

KENT COUNTY WATER AUTHORITY
Docket No. 3942

Commission Record Request

COMM 1 Provide the differential cost of water for the KCWA Warwick customers vs. the Warwick water rate.

Answer: Current: KCWA Rate \$3.790/HCF
Warwick Rate \$1.975/HCF
Differential \$1.815/HCF

For FY 2008 Warwick Consumption (unadjusted) = 80,211,300 CF

Differential = $\$1.815/\text{HCF} \times (80,211,300/100) = \$1,455,835$

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COMM 2 Please itemize the expenses associated with the miscellaneous and outside service line items under Administrative & General in Mr. Woodcock's Schedule 1, Page 2 of 3.

Answer:

Misc:

Trustee Fee	\$9,000.00
Board Fee & Exp.	\$15,082.64
Conservation Consultant	<u>\$1,000.00</u>
	\$25,082.64

Outside Service:

See attached Page 41A KCWA Annual Report

Name of Respondent Kent County Water Authority	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 1/31/08	Year of Report 6/30/07
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OUTSIDE PROFESSIONAL SERVICES

Report the information specified below concerning rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, public relations, or other similar professional services rendered the respondent under written or verbal arrangements of any kind over \$5,000

Company Name and Address Explain Services Supplied (a)	Contract Date (b)	Contract Amount (c)	Bid Process Yes or No (d)	Amount Paid Current Year (e)
KPMG 600 Fleet Center 50 Kennedy Plaza Providence, R. I. 02903 Audit			RFP	36,622
Petrarca and McGair, Inc. 797 Bald Hill Road Warwick, R. I. 02886 General Counsel				63,322
Amtec 69 Bainbridge Road West Hartford, CT 06119 Rebate Computation				1,800
Pare Corporation 8 Blackstone Valley Place Lincoln, R. I. 02865 Engineering			RFP	15,015
Starkweather & Shepley, Inc. 60 Catamore Boulevard East Providence, R. I. 02914 Insurance Consultant				1,000
C & E Engineering Partners Inc. 342 Park Avenue Woonsocket, R. I. 02895 Engineering			RFP	6,366
Geisser Engineering Corporation 227 Wampanoag Trail Riverside, R. I. 02915 Surveying				1,000
Coventry Survey Co., Inc. 46 South Main Street Coventry, R. I. 02816 Surveying				975
Woodcock & Associates Inc. 18 Increase Ward Drive Northborough, MA 01532 Consultant				525

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COMM 3 Please provide the differential aggregate cost between the annual percentage increase indicated in Commission Data Request 1 – 13 for FY 2006/2007 vs. 4.0%.

Answer:

	Base <u>Budget Salary</u>	<u>Actual Salary</u>
FY 06/07	\$1,750,274	\$1,800,387.58
FY 05/06	<u>\$1,644,800</u>	<u>\$1,769,937.98</u>
Increase	\$105,474	\$30,449.60
% Increase	6.4%	1.7%
@ 4% FY 06/07	\$1,710,592	N/A
FY 05/06	<u>\$1,644,800</u>	
Increase	<u>\$65,792</u>	
Differential	\$39,682	

Total Operating Revenues

FY 06/07	\$16,171,900
FY 05/06	<u>\$17,007,394</u>
Differential	-\$835,494

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Commission Record Request

COMM 4 Please provide the annual revenue generated from the turn-on charge
for the last 3 fiscal years.

Answer: FY 07/08 – \$21,100.00

 FY 06/07 – \$16,750.00

 FY 05/06 – \$11,300.00

KENT COUNTY WATER AUTHORITY
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Commission Record Request

COMM 5 Please provide an estimate of the balance of the general project account as provided in Commission 1 – 15 as of the end of the rate year October 31, 2009.

Answer: If all projects proceed as planned then we would expect to see the project fund to be reduced by \$9,000,000. The remainder would be expended in the following year with completion of the projects.

KENT COUNTY WATER AUTHORITY
Docket No. 3942

Commission Record Request

COMM 6 Please provide an update of Mr. Woodcock's Schedules that were attached to his rebuttal testimony.

Answer: Attached.

PRO FORMA EXPENSES

Expense Item	Test Year FY 2007	Summary of Adjustments	Rate Year 11/1/08 - 10/31/09	Labor Increase (CPNW Sch 1B)	Adjustments Detail			Non-Labor Inflation
					One Time Costs	Other Adjustments	Supporting Schedule	
SOURCE OF SUPPLY								
operations & labor	\$14,597	\$10,403	\$25,000	0		10,403	0	0
purchased water	<u>3,643,939</u>	<u>\$603,979</u>	<u>4,247,918</u>	<u>0</u>		<u>603,979</u>	<u>0</u>	<u>0</u>
Subtotal	3,658,536	614,382	4,272,918	0		614,382	0	0
PUMPING OPERATIONS								
fuel for pumping	8,450	\$1,635	10,084	0			1,635	1,635
power-pumping	521,284	\$100,843	622,127	0			100,843	100,843
labor-pumping	64,875	\$4,940	69,815	4,940			0	0
pumping expense	2,187	\$120	2,308	0			120	120
maint. - structures & improv	34,808	\$2,554	37,361	2,302			252	252
diesel oil	0	\$0	0	0			0	0
maint. - equip	<u>36,264</u>	<u>\$2,520</u>	<u>38,784</u>	<u>1,892</u>			<u>628</u>	<u>628</u>
Subtotal	667,868	112,612	780,480	9,134		0	103,479	103,479
WATER TREATMENT								
chemicals	102,910	\$126,133	229,043	0		126,133	0	0
labor	74,507	\$5,674	80,180	5,674			0	0
operating	28,804	\$1,584	30,388	0			1,584	1,584
maint. - water treat equip	1,608	\$88	1,697	0			88	88
maint. - structure	0	\$0	0	0			0	0
Subtotal	207,829	133,479	341,308	5,674		126,133	1,672	1,672
TRANS & DISTR. EXPENSE								
storage facilities exp.	520	\$29	549	0			29	29
labor	29,163	\$2,221	31,384	2,221			0	0
supplies	39,804	\$2,189	41,993	0			2,189	2,189
labor-meter	30,775	\$2,618	33,392	2,618			0	0
material-meter	5,963	\$328	6,291	0			328	328
cust. install.	0	\$0	0	0			0	0
misc.	15,389	\$846	16,235	0			846	846
maint - struct. & improv.	223	\$12	235	0			12	12
maint.- res & stdp	50,799	\$3,044	53,843	903			2,141	2,141
maint. - mains	912,017	-\$195,265	716,752	28,297		-223,562	4,276	4,276
maint. - service	168,421	\$11,180	179,601	6,904			1,361	1,361
maint. - meters	80,044	\$5,572	85,616	4,211			2,308	2,308
maint. - hydrants	84,307	\$5,532	89,839	3,224			416	416
construction labor	-7,557	-\$416	-7,983	0			-416	-416
Subtotal	1,409,859	-162,111	1,247,748	48,377		-223,562	13,074	13,074

PRO FORMA EXPENSES

Expense Item	Test Year FY 2007	Summary of Adjustments	Rate Year 11/1/08 - 10/31/09	Labor Increase (CPNW Sch 1B)	Adjustments Detail			Non-Labor Inflation
					Time Costs	Other Adjustments	Supporting Schedule	
CUSTOMER ACCOUNT								
labor- meter read	74,300	\$5,658	79,958	5,658			0	0
cust record labor	155,527	\$11,844	167,371	11,844			0	0
cust records exp	56,775	\$3,122	59,897	0			3,122	3,122
meter read supplies	0	\$0	0	0			0	0
uncollectible	0	\$0	0	0			0	0
Subtotal	286,602	20,624	307,226	17,502	0	0	3,122	3,122
ADMIN. & GENERAL								
salaries	322,654	\$64,548	387,202	64,490			58	58
office supplies & expenses	119,366	\$6,564	125,930	0			6,564	6,564
insurance (property/liability)	128,228	\$0	128,228	0		0	0	0
Insurance (worker's comp)	30,456	\$11,660	42,116	0		11,660	0	0
injuries & damages	283	\$16	298	0			16	16
employee benefits	683,739	\$70,873	754,612	388		70,485	0	0
fees	25,000	\$7,500	32,500	0		7,500	0	0
maint. - plant	198,157	\$13,562	211,719	9,591			3,971	3,971
maint. - vehicles	105,368	\$6,204	111,572	1,476			4,728	4,728
miscellaneous	25,083	\$1,697	26,779	1,142			554	554
vacation, holiday, sick	244,044	\$18,585	262,629	18,585			0	0
regul. exp.	45,694	\$71,606	117,300	0		71,606	0	0
other	0	\$0	0	0			0	0
outside service	126,625	\$6,963	133,588	0			6,963	6,963
Subtotal	2,054,697	279,776	2,334,473	95,672	0	161,250	22,854	22,854
TOTAL O&M	\$8,285,390	\$998,762	\$9,284,153	\$176,358	\$0	\$678,204	\$144,201	\$144,201

PRO FORMA EXPENSES

Expense Item	Test Year FY 2007	Summary of Adjustments	Rate Year 11/1/08 - 10/31/09	Labor Increase (CPNW Sch 1B)	Adjustments Detail			Non-Labor Inflation
					Time Costs	Other Adjustments	Supporting Schedule	
FIXED CHARGES								
Debt Service	\$3,901,944	\$30,375	\$3,932,319		30,375	Sch. 1D		
	0	\$0	\$0		0			
Reserves and Coverage								
O&M Reserve	0	\$211,372	\$211,372		211,372	Sch. 1D		
R&R Reserve	0	\$200,000	\$200,000		200,000	Sch. 1D		
Renewal & Replacement - Equip	100,000	\$0	100,000					
Infrastructure Replacement	4,004,478	1,995,522	6,000,000		1,995,522	Sch. 1D		
Payroll Taxes	138,876	13,637	152,513		13,637	Sch. 1D		
PILOT	23,123	0	23,123		0			
SUBTOTAL FIXED	\$8,168,421	\$2,450,906	\$10,619,327	\$0	\$2,450,906			\$0
OPERATING REVENUE	\$0	\$604,615	604,615		604,615			
TOTAL EXPENSES	\$16,453,811	\$4,054,283	\$20,508,095	\$176,358	\$3,733,725			\$144,201
Less:								
Available Restrict Debt	0	0	0		\$0	Sch. 1A		
Miscellaneous Income	(179,384)	0	(179,384)		\$0	Sch. 1A		
Interest Income	(112,596)	0	(112,596)		\$0	Sch. 1A		
Merchand & Jobbing	(2,384)	0	(2,384)		\$0	Sch. 1A		
6.9% of Water Prot Fee	(56,722)	-3,173	(59,895)		(\$3,173)	Sch. 1A		
NET REQUIRED FROM RATES	\$16,102,726	\$4,051,110	\$20,153,836					\$144,201

TEST YEAR & PRO FORMA REVENUES

<u>Revenues</u>	<u>Test Year</u> <u>Revenues</u>	<u>Adjustments</u>	<u>Normalized</u> <u>Test Year</u>
Miscellaneous			
Available Restrict Debt	\$0	\$0	\$0
Miscellaneous Income	\$179,384	\$0	\$179,384
Interest Income	\$112,596	\$0	\$112,596
Merchand & Jobbing	\$2,384	\$0	\$2,384
6.9% of Water Prot Fee	<u>\$56,722</u>	<u>(\$3,173)</u>	<u>\$53,549</u>
Total Misc.	\$351,086		\$347,912
Metered Rates	\$14,572,977	\$171,858	\$14,744,835
Public Fire	\$1,089,366	\$17,190	\$1,106,556
Private Fire	\$179,137	(\$3,454)	\$175,683
Total Revenue	\$16,192,566	\$185,595	\$16,374,987
	\$16,079,965		
<u>Required Revenue</u>			\$20,508,095
<u>Required Revenue from Rates</u>			\$20,160,183
<u>Rate Increase Needed</u>			\$4,133,108
			25.79%

NOTES:

(1) Normalized Test Year Revenues at Current Rates based on Sch. 11 - current rates for full year.

(2) WP revenue based on rate of \$0.01511 with 95% non-exempt customers.

Non-exempt Use RY = 3,543,914 ccf
 Rate (\$/ccf) \$0.01511
 RY Revenue \$53,549

TEST YEAR & RATE YEAR LABOR COSTS

EXPENSE ITEM	Rate Year	
	Test Year FY 2007	11/1/08 - 10/31/09
PUMPING OPERATIONS		
labor-pumping	4,940	\$69,815
maint. - structures & improv	2,302	\$32,525
maint. - equip	1,892	\$26,731
WATER TREATMENT		
labor	5,674	\$80,180
TRANS & DISTR. EXPENSE		
labor	2,221	\$31,384
labor-meter	2,618	\$36,992
maint.- res & stdp	903	\$12,759
maint. - mains	28,297	\$399,878
maint. - service	6,904	\$97,564
maint. - meters	4,211	\$59,514
maint. - hydrants	3,224	\$45,555
CUSTOMER ACCOUNT		
labor-meter read	5,658	\$79,958
cust record labor	11,844	\$167,371
ADMIN. & GENERAL		
salaries	64,490	\$386,083
employee benefits	388	\$5,488
maint. - plant	9,591	\$135,534
maint. - vehicles	1,476	\$20,854
miscellaneous	1,142	\$16,142
vacation, holiday, sick	18,585	\$262,629
SUBTOTAL LABOR	\$176,358	\$1,966,958
Capitalized Labor	1,888	\$26,676
TOTAL LABOR COSTS	\$178,246	\$1,993,634

Includes New GIS Operator

(1) See Schedule 1D

WHOLESALE WATER COSTS

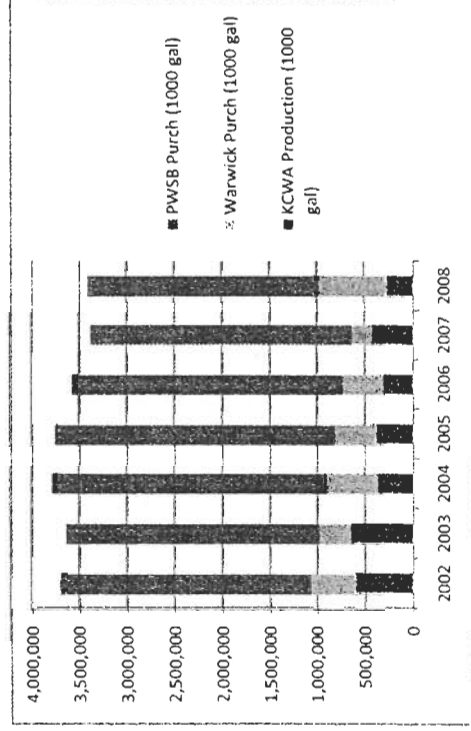
Wholesale Water Purchases

PWSB Rate (/mg) Rate (\$/mg) Purchases (mg) Cost
 \$1,455.77 2,917.99 \$4,247,918

Net Wholesale Purchases (gallons) - Rate Year
 Warwick Purchases 698,573,000
 PWSB Purchases 2,433,557,000
 Total Purchases 3,132,130,000
 Sales To Warwick -91,967,000
 Net Purchases 3,040,163,000
 Less Clariant 2008 -122,175,852
 Rate Year Sales 2,917,987,148

Fiscal Yr -- >	2004*	2005	2006	2007	2008	4 Year Avg	Pro Forma
KCWA Production (1000 gal)	370,545	382,069	307,398	427,900	267,800	346,292	267,800
Warwick Purch (1000 gal)	528,561	424,640	418,184	202,630	698,573	436,007	698,573
PWSB Purch (1000 gal)	2,719,906	2,947,455	2,849,405	2,745,719	2,433,557	2,744,034	2,433,557
Total	3,619,012	3,754,164	3,574,987	3,376,249	3,399,930	3,526,332	3,399,930
Total Purchased	3,248,467	3,372,094	3,267,589	2,948,349	3,132,130	3,180,040	3,132,130
Sales To Warwick (1000 gal)	67,277	69,138	78,660	82,138	91,967	80,476	91,967
Net Purchases	3,181,189	3,302,957	3,188,929	2,866,211	3,040,163	3,134,822	3,040,163
		3.8%	-3.5%	-10.1%	6.1%		

* PWSB FY2004 Purchases reduced for loss of On Semiconductor



EXPLANATION OF ADJUSTMENTS TO TEST YEAR COSTS

Adjustment to:	Explanation	Weighted Avg lbs or gal/yr **	cur. \$/lb or gal ***	Annual Cost
Treatment: Chemicals				
	Pot. Hydrox. (lbs)	407,495	\$0.5000	\$203,747
	Tetra Potassium Pyrophosphate (gals)	368	\$11.4550	\$4,217
	Chlorine (gal)	760	\$1.6000	\$1,215
	Fuel Charge			<u>\$3,123</u>
			Annual Amount	\$212,302
			Plus Inflation*	<u>\$16,741</u>
			Rate Year Amount	\$229,043

* Cost of chemicals is dependant on energy prices more than general inflation index; chemical costs were increased at an annual rate that is twice that of the general inflation rate or 7.89%/year.

** See Sch. 1E, page 2

*** Most current prices - Supplier notified that price for Potassium Hydroxide was increased to \$.50/pound effective July 1, 2008

Fixed Charges Associated with Debt Service:

O&M Reserve	Set to achieve reserve level equal to 25% of operating costs.	
	"O&M" Costs (Sch. 1) =	\$9,284,153
	Payroll Taxes	\$152,513
	PILOT	<u>\$23,123</u>
	Total Operating	\$9,459,789
	Required O&M Reserve	\$2,364,947
	Balance 5/7/08	\$1,898,250
	Estimated Additions to 10/31/09	255,325
	Estim. Balance 11/1/09	2,153,575
	Required deposit =	<u>\$211,372</u>
R&R Reserve	Set to equal 1% of Net Utility Plant (NUP)	
	NUP Value (6/30/07)	\$78,515,214
	Estimated Additions	<u>\$20,000,000</u>
	Pro Forma NUP	\$98,515,214
	Required Balance (1%)	\$985,152
	Balance 6/30/07	\$521,820
	Estimated Additions to 10/31/09	263,332
	Estim. Balance 11/1/09	785,152
	Addition to Reserve Required	<u>\$200,000</u>

Admin - Fees

Based on March 2008 notice from Dept. of Health, license fees are proposed to increase effective July 1, 2009. KCWA will see fee increase from \$25,000 to \$32,500/yr

EXPLANATION OF ADJUSTMENTS TO TEST YEAR COSTS

Debt Service

2004 Series A (Refunded 1994 bt

Principal	FY 2007	FY 2008	CY 2009 *
Interest	\$950,000	980,000	1,030,000
Total	\$303,500	274,700	234,900
	\$1,253,500	\$1,254,700	\$1,264,900

2001 Bonds (\$10 million)

Principal	\$380,000	\$395,000	\$430,000
Interest	\$398,861	\$383,836	\$359,536
Total	\$778,861	\$778,836	\$789,536

2002 Bonds (\$24.39 million)

Principal	\$870,000	\$895,000	\$955,000
Interest	\$999,583	\$973,108	\$922,883
Total	\$1,869,583	\$1,868,108	\$1,877,883
	\$3,901,944	\$3,901,644	\$3,932,319

Total Existing

* CY 2009 used for Rate Year

Infrastructure Replacement

Based on the June 2003 IFR Report for KCWA the annual IFR requirement is approximately \$6 million. In this case we are requesting the full annual funding of \$6,000,000
Increase over test year = \$1,995,522

Source of Supply Operations (studies)

Cost of Water Supply, Engin, & IFR Plans =	\$125,000
Amortize over 5 yrs	\$25,000
Change over Test Year	\$10,403

Payroll Taxes

FICA set at 7.65% of salary	152,513
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Worker's Comp

Based on	
FY 05	30,983
FY 06	31,662
FY 07	30,456
FY 08	39,975
Estim RY	42,116
	42,116 estimated based 4% increase for 1 1/3 years

Insurance - Liability/Property

Liability/Property	FY 06	FY 07	FY 08	Rate Year	Avg Increase
	\$122,514	128,228	134,814	143,670	4.90%

EXPLANATION OF ADJUSTMENTS TO TEST YEAR COSTS

Benefits/Pension	<u>Test Year</u>	<u>FY 2008</u>	<u>Rate Year</u>	<u>% of TY Salary</u>
Medical - Blue Cross	413,300	\$422,500	\$467,227	per DIV 1-23/TSC-6
Blue Cross Dental	39,877	\$46,600	\$37,092	per DIV 1-23/TSC-6
Group P-65 Retirees	61,451	\$51,100	\$79,333	per DIV 1-23/TSC-6
Life/Disability insurance	10,634	\$11,400	\$12,533	0.6286%
Pension RIEAP	143,927	\$209,100	\$215,000	see below
Education/Bonus	1,200	\$1,300	\$1,300	no change
Totals	<u>13,350</u>	<u>\$10,100</u>	<u>\$10,100</u>	no change
Increase over Test Year	683,739	\$752,100	\$822,585	70,485

Past pension funding based on actuarially determined rates. Past amounts paid in Feb - June time frame:

CY 06	215,654
CY 07	143,927
CY 08	209,100
RY Estimate	215,000

PILOT

based on following payments in lieu of taxes:

<u>City & Towns</u>	<u>Totals</u>
W. Warwick	\$8,264.82
Warwick	\$58.00
Coventry	\$12,813.37
Scituate	\$260.05
W. Greenwich	\$364.43
<u>Fire Districts</u>	
Coventry	\$302.50
Harris	\$50.00
Tiogue	\$121.00
Cent Coventry	\$349.00
Hopkins Hills	<u>\$540.00</u>
	\$23,123.17

Labor Adjustments - Based on Test Year Labor costs

A. All items labor increased by 3.2% per year for 2 1/3 years. Includes longevity and certification upgrades.
 B. Added cost of New GIS Operator position to Admin. Salaries at \$40,000 plus benefits.

Non-Labor Inflation

Non-labor items were increased from the test year by 2.32%
 per year or 5.50% over 2 1/3 years to account for inflation.
 Power and Energy Costs increased at twice this rate = 19.35%

EXPLANATION OF ADJUSTMENTS TO TEST YEAR COSTS

Operating Revenue

See testimony-operating revenue based on total rate revenues (total less misc. revenues) at 3.00%

Restricted Funds Activity FY 2007

	<u>R&R Reserve</u>	<u>O&M Reserve</u>	<u>Debt ***</u>	<u>IFR **</u>	<u>R&R Equip</u>
Beginning Balance (7/1/06)	\$521,820	\$1,898,250	\$2,973,005	\$6,883,741	\$83,808
Funding	\$0	\$0	\$4,052,999	\$4,004,478	\$100,000
Interest	\$24,250	\$88,214	\$76,258	\$367,673	\$4,317
Expenditures (actual) *	\$24,250	\$88,214	\$3,901,944	\$2,917,541	\$85,563
Ending Balance (6/30/07)	\$521,820	\$1,898,250	\$3,200,319	\$8,338,352	\$102,563

* For O&M Reserves and R&R Accounts the expenditures = transfers of interest earnings to revenue fund

** In FY 2004 an additional \$64,600 was deposited due to trustee making incorrect transfers.

*** Debt Service is maintained in separate accounts for each bond issue as follows:

	<u>2001 Series A</u>	<u>2002 Series A</u>	<u>2004 Series A</u>	<u>Total Debt</u>
Beginning Balance (7/1/06)	\$589,759	\$1,255,753	\$1,127,494	\$2,973,005
Funding (TY)	\$783,761	\$1,998,083	\$1,271,154	\$4,052,999
Interest	\$14,775	\$33,532	\$27,951	\$76,258
Expenditures (actual)	\$778,861	\$1,869,583	\$1,253,500	\$3,901,944
Ending Balance (6/30/07)	\$609,434	\$1,417,786	\$1,173,099	\$3,200,319

SUPPLEMENTAL DATA

<u>Regulatory Expenses</u>					
<u>Fiscal Year</u>	<u>PUC</u>	<u>Legal</u>	<u>Consultants</u>	<u>Other</u>	<u>Total</u>
1996	1,471	21,492	32,013	2,095	57,071
1997	1,579	14,654	60,776	7,378	84,387
1998	20,769	19,524	18,719	324	59,336
1999	17,345	25,745	29,135	5,909	78,134
2000	31,761	16,442	22,538	198	70,939
2001	23,224	24,077	57,935	5,601	110,837
2002	28,422	26,717	43,348	1,289	99,776
2003	25,732	10,143	18,707	99	54,681
2004	38,555	1,760	9,455	47	49,817
2005	43,544	9,680	28,635	10,553	92,412
2006	53,500	12,310	15,264	557	81,631
Estimated Rate Case Expense - this docket		20,000	40,000	15,000	75,000
		Other Rate Case (Prov Water, Pass Through)			
		Amortized over 2 yrs			
		PUC Assessment (Estim RY) *			
		Rate Year (CY 09) Regulatory Expense =			
					<u>54,800</u>
					117,300

Note: Estimated costs for current docket do NOT include KCWA regulatory costs for intervention in filings by Providence Water nor do they include costs for pass through rate filings to pass on wholesale rate increases.

* PUC Assessment for past three years =

FY 2006	\$39,948
FY 2007	\$40,856
FY 2008	\$52,680
Average increase =	15.61%
Estim. FY 09	\$60,902
Estim. FY 10	\$70,407
Estim CY 2009 =	\$65,655

2.27%
28.94%

SUPPLEMENTAL DATA

Chemical Costs

Year	KCWA Product. (1000 gal)	Chlorine gals used	gal/mil gal	Tetra Potassium Pyrophosphate gals used	gal/mil gal	Potassium Hydroxide lbs used	Potassium Hydroxide lbs/mil gal
FY 2005	382,069	825	2.16			344,482	902
FY 2006	307,398	625	2.03	360	1.17	366,458	1,192
FY 2007	427,900	1,085	2.54	480	1.12	546,366	1,277
FY 2008	267,800	548	2.05	240	0.90	357,874	1,336
Four Year Average	346,292	771	2.19	360	1.06	403,795	1,177
Use based on avg/mil gal.		760		368		407,495	

T&D Mains Maintenance - Non-Labor Costs

Non-Labor Costs	
FY 2005	\$ 143,211 TSC-8
FY 2006	240,653 TSC-8
FY 2007	540,436 TSC-8
FY 2008	258,780 Note 1
Total	\$ 1,183,080
Four Year Average	\$ 295,770
Inflation adjustment (3 yrs)	\$ 21,104
Total Rate Year Non-Labor	316,874
Initial KCWA Amount	540,436
Adjustment	(223,562)

Note 1: Division did not have actual costs for May and June when TSC-8 was prepared. Actual costs that were added for those months were:
 May 2008 \$28,154.42
 June 2008 \$7,623.92

UNITS OF SERVICE

	FY 2008		Rate	
	<u>Actual</u>	<u>Adjustments</u>	<u>Year</u>	<u>Explanation</u>
<u>Metered Water Sales (100 cubic feet)</u>				
Small (5/8-2" meters)	3,366,572	-26,297	3,340,276	see page 2
Medium (3&4" meters)	144,827	-14,960	129,867	see page 2
Large (6" & up meters)	<u>382,373</u>	-122,080	<u>260,293</u>	see page 2
	3,893,773		3,730,436	
<u>Meters By Size</u>				
<u>Quarterly</u>	<u>6/30/08</u>			
5/8 & 3/4	22,126	20	22,146	TSC-4
1	3,560	13	3,573	TSC-4
1 1/2	310	10	320	TSC-4
2	514	16	530	TSC-4
3	17	2	19	TSC-4
4	63	9	72	TSC-4
6	68	8	76	TSC-4
8 & up	55	6	61	TSC-4
<u>Monthly</u>				
5/8 & 3/4	4	-2	2	see page 2
1	1	0	1	
1 1/2	8	0	8	
2	12	0	12	
3	1	-1	0	see page 2
4	6	0	6	
6	7	-1	6	see page 2
8 & up	4	0	4	
<u>Public Fire Service</u>				
	<u>6/30/08</u>			
Public Fire Hydrants	2,317	19	2,336	TSC-4
Bills	52	0	52	
<u>Private Fire Service</u>				
<u>Size (in)</u>				
4	15	0	15	TSC-4
6	106	-2	104	TSC-4
8	28	-1	27	TSC-4
10	1	0	1	TSC-4
12	1	0	1	TSC-4
Hydrants	150	-2	148	TSC-4

UNITS OF SERVICE

* Changes in Water Use (ccf/yr)

<u>Clariant Corp.</u>	<u>TY Use</u>	<u>FY 08 Use</u>	<u>RY Use**</u>	<u>Adjustment</u>	<u>Small (5/8)</u>	<u>Medium (3")</u>	<u>Large (6")</u>
Acct 115502 - small	4,046	4,102	4,102	0			
Acct 114730-medium	15,450	14,960	0	-14,960		-14,960	
Acct 11403 -large	47,915	74,465	0	-74,465			-74,465
Acct 115436-small	12,915	12,412	0	-12,412	-12,412		
Acct 115435-small	19,307	13,885	0	-13,885	-13,885		
Acct 11402-large	<u>65,980</u>	<u>47,615</u>	<u>0</u>	<u>-47,615</u>			<u>-47,615</u>
Total	165,613	167,439	4,102	-163,337	-26,297	-14,960	-122,080

** Note: First account assumed to remain for staff

Amgen

Amgen has been reducing water use at its facility over the past year.

FY 2007 sales	241,570
FY 2008 sales	163,422
Reduction (yr)	78,148

Reduction reflected in FY 08 actual sales

**ALLOCATION OF RATE YEAR EXPENSES TO
GENERAL WATER, FIRE, AND CUSTOMER SERVICE**

EXPENSE ITEM	PRO FORMA EXPENSE	ALLOC. SYMBOL (1)	GENERAL WATER		FIRE SERVICE		CUST. SERVICE	
			%	AMOUNT	%	AMOUNT	%	AMOUNT
SOURCE OF SUPPLY								
operations & labor	\$25,000	A	99.5%	\$24,875	0.5%	\$125	0.0%	0.00
purchased water	\$4,247,918	A	99.5%	\$4,226,679	0.5%	\$21,240	0.0%	0.00
PUMPING OPERATIONS								
fuel for pumping	\$10,084	A	99.5%	\$10,034	0.5%	\$50	0.0%	0.00
power-pumping	\$622,127	A	99.5%	\$619,017	0.5%	\$3,111	0.0%	0.00
labor-pumping	\$69,815	P	84.4%	\$58,910	15.6%	\$10,905	0.0%	0.00
pumping expense	\$2,308	P	84.4%	\$1,947	15.6%	\$360	0.0%	0.00
maint. - structures & improv	\$37,361	P	84.4%	\$31,526	15.6%	\$5,836	0.0%	0.00
diesel oil	\$0	P	84.4%	\$0	15.6%	\$0	0.0%	0.00
maint. - equip	\$38,784	P	84.4%	\$32,726	15.6%	\$6,058	0.0%	0.00
WATER TREATMENT								
chemicals	\$229,043	A	99.5%	\$227,898	0.5%	\$1,145	0.0%	0.00
labor	\$80,180	A	99.5%	\$79,779	0.5%	\$401	0.0%	0.00
operating	\$30,388	A	99.5%	\$30,236	0.5%	\$152	0.0%	0.00
maint. - water treat equip	\$1,697	A	99.5%	\$1,688	0.5%	\$8	0.0%	0.00
maint. - structure	\$0	A	99.5%	\$0	0.5%	\$0	0.0%	0.00
TRANS & DISTR. EXPENSE								
storage facilities exp.	\$549	D	75.0%	\$412	25.0%	\$137	0.0%	0.00
labor	\$31,384	B	80.6%	\$25,296	19.4%	\$6,089	0.0%	0.00
supplies	\$41,993	B	80.6%	\$33,846	19.4%	\$8,147	0.0%	0.00
labor-meter	\$33,392	C	0.0%	\$0	0.0%	\$0	100.0%	33,392.22
material-meter	\$6,291	C	0.0%	\$0	0.0%	\$0	100.0%	6,291.01
cust. install.	\$0	C	0.0%	\$0	0.0%	\$0	100.0%	0.00
misc.	\$16,235	F	54.7%	\$8,882	20.7%	\$3,357	24.6%	3,996.12
maint. - struct. & improv.	\$235	F	54.7%	\$129	20.7%	\$49	24.6%	57.90
maint. - res & stdp	\$53,843	D	75.0%	\$40,382	25.0%	\$13,461	0.0%	0.00
maint. - mains	\$716,752	B	80.6%	\$577,702	19.4%	\$139,050	0.0%	0.00
maint. - service	\$179,601	C	0.0%	\$0	0.0%	\$0	100.0%	179,601.13
maint. - meters	\$85,616	C	0.0%	\$0	0.0%	\$0	100.0%	85,616.36
maint. - hydrants	\$89,839	E	0.5%	\$449	99.5%	\$89,390	0.0%	0.00
construction labor	(\$7,983)	F	54.7%	(\$4,367)	20.7%	(\$1,651)	24.6%	(1,964.99)
CUSTOMER ACCOUNT								
labor- meter read	\$79,958	C	0.0%	\$0	0.0%	\$0	100.0%	79,958.36
cust record labor	\$167,371	C	0.0%	\$0	0.0%	\$0	100.0%	167,370.78
cust records exp	\$59,897	C	0.0%	\$0	0.0%	\$0	100.0%	59,896.71
meter read supplies	\$0	C	0.0%	\$0	0.0%	\$0	100.0%	0.00
uncollectible	\$0	C	0.0%	\$0	0.0%	\$0	100.0%	0.00
ADMIN. & GENERAL								
salaries	\$387,202	G	77.5%	\$300,095	6.9%	\$26,869	15.6%	60,238.30
office supplies & expenses	\$125,930	G	77.5%	\$97,600	6.9%	\$8,739	15.6%	19,591.26
insurance (property/liability)	\$128,228	G	77.5%	\$99,381	6.9%	\$8,898	15.6%	19,948.84
Insurance (worker's comp)	\$42,116	H	60.3%	\$25,412	10.7%	\$4,499	29.0%	12,204.93
injuries & damages	\$298	G	77.5%	\$231	6.9%	\$21	15.6%	46.44
employee benefits	\$754,612	H	60.3%	\$455,320	10.7%	\$80,609	29.0%	218,683.71
fees	\$32,500	G	77.5%	\$25,189	6.9%	\$2,255	15.6%	5,056.13
maint. - plant	\$211,719	G	77.5%	\$164,089	6.9%	\$14,692	15.6%	32,937.73
maint. - vehicles	\$111,572	G	77.5%	\$86,472	6.9%	\$7,742	15.6%	17,357.60
miscellaneous	\$26,779	G	77.5%	\$20,755	6.9%	\$1,858	15.6%	4,166.15
vacation, holiday, sick	\$262,629	H	60.3%	\$158,466	10.7%	\$28,054	29.0%	76,108.84
regul. exp.	\$117,300	G	77.5%	\$90,911	6.9%	\$8,140	15.6%	18,248.73
other	\$0	G	77.5%	\$0	6.9%	\$0	15.6%	0.00
outside service	\$133,588	G	77.5%	\$103,535	6.9%	\$9,270	15.6%	20,782.64
SUBTOTAL O&M	\$9,284,153	G	82.5%	\$7,655,500	5.5%	\$509,066	12.1%	1,119,586.89

9/26/2008

**ALLOCATION OF RATE YEAR EXPENSES TO
GENERAL WATER, FIRE, AND CUSTOMER SERVICE**

EXPENSE ITEM	PRO FORMA EXPENSE	ALLOC. SYMBOL (1)	GENERAL WATER		FIRE SERVICE		CUST. SERVICE	
			%	AMOUNT	%	AMOUNT	%	AMOUNT
FIXED CHARGES								
Debt Service	\$3,932,319	J	80.9%	\$3,180,748	19.1%	\$751,028	0.0%	\$542
O&M Reserve	\$211,372	G	77.5%	\$163,821	6.9%	\$14,668	15.6%	\$32,884
R&R Reserve	\$200,000	J	80.9%	\$161,775	19.1%	\$38,198	0.0%	\$28
Renewal & Replacement - Equip	\$100,000	J	80.9%	\$80,887	19.1%	\$19,099	0.0%	\$14
Infrastructure Replacement	\$6,000,000	I	100.0%	\$6,000,000	0.0%	\$0	0.0%	\$0
Payroll Taxes	\$152,513	H	60.3%	\$92,024	10.7%	\$16,292	29.0%	\$44,198
PILOT	<u>\$23,123</u>	L	81.0%	<u>\$18,740</u>	18.1%	<u>\$4,179</u>	0.9%	<u>\$204</u>
SUBTOTAL FIXED	\$10,619,327		91.3%	\$9,697,995	7.9%	\$843,463	0.7%	\$77,869
OPERATING REVENUE								
OPERATING REVENUE	\$604,615	K	87.2%	\$527,153	6.8%	\$41,086	6.0%	\$36,376
TOTAL EXPENSES								
TOTAL EXPENSES	\$20,508,095	K	87.2%	\$17,880,648	6.8%	\$1,393,616	6.0%	\$1,233,831
Less: Available Restricted Debt	\$0	J	80.9%	\$0	19.1%	\$0	0.0%	\$0
Miscellaneous Income	(\$179,384)	K	87.2%	(\$156,402)	6.8%	(\$12,190)	6.0%	(\$10,792)
Interest Income	(\$112,596)	K	87.2%	(\$98,170)	6.8%	(\$7,651)	6.0%	(\$6,774)
Merchand & Jobbing	(\$2,384)	K	87.2%	(\$2,079)	6.8%	(\$162)	6.0%	(\$143)
6.9% of Water Prot Fee	(\$59,895)	K	87.2%	(\$52,222)	6.8%	(\$4,070)	6.0%	(\$3,603)
Total Revenue Requirement	\$20,153,836	K	87.2%	\$17,571,776	6.8%	\$1,369,542	6.0%	\$1,212,518

(1) See CPNW Sch. 3B

**ALLOCATION OF RATE YEAR EXPENSES TO
GENERAL WATER, FIRE, AND CUSTOMER SERVICE**

EXPENSE ITEM	RATE YEAR LABOR	ALLOC. SYMBOL (1)	GENERAL WATER		FIRE SERVICE		CUST. SERVICE	
			%	AMOUNT	%	AMOUNT	%	AMOUNT
SOURCE OF SUPPLY								
operations & labor	\$0	A	99.5%	\$0	0.5%	\$0	0.0%	\$0
purchased water	\$0	A	99.5%	\$0	0.5%	\$0	0.0%	\$0
PUMPING OPERATIONS								
fuel for pumping	\$0	A	99.5%	\$0	0.5%	\$0	0.0%	\$0
power-pumping	\$0	A	99.5%	\$0	0.5%	\$0	0.0%	\$0
labor-pumping	\$69,815	P	84.4%	\$58,910	15.6%	\$10,905	0.0%	\$0
pumping expense	\$0	P	84.4%	\$0	15.6%	\$0	0.0%	\$0
maint. - structures & improv	\$32,525	P	84.4%	\$27,444	15.6%	\$5,080	0.0%	\$0
diesel oil	\$0	P	84.4%	\$0	15.6%	\$0	0.0%	\$0
maint. - equip	\$26,731	P	84.4%	\$22,556	15.6%	\$4,175	0.0%	\$0
WATER TREATMENT								
chemicals	\$0	A	99.5%	\$0	0.5%	\$0	0.0%	\$0
labor	\$80,180	A	99.5%	\$79,779	0.5%	\$401	0.0%	\$0
operating	\$0	A	99.5%	\$0	0.5%	\$0	0.0%	\$0
maint. - water treat equip	\$0	A	99.5%	\$0	0.5%	\$0	0.0%	\$0
maint. - structure	\$0	A	99.5%	\$0	0.5%	\$0	0.0%	\$0
TRANS & DISTR. EXPENSE								
storage facilities exp.	\$0	D	75.0%	\$0	25.0%	\$0	0.0%	\$0
labor	\$31,384	B	80.6%	\$25,296	19.4%	\$6,089	0.0%	\$0
supplies	\$0	B	80.6%	\$0	19.4%	\$0	0.0%	\$0
labor-meter	\$36,992	C	0.0%	\$0	0.0%	\$0	100.0%	\$36,992
material-meter	\$0	C	0.0%	\$0	0.0%	\$0	100.0%	\$0
cust. install.	\$0	C	0.0%	\$0	0.0%	\$0	100.0%	\$0
misc.	\$0	F	54.7%	\$0	20.7%	\$0	24.6%	\$0
maint - struct. & improv.	\$0	F	54.7%	\$0	20.7%	\$0	24.6%	\$0
maint. - res & stdp	\$12,759	D	75.0%	\$9,569	25.0%	\$3,190	0.0%	\$0
maint. - mains	\$399,878	B	80.6%	\$322,301	19.4%	\$77,576	0.0%	\$0
maint. - service	\$97,564	C	0.0%	\$0	0.0%	\$0	100.0%	\$97,564
maint. - meters	\$59,514	C	0.0%	\$0	0.0%	\$0	100.0%	\$59,514
maint. - hydrants	\$45,555	E	0.5%	\$228	99.5%	\$45,327	0.0%	\$0
construction labor	\$0	F	54.7%	\$0	20.7%	\$0	24.6%	\$0
CUSTOMER ACCOUNT								
labor- meter read	\$79,958	C	0.0%	\$0	0.0%	\$0	100.0%	\$79,958
cust record labor	\$167,371	C	0.0%	\$0	0.0%	\$0	100.0%	\$167,371
cust records exp	\$0	C	0.0%	\$0	0.0%	\$0	100.0%	\$0
meter read supplies	\$0	C	0.0%	\$0	0.0%	\$0	100.0%	\$0
uncollectible	\$0	C	0.0%	\$0	0.0%	\$0	100.0%	\$0
ADMIN. & GENERAL								
salaries	\$386,083	G	77.5%	\$299,227	6.9%	\$26,792	15.6%	\$60,064
office supplies & expenses	\$0	G	77.5%	\$0	6.9%	\$0	15.6%	\$0
insurance (property/liability)	\$0	G	77.5%	\$0	6.9%	\$0	15.6%	\$0
injuries & damages	\$0	G	77.5%	\$0	6.9%	\$0	15.6%	\$0
employee benefits	\$5,488	G	77.5%	\$4,254	6.9%	\$381	15.6%	\$854
fees	\$0	G	77.5%	\$0	6.9%	\$0	15.6%	\$0
maint. - plant	\$135,534	G	77.5%	\$105,044	6.9%	\$9,405	15.6%	\$21,085
maint. - vehicles	\$20,854	G	77.5%	\$16,162	6.9%	\$1,447	15.6%	\$3,244
miscellaneous	\$16,142	G	77.5%	\$12,511	6.9%	\$1,120	15.6%	\$2,511
vacation, holiday, sick	\$262,629	G	77.5%	\$203,546	6.9%	\$18,225	15.6%	\$40,858
regul. exp.	\$0	G	77.5%	\$0	6.9%	\$0	15.6%	\$0
other	\$0	G	77.5%	\$0	6.9%	\$0	15.6%	\$0
outside service	\$0	G	77.5%	\$0	6.9%	\$0	15.6%	\$0
TOTAL LABOR	\$1,966,958	H	60.3%	\$1,186,828	10.7%	\$210,113	29.0%	\$570,017

(1) See Sch. 3B

ALLOCATION SYMBOLS

ALLOCATION SYMBOL	GEN'L WATER	FIRE SERVICE	CUST SERVICE	
A	99.50%	0.50%	0.00%	Supply & Treatment
B	80.60%	19.40%	0.00%	T&D Mains
C	0.00%	0.00%	100.00%	Meters
D	75.00%	25.00%	0.00%	Storage
E	0.50%	99.50%	0.00%	Hydrants
F	54.71%	20.68%	24.61%	Misc T&D
G	77.50%	6.94%	15.56%	Direct O&M (50% of Purch Water) Benefits & Vacation
H	60.34%	10.68%	28.98%	Labor
I	100.00%	0.00%	0.00%	IFR Costs
J	80.89%	19.10%	0.01%	Debt/Capital
K	87.19%	6.80%	6.02%	Total Expense
L	81.05%	18.07%	0.88%	PILOT
M	--	--	--	Not Used
P	84.38%	15.62%	0.00%	Pumping Facilities

Symbol B

	<u>Gal/Min</u>	<u>%</u>
Highest Max. Day	14,544	80.60%
Fire Demand	3500	19.40%
Max. Day Plus Fire	18,044	100.00%

Symbol J - Debt Service/CIP

Plant Value From 2003 IFR Report	<u>Repl. Value</u>	<u>Symbol</u>	<u>Gen Water</u>	<u>Fire</u>	<u>Cust A</u>	<u>Cust B</u>
Source of Supply	\$3,000,707	A	\$2,985,703	\$15,004	\$0	\$0
Pumping Plant	\$3,161,329	A	\$3,145,522	\$15,807	\$0	\$0
Water Treat. Plant	\$405,970	A	\$403,940	\$2,030	\$0	\$0
T&D Storage	\$4,336,912	D	\$3,252,684	\$1,084,228	\$0	\$0
T&D Mains	\$292,283,430	B	\$235,580,445	\$56,702,985	\$0	\$0
T&D Hydrants	\$116,261	E	\$581	\$115,680	\$0	\$0
T&D Services	\$41,805	C	\$0	\$0	\$41,805	\$0
T&D Meters	\$0	C	\$0	\$0	\$0	\$0
General Plant	\$682,413	J	\$551,986	\$130,333	\$94	\$0
Total	\$304,028,827		\$245,920,862	\$58,066,066	\$41,899	\$0
Percent			80.89%	19.10%	0.01%	0.00%

Symbol L - PILOT

	<u>Total</u>	<u>Symbol</u>	<u>Gen Water</u>	<u>Fire</u>	<u>Cust A</u>	<u>Cust B</u>
Storage	\$7,258	D	\$5,443	\$1,814	\$0	\$0
Office	\$1,311	G	\$1,016	\$91	\$102	\$102
PS/Wells/Treatment	\$14,554	P	\$12,281	\$2,273	\$0	\$0
Total	\$23,123		\$18,740	\$4,179	\$102	\$102
Percent			81.05%	18.07%	0.44%	0.44%

Symbol P - Pumping Facilities (per Decision in Dockets 2098, 2555, 3660)

	<u>Percent</u>	<u>Symbol</u>	<u>Gen Water</u>	<u>Fire</u>	<u>Cust A</u>	<u>Cust B</u>
Supply Well Pumps	20.00%	A	19.90%	0.10%	0.00%	0.00%
Distribution Pumps	80.00%	B	64.48%	15.52%	0.00%	0.00%
Total	100.00%	P	84.38%	15.62%	0.00%	0.00%

PROPOSED FIRE SERVICE CHARGES

PUBLIC FIRE SERVICE

Quarterly Charge/Hydrant = \$129.87
Plus Billing Charge = \$5.81

PRIVATE FIRE SERVICE

<u>SERVICE SIZE</u> <u>(inches)</u>	<u>QUARTERLY</u> <u>CHARGE</u>
4	\$52.00
6	\$140.00
8	\$291.77
10	\$520.07
12	\$836.49
HYDRANT	\$140.00

**ALLOCATION OF FIRE SERVICE EXPENSES
TO PUBLIC AND PRIVATE FIRE SERVICE**

	<u>NUMBER</u>	<u>DEMAND FACTOR (1)</u>	<u>NO. OF EQUIVS.</u>	<u>PERCENT OF DEMAND</u>	<u>NON-HYDR. REQUIRED</u>	<u>DIRECT HYDRANT</u>	<u>TOTAL</u>
PUBLIC FIRE SERVICE							
Hydrants	2,336	111.31	260,022	87.80%	\$1,122,604	\$90,886	\$1,213,491
PRIVATE FIRE SERVICE							
SIZE (IN)							
4	15	38.32	575				
6	104	111.31	11,576				
8	27	237.21	6,405				
10	1	426.58	427				
12	1	689.04	689				
HYDRANTS	<u>148</u>	<u>111.31</u>	<u>16,474</u>				
TOTAL-PRIV	<u>296</u>		<u>36,145</u>	12.20%	\$156,052	\$0	\$156,052
=====							
GRAND TOTALS	2,632		296,168	100.00%	\$1,278,656	\$90,886	\$1,369,542
Total Fire Allocation					\$1,369,542		
Less Direct Hydrant Related							
O&M		(\$89,390)					
Debt		(\$1,496)					
Net Non-Hydrant					\$1,278,656		

(1) Based on size to the 2.63 power.

DETERMINATION OF FIRE SERVICE CHARGES

<u>PUBLIC FIRE PROTECTION</u>		CALCULATED CHARGE
PUBLIC FIRE ALLOCATION (1)	\$1,213,491	
----- =	----- =	\$519.47
NUMBER OF PUBLIC HYDRANTS	2,336	
	TOTAL QUARTERLY + BILLING	\$129.87 \$5.81

<u>PRIVATE FIRE PROTECTION</u>		
PRIVATE FIRE ALLOCATION (1,2)	\$174,301	
----- =	----- =	\$4.82 /EQUIV.
NO. OF EQUIV. UNITS	36,145	

<u>SIZE (IN)</u>	<u>DEMAND FACTOR</u>	<u>ANNUAL CHARGE</u>	<u>QUARTERLY CHARGE</u>	<u>BILLING CHARGE</u>	<u>ALCULATED CHARGE</u>
4	38.32	\$184.78	\$46.20	\$5.81	\$52.00
6	111.31	\$536.77	\$134.19	\$5.81	\$140.00
8	237.21	\$1,143.86	\$285.97	\$5.81	\$291.77
10	426.58	\$2,057.06	\$514.27	\$5.81	\$520.07
12	689.04	\$3,322.72	\$830.68	\$5.81	\$836.49
HYDRANTS	111.31	\$536.77	\$134.19	\$5.81	\$140.00

(1) Allocation from Sch 4A.
(2) Private Fire includes allocated service maintenance costs as detailed below:

Service Line Maintenance Cost =	\$179,601	
Addnl Allocation to Fire Service =	\$18,249	(10.16%)

<u>Service Line Equivalents</u>			<u>Metered Water Service</u>		<u>Private Fire Service</u>	
<u>Meter Size (in)</u>	<u>Service Size (in)</u>	<u>Equivalents *</u>	<u>Number</u>	<u>Equivalents</u>	<u>Number</u>	<u>Equivalents</u>
5/8 & 3/4	1	1	22,148	22,148		
1	1.5	1.8	3,574	6,433		
1 1/2	2	3.3	328	1,082		
2	3	4.6	542	2,493		
3	4	6.3	19	120	15	95
4	6	9.6	78	749	104	998
6	8	16.9	82	1,386	175	2,958
>8	10	29.6	65	1,924	2	59
Total				36,335		4,110
				89.84%		10.16%

* From Dockets No. 2098 through 3660

PROPOSED SERVICE CHARGES

METER SIZE (inches)	QUARTERLY <u>ACCOUNTS</u>	MONTHLY <u>ACCOUNTS</u>
5/8 &		
3/4	\$9.72	\$7.11
1	\$12.85	\$8.15
1 1/2	\$18.72	\$10.11
2	\$23.81	\$11.81
3	\$30.46	\$14.03
4	\$43.38	\$18.33
6	\$71.95	\$27.85
>8	\$121.66	\$44.42

ALLOCATION OF CUSTOMER SERVICE EXPENSES

EXPENSE ITEM	TOTAL	ALLOC.	<-CUST. METER->		<-CUST. BILL->	
	CUST. SERV.	SYMBOL (1)	%	AMOUNT	%	AMOUNT
TRANS & DISTR. EXPENSE						
labor	0.00	AA	100.00%	\$0	0.00%	0.00
supplies	0.00	AA	100.00%	\$0	0.00%	0.00
labor-meter	33,392.22	AA	100.00%	\$33,392	0.00%	0.00
material-meter	6,291.01	AA	100.00%	\$6,291	0.00%	0.00
cust. install.	0.00	AA	100.00%	\$0	0.00%	0.00
misc.	3,996.12	AA	100.00%	\$3,996	0.00%	0.00
maint - struct. & improv.	57.90	AA	100.00%	\$58	0.00%	0.00
maint.- res & stdp	0.00	AA	100.00%	\$0	0.00%	0.00
maint. - mains	0.00	AA	100.00%	\$0	0.00%	0.00
maint. - service	179,601.13	AA	100.00%	\$179,601	0.00%	0.00
maint. - meters	85,616.36	AA	100.00%	\$85,616	0.00%	0.00
maint. - hydrants	0.00	AA	100.00%	\$0	0.00%	0.00
construction labor	(1,964.99)	AA	100.00%	(\$1,965)	0.00%	0.00
CUSTOMER ACCOUNT						
labor- meter read	79,958.36	BB	0.00%	\$0	100.00%	79,958.36
cust record labor	167,370.78	BB	0.00%	\$0	100.00%	167,370.78
cust records exp	59,896.71	BB	0.00%	\$0	100.00%	59,896.71
meter read supplies	0.00	BB	0.00%	\$0	100.00%	0.00
uncollectible	0.00	BB	0.00%	\$0	100.00%	0.00
ADMIN. & GENERAL						
salaries	60,238.30	CC	48.26%	\$29,071	51.74%	31,167.59
office supplies & expenses	19,591.26	CC	48.26%	\$9,455	51.74%	10,136.61
insurance (property/liability)	19,948.84	CC	48.26%	\$9,627	51.74%	10,321.63
Insurance (worker's comp)	12,204.93	CC	48.26%	\$5,890	51.74%	6,314.89
injuries & damages	46.44	CC	48.26%	\$22	51.74%	24.03
employee benefits	218,683.71	DD	44.67%	\$97,693	55.33%	120,990.79
fees	5,056.13	CC	48.26%	\$2,440	51.74%	2,616.07
maint. - plant	32,937.73	CC	48.26%	\$15,896	51.74%	17,042.14
maint. - vehicles	17,357.60	CC	48.26%	\$8,377	51.74%	8,980.91
miscellaneous	4,166.15	CC	48.26%	\$2,011	51.74%	2,155.59
vacation, holiday, sick	76,108.84	DD	44.67%	\$34,000	55.33%	42,108.62
regul. exp.	18,248.73	CC	48.26%	\$8,807	51.74%	9,441.98
other	0.00	CC	48.26%	\$0	51.74%	0.00
outside service	<u>20,782.64</u>	CC	48.26%	<u>\$10,030</u>	51.74%	<u>10,753.04</u>
SUBTOTAL O&M	1,119,586.89	CC	48.26%	\$540,307	51.74%	579,279.71
FIXED CHARGES						
Debt Service	541.92	JJ	100.00%	\$542	0.00%	0.00
O&M Reserve	32,883.84	CC	48.26%	\$15,870	51.74%	17,014.26
R&R Reserve	27.56	JJ	100.00%	\$28	0.00%	0.00
O&M Reserve	13.78	JJ	100.00%	\$14	0.00%	0.00
Infrastructure Replacement	0.00	JJ	100.00%	\$0	0.00%	0.00
Payroll Taxes	44,197.66	DD	44.67%	\$19,744	55.33%	24,453.17
PILOT	<u>204.02</u>	EE	48.15%	<u>\$98</u>	51.85%	<u>105.78</u>
SUBTOTAL FIXED	77,868.79			\$36,296		41,573.21
OPERATING REVENUE						
OPERATING REVENUE	36,375.54	EE	48.15%	\$17,516	51.85%	18,859.87
TOTAL EXPENSES						
TOTAL EXPENSES	1,233,831.22	EE	48.15%	\$594,118	51.85%	639,712.79
Less: Available Restricted D	0.00	JJ	100.00%	\$0	0.00%	0.00
Miscellaneous Income	(10,792.30)	EE	48.15%	(\$5,197)	51.85%	(5,595.56)
Merchand & Jobbing	(143.43)	EE	48.15%	(\$69)	51.85%	(74.36)
6.9% of Water Prot Fee	(3,603.49)	EE	48.15%	(\$1,735)	51.85%	(1,868.33)
	=====			=====		=====
Total Revenue Requirement	1,219,291.99	EE	48.15%	\$587,117	51.85%	632,174.54

(1) See Sch. 5C

ALLOCATION OF CUSTOMER SERVICE LABOR

EXPENSE ITEM	TOTAL	ALLOC.	<-CUST. METER->		<--CUST. BILL-->	
	CUST. SERV.	SYMBOL (1)	%	AMOUNT	%	AMOUNT
TRANS & DISTR. EXPENSE			-	-----	-	-----
labor	0.00	AA	100.00%	\$0	0.00%	0.00
supplies	0.00	AA	100.00%	\$0	0.00%	0.00
labor-meter	36,992.22	AA	100.00%	\$36,992	0.00%	0.00
material-meter	0.00	AA	100.00%	\$0	0.00%	0.00
cust. install.	0.00	AA	100.00%	\$0	0.00%	0.00
misc.	0.00	AA	100.00%	\$0	0.00%	0.00
maint.- res & stdp	0.00	AA	100.00%	\$0	0.00%	0.00
maint. - mains	0.00	AA	100.00%	\$0	0.00%	0.00
maint. - service	97,564.32	AA	100.00%	\$97,564	0.00%	0.00
maint. - meters	59,513.84	AA	100.00%	\$59,514	0.00%	0.00
maint. - hydrants	0.00	AA	100.00%	\$0	0.00%	0.00
construction labor	0.00	AA	100.00%	\$0	0.00%	0.00
CUSTOMER ACCOUNT						
labor- meter read	79,958.36	BB	0.00%	\$0	100.00%	79,958.36
cust record labor	167,370.78	BB	0.00%	\$0	100.00%	167,370.78
cust records exp	0.00	BB	0.00%	\$0	100.00%	0.00
meter read supplies	0.00	BB	0.00%	\$0	100.00%	0.00
uncollectible	0.00	BB	0.00%	\$0	100.00%	0.00
ADMIN. & GENERAL						
salaries	60,064.20	CC	48.26%	\$28,987	51.74%	31,077.51
office supplies & expenses	0.00	CC	48.26%	\$0	51.74%	0.00
insurance (property/liability)	0.00	CC	48.26%	\$0	51.74%	0.00
injuries & damages	0.00	CC	48.26%	\$0	51.74%	0.00
employee benefits	853.84	DD	44.67%	\$381	55.33%	472.40
fees	0.00	CC	48.26%	\$0	51.74%	0.00
maint. - plant	21,085.48	CC	48.26%	\$10,176	51.74%	10,909.73
maint. - vehicles	3,244.29	CC	48.26%	\$1,566	51.74%	1,678.61
miscellaneous	2,511.31	CC	48.26%	\$1,212	51.74%	1,299.36
vacation, holiday, sick	40,858.02	DD	44.67%	\$18,253	55.33%	22,605.45
regul. exp.	0.00	CC	48.26%	\$0	51.74%	0.00
other	0.00	CC	48.26%	\$0	51.74%	0.00
outside service	0.00	CC	48.26%	\$0	51.74%	0.00
TOTAL LABOR	570,016.66	DD	44.67%	\$254,644	55.33%	315,372.20

(1) See Sch. 5C

ALLOCATION SYMBOLS - CUSTOMER SERVICE

<u>ALLOCATION</u> <u>SYMBOL</u>	<u>CUSTOM</u> <u>METER</u>	<u>CUSTOM</u> <u>BILL</u>	<u>TOTAL</u>
AA	100.00%	0.00%	100.00% Meters
BB	0.00%	100.00%	100.00% Billing
CC	48.26%	51.74%	100.00% O&M
DD	44.67%	55.33%	100.00% Labor
EE	48.15%	51.85%	100.00% All Expenses
JJ	100.00%	0.00%	100.00% Capital/Debt

DETERMINATION OF EQUIVALENT METERS

<u>METER SIZE (IN)</u>	<u>NUMBER</u>	<u>EQUIVALENCY FACTOR (1)</u>	<u>EQUIV. 5/8 IN. METERS</u>
5/8 & 3/4	22,148	1	22,148
1	3,574	1.8	6,433
1 1/2	328	3.3	1,082
2	542	4.6	2,493
3	19	6.3	120
4	78	9.6	749
6	82	16.9	1,386
>8	<u>65</u>	29.6	<u>1,924</u>
TOTALS	26,836		36,335

(1) From Dockets. No. 2098 through 3660

DETERMINATION OF PROPOSED SERVICE CHARGES

BILLING CHARGE

CUST. BILLING ALLOC. (1)	=	\$632,175	=	
-----		-----		
NUMBER OF BILLINGS		108,892		\$5.81 PER BILLING

METER CHARGE

CUST. METER ALLOC. (1,3))	=	\$568,868	=	
-----		-----		
NO. EQUIV. METERS (2)		36,335		\$15.66 / EQ. METER/YR

TOTAL SERVICE CHARGES

METER SIZE (IN)	QUARTERLY ACCOUNTS			MONTHLY ACCOUNTS		
	METER CHARGE	BILLING CHARGE	TOTAL CHARGE	METER CHARGE	BILLING CHARGE	TOTAL CHARGE
5/8 & 3/4	\$3.91	\$5.81	\$9.72	\$1.30	\$5.81	\$7.11
1	\$7.05	\$5.81	\$12.85	\$2.35	\$5.81	\$8.15
1 1/2	\$12.92	\$5.81	\$18.72	\$4.31	\$5.81	\$10.11
2	\$18.00	\$5.81	\$23.81	\$6.00	\$5.81	\$11.81
3	\$24.66	\$5.81	\$30.46	\$8.22	\$5.81	\$14.03
4	\$37.57	\$5.81	\$43.38	\$12.52	\$5.81	\$18.33
6	\$66.15	\$5.81	\$71.95	\$22.05	\$5.81	\$27.85
>8	\$115.86	\$5.81	\$121.66	\$38.62	\$5.81	\$44.42

(1) See Sch. 5A

(2) See Sch. 5D

(3) Less allocation of Service Maintenance Costs to Private Fire Service - see Sch. 4B

ALLOCATION OF GENERAL WATER EXPENSES TO
BASE AND EXTRA CAPACITY

EXPENSE ITEM	TOTAL	ALLOC. SYMBOL (1)	BASE	EXTRA CAP.-MAX DAY	EXTRA CAP.-PEAK HR			
	GEN'L WATER		%					AMOUNT
SOURCE OF SUPPLY								
operations & labor	\$24,875	aa	100.00%	\$24,875	0.00%	\$0	0.00%	\$0
purchased water	\$4,226,679	aa	100.00%	\$4,226,679	0.00%	\$0	0.00%	\$0
PUMPING OPERATIONS								
fuel for pumping	\$10,034	aa	100.00%	\$10,034	0.00%	\$0	0.00%	\$0
power-pumping	\$619,017	aa	100.00%	\$619,017	0.00%	\$0	0.00%	\$0
labor-pumping	\$58,910	pp	55.60%	\$32,754	44.40%	\$26,156	0.00%	\$0
pumping expense	\$1,947	pp	55.60%	\$1,083	44.40%	\$865	0.00%	\$0
maint. - structures & improv	\$31,526	pp	55.60%	\$17,528	44.40%	\$13,997	0.00%	\$0
diesel oil	\$0	pp	55.60%	\$0	44.40%	\$0	0.00%	\$0
maint. - equip	\$32,726	pp	55.60%	\$18,196	44.40%	\$14,530	0.00%	\$0
WATER TREATMENT								
chemicals	\$227,898	aa	100.00%	\$227,898	0.00%	\$0	0.00%	\$0
labor	\$79,779	aa	100.00%	\$79,779	0.00%	\$0	0.00%	\$0
operating	\$30,236	aa	100.00%	\$30,236	0.00%	\$0	0.00%	\$0
maint. - water treat equip	\$1,688	aa	100.00%	\$1,688	0.00%	\$0	0.00%	\$0
maint. - structure	\$0	aa	100.00%	\$0	0.00%	\$0	0.00%	\$0
TRANS & DISTR. EXPENSE								
storage facilities exp.	\$412	dd	0.00%	\$0	0.00%	\$0	100.00%	\$412
labor	\$25,296	bb	44.50%	\$11,257	55.50%	\$14,039	0.00%	\$0
supplies	\$33,846	bb	44.50%	\$15,062	55.50%	\$18,785	0.00%	\$0
labor-meter	\$0	cc	0.00%	\$0	0.00%	\$0	0.00%	\$0
material-meter	\$0	cc	0.00%	\$0	0.00%	\$0	0.00%	\$0
cust. install.	\$0	cc	0.00%	\$0	0.00%	\$0	0.00%	\$0
misc.	\$8,882	ff	41.89%	\$3,720	52.16%	\$4,632	5.96%	\$529
maint - struct. & improv.	\$129	ff	41.89%	\$54	52.16%	\$67	5.96%	\$8
maint.- res & stdp	\$40,382	dd	0.00%	\$0	0.00%	\$0	100.00%	\$40,382
maint. - mains	\$577,702	bb	44.50%	\$257,077	55.50%	\$320,625	0.00%	\$0
maint. - service	\$0	cc	0.00%	\$0	0.00%	\$0	0.00%	\$0
maint. - meters	\$0	cc	0.00%	\$0	0.00%	\$0	0.00%	\$0
maint. - hydrants	\$449	aa	100.00%	\$449	0.00%	\$0	0.00%	\$0
construction labor	(\$4,367)	ff	41.89%	(\$1,829)	52.16%	(\$2,278)	5.96%	(\$260)
CUSTOMER ACCOUNT								
labor- meter read	\$0	cc	0.00%	\$0	0.00%	\$0	0.00%	\$0
cust record labor	\$0	cc	0.00%	\$0	0.00%	\$0	0.00%	\$0
cust records exp	\$0	cc	0.00%	\$0	0.00%	\$0	0.00%	\$0
meter read supplies	\$0	cc	0.00%	\$0	0.00%	\$0	0.00%	\$0
W/P Reimbursement	\$0	cc	0.00%	\$0	0.00%	\$0	0.00%	\$0
ADMIN. & GENERAL								
salaries	\$300,095	gg	85.56%	\$256,756	13.33%	\$39,993	1.11%	\$3,346
office supplies & expenses	\$97,600	gg	85.56%	\$83,505	13.33%	\$13,007	1.11%	\$1,088
insurance (property/liability)	\$99,381	gg	85.56%	\$85,029	13.33%	\$13,244	1.11%	\$1,108
Insurance (worker's comp)	\$25,412	ll	39.96%	\$10,155	30.93%	\$7,860	29.11%	\$7,397
injuries & damages	\$231	gg	85.56%	\$198	13.33%	\$31	1.11%	\$3
employee benefits	\$455,320	hh	67.99%	\$309,582	30.54%	\$139,043	1.47%	\$6,695
fees	\$25,189	gg	85.56%	\$21,551	13.33%	\$3,357	1.11%	\$281
maint. - plant	\$164,089	gg	85.56%	\$140,392	13.33%	\$21,868	1.11%	\$1,829
maint. - vehicles	\$86,472	gg	85.56%	\$73,984	13.33%	\$11,524	1.11%	\$964
miscellaneous	\$20,755	gg	85.56%	\$17,758	13.33%	\$2,766	1.11%	\$231
vacation, holiday, sick	\$158,466	hh	67.99%	\$107,744	30.54%	\$48,391	1.47%	\$2,330
regul. exp.	\$90,911	gg	85.56%	\$77,782	13.33%	\$12,116	1.11%	\$1,014
other	\$0	gg	85.56%	\$0	13.33%	\$0	1.11%	\$0
outside service	\$103,535	gg	85.56%	\$88,583	13.33%	\$13,798	1.11%	\$1,154
SUBTOTAL O&M	\$7,655,500	gg	89.46%	\$6,848,573	9.65%	\$738,416	0.89%	\$68,510

ALLOCATION OF GENERAL WATER EXPENSES TO
BASE AND EXTRA CAPACITY

EXPENSE ITEM	TOTAL	ALLOC. SYMBOL (1)	BASE		EXTRA CAP.-MAX DAY		EXTRA CAP.-PEAK HR	
	GEN'L WATER		%	AMOUNT	%	AMOUNT	%	AMOUNT
FIXED CHARGES								
Debt Service	\$3,180,748	jj	44.82%	\$1,425,587	53.86%	\$1,712,997	1.33%	\$42,165
O&M Reserve	\$163,821	gg	85.56%	\$140,162	13.33%	\$21,832	1.11%	\$1,826
R&R Reserve	\$161,775	jj	44.82%	\$72,506	53.86%	\$87,124	1.33%	\$2,145
Renewal & Replacement - Equi	\$80,887	jj	44.82%	\$36,253	53.86%	\$43,562	1.33%	\$1,072
Infrastructure Replacement	\$6,000,000	ii	44.82%	\$2,689,154	53.86%	\$3,231,309	1.33%	\$79,538
Payroll Taxes	\$92,024	hh	67.99%	\$62,569	30.54%	\$28,102	1.47%	\$1,353
PILOT	\$18,740	ll	39.96%	\$7,489	30.93%	\$5,796	29.11%	\$5,455
SUBTOTAL FIXED	\$9,697,995			\$4,433,719	52.90%	\$5,130,721	1.38%	\$133,554
OPERATING REVENUE	\$527,153	kk	65.01%	\$342,726	33.82%	\$178,289	1.16%	\$6,138
TOTAL EXPENSES	\$17,880,648	kk	65.01%	\$11,625,019	33.82%	\$6,047,426	1.16%	\$208,203
Less: Available Restricted Deb	\$0	jj	44.82%	\$0	53.86%	\$0	1.33%	\$0
Miscellaneous Income	(\$156,402)	kk	65.01%	(\$101,684)	33.82%	(\$52,897)	1.16%	(\$1,821)
Interest Income	(\$98,170)	kk	65.01%	(\$63,825)	33.82%	(\$33,202)	1.16%	(\$1,143)
Merchand & Jobbing	(\$2,079)	kk	65.01%	(\$1,351)	33.82%	(\$703)	1.16%	(\$24)
6.9% of Water Prot Fee	(\$52,222)	kk	65.01%	(\$33,952)	33.82%	(\$17,662)	1.16%	(\$608)
	=====			=====		=====		=====
Total Revenue Requirement	\$17,571,776	kk	65.01%	\$11,424,207	33.82%	\$5,942,963	1.16%	\$204,606

(1) SeeSch. 6B

**ALLOCATION OF GENERAL WATER LABOR EXPENSE TO
BASE AND EXTRA CAPACITY**

EXPENSE ITEM	TOTAL	ALLOC. SYMBOL (1)	BASE	EXTRA CAP.-MAX DAY	EXTRA CAP.-PEAK HR			
	GEN'L WATER		%			AMOUNT	%	AMOUNT
PUMPING OPERATIONS								
labor-pumping	\$58,910	pp	55.60%	\$32,754	44.40%	\$26,156	0.00%	\$0
maint. - structures & improv	\$27,444	pp	55.60%	\$15,259	44.40%	\$12,185	0.00%	\$0
maint. - equip	\$22,556	pp	55.60%	\$12,541	44.40%	\$10,015	0.00%	\$0
WATER TREATMENT								
labor	\$79,779	aa	100.00%	\$79,779	0.00%	\$0	0.00%	\$0
TRANS & DISTR. EXPENSE								
labor	\$25,296	bb	44.50%	\$11,257	55.50%	\$14,039	0.00%	\$0
maint. - res & stdp	\$9,569	dd	0.00%	\$0	0.00%	\$0	100.00%	\$9,569
maint. - mains	\$322,301	bb	44.50%	\$143,424	55.50%	\$178,877	0.00%	\$0
maint. - hydrants	\$228	aa	100.00%	\$228	0.00%	\$0	0.00%	\$0
CUSTOMER ACCOUNT								
labor- meter read	\$0	cc	0.00%	\$0	0.00%	\$0	0.00%	\$0
cust record labor	\$0	cc	0.00%	\$0	0.00%	\$0	0.00%	\$0
cust records exp	\$0	cc	0.00%	\$0	0.00%	\$0	0.00%	\$0
meter read supplies	\$0	cc	0.00%	\$0	0.00%	\$0	0.00%	\$0
uncollectible	\$0	cc	0.00%	\$0	0.00%	\$0	0.00%	\$0
ADMIN. & GENERAL								
salaries	\$299,227	gg	85.56%	\$256,014	13.33%	\$39,878	1.11%	\$3,336
employee benefits	\$4,254	hh	67.99%	\$2,892	30.54%	\$1,299	1.47%	\$63
maint. - plant	\$105,044	gg	85.56%	\$89,873	13.33%	\$13,999	1.11%	\$1,171
maint. - vehicles	\$16,162	gg	85.56%	\$13,828	13.33%	\$2,154	1.11%	\$180
miscellaneous	\$12,511	gg	85.56%	\$10,704	13.33%	\$1,667	1.11%	\$139
vacation, holiday, sick	\$203,546	hh	67.99%	\$138,395	30.54%	\$62,158	1.47%	\$2,993
TOTAL LABOR	\$1,186,828	hh	67.99%	\$806,949	30.54%	\$362,427	1.47%	\$17,451

(1) See Sch 6B

ALLOCATION SYMBOLS - GENERAL WATER

ALLOCATION SYMBOL	BASE %	EXTRA CAPACITY		TOTAL
		MAX DAY %	PEAK HOUR %	
aa	100.00%	0.00%	0.00%	100.00% Supply & Treatment
bb	44.50%	55.50%	0.00%	100.00% T&D Mains
cc	0.00%	0.00%	0.00%	0.00% Meters
dd	0.00%	0.00%	100.00%	100.00% Storage
ee	0.00%	0.00%	0.00%	0.00% Not Used
ff	41.89%	52.16%	5.96%	100.00% Misc. T&D
gg	85.56%	13.33%	1.11%	100.00% Direct O&M plus 50% Purch Water
hh	67.99%	30.54%	1.47%	100.00% Labor
ii	44.82%	53.86%	1.33%	100.00% IFR - same as capital
jj	44.82%	53.86%	1.33%	100.00% Deb/Capital
kk	65.01%	33.82%	1.16%	100.00% All Expenses
ll	39.96%	30.93%	29.11%	100.00% PILOT
pp	55.60%	44.40%	0.00%	100.00% Pumping Facilities

Symbol bb

	Gal/Min	%
Average Day	6,469	44.48%
Max Day Increment	8,075	55.52%
Maximum Day	14,544	100.00%

Symbol jj

Item	Amount (1)	Symbol	BASE	EXTRA CAPACITY	
				MAX DAY	PEAK HOUR
Source of Supply	\$2,985,703	aa	\$2,985,703	\$0	\$0
Pumping Plant	\$3,145,522	pp	\$1,748,910	\$1,396,612	\$0
Water Treat. Plant	\$403,940	aa	\$403,940	\$0	\$0
T&D Storage	\$3,252,684	dd	\$0	\$0	\$3,252,684
T&D Mains	\$235,580,445	bb	\$104,833,298	\$130,747,147	\$0
T&D Hydrants	\$581	aa	\$581	\$0	\$0
T&D Meters	\$0	cc	\$0	\$0	\$0
General Plant	\$551,986	jj	\$247,396	\$297,273	\$7,317
Total	\$245,920,862		\$110,219,829	\$132,441,031	\$3,260,001
Percent			44.82%	53.86%	1.33%

(1) See Sch. 3B

Symbol ll

Item	Amount (1)	Symbol	BASE	EXTRA CAPACITY	
				MAX DAY	PEAK HOUR
Storage	\$5,443	dd	\$0	\$0	\$5,443
Office	\$1,016	kk	\$661	\$344	\$12
PS/Wells	\$12,281	pp	\$6,828	\$5,453	\$0
Total	\$18,740		\$7,489	\$5,796	\$5,455
Percent			39.96%	30.93%	29.11%

(1) See Sch. 3B

Symbol pp

Item	%	Symbol	BASE	EXTRA CAPACITY	
				MAX DAY	PEAK HOUR
Supply Wells	20.00%	aa	20.00%	0.00%	0.00%
Distribution	80.00%	bb	35.60%	44.40%	0.00%
Total	1	pp	55.60%	44.40%	0.00%

**ALLOCATION OF GENERAL WATER EXPENSES
TO CUSTOMER CLASSES**

Class Demands

CUSTOMER CLASS	AVERAGE DEMANDS		MAX DAY EXTRA CAPACITY			
	(GALS/DAY)	PERCENT	FACTOR [1]	OTAL GAL/DAY	XTRA GAL/DAY	PERCENT
Small	6,845,278	89.54%	2.7	18,482,249	11,636,972	96.04%
Medium	266,138	3.48%	2	532,276	266,138	2.20%
Large	<u>533,423</u>	<u>6.98%</u>	1.4	<u>746,792</u>	<u>213,369</u>	<u>1.76%</u>
Total	7,644,839	100.00%		19,761,318	12,116,479	100.00%

CUSTOMER CLASS	AVERAGE DEMANDS		PEAK HOUR EXTRA CAPACITY			
	(GALS/DAY)	PERCENT	FACTOR	OTAL GAL/DAY	XTRA GAL/DAY	PERCENT
Small	6,845,278	89.54%	3.4	23,273,944	4,791,694	95.74%
Medium	266,138	3.48%	2.4	638,731	106,455	2.13%
Large	<u>533,423</u>	<u>6.98%</u>	1.6	<u>853,477</u>	<u>106,685</u>	<u>2.13%</u>
Total	7,644,839	100.00%		24,766,152	5,004,834	100.00%

[1] - Described in the April, 1992 Cost of Service Study and as used in the Dockets # 2098, 2555, and 3660

Allocation of Costs to Classes

CUSTOMER CLASS	BASE COSTS		MAX. DAY EXTRA CAPACITY		PEAK HR. EXTRA CAPACITY		TOTAL AMOUNT
	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	
Small	89.54%	\$10,229,368	96.04%	\$5,707,771	95.74%	\$195,893	\$16,133,031
Medium	3.48%	\$397,708	2.20%	\$130,537	2.13%	\$4,352	\$532,597
Large	<u>6.98%</u>	<u>\$797,131</u>	<u>1.76%</u>	<u>\$104,655</u>	<u>2.13%</u>	<u>\$4,361</u>	<u>\$906,147</u>
Total	100.00%	\$11,424,207	100.00%	\$5,942,963	100.00%	\$204,606	\$17,571,776

METERED WATER RATESSmall (5/8-2" meters)

Total Expense (2)	\$16,133,031	=		=	
-----	-----				\$4.8300
Metered Sales (HCF) (1)	3,340,276				

Medium (3&4" meters)

Total Expense (2)	\$532,597	=		=	
-----	-----				\$4.1010
Metered Sales (HCF) (1)	129,867				

Large (6" & up meters)

Total Expense (2)	\$906,147	=		=	
-----	-----				\$3.4810
Metered Sales (HCF) (1)	260,293				

(1) See CPNW Sch 2

(2) See CPNW Sch 7

COMPARISON TO CURRENT RATES

		<u>Current</u>	<u>Proposed</u>	<u>% Change</u>
<u>Metered Rates</u>				
	Small (5/8-2" meters)	\$3.790	\$4.830	27.44%
	Medium (3&4" meters)	\$3.210	\$4.101	27.76%
	Large (6" & up meters)	\$2.721	\$3.481	27.93%
<u>Service Charges</u>				
Quarterly	5/8 & 3/4	\$8.20	\$9.72	18.54%
	1	\$9.84	\$12.85	30.59%
	1 1/2	\$12.92	\$18.72	44.89%
	2	\$15.58	\$23.81	52.82%
	3	\$19.07	\$30.46	59.73%
	4	\$25.84	\$43.38	67.88%
	6	\$40.82	\$71.95	76.26%
	8 & up	\$66.87	\$121.66	81.94%
Monthly	5/8 & 3/4	\$6.83	\$7.11	4.10%
	1	\$7.38	\$8.15	10.43%
	1 1/2	\$8.40	\$10.11	20.36%
	2	\$9.29	\$11.81	27.13%
	3	\$10.46	\$14.03	34.13%
	4	\$12.71	\$18.33	44.22%
	6	\$17.70	\$27.85	57.34%
	8 & up	\$26.39	\$44.42	68.32%
<u>Fire Service (per quarter)</u>				
Public	/hydrant	\$118.39	\$129.87	9.70%
	/bill	\$6.15	\$5.81	-5.53%
Private (per quarter)				
	4 in	\$51.67	\$52.00	0.64%
	6 in	\$135.98	\$140.00	2.96%
	8 in	\$280.57	\$291.77	3.99%
	10 in	\$500.15	\$520.07	3.98%
	12 in	\$803.32	\$836.49	4.13%
	hydrant	\$135.98	\$140.00	2.96%

IMPACT OF PROPOSED RATES

METER SIZE	QUARTERLY USE - CU FT	CURRENT RATES	←----- PROPOSED ----->		
			NEW BILL	\$ INCREASE	% INCREASE
Small					
5/8	2,000	\$84.00	\$106.32	\$22.32	26.6%
5/8	2,500	\$102.95	\$130.47	\$27.52	26.7%
5/8	2,730	\$111.67	\$141.58	\$29.91	26.8%
5/8	3,500	\$140.85	\$178.77	\$37.92	26.9%
5/8	4,000	\$159.80	\$202.92	\$43.12	27.0%
5/8	5,000	\$197.70	\$251.22	\$53.52	27.1%
5/8	6,000	\$235.60	\$299.52	\$63.92	27.1%
5/8	6,666	\$260.84	\$331.69	\$70.85	27.2%
5/8	8,000	\$311.40	\$396.12	\$84.72	27.2%
5/8	10,000	\$387.20	\$492.72	\$105.52	27.3%
5/8	12,000	\$463.00	\$589.32	\$126.32	27.3%
5/8	14,000	\$538.80	\$685.92	\$147.12	27.3%
5/8	15,000	\$576.70	\$734.22	\$157.52	27.3%
5/8	20,000	\$766.20	\$975.72	\$209.52	27.3%
5/8	25,000	\$955.70	\$1,217.22	\$261.52	27.4%
1	30,000	\$1,146.84	\$1,461.85	\$315.01	27.5%
1	40,000	\$1,525.84	\$1,944.85	\$419.01	27.5%
1	46,666	\$1,778.48	\$2,266.82	\$488.34	27.5%
1	75,000	\$2,852.34	\$3,635.35	\$783.01	27.5%
2	100,000	\$3,805.58	\$4,853.81	\$1,048.23	27.5%
2	200,000	\$7,595.58	\$9,683.81	\$2,088.23	27.5%
2	300,000	\$11,385.58	\$14,513.81	\$3,128.23	27.5%
2	400,000	\$15,175.58	\$19,343.81	\$4,168.23	27.5%
2	600,000	\$22,755.58	\$29,003.81	\$6,248.23	27.5%
Medium					
3	200,000	\$6,439.07	\$8,232.46	\$1,793.39	27.9%
3	400,000	\$12,859.07	\$16,434.46	\$3,575.39	27.8%
3	600,000	\$19,279.07	\$24,636.46	\$5,357.39	27.8%
4	800,000	\$25,705.84	\$32,851.38	\$7,145.54	27.8%
4	1,000,000	\$32,125.84	\$41,053.38	\$8,927.54	27.8%
4	1,200,000	\$38,545.84	\$49,255.38	\$10,709.54	27.8%
Large					
6	400,000	\$10,924.82	\$13,995.95	\$3,071.13	28.1%
6	600,000	\$16,366.82	\$20,957.95	\$4,591.13	28.1%
6	800,000	\$21,808.82	\$27,919.95	\$6,111.13	28.0%
6	1,200,000	\$32,692.82	\$41,843.95	\$9,151.13	28.0%
6	1,333,333	\$36,320.81	\$46,485.27	\$10,164.46	28.0%
8	2,000,000	\$54,486.87	\$69,741.66	\$15,254.79	28.0%
8	5,000,000	\$136,116.87	\$174,171.66	\$38,054.79	28.0%
8	10,000,000	\$272,166.87	\$348,221.66	\$76,054.79	27.9%
8	24,000,000	\$653,106.87	\$835,561.66	\$182,454.79	27.9%
Municipal Fire Service	300 hydrants	\$35,523.15	\$38,966.81	\$3,443.66	9.7%
Private Fire Service	6 Inch Service	\$135.98	\$140.00	\$4.02	3.0%

REVENUE RECONCILIATION

Service Charge:		<----- Current ----->		<----- Proposed ----->	
Quarterly	Number	Rate	Revenue	Rate	Revenue
5/8 & 3/4	88,584	\$8.20	\$726,389	\$9.72	\$861,036
1	14,292	\$9.84	\$140,633	\$12.85	\$183,652
1 1/2	1,280	\$12.92	\$16,538	\$18.72	\$23,962
2	2,120	\$15.58	\$33,030	\$23.81	\$50,477
3	76	\$19.07	\$1,449	\$30.46	\$2,315
4	288	\$25.84	\$7,442	\$43.38	\$12,493
6	304	\$40.82	\$12,409	\$71.95	\$21,873
8 & up	244	\$66.87	\$16,316	\$121.66	\$29,685
Monthly					
5/8 & 3/4	24	\$6.83	\$164	\$7.11	\$171
1	12	\$7.38	\$89	\$8.15	\$98
1 1/2	96	\$8.40	\$806	\$10.11	\$971
2	144	\$9.29	\$1,338	\$11.81	\$1,701
3	0	\$10.46	\$0	\$14.03	\$0
4	72	\$12.71	\$915	\$18.33	\$1,320
6	72	\$17.70	\$1,274	\$27.85	\$2,005
8 & up	48	\$26.39	\$1,267	\$44.42	\$2,132
Consumption Charge:	100/cu.ft.				
Proposed					
Small (5/8-2" meters)	3,340,276	\$3.79	\$12,659,645	\$4.83	\$16,133,532
Medium (3&4" meters)	129,867	\$3.21	\$416,873	\$4.10	\$532,584
Large (6" & up meters)	260,293	\$2.72	\$708,258	\$3.48	\$906,081
Fire Protection:					
Public Hydrants	2,336	\$473.56	\$1,106,236	\$519.48	\$1,213,505
# bills	52	\$6.15	\$320	\$5.81	\$302
Private Fire Protection					
4 in	15	\$206.68	\$3,100	\$208.00	\$3,120
6 in	104	\$543.92	\$56,568	\$560.00	\$58,240
8 in	27	\$1,122.28	\$30,302	\$1,167.08	\$31,511
10 in	1	\$2,000.60	\$2,001	\$2,080.28	\$2,080
12 in	1	\$3,213.28	\$3,213	\$3,345.96	\$3,346
hydrant	148	\$543.92	\$80,500	\$560.00	\$82,880
			=====		=====
Total			\$16,027,075		\$20,161,073
Plus: Misc Revenues			\$347,912		\$347,912
			=====		=====
Pro Forma Revenue			\$16,374,987		\$20,508,985
Required Revenue			\$20,508,095		\$20,508,095
Difference			-4,133,108		890
					0.00%
Increase in Revenues					\$4,133,998
Increase in Rate Revenues					\$4,133,998
Percent Increase in Total Revenues					25.25%
Percent increase in Rate Revenues					25.79%

SUMMARY OF COST OF SERVICE

	<u>Test Year</u>	<u>Adjustments</u>	<u>Rate Year</u>
Revenues			
Service Charges	\$960,059	\$233,832	\$1,193,890
Metered Rates	\$13,784,776	\$3,787,421	\$17,572,197
Fire Protection	\$1,282,239	\$112,745	\$1,394,985
Miscellaneous	<u>\$347,912</u>	<u>\$0</u>	<u>\$347,912</u>
<i>Total Revenue</i>	\$16,374,987	\$4,133,998	\$20,508,985
Expenses			
<u>O&M</u>			
Supply	\$3,658,536	\$614,382	\$4,272,918
Pumping	\$667,868	\$112,612	\$780,480
Treatment	\$207,829	\$133,479	\$341,308
T&D	\$1,409,859	(\$162,111)	\$1,247,748
Customer	\$286,602	\$20,624	\$307,226
Admin	<u>\$2,054,697</u>	<u>\$279,776</u>	<u>\$2,334,473</u>
Total O&M	\$8,285,390	\$998,762	\$9,284,153
<u>Fixed Charges</u>			
Debt Service	\$3,901,944	\$30,375	\$3,932,319
Reserves and Coverage	\$0	\$411,372	\$411,372
Renewal & Replacement	\$100,000	\$0	\$100,000
Infrastructure Replacement	\$4,004,478	\$1,995,522	\$6,000,000
Payroll Taxes	\$138,876	\$13,637	\$152,513
PILOT	<u>\$23,123</u>	<u>\$0</u>	<u>\$23,123</u>
Total Fixed	\$8,168,421	\$2,450,906	\$10,619,327
<u>Operating Revenue</u>	<u>\$0</u>	<u>\$604,615</u>	<u>\$604,615</u>
<i>Total Expenses</i>	\$16,453,811	\$4,054,283	\$20,508,095

ALTERNATIVE SEASONAL RATE

Allocation of Costs to Classes (Sch. 7)

CUSTOMER CLASS	BASE COSTS		MAX. DAY EXTRA CAPACITY		PEAK HR. EXTRA CAPACITY		TOTAL
	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	AMOUNT
Small	89.54%	\$10,229,368	96.04%	\$5,707,771	95.74%	\$195,893	\$16,133,031
Medium	3.48%	\$397,708	2.20%	\$130,537	2.13%	\$4,352	\$532,597
Large	6.98%	\$797,131	1.76%	\$104,655	2.13%	\$4,361	\$906,147
Total	100.00%	\$11,424,207	100.00%	\$5,942,963	100.00%	\$204,606	\$17,571,776

Billing By Quarter (cubic feet)

	Jul - Sep	Oct - Dec	Jan - Mar	Apr - June	Total
Small (5/8-2" meters)	1,092,828	891,352	649,691	700,480	3,334,351
Medium (3&4" meters)	42,419	31,441	24,199	31,318	129,377
Large (6" & up meters)	88,862	67,667	51,088	60,860	268,478
Total	1,224,109	990,461	724,978	792,658	3,732,206
% of Total	32.8%	26.5%	19.4%	21.2%	

Clariant Corp. Adjustment

Acct 114730-medium	3,870	4,020	3,770	3,790	15,450
Acct 11403 -large	14,475	13,795	10,815	8,830	47,915
Acct 115436-small	4,023	4,101	2,677	2,115	12,915
Acct 115435-small	3,406	3,624	5,871	6,407	19,307
Acct 11402-large	13,715	14,945	19,895	17,425	65,980
	39,489	40,484	43,028	38,567	161,567

Summary of Adjustment

Small	7,429	7,724	8,548	8,522	32,222
Medium	3,870	4,020	3,770	3,790	15,450
Large	28,190	28,740	30,710	26,255	113,895

ALTERNATIVE SEASONAL RATE

	<---- Variable Alternative ---->			Uniform Alt. Total
	Small	Medium	Large	
Seasonal Surcharge				
Maximum Day Costs				
Percent	5.00%	8.50%	12.50%	
Amount	\$285,389	\$11,096	\$13,082	\$309,566
Peak Hour Costs				
Percent	50.00%	50.00%	50.00%	
Amount	\$97,946	\$2,176	\$2,181	\$102,303
Surcharge set to equal percentage of Peak Hour Costs =				
Plus Percentage of Maximum Day Costs =				
Amount of Surcharge =	\$383,335	\$13,272	\$15,263	\$411,869
Summer Period Billings (100 cu ft) =	1,092,828	42,419	88,862	1,224,109
Surcharge (\$/100 cu ft)	\$0.351	\$0.313	\$0.172	\$0.336

A. Adjustment to Non-seasonal Rates - Variable						
CUSTOMER CLASS	ORIGINAL ALLOCATION	LESS SURCH. REVENUES *	REVISED ALLOCATION	SALES (100 CU FT)	BASE RATE (\$/100 CU FT)	
Small	\$16,133,031	\$383,583	\$15,749,449	3,334,351	\$4.724	
Medium	\$532,597	\$13,277	\$519,320	129,377	\$4.015	
Large	\$906,147	\$15,284	\$890,863	268,478	\$3.319	
Total	\$17,571,776	\$412,144	\$17,159,632			
* Based on rate rounded to nearest \$0.001						
Alternative Seasonal Metered Rates - Variable						
Metered Rates	Current Cost of Service		Jul - Sep	Seasonal Alternative		
				Base	\$ Diff.	% Diff
Small (5/8-2" meters)	\$3.790	\$4.830	\$5.075	\$4.724	\$0.351	7.43%
Medium (3&4" meters)	\$3.210	\$4.101	\$4.328	\$4.015	\$0.313	7.80%
Large (6" & up meters)	\$2.721	\$3.481	\$3.491	\$3.319	\$0.172	5.18%

B. Adjustment to Non-seasonal Rates - Uniform - NOT RECOMMENDED						
CUSTOMER CLASS	ORIGINAL ALLOCATION	LESS SURCH. REVENUES *	REVISED ALLOCATION	SALES (100 CU FT)	BASE RATE (\$/100 CU FT)	
Small	\$16,133,031	\$367,190	\$15,765,841	3,334,351	\$4.729	
Medium	\$532,597	\$14,253	\$518,345	129,377	\$4.007	
Large	\$906,147	\$29,858	\$876,289	268,478	\$3.264	
Total	\$17,571,776	\$411,301	\$17,160,475			
* Based on rate rounded to nearest \$0.001						
Alternative Seasonal Metered Rates - Uniform						
Metered Rates	Current Cost of Service		Jul - Sep	Seasonal Alternative		
				Base	\$ Diff.	% Diff
Small (5/8-2" meters)	\$3.790	\$4.830	\$5.065	\$4.729	\$0.336	7.11%
Medium (3&4" meters)	\$3.210	\$4.101	\$4.343	\$4.007	\$0.336	8.39%
Large (6" & up meters)	\$2.721	\$3.481	\$3.600	\$3.264	\$0.336	10.29%