

GENERAL RATE FILING

**DIRECT TESTIMONY & EXHIBIT
OF DAVID M. FOX**

January 2018

Submitted to:
State of Rhode Island and Providence
Plantations Public Utilities Commission

RIPUC Docket No.

Submitted by

SUEZ Water Rhode Island Inc.

**PREFILED TESTIMONY OF
David M. Fox**

1
2
3

4 **Q: Please state your name and business address?**

5 A: My name is David M. Fox and my business address is 20 Main St. Suite 301, Natick, MA 01760.

6

7 **Q: By whom are you employed and in what capacity?**

8 A: I am a Manager of Raftelis Financial Consultants, Inc. a nation-wide consulting firm special-
9 izing in water and wastewater rate and financial planning studies.

10 **Prior Experience**

11 **Q: Please describe your qualifications and experience.**

12 A: I have an undergraduate degree in Economics from Coastal Carolina University in Conway,
13 SC and a master's degree in Economics from Clemson University in Clemson, SC. After grad-
14 uating in 2009, I was employed by Raftelis Financial Consultants, Inc. (Raftelis). Over the
15 course of my career, I have worked on approximately 100 water and wastewater rate and
16 financial studies within the United States. I have also had the opportunity to work on nu-
17 merous financial feasibility studies in support of revenue bond issues, capital program fi-
18 nancing support, customer rate affordability analyses, utility valuations studies, and rate
19 benchmarking surveys. I currently lead Raftelis' New England efforts based out of our office
20 in Natick, MA.

21

22 **Q: Do you belong to any professional organizations or committees?**

23 A: Yes, I am a member of the American Water Works Association, the New England Water
24 Works Association, Massachusetts Water Works Association, and the Rhode Island Water
25 Works Association. I also sit on the Financial Management Committee of the New England
26 Water Works Association. For the American Water Works Association, I also contributed to
27 the most recent (7th edition) of the M1 Manual on rates – *Principles of Water Rates, Fees,*
28 *and Charges.*

1

2 **Q: Have you previously been involved in matters before state regulatory commissions on**
3 **rate related matters?**

4 A: Yes. I have testified, submitted, or prepared expert cost of service analyses in support of
5 water rate filings at the Massachusetts, New Hampshire, and Maine Public Utilities Commis-
6 sions.

7 **Summary**

8 **Q: What is your role in this proceeding?**

9 A: Working with the staff of SUEZ Water Rhode Island (the Company) I have updated the cost
10 of service allocations and rates. The revenue requirements, rate base and usage data were
11 provided to me by the Company.

12

13 **Q: What was the basis for your cost of service study?**

14 A: In general I followed the base-extra capacity method as outlined in the guidance provided in
15 the most recent edition of the American Water Works Association's M1 Manual of Practice.
16 This is the most widely accepted and used cost allocation method used in the derivation of
17 water rates.

18

19 **Q: Will you summarize your findings and conclusions regarding the WWC's revenue?**

20 A: The Company's requested rate year revenue requirement is \$5.839 million. Revenues at cur-
21 rent rates will provide annual revenues of approximately \$4.789 million. Miscellaneous rev-
22 enues will provide an additional \$24,578 for total revenues of approximately \$4.814 million.
23 As a result; the Company needs to increase its revenues by \$1.025 million, or 21.3%. Based
24 on the cost allocation study included in this filing, the proposed rates and charges change by
25 varying amounts.

26

27 As was the case in the Company's 2011 filing (Docket 4255), the cost of service study indi-
28 cates significant increase in both the public fire service and customers service charges are

1 warranted. The last 7 years have done little to change those results. In Docket 4255, the
2 filing was settled with increases to the public fire service charges and to the service charges
3 less than was indicated by the cost of service study. This is likely the reason those charges
4 are significantly lower than the costs. Given that transitioning to full cost of service based
5 rates would result in a significant shift in revenues, we have proposed phase-in rates that
6 are less than the cost of service for the fire service charges. We have proposed greater than
7 indicated increases to the metered retail rates to offset the phase-in.

9 **Content of Schedules**

10 **Q: Please describe the schedules included with your prefiled direct testimony as Exhibit DMF.**

11 **A:** There are 13 main schedules, several of which include supporting schedules. The schedules
12 included in my exhibit are:

- 13 • **Schedule 1** This schedule presents a summary of the rate year (September 2019) revenue
14 requirements. Along with the supporting schedules that go with it, the values in this
15 schedule are derived from exhibits filed by the Company's other witnesses. Attached to
16 Schedule 1 are five supporting schedules.
 - 17 ○ **Schedule 1A.** This schedule provides a summary of the rate base.
 - 18 ○ **Schedule 1B.** This schedule presents the detail of the rate year operation and
19 maintenance expenses.
 - 20 ○ **Schedule 1C.** This schedule presents the rate year labor expenses that are part of
21 the totals included in Schedule 1B.
 - 22 ○ **Schedule 1D.** This schedule presents the detail of the average rate year plant in
23 service.
 - 24 ○ **Schedule 1E.** This presents the detail of the rate year depreciation expense by
25 plant account.

- 1 • Schedule 2 This schedule presents the units of service including the metered water sales
2 by customer class, the number of meters by size and billing frequency, and the number
3 of private and public fire services by size of connection.
 - 4 ○ Schedule 2A. This schedule presents the derivation of the base, maximum day,
5 and peak hour uses by customer class that are used to allocate costs to the various
6 rate classes.
 - 7 ○ Schedule 2B. This schedule shows the miles of each size pipe and summarizes the
8 amount of unaccounted for water. I have used the length of pipe to allocate un-
9 metered sales (unaccounted for water) between the retail and wholesale (sales
10 for resale) customers.
- 11 • Schedule 3 presents the allocation of the rate year costs to general water service, direct
12 fire protection and to customer service. In subsequent schedules these costs are broken
13 down further. Schedule 3 also has several supporting schedules that, like those in Sched-
14 ule 1, tend to feed into or support the primary schedule.
 - 15 ○ Schedule 3A presents the allocation of the Company's rate year rate base.
 - 16 ○ Schedule 3B presents the allocation of the detailed operation and maintenance
17 expenses to general water service, direct fire protection and to customer service.
 - 18 ○ Schedule 3C presents the allocation of labor costs. This schedule is used to allocate
19 labor related items that cannot be allocated directly.
 - 20 ○ Schedule 3D presents the allocation of the plant in service by plant account to
21 general water service, direct fire protection and to customer service. This is used
22 as the basis to allocate the rate base and other general plant items.
 - 23 ○ Schedule 3E presents the allocation of the detailed annual depreciation expense
24 by plant account to general water service, direct fire protection and to customer
25 service.
 - 26 ○ Schedule 3F contains an explanation for each of the symbols or allocators that
27 were used in the prior schedules as well as the detailed calculations for the basis
28 of allocating non-income taxes presented in Schedule 3.

- 1 • Schedule 4 summarizes the proposed fire protection charges. This includes two support-
2 ing schedules that show the derivation and calculation of the proposed fire service
3 charges.
- 4 ○ Schedule 4A presents the allocation of total fire service expenses to Public Fire
5 Service and to Private Fire Service. The direct fire service allocations are related to
6 public fire hydrants and are derived on Schedule 3. In addition, portions of the
7 general water service allocations are assigned to fire service on Schedule 7. These
8 are split between public fire service and private fire service based on the relative
9 demand potentials using the number and size of connections. As indicated in foot-
10 notes 3 and 4, this schedule also shows that the amount assigned to general water
11 service has been adjusted to lessen the impact on public and private fire service
12 charges.
- 13 ○ Schedule 4B shows the calculation of the proposed public and private fire protec-
14 tion charges. As with other cases before the Commission, the private fire services
15 have been assigned a portion of the costs related to service connections
- 16 • Schedule 5 summarizes the proposed service charges. There are nine supporting sched-
17 ules that present the derivation and calculation of these charges.
- 18 ○ Schedule 5A presents the allocation of the overall customer service revenue re-
19 quirements (from Sch. 3) to two components: Customer Meters (and Services) and
20 Customer Billing. The Customer Meter costs are those related to the customer's
21 water meters and service line connections; these costs are greater for the larger
22 size meters and service lines. The Customer Billing costs are those costs related to
23 meter reading, billing, collection and customer accounting. In general, these costs
24 are dependent on the number of bills and are independent of meter size or water
25 use.
- 26 ○ Schedule 5B presents the allocation of the customer service rate base to the two
27 customer service components.

- 1 ○ Schedule 5C presents the allocation of the customer service operation and maintenance expenses to the two customer service components.
- 2
- 3 ○ Schedule 5D presents the allocation of customer service related labor costs. This
- 4 schedule is used to allocate labor related items that cannot be allocated directly.
- 5 ○ Schedule 5E presents the allocation of the customer service related plant in service by plant account. This is used as the basis to allocate the rate base and other
- 6 general plant items.
- 7
- 8 ○ Schedule 5F presents the allocation of the detailed customer service depreciation
- 9 expense by plant account.
- 10 ○ Schedule 5G contains an explanation for each of the symbols or allocators that
- 11 were used in the prior sub-schedules as well as the detailed calculations for the
- 12 basis of allocating non-income taxes presented in Schedule 5.
- 13 ○ Schedule 5H presents the calculation of equivalent customer meters. This is used
- 14 to allocate the meter and service related costs to the various size meters. The
- 15 equivalents are based on the American Water Work Association's capacity ratios.
- 16 ○ Schedule 5I shows the derivation and calculation of the proposed service charges.
- 17 As shown on this schedule there are two components to the proposed service
- 18 charges: (1) the billing charge and the metering charge. The amount of the metering
- 19 component has been adjusted to reflect that portion of service line costs that
- 20 are recovered through the private fire service charges.
- 21 ● Schedule 6 presents the allocation of general water costs to Base (or average use) and to
- 22 the Extra-Capacity use (maximum day and peak hour demands). Schedule 6 is a summary
- 23 derived from six supporting schedules, and shows the overall revenue requirements from
- 24 general water service.
- 25 ○ Schedule 6A presents the allocation of the general water service rate base to the
- 26 three use categories (base, maximum day and peak hour demands).
- 27 ○ Schedule 6B presents the allocation of the general water service operation and
- 28 maintenance expenses to base, maximum day and peak hour demands.

- 1 ○ Schedule 6C presents the allocation of general water service related labor costs.
2 This schedule is used to allocate labor related items that cannot be allocated di-
3 rectly.
- 4 ○ Schedule 6D presents the allocation of the general water service related plant in
5 service by plant account. This is used as the basis to allocate the rate base and
6 other general plant items to base, maximum day and peak hour demands.
- 7 ○ Schedule 6E presents the allocation of the detailed customer service depreciation
8 expense by plant account.
- 9 ○ Schedule 6F contains an explanation for each of the symbols or allocators that
10 were used in the prior sub-schedules as well as the detailed calculations for the
11 basis of allocating non-income taxes presented in Schedule 6 and the allocation of
12 costs related to meeting the extra capacity demands.
- 13 ● Schedule 7 presents the allocation of the general water service base, maximum day and
14 peak hour costs to various customer classes. The first allocation is the assignment of costs
15 related to meeting fire demands. These are based on the percentage share of each cate-
16 gory based on the relative shares presented in Schedule 2A. The remaining (non-fire)
17 costs are next allocated to wholesale (or sales for resale) service. This allocation takes into
18 account the responsibility for unaccounted for (unmetered) water. As I will discuss later,
19 we have proposed several adjustments to phase-in the cost of service based rates. These
20 are also presented on Schedule 7. With these adjustments, the remaining net costs are
21 assigned to the retail customers, again based on relative proportions of use and demand
22 as presented in Schedule 2A.
- 23 ● Schedule 8 presents the calculation of the proposed retail and wholesale metered rates
24 for each rate class. These calculations are based on the various costs assigned in Schedule
25 7.
- 26 ● Schedule 9 presents a summary of the cost of service calculated rates, without any of the
27 aforementioned adjustments. These rates are not being proposed by the Company, but
28 are shown for transparency purposes.

- 1 • Schedule 10 presents a summary of the existing fire protection charges versus the unad-
2 justed cost of service based fire protection charges. The magnitude of the impacts on
3 these charges are the primary reason for making adjustments to mitigate rate shock and
4 significant revenue reallocation. This result is not unexpected since the current rates were
5 adjusted from the cost of service study prepared in 2011 to reduce the indicated changes.
6 The Company is proposing a further adjustment in the interest of gradualism in rate
7 changes.
- 8 • Schedule 11 presents a summary of the current rates and charges and the proposed rates
9 and charges including the proposed adjustments.
- 10 • Schedule 12 presents the impact of the proposed rates and charges on various types of
11 customers.
- 12 • Schedule 13 contains the proof of revenues, showing the annual revenues under the cur-
13 rent and proposed rates. Because the rates are rounded, the proposed rates provide
14 slightly different total revenues from those required.

15

16 **Q: You referenced an adjustment of the cost of service based rates in the last docket involv-**
17 **ing a cost of service study. Please discuss this further.**

18 **A:** In Docket 4255 (in 2011), Christopher P. N. Woodcock of Woodcock & Associates prepared
19 a cost of service study for the Company. That study indicated that the public fire protection
20 charges should more than triple and that the service charges for smaller meters should be
21 increased significantly more than the overall increase of some 43% that was requested. The
22 parties agreed to an adjustment of some of the increases. The public fire hydrant charges
23 were set at \$130 per quarter (\$520/year) rather than the cost of service based charges of
24 \$245 per quarter (\$980/year). As with the public fire service charges, the service charges for
25 5/8 inch meters were also reduced from the cost based amounts of some \$36 per quarter to
26 \$25.62 per quarter.

27

28

1 **Q: Is the company proposing to adopt the cost based rates in this docket?**

2 A: No it is not. Under the cost of service based rates, the public fire charges would increase
3 from the current \$57.50 per month to \$144.38 per month. In order to mitigate this impact, I
4 have suggested an approximately 30% increase in public fire protection instead of the 151%
5 increase indicated by cost of service. I have also recommended a reduced 30% increase in
6 the Company's private fire protection charges. To accomplish this, I have recommended
7 shifting \$552,000 and \$250,000 from public and private fire protection charges, respectively,
8 and moving it to the retail base costs.

9

10 **Q: Are the modifications or subsidies that you are recommending unusual?**

11 A: No, in my opinion they are not. The needs for these adjustments were certainly a consider-
12 ation in the Company's last cost of service based Docket, 4255; and they are still valid. While
13 I believe the Company should continue to move towards cost of service based rates, I believe
14 it is appropriate for the Commission to consider gradualism in the charge of rate structures.

15

16 **Summary**

17 **Q: Does this conclude your testimony?**

18 A: Aside from new information that may be brought to my attention and without reviewing
19 testimony from the Division or other witnesses, yes it does.

SUMMARY RATE YEAR EXPENSES

| | | |
|--------------------------|------------------------|--------------|
| Operation & Maintenance | \$ | 2,514,882 |
| Depreciation | \$ | 905,502 |
| Taxes other than Income | \$ | 549,637 |
| | Total Operating | \$ 3,970,021 |
| Federal Income Tax | \$ | 262,275 |
| Return on Rate Base | \$ | 1,606,426 |
| | Total Revenue Required | \$ 5,838,722 |
| Less: | | |
| Misc. Income/Turn on-off | \$ | 13,880 |
| Other Water Revenues | \$ | 14,346 |
| | Required From Rates | \$ 5,810,496 |

SUMMARY OF RATE BASE

| | |
|--|----------------|
| Average Utility Plant on Service | \$ 36,073,465 |
| Less: | |
| Accumulated Amortization | \$ (8,362,574) |
| Contributions | \$ (3,560,845) |
| Deferred Income Tax | \$ (1,866,387) |
| Regulatory Liability - Tax Rate Change | \$ (1,663,377) |
| Unamortized ITC | \$ (66,926) |
| Unfunded FAS 106 | \$ (666,309) |
| Plus: | |
| Customer Advances | \$ - |
| Materials and Supplies | \$ 202,236 |
| Cash Working Capital | \$ 307,171 |
| Deferred Tank Painting | \$ 58,682 |
| Deferred Rate Case | \$ 87,383 |
| Deferred Operations | \$ - |
| Deferred Acquisitions | \$ - |
| Total Rate Base | \$ 20,542,518 |

RATE YEAR OPERATION & MAINTENANCE EXPENSES

| <u>Expense Item</u> | <u>Rate Year</u> |
|---|-------------------|
| <u>Source of Supply Expenses</u> | |
| <u>Operation</u> | |
| Operation Supervision and Engineering | \$ 76,709 |
| Operation Labor and Expenses | \$ 93,739 |
| Purchased Water | \$ - |
| Miscellaneous Expenses | \$ 636 |
| Rents | \$ - |
| Total Operation | \$ 171,085 |
| <u>Maintenance</u> | |
| Maintenance Supervision and Engineering | \$ 3,228 |
| Maintenance of Structures and Improvements | \$ 612 |
| Maintenance of Wells and Springs | \$ 3,184 |
| Maintenance of Supply Mains | \$ 18,673 |
| Maintenance of Miscellaneous Water Source Plant | \$ 1,165 |
| Total Maintenance | \$ 26,862 |
| Total Source of Supply Expenses | \$ 197,946 |
| <u>Pumping Expenses</u> | |
| <u>Operation</u> | |
| Operation Supervision and Engineering | \$ 738 |
| Fuel for Power Production | \$ 6,757 |
| Power Production Labor & Expenses | \$ 3,964 |
| Fuel or Power Purchased for Production | \$ 296,001 |
| Pumping Labor and Expenses | \$ 74,855 |
| Miscellaneous Expenses | \$ 7,065 |
| Total Operation | \$ 389,379 |
| <u>Maintenance</u> | |
| Maintenance Supervision and Engineering | \$ 2,257 |
| Maintenance of Structures and Improvements | \$ 1,021 |
| Maintenance of Power Production Equipment | \$ 1,961 |
| Maintenance of Pumping Equipment | \$ 25,094 |
| Contractual Services - Testing | \$ 975 |
| Total Maintenance | \$ 31,307 |
| Total Pumping Expenses | \$ 420,686 |
| <u>Source Supply Water Expenses</u> | |
| Contractual Services - Other | \$ 4,099 |
| Total Maintenance | \$ 4,099 |
| Total Source Supply Water Expenses | \$ 4,099 |
| <u>Water Treatment Expenses</u> | |
| <u>Operation</u> | |
| Operation Supervision and Engineering | \$ 1,262 |
| Chemicals | \$ 47,429 |
| Operation Labor and Expenses | \$ 75,606 |
| Miscellaneous Expenses | \$ 40,815 |
| Rents | \$ - |
| Total Operation | \$ 165,112 |
| <u>Maintenance</u> | |
| Maintenance Supervision and Engineering | \$ 18,033 |
| Maintenance of Structures and Improvements | \$ (30,044) |
| Maintenance of Water Treatment Equipment | \$ 9,415 |
| Total Maintenance | \$ (2,595) |
| Total Water Treatment Expenses | \$ 162,517 |

Transmission and Distribution Expenses

| | |
|---|-------------------|
| <u>Operation</u> | |
| Operation Supervision and Engineering | \$ 1,427 |
| Transmission and Distribution Lines Expenses | \$ 140,576 |
| Meter Expenses | \$ 27,373 |
| Miscellaneous Expenses | \$ 139,895 |
| Rents | \$ 2,222 |
| Total Operation | \$ 311,493 |
| <u>Maintenance</u> | |
| Maintenance Supervision and Engineering | \$ 20,547 |
| Maintenance of Structures and Improvements | \$ 34,775 |
| Maintenance of Dist. Reservoirs & Standpipes | \$ 52,831 |
| Maintenance of Trans. & Distribution Mains | \$ 11,935 |
| Maintenance of Fire Mains | \$ - |
| Maintenance of Services | \$ - |
| Maintenance of Meters | \$ - |
| Maintenance of Hydrants | \$ 8,970 |
| Maintenance of Miscellaneous Plant | \$ - |
| Total Maintenance | \$ 129,057 |
| Total Transmission & Distribution Expenses | \$ 440,550 |

Customer Accounts Expenses

| | |
|---|-------------------|
| <u>Operation</u> | |
| Supervision | \$ - |
| Meter Reading Salaries | \$ 96,086 |
| Customer Records & Coll. Expenses-Labor | \$ 334,907 |
| Uncollectible Accounts | \$ 67,990 |
| Miscellaneous Customer Account Expense | \$ 386 |
| Total Customer Accounts Expenses | \$ 499,369 |

Administrative and General Expenses

| | |
|--|---------------------|
| <u>Operation</u> | |
| Administrative and General Salaries | \$ 62,483 |
| Office Supplies and Other Expenses | \$ 65,055 |
| Administrative Expenses Transferred | \$ (418,251) |
| Outside Services Employed | \$ 532,532 |
| Property Insurance | \$ 450 |
| Injuries and Damages | \$ 14,788 |
| Employee Pension and Benefits | \$ 328,282 |
| Regulatory Commission Expenses | \$ 85,289 |
| Miscellaneous General Expenses | \$ 30,172 |
| Rents | \$ 83,746 |
| Total Operation | \$ 784,546 |
| <u>Maintenance</u> | |
| Maintenance of General Plant | \$ 5,168 |
| Total Administrative and General Expenses | \$ 789,714 |
| Total Operation and Maintenance Expenses | \$ 2,514,882 |

TEST YEAR LABOR COSTS

| <u>Expense Item</u> | <u>Test Year</u> |
|---|------------------|
| <u>Source of Supply Expenses</u> | |
| <u>Operation</u> | |
| Operation Supervision and Engineering | \$ 37,524 |
| Operation Labor and Expenses | \$ 36,148 |
| Purchased Water | \$ - |
| Miscellaneous Expenses | \$ - |
| Total Operation | \$ 73,672 |
| <u>Maintenance</u> | |
| Maintenance Supervision and Engineering | \$ - |
| Maintenance of Structures and Improvements | \$ 271 |
| Maintenance of Wells and Springs | \$ - |
| Maintenance of Supply Mains | \$ 752 |
| Maintenance of Miscellaneous Water Source Plant | \$ - |
| Total Maintenance | \$ 1,023 |
| Total Source of Supply Expenses | \$ 74,695 |
| <u>Pumping Expenses</u> | |
| <u>Operation</u> | |
| Operation Supervision and Engineering | \$ - |
| Fuel for Power Production | \$ - |
| Power Production Labor & Exps | \$ 1,558 |
| Fuel or Power Purchased for Production | \$ - |
| Pumping Labor and Expenses | \$ 30,209 |
| Miscellaneous Expenses | \$ - |
| Total Operation | \$ 31,767 |
| <u>Maintenance</u> | |
| Maintenance Supervision and Engineering | \$ - |
| Maintenance of Structures and Improvements | \$ - |
| Maintenance of Power Production Equipment | \$ - |
| Maintenance of Pumping Equipment | \$ 12,696 |
| Contractual Services - Testing | \$ - |
| Total Maintenance | \$ 12,696 |
| Total Pumping Expenses | \$ 44,462 |
| <u>Source Supply Water Expenses</u> | |
| Contractual Services - Other | \$ - |
| Total Maintenance | \$ - |
| Total Source Supply Water Expenses | \$ - |
| <u>Water Treatment Expenses</u> | |
| <u>Operation</u> | |
| Operation Supervision and Engineering | \$ - |
| Chemicals | \$ - |
| Operation Labor and Expenses | \$ 28,911 |
| Miscellaneous Expenses | \$ 8,889 |
| Rents | \$ - |
| Total Operation | \$ 37,800 |
| <u>Maintenance</u> | |
| Maintenance Supervision and Engineering | \$ - |
| Maintenance of Structures and Improvements | \$ - |
| Maintenance of Water Treatment Equipment | \$ 345 |
| Total Maintenance | \$ 345 |
| Total Water Treatment Expenses | \$ 38,145 |

Transmission and Distribution Expenses

| | |
|---|----------------|
| <u>Operation</u> | |
| Operation Supervision and Engineering | \$ - |
| Transmission and Distribution Lines Expenses | \$ 69,765 |
| Meter Expenses | \$ 14,299 |
| Miscellaneous Expenses | \$ 38,413 |
| Rents | \$ 1,254 |
| Total Operation | \$ 123,731 |
| <u>Maintenance</u> | |
| Maintenance Supervision and Engineering | \$ 10,434 |
| Maintenance of Structures and Improvements | \$ 17,317 |
| Maintenance of Dist. Reservoirs & Standpipes | \$ - |
| Maintenance of Trans. & Distribution Mains | \$ 1,692 |
| Maintenance of Fire Mains | \$ - |
| Maintenance of Services | \$ - |
| Maintenance of Meters | \$ - |
| Maintenance of Hydrants | \$ - |
| Maintenance of Miscellaneous Plant | \$ - |
| Total Maintenance | \$ 29,443 |
| Total Transmission & Distribution Expenses | 153,174 |

Customer Accounts Expenses

| | |
|---|-------------------|
| <u>Operation</u> | |
| Supervision | \$ - |
| Meter Reading Salaries | \$ 48,845 |
| Customer Records & Coll. Expenses-Labor | \$ 97,851 |
| Uncollectible Accounts | \$ 34,956 |
| Miscellaneous Customer Account Expense | \$ - |
| Total Customer Accounts Expenses | \$ 181,652 |

Administrative and General Expenses

| | |
|--|-------------------|
| <u>Operation</u> | |
| Administrative and General Salaries | \$ 190,665 |
| Office Supplies and Other Expenses | \$ - |
| Administrative Expenses Transferred | \$ - |
| Outside Services Employed | \$ - |
| Property Insurance | \$ - |
| Injuries and Damages | \$ - |
| Employee Pension and Benefits | \$ - |
| Regulatory Commission Expenses | \$ - |
| Miscellaneous General Expenses | \$ - |
| Rents | \$ - |
| Total Operation | \$ 190,665 |
| <u>Maintenance</u> | |
| Maintenance of General Plant | \$ - |
| Total Administrative and General Expenses | \$ - |
| Total Labor Expenses | \$ 682,794 |

PLANT IN SERVICE - AVG RATE YEAR

| | | |
|--|----|-------------------|
| Plant Held for Future Use | \$ | - |
| INTANGIBLE PLANT | | |
| Organization | \$ | 51,107 |
| Misc. Intangibles | \$ | 93,794 |
| Subtotal | \$ | 144,901 |
| SOURCE OF SUPPLY | | |
| Land & Land Rights | \$ | 27,717 |
| Structures | \$ | 105,260 |
| Wells & Springs | \$ | 567,394 |
| Supply Mains | \$ | 58,771 |
| Struct & Other Source of Supply | \$ | 1,601 |
| Subtotal | \$ | 760,743 |
| PUMPING PLANT | | |
| Land & Land Rights | \$ | 5,601 |
| Structures & Improvements | \$ | 708,032 |
| Electric Pump Equip | \$ | 1,600,025 |
| Other Pump Equip | \$ | 101,513 |
| Subtotal | \$ | 2,415,171 |
| WATER TREATMENT PLANT | | |
| Structures & Improvements | \$ | 9,437 |
| Water Treatment Plant | \$ | 492,038 |
| Subtotal | \$ | 501,475 |
| TRANSMISSION & DISTRIBUTION PLANT | | |
| Land & Land Rights | \$ | 1,862 |
| Structures & Improvements | \$ | 139,985 |
| Distrib Reservoirs & Standpipes | \$ | 7,545,523 |
| Trans. & Dist. Mains | \$ | 13,577,008 |
| Services | \$ | 4,281,555 |
| Meters | \$ | 3,493,702 |
| Hydrants | \$ | 1,131,653 |
| Subtotal | \$ | 30,171,287 |
| GENERAL PLANT | | |
| Structures & Improvements | \$ | 193,272 |
| Leasehold Improvements | \$ | 210,000 |
| Office Furniture and Equipment | \$ | 61,084 |
| Computer Hardware | \$ | 103,713 |
| Computer Software | \$ | 970,847 |
| Transportation Equipment | \$ | 3,451 |
| Tools, Shop & Garage Equip. | \$ | 86,792 |
| Power Operated Equipment | \$ | 15,685 |
| Communication Equipment | \$ | 355,365 |
| Miscellaneous Equipment | \$ | 79,677 |
| Subtotal | \$ | 2,079,888 |
| TOTAL PLANT IN SERVICE | \$ | 36,073,465 |

RATE YEAR DEPRECIATION EXPENSE

| | | |
|-----------------------------------|----|----------|
| Plant Held for Future Use | \$ | - |
| INTANGIBLE PLANT | | |
| Organization | \$ | - |
| Misc. Intangibles | \$ | 8,094 |
| Subtotal | \$ | 8,094 |
| SOURCE OF SUPPLY | | |
| Land & Land Rights | \$ | - |
| Structures | \$ | 2,316 |
| Wells & Springs | \$ | 22,582 |
| Supply Mains | \$ | 1,687 |
| Struct & Other Source of Supply | \$ | 31 |
| Subtotal | \$ | 26,616 |
| PUMPING PLANT | | |
| Land & Land Rights | \$ | - |
| Structures & Improvements | \$ | 15,530 |
| Electric Pump Equip | \$ | 30,337 |
| Other Pump Equip | \$ | 2,081 |
| Subtotal | \$ | 47,948 |
| WATER TREATMENT PLANT | | |
| Structures & improvements | \$ | 217 |
| Water Treatment Plant | \$ | 10,227 |
| Subtotal | \$ | 10,444 |
| TRANSMISSION & DISTRIBUTION PLANT | | |
| Land & Land Rights | \$ | - |
| Structures & Improvements | \$ | 2,324 |
| Distrib Reservoirs & Standpipes | \$ | 221,084 |
| Trans. & Dist. Mains | \$ | 173,878 |
| Services | \$ | 75,235 |
| Meters | \$ | 89,036 |
| Hydrants | \$ | 19,561 |
| Subtotal | \$ | 581,117 |
| GENERAL PLANT | | |
| Structures & Improvements | \$ | 2,802 |
| Leasehold Improvements | \$ | 26,250 |
| Office Furniture and Equipment | \$ | 7,614 |
| Computer Hardware | \$ | 20,763 |
| Computer Software | \$ | 175,783 |
| Transportation Equipment | \$ | 444 |
| Tools, Shop & Garage Equip. | \$ | 2,017 |
| Power Operated Equipment | \$ | 679 |
| Communication Equipment | \$ | 35,566 |
| Miscellaneous Equipment | \$ | 4,621 |
| Subtotal | \$ | 276,540 |
| TOTAL | \$ | 950,760 |
| Less: Contributions | \$ | (45,258) |
| TOTAL DEPRECIATION | \$ | 905,502 |

UNITS OF SERVICEMetered Water Sales

| | |
|--------------------|------------------|
| <u>Residential</u> | <u>100 cu ft</u> |
| 1st Block | 380,814 |
| 2nd Block | <u>124,266</u> |
| Total | 505,080 |

| | |
|------------------------|---------------|
| <u>Non-Residential</u> | |
| Commercial | 268,301 |
| Industrial | 4,703 |
| Public | <u>40,186</u> |
| Total | 313,190 |

| | |
|-------------------------|----------------|
| <u>Sales for resale</u> | |
| Total | <u>392,216</u> |

| | |
|-------------------------|--------------|
| <u>Tank Truck Sales</u> | |
| Total | <u>9,138</u> |

Grand Total 1,219,624

Meters By Size

| <u>Monthly</u> | <u>Residential</u> | <u>Commercial</u> | <u>Industrial</u> | <u>Public</u> | <u>Subtotal</u> | <u>Resale</u> | <u>Total</u> |
|----------------|--------------------|-------------------|-------------------|---------------|-----------------|---------------|--------------|
| 5/8 | 7,305 | 367 | 2 | 28 | 7,702 | | 7,702 |
| 3/4 | 1 | 0 | 0 | 0 | 1 | | 1 |
| 1 | 163 | 124 | 3 | 17 | 307 | | 307 |
| 1 1/2 | 10 | 57 | 0 | 12 | 79 | | 79 |
| 2 | 4 | 127 | 3 | 35 | 169 | | 169 |
| 3 | 0 | 9 | 0 | 3 | 12 | | 12 |
| 4 | 0 | 0 | 1 | 1 | 2 | 1 | 3 |
| 6 | 0 | 5 | 0 | 1 | 6 | | 6 |
| 8 & up | 0 | 2 | 0 | 0 | 2 | | 2 |
| Total | 7,483 | 691 | 9 | 97 | 8,280 | 1 | 8,281 |
| | 8,282 | 0 | 0 | 0 | 8,282 | 1 | 8,283 |

Public Fire Service

Fire Hydrants 660

Private Fire Service

| <u>Size (in)</u> | <u>Total</u> |
|------------------|--------------|
| 2.5 | 8 |
| 3 | 0 |
| 4 | 21 |
| 6 | 149 |
| 8 | 27 |
| 10 | 0 |
| 12 | 1 |
| 16 | 0 |
| | 206 |

UNITS OF SERVICE - CLASS DEMANDS

| CUSTOMER CLASS | AVERAGE DEMANDS | | FACTOR [1] | MAX DAY EXTRA CAPACITY | | % ALL | % RETAIL |
|------------------|-----------------|---------|------------|------------------------|---------------|--------|----------|
| | (GALS/DAY) | PERCENT | | TOTAL GAL/DAY | EXTRA GAL/DAY | | |
| Residential | 1,035,068 | 41.2% | 2.25 | 2,328,904 | 1,293,836 | 32.2% | 41.3% |
| Non-Residential | 641,825 | 25.6% | 1.90 | 1,219,467 | 577,642 | 14.4% | 18.4% |
| Fire Protection | | 0.5% | [2] | 1,260,000 | 1,260,000 | 31.4% | 40.2% |
| Sales for Resale | 803,775 | 32.0% | 2.10 | 1,687,928 | 884,153 | 22.0% | |
| Tank Truck Sales | 18,726 | 0.7% | 1.00 | 18,726 | 0 | 0.0% | |
| Total | 2,499,395 | 100.0% | | 6,515,025 | 4,015,630 | 100.0% | 100.0% |

| CUSTOMER CLASS | AVERAGE DEMANDS | | FACTOR [1] | PEAK HOUR EXTRA CAPACITY | | % ALL | % RETAIL |
|------------------|-----------------|---------|------------|--------------------------|---------------|--------|----------|
| | (GALS/DAY) | PERCENT | | TOTAL GAL/DAY | EXTRA GAL/DAY | | |
| Residential | 1,035,068 | 41.2% | 3.25 | 3,363,973 | 1,035,068 | 19.8% | 19.8% |
| Non-Residential | 641,825 | 25.6% | 2.55 | 1,636,653 | 417,186 | 8.0% | 8.0% |
| Fire Protection | | 0.5% | [2] | 5,040,000 | 3,780,000 | 72.2% | 72.2% |
| Sales for Resale | 803,775 | 32.0% | 2.10 | 1,687,928 | 0 | 0.0% | |
| Tank Truck Sales | 18,726 | 0.7% | 1.00 | 18,726 | 0 | 0.0% | |
| Total | 2,499,395 | 100.0% | | 11,747,279 | 5,232,255 | 100.0% | 100.0% |

[1] based on prior COS analysis (2011 study), rounded.

[2] max day based on 3500 gpm for 6 hours, peak hr at rate of 3500 gpm

Length of Mains

| | <u>Size</u> | <u>Feet</u> | <u>Inch-Miles</u> | | |
|---------------|-------------|-------------|-------------------|-------|-------|
| Service Pipes | | 331,200.0 | | | |
| | 1 | 345.0 | 0.1 | | |
| | 2 | 17,930.0 | 6.8 | | |
| | 3 | 496.0 | 0.3 | | |
| | 4 | 20,434.0 | 15.5 | | |
| | 6 | 249,597.0 | 283.6 | | |
| | 8 | 304,515.0 | 461.4 | | |
| | 10 | 8,312.0 | 15.7 | 82.1% | 62.2% |
| | 12 | 186,354.0 | 423.5 | | |
| | 16 | 17,204.0 | 52.1 | | |
| | 18 | 47.0 | 0.2 | 17.9% | 37.8% |
| Totals | | 1,136,434.0 | 1,259.2 | | |

Unbilled Water (thousand gallons/yr)

| | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>FY 2016</u> | <u>4 Yr Avg</u> <u>1000 gal/yr</u> | <u>ccf/yr</u> |
|----------------|----------------|----------------|----------------|----------------|---------------------------------------|---------------|
| Unbilled Water | 37,811 | 28,933 | 40,023 | 17,092 | 30,965 | 41,394 |

SUMMARY RATE YEAR EXPENSE ALLOCATIONS

| | RATE YR EXPENSE | ALLOC. SYMBOL | GENERAL WATER | | FIRE SERVICE | | CUST. SERVICE | |
|--------------------------|--------------------|-------------------------|---------------|--------------|--------------|------------|---------------|--------------|
| | | | % | AMOUNT | % | AMOUNT | % | AMOUNT |
| Operation & Maintenance | \$ 2,514,882 | Total O&M | 67.4% | \$ 1,696,058 | 0.5% | \$ 11,942 | 32.1% | \$ 806,882 |
| Depreciation | \$ 905,502 | Depreciation | 72.3% | \$ 654,466 | 3.2% | \$ 29,077 | 24.5% | \$ 221,959 |
| Taxes other than Income | \$ 549,637 | Taxes other than Income | 71.6% | \$ 393,333 | 2.8% | \$ 15,318 | 25.7% | \$ 140,986 |
| Total Operating | \$ 3,970,021 | | | \$ 2,743,856 | | \$ 56,337 | | \$ 1,169,828 |
| Federal Income Tax | \$ 262,275 | Rate Base | 72.9% | \$ 191,323 | 3.8% | \$ 9,860 | 23.3% | \$ 61,092 |
| Return on Rate Base | \$ 1,606,426 | Rate Base | 72.9% | \$ 1,171,846 | 3.8% | \$ 60,395 | 23.3% | \$ 374,185 |
| Total Revenue Required | \$ 5,838,722 | | | \$ 4,107,025 | | \$ 126,593 | | \$ 1,605,104 |
| Less: | | | | | | | | |
| Misc. Income/Turn on-off | \$ 13,880 | Misc Revenues | 90.0% | \$ 12,492 | 0.0% | \$ - | 10.0% | \$ 1,388 |
| Other Water Revenues | \$ 14,346 | Misc Revenues | 90.0% | \$ 12,911 | 0.0% | \$ - | 10.0% | \$ 1,435 |
| Required From Rates | \$ 5,810,496 | Total Revenue Required | 70.2% | \$ 4,081,621 | 2.2% | \$ 126,593 | 27.6% | \$ 1,602,282 |

ALLOCATION OF RATE BASE

| | RATE YR EXPENSE | ALLOC. SYMBOL | <u>GENERAL WATER</u> | | <u>FIRE SERVICE</u> | | <u>CUST. SERVICE</u> | |
|--|--------------------|------------------------|----------------------|----------------|---------------------|--------------|----------------------|----------------|
| | | | % | AMOUNT | % | AMOUNT | % | AMOUNT |
| Average Utility Plant on Service | \$ 36,073,465 | Plant Investment | 73.7% | \$ 26,581,126 | 3.3% | \$ 1,206,034 | 23.0% | \$ 8,286,305 |
| Less: | | | | | | | | |
| Accumulated Amortization | \$ (8,362,574) | Rate Base | 72.9% | \$ (6,100,282) | 3.8% | \$ (314,398) | 23.3% | \$ (1,947,894) |
| Contributions | \$ (3,560,845) | Contributed Capital | 83.0% | \$ (2,955,501) | 0.0% | \$ - | 17.0% | \$ (605,344) |
| Deferred Income Tax | \$ (1,866,387) | Rate Base | 72.9% | \$ (1,361,481) | 3.8% | \$ (70,168) | 23.3% | \$ (434,738) |
| Regulatory Liability - Tax Rate Change | \$ (1,663,377) | Rate Base | 72.9% | \$ (1,213,390) | 3.8% | \$ (62,536) | 23.3% | \$ (387,450) |
| Unamortized ITC | \$ (66,926) | Rate Base | 72.9% | \$ (48,821) | 3.8% | \$ (2,516) | 23.3% | \$ (15,589) |
| Unfunded FAS 106 | \$ (666,309) | Labor | 60.0% | \$ (399,778) | 0.0% | \$ (303) | 40.0% | \$ (266,228) |
| Plus: | | | | | | | | |
| Customer Advances | \$ - | Rate Base | 72.9% | \$ - | 3.8% | \$ - | 23.3% | \$ - |
| Materials and Supplies | \$ 202,236 | Rate Base | 72.9% | \$ 147,526 | 3.8% | \$ 7,603 | 23.3% | \$ 47,107 |
| Cash Working Capital | \$ 307,171 | Total Revenue Required | 70.2% | \$ 215,775 | 2.2% | \$ 6,692 | 27.6% | \$ 84,704 |
| Deferred Tank Painting | \$ 58,682 | Storage | 100.0% | \$ 58,682 | 0.0% | \$ - | 0.0% | \$ - |
| Deferred Rate Case | \$ 87,383 | Total Revenue Required | 70.2% | \$ 61,383 | 2.2% | \$ 1,904 | 27.6% | \$ 24,096 |
| Deferred Operations | \$ - | Total O&M | 67.4% | \$ - | 0.5% | \$ - | 32.1% | \$ - |
| Deferred Acquisitions | \$ - | Plant Investment | 73.7% | \$ - | 3.3% | \$ - | 23.0% | \$ - |
| Total Rate Base | \$ 20,542,518 | Rate Base | 72.9% | \$ 14,985,237 | 3.8% | \$ 772,312 | 23.3% | \$ 4,784,969 |

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

| EXPENSE ITEM | RATE YR EXPENSE | ALLOC. SYMBOL | GENERAL WATER | | FIRE SERVICE | | CUST. SERVICE | |
|---|--------------------|------------------|---------------|------------|--------------|--------|---------------|--------|
| | | | % | AMOUNT | % | AMOUNT | % | AMOUNT |
| Source of Supply Expenses | | | | | | | | |
| <i>Operation</i> | | | | | | | | |
| Operation Supervision and Engineering | \$ 76,709 | General Water | 100.0% | \$ 76,709 | 0.0% | \$ - | 0.0% | \$ - |
| Operation Labor and Expenses | \$ 93,739 | General Water | 100.0% | \$ 93,739 | 0.0% | \$ - | 0.0% | \$ - |
| Purchased Water | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Miscellaneous Expenses | \$ 636 | General Water | 100.0% | \$ 636 | 0.0% | \$ - | 0.0% | \$ - |
| Rents | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Total Operation | \$ 171,085 | | | \$ 171,085 | | \$ - | | \$ - |
| <i>Maintenance</i> | | | | | | | | |
| Maintenance Supervision and Engineering | \$ 3,228 | General Water | 100.0% | \$ 3,228 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Structures and Improvements | \$ 612 | General Water | 100.0% | \$ 612 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Wells and Springs | \$ 3,184 | General Water | 100.0% | \$ 3,184 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Supply Mains | \$ 18,673 | General Water | 100.0% | \$ 18,673 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Miscellaneous Water Source Plant | \$ 1,165 | General Water | 100.0% | \$ 1,165 | 0.0% | \$ - | 0.0% | \$ - |
| Total Maintenance | \$ 26,862 | | | \$ 26,862 | | \$ - | | \$ - |
| Total Source of Supply Expenses | \$ 197,946 | | | \$ 197,946 | | \$ - | | \$ - |
| Pumping Expenses | | | | | | | | |
| <i>Operation</i> | | | | | | | | |
| Operation Supervision and Engineering | \$ 738 | General Water | 100.0% | \$ 738 | 0.0% | \$ - | 0.0% | \$ - |
| Fuel for Power Production | \$ 6,757 | General Water | 100.0% | \$ 6,757 | 0.0% | \$ - | 0.0% | \$ - |
| Power Production Labor & Expenses | \$ 3,964 | General Water | 100.0% | \$ 3,964 | 0.0% | \$ - | 0.0% | \$ - |
| Fuel or Power Purchased for Production | \$ 296,001 | General Water | 100.0% | \$ 296,001 | 0.0% | \$ - | 0.0% | \$ - |
| Pumping Labor and Expenses | \$ 74,855 | General Water | 100.0% | \$ 74,855 | 0.0% | \$ - | 0.0% | \$ - |
| Miscellaneous Expenses | \$ 7,065 | General Water | 100.0% | \$ 7,065 | 0.0% | \$ - | 0.0% | \$ - |
| Total Operation | \$ 389,379 | | | \$ 389,379 | | \$ - | | \$ - |
| <i>Maintenance</i> | | | | | | | | |
| Maintenance Supervision and Engineering | \$ 2,257 | General Water | 100.0% | \$ 2,257 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Structures and Improvements | \$ 1,021 | General Water | 100.0% | \$ 1,021 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Power Production Equipment | \$ 1,961 | General Water | 100.0% | \$ 1,961 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Pumping Equipment | \$ 25,094 | General Water | 100.0% | \$ 25,094 | 0.0% | \$ - | 0.0% | \$ - |
| Contractual Services - Testing | \$ 975 | General Water | 100.0% | \$ 975 | 0.0% | \$ - | 0.0% | \$ - |
| Total Maintenance | \$ 31,307 | | | \$ 31,307 | | \$ - | | \$ - |
| Total Pumping Expenses | \$ 420,686 | | | \$ 420,686 | | \$ - | | \$ - |
| Source Supply Water Expenses | | | | | | | | |
| <i>Maintenance</i> | | | | | | | | |
| Contractual Services - Other | \$ 4,099 | General Water | 100.0% | \$ 4,099 | 0.0% | \$ - | 0.0% | \$ - |
| Total Maintenance | \$ 4,099 | | | \$ 4,099 | | \$ - | | \$ - |
| Total Source Supply Water Expenses | \$ 4,099 | | | \$ 4,099 | | \$ - | | \$ - |

Water Treatment Expenses

Operation

| | | | | | | | | |
|---------------------------------------|------------|---------------|--------|------------|------|------|------|------|
| Operation Supervision and Engineering | \$ 1,262 | General Water | 100.0% | \$ 1,262 | 0.0% | \$ - | 0.0% | \$ - |
| Chemicals | \$ 47,429 | General Water | 100.0% | \$ 47,429 | 0.0% | \$ - | 0.0% | \$ - |
| Operation Labor and Expenses | \$ 75,606 | General Water | 100.0% | \$ 75,606 | 0.0% | \$ - | 0.0% | \$ - |
| Miscellaneous Expenses | \$ 40,815 | General Water | 100.0% | \$ 40,815 | 0.0% | \$ - | 0.0% | \$ - |
| Rents | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Total Operation | \$ 165,112 | | | \$ 165,112 | | \$ - | | \$ - |

Maintenance

| | | | | | | | | |
|--|-------------|---------------|--------|-------------|------|------|------|------|
| Maintenance Supervision and Engineering | \$ 18,033 | General Water | 100.0% | \$ 18,033 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Structures and Improvements | \$ (30,044) | General Water | 100.0% | \$ (30,044) | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Water Treatment Equipment | \$ 9,415 | General Water | 100.0% | \$ 9,415 | 0.0% | \$ - | 0.0% | \$ - |
| Total Maintenance | \$ (2,595) | | | \$ (2,595) | | \$ - | | \$ - |
| Total Water Treatment Expenses | \$ 162,517 | | | \$ 162,517 | | \$ - | | \$ - |

Transmission and Distribution Expenses

Operation

| | | | | | | | | |
|--|------------|------------------|--------|------------|------|-------|--------|-----------|
| Operation Supervision and Engineering | \$ 1,427 | T&D Supervision | 91.3% | \$ 1,303 | 2.1% | \$ 31 | 6.5% | \$ 93 |
| Transmission and Distribution Lines Expenses | \$ 140,576 | General Water | 100.0% | \$ 140,576 | 0.0% | \$ - | 0.0% | \$ - |
| Meter Expenses | \$ 27,373 | Customer Service | 0.0% | \$ - | 0.0% | \$ - | 100.0% | \$ 27,373 |
| Miscellaneous Expenses | \$ 139,895 | General Water | 100.0% | \$ 139,895 | 0.0% | \$ - | 0.0% | \$ - |
| Rents | \$ 2,222 | General Water | 100.0% | \$ 2,222 | 0.0% | \$ - | 0.0% | \$ - |
| Total Operation | \$ 311,493 | | | \$ 283,996 | | \$ 31 | | \$ 27,467 |

Maintenance

| | | | | | | | | |
|--|------------|------------------|--------|------------|--------|----------|--------|-----------|
| Maintenance Supervision and Engineering | \$ 20,547 | T&D Supervision | 91.3% | \$ 18,763 | 2.1% | \$ 440 | 6.5% | \$ 1,344 |
| Maintenance of Structures and Improvements | \$ 34,775 | General Water | 100.0% | \$ 34,775 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Dist. Reservoirs & Standpipes | \$ 52,831 | Storage | 100.0% | \$ 52,831 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Trans. & Distribution Mains | \$ 11,935 | General Water | 100.0% | \$ 11,935 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Fire Mains | \$ - | Hydrants | 0.0% | \$ - | 100.0% | \$ - | 0.0% | \$ - |
| Maintenance of Services | \$ - | Customer Service | 0.0% | \$ - | 0.0% | \$ - | 100.0% | \$ - |
| Maintenance of Meters | \$ - | Customer Service | 0.0% | \$ - | 0.0% | \$ - | 100.0% | \$ - |
| Maintenance of Hydrants | \$ 8,970 | Hydrants | 0.0% | \$ - | 100.0% | \$ 8,970 | 0.0% | \$ - |
| Maintenance of Miscellaneous Plant | \$ - | T&D Supervision | 91.3% | \$ - | 2.1% | \$ - | 6.5% | \$ - |
| Total Maintenance | \$ 129,057 | | | \$ 118,303 | | \$ 9,410 | | \$ 1,344 |
| Total Transmission & Distribution Expenses | \$ 440,550 | T&D Supervision | 91.3% | \$ 402,299 | 2.1% | \$ 9,441 | 6.5% | \$ 28,810 |

Customer Accounts Expenses

Operation

| | | | | | | | | |
|---|------------|------------------|------|------|------|------|--------|------------|
| Supervision | \$ - | Customer Service | 0.0% | \$ - | 0.0% | \$ - | 100.0% | \$ - |
| Meter Reading Salaries | \$ 96,086 | Customer Service | 0.0% | \$ - | 0.0% | \$ - | 100.0% | \$ 96,086 |
| Customer Records & Coll. Expenses-Labor | \$ 334,907 | Customer Service | 0.0% | \$ - | 0.0% | \$ - | 100.0% | \$ 334,907 |
| Uncollectible Accounts | \$ 67,990 | Customer Service | 0.0% | \$ - | 0.0% | \$ - | 100.0% | \$ 67,990 |
| Miscellaneous Customer Account Expense | \$ 386 | Customer Service | 0.0% | \$ - | 0.0% | \$ - | 100.0% | \$ 386 |
| Total Customer Accounts Expenses | \$ 499,369 | | | \$ - | | \$ - | | \$ 499,369 |

Administrative and General Expenses

Operation

| | | | | | | | | |
|-------------------------------------|--------------|------------------|-------|-----------------|------|---------------|-------|-----------------|
| Administrative and General Salaries | \$ 62,483 | Total O&M | 67.4% | \$ 42,139.06 | 0.5% | \$ 296.71 | 32.1% | \$ 20,047.23 |
| Office Supplies and Other Expenses | \$ 65,055 | Total O&M | 67.4% | \$ 43,873.64 | 0.5% | \$ 308.92 | 32.1% | \$ 20,872.44 |
| Administrative Expenses Transferred | \$ (418,251) | Total O&M | 67.4% | \$ (282,071.97) | 0.5% | \$ (1,986.13) | 32.1% | \$ (134,192.90) |
| Outside Services Employed | \$ 532,532 | Total O&M | 67.4% | \$ 359,144.03 | 0.5% | \$ 2,528.81 | 32.1% | \$ 170,859.16 |
| Property Insurance | \$ 450 | Plant Investment | 73.7% | \$ 332 | 3.3% | \$ 15 | 23.0% | \$ 103 |
| Injuries and Damages | \$ 14,788 | Total O&M | 67.4% | \$ 9,973.15 | 0.5% | \$ 70.22 | 32.1% | \$ 4,744.63 |
| Employee Pension and Benefits | \$ 328,282 | Labor | 60.0% | \$ 196,965 | 0.0% | \$ 149 | 40.0% | \$ 131,167 |
| Regulatory Commission Expenses | \$ 85,289 | Total O&M | 67.4% | \$ 57,519.61 | 0.5% | \$ 405.01 | 32.1% | \$ 27,364.38 |
| Miscellaneous General Expenses | \$ 30,172 | Total O&M | 67.4% | \$ 20,348.25 | 0.5% | \$ 143.28 | 32.1% | \$ 9,680.47 |
| Rents | \$ 83,746 | Total O&M | 67.4% | \$ 56,479.00 | 0.5% | \$ 397.68 | 32.1% | \$ 26,869.32 |
| Total Operation | \$ 784,546 | | | \$ 504,702 | | \$ 2,329 | | \$ 277,515 |

Maintenance

| | | | | | | | | |
|---|--------------|------------------|-------|--------------|------|-----------|-------|------------|
| Maintenance of General Plant | \$ 5,168 | Plant Investment | 73.7% | \$ 3,808 | 3.3% | \$ 173 | 23.0% | \$ 1,187 |
| Total Administrative and General Expenses | \$ 789,714 | | | \$ 508,510 | | \$ 2,501 | | \$ 278,703 |
| Total Operation and Maintenance Expenses | \$ 2,514,882 | Total O&M | 67.4% | \$ 1,696,058 | 0.5% | \$ 11,942 | 32.1% | \$ 806,882 |

**ALLOCATION OF TEST YEAR LABOR EXPENSE TO
GENERAL WATER, FIRE & CUST. SERVICE**

| EXPENSE ITEM | RATE YR EXPENSE | ALLOC. SYMBOL | GENERAL WATER | | FIRE SERVICE | | CUST. SERVICE | |
|---|--------------------|------------------|---------------|-----------|--------------|--------|---------------|--------|
| | | | % | AMOUNT | % | AMOUNT | % | AMOUNT |
| Source of Supply Expenses | | | | | | | | |
| <i>Operation</i> | | | | | | | | |
| Operation Supervision and Engineering | \$ 37,524 | General Water | 100.0% | \$ 37,524 | 0.0% | \$ - | 0.0% | \$ - |
| Operation Labor and Expenses | \$ 36,148 | General Water | 100.0% | \$ 36,148 | 0.0% | \$ - | 0.0% | \$ - |
| Purchased Water | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Miscellaneous Expenses | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Total Operation | \$ 73,672 | | | \$ 73,672 | | \$ - | | \$ - |
| <i>Maintenance</i> | | | | | | | | |
| Maintenance Supervision and Engineering | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Structures and Improvements | \$ 271 | General Water | 100.0% | \$ 271 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Wells and Springs | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Supply Mains | \$ 752 | General Water | 100.0% | \$ 752 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Miscellaneous Water Source Plant | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Total Maintenance | \$ 1,023 | | | \$ 1,023 | | \$ - | | \$ - |
| Total Source of Supply Expenses | \$ 74,695 | | | \$ 74,695 | | \$ - | | \$ - |
| Pumping Expenses | | | | | | | | |
| <i>Operation</i> | | | | | | | | |
| Operation Supervision and Engineering | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Fuel for Power Production | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Power Production Labor & Exps | \$ 1,558 | General Water | 100.0% | \$ 1,558 | 0.0% | \$ - | 0.0% | \$ - |
| Fuel or Power Purchased for Production | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Pumping Labor and Expenses | \$ 30,209 | General Water | 100.0% | \$ 30,209 | 0.0% | \$ - | 0.0% | \$ - |
| Miscellaneous Expenses | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Total Operation | \$ 31,767 | | | \$ 31,767 | | \$ - | | \$ - |
| <i>Maintenance</i> | | | | | | | | |
| Maintenance Supervision and Engineering | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Structures and Improvements | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Power Production Equipment | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Pumping Equipment | \$ 12,696 | General Water | 100.0% | \$ 12,696 | 0.0% | \$ - | 0.0% | \$ - |
| Contractual Services - Testing | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Total Maintenance | \$ 12,696 | | | \$ 12,696 | | \$ - | | \$ - |
| Total Pumping Expenses | \$ 44,462 | | | \$ 44,462 | | \$ - | | \$ - |
| Source Supply Water Expenses | | | | | | | | |
| <i>Maintenance</i> | | | | | | | | |
| Contractual Services - Other | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Total Maintenance | \$ - | | | \$ - | | \$ - | | \$ - |
| Total Source Supply Water Expenses | \$ - | | | \$ - | | \$ - | | \$ - |

Water Treatment Expenses

Operation

| | | | | | | | | |
|---------------------------------------|-----------|---------------|--------|-----------|------|------|------|------|
| Operation Supervision and Engineering | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Chemicals | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Operation Labor and Expenses | \$ 28,911 | General Water | 100.0% | \$ 28,911 | 0.0% | \$ - | 0.0% | \$ - |
| Miscellaneous Expenses | \$ 8,889 | General Water | 100.0% | \$ 8,889 | 0.0% | \$ - | 0.0% | \$ - |
| Rents | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Total Operation | \$ 37,800 | | | \$ 37,800 | | \$ - | | \$ - |

Maintenance

| | | | | | | | | |
|--|-----------|---------------|--------|-----------|------|------|------|------|
| Maintenance Supervision and Engineering | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Structures and Improvements | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Water Treatment Equipment | \$ 345 | General Water | 100.0% | \$ 345 | 0.0% | \$ - | 0.0% | \$ - |
| Total Maintenance | \$ 345 | | | \$ 345 | | \$ - | | \$ - |
| Total Water Treatment Expenses | \$ 38,145 | | | \$ 38,145 | | \$ - | | \$ - |

Transmission and Distribution Expenses

Operation

| | | | | | | | | |
|--|------------|------------------|--------|------------|------|------|--------|-----------|
| Operation Supervision and Engineering | \$ - | T&D Supervision | 91.3% | \$ - | 2.1% | \$ - | 6.5% | \$ - |
| Transmission and Distribution Lines Expenses | \$ 69,765 | General Water | 100.0% | \$ 69,765 | 0.0% | \$ - | 0.0% | \$ - |
| Meter Expenses | \$ 14,299 | Customer Service | 0.0% | \$ - | 0.0% | \$ - | 100.0% | \$ 14,299 |
| Miscellaneous Expenses | \$ 38,413 | General Water | 100.0% | \$ 38,413 | 0.0% | \$ - | 0.0% | \$ - |
| Rents | \$ 1,254 | General Water | 100.0% | \$ 1,254 | 0.0% | \$ - | 0.0% | \$ - |
| Total Operation | \$ 123,731 | | | \$ 109,432 | | \$ - | | \$ 14,299 |

Maintenance

| | | | | | | | | |
|--|------------|------------------|--------|------------|--------|--------|--------|-----------|
| Maintenance Supervision and Engineering | \$ 10,434 | T&D Supervision | 91.3% | \$ 9,528 | 2.1% | \$ 224 | 6.5% | \$ 682 |
| Maintenance of Structures and Improvements | \$ 17,317 | General Water | 100.0% | \$ 17,317 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Dist. Reservoirs & Standpipes | \$ - | Storage | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Trans. & Distribution Mains | \$ 1,692 | General Water | 100.0% | \$ 1,692 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Fire Mains | \$ - | Hydrants | 0.0% | \$ - | 100.0% | \$ - | 0.0% | \$ - |
| Maintenance of Services | \$ - | Customer Service | 0.0% | \$ - | 0.0% | \$ - | 100.0% | \$ - |
| Maintenance of Meters | \$ - | Customer Service | 0.0% | \$ - | 0.0% | \$ - | 100.0% | \$ - |
| Maintenance of Hydrants | \$ - | Hydrants | 0.0% | \$ - | 100.0% | \$ - | 0.0% | \$ - |
| Maintenance of Miscellaneous Plant | \$ - | T&D Supervision | 91.3% | \$ - | 2.1% | \$ - | 6.5% | \$ - |
| Total Maintenance | \$ 29,443 | | | \$ 28,537 | | \$ 224 | | \$ 682 |
| Total Transmission & Distribution Expenses | \$ 153,174 | T&D Supervision | | \$ 137,969 | 0.1% | \$ 224 | 9.8% | \$ 14,981 |

Customer Accounts Expenses

Operation

| | | | | | | | | |
|---|------------|------------------|------|------|------|------|--------|------------|
| Supervision | \$ - | Customer Service | 0.0% | \$ - | 0.0% | \$ - | 100.0% | \$ - |
| Meter Reading Salaries | \$ 48,845 | Customer Service | 0.0% | \$ - | 0.0% | \$ - | 100.0% | \$ 48,845 |
| Customer Records & Coll. Expenses-Labor | \$ 97,851 | Customer Service | 0.0% | \$ - | 0.0% | \$ - | 100.0% | \$ 97,851 |
| Uncollectible Accounts | \$ 34,956 | Customer Service | 0.0% | \$ - | 0.0% | \$ - | 100.0% | \$ 34,956 |
| Miscellaneous Customer Account Expense | \$ - | Customer Service | 0.0% | \$ - | 0.0% | \$ - | 100.0% | \$ - |
| Total Customer Accounts Expenses | \$ 181,652 | | | \$ - | | \$ - | | \$ 181,652 |

Administrative and General Expenses

| <i>Operation</i> | | | | | | | | |
|--|-------------------|-------|-------|-------------------|------|---------------|-------|-------------------|
| Administrative and General Salaries | \$ 190,665 | Labor | 60.0% | \$ 114,397 | 0.0% | \$ 87 | 40.0% | \$ 76,182 |
| Office Supplies and Other Expenses | \$ - | Labor | 60.0% | \$ - | 0.0% | \$ - | 40.0% | \$ - |
| Administrative Expenses Transferred | \$ - | Labor | 60.0% | \$ - | 0.0% | \$ - | 40.0% | \$ - |
| Outside Services Employed | \$ - | Labor | 60.0% | \$ - | 0.0% | \$ - | 40.0% | \$ - |
| Property Insurance | \$ - | Labor | 60.0% | \$ - | 0.0% | \$ - | 40.0% | \$ - |
| Injuries and Damages | \$ - | Labor | 60.0% | \$ - | 0.0% | \$ - | 40.0% | \$ - |
| Employee Pension and Benefits | \$ - | Labor | 60.0% | \$ - | 0.0% | \$ - | 40.0% | \$ - |
| Regulatory Commission Expenses | \$ - | Labor | 60.0% | \$ - | 0.0% | \$ - | 40.0% | \$ - |
| Miscellaneous General Expenses | \$ - | Labor | 60.0% | \$ - | 0.0% | \$ - | 40.0% | \$ - |
| Rents | \$ - | Labor | 60.0% | \$ - | 0.0% | \$ - | 40.0% | \$ - |
| Total Operation | \$ 190,665 | | | \$ 114,397 | | \$ 87 | | \$ 76,182 |
| <i>Maintenance</i> | | | | | | | | |
| Maintenance of General Plant | \$ - | Labor | 60.0% | \$ - | 0.0% | \$ - | 40.0% | \$ - |
| Total Administrative and General Expenses | \$ 190,665 | | | \$ 114,397 | | \$ 87 | | \$ 76,182 |
| Total Labor Expenses | \$ 682,794 | Labor | 60.0% | \$ 409,668 | 0.0% | \$ 310 | 40.0% | \$ 272,815 |

**ALLOCATION OF PLANT IN SERVICE TO
GENERAL WATER, FIRE & CUST. SERVICE**

| EXPENSE ITEM | RATE YR PLANT | ALLOC. SYMBOL | GENERAL WATER | | FIRE SERVICE | | CUST. SERVICE | |
|--|------------------|------------------|---------------|---------------|--------------|--------------|---------------|--------------|
| | | | % | AMOUNT | % | AMOUNT | % | AMOUNT |
| Plant Held for Future Use | \$ - | Plant Investment | 73.7% | \$ - | 3.3% | \$ - | 23.0% | \$ - |
| INTANGIBLE PLANT | | | | | | | | |
| Organization | \$ 51,107 | Plant Investment | 73.7% | \$ 37,659 | 3.3% | \$ 1,709 | 23.0% | \$ 11,740 |
| Misc. Intangibles | \$ 93,794 | Plant Investment | 73.7% | \$ 69,113 | 3.3% | \$ 3,136 | 23.0% | \$ 21,545 |
| Subtotal | \$ 144,901 | | | \$ 106,772 | | \$ 4,844 | | \$ 33,285 |
| SOURCE OF SUPPLY | | | | | | | | |
| Land & Land Rights | \$ 27,717 | General Water | 100.0% | \$ 27,717 | 0.0% | \$ - | 0.0% | \$ - |
| Structures | \$ 105,260 | General Water | 100.0% | \$ 105,260 | 0.0% | \$ - | 0.0% | \$ - |
| Wells & Springs | \$ 567,394 | General Water | 100.0% | \$ 567,394 | 0.0% | \$ - | 0.0% | \$ - |
| Supply Mains | \$ 58,771 | General Water | 100.0% | \$ 58,771 | 0.0% | \$ - | 0.0% | \$ - |
| Struct & Other Source of Supply | \$ 1,601 | General Water | 100.0% | \$ 1,601 | 0.0% | \$ - | 0.0% | \$ - |
| Subtotal | \$ 760,743 | | | \$ 760,743 | | \$ - | | \$ - |
| PUMPING PLANT | | | | | | | | |
| Land & Land Rights | \$ 5,601 | General Water | 100.0% | \$ 5,601 | 0.0% | \$ - | 0.0% | \$ - |
| Structures & Improvements | \$ 708,032 | General Water | 100.0% | \$ 708,032 | 0.0% | \$ - | 0.0% | \$ - |
| Electric Pump Equip | \$ 1,600,025 | General Water | 100.0% | \$ 1,600,025 | 0.0% | \$ - | 0.0% | \$ - |
| Other Pump Equip | \$ 101,513 | General Water | 100.0% | \$ 101,513 | 0.0% | \$ - | 0.0% | \$ - |
| Subtotal | \$ 2,415,171 | | | \$ 2,415,171 | | \$ - | | \$ - |
| WATER TREATMENT PLANT | | | | | | | | |
| Structures & Improvements | \$ 9,437 | General Water | 100.0% | \$ 9,437 | 0.0% | \$ - | 0.0% | \$ - |
| Water Treatment Plant | \$ 492,038 | General Water | 100.0% | \$ 492,038 | 0.0% | \$ - | 0.0% | \$ - |
| Subtotal | \$ 501,475 | | | \$ 501,475 | | \$ - | | \$ - |
| TRANSMISSION & DISTRIBUTION PLANT | | | | | | | | |
| Land & Land Rights | \$ 1,862 | General Water | 100.0% | \$ 1,862 | 0.0% | \$ - | 0.0% | \$ - |
| Structures & Improvements | \$ 139,985 | General Water | 100.0% | \$ 139,985 | 0.0% | \$ - | 0.0% | \$ - |
| Distrib Reservoirs & Standpipes | \$ 7,545,523 | Storage | 100.0% | \$ 7,545,523 | 0.0% | \$ - | 0.0% | \$ - |
| Trans. & Dist. Mains | \$ 13,577,008 | General Water | 100.0% | \$ 13,577,008 | 0.0% | \$ - | 0.0% | \$ - |
| Services | \$ 4,281,555 | Customer Service | 0.0% | \$ - | 0.0% | \$ - | 100.0% | \$ 4,281,555 |
| Meters | \$ 3,493,702 | Customer Service | 0.0% | \$ - | 0.0% | \$ - | 100.0% | \$ 3,493,702 |
| Hydrants | \$ 1,131,653 | Hydrants | 0.0% | \$ - | 100.0% | \$ 1,131,653 | 0.0% | \$ - |
| Subtotal | \$ 30,171,287 | | | \$ 21,264,377 | | \$ 1,131,653 | | \$ 7,775,256 |
| GENERAL PLANT | | | | | | | | |
| Structures & Improvements | \$ 193,272 | Plant Investment | 73.7% | \$ 142,415 | 3.3% | \$ 6,462 | 23.0% | \$ 44,396 |
| Leasehold Improvements | \$ 210,000 | Plant Investment | 73.7% | \$ 154,741 | 3.3% | \$ 7,021 | 23.0% | \$ 48,238 |
| Office Furniture and Equipment | \$ 61,084 | Plant Investment | 73.7% | \$ 45,010 | 3.3% | \$ 2,042 | 23.0% | \$ 14,031 |
| Computer Hardware | \$ 103,713 | Plant Investment | 73.7% | \$ 76,422 | 3.3% | \$ 3,467 | 23.0% | \$ 23,824 |
| Computer Software | \$ 970,847 | Plant Investment | 73.7% | \$ 715,379 | 3.3% | \$ 32,458 | 23.0% | \$ 223,010 |
| Transportation Equipment | \$ 3,451 | Plant Investment | 73.7% | \$ 2,543 | 3.3% | \$ 115 | 23.0% | \$ 793 |
| Tools, Shop & Garage Equip. | \$ 86,792 | Plant Investment | 73.7% | \$ 63,954 | 3.3% | \$ 2,902 | 23.0% | \$ 19,937 |
| Power Operated Equipment | \$ 15,685 | Plant Investment | 73.7% | \$ 11,558 | 3.3% | \$ 524 | 23.0% | \$ 3,603 |
| Communication Equipment | \$ 355,365 | Plant Investment | 73.7% | \$ 261,854 | 3.3% | \$ 11,881 | 23.0% | \$ 81,629 |
| Miscellaneous Equipment | \$ 79,677 | Plant Investment | 73.7% | \$ 58,711 | 3.3% | \$ 2,664 | 23.0% | \$ 18,302 |
| Subtotal | \$ 2,079,888 | | | \$ 1,532,588 | | \$ 69,536 | | \$ 477,763 |
| TOTAL PLANT IN SERVICE | \$ 36,073,465 | Plant Investment | 73.7% | \$ 26,581,126 | 3.3% | \$ 1,206,034 | 23.0% | \$ 8,286,305 |

**ALLOCATION OF DEPRECIATION TO
GENERAL WATER, FIRE & CUST. SERVICE**

| | RATE YR EXPENSE | ALLOC. SYMBOL | GENERAL WATER | | FIRE SERVICE | | CUST. SERVICE | |
|-----------------------------------|--------------------|---------------------|---------------|-------------|--------------|-----------|---------------|------------|
| | | | % | AMOUNT | % | AMOUNT | % | AMOUNT |
| Plant Held for Future Use | \$ - | Plant Investment | 73.7% | \$ - | 3.3% | \$ - | 23.0% | \$ - |
| INTANGIBLE PLANT | | | | | | | | |
| Organization | \$ - | Plant Investment | 73.7% | \$ - | 3.3% | \$ - | 23.0% | \$ - |
| Misc. Intangibles | \$ 8,094 | Plant Investment | 73.7% | \$ 5,964 | 3.3% | \$ 271 | 23.0% | \$ 1,859 |
| Subtotal | \$ 8,094 | | | \$ 5,964 | | \$ 271 | | \$ 1,859 |
| SOURCE OF SUPPLY | | | | | | | | |
| Land & Land Rights | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Structures | \$ 2,316 | General Water | 100.0% | \$ 2,316 | 0.0% | \$ - | 0.0% | \$ - |
| Wells & Springs | \$ 22,582 | General Water | 100.0% | \$ 22,582 | 0.0% | \$ - | 0.0% | \$ - |
| Supply Mains | \$ 1,687 | General Water | 100.0% | \$ 1,687 | 0.0% | \$ - | 0.0% | \$ - |
| Struct & Other Source of Supply | \$ 31 | General Water | 100.0% | \$ 31 | 0.0% | \$ - | 0.0% | \$ - |
| Subtotal | \$ 26,616 | | | \$ 26,616 | | \$ - | | \$ - |
| PUMPING PLANT | | | | | | | | |
| Land & Land Rights | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Structures & Improvements | \$ 15,530 | General Water | 100.0% | \$ 15,530 | 0.0% | \$ - | 0.0% | \$ - |
| Electric Pump Equip | \$ 30,337 | General Water | 100.0% | \$ 30,337 | 0.0% | \$ - | 0.0% | \$ - |
| Other Pump Equip | \$ 2,081 | General Water | 100.0% | \$ 2,081 | 0.0% | \$ - | 0.0% | \$ - |
| Subtotal | \$ 47,948 | | | \$ 47,948 | | \$ - | | \$ - |
| WATER TREATMENT PLANT | | | | | | | | |
| Structures & improvements | \$ 217 | General Water | 100.0% | \$ 217 | 0.0% | \$ - | 0.0% | \$ - |
| Water Treatment Plant | \$ 10,227 | General Water | 100.0% | \$ 10,227 | 0.0% | \$ - | 0.0% | \$ - |
| Subtotal | \$ 10,444 | | | \$ 10,444 | | \$ - | | \$ - |
| TRANSMISSION & DISTRIBUTION PLANT | | | | | | | | |
| Land & Land Rights | \$ - | General Water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Structures & Improvements | \$ 2,324 | General Water | 100.0% | \$ 2,324 | 0.0% | \$ - | 0.0% | \$ - |
| Distrib Reservoirs & Standpipes | \$ 221,084 | Storage | 100.0% | \$ 221,084 | 0.0% | \$ - | 0.0% | \$ - |
| Trans. & Dist. Mains | \$ 173,878 | General Water | 100.0% | \$ 173,878 | 0.0% | \$ - | 0.0% | \$ - |
| Services | \$ 75,235 | Customer Service | 0.0% | \$ - | 0.0% | \$ - | 100.0% | \$ 75,235 |
| Meters | \$ 89,036 | Customer Service | 0.0% | \$ - | 0.0% | \$ - | 100.0% | \$ 89,036 |
| Hydrants | \$ 19,561 | Hydrants | 0.0% | \$ - | 100.0% | \$ 19,561 | 0.0% | \$ - |
| Subtotal | \$ 581,117 | | | \$ 397,285 | | \$ 19,561 | | \$ 164,271 |
| GENERAL PLANT | | | | | | | | |
| Structures & Improvements | \$ 2,802 | Plant Investment | 73.7% | \$ 2,065 | 3.3% | \$ 94 | 23.0% | \$ 644 |
| Leasehold Improvements | \$ 26,250 | Plant Investment | 73.7% | \$ 19,343 | 3.3% | \$ 878 | 23.0% | \$ 6,030 |
| Office Furniture and Equipment | \$ 7,614 | Plant Investment | 73.7% | \$ 5,610 | 3.3% | \$ 255 | 23.0% | \$ 1,749 |
| Computer Hardware | \$ 20,763 | Plant Investment | 73.7% | \$ 15,300 | 3.3% | \$ 694 | 23.0% | \$ 4,769 |
| Computer Software | \$ 175,783 | Plant Investment | 73.7% | \$ 129,527 | 3.3% | \$ 5,877 | 23.0% | \$ 40,378 |
| Transportation Equipment | \$ 444 | Plant Investment | 73.7% | \$ 327 | 3.3% | \$ 15 | 23.0% | \$ 102 |
| Tools, Shop & Garage Equip. | \$ 2,017 | Plant Investment | 73.7% | \$ 1,486 | 3.3% | \$ 67 | 23.0% | \$ 463 |
| Power Operated Equipment | \$ 679 | Plant Investment | 73.7% | \$ 500 | 3.3% | \$ 23 | 23.0% | \$ 156 |
| Communication Equipment | \$ 35,566 | Plant Investment | 73.7% | \$ 26,207 | 3.3% | \$ 1,189 | 23.0% | \$ 8,170 |
| Miscellaneous Equipment | \$ 4,621 | Plant Investment | 73.7% | \$ 3,405 | 3.3% | \$ 155 | 23.0% | \$ 1,062 |
| Subtotal | \$ 276,540 | | | \$ 203,772 | | \$ 9,245 | | \$ 63,523 |
| TOTAL | \$ 950,760 | | | \$ 692,030 | | \$ 29,077 | | \$ 229,653 |
| Less: Contributions | \$ (45,258) | Contributed Capital | 83.0% | \$ (37,564) | 0.0% | \$ - | 17.0% | \$ (7,694) |
| TOTAL DEPRECIATION | \$ 905,502 | Depreciation | 72.3% | \$ 654,466 | 3.2% | \$ 29,077 | 24.5% | \$ 221,959 |

ALLOCATION SYMBOLS

| ALLOCATION SYMBOL | <u>GEN'L WATER</u> | <u>FIRE SERVICE</u> | <u>CUST SERVICE</u> | <u>DESCRIPTION</u> |
|-------------------------|--------------------|---------------------|---------------------|---|
| General Water | 100.00% | 0.00% | 0.00% | Supply, Production, Treatment, Pumping |
| Contributed Capital | 83.00% | 0.00% | 17.00% | Contributed Capital (approx based on contributions) |
| Customer Service | 0.00% | 0.00% | 100.00% | Meters, Services, Customer Accts |
| Depreciation | 72.28% | 3.21% | 24.51% | Depreciation |
| Hydrants | 0.00% | 100.00% | 0.00% | Hydrants |
| Total Revenue Required | 70.25% | 2.18% | 27.58% | Total Costs/Revenue Required |
| T&D Supervision | 91.32% | 2.14% | 6.54% | T&D Supervision |
| Labor | 60.00% | 0.05% | 39.96% | Labor |
| Total O&M | 67.44% | 0.47% | 32.08% | Total O&M |
| Plant Investment | 73.69% | 3.34% | 22.97% | Plant Investment |
| Rate Base | 72.95% | 3.76% | 23.29% | Rate Base |
| Storage | 100.00% | 0.00% | 0.00% | Storage |
| Taxes other than Income | 71.56% | 2.79% | 25.65% | Taxes other than Income |
| Misc Revenues | 90.00% | 0.00% | 10.00% | Misc Revenues - some to cust for turn on-off |

Symbol T - Taxes other than income

| | <u>Amount *</u> | <u>Symbol</u> | <u>Gen Water</u> | <u>Fire</u> | <u>Customer</u> |
|---------------|------------------|-------------------------|------------------|-----------------|------------------|
| Property | \$ 409,722 | Plant Investment | \$ 301,908 | \$ 13,698 | \$ 94,116 |
| Payroll | \$ 66,946 | Labor | \$ 40,167 | \$ 30 | \$ 26,749 |
| Gross Receipt | \$ <u>72,968</u> | Total Revenue Required | \$ <u>51,257</u> | \$ <u>1,590</u> | \$ <u>20,121</u> |
| Total | \$ 549,637 | Taxes other than Income | \$ 393,333 | \$ 15,318 | \$ 140,986 |
| Percent | | | 71.56% | 2.8% | 25.7% |

* Unadjusted rate year

PROPOSED FIRE SERVICE CHARGES

| <u>PUBLIC FIRE SERVICE</u> | <u>MONTHLY</u> |
|----------------------------|----------------|
| Charge/Hydrant = | \$ 74.69 |

PRIVATE FIRE SERVICE

| <u>SERVICE SIZE</u> | |
|---------------------|-------------|
| <u>(inches)</u> | |
| 2.5 | \$ 12.66 |
| 3 | \$ 18.34 |
| 4 | \$ 34.93 |
| 6 | \$ 93.88 |
| 8 | \$ 195.19 |
| 10 | \$ 348.02 |
| 12 | \$ 559.37 |
| 16 | \$ 1,187.30 |

**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>REVENUE REQUIRED</u> |
|----------------------|---------------|------------------------------|---------------------------|------------------------------|-----------------------------|
| PUBLIC FIRE SERVICE | | | | | |
| Hydrants | 660 | 111.3 | 73,465 | 74.9% | \$ 464,929 (3) |
| | | | Plus Hydrant Costs (2): | | \$ 126,593 |
| | | | Total | | \$ 591,521 |
| | | | Adjustment | | \$ - |
| PRIVATE FIRE SERVICE | | | | | |
| | | | Total Private Fire | | \$ 591,521 |
| SIZE (IN) | | | | | |
| 2.5 | 8 | 11.1 | 85 | | |
| 3 | 0 | 18.0 | 0 | | |
| 4 | 21 | 38.3 | 820 | | |
| 6 | 149 | 111.3 | 16,563 | | |
| 8 | 27 | 237.2 | 6,405 | | |
| 10 | 0 | 426.6 | 0 | | |
| 12 | 1 | 689.0 | 689 | | |
| 16 | 0 | 1,468.4 | 0 | | |
| TOTAL-PRIV. | 206 | | 24,561 | 25.1% | \$ 89,986 (4) |
| | ===== | | ===== | ===== | ===== |
| GRAND TOTALS | 866 | | 98,027 | 100.0% | \$ 681,507 |

(1) Based on size to the 2.63 power.

(2) Direct hydrant fire allocations from DMF (Raftelis) Sch 3

(3) Public fire costs adjusted and reallocated to retail base use by \$552,000

(4) Private fire costs adjusted and reallocated to retail base use by \$250,000

DETERMINATION OF FIRE SERVICE CHARGES

| <u>PUBLIC FIRE PROTECTION</u> | | <u>CALCULATED CHARGE</u> | |
|--------------------------------|------------|--------------------------|-------------------|
| PUBLIC FIRE ALLOCATION | \$ 591,521 | = | \$ 896.24 / year |
| ----- = | ----- | = | ----- |
| NUMBER OF PUBLIC HYDRANTS | 660 | | |
| TOTAL MONTHLY | \$ | | 74.69 / month |
| | | | |
| <u>PRIVATE FIRE PROTECTION</u> | | | |
| PRIVATE FIRE ALLOCATION (1) | \$ 227,376 | = | \$ 9.2575 /EQUIV. |
| ----- = | ----- | = | ----- |
| NO. OF EQUIV. UNITS | 24,561 | | |

| SIZE (IN) | DEMAND FACTOR | DEMAND COST | | BILLING CHARGE | TOTAL CHARGE | ADJUSTED CHARGE |
|-----------|---------------|--------------|-------------|----------------|--------------|-----------------|
| | | ANNUAL | MONTHLY | | MONTHLY | MONTHLY |
| 2.5 | 11.1 | \$ 103.06 | \$ 8.59 | \$ 7.85 | \$ 16.44 | \$ 12.66 |
| 3 | 18.0 | \$ 166.46 | \$ 13.87 | \$ 7.85 | \$ 21.73 | \$ 18.34 |
| 4 | 38.3 | \$ 354.74 | \$ 29.56 | \$ 7.85 | \$ 37.42 | \$ 34.93 |
| 6 | 111.3 | \$ 1,030.46 | \$ 85.87 | \$ 7.85 | \$ 93.73 | \$ 93.88 |
| 8 | 237.2 | \$ 2,195.94 | \$ 182.99 | \$ 7.85 | \$ 190.85 | \$ 195.19 |
| 10 | 426.6 | \$ 3,949.06 | \$ 329.09 | \$ 7.85 | \$ 336.94 | \$ 348.02 |
| 12 | 689.0 | \$ 6,378.82 | \$ 531.57 | \$ 7.85 | \$ 539.42 | \$ 559.37 |
| 16 | 1,468.4 | \$ 13,593.43 | \$ 1,132.79 | \$ 7.85 | \$ 1,140.64 | \$ 1,187.30 |

(1) Private Fire includes costs assigned in Sch 4A as well as allocated service maintenance costs as detailed below:

| | |
|-------------------------------------|------------|
| Service Line Maintenance Cost = | \$ - |
| Service Line Depreciation Cost = | \$ 75,235 |
| Service Line ROI Cost = | \$ 334,818 |
| Subtotal Service Line Costs = | \$ 410,052 |
| Addtnl Allocation to Fire Service = | \$ 137,391 |

(33.5%)

| <u>Service Line Equivalents</u> | | | <u>Metered Water Service</u> | | <u>Private Fire Service</u> | |
|---------------------------------|------------------------|--------------------|------------------------------|--------------------|-----------------------------|--------------------|
| <u>Meter Size (in)</u> | <u>Serv. Size (in)</u> | <u>Equivalents</u> | <u>Number</u> | <u>Equivalents</u> | <u>Number</u> | <u>Equivalents</u> |
| 5/8 | 1 | 1.0 | 7,702 | 7,702 | | |
| 3/4 | 1 | 1.5 | 1 | 2 | | |
| 1 | 1.5 | 2.5 | 307 | 768 | | |
| 1 1/2 | 2.5 | 5.0 | 79 | 395 | 8 | 38 |
| 2 | 3 | 8.0 | 169 | 1,352 | 0 | 0 |
| 3 | 4 | 15.0 | 12 | 180 | 21 | 321 |
| 4 | 6 | 25.0 | 3 | 75 | 149 | 3,720 |
| 6 | 8 | 50.0 | 6 | 300 | 27 | 1,350 |
| >=8 | >=10 | 80.0 | 2 | 160 | 1 | 80 |
| Total | | | | 10,933 | | 5,509 |
| | | | | 66.5% | | 33.5% |

COST BASED SERVICE CHARGES

| METER SIZE (inches) | | MONTHLY ACCOUNTS |
|------------------------|----|---------------------|
| 5/8 | \$ | 12.92 |
| 3/4 | \$ | 15.46 |
| 1 | \$ | 20.53 |
| 1 1/2 | \$ | 33.20 |
| 2 | \$ | 48.40 |
| 3 | \$ | 83.88 |
| 4 | \$ | 134.57 |
| 6 | \$ | 261.29 |
| >8 | \$ | 413.35 |

SUMMARY RATE YEAR CUSTOMER SERVICE EXPENSE ALLOCATIONS

| | TOTAL | ALLOC. | <-CUST. METER-> | | <-CUST. BILL-> | |
|--------------------------|--------------|------------------|-----------------|------------|----------------|------------|
| | CUST. SERV. | SYMBOL | % | AMOUNT | % | AMOUNT |
| Operation & Maintenance | \$ 806,882 | Total O&M | 5.9% | \$ 47,486 | 94.1% | \$ 759,396 |
| Depreciation | \$ 221,959 | Depreciation | 99.1% | \$ 219,948 | 0.9% | \$ 2,012 |
| Taxes other than Income | \$ 140,986 | Non-Income Tax | 73.3% | \$ 103,334 | 26.7% | \$ 37,652 |
| Total Operating | \$ 1,169,828 | | | \$ 370,768 | | \$ 799,060 |
| Federal Income Tax | \$ 61,092 | Rate Base | 99.2% | \$ 60,577 | 0.8% | \$ 514 |
| Return on Rate Base | \$ 374,185 | Rate Base | 99.2% | \$ 371,035 | 0.8% | \$ 3,150 |
| Total Revenue Required | \$ 1,605,104 | | | \$ 802,380 | | \$ 802,724 |
| Less: | | | | | | |
| Misc. Income/Turn on-off | \$ 1,388 | Misc Rev | 0.0% | \$ - | 100.0% | \$ 1,388 |
| Other Water Revenues | \$ 1,435 | Misc Rev | 0.0% | \$ - | 100.0% | \$ 1,435 |
| Required From Rates | \$ 1,602,282 | Revenue Required | 50.1% | \$ 802,380 | 49.9% | \$ 799,901 |

ALLOCATION OF CUSTOMER SERVICE RATE BASE

| | TOTAL | ALLOC. | <-CUST. METER-> | | <-CUST. BILL-> | |
|--|--------------------|------------------|-----------------|----------------|----------------|---------------|
| | <u>CUST. SERV.</u> | <u>SYMBOL</u> | <u>%</u> | <u>AMOUNT</u> | <u>%</u> | <u>AMOUNT</u> |
| Average Utility Plant on Service | \$ 8,286,305 | Plant Investment | 96.9% | \$ 8,031,342 | 3.1% | \$ 254,963 |
| Less: | | | | | | |
| Accumulated Amortization | \$ (1,947,894) | Rate Base | 99.2% | \$ (1,931,497) | 0.8% | \$ (16,398) |
| Contributions | \$ (605,344) | Meters | 100.0% | \$ (605,344) | 0.0% | \$ - |
| Deferred Income Tax | \$ (434,738) | Rate Base | 99.2% | \$ (431,078) | 0.8% | \$ (3,660) |
| Regulatory Liability - Tax Rate Change | \$ (387,450) | Rate Base | 99.2% | \$ (384,189) | 0.8% | \$ (3,262) |
| Unamortized ITC | \$ (15,589) | Rate Base | 99.2% | \$ (15,458) | 0.8% | \$ (131) |
| Unfunded FAS 106 | \$ (266,228) | Labor | 7.6% | \$ (20,283) | 92.4% | \$ (245,945) |
| Plus: | | | | | | |
| Customer Advances | \$ - | Rate Base | 99.2% | \$ - | 0.8% | \$ - |
| Materials and Supplies | \$ 47,107 | Rate Base | 99.2% | \$ 46,710 | 0.8% | \$ 397 |
| Cash Working Capital | \$ 84,704 | Revenue Required | 50.1% | \$ 42,418 | 49.9% | \$ 42,287 |
| Deferred Tank Painting | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Deferred Rate Case | \$ 24,096 | Revenue Required | 50.1% | \$ 12,067 | 49.9% | \$ 12,030 |
| Deferred Operations | \$ - | Total O&M | 5.9% | \$ - | 94.1% | \$ - |
| Deferred Acquisitions | \$ - | Plant Investment | 96.9% | \$ - | 3.1% | \$ - |
| Total Rate Base | \$ 4,784,969 | Rate Base | 99.2% | \$ 4,744,688 | 0.8% | \$ 40,281 |
| | \$ - | | | | | |

ALLOCATION OF CUSTOMER SERVICE O&M EXPENSES

| EXPENSE ITEM | TOTAL | ALLOC. SYMBOL | <-CUST. METER-> | | <-CUST. BILL-> | |
|---|--------------|------------------|-----------------|------------|----------------|--------------|
| | CUST. SERV. | | % | AMOUNT | % | AMOUNT |
| Transmission and Distribution Expenses | | | | | | |
| Operation | | | | | | |
| Operation Supervision and Engineering | \$ 93 | Meters | 100.0% | \$ 93 | 0.0% | \$ - |
| Transmission and Distribution Lines Expenses | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Meter Expenses | \$ 27,373 | Meters | 100.0% | \$ 27,373 | 0.0% | \$ - |
| Miscellaneous Expenses | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Rents | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Total Operation | \$ 27,467 | | | \$ 27,467 | | \$ - |
| Maintenance | | | | | | |
| Maintenance Supervision and Engineering | \$ 1,344 | Meters | 100.0% | \$ 1,344 | 0.0% | \$ - |
| Maintenance of Structures and Improvements | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Maintenance of Dist. Reservoirs & Standpipes | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Maintenance of Trans. & Distribution Mains | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Maintenance of Fire Mains | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Maintenance of Services | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Maintenance of Meters | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Maintenance of Hydrants | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Maintenance of Miscellaneous Plant | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Total Maintenance | \$ 1,344 | | | \$ 1,344 | | \$ - |
| Total Transmission & Distribution Expenses | \$ 28,810 | | | \$ 28,810 | | \$ - |
| Customer Accounts Expenses | | | | | | |
| Operation | | | | | | |
| Supervision | \$ - | Billing | 0.0% | \$ - | 100.0% | \$ - |
| Meter Reading Salaries | \$ 96,086 | Billing | 0.0% | \$ - | 100.0% | \$ 96,086 |
| Customer Records & Coll. Expenses-Labor | \$ 334,907 | Billing | 0.0% | \$ - | 100.0% | \$ 334,907 |
| Uncollectible Accounts | \$ 67,990 | Billing | 0.0% | \$ - | 100.0% | \$ 67,990 |
| Miscellaneous Customer Account Expense | \$ 386 | Billing | 0.0% | \$ - | 100.0% | \$ 386 |
| Total Customer Accounts Expenses | \$ 499,369 | | | \$ - | | \$ 499,369 |
| Administrative and General Expenses | | | | | | |
| Operation | | | | | | |
| Administrative and General Salaries | \$ 20,047 | O&M G&A | 5.9% | \$ 1,180 | 94.1% | \$ 18,867 |
| Office Supplies and Other Expenses | \$ 20,872 | O&M G&A | 5.9% | \$ 1,228 | 94.1% | \$ 19,644 |
| Administrative Expenses Transferred | \$ (134,193) | O&M G&A | 5.9% | \$ (7,897) | 94.1% | \$ (126,295) |
| Outside Services Employed | \$ 170,859 | O&M G&A | 5.9% | \$ 10,055 | 94.1% | \$ 160,804 |
| Property Insurance | \$ 103 | O&M G&A | 5.9% | \$ 6 | 94.1% | \$ 97 |
| Injuries and Damages | \$ 4,745 | O&M G&A | 5.9% | \$ 279 | 94.1% | \$ 4,465 |
| Employee Pension and Benefits | \$ 131,167 | Labor | 7.6% | \$ 9,993 | 92.4% | \$ 121,174 |
| Regulatory Commission Expenses | \$ 27,364 | O&M G&A | 5.9% | \$ 1,610 | 94.1% | \$ 25,754 |
| Miscellaneous General Expenses | \$ 9,680 | O&M G&A | 5.9% | \$ 570 | 94.1% | \$ 9,111 |
| Rents | \$ 26,869 | O&M G&A | 5.9% | \$ 1,581 | 94.1% | \$ 25,288 |
| Total Operation | \$ 277,515 | | | \$ 18,606 | | \$ 258,909 |
| Maintenance | | | | | | |
| Maintenance of General Plant | \$ 1,187 | O&M G&A | 5.9% | \$ 70 | 94.1% | \$ 1,117 |
| Total Administrative and General Expenses | \$ 278,703 | | | \$ 18,676 | | \$ 260,027 |
| Total Operation and Maintenance Expenses | \$ 806,882 | Total O&M | 5.9% | \$ 47,486 | 94.1% | \$ 759,396 |

ALLOCATION OF CUSTOMER SERVICE LABOR

| EXPENSE ITEM | TOTAL | ALLOC. | <-CUST. METER-> | | <-CUST. BILL-> | |
|---|-------------|---------|-----------------|-----------|----------------|------------|
| | CUST. SERV. | | SYMBOL | % | AMOUNT | % |
| Transmission and Distribution Expenses | | | | | | |
| <i>Operation</i> | | | | | | |
| Operation Supervision and Engineering | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Transmission and Distribution Lines Expenses | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Meter Expenses | \$ 14,299 | Meters | 100.0% | \$ 14,299 | 0.0% | \$ - |
| Miscellaneous Expenses | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Rents | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Total Operation | \$ 14,299 | | | \$ 14,299 | | \$ - |
| <i>Maintenance</i> | | | | | | |
| Maintenance Supervision and Engineering | \$ 682 | Meters | 100.0% | \$ 682 | 0.0% | \$ - |
| Maintenance of Structures and Improvements | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Maintenance of Dist. Reservoirs & Standpipes | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Maintenance of Trans. & Distribution Mains | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Maintenance of Fire Mains | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Maintenance of Services | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Maintenance of Meters | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Maintenance of Hydrants | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Maintenance of Miscellaneous Plant | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Total Maintenance | \$ 682 | | | \$ 682 | | \$ - |
| Total Transmission & Distribution Expenses | \$ 14,981 | | | \$ 14,981 | | \$ - |
| Customer Accounts Expenses | | | | | | |
| <i>Operation</i> | | | | | | |
| Supervision | \$ - | Billing | 0.0% | \$ - | 100.0% | \$ - |
| Meter Reading Salaries | \$ 48,845 | Billing | 0.0% | \$ - | 100.0% | \$ 48,845 |
| Customer Records & Coll. Expenses-Labor | \$ 97,851 | Billing | 0.0% | \$ - | 100.0% | \$ 97,851 |
| Uncollectible Accounts | \$ 34,956 | Billing | 0.0% | \$ - | 100.0% | \$ 34,956 |
| Miscellaneous Customer Account Expense | \$ - | Billing | 0.0% | \$ - | 100.0% | \$ - |
| Total Customer Accounts Expenses | \$ 181,652 | | | \$ - | | \$ 181,652 |
| Administrative and General Expenses | | | | | | |
| <i>Operation</i> | | | | | | |
| Administrative and General Salaries | \$ 76,182 | Labor | 7.6% | \$ 5,804 | 92.4% | \$ 70,378 |
| Office Supplies and Other Expenses | \$ - | Labor | 7.6% | \$ - | 92.4% | \$ - |
| Administrative Expenses Transferred | \$ - | Labor | 7.6% | \$ - | 92.4% | \$ - |
| Outside Services Employed | \$ - | Labor | 7.6% | \$ - | 92.4% | \$ - |
| Property Insurance | \$ - | Labor | 7.6% | \$ - | 92.4% | \$ - |
| Injuries and Damages | \$ - | Labor | 7.6% | \$ - | 92.4% | \$ - |
| Employee Pension and Benefits | \$ - | Labor | 7.6% | \$ - | 92.4% | \$ - |
| Regulatory Commission Expenses | \$ - | Labor | 7.6% | \$ - | 92.4% | \$ - |
| Miscellaneous General Expenses | \$ - | Labor | 7.6% | \$ - | 92.4% | \$ - |
| Rents | \$ - | Labor | 7.6% | \$ - | 92.4% | \$ - |
| Total Operation | \$ - | | | \$ 5,804 | | \$ 70,378 |
| <i>Maintenance</i> | | | | | | |
| Maintenance of General Plant | \$ - | Labor | 7.6% | \$ - | 92.4% | \$ - |
| Total Administrative and General Expenses | \$ 76,182 | | | \$ 5,804 | | \$ 70,378 |
| Total Labor Expenses | \$ 272,815 | Labor | 7.6% | \$ 20,785 | 92.4% | \$ 252,030 |

**ALLOCATION OF CUSTOMER SERVICE PLANT TO
CUSTOMER METERS AND BILLING**

| EXPENSE ITEM | TOTAL | ALLOC. SYMBOL | <-CUST. METER-> | | <-CUST. BILL-> | |
|-----------------------------------|--------------|------------------|-----------------|--------------|----------------|------------|
| | CUST. SERV. | | % | AMOUNT | % | AMOUNT |
| Plant Held for Future Use | \$ - | Plant Investment | 96.9% | \$ - | 3.1% | \$ - |
| INTANGIBLE PLANT | | | | | | |
| Organization | \$ 11,740 | Plant Investment | 96.9% | \$ 11,378 | 3.1% | \$ 361 |
| Misc. Intangibles | \$ 21,545 | Plant Investment | 96.9% | \$ 20,882 | 3.1% | \$ 663 |
| Subtotal | \$ 33,285 | | | \$ 32,261 | | \$ 1,024 |
| TRANSMISSION & DISTRIBUTION PLANT | | | | | | |
| Land & Land Rights | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Structures & Improvements | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Distrib Reservoirs & Standpipes | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Trans. & Dist. Mains | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Services | \$ 4,281,555 | Meters | 100.0% | \$ 4,281,555 | 0.0% | \$ - |
| Meters | \$ 3,493,702 | Meters | 100.0% | \$ 3,493,702 | 0.0% | \$ - |
| Hydrants | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Subtotal | \$ 7,775,256 | | | \$ 7,775,256 | | \$ - |
| GENERAL PLANT | | | | | | |
| Structures & Improvements | \$ 44,396 | Plant Investment | 96.9% | \$ 43,030 | 3.1% | \$ 1,366 |
| Leasehold Improvements | \$ 48,238 | Plant Investment | 96.9% | \$ 46,754 | 3.1% | \$ 1,484 |
| Office Furniture and Equipment | \$ 14,031 | Plant Investment | 96.9% | \$ 13,600 | 3.1% | \$ 432 |
| Computer Hardware | \$ 23,824 | Billing | 0.0% | \$ - | 100.0% | \$ 23,824 |
| Computer Software | \$ 223,010 | Billing | 0.0% | \$ - | 100.0% | \$ 223,010 |
| Transportation Equipment | \$ 793 | Plant Investment | 96.9% | \$ 768 | 3.1% | \$ 24 |
| Tools, Shop & Garage Equip. | \$ 19,937 | Plant Investment | 96.9% | \$ 19,323 | 3.1% | \$ 613 |
| Power Operated Equipment | \$ 3,603 | Plant Investment | 96.9% | \$ 3,492 | 3.1% | \$ 111 |
| Communication Equipment | \$ 81,629 | Plant Investment | 96.9% | \$ 79,118 | 3.1% | \$ 2,512 |
| Miscellaneous Equipment | \$ 18,302 | Plant Investment | 96.9% | \$ 17,739 | 3.1% | \$ 563 |
| Subtotal | \$ 477,763 | | | \$ 223,824 | | \$ 253,939 |
| TOTAL PLANT IN SERVICE | \$ 8,286,305 | Plant Investment | 96.9% | \$ 8,031,342 | 3.1% | \$ 254,963 |

**ALLOCATION OF CUSTOMER SERVICE DEPRECIATION TO
CUSTOMER METERS AND BILLING**

| | TOTAL | | <-CUST. METER-> | | <--CUST. BILL--> | |
|--|-------------|------------------|-----------------|------------|------------------|----------|
| | CUST. SERV. | ALLOC. SYMBOL | % | AMOUNT | % | AMOUNT |
| Plant Held for Future Use | \$ - | Plant Investment | 96.9% | \$ - | 3.1% | \$ - |
| INTANGIBLE PLANT | | | | | | |
| Organization | \$ - | Plant Investment | 96.9% | \$ - | 3.1% | \$ - |
| Misc. Intangibles | \$ 1,859 | Plant Investment | 96.9% | \$ 1,802 | 3.1% | \$ 57 |
| Subtotal | \$ 1,859 | | | \$ 1,802 | | \$ 57 |
| TRANSMISSION & DISTRIBUTION PLANT | | | | | | |
| Land & Land Rights | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Structures & Improvements | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Distrib Reservoirs & Standpipes | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Trans. & Dist. Mains | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Services | \$ 75,235 | Meters | 100.0% | \$ 75,235 | 0.0% | \$ - |
| Meters | \$ 89,036 | Meters | 100.0% | \$ 89,036 | 0.0% | \$ - |
| Hydrants | \$ - | Meters | 100.0% | \$ - | 0.0% | \$ - |
| Subtotal | \$ 164,271 | | | \$ 164,271 | | \$ - |
| GENERAL PLANT | | | | | | |
| Structures & Improvements | \$ 644 | Plant Investment | 96.9% | \$ 624 | 3.1% | \$ 20 |
| Leasehold Improvements | \$ 6,030 | Plant Investment | 96.9% | \$ 5,844 | 3.1% | \$ 186 |
| Office Furniture and Equipment | \$ 1,749 | Plant Investment | 96.9% | \$ 1,695 | 3.1% | \$ 54 |
| Computer Hardware | \$ 4,769 | Plant Investment | 96.9% | \$ 4,623 | 3.1% | \$ 147 |
| Computer Software | \$ 40,378 | Plant Investment | 96.9% | \$ 39,136 | 3.1% | \$ 1,242 |
| Transportation Equipment | \$ 102 | Plant Investment | 96.9% | \$ 99 | 3.1% | \$ 3 |
| Tools, Shop & Garage Equip. | \$ 463 | Plant Investment | 96.9% | \$ 449 | 3.1% | \$ 14 |
| Power Operated Equipment | \$ 156 | Plant Investment | 96.9% | \$ 151 | 3.1% | \$ 5 |
| Communication Equipment | \$ 8,170 | Plant Investment | 96.9% | \$ 7,918 | 3.1% | \$ 251 |
| Miscellaneous Equipment | \$ 1,062 | Plant Investment | 96.9% | \$ 1,029 | 3.1% | \$ 33 |
| Subtotal | \$ 63,523 | | | \$ 61,569 | | \$ 1,955 |
| TOTAL | \$ 229,653 | | | \$ 227,641 | | \$ 2,012 |
| Less: Contributions | \$ (7,694) | Meters | 100.0% | \$ (7,694) | 0.0% | \$ - |
| TOTAL DEPRECIATION | \$ 221,959 | Depreciation | 99.1% | \$ 219,948 | 0.9% | \$ 2,012 |

ALLOCATION SYMBOLS - CUSTOMER SERVICE

| <u>ALLOCATION SYMBOL</u> | <u>CUSTOM METER</u> | <u>CUSTOM BILL</u> | <u>TOTAL</u> |
|------------------------------|-------------------------|------------------------|---|
| Meters | 100.0% | 0.0% | 100.0% Meters |
| Billing | 0.0% | 100.0% | 100.0% Billing |
| O&M G&A | 5.9% | 94.1% | 100.0% O&M G&A |
| Depreciation | 99.1% | 0.9% | 100.0% Depreciation |
| Revenue Required | 50.1% | 49.9% | 100.0% Total Revenue Required from Base |
| Plant Investment | 96.9% | 3.1% | 100.0% Plant Investment |
| Capital/Debt | 100.0% | 0.0% | 100.0% Capital/Debt |
| Labor | 7.6% | 92.4% | 100.0% Labor |
| Total O&M | 5.9% | 94.1% | 100.0% Total O&M |
| Rate Base | 99.2% | 0.8% | 100.0% Rate Base |
| Non-Income Tax | 73.3% | 26.7% | 100.0% Non-Income Tax |
| Misc Rev | 0.0% | 100.0% | 100.0% Misc Revs - Turn on-off part |

Symbol TT - Taxes other than income

| | <u>Amount</u> | <u>Symbol</u> | <u>Meter</u> | <u>Billing</u> |
|---------------|---------------|------------------|--------------|----------------|
| Property | \$ 94,116 | Plant Investment | \$ 91,220 | \$ 2,896 |
| Payroll | \$ 26,749 | Labor | \$ 2,038 | \$ 24,711 |
| Gross Receipt | \$ 20,121 | Revenue Required | \$ 10,076 | \$ 10,045 |
| Total | \$ 140,986 | | \$ 103,334 | \$ 37,652 |
| Percent | | Non-Income Tax | 73.29% | 26.71% |

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 | 7,702 | 1 | 7,702 |
| 3/4 | 1 | 1.5 | 2 |
| 1 | 307 | 2.5 | 768 |
| 1 1/2 | 79 | 5 | 395 |
| 2 | 169 | 8 | 1,352 |
| 3 | 12 | 15 | 180 |
| 4 | 3 | 25 | 75 |
| 6 | 6 | 50 | 300 |
| >=8 | <u>2</u> | 80 | <u>160</u> |
| TOTALS | 8,281 | | 10,933 |

(1) Based on AWWA Meter Capacity Ratios

DETERMINATION OF SERVICE CHARGES**BILLING CHARGE**

| | | | |
|---------------------------------|---|------------|------------------|
| <u>CUST. BILLING ALLOC. (2)</u> | = | \$ 799,901 | |
| <u>NUMBER OF BILLINGS (1)</u> | | ----- = \$ | 7.85 PER BILLING |
| | | 101,842 | |

METER CHARGE

| | | | |
|-------------------------------|---|------------|----------------------|
| <u>CUST. METER ALLOC. (3)</u> | = | \$ 664,990 | |
| <u>NO. EQUIV. METERS (1)</u> | | ----- = \$ | 60.82 / EQ. METER/YR |
| | | 10,933 | |

(1) See DMF (Raftelis) Sch. 2

(2) Allocation to Billing was reduced and reallocated to base retail rates by \$0,000

(3) Includes total customer Metering allocation from Schedule 5A less amount assigned to private fire in Sch 4B

TOTAL SERVICE CHARGES

| <u>METER SIZE (IN)</u> | <u>MONTHLY ACCOUNTS</u> | | |
|----------------------------|-------------------------|---------------------------|-------------------------|
| | <u>METER CHARGE</u> | <u>BILLING CHARGE</u> | <u>TOTAL CHARGE</u> |
| 5/8 | \$ 5.07 | \$ 7.85 | \$ 12.92 |
| 3/4 | \$ 7.60 | \$ 7.85 | \$ 15.46 |
| 1 | \$ 12.67 | \$ 7.85 | \$ 20.53 |
| 1 1/2 | \$ 25.34 | \$ 7.85 | \$ 33.20 |
| 2 | \$ 40.55 | \$ 7.85 | \$ 48.40 |
| 3 | \$ 76.03 | \$ 7.85 | \$ 83.88 |
| 4 | \$ 126.72 | \$ 7.85 | \$ 134.57 |
| 6 | \$ 253.43 | \$ 7.85 | \$ 261.29 |
| >8 | \$ 405.49 | \$ 7.85 | \$ 413.35 |

SUMMARY GENERAL WATER EXPENSE ALLOCATIONS

| | TOTAL | ALLOC. | BASE | | EXTRA CAP.-MAX DAY | | EXTRA CAP.-PEAK HR | |
|--------------------------------|--------------|----------------------------------|--------|--------------|--------------------|--------------|--------------------|------------|
| | GEN'L WATER | SYMBOL (1) | % | AMOUNT | % | AMOUNT | % | AMOUNT |
| Operation & Maintenance | \$ 1,696,058 | Total O&M | 54.0% | \$ 916,199 | 34.6% | \$ 587,377 | 11.3% | \$ 192,481 |
| Depreciation | \$ 654,466 | Depreciation | 23.5% | \$ 154,003 | 42.4% | \$ 277,461 | 34.1% | \$ 223,001 |
| Taxes other than Income | \$ 393,333 | Taxes other than Income | 30.6% | \$ 120,351 | 39.7% | \$ 156,241 | 29.7% | \$ 116,741 |
| Total Operating | \$ 2,743,856 | | | \$ 1,190,553 | | \$ 1,021,079 | | \$ 532,223 |
| Federal Income Tax | \$ 191,323 | Rate Base | 25.2% | \$ 48,229 | 41.8% | \$ 80,040 | 33.0% | \$ 63,053 |
| Return on Rate Base | \$ 1,171,846 | Rate Base | 25.2% | \$ 295,402 | 41.8% | \$ 490,245 | 33.0% | \$ 386,199 |
| Total Revenue Required | \$ 4,107,025 | | | \$ 1,534,184 | | \$ 1,591,365 | | \$ 981,476 |
| Less: | | | | | | | | |
| Misc. Income/Turn on-off | \$ 12,492 | Misc revenues | 100.0% | \$ 12,492 | 0.0% | \$ - | 0.0% | \$ - |
| Other Water Revenues | \$ 12,911 | Misc revenues | 100.0% | \$ 12,911 | 0.0% | \$ - | 0.0% | \$ - |
| Subtotal | \$ 4,081,621 | | 37.0% | \$ 1,508,781 | 39.0% | \$ 1,591,365 | 24.0% | \$ 981,476 |
| Plus: | | | | | | | | |
| Public Fire Service Adjustment | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Required From Rates | \$ 4,081,621 | | | \$ 1,508,781 | | \$ 1,591,365 | | \$ 981,476 |

**ALLOCATION OF GENERAL WATER RATE BASE TO
BASE AND EXTRA CAPACITY**

| | TOTAL | ALLOC. | BASE | | EXTRA CAP.-MAX DAY | | EXTRA CAP.-PEAK HR | |
|--|----------------|------------------------------|-------|----------------|--------------------|----------------|--------------------|----------------|
| | GEN'L WATER | SYMBOL (1) | % | AMOUNT | % | AMOUNT | % | AMOUNT |
| Average Utility Plant on Service | \$ 26,581,126 | Plant Investment | 26.4% | \$ 7,014,474 | 41.0% | \$ 10,898,753 | 32.6% | \$ 8,667,899 |
| Less: | | | | | | | | |
| Accumulated Amortization | \$ (6,100,282) | Rate Base | 25.2% | \$ (1,537,773) | 41.8% | \$ (2,552,071) | 33.0% | \$ (2,010,438) |
| Contributions | \$ (2,955,501) | T&D Mains | 32.5% | \$ (961,138) | 35.7% | \$ (1,054,954) | 31.8% | \$ (939,410) |
| Deferred Income Tax | \$ (1,361,481) | Rate Base | 25.2% | \$ (343,205) | 41.8% | \$ (569,580) | 33.0% | \$ (448,696) |
| Regulatory Liability - Tax Rate Change | \$ (1,213,390) | Rate Base | 25.2% | \$ (305,874) | 41.8% | \$ (507,625) | 33.0% | \$ (399,891) |
| Unamortized ITC | \$ (48,821) | Rate Base | 25.2% | \$ (12,307) | 41.8% | \$ (20,424) | 33.0% | \$ (16,090) |
| Unfunded FAS 106 | \$ (399,778) | Labor | 54.1% | \$ (216,304) | 31.0% | \$ (124,099) | 14.9% | \$ (59,375) |
| Plus: | | | | | | | | |
| Customer Advances | \$ - | Rate Base | 25.2% | \$ - | 41.8% | \$ - | 33.0% | \$ - |
| Materials and Supplies | \$ 147,526 | Rate Base | 25.2% | \$ 37,189 | 41.8% | \$ 61,718 | 33.0% | \$ 48,619 |
| Cash Working Capital | \$ 215,775 | Total Costs/Revenue Required | 37.0% | \$ 79,762 | 39.0% | \$ 84,127 | 24.0% | \$ 51,886 |
| Deferred Tank Painting | \$ 58,682 | Storage | 0.0% | \$ - | 50.0% | \$ 29,341 | 50.0% | \$ 29,341 |
| Deferred Rate Case | \$ 61,383 | Total Costs/Revenue Required | 37.0% | \$ 22,690 | 39.0% | \$ 23,932 | 24.0% | \$ 14,760 |
| Deferred Operations | \$ - | Total O&M | 54.0% | \$ - | 34.6% | \$ - | 11.3% | \$ - |
| Deferred Acquisitions | \$ - | Plant Investment | 26.4% | \$ - | 41.0% | \$ - | 32.6% | \$ - |
| Total Rate Base | \$ 14,985,237 | Rate Base | 25.2% | \$ 3,777,513 | 41.8% | \$ 6,269,118 | 33.0% | \$ 4,938,606 |

**ALLOCATION OF GENERAL WATER O&M EXPENSES TO
BASE AND EXTRA CAPACITY**

| EXPENSE ITEM | TOTAL GEN'L WATER | ALLOC. SYMBOL (1) | BASE | | EXTRA CAP -MAX DAY | | EXTRA CAP -PEAK HR | |
|---|----------------------|----------------------------------|--------|------------|--------------------|------------|--------------------|--------|
| | | | % | AMOUNT | % | AMOUNT | % | AMOUNT |
| Source of Supply Expenses | | | | | | | | |
| <i>Operation</i> | | | | | | | | |
| Operation Supervision and Engineering | \$ 76,709 | Supply, chemicals, power & water | 100.0% | \$ 76,709 | 0.0% | \$ - | 0.0% | \$ - |
| Operation Labor and Expenses | \$ 93,739 | Supply, chemicals, power & water | 100.0% | \$ 93,739 | 0.0% | \$ - | 0.0% | \$ - |
| Purchased Water | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Miscellaneous Expenses | \$ 636 | Supply, chemicals, power & water | 100.0% | \$ 636 | 0.0% | \$ - | 0.0% | \$ - |
| Rents | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Total Operation | \$ 171,085 | | | \$ 171,085 | | \$ - | | \$ - |
| <i>Maintenance</i> | | | | | | | | |
| Maintenance Supervision and Engineering | \$ 3,228 | Supply, chemicals, power & water | 100.0% | \$ 3,228 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Structures and Improvements | \$ 612 | Supply, chemicals, power & water | 100.0% | \$ 612 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Wells and Springs | \$ 3,184 | Supply, chemicals, power & water | 100.0% | \$ 3,184 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Supply Mains | \$ 18,673 | Supply, chemicals, power & water | 100.0% | \$ 18,673 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Miscellaneous Water Source Plant | \$ 1,165 | Supply, chemicals, power & water | 100.0% | \$ 1,165 | 0.0% | \$ - | 0.0% | \$ - |
| Total Maintenance | \$ 26,862 | | | \$ 26,862 | | \$ - | | \$ - |
| Total Source of Supply Expenses | \$ 197,946 | | | \$ 197,946 | | \$ - | | \$ - |
| Pumping Expenses | | | | | | | | |
| <i>Operation</i> | | | | | | | | |
| Operation Supervision and Engineering | \$ 738 | Production & pumping costs | 47.7% | \$ 352 | 52.3% | \$ 386 | 0.0% | \$ - |
| Fuel for Power Production | \$ 6,757 | Supply, chemicals, power & water | 100.0% | \$ 6,757 | 0.0% | \$ - | 0.0% | \$ - |
| Power Production Labor & Expenses | \$ 3,964 | Supply, chemicals, power & water | 100.0% | \$ 3,964 | 0.0% | \$ - | 0.0% | \$ - |
| Fuel or Power Purchased for Production | \$ 296,001 | Production & pumping costs | 47.7% | \$ 141,113 | 52.3% | \$ 154,887 | 0.0% | \$ - |
| Pumping Labor and Expenses | \$ 74,855 | Production & pumping costs | 47.7% | \$ 35,686 | 52.3% | \$ 39,169 | 0.0% | \$ - |
| Miscellaneous Expenses | \$ 7,065 | Production & pumping costs | 47.7% | \$ 3,368 | 52.3% | \$ 3,697 | 0.0% | \$ - |
| Total Operation | \$ 389,379 | | | \$ 191,240 | | \$ 198,139 | | \$ - |
| <i>Maintenance</i> | | | | | | | | |
| Maintenance Supervision and Engineering | \$ 2,257 | Production & pumping costs | 47.7% | \$ 1,076 | 52.3% | \$ 1,181 | 0.0% | \$ - |
| Maintenance of Structures and Improvements | \$ 1,021 | Production & pumping costs | 47.7% | \$ 487 | 52.3% | \$ 534 | 0.0% | \$ - |
| Maintenance of Power Production Equipment | \$ 1,961 | Production & pumping costs | 47.7% | \$ 935 | 52.3% | \$ 1,026 | 0.0% | \$ - |
| Maintenance of Pumping Equipment | \$ 25,094 | Production & pumping costs | 47.7% | \$ 11,963 | 52.3% | \$ 13,131 | 0.0% | \$ - |
| Contractual Services - Testing | \$ 975 | Production & pumping costs | 47.7% | \$ 465 | 52.3% | \$ 510 | 0.0% | \$ - |
| Total Maintenance | \$ 31,307 | | | \$ 14,925 | | \$ 16,382 | | \$ - |
| Total Pumping Expenses | \$ 420,686 | | | \$ 206,165 | | \$ 214,521 | | \$ - |
| Source Supply Water Expenses | | | | | | | | |
| <i>Maintenance</i> | | | | | | | | |
| Contractual Services - Other | \$ 4,099 | Supply, chemicals, power & water | 100.0% | \$ 4,099 | 0.0% | \$ - | 0.0% | \$ - |
| Total Maintenance | \$ 4,099 | | | \$ 4,099 | | \$ - | | \$ - |
| Total Source Supply Water Expenses | \$ 4,099 | | | \$ 4,099 | | \$ - | | \$ - |
| Water Treatment Expenses | | | | | | | | |
| <i>Operation</i> | | | | | | | | |
| Operation Supervision and Engineering | \$ 1,262 | Production & pumping costs | 47.7% | \$ 601 | 52.3% | \$ 660 | 0.0% | \$ - |
| Chemicals | \$ 47,429 | Supply, chemicals, power & water | 100.0% | \$ 47,429 | 0.0% | \$ - | 0.0% | \$ - |
| Operation Labor and Expenses | \$ 75,606 | Production & pumping costs | 47.7% | \$ 36,044 | 52.3% | \$ 39,562 | 0.0% | \$ - |
| Miscellaneous Expenses | \$ 40,815 | Production & pumping costs | 47.7% | \$ 19,458 | 52.3% | \$ 21,357 | 0.0% | \$ - |
| Rents | \$ - | Production & pumping costs | 47.7% | \$ - | 52.3% | \$ - | 0.0% | \$ - |
| Total Operation | \$ 165,112 | | | \$ 103,532 | | \$ 61,579 | | \$ - |

| | | | | | | | | |
|---|--------------|----------------------------------|--------|--------------|-------|-------------|-------|-------------|
| Maintenance | | | | | | | | |
| Maintenance Supervision and Engineering | \$ 18,033 | Production & pumping costs | 47.7% | \$ 8,597 | 52.3% | \$ 9,436 | 0.0% | \$ - |
| Maintenance of Structures and Improvements | \$ (30,044) | Production & pumping costs | 47.7% | \$ (14,323) | 52.3% | \$ (15,721) | 0.0% | \$ - |
| Maintenance of Water Treatment Equipment | \$ 9,415 | Production & pumping costs | 47.7% | \$ 4,488 | 52.3% | \$ 4,927 | 0.0% | \$ - |
| Total Maintenance | \$ (2,595) | | | \$ (1,237) | | \$ (1,358) | | \$ - |
| Total Water Treatment Expenses | \$ 162,517 | | | \$ 102,295 | | \$ 60,221 | | \$ - |
| Transmission and Distribution Expenses | | | | | | | | |
| Operation | | | | | | | | |
| Operation Supervision and Engineering | \$ 1,303 | T&D Mains | 32.5% | \$ 424 | 35.7% | \$ 465 | 31.8% | \$ 414 |
| Transmission and Distribution Lines Expenses | \$ 140,576 | T&D Mains | 32.5% | \$ 45,716 | 35.7% | \$ 50,178 | 31.8% | \$ 44,682 |
| Meter Expenses | \$ - | T&D Mains | 32.5% | \$ - | 35.7% | \$ - | 31.8% | \$ - |
| Miscellaneous Expenses | \$ 139,895 | T&D Mains | 32.5% | \$ 45,494 | 35.7% | \$ 49,935 | 31.8% | \$ 44,466 |
| Rents | \$ 2,222 | T&D Mains | 32.5% | \$ 723 | 35.7% | \$ 793 | 31.8% | \$ 706 |
| Total Operation | \$ 283,996 | | | \$ 92,356 | | \$ 101,371 | | \$ 90,269 |
| Maintenance | | | | | | | | |
| Maintenance Supervision and Engineering | \$ 18,763 | T&D Mains | 32.5% | \$ 6,102 | 35.7% | \$ 6,697 | 31.8% | \$ 5,964 |
| Maintenance of Structures and Improvements | \$ 34,775 | T&D Mains | 32.5% | \$ 11,309 | 35.7% | \$ 12,413 | 31.8% | \$ 11,053 |
| Maintenance of Dist. Reservoirs & Standpipes | \$ 52,831 | T&D Mains | 32.5% | \$ 17,181 | 35.7% | \$ 18,858 | 31.8% | \$ 16,792 |
| Maintenance of Trans. & Distribution Mains | \$ 11,935 | T&D Mains | 32.5% | \$ 3,881 | 35.7% | \$ 4,260 | 31.8% | \$ 3,794 |
| Maintenance of Fire Mains | \$ - | T&D Mains | 32.5% | \$ - | 35.7% | \$ - | 31.8% | \$ - |
| Maintenance of Services | \$ - | T&D Mains | 32.5% | \$ - | 35.7% | \$ - | 31.8% | \$ - |
| Maintenance of Meters | \$ - | T&D Mains | 32.5% | \$ - | 35.7% | \$ - | 31.8% | \$ - |
| Maintenance of Hydrants | \$ - | T&D Mains | 32.5% | \$ - | 35.7% | \$ - | 31.8% | \$ - |
| Maintenance of Miscellaneous Plant | \$ - | T&D Mains | 32.5% | \$ - | 35.7% | \$ - | 31.8% | \$ - |
| Total Maintenance | \$ 118,303 | | | \$ 38,473 | | \$ 42,228 | | \$ 37,603 |
| Total Transmission & Distribution Expenses | \$ 402,299 | | | \$ 130,829 | | \$ 143,599 | | \$ 127,871 |
| Customer Accounts Expenses | | | | | | | | |
| Operation | | | | | | | | |
| Supervision | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Meter Reading Salaries | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Customer Records & Coll. Expenses-Labor | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Uncollectible Accounts | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Miscellaneous Customer Account Expense | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Total Customer Accounts Expenses | \$ - | | | \$ - | | \$ - | | \$ - |
| Administrative and General Expenses | | | | | | | | |
| Operation | | | | | | | | |
| Administrative and General Salaries | \$ 42,139 | Total O&M | 54.0% | \$ 22,763 | 34.6% | \$ 14,594 | 11.3% | \$ 4,782 |
| Office Supplies and Other Expenses | \$ 43,874 | Total O&M | 54.0% | \$ 23,700 | 34.6% | \$ 15,194 | 11.3% | \$ 4,979 |
| Administrative Expenses Transferred | \$ (282,072) | Total O&M | 54.0% | \$ (152,373) | 34.6% | \$ (97,687) | 11.3% | \$ (32,012) |
| Outside Services Employed | \$ 359,144 | Total O&M | 54.0% | \$ 194,007 | 34.6% | \$ 124,378 | 11.3% | \$ 40,758 |
| Property Insurance | \$ 332 | Total O&M | 54.0% | \$ 179 | 34.6% | \$ 115 | 11.3% | \$ 38 |
| Injuries and Damages | \$ 9,973 | Total O&M | 54.0% | \$ 5,387 | 34.6% | \$ 3,454 | 11.3% | \$ 1,132 |
| Employee Pension and Benefits | \$ 196,965 | Labor | 54.1% | \$ 106,570 | 31.0% | \$ 61,142 | 14.9% | \$ 29,253 |
| Regulatory Commission Expenses | \$ 57,520 | Total O&M | 54.0% | \$ 31,072 | 34.6% | \$ 19,920 | 11.3% | \$ 6,528 |
| Miscellaneous General Expenses | \$ 20,348 | Total O&M | 54.0% | \$ 10,992 | 34.6% | \$ 7,047 | 11.3% | \$ 2,309 |
| Rents | \$ 56,479 | Total O&M | 54.0% | \$ 30,510 | 34.6% | \$ 19,560 | 11.3% | \$ 6,410 |
| Total Operation | \$ 504,702 | | | \$ 272,808 | | \$ 167,717 | | \$ 64,177 |
| Maintenance | | | | | | | | |
| Maintenance of General Plant | \$ 3,808 | Total O&M | 54.0% | \$ 2,057 | 34.6% | \$ 1,319 | 11.3% | \$ 432 |
| Total Administrative and General Expenses | \$ 508,510 | | | \$ 274,865 | | \$ 169,036 | | \$ 64,610 |
| Total Operation and Maintenance Expenses | \$ 1,696,058 | Total O&M | 54.0% | \$ 916,199 | 34.6% | \$ 587,377 | 11.3% | \$ 192,481 |

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

| EXPENSE ITEM | TOTAL GEN'L WATER | ALLOC. SYMBOL (1) | BASE | | EXTRA CAP.-MAX DAY | | EXTRA CAP.-PEAK HR | |
|---|----------------------|----------------------------------|--------|-----------|--------------------|-----------|--------------------|--------|
| | | | % | AMOUNT | % | AMOUNT | % | AMOUNT |
| Source of Supply Expenses | | | | | | | | |
| <i>Operation</i> | | | | | | | | |
| Operation Supervision and Engineering | \$ 37,524 | Supply, chemicals, power & water | 100.0% | \$ 37,524 | 0.0% | \$ - | 0.0% | \$ - |
| Operation Labor and Expenses | \$ 36,148 | Supply, chemicals, power & water | 100.0% | \$ 36,148 | 0.0% | \$ - | 0.0% | \$ - |
| Purchased Water | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Miscellaneous Expenses | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Total Operation | \$ 73,672 | | | \$ 73,672 | | \$ - | | \$ - |
| <i>Maintenance</i> | | | | | | | | |
| Maintenance Supervision and Engineering | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Structures and Improvements | \$ 271 | Supply, chemicals, power & water | 100.0% | \$ 271 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Wells and Springs | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Supply Mains | \$ 752 | Supply, chemicals, power & water | 100.0% | \$ 752 | 0.0% | \$ - | 0.0% | \$ - |
| Maintenance of Miscellaneous Water Source Plant | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Total Maintenance | \$ 1,023 | | | \$ 1,023 | | \$ - | | \$ - |
| Total Source of Supply Expenses | \$ 74,695 | | | \$ 74,695 | | \$ - | | \$ - |
| Pumping Expenses | | | | | | | | |
| <i>Operation</i> | | | | | | | | |
| Operation Supervision and Engineering | \$ - | Production & pumping costs | 47.7% | \$ - | 52.3% | \$ - | 0.0% | \$ - |
| Fuel for Power Production | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Power Production Labor & Exps | \$ 1,558 | Supply, chemicals, power & water | 100.0% | \$ 1,558 | 0.0% | \$ - | 0.0% | \$ - |
| Fuel or Power Purchased for Production | \$ - | Production & pumping costs | 47.7% | \$ - | 52.3% | \$ - | 0.0% | \$ - |
| Pumping Labor and Expenses | \$ 30,209 | Production & pumping costs | 47.7% | \$ 14,402 | 52.3% | \$ 15,807 | 0.0% | \$ - |
| Miscellaneous Expenses | \$ - | Production & pumping costs | 47.7% | \$ - | 52.3% | \$ - | 0.0% | \$ - |
| Total Operation | \$ 31,767 | | | \$ 15,959 | | \$ 15,807 | | \$ - |
| <i>Maintenance</i> | | | | | | | | |
| Maintenance Supervision and Engineering | \$ - | Production & pumping costs | 47.7% | \$ - | 52.3% | \$ - | 0.0% | \$ - |
| Maintenance of Structures and Improvements | \$ - | Production & pumping costs | 47.7% | \$ - | 52.3% | \$ - | 0.0% | \$ - |
| Maintenance of Power Production Equipment | \$ - | Production & pumping costs | 47.7% | \$ - | 52.3% | \$ - | 0.0% | \$ - |
| Maintenance of Pumping Equipment | \$ 12,696 | Production & pumping costs | 47.7% | \$ 6,052 | 52.3% | \$ 6,643 | 0.0% | \$ - |
| Contractual Services - Testing | \$ - | Production & pumping costs | 47.7% | \$ - | 52.3% | \$ - | 0.0% | \$ - |
| Total Maintenance | \$ 12,696 | | | \$ 6,052 | | \$ 6,643 | | \$ - |
| Total Pumping Expenses | \$ 44,462 | | | \$ 22,012 | | \$ 22,450 | | \$ - |
| Source Supply Water Expenses | | | | | | | | |
| <i>Maintenance</i> | | | | | | | | |
| Contractual Services - Other | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Total Maintenance | \$ - | | | \$ - | | \$ - | | \$ - |
| Total Source Supply Water Expenses | \$ - | | | \$ - | | \$ - | | \$ - |
| Water Treatment Expenses | | | | | | | | |
| <i>Operation</i> | | | | | | | | |
| Operation Supervision and Engineering | \$ - | Production & pumping costs | 47.7% | \$ - | 52.3% | \$ - | 0.0% | \$ - |
| Chemicals | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Operation Labor and Expenses | \$ 28,911 | Production & pumping costs | 47.7% | \$ 13,783 | 52.3% | \$ 15,128 | 0.0% | \$ - |
| Miscellaneous Expenses | \$ 8,889 | Production & pumping costs | 47.7% | \$ 4,237 | 52.3% | \$ 4,651 | 0.0% | \$ - |
| Rents | \$ - | Production & pumping costs | 47.7% | \$ - | 52.3% | \$ - | 0.0% | \$ - |
| Total Operation | \$ 37,800 | | | \$ 18,020 | | \$ 19,779 | | \$ - |

| | | | | | | | | |
|---|------------|----------------------------------|--------|------------|-------|------------|-------|-----------|
| Maintenance | | | | | | | | |
| Maintenance Supervision and Engineering | \$ - | Production & pumping costs | 47.7% | \$ - | 52.3% | \$ - | 0.0% | \$ - |
| Maintenance of Structures and Improvements | \$ - | Production & pumping costs | 47.7% | \$ - | 52.3% | \$ - | 0.0% | \$ - |
| Maintenance of Water Treatment Equipment | \$ 345 | Production & pumping costs | 47.7% | \$ 165 | 52.3% | \$ 181 | 0.0% | \$ - |
| Total Maintenance | \$ 345 | | | \$ 165 | | \$ 181 | | \$ - |
| Total Water Treatment Expenses | \$ 38,145 | | | \$ 18,185 | | \$ 19,960 | | \$ - |
| Transmission and Distribution Expenses | | | | | | | | |
| <i>Operation</i> | | | | | | | | |
| Operation Supervision and Engineering | \$ - | T&D Mains | 32.5% | \$ - | 35.7% | \$ - | 31.8% | \$ - |
| Transmission and Distribution Lines Expenses | \$ 69,765 | T&D Mains | 32.5% | \$ 22,688 | 35.7% | \$ 24,902 | 31.8% | \$ 22,175 |
| Meter Expenses | \$ - | T&D Mains | 32.5% | \$ - | 35.7% | \$ - | 31.8% | \$ - |
| Miscellaneous Expenses | \$ 38,413 | T&D Mains | 32.5% | \$ 12,492 | 35.7% | \$ 13,711 | 31.8% | \$ 12,210 |
| Rents | \$ 1,254 | T&D Mains | 32.5% | \$ 408 | 35.7% | \$ 448 | 31.8% | \$ 399 |
| Total Operation | \$ 109,432 | | | \$ 35,588 | | \$ 39,061 | | \$ 34,783 |
| <i>Maintenance</i> | | | | | | | | |
| Maintenance Supervision and Engineering | \$ 9,528 | T&D Mains | 32.5% | \$ 3,098 | 35.7% | \$ 3,401 | 31.8% | \$ 3,028 |
| Maintenance of Structures and Improvements | \$ 17,317 | T&D Mains | 32.5% | \$ 5,632 | 35.7% | \$ 6,181 | 31.8% | \$ 5,504 |
| Maintenance of Dist. Reservoirs & Standpipes | \$ - | T&D Mains | 32.5% | \$ - | 35.7% | \$ - | 31.8% | \$ - |
| Maintenance of Trans. & Distribution Mains | \$ 1,692 | T&D Mains | 32.5% | \$ 550 | 35.7% | \$ 604 | 31.8% | \$ 538 |
| Maintenance of Fire Mains | \$ - | T&D Mains | 32.5% | \$ - | 35.7% | \$ - | 31.8% | \$ - |
| Maintenance of Services | \$ - | T&D Mains | 32.5% | \$ - | 35.7% | \$ - | 31.8% | \$ - |
| Maintenance of Meters | \$ - | T&D Mains | 32.5% | \$ - | 35.7% | \$ - | 31.8% | \$ - |
| Maintenance of Hydrants | \$ - | T&D Mains | 32.5% | \$ - | 35.7% | \$ - | 31.8% | \$ - |
| Maintenance of Miscellaneous Plant | \$ - | T&D Mains | 32.5% | \$ - | 35.7% | \$ - | 31.8% | \$ - |
| Total Maintenance | \$ 28,537 | | | \$ 9,280 | | \$ 10,186 | | \$ 9,071 |
| Total Transmission & Distribution Expenses | \$ 137,969 | | | \$ 44,868 | | \$ 49,248 | | \$ 43,854 |
| Customer Accounts Expenses | | | | | | | | |
| <i>Operation</i> | | | | | | | | |
| Supervision | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Meter Reading Salaries | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Customer Records & Coll. Expenses-Labor | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Uncollectible Accounts | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Miscellaneous Customer Account Expense | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Total Customer Accounts Expenses | \$ - | | | \$ - | | \$ - | | \$ - |
| Administrative and General Expenses | | | | | | | | |
| <i>Operation</i> | | | | | | | | |
| Administrative and General Salaries | \$ 114,397 | Labor | 54.1% | \$ 61,896 | 31.0% | \$ 35,511 | 14.9% | \$ 16,990 |
| Office Supplies and Other Expenses | \$ - | Labor | 54.1% | \$ - | 31.0% | \$ - | 14.9% | \$ - |
| Administrative Expenses Transferred | \$ - | Labor | 54.1% | \$ - | 31.0% | \$ - | 14.9% | \$ - |
| Outside Services Employed | \$ - | Labor | 54.1% | \$ - | 31.0% | \$ - | 14.9% | \$ - |
| Property Insurance | \$ - | Labor | 54.1% | \$ - | 31.0% | \$ - | 14.9% | \$ - |
| Injuries and Damages | \$ - | Labor | 54.1% | \$ - | 31.0% | \$ - | 14.9% | \$ - |
| Employee Pension and Benefits | \$ - | Labor | 54.1% | \$ - | 31.0% | \$ - | 14.9% | \$ - |
| Regulatory Commission Expenses | \$ - | Labor | 54.1% | \$ - | 31.0% | \$ - | 14.9% | \$ - |
| Miscellaneous General Expenses | \$ - | Labor | 54.1% | \$ - | 31.0% | \$ - | 14.9% | \$ - |
| Rents | \$ - | Labor | 54.1% | \$ - | 31.0% | \$ - | 14.9% | \$ - |
| Total Operation | \$ 114,397 | | | \$ 61,896 | | \$ 35,511 | | \$ 16,990 |
| <i>Maintenance</i> | | | | | | | | |
| Maintenance of General Plant | \$ - | Labor | 54.1% | \$ - | 31.0% | \$ - | 14.9% | \$ - |
| Total Administrative and General Expenses | \$ - | | | \$ - | | \$ - | | \$ - |
| Total Labor Expenses | \$ 409,668 | Labor | 54.1% | \$ 221,656 | 31.0% | \$ 127,169 | 14.9% | \$ 60,844 |

**ALLOCATION OF GEN'L WATER PLANT IN SERVICE 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 |
| Plant Held for Future Use | \$ - | | 26.4% | \$ - | 41.0% | \$ - | 32.6% | \$ - |
| INTANGIBLE PLANT | | | | | | | | |
| Organization | \$ 37,659 | Plant Investment | 26.4% | \$ 9,938 | 41.0% | \$ 15,441 | 32.6% | \$ 12,280 |
| Misc. Intangibles | \$ 69,113 | Plant Investment | 26.4% | \$ 18,238 | 41.0% | \$ 28,338 | 32.6% | \$ 22,537 |
| Subtotal | \$ 106,772 | | | \$ 28,176 | | \$ 43,779 | | \$ 34,818 |
| SOURCE OF SUPPLY | | | | | | | | |
| Land & Land Rights | \$ 27,717 | Supply, chemicals, power & water | 100.0% | \$ 27,717 | 0.0% | \$ - | 0.0% | \$ - |
| Structures | \$ 105,260 | Supply, chemicals, power & water | 100.0% | \$ 105,260 | 0.0% | \$ - | 0.0% | \$ - |
| Wells & Springs | \$ 567,394 | Supply, chemicals, power & water | 100.0% | \$ 567,394 | 0.0% | \$ - | 0.0% | \$ - |
| Supply Mains | \$ 58,771 | Production & pumping costs | 47.7% | \$ 28,018 | 52.3% | \$ 30,753 | 0.0% | \$ - |
| Struct & Other Source of Supply | \$ 1,601 | Supply, chemicals, power & water | 100.0% | \$ 1,601 | 0.0% | \$ - | 0.0% | \$ - |
| Subtotal | \$ 760,743 | | | \$ 729,990 | | \$ 30,753 | | \$ - |
| PUMPING PLANT | | | | | | | | |
| Land & Land Rights | \$ 5,601 | Production & pumping costs | 47.7% | \$ 2,670 | 52.3% | \$ 2,931 | 0.0% | \$ - |
| Structures & Improvements | \$ 708,032 | Production & pumping costs | 47.7% | \$ 337,542 | 52.3% | \$ 370,490 | 0.0% | \$ - |
| Electric Pump Equip | \$ 1,600,025 | Production & pumping costs | 47.7% | \$ 762,785 | 52.3% | \$ 837,240 | 0.0% | \$ - |
| Other Pump Equip | \$ 101,513 | Production & pumping costs | 47.7% | \$ 48,394 | 52.3% | \$ 53,118 | 0.0% | \$ - |
| Subtotal | \$ 2,415,171 | | | \$ 1,151,392 | | \$ 1,263,779 | | \$ - |
| WATER TREATMENT PLANT | | | | | | | | |
| Structures & Improvements | \$ 9,437 | Production & pumping costs | 47.7% | \$ 4,499 | 52.3% | \$ 4,938 | 0.0% | \$ - |
| Water Treatment Plant | \$ 492,038 | Production & pumping costs | 47.7% | \$ 234,571 | 52.3% | \$ 257,467 | 0.0% | \$ - |
| Subtotal | \$ 501,475 | | | \$ 239,070 | | \$ 262,405 | | \$ - |
| TRANSMISSION & DISTRIBUTION PLANT | | | | | | | | |
| Land & Land Rights | \$ 1,862 | T&D Mains | 32.5% | \$ 605 | 35.7% | \$ 664 | 31.8% | \$ 592 |
| Structures & Improvements | \$ 139,985 | T&D Mains | 32.5% | \$ 45,523 | 35.7% | \$ 49,967 | 31.8% | \$ 44,494 |
| Distrib Reservoirs & Standpipes | \$ 7,545,523 | Storage | 0.0% | \$ - | 50.0% | \$ 3,772,762 | 50.0% | \$ 3,772,762 |
| Trans. & Dist. Mains | \$ 13,577,008 | T&D Mains | 32.5% | \$ 4,415,284 | 35.7% | \$ 4,846,255 | 31.8% | \$ 4,315,469 |
| Services | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Meters | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Hydrants | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Subtotal | \$ 21,264,377 | | | \$ 4,461,412 | | \$ 8,669,649 | | \$ 8,133,316 |
| GENERAL PLANT | | | | | | | | |
| Structures & Improvements | \$ 142,415 | Plant Investment | 26.4% | \$ 37,582 | 41.0% | \$ 58,393 | 32.6% | \$ 46,440 |
| Leasehold Improvements | \$ 154,741 | Plant Investment | 26.4% | \$ 40,834 | 41.0% | \$ 63,447 | 32.6% | \$ 50,460 |
| Office Furniture and Equipment | \$ 45,010 | Plant Investment | 26.4% | \$ 11,878 | 41.0% | \$ 18,455 | 32.6% | \$ 14,678 |
| Computer Hardware | \$ 76,422 | Plant Investment | 26.4% | \$ 20,167 | 41.0% | \$ 31,335 | 32.6% | \$ 24,921 |
| Computer Software | \$ 715,379 | Plant Investment | 26.4% | \$ 188,781 | 41.0% | \$ 293,319 | 32.6% | \$ 233,280 |
| Transportation Equipment | \$ 2,543 | Plant Investment | 26.4% | \$ 671 | 41.0% | \$ 1,043 | 32.6% | \$ 829 |
| Tools, Shop & Garage Equip. | \$ 63,954 | Plant Investment | 26.4% | \$ 16,877 | 41.0% | \$ 26,222 | 32.6% | \$ 20,855 |
| Power Operated Equipment | \$ 11,558 | Plant Investment | 26.4% | \$ 3,050 | 41.0% | \$ 4,739 | 32.6% | \$ 3,769 |
| Communication Equipment | \$ 261,854 | Plant Investment | 26.4% | \$ 69,101 | 41.0% | \$ 107,365 | 32.6% | \$ 85,389 |
| Miscellaneous Equipment | \$ 58,711 | Plant Investment | 26.4% | \$ 15,493 | 41.0% | \$ 24,073 | 32.6% | \$ 19,145 |
| Subtotal | \$ 1,532,588 | | | \$ 404,433 | | \$ 628,389 | | \$ 499,765 |
| TOTAL PLANT IN SERVICE | \$ 26,581,126 | Plant Investment | 26.4% | \$ 7,014,474 | 41.0% | \$ 10,898,753 | 32.6% | \$ 8,667,899 |

**ALLOCATION OF GEN'L WATER DEPRECIATION TO
BASE AND EXTRA CAPACITY**

| | TOTAL | ALLOC. SYMBOL (1) | BASE | | EXTRA CAP.-MAX DAY | | EXTRA CAP.-PEAK HR | |
|-----------------------------------|-------------|----------------------------------|--------|-------------|--------------------|-------------|--------------------|-------------|
| | GEN'L WATER | | % | AMOUNT | % | AMOUNT | % | AMOUNT |
| Plant Held for Future Use | \$ - | | 26.4% | \$ - | 41.0% | \$ - | 32.6% | \$ - |
| INTANGIBLE PLANT | | | | | | | | |
| Organization | \$ - | Plant Investment | 26.4% | \$ - | 41.0% | \$ - | 32.6% | \$ - |
| Misc. Intangibles | \$ 5,964 | Plant Investment | 26.4% | \$ 1,574 | 41.0% | \$ 2,446 | 32.6% | \$ 1,945 |
| Subtotal | \$ 5,964 | | | \$ 1,574 | | \$ 2,446 | | \$ 1,945 |
| SOURCE OF SUPPLY | | | | | | | | |
| Land & Land Rights | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Structures | \$ 2,316 | Supply, chemicals, power & water | 100.0% | \$ 2,316 | 0.0% | \$ - | 0.0% | \$ - |
| Wells & Springs | \$ 22,582 | Supply, chemicals, power & water | 100.0% | \$ 22,582 | 0.0% | \$ - | 0.0% | \$ - |
| Supply Mains | \$ 1,687 | Production & pumping costs | 47.7% | \$ 804 | 52.3% | \$ 883 | 0.0% | \$ - |
| Struct & Other Source of Supply | \$ 31 | Supply, chemicals, power & water | 100.0% | \$ 31 | 0.0% | \$ - | 0.0% | \$ - |
| Subtotal | \$ 26,616 | | | \$ 25,733 | | \$ 883 | | \$ - |
| PUMPING PLANT | | | | | | | | |
| Land & Land Rights | \$ - | Production & pumping costs | 47.7% | \$ - | 52.3% | \$ - | 0.0% | \$ - |
| Structures & Improvements | \$ 15,530 | Production & pumping costs | 47.7% | \$ 7,404 | 52.3% | \$ 8,127 | 0.0% | \$ - |
| Electric Pump Equip | \$ 30,337 | Production & pumping costs | 47.7% | \$ 14,463 | 52.3% | \$ 15,874 | 0.0% | \$ - |
| Other Pump Equip | \$ 2,081 | Production & pumping costs | 47.7% | \$ 992 | 52.3% | \$ 1,089 | 0.0% | \$ - |
| Subtotal | \$ 47,948 | | | \$ 22,858 | | \$ 25,090 | | \$ - |
| WATER TREATMENT PLANT | | | | | | | | |
| Structures & improvements | \$ 217 | Production & pumping costs | 47.7% | \$ 103 | 52.3% | \$ 114 | 0.0% | \$ - |
| Water Treatment Plant | \$ 10,227 | Production & pumping costs | 47.7% | \$ 4,876 | 52.3% | \$ 5,352 | 0.0% | \$ - |
| Subtotal | \$ 10,444 | | | \$ 4,979 | | \$ 5,465 | | \$ - |
| TRANSMISSION & DISTRIBUTION PLANT | | | | | | | | |
| Land & Land Rights | \$ - | T&D Mains | 32.5% | \$ - | 35.7% | \$ - | 31.8% | \$ - |
| Structures & Improvements | \$ 2,324 | T&D Mains | 32.5% | \$ 756 | 35.7% | \$ 829 | 31.8% | \$ 739 |
| Distrib Reservoirs & Standpipes | \$ 221,084 | Storage | 0.0% | \$ - | 50.0% | \$ 110,542 | 50.0% | \$ 110,542 |
| Trans. & Dist. Mains | \$ 173,878 | T&D Mains | 32.5% | \$ 56,546 | 35.7% | \$ 62,065 | 31.8% | \$ 55,267 |
| Services | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Meters | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Hydrants | \$ - | Supply, chemicals, power & water | 100.0% | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Subtotal | \$ 397,285 | | | \$ 57,301 | | \$ 173,436 | | \$ 166,548 |
| GENERAL PLANT | | | | | | | | |
| Structures & Improvements | \$ 2,065 | Plant Investment | 26.4% | \$ 545 | 41.0% | \$ 847 | 32.6% | \$ 673 |
| Leasehold Improvements | \$ 19,343 | Plant Investment | 26.4% | \$ 5,104 | 41.0% | \$ 7,931 | 32.6% | \$ 6,307 |
| Office Furniture and Equipment | \$ 5,610 | Plant Investment | 26.4% | \$ 1,481 | 41.0% | \$ 2,300 | 32.6% | \$ 1,829 |
| Computer Hardware | \$ 15,300 | Plant Investment | 26.4% | \$ 4,037 | 41.0% | \$ 6,273 | 32.6% | \$ 4,989 |
| Computer Software | \$ 129,527 | Plant Investment | 26.4% | \$ 34,181 | 41.0% | \$ 53,109 | 32.6% | \$ 42,238 |
| Transportation Equipment | \$ 327 | Plant Investment | 26.4% | \$ 86 | 41.0% | \$ 134 | 32.6% | \$ 107 |
| Tools, Shop & Garage Equip. | \$ 1,486 | Plant Investment | 26.4% | \$ 392 | 41.0% | \$ 609 | 32.6% | \$ 485 |
| Power Operated Equipment | \$ 500 | Plant Investment | 26.4% | \$ 132 | 41.0% | \$ 205 | 32.6% | \$ 163 |
| Communication Equipment | \$ 26,207 | Plant Investment | 26.4% | \$ 6,916 | 41.0% | \$ 10,746 | 32.6% | \$ 8,546 |
| Miscellaneous Equipment | \$ 3,405 | Plant Investment | 26.4% | \$ 899 | 41.0% | \$ 1,396 | 32.6% | \$ 1,110 |
| Subtotal | \$ 203,772 | | | \$ 53,773 | | \$ 83,550 | | \$ 66,448 |
| TOTAL | \$ 692,030 | | | \$ 166,219 | | \$ 290,869 | | \$ 234,941 |
| Less: Contributions | \$ (37,564) | T&D Mains | 32.5% | \$ (12,216) | 35.7% | \$ (13,408) | 31.8% | \$ (11,940) |
| TOTAL DEPRECIATION | \$ 654,466 | Depreciation | 23.5% | \$ 154,003 | 42.4% | \$ 277,461 | 34.1% | \$ 223,001 |

ALLOCATION SYMBOLS - GENERAL WATER

| ALLOCATION SYMBOL | BASE % | EXTRA CAPACITY | | TOTAL | |
|---------------------------------------|----------------|------------------------------|-------------|------------|------------|
| | | MAX DAY % | PEAK HOUR % | | |
| Production & pumping costs | 47.7% | 52.3% | 0.0% | 100.0% | |
| T&D Mains | 32.5% | 35.7% | 31.8% | 100.0% | |
| Supply, chemicals, power & water | 100.0% | 0.0% | 0.0% | 100.0% | |
| Depreciation | 23.5% | 42.4% | 34.1% | 100.0% | |
| Total Costs/Revenue Required | 37.0% | 39.0% | 24.0% | 100.0% | |
| Labor | 54.1% | 31.0% | 14.9% | 100.0% | |
| Total O&M | 54.0% | 34.6% | 11.3% | 100.0% | |
| Plant Investment | 26.4% | 41.0% | 32.6% | 100.0% | |
| Rate Base | 25.2% | 41.8% | 33.0% | 100.0% | |
| Storage | 0.0% | 50.0% | 50.0% | 100.0% | |
| Taxes other than income | 30.6% | 39.7% | 29.7% | 100.0% | |
| Misc revenues | 100.0% | 0.0% | 0.0% | 100.0% | |
| | <u>Gal/Min</u> | | | | |
| Max Hour Demand | 4,127 | | | | |
| Peak Hour Demand | 6,050 | | | | |
| <i>Production & Pumping costs</i> | | | | | |
| Avg Day Increment | 1,967 | 47.7% | | | |
| Max Day Increment | 2,160 | 52.3% | | | |
| <i>T&D Mains</i> | <u>Gal/Min</u> | <u>%</u> | | | |
| Average Day | 1,967 | 32.5% | | | |
| Max Day Increment | 2,160 | 35.7% | | | |
| Peak Hour Increment | 1,923 | 31.8% | | | |
| Total Peak Hour | 6,050 | 100.0% | | | |
| <i>Taxes other than income</i> | | | | | |
| Property | \$ 301,908 | Plant Investment | \$ 79,670 | \$ 123,788 | \$ 98,450 |
| Payroll | \$ 40,167 | Labor | \$ 21,733 | \$ 12,469 | \$ 5,966 |
| Gross Receipt | \$ 51,257 | Total Costs/Revenue Required | \$ 18,947 | \$ 19,984 | \$ 12,325 |
| Total | \$ 393,333 | Taxes other than income | \$ 120,351 | \$ 156,241 | \$ 116,741 |
| Percent | | | 30.6% | 39.7% | 29.7% |

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

| | <u>Total</u> | <u>Base</u> | <u>Max Day</u> | <u>Peak Hour</u> |
|--------------------------------|--------------------|-----------------|------------------|---|
| Revenue Requirements | \$4,081,621 | \$1,508,781 | \$1,591,365 | \$981,476 see DMF (Raftelis) Sch. 6 |
| Allocation to Fire Service * | <u>\$1,356,914</u> | <u>\$7,544</u> | <u>\$640,311</u> | <u>\$709,059</u> see DMF (Raftelis) Sch. 2A |
| Net to Wholesale/Retail | \$2,724,707 | \$1,501,237 | \$951,054 | \$272,416 |
| Allocation to Wholesale ** | \$519,744 | \$482,832 | \$36,912 | \$0 |
| Allocation to Tank Truck Sales | <u>\$23,919</u> | <u>\$23,919</u> | <u>\$0</u> | <u>\$0</u> |
| Subtotal | \$2,181,044 | \$994,486 | \$914,142 | \$272,416 |
| + Fire Adjustments (Sch 4A) | \$802,000 | \$802,000 | | |
| + Cust Adjustment (Sch 5A) | <u>\$0</u> | <u>\$0</u> | | |
| Net to Retail Metered Rates | \$2,983,044 | \$1,796,486 | \$914,142 | \$272,416 |
| <u>Residential</u> | | | | |
| Percent | | 61.7% | 69.1% | 71.3% see DMF (Raftelis) Sch. 2A |
| Amount | \$1,935,035 | \$1,108,887 | \$631,987 | \$194,160 |
| <u>Non-Residential</u> | | | | |
| Percent | | 38.3% | 30.9% | 28.7% see DMF (Raftelis) Sch. 2A |
| Amount | \$1,048,010 | \$687,598 | \$282,155 | \$78,256 |

* Allocation to fire protection:

Base: 0.05% assigned to fire to reflect minimal use on fires
Max Day & Peak Hour -- see DMF (Raftelis) Sch. 2A

** Allocation to wholesale based on:

| | | | | |
|--------------------------------|-------------------|---|--|--|
| <u>BASE</u> | | | | |
| Metered Sales (ccf/yr) | 1,219,624 | | | |
| Retail Sales (ccf/yr) | 818,270 | 67.1% | | |
| Retail Unacctd For (ccf/yr) | <u>38,953</u> | Based on miles of pipe: 100% of distribution/service plus 67.1% of transmission | | |
| Total Retail (ccf/yr) | 857,223 | | | |
| Wholesale Sales (ccf/yr) | 392,216 | 32.2% | | |
| Wholesale Unacctd For (ccf/yr) | <u>2,385</u> | | | |
| Total Wholesale (ccf/yr) | <u>394,601</u> | | | |
| Tank Truck Sales (ccf/yr) | <u>9,138</u> | | | |
| Grand Total (ccf/yr) | 1,260,963 | | | |
| Wholesale % of Grand Total | 31.3% | | | |
| Net Base Allocation | \$1,501,237 | | | |
| Wholesale Allocation | \$469,792 | | | |
| Adjustment for Tank Trucks | \$13,040 | | | |
| Net Wholesale Allocation | \$482,832 | | | |
| Tank Truck % of Grand Total | 0.7% | | | |
| Tank Truck Adjustment | \$13,040 | | | |
| Tank Truck Allocation | \$23,919 | | | |
| <u>MAX DAY</u> | | | | |
| Net Max Day Allocation | \$951,054 | | | |
| Less: Distribution Costs | | | | |
| share of T&D O&M | -\$89,336 | Based on inch-miles of distrib. pipe | | |
| Admin O&M Share | -\$25,709 | 28.8% | | |
| Distribution Capital Items | <u>-\$668,364</u> | 66.6% (Less Distribution Mains & Gen'l Items allocated to Max Day) | | |
| Total Net of Distribution | \$167,645 | | | |
| Wholesale Max Day % | 22.02% | See DMF (Raftelis) Sch. 2A | | |
| Wholesale Allocation | \$36,912 | | | |
| <u>PEAK HOUR</u> | | | | |
| Total Peak Hour Allocation | \$981,476 | | | |
| Wholesale Peak Hr % | 0.00% | See DMF (Raftelis) Sch. 2A | | |
| Wholesale Allocation | \$0 | | | |

METERED WATER RATES**Residential****Two Block Rate***1st Block:*

| | | | |
|-------------------------|----------------|------|---------|
| Base Expense | \$1,108,887.41 | | |
| Max Day Expense | \$631,987.10 | | |
| Peak Hr Expense | \$ - | 0.0% | |
| Total | \$ 1,740,875 | = | \$3.447 |
| Metered Sales (HCF) (1) | 505,080 | = | |

2nd Block

| | | | |
|---------------------|--------------|------------------|---------|
| Peak Hour Expense | \$194,159.99 | = | \$1.562 |
| 2nd Block Sales (1) | 124,266 | = | |
| | | Plus First Block | \$3.447 |
| | | 2nd Block Rate | \$5.009 |

Non- Residential**Uniform Rate**

| | | | |
|-------------------------|-------------|---|---------|
| Total Allocation (2) | \$1,048,010 | = | \$3.346 |
| Metered Sales (HCF) (1) | 313,190 | = | |

Wholesale (Sales for Resale) Rates

| | | | |
|-------------------------|-----------|---|----------------------|
| Total Allocation (2) | \$519,744 | = | \$1.325 |
| Metered Sales (HCF) (1) | 392,216 | = | |
| | | | \$1.771 per 1000 gal |

Tank Truck Sales

| | | | |
|-------------------------|----------|---|----------------------|
| Total Allocation (2) | \$23,919 | = | \$2.618 |
| Metered Sales (HCF) (1) | 9,138 | = | |
| | | | \$3.500 per 1000 gal |

Notes: (1) refer to DMF (Raftelis) Sch. 2.

(2) refer to DMF (Raftelis) Sch. 7

UNADJUSTED COST BASED RATES

| | | <u>Cost of Service Based Rates</u> | |
|--|--------------------|--|----------|
| <u>Metered Rates (\$/hundred cubic feet)</u> | | | |
| <i>Residential</i> | | | |
| 1st 8 ccf/month | | | \$2.473 |
| Over 8 ccf/month | | | \$4.035 |
| <i>Non-Residential</i> | | | |
| all use | | | \$2.372 |
| <i>Sales for Resale</i> | | | |
| per 100 cu ft | | | \$1.292 |
| per 1000 gal | | | \$1.727 |
| <i>Tank Truck Sales</i> | | | |
| all use | | | \$3.500 |
| <u>Service Charges</u> | | | |
| Monthly | 5/8 | \$ | 12.92 |
| | 3/4 | \$ | 15.46 |
| | 1 | \$ | 20.53 |
| | 1 1/2 | \$ | 33.20 |
| | 2 | \$ | 48.40 |
| | 3 | \$ | 83.88 |
| | 4 | \$ | 134.57 |
| | 6 | \$ | 261.29 |
| | 8 & up | \$ | 413.35 |
| <u>Fire Service</u> | | | |
| Public | /hydrant/month | \$ | 144.38 |
| | /hydrant/quart | \$ | 433.14 |
| | /hydrant/semi-ann. | \$ | 866.28 |
| | /hydrant/year | \$ | 1,732.56 |
| Private (per month) | 2.5 | \$ | 25.88 |
| | 3 | \$ | 36.98 |
| | 4 | \$ | 69.92 |
| | 6 | \$ | 188.14 |
| | 8 | \$ | 392.05 |
| | 10 | \$ | 698.77 |
| | 12 | \$ | 1,123.88 |
| | 16 | \$ | 2,386.14 |

COMPARISON OF CURRENT AND COST BASED FIRE RATES

| <u>Fire Service</u> | | | <u>Cost of Service</u> | <u>% Change</u> | <u>Proposed</u> | <u>% Change</u> |
|-----------------------|--------------------|------------|------------------------|---------------------|-----------------|---------------------|
| | | | <u>Based Rates</u> | <u>From Current</u> | <u>Rates</u> | <u>From Current</u> |
| Public | /hydrant/month | \$57.50 | \$ 144.38 | 151.1% | \$ 74.69 | 29.9% |
| | /hydrant/quart | \$172.50 | \$ 433.14 | 151.1% | \$ 224.07 | 29.9% |
| | /hydrant/semi-ann. | \$345.00 | \$ 866.28 | 151.1% | \$ 448.14 | 29.9% |
| | /hydrant/year | \$690.00 | \$ 1,732.56 | 151.1% | \$ 896.28 | 29.9% |
| Private (per quarter) | | | | | | |
| | 2.5 | \$29.00 | n/a | n/a | n/a | n/a |
| | 3 | \$42.00 | n/a | n/a | n/a | n/a |
| | 4 | \$80.00 | n/a | n/a | n/a | n/a |
| | 6 | \$215.00 | n/a | n/a | n/a | n/a |
| | 8 | \$447.00 | n/a | n/a | n/a | n/a |
| | 10 | \$797.00 | n/a | n/a | n/a | n/a |
| | 12 | \$1,281.00 | n/a | n/a | n/a | n/a |
| | 16 | \$2,719.00 | n/a | n/a | n/a | n/a |
| Private (per month) | | | | | | |
| | 2.5 | \$9.67 | \$ 25.88 | 167.7% | \$ 12.66 | 31.0% |
| | 3 | \$14.00 | \$ 36.98 | 164.1% | \$ 18.34 | 31.0% |
| | 4 | \$26.67 | \$ 69.92 | 162.2% | \$ 34.93 | 31.0% |
| | 6 | \$71.67 | \$ 188.14 | 162.5% | \$ 93.88 | 31.0% |
| | 8 | \$149.00 | \$ 392.05 | 163.1% | \$ 195.19 | 31.0% |
| | 10 | \$265.67 | \$ 698.77 | 163.0% | \$ 348.02 | 31.0% |
| | 12 | \$427.00 | \$ 1,123.88 | 163.2% | \$ 559.37 | 31.0% |
| | 16 | \$906.33 | \$ 2,386.14 | 163.3% | \$ 1,187.30 | 31.0% |

COMPARISON OF CURRENT AND PROPOSED RATES

| | | <u>Current</u> | <u>Proposed Rates</u> | <u>% Change From Current</u> |
|--|--------------------|----------------|-----------------------|------------------------------|
| <u>Metered Rates (\$/hundred cubic feet)</u> | | | | |
| <i>Residential</i> | | | | |
| | 1st 8 ccf/month | \$3.018 | \$3.447 | 14.2% |
| | Over 8 ccf/month | \$3.784 | \$5.009 | 32.4% |
| <i>Non-Residential</i> | | | | |
| | all use | \$2.882 | \$3.346 | 16.1% |
| <i>Sales for Resale</i> | | | | |
| | per 100 cu ft | \$1.115 | \$1.325 | 18.9% |
| | per 1000 gal | \$1.490 | \$1.771 | 18.9% |
| <i>Tank Truck Sales</i> | | | | |
| | all use | \$1.683 | \$2.618 | 55.6% |
| <u>Service Charges</u> | | | | |
| Quarterly (Divided by 3) | 5/8 | \$10.61 | \$12.92 | 21.7% |
| | 3/4 | \$11.37 | \$15.46 | 36.0% |
| | 1 | \$16.68 | \$20.53 | 23.1% |
| | 1 1/2 | \$28.05 | \$33.20 | 18.4% |
| | 2 | \$37.91 | \$48.40 | 27.7% |
| | 3 | \$50.80 | \$83.88 | 65.1% |
| | 4 | \$75.82 | \$134.57 | 77.5% |
| | 6 | \$131.17 | \$261.29 | 99.2% |
| | 8 & up | \$227.47 | \$413.35 | 81.7% |
| Monthly | 5/8 | \$16.67 | \$12.92 | -22.5% |
| | 3/4 | \$17.43 | \$15.46 | -11.3% |
| | 1 | \$22.73 | \$20.53 | -9.7% |
| | 1 1/2 | \$34.11 | \$33.20 | -2.7% |
| | 2 | \$43.96 | \$48.40 | 10.1% |
| | 3 | \$56.86 | \$83.88 | 47.5% |
| | 4 | \$81.88 | \$134.57 | 64.4% |
| | 6 | \$137.24 | \$261.29 | 90.4% |
| | 8 & up | \$233.52 | \$413.35 | 77.0% |
| <u>Fire Service</u> | | | | |
| Public | /hydrant/month | \$57.50 | \$74.69 | 29.9% |
| | /hydrant/quarter | \$172.50 | \$224.07 | 29.9% |
| | /hydrant/semi-ann. | \$345.00 | \$448.14 | 29.9% |
| | /hydrant/year | \$690.00 | \$896.28 | 29.9% |
| Private (per quarter) | 2.5 | \$29.00 | n/a | n/a |
| | 3 | \$42.00 | n/a | n/a |
| | 4 | \$80.00 | n/a | n/a |
| | 6 | \$215.00 | n/a | n/a |
| | 8 | \$447.00 | n/a | n/a |
| | 10 | \$797.00 | n/a | n/a |
| | 12 | \$1,281.00 | n/a | n/a |
| | 16 | \$2,719.00 | n/a | n/a |
| Private (per month) | 2.5 | \$9.67 | \$12.66 | 31.0% |
| | 3 | \$14.00 | \$18.34 | 31.0% |
| | 4 | \$26.67 | \$34.93 | 31.0% |
| | 6 | \$71.67 | \$93.88 | 31.0% |
| | 8 | \$149.00 | \$195.19 | 31.0% |
| | 10 | \$265.67 | \$348.02 | 31.0% |
| | 12 | \$427.00 | \$559.37 | 31.0% |
| | 16 | \$906.33 | \$1,187.30 | 31.0% |

IMPACT OF COST BASED RATES
(MONTHLY BILLINGS)

| METER SIZE | MONTHLY USE - CU FT | CURRENT RATES (1) | PROPOSED RATES | | |
|------------------------|------------------------|----------------------|----------------|------------|-------------|
| | | | BILL | % INCREASE | \$ INCREASE |
| Residential | | | | | |
| 5/8 | 300 | \$19.67 | \$23.26 | 18.3% | \$3.59 |
| 5/8 | 600 | \$28.72 | \$33.60 | 17.0% | \$4.88 |
| 5/8 | 1,000 | \$40.79 | \$47.39 | 16.2% | \$6.60 |
| 5/8 | 1,500 | \$55.88 | \$64.63 | 15.6% | \$8.74 |
| 5/8 | 2,000 | \$70.97 | \$81.86 | 15.3% | \$10.89 |
| 5/8 | 3,000 | \$105.75 | \$125.70 | 18.9% | \$19.95 |
| 5/8 | 4,000 | \$143.59 | \$175.79 | 22.4% | \$32.20 |
| 5/8 | 5,000 | \$181.43 | \$225.88 | 24.5% | \$44.45 |
| 5/8 | 6,000 | \$219.27 | \$275.97 | 25.9% | \$56.70 |
| 1 | 10,000 | \$376.70 | \$483.94 | 28.5% | \$107.25 |
| 1 | 15,000 | \$565.90 | \$734.39 | 29.8% | \$168.50 |
| 1 | 25,000 | \$944.30 | \$1,235.29 | 30.8% | \$291.00 |
| 2 | 30,000 | \$1,154.72 | \$1,513.61 | 31.1% | \$358.89 |
| 2 | 60,000 | \$2,289.92 | \$3,016.31 | 31.7% | \$726.39 |
| 2 | 100,000 | \$3,803.52 | \$5,019.91 | 32.0% | \$1,216.39 |
| 2 | 150,000 | \$5,695.52 | \$7,524.41 | 32.1% | \$1,828.89 |
| 2 | 200,000 | \$7,587.52 | \$10,028.91 | 32.2% | \$2,441.39 |
| Nonresidential | | | | | |
| 1 | 40,000 | \$1,175.53 | \$1,358.93 | 15.6% | \$183.40 |
| 1 | 75,000 | \$2,184.23 | \$2,530.03 | 15.8% | \$345.80 |
| 2 | 100,000 | \$2,925.96 | \$3,394.40 | 16.0% | \$468.44 |
| 3 | 200,000 | \$5,820.86 | \$6,775.88 | 16.4% | \$955.02 |
| 3 | 400,000 | \$11,584.86 | \$13,467.88 | 16.3% | \$1,883.02 |
| 3 | 600,000 | \$17,348.86 | \$20,159.88 | 16.2% | \$2,811.02 |
| 4 | 800,000 | \$23,137.88 | \$26,902.57 | 16.3% | \$3,764.69 |
| 4 | 1,000,000 | \$28,901.88 | \$33,594.57 | 16.2% | \$4,692.69 |
| 6 | 1,200,000 | \$34,721.24 | \$40,413.29 | 16.4% | \$5,692.05 |
| 6 | 1,333,333 | \$38,563.90 | \$44,874.61 | 16.4% | \$6,310.72 |
| 8 | 2,000,000 | \$57,873.52 | \$67,333.35 | 16.3% | \$9,459.83 |
| Sales for Resale | 3,000,000 | \$33,435.60 | \$39,750.00 | 18.9% | \$6,314.40 |
| Municipal Fire Service | 660 hydrants | \$37,950.00 | \$49,295.40 | 29.9% | \$11,345.40 |
| Private Fire Service | 4 " Service | \$26.67 | \$34.93 | 31.0% | \$8.27 |
| | 6 " Service | \$71.67 | \$93.88 | 31.0% | \$22.22 |

REVENUE RECONCILIATION

| Service Charge: | Current | | | Proposed | | |
|------------------------------|------------|-----------|----------------|-----------|--------------|-------------|
| | Quarterly | Number | Rate | Revenue | Number | Rate |
| 5/8 | 7,698 | \$10.61 | \$980,417 | n/a | n/a | n/a |
| 3/4 | 1 | \$11.37 | \$136 | n/a | n/a | n/a |
| 1 | 303 | \$16.68 | \$60,648 | n/a | n/a | n/a |
| 1 1/2 | 79 | \$28.05 | \$26,591 | n/a | n/a | n/a |
| 2 | 159 | \$37.91 | \$72,326 | n/a | n/a | n/a |
| 3 | 9 | \$50.80 | \$5,486 | n/a | n/a | n/a |
| 4 | 2 | \$75.82 | \$1,820 | n/a | n/a | n/a |
| 6 | 6 | \$131.17 | \$9,444 | n/a | n/a | n/a |
| 8 & up | 2 | \$227.47 | \$5,459 | n/a | n/a | n/a |
| Monthly | | | | | | |
| 5/8 | 4 | \$16.67 | \$800 | 7,702 | \$12.92 | \$1,194,118 |
| 3/4 | 0 | \$17.43 | \$0 | 1 | \$15.46 | \$186 |
| 1 | 4 | \$22.73 | \$1,091 | 307 | \$20.53 | \$75,633 |
| 1 1/2 | 0 | \$34.11 | \$0 | 79 | \$33.20 | \$31,474 |
| 2 | 10 | \$43.96 | \$5,275 | 169 | \$48.40 | \$98,155 |
| 3 | 3 | \$56.86 | \$2,047 | 12 | \$83.88 | \$12,079 |
| 4 | 1 | \$81.88 | \$983 | 3 | \$134.57 | \$4,845 |
| 6 | 0 | \$137.24 | \$0 | 6 | \$261.29 | \$18,813 |
| 8 & up | 0 | \$233.52 | \$0 | 2 | \$413.35 | \$9,920 |
| Consumption Charge: | 100 cu.ft. | | | | | |
| Residential: | | | | | | |
| 1st Block | 380,814 | \$ 3.018 | \$ 1,149,297 | \$ 3.45 | \$ 1,312,666 | |
| 2nd Block | 124,266 | \$ 3.784 | \$ 470,223 | \$ 5.01 | \$ 622,449 | |
| Non-Residential | | | | | | |
| 1st Block | 313,190 | \$ 2.882 | \$ 902,613 | \$ 3.35 | \$ 1,047,933 | |
| 2nd Block | 0 | \$ 2.882 | \$ - | \$ 3.35 | \$ - | |
| Sales for Resale | 392,216 | \$ 1.115 | \$ 437,133 | \$ 1.325 | \$ 519,687 | |
| Tank Truck Sales | 9,138 | \$ 1.683 | \$ 15,379 | \$ 2.618 | \$ 23,923 | |
| Fire Protection: | | | | | | |
| Public Hydrants | 660 | \$ 57.50 | \$ 455,400 | \$ 74.69 | \$ 591,545 | |
| Private Fire Protection | | | | | | |
| 2.5 | 8 | \$ 9.67 | \$ 882 | \$ 12.66 | \$ 1,155 | |
| 3 | 0 | \$ 14.00 | \$ - | \$ 18.34 | \$ - | |
| 4 | 21 | \$ 26.67 | \$ 6,848 | \$ 34.93 | \$ 8,971 | |
| 6 | 149 | \$ 71.67 | \$ 127,968 | \$ 93.88 | \$ 167,638 | |
| 8 | 27 | \$ 149.00 | \$ 48,276 | \$ 195.19 | \$ 63,242 | |
| 10 | 0 | \$ 265.67 | \$ - | \$ 348.02 | \$ - | |
| 12 | 1 | \$ 427.00 | \$ 5,124 | \$ 559.37 | \$ 6,712 | |
| Total | | | \$ 4,791,668 | | \$ 5,811,142 | |
| Plus: Misc Revenues | | | \$ 13,880 | | \$ 13,880 | |
| Other | | | \$ 14,346 | | \$ 14,346 | |
| Pro Forma Revenue | | | \$ 4,819,894 | | \$ 5,839,368 | |
| Required Revenue | | | \$ 5,838,722 | | \$ 5,838,722 | |
| Difference | | | \$ (1,018,828) | | \$ 646 | |
| Increase in Revenues | | | | | \$ 1,019,474 | |
| Percent Increase in Revenues | | | | | 21.2% | |
| Increase in Rate Revenues | | | | | 21.28% | |