.2	13.3	13.4	13.5	13.6	13.7	13.8	14.0	14.2
Net Cash Flow		10.5	10.6	10.7	10.9	11.0	11.3	11.6	11.8	12.2	12.4	12.7	12.9	13.0	13.2	13.3	13.4	13.5	13.6	13.7	13.8	14.0	14.2
Terminal Value																							213.6
Present Value Factor		1.0000	0.9376	0.8792	0.8244	0.7730	0.7248	0.6796	0.6372	0.5975	0.5602	0.5253	0.4925	0.4618	0.4330	0.4060	0.3807	0.3570	0.3347	0.3138	0.2943	0.2759	0.2587
Discounted Cash Flow		10.5	10.0	9.4	9.0	8.5	8.2	7.9	7.5	7.3	7.0	6.6	6.3	6.0	5.7	5.4	5.1	4.8	4.5	4.3	4.1	3.9	58.9
Industry Value (Net Present Value)	$ 201.0																						

Exhibit P2. 27 Standard Case Repair Cash Flows, Two-Tier Standard Level (medium-price elasticity)

Repair Cash Flow Results		Pre-Regulation Base 1999	Post-Regulation Tier 1 2007	Post-Regulation Tier 2 2004
# of Repairs	(000,000)	9.75	$ 10.50	11.29
Total Revenues	($000,000)	$ 210.5	$ 226.7	244.0
Profit After Tax	($000,000)	$ 10.5	$ 11.3	12.2
Industry Value *(Net Present Value)*	($000,000)	$ 200.2	$ 201.0	
Change in Industry Value	($000,000)			$ 0.9
% Change in Industry Value				0.4%

Exhibit P2. 28 Results: Repair Cash Flow, Two-Tier Standard Level (medium-price elasticity)