Topics of the Day-
ReShoring and China,
The American Economy,
Tax Incentives for Equipment Buyers

New Technologies Workshop
June 7th, 2012
Wood Education and Resource Center
The U.S. added more than 200,000 jobs for the third straight month, showing gains across industries and demographic groups, in the latest sign that the economy has gained momentum.

Nonfarm payrolls rose by a seasonally adjusted 227,000 jobs in February, the Labor Department said Friday, as sectors from manufacturing to restaurants hired more workers. The government also raised its estimate for December and January’s job gains. In all, the economy has added 1.2 million jobs in the past six months, the fastest pace of growth since 2006.

But more than 2½ years after the recession officially ended, the labor market still has a lot of ground to make up. The economy has 5.2 million fewer jobs now than it did four years ago, even as the population has grown. The unemployment rate in February was unchanged at 8.3%, snapping a five-month streak of improvement, and most economists say unemployment will remain elevated for years unless the pace of hiring accelerates.

Still, most economists said Friday’s report showed that

Please turn to the next page

February Snapshot

For a third straight month, more than 200,000 jobs are added...

...but the unemployment rate is unchanged...

Job seekers as a share of the civilian labor force

...as more people get jobs or look for work.

Share of population in the labor force

Note: All data are seasonally adjusted

Source: Labor Department

The Wall Street Journal
Help Wanted: In Unexpected Twist, Some Skilled Jobs Go Begging

THE LONG HAUL

DENVER—Ferrie Bailey’s job should be easy: hiring workers amid the worst stretch of unemployment since the Depression.

A recruiter for Union Pacific Corp., she has openings to fill, the kind that sometimes seem to have all but vanished: secure, well-paying jobs with good benefits that don’t require a college degree.

But they require specialized skills—expertise in short supply even with the unemployment rate at 9%. Which is why on a recent morning the recruiter found herself in a hiring hall here anxiously awaiting the arrival of just two people she had invited to interviews, winnowed from an initial group of nearly five dozen applicants.

With minutes to go, the folding chairs sat empty. “I don’t think they’re going to show,” Ms. Bailey said, pacing in the basement room.

Her challenge is a familiar one to recruiters, especially in industries that require workers with trade skills such as welding. Union Pacific struggles to find enough electricians who have worked with diesel engines, Manufacturers in many places can’t find enough machinists. Oil companies must fight for a limited supply of drilling-rig workers.

“There’s a tremendous shortage of skilled workers,” said Craig Giffi, a vice chairman of the consulting firm Deloitte. A recent survey it did found that 83% of manufacturers reported a moderate or se-

Please turn to page A12
As percentage of U.S. Economy prior to recession – highest in history

U.S. manufacturing alone is 6th largest economy in the world, and trending up

GDP per hour in U.S. is second best in the world behind Norway.

February Chicago Purchasing Manager Index up to 64 from 60.2 – 10 month high

Index new orders up 2.8 January to 57.6; highest level since April

Production ramping up wide range of industries

U.S. Manufacturing output rose 3.9% per year 1997-2007, and productivity grew 6.8% per year same period.

2007 manufacturing output 3 x 1967 with 13.9 M workers vs. 17.9 M – due to productivity growth.

Goods production 6% higher than 2007 (adjusting for inflation) vs. 2% for service sector.
“Our average customer wants a turnaround in less than three weeks,” Dietzen says. “You’re not going to get that in China.”
The next few years will bring a wave of reinvestment by U.S. multinational manufacturers in their home base, as rising wages and a strong yuan currency make China a less attractive production center, the paper by the Boston Consulting Group (BCG) predicts.

*Caterpillar Inc has repatriated manufacturing of construction excavators, boosting investment in facilities in Texas, Arkansas, and Illinois.

* NCR Corp brought back production of automatic teller machines to Georgia, creating 870 jobs.

* Toymaker Wham-O moved production of Frisbees and Hula-Hoops from China and Mexico to the United States.
The appeal of a shorter supply chain and fewer headaches from issues like intellectual property will also help encourage jobs and production to come back to the United States, BCG said. Policy could also nudge manufacturers to make the move. High unemployment is driving state incentives to attract factories, while unions are becoming more flexible.

General Electric Co’s example supports the study’s contentions. GE’s appliance unit is in the middle of a four-year, $600 million plan to build up its manufacturing presence in Louisville, Kentucky, adding some 830 new jobs.
Otis Shifts Work Closer to Home

Globalization has come full circle at Otis Elevator Co.
The U.S. manufacturer, whose elevators zip up and down structures as diverse as the Empire State Building and the Eiffel Tower, is moving production from its factory in Nogales, Mexico, to a new plant in South Carolina.

More startling: Otis says the move will save it money.

What's happening at Otis is part of a broader shift in the way manufacturers tally costs.

Their outlook has been changing as the cost of producing abroad has risen and they have devised more efficient ways to make things close to where they want to sell them.

International companies ranging from Ford Motor Co. to General Electric Co. have started returning to the U.S. some jobs that they had previously shipped offshore, a process sometimes dubbed as “reshoring.”

“It’s a trickle, it’s not a trend—but clearly companies are now thinking more about it,” says Paul Scott, executive director of the Alliance for American Manufacturing, a nonprofit alliance of business and labor groups that lobbies for domestic production.

When Otis moved production down to Mexico in 1998, “it clearly was for cost-oriented reasons,” says Didier Michaud-Daniel, chief executive of the United Technologies Corp. unit.

“But since then, logistics costs have increased a lot.”

Otis declined to disclose all its cost calculations, but it said the new South Carolina plant will undercut the costs of producing in Mexico.

Among other things, the plant will be closer to many of the company's customers, about 70% of whom are on the East Coast of the U.S.

The company figures that will lower its freight and logistics costs 17.3%.

Another 20% of savings, the company says, will come from “efficiencies” of having all its white-collar workers associated with elevator design and production located at the new factory.

The company, which is based in Farmington, Conn., had only final-assembly operations in

Please turn to the next page

New tire factory set to roll into South Carolina
Key strategies aim to get manufacturing thriving

Having enough skilled workers in the pipeline new industry challenge

BY CHARLIE SMITH
smith@charlotteobserver.com

As Siemens Energy in Charlotte debuted its state-of-the-art gas turbine plant earlier this month, it illuminated some of the intricacies and challenges facing the region's manufacturing sector.

With nimbly lit, white-suited and engagingly expressive industrial company officials and Charlotte production workers and engineers inside the 450,000-square-foot production plant, the event was designed to give an inside look at the architectural marvel.

It's a product that marries engineering and robustness with old school hands-on assembly work. The plant filled 900 new jobs, with 400 more to come — enough people to churn out 800 million in exports annually.

The finding enough skilled workers to handle the factory's technology jobs is proving challenging.

Out of 2,500 job candidates, about one-in-ten passed a skills test covering math, electrical wiring, mechanical aptitude skills and more. According to the Bureau of Labor Statistics, nearly 40 percent of manufacturing workers are expected to retire in 2020.

"As the economy recovers and more people start hiring, it's going to become more and more of an issue," Pringle said.

Picking the right skilled manufacturing workers in the pipeline is a key challenge facing the Charlotte region's manufacturing sector. That's why many of the area's manufacturers say they're investing in training, innovation and other strategies to ensure that manufacturing — which contributed 10 percent of the national gross domestic product last year — will thrive in the future.

At Livingston & Haan, which works with manufacturers to make their machines more efficient, engineer Mike Manzo examines the wiring of a giant cooling fan in the firm's testing lab.

SOUTHERN VIEW — Livingston & Haan, which works with manufacturers to make their machines more efficient, engineer Mike Manzo examines the wiring of a giant cooling fan in the firm's testing lab.
Rising production and shipping cost abroad and a weaker dollar have persuaded some companies to bring production back to the U.S. General Electric is moving production of water heaters to Kentucky from China. Window company U.S. Block Windows brought the acrylic window production of an acquired company to Pensacola, Fla., from Asia.
- Improving Economic conditions, with potential for significant growth.
- Stabilized financial system
- Low interest rates currently
  - Increased Lending
- Reshoring and improved manufacturing environment
- Improving job market
☐ Tax Incentives
☐ Special Programs
Leases now make up some 50% to 60% of all new capital equipment acquisitions.
TYPES OF LEASES

OPERATING LEASES

CAPITAL LEASES
Operating Leases are leases that are commonly offered on automobiles, computers, and copiers.

It is assumed the Lessee will be returning the asset at the end of the lease term.
Lease payments are treated as an operating expense by the Lessee.

An Operating lease covers the use of an asset for a short period of time and total amount of payments do not cover the cost of the asset.
Most common type of lease used for manufacturing equipment purchases.

It is assumed that Lessee will want to keep and own the equipment at the end of the lease term.

A Capital Lease covers the use of the equipment for a longer period of time and the total amount of payments and purchase option do cover the cost of the asset.

It is really just another financing alternative even though it is called a lease.
Interest cost should be estimated and listed as an interest expense like any other bank loan.

Equipment should be depreciated over the same period as if you had paid cash for the equipment.

Lessee is also eligible for the same tax benefits as if they paid cash or financed through a bank loan.
WHAT COSTS CAN BE INCLUDED IN A LEASE?

- Equipment purchase price
- Installation & Training
- Software
- Freight
- Rigging
- Accessories
Although businesses would benefit if they could simply deduct the full cost of their asset acquisitions in the year of purchase, the tax law generally does not allow that approach.

Deductions must be spread out regardless of whether a business pays cash or finances the purchase.

To figure out the deduction for a particular item, one must know not only the property's cost but also the recovery period, and depreciation method. Various IRS regulations and procedures spell out the details.
### DEPRECIATION EXAMPLE

**$60,000 Edge Polisher @ 7yr Depreciation**

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>25,000</td>
<td>50,000</td>
<td>60,000</td>
<td>40,000</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>8,571</td>
<td>8,571</td>
<td>8,571</td>
<td>8,571</td>
</tr>
<tr>
<td><strong>Taxable income</strong></td>
<td>$16,429</td>
<td>$41,429</td>
<td>$51,429</td>
<td>$31,429</td>
</tr>
</tbody>
</table>

**Cont'd**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>$45,000</td>
<td>$55,000</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>8,571</td>
<td>8,571</td>
</tr>
<tr>
<td><strong>Taxable income</strong></td>
<td>$36,429</td>
<td>$46,429</td>
</tr>
</tbody>
</table>

*EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization*
Sec. 179 allows a company to immediately deduct the cost of qualifying property instead of capitalizing and depreciating the property.

Election is made on Form 4562 and must be made in the tax year the property is placed in service.
Qualifying property must be:
- Tangible personal property
- Depreciable under Code Sec. 168
- Acquired by purchase for use in the active conduct of a trade or business

Eligible property includes:
- Machinery and equipment
- Furniture and fixtures
- Most storage facilities
Maximum deduction in 2010 first increased from $134,000 to $250,000 as a result of H.R. 2847

Small Business Jobs Act signed 9/27/10 increased to $500,000

Raised investment limit without penalty to $2,000,000

Deduction is reduced dollar for dollar by the cost of qualified property placed in service during the year over the investment limitation

Increase temporary for 2010 and 2011. Reverted in 2012 To $139,000 and $560,000 investment limit.

If losing money before or after this deduction, unused portion can be carried over into next year’s tax return

The total cost of property depreciated cannot exceed taxable income for the year. Amounts disallowed for this reason can be carried forward.
### EXAMPLE #1

**ABC Industries buys an Edgebander**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Price</td>
<td>$60,000.00</td>
</tr>
<tr>
<td>Less Section 179 Allow.</td>
<td>$60,000.00</td>
</tr>
<tr>
<td>Adjusted Basis</td>
<td>$0.00</td>
</tr>
<tr>
<td>Regular 1st year Depr. (based on 7 years)</td>
<td>$N/A</td>
</tr>
</tbody>
</table>

**Total 1st year Write-off**

(100% of purchase price)

$60,000.00

**Income Tax Savings & Addt’l cash flow** (based on 34% fed tax)

$20,400.00 (34% of purchase price)
● Year 1 Tax savings for ABC Industries $20,400.00

● Year 1 lease payments for ABC Industries $15,033.00

= Additional cash flow of $5,367.00

Return on Investment of 36% in Year 1

Without factoring production and efficiency GAINS!!!
The Small Business Jobs Act also provided an additional first year depreciation “bonus” equal to 50% of the adjusted cost basis for equipment acquired after January 1, 2010 and placed in service before January 1, 2011.

Job Creation Act signed 17 December increased to 100% for equipment delivered prior 12/31/11.

No dollar limit

If paper loss generated, can be carried back 2 years or forward up to 20

1 January 2012 bonus depreciation reverted to 50% for equipment delivered prior 12/31/12.

Provision “sunsets” after 12/31/12.

[ Used equipment purchases do not qualify for bonus depreciation. ] *
IN LIGHT OF 100% BONUS DEPRECIATION, WHAT IS ROLE OF SECTION 179 DEPRECIATION?

- Bonus depreciation – new equipment only
- Section 179 – new or used
- Use both to maximize benefits
- Keep calendar in mind
  - To qualify for enhanced deductions equipment must be in place prior 12/31/12.

IN LIGHT OF 50% BONUS DEPRECIATION, WHAT IS ROLE OF SECTION 179 DEPRECIATION?

- Bonus depreciation – new equipment only
- Section 179 – new or used
- Use both to maximize benefits
- Keep calendar in mind
  - To qualify for enhanced deductions equipment must be in place prior 12/31/12.
### EXAMPLE #2: ABC INDUSTRIES BUYS A HOLZMA PANEL SAW…

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Price</td>
<td>$150,000.00</td>
</tr>
<tr>
<td>Less 50% Bonus Depreciation</td>
<td>(75,000.00)</td>
</tr>
<tr>
<td>Adjusted Basis</td>
<td>$75,000.00</td>
</tr>
<tr>
<td>Less Section 179</td>
<td>(75,000.00)</td>
</tr>
<tr>
<td>Adjusted Basis</td>
<td>$0</td>
</tr>
</tbody>
</table>

- **Total 1st year Write-Off**: $150,000.00
- **Income Tax Savings & Addt’l**: $51,000.00
- **Cash flow (based on 34% fed tax)**
As in example #1, ABC Industries would have enough tax incentives and cash flow to cover the first-year lease payments of $36,504 for the Holzma Panel Saw with an additional amount of $14,496 left over.

The next slide will show the impact of tax liability related to equipment acquisitions.
### COMPARISON EXAMPLE # 2

<table>
<thead>
<tr>
<th>ABC INDUSTRIES</th>
<th>ABC INDUSTRIES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Without Purchase</strong></td>
<td><strong>With Purchase</strong></td>
</tr>
<tr>
<td>EBITDA</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$ 0</td>
</tr>
<tr>
<td>Taxable Income</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Tax Due (34%)</td>
<td><strong>$340,000</strong></td>
</tr>
<tr>
<td>EBITDA</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$150,000</td>
</tr>
<tr>
<td>Taxable Income</td>
<td>$850,000</td>
</tr>
<tr>
<td>Tax Due (34%)</td>
<td><strong>$289,000</strong></td>
</tr>
</tbody>
</table>

**Tax Savings and Additional Cash Flow of $51,000**

Before production and efficiency gains!
Net operating loss (NOL) = tax-deductible expenses exceed taxable revenues.

The federal tax laws permit taxpayers to use the losses of one year to offset the profits of other years (carryback and carryforward).

Bonus Depreciation = can create a net operating loss
  • Deduction can be carried back (up to two years) and generate refund on taxes paid in previous years.

Section 179 Deduction
  • If company cannot use full deduction this year, remaining portion can be carried over into next.
WHAT IF THIS YEAR IS A LOSS?

Loss Carryback

Loss Carryforward

Provision of the Tax Code in place many years.
ADDITIONAL TAX STRATEGIES
Sec. 199 provides a deduction to taxpayers for qualified production activities based in the U.S.

- The applicable percentage deduction is:
  - 9% for tax years 2010 and later
- **Domestic production gross receipts** are the gross receipts of the taxpayer that are derived from qualified domestic production activities.

- **Qualified production activities expenses** include the cost of goods sold allocable to the receipts, direct selling, general and administrative expenses and a portion of indirect selling, general and administrative expenses.
QUALIFICATION FLOWCHART

- **Property or Services?**
  - Property
    - **Qualified Personal Property, Software?**
    - Yes → **Qualified**
    - No → **Non-Qualified**
  - Services
    - **Construction, Engineering, or Architecture?**
    - Yes → **Qualified**
    - No → **Non-Qualified**

- **Produced by Taxpayer?**
  - No → **Non-Qualified**
  - Yes → **Property or Services?**

- **In Whole or Significant Part Within the U.S.?**
  - No → **Non-Qualified**
  - Yes → **Property or Services?**

- **Related to U.S. Construction Project?**
  - Yes → **Qualified**
  - No → **Non-Qualified**

- **Performed in the U.S.?**
  - No → **Non-Qualified**
  - Yes → **Qualified**
### ABC INDUSTRIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Domestic Sales</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Less COGS</td>
<td>$-900,000</td>
</tr>
<tr>
<td>Adjusted Basis</td>
<td>$600,000</td>
</tr>
<tr>
<td>Less Direct SG&amp;A</td>
<td>$-75,000</td>
</tr>
<tr>
<td>Less Indirect SG&amp;A</td>
<td>$-75,000</td>
</tr>
<tr>
<td>Qualified Income</td>
<td>$450,000</td>
</tr>
<tr>
<td><strong>2010 Rate @ 9%</strong></td>
<td><strong>$40,500</strong></td>
</tr>
</tbody>
</table>

**Section 199 Estimated Tax Savings @34% Tax Rate = $13,770**
## Sec 199 Qualified Production Activities Deduction

**Directions:** Fill in all cells outlined in **Blue** and the sheet will calculate.

### Gross Receipts

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Gross Receipts</td>
<td>$2,000,000.00</td>
</tr>
<tr>
<td>Domestic Production Gross Receipts</td>
<td>$1,500,000.00</td>
</tr>
</tbody>
</table>

### Cost of Goods Sold

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost of Goods Sold</td>
<td>$1,300,000.00</td>
</tr>
<tr>
<td>Total Domestic Cost of Goods Sold</td>
<td>$900,000.00</td>
</tr>
</tbody>
</table>

### Gross Margin

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Gross Margin (in Dollars)</td>
<td>$700,000.00</td>
</tr>
<tr>
<td>Total Domestic Gross Margin</td>
<td>$500,000.00</td>
</tr>
</tbody>
</table>

### Selling, General & Administrative Expenses (SG&A)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total SG&amp;A Expenses</td>
<td>$175,000.00</td>
</tr>
<tr>
<td>Total Direct SG&amp;A Expenses</td>
<td>$75,000.00</td>
</tr>
<tr>
<td>Remaining Indirect SG&amp;A Expenses</td>
<td>$100,000.00</td>
</tr>
</tbody>
</table>

**SG&A allocation % based on Gross Receipts ratio to total:** 75.00%

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remaining Indirect SG&amp;A allocated</td>
<td>$75,000.00</td>
</tr>
</tbody>
</table>

### Taxable Income/Qualified Production Activities Income

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$450,000.00</td>
</tr>
</tbody>
</table>

### Qualified Production Activities Deduction @ -9% for 2010

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>$40,500.00</td>
</tr>
<tr>
<td>(b)</td>
<td>$172,000.00</td>
</tr>
</tbody>
</table>

**Deduction equals the lesser of (a) or (b)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$40,500.00</td>
</tr>
</tbody>
</table>

### Section 199 Estimated Tax Savings @ 34% Tax Rate

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$13,770.00</td>
</tr>
</tbody>
</table>


***This example is intended to provide an estimate only. You MUST consult your tax advisor for further details***
First enacted in 1981; extended 14 times
Most recently under Job Creation Act extended to 12/31/11
The R & D method has been called the alternative simplified credit method ("ASC") and may be beneficial to taxpayers that have not been able to claim much of an R & D tax credit in the past under the other R & D credit methods (i.e., regular credit method, alternative incremental credit method).
Under the new ASC method, taxpayers generally claim an R&D tax credit equal to approximately 7.8% of the year’s qualified research expenses ("QREs")
Activities generating QREs qualify if they are:

1. Intended to develop a new or improved “business component” i.e., product, process, software, technique, invention, or formula

2. Through a process 80% or more of the elements of which comprise a process of experimentation

3. Which fundamentally relies on principles of engineering or the physical, biological, or computer sciences
INDUSTRY R&D OPPORTUNITIES

- Different Assembly Process
- Diversification into Different Materials
- Work Cell Layout
Grants

- Workforce development and more
- States are eager to assist
- Do not be overwhelmed
- Qualifying for grants
- There is assistance
  - Duane Griffiths of Stiles Education Center
    (616) 698-7500
EARLY STAGES:

☐ Green
# 2010 Custom Rebate Application
## Electric Customers

### Section A: CUSTOMER INFORMATION
- **Customer Name:**
- **Electric Account Number:**
- **Rate:**
- **Application Number:**
- **Facility Address:**
- **City:**
- **State:**
- **Zip Code:**
- **Service Location Identification:**
- **Mailing Address (if different from above):**
- **City:**
- **State:**
- **Zip Code:**
- **Contact Person/Title:**
- **Telephone Number:**
- **Incorporated? (Check one):**
  - Yes
  - No
  - Exempt
- **Federal Tax Identification Number:**
- **Rebate Payment Preference (Check one):**
  - Check
  - ACH
  - Wire
  - Pay Contractor
- **Please Assign Payment to Contractor:**
- **Customer Signature:**

### Section B: CONTRACTOR INFORMATION
- **Contractor Name:**
- **Contact Person/Title (Print):**
- **Contact Person Signature:**
- **Mailing Address:**
- **City:**
- **State:**
- **Zip Code:**
- **Federal Tax Identification Number:**
- **Incorporated? (Check one):**
  - Yes
  - No
  - Exempt
- **Telephone Number:**

### Section C: DOCUMENT APPROVALS
#### PRE-INSTALLATION INSPECTION
- **Utility Signature:**
- **Date:**

#### PRE-APPROVAL OFFER
- **Technical Review - Utility Signature:**
- **Date:**
- **Utility Signature:**
- **Date:**
- **Amount of Rebate Offer ($):**
- **Completion Date:**

By signing and dating below, customer accepts this rebate offer and agrees to the Utility Terms and Conditions attached hereto. This agreement is contingent upon continued approval and authorization by the Commission to recover said amounts from the System Benefits Charge. The rebate amount cannot exceed the total project costs.

**Customer Signature:**
- **Date:**

#### POST-INSTALLATION INSPECTION
- **Utility Signature:**
- **Date:**
- **Total Project Cost ($):**
- **Amount of Rebate ($):**

#### MANAGEMENT APPROVAL
- **Utility Signature:**
- **Date:**

---

*stiles*

Your success is our business.
CONCLUSION

- U.S. Economy well into recovery
- Manufacturing trends positive
- Interest rates low
- Special Programs available and helpful
- Put tax code to work for you

Questions???