

***Mary B. Shekarchi***  
**Attorney at Law**

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April 7, 2021

Ms. Luly Massaro, Clerk  
RI Public Utilities Commission  
89 Jefferson Blvd.  
Warwick, RI 02888

RE: Kent County Water Authority – Docket # 5133

Dear Ms. Massaro:

Please find enclosed herewith Kent County Water Authority's Responses to the Public Utilities Commission's First Set of Data Requests in the above-referenced Docket. Should you have any questions, please contact me. Thank you.

Sincerely,



Mary B. Shekarchi  
Attorney at Law

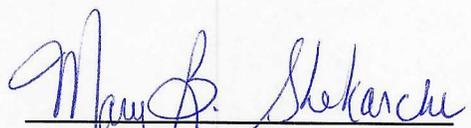
MBS/mdc  
Enclosure

Cc: Docket 5133 Service List (via electronic mail)

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 5133

Respectfully submitted,  
Kent County Water Authority  
By its Attorney,

Dated: April 7, 2021



Mary B. Shekarchi (#4767)

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CERTIFICATION OF SERVICE

I hereby certify on this 7<sup>th</sup> day of April, 2021, I sent a copy of the within to the Parties listed on the attached service list.



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**Docket No. 5133 - Kent County Water Authority – Tariff Advice Filing  
Serve List 3/5/21**

| <b>Name/Address</b>   | <b>E-mail Address</b>  | <b>Phone</b> |
|---|--|--------------|
| <b>Kent County Water Authority (KCWA)</b><br>Mary B. Shekarchi, Esq.<br>33 College hill Rd., Suite 15-E<br>Warwick, RI 02886  | <a href="mailto:marybali@aol.com">marybali@aol.com</a> ;                                 | 401-828-5030 |
| David L. Simmons, P.E.<br>Executive Director/Chief Engineer<br>Kent County Water Authority<br>1072 Main St.<br>West Warwick, RI 02893-0192                              | <a href="mailto:dsimmons@kentcountywater.org">dsimmons@kentcountywater.org</a> ;         | 401-821-9300 |
| David Bebyn, CPA<br>B&E Consulting, LLC<br>21 Dryden Lane<br>Providence, RI 02904   | <a href="mailto:dbebyn@gmail.com">dbebyn@gmail.com</a> ;                                 |              |
| <b>Division of Public Utilities &amp; Carriers<br/>(Division)</b><br>Tiffany Parenteau, Esq.<br>Dept. of Attorney General<br>150 South Main St.<br>Providence, RI 02903 | <a href="mailto:Tparenteau@riag.ri.gov">Tparenteau@riag.ri.gov</a> ;                     | 401-274-4400 |
|   | <a href="mailto:Christy.hetherington@dpuc.ri.gov">Christy.hetherington@dpuc.ri.gov</a> ; |              |
|   | <a href="mailto:John.bell@dpuc.ri.gov">John.bell@dpuc.ri.gov</a> ;                       |              |
|   | <a href="mailto:Al.mancini@dpuc.ri.gov">Al.mancini@dpuc.ri.gov</a> ;                     |              |
|   | <a href="mailto:Pat.smith@dpuc.ri.gov">Pat.smith@dpuc.ri.gov</a> ;                       |              |
|   | <a href="mailto:Hakeem.ottun@dpuc.ri.gov">Hakeem.ottun@dpuc.ri.gov</a> ;                 |              |
|   | <a href="mailto:Margaret.L.Hogan@dpuc.ri.gov">Margaret.L.Hogan@dpuc.ri.gov</a> ;         |              |
|   | <a href="mailto:Robert.Bailey@dpuc.ri.gov">Robert.Bailey@dpuc.ri.gov</a> ;               |              |
|   | <a href="mailto:Mfolcarelli@riag.ri.gov">Mfolcarelli@riag.ri.gov</a> ;                   |              |
|   | <a href="mailto:Dmacrae@riag.ri.gov">Dmacrae@riag.ri.gov</a> ;                           |              |
| Jerome Mierzwa<br>Layfayette Morgan<br>Exeter Associates, Inc.<br>10480 Little Patuxent Parkway, Suite 300<br>Columbia, MD 21044  | <a href="mailto:jmierzwa@exeterassociates.com">jmierzwa@exeterassociates.com</a> ;       |              |
|   | <a href="mailto:lmorgan@exeterassociates.com">lmorgan@exeterassociates.com</a> ;         |              |
| <b>Original &amp; nine (9) copies file w/:</b><br>Luly E. Massaro, Commission Clerk<br>Public Utilities Commission<br>89 Jefferson Blvd.<br>Warwick, RI 02888           | <a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ;                   | 401-780-2107 |
|   | <a href="mailto:Cynthia.WilsonFrias@puc.ri.gov">Cynthia.WilsonFrias@puc.ri.gov</a> ;     |              |
|   | <a href="mailto:Alan.nault@puc.ri.gov">Alan.nault@puc.ri.gov</a> ;                       |              |
|   | <a href="mailto:Rudolph.S.Falcone@puc.ri.gov">Rudolph.S.Falcone@puc.ri.gov</a> ;         |              |
| Kathleen Crawley<br>Water Resources Board   | <a href="mailto:Kathleen.crawley@doa.ri.gov">Kathleen.crawley@doa.ri.gov</a> ;           | 401-222-6696 |

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION

IN RE: KENT COUNTY WATER AUTHORITY :  
TARIFF ADVICE FILING – TRANSFER TO : DOCKET NO. 5133  
MONTHLY BILLING :

PUBLIC UTILITIES COMMISSION FIRST SET OF DATA REQUESTS  
DIRECTED TO KENT COUNTY WATER AUTHORITY (KCWA)  
(Issued April 5, 2021)

- 1-1. Referencing DGB Schedule 1.1, please explain why the private fire service revenue is 1/3 of the rate year when the rest of the categories are not.

RESPONSE:

The private fire service revenue was understated on this page since it was calculated at four times the monthly rate instead of twelve times. Normally the current private fire service rate is presented on a quarterly basis however schedule 5.0, which is the source of rate, presented the rate on a monthly basis so the reviewer could evaluate the impact of the change to monthly billing on the proposed rate. A copy of the corrected schedule 1.1 is attached to this response. The adjusted schedule is now in agreement with private fire service revenue presented on schedule 1.0. This schedule did not have any impact on any other calculations, so no other changes are needed.

Witness responsible: David G. Bebyn, CPA

RATE YEAR REVENUE AT DOCKET 5012 RATES AND COUNTS

Kent County Water Authority

Revised DGB Schedule-1.1

Service Charge:

AMOUNTS APPROVED IN Docket 5012

| <u>Quarterly</u>        | <u>Number</u> | <u>Rate</u> | <u>Revenue</u>       |
|-------------------------|---------------|-------------|----------------------|
| 5/8 & 3/4               | 88,320        | \$15.10     | \$ 1,333,632         |
| 1                       | 14,600        | \$20.14     | \$ 294,044           |
| 1 1/2                   | 1,296         | \$29.59     | \$ 38,349            |
| 2                       | 2,008         | \$37.77     | \$ 75,842            |
| 3                       | 44            | \$48.48     | \$ 2,133             |
| 4                       | 356           | \$69.27     | \$ 24,660            |
| 6                       | 356           | \$115.26    | \$ 41,033            |
| 8 & up                  | 268           | \$195.27    | \$ 52,332            |
| <u>Monthly</u>          |               |             |                      |
| 5/8 & 3/4               | 60            | \$10.90     | \$ 654               |
| 1                       | 12            | \$12.58     | \$ 151               |
| 1 1/2                   | 108           | \$15.73     | \$ 1,699             |
| 2                       | 96            | \$18.46     | \$ 1,772             |
| 3                       | 12            | \$22.03     | \$ 264               |
| 4                       | 36            | \$28.96     | \$ 1,043             |
| 6                       | 84            | \$44.28     | \$ 3,720             |
| 8 & up                  | 60            | \$70.95     | \$ 4,257             |
|                         |               |             | <u>\$ 1,875,584</u>  |
|                         | <u>Number</u> | <u>Rate</u> | <u>Revenue</u>       |
| Consumption Charge:     | 100/cu.ft.    |             |                      |
| Proposed                |               |             |                      |
| Small-Single Register   | 2,523,356     | \$5.23      | \$ 13,209,226        |
| Medium-Single Register  | 34,267        | \$5.56      | \$ 190,658           |
| Large-Single Register   | 69,253        | \$5.10      | \$ 353,528           |
| Medium-with Bypass      | 94,938        | \$5.56      | \$ 528,221           |
| Large-with Bypass       | 526,880       | \$5.10      | \$ 2,689,649         |
| Wholesale               | 35,135        | \$3.83      | \$ 134,621           |
|                         |               |             | <u>\$ 17,105,903</u> |
| Fire Protection:        |               |             |                      |
| Public Hydrants         | 2,357.00      | \$164.05    | \$ 1,546,663         |
| # bills                 | 32.00         | \$8.80      | \$ 282               |
|                         |               |             | <u>\$ 1,546,945</u>  |
| Private Fire Protection |               |             |                      |
| 4 in                    | 97.00         | \$22.02     | \$ 25,627            |
| 6 in                    | 200.00        | \$58.37     | \$ 140,096           |
| 8 in                    | 84.00         | \$121.08    | \$ 122,045           |
| 10 in                   | 17.00         | \$215.40    | \$ 43,941            |
| 12 in                   | 1.00          | \$346.12    | \$ 4,153             |
| hydrant                 | 635.00        | \$58.37     | \$ 444,805           |
|                         |               |             | <u>\$ 780,668</u>    |
|                         |               |             | =====                |
| Total                   |               |             | \$ 21,309,100        |
| Plus: Misc Revenues     |               |             | \$ 330,651           |
|                         |               |             | =====                |
| Pro Forma Revenue       |               |             | \$ 21,639,751        |

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION

IN RE: KENT COUNTY WATER AUTHORITY :  
TARIFF ADVICE FILING – TRANSFER TO : DOCKET NO. 5133  
MONTHLY BILLING :

PUBLIC UTILITIES COMMISSION FIRST SET OF DATA REQUESTS  
DIRECTED TO KENT COUNTY WATER AUTHORITY (KCWA)  
(Issued April 5, 2021)

- 1-2. Referencing DGB Schedule 2.0, Existing Total Counts, what is the source of the 316 in the monthly count? In cycles two and three, should the 316 continue to be added to the QTR billings? It appears there is an overstatement of accounts in this section.

RESPONSE:

The calculation for the 316 monthly count is calculated on Schedule 2.1. In essence the 316 accounts is made up of the current monthly presented in Docket 5012 along with the expansion of adding large meters from each of the current cycle counts. This can be seen if you look at the total 3 inch meters for all quarterly cycle counts and adding to the current monthly count on schedule 2.2. The sum of those meters on schedule 2.2 equals eleven which is part of that 316 monthly meter total. There is no overstatement of accounts once you compare the total counts presented at the bottom of schedules 2.1 and 2.2.

Witness responsible: David G. Bebyn, CPA

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION

IN RE: KENT COUNTY WATER AUTHORITY :  
TARIFF ADVICE FILING – TRANSFER TO : DOCKET NO. 5133  
MONTHLY BILLING :

PUBLIC UTILITIES COMMISSION FIRST SET OF DATA REQUESTS  
DIRECTED TO KENT COUNTY WATER AUTHORITY (KCWA)  
(Issued April 5, 2021)

- 1-3. Referencing the DGB Schedule 6.0 (all of them), please explain why private fire service rates increase and then decrease?

RESPONSE:

This is due to presenting the current quarterly basis to a monthly basis by taking one third of the quarterly rate. While the proposed actually calculates a monthly rate. The issue that comes in is that there is a fixed billing component charge that is embedded in the private fire rates. The first step of the calculation is driven up by the calculation assigning a full fixed month to the calculation. This impact is eliminated once all accounts are fully transitioned to monthly billing.

Witness responsible: David G. Bebyn, CPA.

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION

IN RE: KENT COUNTY WATER AUTHORITY :  
TARIFF ADVICE FILING – TRANSFER TO : DOCKET NO. 5133  
MONTHLY BILLING :

PUBLIC UTILITIES COMMISSION FIRST SET OF DATA REQUESTS  
DIRECTED TO KENT COUNTY WATER AUTHORITY (KCWA)  
(Issued April 5, 2021)

- 1-4. Please provide a total of the credit card fees that have been absorbed by the operating reserve. This was something KCWA voluntarily undertook in the last rate case. However, the expenses that are reducing the operating reserve are not clearly shown.

RESPONSE:

KCWA began absorbing both credit card and E-check fees on 6/5/20. KCWA also changed payment processing vendors when the new utility billing and customer information software systems were deployed. KCWA was using RI.gov until 3/4/21. The new payment vendor, Jetpay, went online on 3/5/21. There were sizable savings with KCWA changing payment processors. Credit cards transaction fees were reduced and Jetpay does not charge on ACH transactions. The CC expenses reducing the operating reserve can be found on last page of the revised DGB Schedule 1.0 and 1.2 using the projected annual fees on monthly billing below. Please see breakdown of absorbed fees to date and projected into the future.\*

Actual CC and ACH costs absorbed to date:

Total fees incurred and absorbed by KCWA with RI.gov and Jetpay to date = \$57,748

Projected CC and ACH costs to be absorbed in the future:

Total projected annual fees to be incurred and absorbed by KCWA using Jetpay on quarterly billing = \$48,779

Total projected annual fees to be incurred and absorbed by KCWA using Jetpay on monthly billing = \$61,478

\*For detailed breakdown of numbers, please see attachment PUC DR 1-4

Witness responsible: David L. Simmons, P.E

**DOCKET NO. 5133 Attachment for PUC- DR 1-4**

KCWA began absorbing both credit card and E-check fees on 6/5/20. KCWA also changed payment processing vendors when the new utility billing and customer information software systems were deployed. KCWA was using RI.gov until 3/4/21. The new payment vendor, Jetpay, went online on 3/5/21. There were sizable savings with KCWA changing payment processors. Credit cards transaction fees were reduced and Jetpay does not charge on ACH transactions.

Actual CC and ACH costs absorbed to date:

**RI.gov fees charged 6/5/20-3/5/21 (273 days):**

RI.Gov charged 1.75% plus \$1.00 per each credit card transaction.

RI.Gov charged \$.50 per each ACH transaction.

Credit card fees incurred from 6/5/20-3/5/21 (273 days):

12,697 transactions x \$1.00/transaction = \$12,697

1.75% x \$2,227,293 in bills paid by CC = \$38,978

**TOTAL CC Fees: \$51,675**

ACH fees incurred from 6/5/20-3/4/21 from RI.Gov

7528 transactions x \$0.50/transaction = \$3764

**TOTAL ACH Fees : \$3,764**

**Jetpay fees incurred from 3/5/21-3/31/21 (27 days):**

Jetpay charges 1.50% plus \$.25 per each credit card transaction.

Jetpay does not charge for ACH transactions.

Credit card fees incurred from 3/5/21-3/31/21 :

986 transactions x \$0.25/transaction = \$246.50

1.50% x \$137,482 in bills paid by CC = \$2,062

**TOTAL CC Fees: \$2,309**

No ACH fees incurred from 3/5/21-3/31/21 from Jetpay

**TOTAL ACH Fees: \$0.00**

**Total fees incurred and absorbed by KCWA with RI.gov and Jetpay to date = \$57,748**

Savings realized by changing payment processors as shown in the example below.

Example-\$100.00 credit card payment received:

RI.Gov  
\$100.00 x .0175=\$1.75 + \$10.00 = \$2.75

Jetpay  
\$100.00 x .015=\$1.50 + \$0.25 = \$1.75

Projected CC and ACH costs to be absorbed in the future:

The total projected monthly and annual fees to KCWA using Jetpay based on the averages generated from RI.gov transactions over 9 months. The details are as follows:

Number of Transactions and Cost:

- 1411 transactions per month or 16,932 transactions per year
- Annual transaction cost \$4,233 with quarterly billing
- 5644 transactions per month or 67728 transactions per year
- Annual transaction cost \$16,932 with monthly billing

Credit Card % based Fee:

Annual fees \$44,546

**Total projected annual fees to be incurred and absorbed by KCWA using Jetpay on quarterly billing = \$48,779**

**Total projected annual fees to be incurred and absorbed by KCWA using Jetpay on monthly billing = \$61,478**

Detailed of Rate Year  
Revenue & Expenses

Attachment for PUC-DR 1-4  
Revised DGB Schedule-1.0

~~Kent County Water Authority~~

| Rate Year<br>Approved in<br>Docket 5012 | Summary of<br>Adjustments | Proposed<br>Rate Year |
|---|---------------------------|-----------------------|
|---|---------------------------|-----------------------|

**Revenues - at approved Docket 5012 rates**

|                        |                      |             |                      |
|------------------------|----------------------|-------------|----------------------|
| Service Charges        | \$ 1,875,584         | \$ -        | \$ 1,875,584         |
| Metered Rates          | 17,105,903           | 0           | 17,105,903           |
| Public Fire            | 1,546,945            | 0           | 1,546,945            |
| Private Fire           | 780,668              | 0           | 780,668              |
| Rate Revenues          | <u>\$ 21,309,100</u> | <u>\$ -</u> | <u>\$ 21,309,100</u> |
| Miscellaneous Income   | 244,795              | -           | 244,795              |
| Interest Income        | 21,464               | -           | 21,464               |
| Merchand & Jobbing     | 18,811               | -           | 18,811               |
| 6.9% of Water Prot Fee | 45,581               | -           | 45,581               |
| Miscellaneous          | <u>\$ 330,651</u>    | <u>\$ -</u> | <u>\$ 330,651</u>    |
| Total Revenue          | <u>\$ 21,639,751</u> | <u>\$ -</u> | <u>\$ 21,639,751</u> |

**Expenses**

SOURCE OF SUPPLY

|                             |                     |             |                     |
|-----------------------------|---------------------|-------------|---------------------|
| maint of wells/supply study | \$ 19,149           | \$ -        | \$ 19,149           |
| purchased water             | 5,019,241           | -           | 5,019,241           |
| Subtotal                    | <u>\$ 5,038,389</u> | <u>\$ -</u> | <u>\$ 5,038,389</u> |

PUMPING OPERATIONS

|                              |                     |             |                     |
|------------------------------|---------------------|-------------|---------------------|
| fuel for pumping             | \$ 24,762           | \$ -        | \$ 24,762           |
| power                        | 804,411             | -           | 804,411             |
| labor-pumping                | 88,457              | -           | 88,457              |
| pumping expense              | -                   | -           | -                   |
| maint. - structures & improv | 89,053              | -           | 89,053              |
| diesel oil                   | -                   | -           | -                   |
| maint. - equip               | 60,420              | -           | 60,420              |
| Subtotal                     | <u>\$ 1,067,104</u> | <u>\$ -</u> | <u>\$ 1,067,104</u> |

WATER TREATMENT

|                            |                   |             |                   |
|----------------------------|-------------------|-------------|-------------------|
| chemicals                  | \$ 170,263        | \$ -        | \$ 170,263        |
| labor                      | 199,893           | -           | 199,893           |
| operating / Mishnock       | 70,718            | -           | 70,718            |
| maint. - water treat equip | 18,978            | -           | 18,978            |
| maint. - structure         | 704               | -           | 704               |
| Subtotal                   | <u>\$ 460,556</u> | <u>\$ -</u> | <u>\$ 460,556</u> |

TRANS & DISTR. EXPENSE

|                         |      |      |      |
|-------------------------|------|------|------|
| storage facilities exp. | \$ - | \$ - | \$ - |
|-------------------------|------|------|------|

Detailed of Rate Year  
Revenue & Expenses

Attachment for PUC-DR 1-4  
Revised DGB Schedule-1.0

~~Kent County Water Authority~~

|                                   | <b>Rate Year<br/>Approved in<br/>Docket 5012</b> | <b>Summary of<br/>Adjustments</b> | <b>Proposed<br/>Rate Year</b> |
|-----------------------------------|--|-----------------------------------|-------------------------------|
| labor                             | 25,794   | -                                 | 25,794                        |
| supplies                          | 115,531  | -                                 | 115,531                       |
| labor-meter                       | 56,374   | -                                 | 56,374                        |
| meter - supp & exp                | 13   | -                                 | 13                            |
| cust. install.                    | -  | -                                 | -                             |
| misc.                             | 14,332   | -                                 | 14,332                        |
| maint - struct. & improv.         | 61,616   | -                                 | 61,616                        |
| maint.- res & stdp                | 21,960   | -                                 | 21,960                        |
| maint. - mains                    | 649,344  | -                                 | 649,344                       |
| maint. - service                  | 155,029  | -                                 | 155,029                       |
| maint. - meters                   | 150,716  | -                                 | 150,716                       |
| maint. - hydrants                 | 85,649   | -                                 | 85,649                        |
| construction labor                | (70)   | -                                 | (70)                          |
| Subtotal                          | \$ 1,336,287                                     | \$ -                              | \$ 1,336,287                  |
| <br><b>CUSTOMER ACCOUNT</b>       |  |                                   |                               |
| labor- meter read                 | \$ 118,526                                       | \$ -                              | \$ 118,526                    |
| cust record labor                 | 218,968  | -                                 | 218,968                       |
| cust records sup                  | (a) 103,571                                      | 166,521                           | 270,091                       |
| meter read supplies               | 2,708  | -                                 | 2,708                         |
| uncollectible                     | 62,046   | -                                 | 62,046                        |
| Subtotal                          | \$ 505,818                                       | \$ 166,521                        | \$ 672,338                    |
| <br><b>ADMIN. &amp; GENERAL</b>   |  |                                   |                               |
| salaries                          | \$ 479,217                                       | \$ -                              | \$ 479,217                    |
| office supplies & expenses        | 278,498  | -                                 | 278,498                       |
| insurance (property/liability/wc) | 278,482  | -                                 | 278,482                       |
| OPEB Trust Contrib.               | 82,715   | -                                 | 82,715                        |
| employee benefits                 | 1,091,013  | -                                 | 1,091,013                     |
| maint. - plant                    | 157,568  | -                                 | 157,568                       |
| maint. - vehicles                 | 65,155   | -                                 | 65,155                        |
| miscellaneous                     | 17,123   | -                                 | 17,123                        |
| vacation, holiday, sick           | 321,965  | -                                 | 321,965                       |
| regul. exp.                       | 104,514  | -                                 | 104,514                       |
| outside service                   | 97,156   | -                                 | 97,156                        |
| Subtotal                          | \$ 2,973,405                                     | \$ -                              | \$ 2,973,405                  |
| <b>TOTAL O&amp;M</b>              | \$ 11,381,558                                    | \$ 166,521                        | \$ 11,548,079                 |

FIXED CHARGES

Detailed of Rate Year  
Revenue & Expenses

Attachment for PUC-DR 1-4  
Revised DGB Schedule-1.0

~~Kent County Water Authority~~

|                                  | <b>Rate Year<br/>Approved in<br/>Docket 5012</b> | <b>Summary of<br/>Adjustments</b> | <b>Proposed<br/>Rate Year</b> |
|----------------------------------|--|-----------------------------------|-------------------------------|
| Debt Service                     | Existing \$2,183,250                             | \$0                               | \$ 2,183,250                  |
|                                  | New -  | -                                 | -                             |
| Reserves and Coverage            | -  | -                                 | -                             |
|                                  | O&M Reserve 0                                    | -                                 | 0                             |
|                                  | R&R Reserve (0)                                  | -                                 | (0)                           |
| Renewal & Replacement - Equip    | 100,000  | -                                 | 100,000                       |
| Infrastructure Replacement       | 6,000,000  | -                                 | 6,000,000                     |
| Meter Replacement                | -  | -                                 | -                             |
| CIP                              | 1,453,819  | -                                 | 1,453,819                     |
| Payroll Taxes                    | 175,621  | -                                 | 175,621                       |
| PILOT                            | 23,123   | -                                 | 23,123                        |
| <b>SUBTOTAL FIXED</b>            | <b>\$9,935,813</b>                               | <b>\$0</b>                        | <b>\$9,935,813</b>            |
| <b>OPERATING REVENUE RESERVE</b> | <b>\$ 317,008</b>                                | <b>\$ (166,521)</b>               | <b>\$ 150,487</b>             |
| <b>TOTAL EXPENSES</b>            | <b>\$ 21,634,379</b>                             | <b>\$ -</b>                       | <b>\$ 21,634,379</b>          |
| Miscellaneous Income             | 330,650.72                                       |                                   | 330,650.72                    |
| <b>NET REQUIRED FROM RATES</b>   | <b>\$ 21,303,727.93</b>                          |                                   | <b>\$ 21,303,727.93</b>       |

ALLOCATION OF RATE YEAR EXPENSES APPROVED IN DOCKET 5012

|                                  |                  |                         |
|----------------------------------|------------------|-------------------------|
| BASE                             | \$ 12,739,655.51 |                         |
| EXTRA CAP.-MAX DAY               | 3,154,837.29     |                         |
| EXTRA CAP.-PEAK HR               | 1,205,475.80     |                         |
| <b>GENERAL WATER</b>             |                  | 17,099,968.60           |
| CUSTOMER BILL                    | 985,029.45       |                         |
| CUSTOMER METER                   | 927,660.74       |                         |
| <b>CUSTOMER SERVICE</b>          |                  | 1,912,690.19            |
| PUBLIC FIRE SERVICE              | 1,546,707.65     |                         |
| PRIVATE FIRE SERVICE             | 744,279.46       |                         |
| <b>CUSTOMER SERVICE</b>          |                  | 2,290,987.11            |
| <b>TOTAL REVENUE REQUIREMENT</b> |                  | <b>\$ 21,303,645.91</b> |

