

**BEFORE THE
PUBLIC UTILITIES COMMISSION
OF RHODE ISLAND**

UNITED WATER RHODE ISLAND, INC.) DOCKET NO. 4255

**DIRECT TESTIMONY
OF
JEROME D. MIERZWA**

**ON BEHALF OF THE
DIVISION OF PUBLIC UTILITIES AND CARRIERS**

SEPTEMBER 30, 2011

EXETER

ASSOCIATES, INC.
10480 Little Patuxent Parkway
Suite 300
Columbia, Maryland 21044

BEFORE THE
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OF RHODE ISLAND

UNITED WATER RHODE ISLAND, INC.)

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1

I. Introduction

2 Q.

WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS
ADDRESS?

3

4 A.

My name is Jerome D. Mierzwa. I am a principal and President of Exeter Associates,
Inc. My business address is 10480 Little Patuxent Parkway, Suite 300, Columbia,
Maryland 21044. Exeter specializes in providing public utility-related consulting
services.

7

8 Q.

PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND
EXPERIENCE.

9

10 A.

I graduated from Canisius College in Buffalo, New York, in 1981 with a Bachelor of
Science Degree in Marketing. In 1985, I received a Masters Degree in Business
Administration with a concentration in finance, also from Canisius College. In July
1986, I joined National Fuel Gas Distribution Corporation ("NFG Distribution") as a
Management Trainee in the Research and Statistical Services Department ("RSS").
I was promoted to Supervisor RSS in January 1987. While employed with NFG
Distribution, I conducted various financial and statistical analyses related to the
company's market research activity and state regulatory affairs. In April 1987, as
part of a corporate reorganization, I was transferred to National Fuel Gas Supply
Corporation's ("NFG Supply") rate department where my responsibilities included

19

1 utility cost of service and rate design analysis, expense and revenue requirement
2 forecasting and activities related to federal regulation. I was also responsible for
3 preparing NFG Supply's Purchase Gas Adjustment ("PGA") filings and developing
4 interstate pipeline and spot market supply gas price projections. These forecasts were
5 utilized for internal planning purposes as well as in NFG Distribution's purchased gas
6 cost proceedings.

7 In April 1990, I accepted a position as a Utility Analyst with Exeter
8 Associates, Inc. In December 1992, I was promoted to Senior Regulatory Analyst.
9 Effective April 1, 1996, I became a principal of Exeter Associates. Since joining
10 Exeter Associates, my assignments have included water utility class cost of service
11 and rate design analysis, evaluating the gas purchasing practices and policies of
12 natural gas utilities, sales and rate forecasting, performance-based incentive
13 regulation, revenue requirement analysis, the unbundling of utility services and the
14 evaluation of customer choice natural gas transportation programs.

15 Q. HAVE YOU PREVIOUSLY TESTIFIED IN REGULATORY
16 PROCEEDINGS ON UTILITY RATES?

17 A. Yes, I have provided testimony on more than 100 occasions in proceedings before
18 the Federal Energy Regulatory Commission ("FERC"), utility regulatory
19 commissions in Delaware, Georgia, Illinois, Indiana, Louisiana, Maine, Montana,
20 Nevada, New Jersey, Ohio, Pennsylvania, Texas and Virginia, as well as before this
21 Commission.

22 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

23 A. On June 3, 2011, United Water Rhode Island, Inc. ("United" or "the Company") filed
24 an application with the Commission to increase its rates by \$1.2 million, or 43.3
25 percent. Exeter Associates, Inc. ("Exeter") was retained by the Division of Public

1 Utilities and Carriers (“Division”) to review the cost of service study and rate design
2 proposals included in United’s application.. Exeter was also retained to address
3 United’s revenue requirement claim. My testimony addresses United’s cost of
4 service study and rate design proposals. My associate, Mr. Thomas S. Catlin,
5 addresses United’s overall revenue requirement claim.

6 Q. HAVE YOU PREVIOUSLY TESTIFIED ON WATER UTILITY ISSUES
7 BEFORE THIS COMMISSION?

8 A. Yes. I was asked by the Division to testify on cost allocation and rate design in City
9 of Newport - Water Division (“Newport”) Docket Nos. 2985 and 4128; Pawtucket
10 Water Supply Board Docket Nos. 2674 and 3945; Kent County Water Authority
11 Docket Nos. 2555 and 3311; and Providence Water Supply Board Docket Nos. 2048,
12 3163 and 3832.

13 Q. HOW IS THE REMAINDER OF YOUR TESTIMONY ORGANIZED?

14 A. Following this introductory section, my testimony is divided into two additional
15 sections. The first section provides an overview of cost of service methodologies.
16 In the next section, I address United’s cost of service study and rate design proposals.

17

18 **II. Overview of Cost of Service Methodologies**

19 Q. WHAT IS THE OBJECTIVE OF A COST OF SERVICE STUDY?

20 A. A cost of service study is conducted to assist a utility or commission in determining
21 the level of costs properly recoverable from each of the various classes to which the
22 utility provides service. Allocation of recoverable costs to each class of service is
23 generally based on cost causation principles.

24 Q. WHAT ARE THE PRIMARY COST OF SERVICE STUDY
25 METHODOLOGIES UTILIZED FOR WATER UTILITIES?

1 A. The two most commonly used and widely recognized methods of allocating costs
2 to customer classes for water utilities are the base-extra capacity method and the
3 commodity-demand method. Both of these methods are set forth in the American
4 Water Works Association's ("AWWA") *Principles of Water Rates, Fees and*
5 *Charges* ("AWWA M1 Manual").

6 Q. PLEASE SUMMARIZE EACH OF THESE METHODS.

7 A. Under the base-extra capacity method, investment and costs are first classified into
8 four primary functional cost categories: base or average capacity, extra capacity,
9 customer, and direct fire protection. Customer costs are commonly further divided
10 between meter and service related and account or billing related costs. Extra capacity
11 costs may also be divided between maximum day and maximum hour costs. Once
12 investment and costs are classified to these functional categories, they are then
13 allocated to customer classes. Base costs are allocated according to average water
14 use, and extra capacity costs are allocated on the basis of the excess of peak demands
15 over average demands. Meter and service related customer costs are allocated on the
16 basis of relative meter and service investment or a proxy thereof. Account related
17 customer costs are allocated in proportion to the number of customers or the number
18 of bills.

19 The commodity-demand method follows the same general procedures.
20 However, usage related costs are classified as commodity and demand related rather
21 than as base and extra capacity related. Commodity related costs are allocated to
22 customer classes on the basis of total water use (which is equivalent to average
23 demand), and demand related costs are allocated on the basis of each class'
24 contribution to peak demand rather than on the basis of class demands in excess
25 of average use.

1 **III. Evaluation of United's Cost of Service Study and Rate Design Proposals**

2 Q. WHAT COST OF SERVICE METHODOLOGY HAS BEEN UTILIZED BY
3 UNITED IN ITS STUDY?

4 A. The cost of service study presented by United utilizes the base extra-capacity
5 methodology.

6 Q. PLEASE IDENTIFY THE CUSTOMER CLASSES INCLUDED IN
7 UNITED'S STUDY.

8 A. The customer classes included in United's study are the residential and non-
9 residential retail classes, sales for resale class, and the public and private fire
10 protection classes.

11 Q. IS THE COMPANY PROPOSING ANY MODIFICATIONS TO THE
12 RATES INITIALLY INDICATED BY ITS COST OF SERVICE STUDY?

13 A. Yes, it is. After initially performing its cost of service study, the Company found that
14 the study produced, in the Company's view, several undesirable rate impacts. Under
15 the Company's initial cost of service study, public fire hydrant charges would
16 increase from \$65 per quarter to \$245 per quarter, or some 275 percent. To temper
17 this significant increase in rates, the Company is proposing to limit the increase in the
18 public fire hydrant charge to twice the current rate, or \$130 per quarter. This was
19 accomplished in the Company's cost of service study by shifting \$400,000 from fire
20 protection charges to the retail classes.

21 In addition, the Company's initial cost of service study indicated that the
22 monthly service charges for small meters should be significantly increased. To
23 promote gradualism, the Company is proposing smaller increases in monthly service
24 charges than that indicated by its initial cost of service study. This was accomplished
25 by shifting \$350,000 from billing charges to usage charges.

1 Q. ARE YOU PROPOSING ANY CHANGES TO THE ALLOCATION
2 FACTORS UTILIZED IN THE COMPANY'S COST OF SERVICE
3 STUDY?

4 A. I am proposing no changes to the various allocation factors used in the Company's
5 cost of service study. However, I am proposing to incorporate the revenue
6 requirement adjustments proposed by my associate, Mr. Catlin. Mr. Catlin has
7 recommended that United's rate increase be reduced from \$1,218,703 to \$896,196.

8 Q. ARE YOU PROPOSING ANY CHANGES TO THE PUBLIC FIRE
9 HYDRANT OR SMALL METER SERVICE CHARGE COST SHIFTS
10 PROPOSED BY UNITED?

11 A. Yes. I am proposing adjustments to both cost shifts. First, since the public fire class
12 is significantly below the indicated cost of service, I am proposing to maintain the
13 \$130 public fire hydrant charge proposed by United. This is accomplished by
14 reducing the \$400,000 public fire cost shift proposed by United to \$320,000. Second,
15 witness Catlin has recommended a number of adjustments to United's requested
16 increase which have reduced the Company's service charge costs. Maintaining the
17 proposed service charge cost shift at \$350,000 would reduce the service charges of
18 certain customers below current rates. I don't believe it is appropriate to reduce rates
19 when overall, costs are increasing. To eliminate these rate decreases, and to
20 recognize the reduction in service charge costs proposed by witness Catlin, I have
21 reduced the service charge cost shift by \$30,000 to \$320,000.

22 Q. HAVE YOU PREPARED A COST OF SERVICE STUDY REFLECTING
23 THE DIVISION'S RECOMMENDED REVENUE INCREASE AND
24 PUBLIC FIRE AND SMALL METER COST SHIFTS?

1 A. Yes, a revised cost of service study reflecting the Division's recommended increase
2 and cost shifts is attached to my testimony. The revised study also reflects a change
3 to consumption volumes identified by the Company in response to DIV. 4-9. The
4 revised study utilizes the same schedule number sequencing as United, with the
5 exception that I have substituted the designation "(Division)" for the designation
6 "(Woodcock)" utilized by United.

7 Q. IS THERE A SCHEDULE IN YOUR COST OF SERVICE STUDY WHICH
8 SUMMARIZES RATES AT THE DIVISION'S REVENUE
9 REQUIREMENT AND REDUCED PUBLIC FIRE AND SMALL METER
10 COST SHIFTS?

11 A. Yes. Ex. 5 (Division) Schedule 9 presents a comparison of all current and the
12 Division's proposed rates.

13 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

14 A. Yes, it does.

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**BEFORE THE
PUBLIC UTILITIES COMMISSION
OF RHODE ISLAND**

UNITED WATER RHODE ISLAND, INC.) DOCKET NO. 4255

**EXHIBIT ACCOMPANYING
DIRECT TESTIMONY
OF
JEROME D. MIERZWA**

**ON BEHALF OF THE
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SEPTEMBER 30, 2011

EXETER

**ASSOCIATES, INC.
10480 Little Patuxent Parkway
Suite 300
Columbia, Maryland 21044**

SUMMARY RATE YEAR EXPENSES

Operation & Maintenance	\$	1,794,614
Depreciation	\$	490,389
Taxes other than Income	\$	<u>373,608</u>
Total Operating	\$	2,658,610
Federal Income Tax	\$	271,555
Return on Rate Base	\$	<u>824,331</u>
Total Revenue Required	\$	3,754,496
Less:		
Misc. Income/Turn on-off	\$	20,172
Other Water Revenues	\$	<u>16,130</u>
Required From Rates	\$	3,718,195

SUMMARY OF RATE BASE

Average Utility Plant on Service	\$ 22,468,513
Less:	
Accumulated Amortization	\$ (6,213,068)
Contributions	\$ (3,596,531)
Deferred Income Tax	\$ (1,569,926)
Unamortized ITC	\$ (98,414)
1/13th Unfunded FAS 106	\$ (513,369)
Plus:	
Customer Advances	\$ -
Materials & Supplies	\$ 88,089
Working Capital	\$ 219,609
Deferred Tank Painting	\$ 90,178
Deferred Rate Case	\$ 0
Deferred Operations	\$ -
Deferred Acquisitions	\$ -
Total Rate Base	\$ 10,875,081

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	\$ 2,990
Operation Labor and Expenses	\$ 3,759
Purchased Water	\$ -
Miscellaneous Expenses	\$ -
Rents	\$ -
Total Operation	\$ 6,749
<u>Maintenance</u>	
Maintenance of Wells and Springs	\$ -
Maintenance of Supply Mains	\$ -
Maintenance of Miscellaneous Water Source Plant	\$ -
Total Maintenance	\$ -
Total Source of Supply Expenses	\$ 6,749
 <u>Pumping Expenses</u>	
<u>Operation</u>	
Operation Supervision and Engineering	\$ -
Fuel for Power Production	\$ 747
Fuel or Power Purchased for Production	\$ 185,457
Pumping Labor and Expenses	\$ 72,889
Miscellaneous Expenses	\$ 4,660
Rents	\$ -
Total Operation	\$ 263,753
<u>Maintenance</u>	
Maintenance Supervision and Engineering	\$ -
Maintenance of Structures and Improvements	\$ 43
Maintenance of Power Production Equipment	\$ 1,231
Maintenance of Pumping Equipment	\$ 18,121
Total Maintenance	\$ 19,395
Total Pumping Expenses	\$ 283,147
 <u>Water Treatment Expenses</u>	
<u>Operation</u>	
Operation Supervision and Engineering	\$ -
Chemicals	\$ 65,577
Operation Labor and Expenses	\$ 65,634
Miscellaneous Expenses	\$ 30,171
Total Operation	\$ 161,382
<u>Maintenance</u>	
Maintenance of Water Treatment Equipment	\$ 4,521
Total Maintenance	\$ 4,521
Total Water Treatment Expenses	\$ 165,903

Transmission and Distribution Expenses

<u>Operation</u>	
Operation Supervision and Engineering	\$ 98,196
Transmission and Distribution Lines Expenses	\$ 58,964
Meter Expenses	\$ 38,414
Miscellaneous Expenses	\$ 83,036
Rents	\$ -
Total Operation	\$ 278,610

<u>Maintenance</u>	
Maintenance Supervision and Engineering	\$ 2,448
Maintenance of Structures and Improvements	\$ 13,164
Maintenance of Dist. Reservoirs & Standpipes	\$ 38,574
Maintenance of Trans. & Distribution Mains	\$ 31,947
Maintenance of Fire Mains	\$ -
Maintenance of Services	\$ 10,790
Maintenance of Meters	\$ -
Maintenance of Hydrants	\$ 4,401
Maintenance of Miscellaneous Plant	\$ 805
Total Maintenance	\$ 102,128
Total Transmission & Distribution Expenses	\$ 380,738

Customer Accounts Expenses

<u>Operation</u>	
Supervision	\$ -
Meter Reading Salaries	\$ 109,157
Customer Records & Coll. Expenses-Labor	\$ 191,448
Uncollectible Accounts	\$ -
Miscellaneous Customer Account Expense	\$ 13,884
Total Customer Accounts Expenses	\$ 314,489

Administrative and General Expenses

<u>Operation</u>	
Administrative and General Salaries	\$ 157,509
Office Supplies and Other Expenses	\$ 30,214
Administrative Expenses Transferred	\$ (292,910)
Outside Services Employed	\$ 235,645
Property Insurance	\$ 44,300
Injuries and Damages	\$ 13,901
Employee Pension and Benefits	\$ 283,463
Regulatory Commission Expenses	\$ 73,717
Miscellaneous General Expenses	\$ 71,810
Rents	\$ 16,636
Total Operation	\$ 634,286

<u>Maintenance</u>	
Maintenance of General Plant	\$ 9,302
Total Administrative and General Expenses	\$ 643,588

Total Operation and Maintenance Expenses \$ 1,794,614

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	\$ 3,135
Operation Labor and Expenses	\$ 2,133
Purchased Water	\$ -
Miscellaneous Expenses	\$ -
Rents	\$ -
Total Operation	\$ 5,268
<u>Maintenance</u>	
Maintenance of Wells and Springs	\$ -
Maintenance of Supply Mains	\$ -
Maintenance of Miscellaneous Water Source Plant	\$ -
Total Maintenance	\$ -
Total Source of Supply Expenses	\$ 5,268
 <u>Pumping Expenses</u>	
<u>Operation</u>	
Operation Supervision and Engineering	\$ -
Fuel for Power Production	\$ -
Fuel or Power Purchased for Production	\$ -
Pumping Labor and Expenses	\$ 32,452
Miscellaneous Expenses	\$ -
Rents	\$ -
Total Operation	\$ 32,452
<u>Maintenance</u>	
Maintenance Supervision and Engineering	\$ -
Maintenance of Structures and Improvements	\$ -
Maintenance of Power Production Equipment	\$ -
Maintenance of Pumping Equipment	\$ 6,595
Total Maintenance	\$ 6,595
Total Pumping Expenses	\$ 39,047
 <u>Water Treatment Expenses</u>	
<u>Operation</u>	
Operation Supervision and Engineering	\$ -
Chemicals	\$ -
Operation Labor and Expenses	\$ 27,472
Miscellaneous Expenses	\$ -
Total Operation	\$ 27,472
<u>Maintenance</u>	
Maintenance of Water Treatment Equipment	\$ -
Total Maintenance	\$ -
Total Water Treatment Expenses	\$ 27,472

Transmission and Distribution Expenses

Operation

Operation Supervision and Engineering	\$	58,901
Transmission and Distribution Lines Expenses	\$	28,309
Meter Expenses	\$	23,557
Miscellaneous Expenses	\$	38,194
Rents	\$	-
Total Operation	\$	148,961

Maintenance

Maintenance Supervision and Engineering	\$	1,496
Maintenance of Structures and Improvements	\$	6,027
Maintenance of Dist. Reservoirs & Standpipes	\$	-
Maintenance of Trans. & Distribution Mains	\$	17,321
Maintenance of Fire Mains	\$	-
Maintenance of Services	\$	-
Maintenance of Meters	\$	-
Maintenance of Hydrants	\$	2,021
Maintenance of Miscellaneous Plant	\$	-
Total Maintenance	\$	26,865
Total Transmission & Distribution Expenses		175,826

Customer Accounts Expenses

Operation

Supervision	\$	-
Meter Reading Salaries	\$	61,265
Customer Records & Coll. Expenses-Labor	\$	55,699
Uncollectible Accounts	\$	-
Miscellaneous Customer Account Expense	\$	4,013
Total Customer Accounts Expenses	\$	120,977

Administrative and General Expenses

Operation

Administrative and General Salaries	\$	169,219
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	\$	169,219

Maintenance

Maintenance of General Plant	\$	4,420
Total Administrative and General Expenses	\$	4,420

Total Labor Expenses	\$	542,229
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PLANT IN SERVICE - AVG RATE YEAR

Plant Held for Future Use	\$	-
INTANGIBLE PLANT		
Organization	\$	51,107
Misc. Intangibles	\$	231,444
Subtotal	\$	282,551
SOURCE OF SUPPLY		
Land & Land Rights	\$	27,717
Wells & Springs	\$	442,871
Supply Mains	\$	47,627
Struct & Other Source of Supply	\$	106,861
Subtotal	\$	625,076
PUMPING PLANT		
Land & Land Rights	\$	5,601
Structures & Improvements	\$	679,313
Electric Pump Equip	\$	1,511,686
Diesel Pump Equip	\$	-
Other Pump Equip	\$	113,127
Subtotal	\$	2,309,727
WATER TREATMENT PLANT		
Structures & improvements	\$	18,475
Water Treatment Plant	\$	436,922
Subtotal	\$	455,396
TRANSMISSION & DISTRIBUTION PLANT		
Land & Land Rights	\$	1,862
Structures & Improvements	\$	25,772
Distrib Reservoirs & Standpipes	\$	968,016
Trans. & Dist. Mains	\$	9,688,212
Services	\$	2,963,555
Meters	\$	2,683,106
Hydrants	\$	850,459
Subtotal	\$	17,180,982
GENERAL PLANT		
Structures & Improvements	\$	205,826
Computer Hardware	\$	590,698
391A-CIS	\$	472,333
Stores Equipment	\$	-
Tools, Shop & Garage Equip.	\$	65,178
Laboratory Equipment	\$	-
Power Operated Equipment	\$	15,685
Communication Equipment	\$	185,385
Miscellaneous Equipment	\$	79,677
Subtotal	\$	1,614,782
TOTAL PLANT IN SERVICE	\$	22,468,513

RATE YEAR DEPRECIATION EXPENSE

Plant Held for Future Use	\$	-
INTANGIBLE PLANT		
Organization	\$	-
Misc. Intangibles	\$	-
Subtotal	\$	-
SOURCE OF SUPPLY		
Land & Land Rights	\$	-
Wells & Springs	\$	8,857
Supply Mains	\$	595
Struct & Other Source of Supply	\$	2,105
Subtotal	\$	11,558
PUMPING PLANT		
Land & Land Rights	\$	-
Structures & Improvements	\$	13,586
Electric Pump Equip	\$	60,456
Diesel Pump Equip	\$	-
Other Pump Equip	\$	4,525
Subtotal	\$	78,568
WATER TREATMENT PLANT		
Structures & improvements	\$	369
Water Treatment Plant	\$	21,844
Subtotal	\$	22,214
TRANSMISSION & DISTRIBUTION PLANT		
Land & Land Rights	\$	-
Structures & Improvements	\$	773
Distrib Reservoirs & Standpipes	\$	12,875
Trans. & Dist. Mains	\$	118,492
Services	\$	59,242
Meters	\$	80,422
Hydrants	\$	17,006
Subtotal	\$	288,809
GENERAL PLANT		
Structures & Improvements	\$	10,285
Computer Hardware	\$	58,805
391A-CIS	\$	47,233
Stores Equipment	\$	-
Tools, Shop & Garage Equip.	\$	6,506
Laboratory Equipment	\$	-
Power Operated Equipment	\$	1,569
Communication Equipment	\$	9,266
Miscellaneous Equipment	\$	1,594
Subtotal	\$	135,258
TOTAL	\$	536,407
Less: Contributions	\$	(46,019)
TOTAL DEPRECIATION	\$	490,389

UNITS OF SERVICE

Metered Water Sales

<u>Residential</u>	<u>100 cu ft</u>
1st Block	425,654
2nd Block	<u>141,141</u>
Total	566,795
<u>Non-Residential</u>	
Commercial	251,691
Industrial	2,610
Public	<u>35,505</u>
Total	289,806
<u>Sales for resale</u>	
Total	<u>533,480</u>
Grand Total	1,390,081

Meters By Size

<u>Quarterly</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Public</u>	<u>Subtotal</u>	<u>Resale</u>	<u>Total</u>
5/8	7,065	360	1	26	7,452		7,452
3/4	5	0	0	0	5		5
1	141	113	2	12	268		268
1 1/2	11	56	0	10	77		77
2	4	115	1	34	154		154
3	0	5	0	5	10		10
4	0	0	0	1	1		1
6	0	4	0	1	5		5
8 & up	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>		<u>1</u>
Subtotal	7,227	653	4	88	7,972	0	7,972
<u>Monthly</u>							
5/8	0	2	1	0	3		3
3/4	0	0	0	0	0		0
1	0	3	1	0	4		4
1 1/2	0	0	0	1	1		1
2	0	7	2	0	9		9
3	0	3	0	0	3		3
4	0	0	1	0	1		1
6	0	0	0	0	0		0
8 & up	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
Subtotal	<u>0</u>	<u>15</u>	<u>5</u>	<u>1</u>	<u>21</u>	<u>1</u>	<u>22</u>
Grandtotal	7,227	668	9	89	7,993	1	7,994

Public Fire Service

Fire Hydrants 658

Private Fire Service

<u>Size (in)</u>	<u>Total</u>
2.5	5
3	0
4	19
6	135
8	27
10	0
12	1
16	<u>0</u>
	187

UNITS OF SERVICE - CLASS DEMANDS

CUSTOMER CLASS	AVERAGE DEMANDS		FACTOR [1]	MAX DAY EXTRA CAPACITY		% ALL	% RETAIL
	(GALS/DAY)	PERCENT		TOTAL GAL/DAY	XTRA GAL/DAY		
Residential	1,161,542	40.6%	2.25	2,613,468	1,451,927	32.6%	44.7%
Non-Residential	593,904	20.7%	1.90	1,128,417	534,513	12.0%	16.5%
Fire Protection		0.5%	[2]	1,260,000	1,260,000	28.3%	38.8%
Sales for Resale	<u>1,093,269</u>	<u>38.2%</u>	2.10	<u>2,295,864</u>	<u>1,202,595</u>	<u>27.0%</u>	
Total	2,848,714	100.0%		7,297,750	4,449,036	100.0%	100.0%

CUSTOMER CLASS	AVERAGE DEMANDS		FACTOR [1]	PEAK HOUR EXTRA CAPACITY		% ALL	% RETAIL
	(GALS/DAY)	PERCENT		TOTAL GAL/DAY	XTRA GAL/DAY		
Residential	1,161,542	40.6%	3.25	3,775,010	1,161,542	21.8%	21.8%
Non-Residential	593,904	20.7%	2.55	1,514,455	386,037	7.2%	7.2%
Fire Protection		0.5%	[2]	5,040,000	3,780,000	71.0%	71.0%
Sales for Resale	<u>1,093,269</u>	<u>38.2%</u>	2.10	<u>2,295,864</u>	0	<u>0.0%</u>	
Total	2,848,714	100.0%		12,625,329	5,327,579	100.0%	100.0%

[1] based on prior COS analysis (1991 study), rounded.

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

Ex. 5 (Division) Sch. 2 B

Length of Mains

<u>Size</u>	<u>Feet</u>		<u>Inch-Miles</u>	
Service Pipes	319,714.7			
2	12,812.5		4.9	
3	804.0		0.5	
4	31,950.0		24.2	
6	212,720.5		241.7	
8	185,044.0		280.4	
10	6,842.0	84.0%	13.0	62.0%
12	130,003.0		295.5	
16	<u>16,446.0</u>	16.0%	<u>49.8</u>	38.0%
Totals	916,336.7		909.9	

Unbilled Water (thousand gallons/yr)

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>4 Yr Avg</u> <u>1000 gal/yr</u>	<u>ccf/yr</u>
Unbilled Water	42,511	37,987	66,812	72,402	54,928	73,428

SUMMARY RATE YEAR EXPENSE ALLOCATIONS

	<u>RATE YR</u>	<u>ALLOC.</u>	<u>GENERAL WATER</u>		<u>FIRE SERVICE</u>		<u>CUST. SERVICE</u>	
	<u>EXPENSE</u>	<u>SYMBOL</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>
Operation & Maintenance	\$ 1,794,614	M	64.6%	\$ 1,160,127	0.7%	\$ 12,664	34.6%	\$ 621,823
Depreciation	\$ 490,389	D	60.9%	\$ 298,823	4.6%	\$ 22,598	34.5%	\$ 168,968
Taxes other than Income	\$ 373,608	T	66.2%	\$ 247,457	3.5%	\$ 12,952	30.3%	\$ 113,198
Total Operating	\$ 2,658,610			\$ 1,706,407		\$ 48,214		\$ 903,990
Federal Income Tax	\$ 271,555	R	66.0%	\$ 179,293	5.0%	\$ 13,540	29.0%	\$ 78,723
Return on Rate Base	\$ 824,331	R	66.0%	\$ 544,259	5.0%	\$ 41,102	29.0%	\$ 238,969
Total Revenue Required	\$ 3,754,496			\$ 2,429,958		\$ 102,856		\$ 1,221,682
Less:								
Misc. Income/Turn on-off	\$ 20,172	X	90.0%	\$ 18,155	0.0%	\$ -	10.0%	\$ 2,017
Other Water Revenues	\$ 16,130	X	90.0%	\$ 14,517	0.0%	\$ -	10.0%	\$ 1,613
Required From Rates	\$ 3,718,195	F	64.5%	\$ 2,397,287	2.8%	\$ 102,856	32.8%	\$ 1,218,052

ALLOCATION OF RATE BASE

	RATE YR EXPENSE	ALLOC. SYMBOL	GENERAL WATER % AMOUNT	FIRE SERVICE % AMOUNT	CUST. SERVICE % AMOUNT
Average Utility Plant on Service	\$ 22,468,513	P	68.4% \$ 15,372,147	4.1% \$ 928,899	27.4% \$ 6,167,467
Less:					
Accumulated Amortization	\$ (6,213,068)	R	66.0% \$ (4,102,139)	5.0% \$ (309,793)	29.0% \$ (1,801,137)
Contributions	\$ (3,596,531)	B	83.0% \$ (2,985,121)	0.0% \$ -	17.0% \$ (611,410)
Deferred Income Tax	\$ (1,569,926)	R	66.0% \$ (1,036,534)	5.0% \$ (78,279)	29.0% \$ (455,113)
Unamortized ITC	\$ (98,414)	R	66.0% \$ (64,977)	5.0% \$ (4,907)	29.0% \$ (28,530)
1/13th Unfunded FAS 106	\$ (513,369)	L	57.1% \$ (293,103)	0.8% \$ (4,140)	42.1% \$ (216,125)
Plus:					
Customer Advances	\$ -	R	66.0% \$ -	5.0% \$ -	29.0% \$ -
Materials & Supplies	\$ 88,089	R	66.0% \$ 58,160	5.0% \$ 4,392	29.0% \$ 25,536
Working Capital	\$ 219,609	F	64.5% \$ 141,592	2.8% \$ 6,075	32.8% \$ 71,942
Deferred Tank Painting	\$ 90,178	S	100.0% \$ 90,178	0.0% \$ -	0.0% \$ -
Deferred Rate Case	\$ 0	F	64.5% \$ 0	2.8% \$ 0	32.8% \$ 0
Deferred Operations	\$ -	M	64.6% \$ -	0.7% \$ -	34.6% \$ -
Deferred Acquisitions	\$ -	P	68.4% \$ -	4.1% \$ -	27.4% \$ -
Total Rate Base	\$ 10,875,081	R	66.0% \$ 7,180,203	5.0% \$ 542,248	29.0% \$ 3,152,630

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

EXPENSE ITEM	RATE YR EXPENSE	ALLOC. SYMBOL	GENERAL WATER % AMOUNT	FIRE SERVICE % AMOUNT	CUST. SERVICE % AMOUNT
Source of Supply Expenses					
<i>Operation</i>					
Operation Supervision and Engineering	\$ 2,990	A	100.0% \$ 2,990	0.0%	0.0%
Operation Labor and Expenses	\$ 3,759	A	100.0% \$ 3,759	0.0%	0.0%
Purchased Water	-	A	100.0%	0.0%	0.0%
Miscellaneous Expenses	-	A	100.0%	0.0%	0.0%
Rents	-	A	100.0%	0.0%	0.0%
Total Operation	\$ 6,749		\$ 6,749	\$ -	\$ -
<i>Maintenance</i>					
Maintenance of Wells and Springs	\$ -	A	100.0%	0.0%	0.0%
Maintenance of Supply Mains	\$ -	A	100.0%	0.0%	0.0%
Maintenance of Miscellaneous Water Source Plar	\$ -	A	100.0%	0.0%	0.0%
Total Maintenance	\$ -		\$ -	\$ -	\$ -
Total Source of Supply Expenses	\$ 6,749		\$ 6,749	\$ -	\$ -
Pumping Expenses					
<i>Operation</i>					
Operation Supervision and Engineering	\$ -	A	100.0%	0.0%	0.0%
Fuel for Power Production	\$ 747	A	100.0% \$ 747	0.0%	0.0%
Fuel or Power Purchased for Production	\$ 185,457	A	100.0% \$ 185,457	0.0%	0.0%
Pumping Labor and Expenses	\$ 72,889	A	100.0% \$ 72,889	0.0%	0.0%
Miscellaneous Expenses	\$ 4,660	A	100.0% \$ 4,660	0.0%	0.0%
Rents	\$ -	A	100.0%	0.0%	0.0%
Total Operation	\$ 263,753		\$ 263,753	\$ -	\$ -
<i>Maintenance</i>					
Maintenance Supervision and Engineering	\$ -	A	100.0%	0.0%	0.0%
Maintenance of Structures and Improvements	\$ 43	A	100.0% \$ 43	0.0%	0.0%
Maintenance of Power Production Equipment	\$ 1,231	A	100.0% \$ 1,231	0.0%	0.0%
Maintenance of Pumping Equipment	\$ 18,121	A	100.0% \$ 18,121	0.0%	0.0%
Total Maintenance	\$ 19,395		\$ 19,395	\$ -	\$ -
Total Pumping Expenses	\$ 283,147		\$ 283,147	\$ -	\$ -

Water Treatment Expenses												
<i>Operation</i>												
A												
Operation Supervision and Engineering	-											
Chemicals	\$ 65,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operation Labor and Expenses	\$ 65,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Expenses	\$ 30,171	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operation	\$ 161,382	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Maintenance</i>												
A												
Maintenance of Water Treatment Equipment	\$ 4,521	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Maintenance	\$ 4,521	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Water Treatment Expenses	\$ 165,903	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission and Distribution Expenses												
<i>Operation</i>												
G												
Operation Supervision and Engineering	\$ 98,196	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission and Distribution Lines Expenses	\$ 58,964	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Meter Expenses	\$ 38,414	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Expenses	\$ 83,036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Renis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operation	\$ 278,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Maintenance</i>												
G												
Maintenance Supervision and Engineering	\$ 2,448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance of Structures and Improvements	\$ 13,164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance of Dist. Reservoirs & Standpipes	\$ 38,574	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance of Trans. & Distribution Mains	\$ 31,947	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance of Fire Mains	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance of Services	\$ 10,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance of Meters	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance of Hydrants	\$ 4,401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance of Miscellaneous Plant	\$ 805	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Maintenance	\$ 102,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Transmission & Distribution Expenses	\$ 380,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Accounts Expenses												
<i>Operation</i>												
C												
Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Meter Reading Salaries	\$ 109,157	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Records & Coll. Expenses-Labor	\$ 191,448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uncollectible Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Customer Account Expense	\$ 13,884	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Customer Accounts Expenses	\$ 314,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Administrative and General Expenses

<i>Operation</i>													
Administrative and General Salaries	\$	157,509	M	64.6%	\$	101,821.53	0.7%	\$	1,111.51	34.6%	\$	54,575.95	
Office Supplies and Other Expenses	\$	30,214	M	64.6%	\$	19,531.68	0.7%	\$	213.21	34.6%	\$	10,468.91	
Administrative Expenses Transferred	\$	(292,910)	M	64.6%	\$	(189,351.37)	0.7%	\$	(2,067.01)	34.6%	\$	(101,491.60)	
Outside Services Employed	\$	235,645	M	64.6%	\$	152,332.76	0.7%	\$	1,662.90	34.6%	\$	81,649.77	
Property Insurance	\$	44,300	P	68.4%	\$	30,308	4.1%	\$	1,831	27.4%	\$	12,160	
Injuries and Damages	\$	13,901	M	64.6%	\$	8,986.29	0.7%	\$	98.10	34.6%	\$	4,816.62	
Employee Pension and Benefits	\$	283,463	L	57.1%	\$	161,841	0.8%	\$	2,286	42.1%	\$	119,336	
Regulatory Commission Expenses	\$	73,717	M	64.6%	\$	47,654.37	0.7%	\$	520.21	34.6%	\$	25,542.56	
Miscellaneous General Expenses	\$	71,810	M	64.6%	\$	46,421.76	0.7%	\$	506.75	34.6%	\$	24,881.88	
Rents	\$	16,636	M	64.6%	\$	10,754.38	0.7%	\$	117.40	34.6%	\$	5,764.30	
Total Operation	\$	634,286			\$	390,300		\$	6,281		\$	237,705	

Maintenance

Maintenance of General Plant	\$	9,302	P	68.4%	\$	6,364	-4.1%	\$	385	27.4%	\$	2,553
Total Administrative and General Expenses	\$	643,588			\$	396,664		\$	6,665		\$	240,258

Total Operation and Maintenance Expenses

	\$	1,794,614	M	64.6%	\$	1,160,127	0.7%	\$	12,664	34.6%	\$	621,823
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ALLOCATION OF TEST YEAR LABOR EXPENSE TO
GENERAL WATER, FIRE & CUST. SERVICE

EXPENSE ITEM	RATE YR EXPENSE	ALLOC. SYMBOL	GENERAL WATER % AMOUNT	FIRE SERVICE % AMOUNT	CUST. SERVICE % AMOUNT
Source of Supply Expenses					
<i>Operation</i>					
Operation Supervision and Engineering	\$ 3,135	A	100.0%	0.0%	0.0%
Operation Labor and Expenses	\$ 2,133	A	100.0%	0.0%	0.0%
Purchased Water	\$ -	A	100.0%	0.0%	0.0%
Miscellaneous Expenses	\$ -	A	100.0%	0.0%	0.0%
Rents	\$ -	A	100.0%	0.0%	0.0%
Total Operation	\$ 5,268		\$ 5,268	\$ -	\$ -
<i>Maintenance</i>					
Maintenance of Wells and Springs	\$ -	A	100.0%	0.0%	0.0%
Maintenance of Supply Mains	\$ -	A	100.0%	0.0%	0.0%
Maintenance of Miscellaneous Water Source Plar	\$ -	A	100.0%	0.0%	0.0%
Total Maintenance	\$ -		\$ -	\$ -	\$ -
Total Source of Supply Expenses	\$ 5,268		\$ 5,268	\$ -	\$ -
Pumping Expenses					
<i>Operation</i>					
Operation Supervision and Engineering	\$ -	A	100.0%	0.0%	0.0%
Fuel for Power Production	\$ -	A	100.0%	0.0%	0.0%
Fuel or Power Purchased for Production	\$ -	A	100.0%	0.0%	0.0%
Pumping Labor and Expenses	\$ 32,452	A	100.0%	0.0%	0.0%
Miscellaneous Expenses	\$ -	A	100.0%	0.0%	0.0%
Rents	\$ -	A	100.0%	0.0%	0.0%
Total Operation	\$ 32,452		\$ 32,452	\$ -	\$ -
<i>Maintenance</i>					
Maintenance Supervision and Engineering	\$ -	A	100.0%	0.0%	0.0%
Maintenance of Structures and Improvements	\$ -	A	100.0%	0.0%	0.0%
Maintenance of Power Production Equipment	\$ -	A	100.0%	0.0%	0.0%
Maintenance of Pumping Equipment	\$ 6,595	A	100.0%	0.0%	0.0%
Total Maintenance	\$ 6,595		\$ 6,595	\$ -	\$ -
Total Pumping Expenses	\$ 39,047		\$ 39,047	\$ -	\$ -

Water Treatment Expenses												
<i>Operation</i>												
Operation Supervision and Engineering	-	-	-	-	-	-	-	-	-	-	0.0%	-
Chemicals	-	-	-	-	-	-	-	-	-	-	0.0%	-
Operation Labor and Expenses	\$	\$	27,472	\$	\$	\$	\$	\$	\$	\$	0.0%	-
Miscellaneous Expenses	\$	\$	-	\$	\$	\$	\$	\$	\$	\$	0.0%	-
Total Operation	\$	\$	27,472	\$	\$	\$	\$	\$	\$	\$	0.0%	-
<i>Maintenance</i>												
Maintenance of Water Treatment Equipment	-	-	-	-	-	-	-	-	-	-	0.0%	-
Total Maintenance	\$	\$	-	\$	\$	\$	\$	\$	\$	\$	0.0%	-
Total Water Treatment Expenses	\$	\$	27,472	\$	\$	\$	\$	\$	\$	\$	0.0%	-
Transmission and Distribution Expenses												
<i>Operation</i>												
Operation Supervision and Engineering	58,901	47,596	928	17.6%	10,377	17.6%	10,377	17.6%	10,377	17.6%	10,377	17.6%
Transmission and Distribution Lines Expenses	28,309	28,309	-	0.0%	-	0.0%	-	100.0%	23,557	100.0%	23,557	100.0%
Meter Expenses	23,557	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Miscellaneous Expenses	38,194	38,194	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Rents	-	-	928	0.0%	33,934	0.0%	33,934	0.0%	33,934	0.0%	33,934	0.0%
Total Operation	\$	\$	148,961	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Maintenance</i>												
Maintenance Supervision and Engineering	1,496	1,209	24	1.6%	264	1.6%	264	1.6%	264	1.6%	264	1.6%
Maintenance of Structures and Improvements	6,027	6,027	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Maintenance of Dist. Reservoirs & Standpipes	-	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Maintenance of Trans. & Distribution Mains	17,321	17,321	-	0.0%	-	0.0%	-	100.0%	-	100.0%	-	100.0%
Maintenance of Fire Mains	-	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Maintenance of Services	-	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Maintenance of Meters	-	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Maintenance of Hydrants	2,021	2,021	2,021	100.0%	2,021	100.0%	2,021	100.0%	2,021	100.0%	2,021	100.0%
Maintenance of Miscellaneous Plant	-	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Maintenance	\$	\$	24,557	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Transmission & Distribution Expenses	\$	\$	175,826	\$	\$	\$	\$	\$	\$	\$	\$	\$
Customer Accounts Expenses												
<i>Operation</i>												
Supervision	-	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Meter Reading Salaries	61,265	61,265	-	0.0%	61,265	100.0%	61,265	100.0%	61,265	100.0%	61,265	100.0%
Customer Records & Coll. Expenses-Labor	55,699	55,699	-	0.0%	55,699	100.0%	55,699	100.0%	55,699	100.0%	55,699	100.0%
Uncollectible Accounts	-	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Miscellaneous Customer Account Expense	4,013	4,013	-	0.0%	4,013	100.0%	4,013	100.0%	4,013	100.0%	4,013	100.0%
Total Customer Accounts Expenses	\$	\$	120,977	\$	\$	\$	\$	\$	\$	\$	\$	\$

Administrative and General Expenses

<i>Operation</i>											
Administrative and General Salaries	L	169,219	57.1%	\$	96,614	0.8%	\$	1,365	42.1%	\$	71,240
Office Supplies and Other Expenses	L	-	57.1%	\$	-	0.8%	\$	-	42.1%	\$	-
Administrative Expenses Transferred	L	-	57.1%	\$	-	0.8%	\$	-	42.1%	\$	-
Outside Services Employed	L	-	57.1%	\$	-	0.8%	\$	-	42.1%	\$	-
Property Insurance	L	-	57.1%	\$	-	0.8%	\$	-	42.1%	\$	-
Injuries and Damages	L	-	57.1%	\$	-	0.8%	\$	-	42.1%	\$	-
Employee Pension and Benefits	L	-	57.1%	\$	-	0.8%	\$	-	42.1%	\$	-
Regulatory Commission Expenses	L	-	57.1%	\$	-	0.8%	\$	-	42.1%	\$	-
Miscellaneous General Expenses	L	-	57.1%	\$	-	0.8%	\$	-	42.1%	\$	-
Rents	L	-	57.1%	\$	-	0.8%	\$	-	42.1%	\$	-
Total Operation		\$ 169,219		\$	\$ 96,614		\$	\$ 1,365		\$	\$ 71,240

Maintenance

Maintenance of General Plant	L	4,420	57.1%	\$	2,524	0.8%	\$	36	42.1%	\$	1,861
Total Administrative and General Expenses		\$ 173,639		\$	\$ 99,138		\$	\$ 1,400		\$	\$ 73,101
Total Labor Expenses	L	542,229	57.1%	\$	309,580	0.8%	\$	4,373	42.1%	\$	228,276

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

EXPENSE ITEM	RATE YR PLANT \$	ALLOC. SYMBOL	GENERAL WATER % AMOUNT	FIRE SERVICE % AMOUNT	CUST. SERVICE % AMOUNT
Plant Held for Future Use		P	68.4%	-	27.4%
INTANGIBLE PLANT					
Organization	\$ 51,107	P	68.4%	2,113	14,029
Misc. Intangibles	\$ 231,444	P	68.4%	9,568	63,530
Subtotal	\$ 282,551		\$ 193,311	\$ 11,681	\$ 77,558
SOURCE OF SUPPLY					
Land & Land Rights	\$ 27,717	A	100.0%	-	0.0%
Wells & Springs	\$ 442,871	A	100.0%	-	0.0%
Supply Mains	\$ 47,627	A	100.0%	-	0.0%
Struct & Other Source of Supply	\$ 106,861	A	100.0%	-	0.0%
Subtotal	\$ 625,076		\$ 625,076	-	\$ -
PUMPING PLANT					
Land & Land Rights	\$ 5,601	A	100.0%	-	0.0%
Structures & Improvements	\$ 679,313	A	100.0%	-	0.0%
Electric Pump Equip	\$ 1,511,686	A	100.0%	-	0.0%
Diesel Pump Equip	-	A	100.0%	-	0.0%
Other Pump Equip	\$ 113,127	A	100.0%	-	0.0%
Subtotal	\$ 2,309,727		\$ 2,309,727	-	\$ -
WATER TREATMENT PLANT					
Structures & Improvements	\$ 18,475	A	100.0%	-	0.0%
Water Treatment Plant	\$ 436,922	A	100.0%	-	0.0%
Subtotal	\$ 455,396		\$ 455,396	-	\$ -
TRANSMISSION & DISTRIBUTION PLANT					
Land & Land Rights	\$ 1,862	A	100.0%	-	0.0%
Structures & Improvements	\$ 25,772	A	100.0%	-	0.0%
Distrib Reservoirs & Standpipes	\$ 968,016	S	100.0%	-	0.0%
Trans. & Dist. Mains	\$ 9,688,212	A	100.0%	-	0.0%
Services	\$ 2,963,555	C	0.0%	-	100.0%
Meters	\$ 2,683,106	C	0.0%	-	100.0%
Hydrants	\$ 850,459	E	0.0%	850,459	0.0%
Subtotal	\$ 17,180,982		\$ 10,683,862	\$ 850,459	\$ 5,646,661
GENERAL PLANT					
Structures & Improvements	\$ 205,826	P	68.4%	8,509	56,498
Computer Hardware	\$ 590,698	P	68.4%	24,421	162,143
391A-CJS	\$ 472,333	P	68.4%	19,527	129,652
Stores Equipment	-	P	68.4%	-	-
Tools, Shop & Garage Equip.	\$ 65,178	P	68.4%	2,695	17,891
Laboratory Equipment	-	P	68.4%	-	-
Power Operated Equipment	\$ 15,685	P	68.4%	648	4,306
Communication Equipment	\$ 185,385	P	68.4%	7,664	50,887
Miscellaneous Equipment	\$ 79,677	P	68.4%	3,294	21,871
Subtotal	\$ 1,614,782		\$ 1,104,776	\$ 66,759	\$ 443,248
TOTAL PLANT IN SERVICE	\$ 22,468,513	P	68.4%	\$ 928,899	\$ 6,167,467

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

	RATE YR EXPENSE	ALLOC. SYMBOL	GENERAL WATER % AMOUNT	FIRE SERVICE % AMOUNT	CUST. SERVICE % AMOUNT
Plant Held for Future Use					
INTANGIBLE PLANT					
Organization	\$ -	P	68.4% \$ -	4.1% \$ -	27.4% \$ -
Misc. Intangibles	\$ -	P	68.4% \$ -	4.1% \$ -	27.4% \$ -
Subtotal	\$ -				
SOURCE OF SUPPLY					
Land & Land Rights	\$ 8,857	A	100.0% \$ -	0.0% \$ -	0.0% \$ -
Wells & Springs	\$ 595	A	100.0% \$ 8,857	0.0% \$ -	0.0% \$ -
Supply Mains	\$ 2,105	A	100.0% \$ 595	0.0% \$ -	0.0% \$ -
Struct & Other Source of Supply	\$ 11,558	A	100.0% \$ 2,105	0.0% \$ -	0.0% \$ -
Subtotal	\$ 11,558		\$ 11,558	\$ -	\$ -
PUMPING PLANT					
Land & Land Rights	\$ -	A	100.0% \$ -	0.0% \$ -	0.0% \$ -
Structures & Improvements	\$ 13,586	A	100.0% \$ 13,586	0.0% \$ -	0.0% \$ -
Electric Pump Equip	\$ 60,456	A	100.0% \$ 60,456	0.0% \$ -	0.0% \$ -
Diesel Pump Equip	\$ -	A	100.0% \$ -	0.0% \$ -	0.0% \$ -
Other Pump Equip	\$ 4,525	A	100.0% \$ 4,525	0.0% \$ -	0.0% \$ -
Subtotal	\$ 78,568		\$ 78,568	\$ -	\$ -
WATER TREATMENT PLANT					
Structures & Improvements	\$ 369	A	100.0% \$ 369	0.0% \$ -	0.0% \$ -
Water Treatment Plant	\$ 21,844	A	100.0% \$ 21,844	0.0% \$ -	0.0% \$ -
Subtotal	\$ 22,214		\$ 22,214	\$ -	\$ -
TRANSMISSION & DISTRIBUTION PLANT					
Land & Land Rights	\$ -	A	100.0% \$ -	0.0% \$ -	0.0% \$ -
Structures & Improvements	\$ 773	A	100.0% \$ 773	0.0% \$ -	0.0% \$ -
Distrib Reservoirs & Standpipes	\$ 12,875	S	100.0% \$ 12,875	0.0% \$ -	0.0% \$ -
Trans. & Dist. Mains	\$ 118,492	A	100.0% \$ 118,492	0.0% \$ -	0.0% \$ -
Services	\$ 59,242	C	0.0% \$ -	0.0% \$ -	100.0% \$ 59,242
Meters	\$ 80,422	C	0.0% \$ -	0.0% \$ -	100.0% \$ 80,422
Hydrants	\$ 17,006	E	0.0% \$ -	100.0% \$ 17,006	0.0% \$ -
Subtotal	\$ 288,809		\$ 132,139	\$ 17,006	\$ 139,664
GENERAL PLANT					
Structures & Improvements	\$ 10,285	P	68.4% \$ 7,037	4.1% \$ 425	27.4% \$ 2,823
Computer Hardware	\$ 58,805	P	68.4% \$ 40,233	4.1% \$ 2,431	27.4% \$ 16,142
391A-CIS	\$ 47,233	P	68.4% \$ 32,315	4.1% \$ 1,953	27.4% \$ 12,965
Stores Equipment	\$ -	P	68.4% \$ -	4.1% \$ -	27.4% \$ -
Tools, Shop & Garage Equip.	\$ 6,506	P	68.4% \$ 4,451	4.1% \$ 269	27.4% \$ 1,786
Laboratory Equipment	\$ -	P	68.4% \$ -	4.1% \$ -	27.4% \$ -
Power Operated Equipment	\$ 1,569	P	68.4% \$ 1,073	4.1% \$ 65	27.4% \$ 431
Communication Equipment	\$ 9,266	P	68.4% \$ 6,340	4.1% \$ 383	27.4% \$ 2,544
Miscellaneous Equipment	\$ 1,594	P	68.4% \$ 1,090	4.1% \$ 66	27.4% \$ 437
Subtotal	\$ 135,258		\$ 92,539	\$ 5,592	\$ 37,128
TOTAL	\$ 536,407		\$ 337,018	\$ 22,598	\$ 176,791
Less: Contributions	\$ (46,019)	B	83.0% \$ (38,195)	0.0% \$ -	17.0% \$ (7,823)
TOTAL DEPRECIATION	\$ 490,389	D	60.9% \$ 298,823	4.6% \$ 22,598	34.5% \$ 168,968

ALLOCATION SYMBOLS

<u>ALLOCATION SYMBOL</u>	<u>GEN'L WATER</u>	<u>FIRE SERVICE</u>	<u>CUST SERVICE</u>
A	100.00%	0.00%	0.00%
B	83.00%	0.00%	17.00%
C	0.00%	0.00%	100.00%
D	60.94%	4.61%	34.46%
E	0.00%	100.00%	0.00%
F	64.47%	2.77%	32.76%
G	80.81%	1.58%	17.62%
L	57.09%	0.81%	42.10%
M	64.64%	0.71%	34.65%
P	68.42%	4.13%	27.45%
R	66.02%	4.99%	28.99%
S	100.00%	0.00%	0.00%
T	66.23%	3.47%	30.30%
X	90.00%	0.00%	10.00%

Supply, Production, Treatment, Pumping
 Contributed Capital (approx based on contributions)
 Meters, Services, Customer Accts
 Depreciation
 Hydrants
 Total Costs/Revenue Required
 T&D Supervision
 Labor
 Total O&M
 Plant Investment
 Rate Base
 Storage
 Taxes other than income
 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	\$ 271,022	P	\$ 185,423	\$ 11,205	\$ 74,394
Payroll	\$ 55,655	L	\$ 31,776	\$ 449	\$ 23,430
Gross Receipt	\$ 46,931	F	\$ 30,259	\$ 1,298	\$ 15,374
Total	\$ 373,608	T	\$ 247,457	\$ 12,952	\$ 113,198
Percent			66.2%	3.5%	30.3%

FIRE SERVICE CHARGES

<u>PUBLIC FIRE SERVICE</u>	<u>QUARTERLY</u>	<u>MONTHLY</u>
Charge/Hydrant =	\$ 129.19	\$ 43.06

PRIVATE FIRE SERVICE

<u>SERVICE SIZE</u> (inches)				
2.5	\$	22.13	\$	12.01
3	\$	31.48	\$	15.12
4	\$	59.23	\$	24.37
6	\$	158.82	\$	57.57
8	\$	330.60	\$	114.83
10	\$	588.98	\$	200.96
12	\$	947.10	\$	320.33
16	\$	2,010.44	\$	674.78

**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	658	111.3	73,243	76.2%	\$ 237,166 (3)
			Plus Hydrant Costs (2):		\$ 102,856
			Total		\$ 340,022
			Adjustment		\$ -
			Total Public Fire		\$ 340,022
PRIVATE FIRE SERVICE					
SIZE (IN)					
2.5	5	11.1	56		
3	0	18.0	0		
4	19	38.3	728		
6	135	111.3	15,027		
8	27	237.2	6,405		
10	0	426.6	0		
12	1	689.0	689		
16	0	1,468.4	0		
TOTAL-PRIV.	187		22,904	23.8%	\$ 74,166
GRAND TOTALS	845		96,147	100.0%	\$ 414,188

(1) Based on size to the 2.63 power.

(2) Direct hydrant fire allocations from Ex. 5 (Woodcock) Sch 3

(3) Fire costs adjusted and reallocated to retail base use by \$320,000

DETERMINATION OF FIRE SERVICE CHARGES

<u>PUBLIC FIRE PROTECTION</u>				<u>CALCULATED CHARGE</u>
PUBLIC FIRE ALLOCATION		\$ 340,022		
----- =		----- =	\$	516.75 /year
NUMBER OF PUBLIC HYDRANTS		658		
	TOTAL QUARTERLY		\$	129.19 /quarter
	TOTAL MONTHLY		\$	258.38 /6 months

<u>PRIVATE FIRE PROTECTION</u>				
PRIVATE FIRE ALLOCATION (1)		\$ 125,006		
----- =		----- =	\$	5.4578 /EQUIV.
NO. OF EQUIV. UNITS		22,904		

SIZE (IN)	DEMAND FACTOR	DEMAND COST			BILLING CHARGE	TOTAL CHARGES	
		ANNUAL	QUARTERLY	MONTHLY		QUARTERLY	MONTHLY
2.5	11.1	\$ 60.76	\$ 15.19	\$ 5.06	\$ 6.94	\$ 22.13	\$ 12.01
3	18.0	\$ 98.14	\$ 24.53	\$ 8.18	\$ 6.94	\$ 31.48	\$ 15.12
4	38.3	\$ 209.14	\$ 52.28	\$ 17.43	\$ 6.94	\$ 59.23	\$ 24.37
6	111.3	\$ 607.51	\$ 151.88	\$ 50.63	\$ 6.94	\$ 158.82	\$ 57.57
8	237.2	\$ 1,294.62	\$ 323.65	\$ 107.88	\$ 6.94	\$ 330.60	\$ 114.83
10	426.6	\$ 2,328.17	\$ 582.04	\$ 194.01	\$ 6.94	\$ 588.98	\$ 200.96
12	689.0	\$ 3,760.63	\$ 940.16	\$ 313.39	\$ 6.94	\$ 947.10	\$ 320.33
16	1,468.4	\$ 8,014.01	\$ 2,003.50	\$ 667.83	\$ 6.94	\$ 2,010.44	\$ 674.78

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

Service Line Maintenance Cost =	\$ 10,790
Service Line Depreciation Cost =	\$ 59,242
Service Line ROI Cost =	\$ 224,637
Subtotal Service Line Costs =	\$ 294,669
Addnl Allocation to Fire Service =	\$ 50,840

(17.3%)

<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	7,455	7,455		
3/4	1	1.1	5	6		
1	1.5	1.8	272	489		
1 1/2	2.5	3.3	78	257	5	17
2	3	4.6	163	748	0	0
3	4	6.3	13	82	19	120
4	6	9.6	2	19	135	1,296
6	8	16.9	5	85	27	456
>=8	>=10	29.6	2	59	1	30
Total				9,199		1,918
				82.7%		17.3%

COST BASED SERVICE CHARGES

<u>METER SIZE</u> <u>(inches)</u>		<u>QUARTERLY</u> <u>ACCOUNTS</u>		<u>MONTHLY</u> <u>ACCOUNTS</u>
5/8	\$	23.76	\$	12.55
3/4	\$	25.44	\$	13.11
1	\$	37.21	\$	17.03
1 1/2	\$	62.44	\$	25.44
2	\$	84.30	\$	32.73
3	\$	112.89	\$	42.26
4	\$	168.39	\$	60.76
6	\$	291.16	\$	101.68
>8	\$	504.74	\$	172.87

SUMMARY RATE YEAR CUSTOMER SERVICE EXPENSE ALLOCATIONS

	TOTAL	ALLOC. SYMBOL	<-CUST. METER->		<-CUST. BILL->	
	CUST. SERV.		%	AMOUNT	%	AMOUNT
Operation & Maintenance	\$ 621,823	OO	18.6%	\$ 115,917	81.4%	\$ 505,906
Depreciation	\$ 168,968	DD	90.1%	\$ 152,241	9.9%	\$ 16,727
Taxes other than Income	\$ 113,198	TT	75.9%	\$ 85,933	24.1%	\$ 27,265
Total Operating	\$ 903,990			\$ 354,092		\$ 549,899
Federal Income Tax	\$ 78,723	RR	99.3%	\$ 78,198	0.7%	\$ 524
Return on Rate Base	\$ 238,969	RR	99.3%	\$ 237,377	0.7%	\$ 1,592
Total Revenue Required	\$ 1,221,682			\$ 669,667		\$ 552,015
Less:						
Misc. Income/Turn on-off	\$ 2,017	XX	0.0%	\$ -	100.0%	\$ 2,017
Other Water Revenues	\$ 1,613	XX	0.0%	\$ -	100.0%	\$ 1,613
Required From Rates	\$ 1,218,052	FF	55.0%	\$ 669,667	45.0%	\$ 548,385

ALLOCATION OF CUSTOMER SERVICE RATE BASE

	TOTAL		<-CUST. METER->		<-CUST. BILL->	
	CUST. SERV.	ALLOC. SYMBOL	%	AMOUNT	%	AMOUNT
Average Utility Plant on Service	\$ 6,167,467	II	97.2%	\$ 5,995,312	2.8%	\$ 172,154
Less:						
Accumulated Amortization	\$ (1,801,137)	RR	99.3%	\$ (1,789,139)	0.7%	\$ (11,997)
Contributions	\$ (611,410)	AA	100.0%	\$ (611,410)	0.0%	\$ -
Deferred Income Tax	\$ (455,113)	RR	99.3%	\$ (452,082)	0.7%	\$ (3,031)
Unamortized ITC	\$ (28,530)	RR	99.3%	\$ (28,340)	0.7%	\$ (190)
1/13th Unfunded FAS 106	\$ (216,125)	LL	22.0%	\$ (47,630)	78.0%	\$ (168,496)
Plus:						
Customer Advances	\$ -	RR	99.3%	\$ -	0.7%	\$ -
Materials & Supplies	\$ 25,536	RR	99.3%	\$ 25,366	0.7%	\$ 170
Working Capital	\$ 71,942	FF	55.0%	\$ 39,553	45.0%	\$ 32,389
Deferred Tank Painting	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Deferred Rate Case	\$ 0	FF	55.0%	\$ 0	45.0%	\$ 0
Deferred Operations	\$ -	OO	18.6%	\$ -	81.4%	\$ -
Deferred Acquisitions	\$ -	II	97.2%	\$ -	2.8%	\$ -
Total Rate Base	\$ 3,152,630	RR	99.3%	\$ 3,131,631	0.7%	\$ 21,000

ALLOCATION OF CUSTOMER SERVICE O&M EXPENSES

EXPENSE ITEM	TOTAL CUST. SERV.	ALLOC. SYMBOL	<-CUST. METER->		<-CUST. BILL->	
			%	AMOUNT	%	AMOUNT
Transmission and Distribution Expenses						
Operation						
Operation Supervision and Engineering	\$ 17,300	AA	100.0%	\$ 17,300	0.0%	\$ -
Transmission and Distribution Lines Expenses	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Meter Expenses	\$ 38,414	AA	100.0%	\$ 38,414	0.0%	\$ -
Miscellaneous Expenses	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Rents	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Total Operation	\$ 55,714			\$ 55,714		\$ -
Maintenance Supervision and Engineering						
Maintenance of Structures and Improvements	\$ 431	AA	100.0%	\$ 431	0.0%	\$ -
Maintenance of Dist. Reservoirs & Standpipes	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Maintenance of Trans. & Distribution Mains	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Maintenance of Fire Mains	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Maintenance of Services	\$ 10,790	AA	100.0%	\$ 10,790	0.0%	\$ -
Maintenance of Meters	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Maintenance of Hydrants	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Maintenance of Miscellaneous Plant	\$ 142	AA	100.0%	\$ 142	0.0%	\$ -
Total Maintenance	\$ 11,363			\$ 11,363		\$ -
Total Transmission & Distribution Expenses	\$ 67,076			\$ 67,076		\$ -
Customer Accounts Expenses						
Operation						
Supervision	\$ -	BB	0.0%	\$ -	100.0%	\$ -
Meter Reading Salaries	\$ 109,157	BB	0.0%	\$ -	100.0%	\$ 109,157
Customer Records & Coll. Expenses-Labor	\$ 191,448	BB	0.0%	\$ -	100.0%	\$ 191,448
Uncollectible Accounts	\$ -	BB	0.0%	\$ -	100.0%	\$ -
Miscellaneous Customer Account Expense	\$ 13,884	BB	0.0%	\$ -	100.0%	\$ 13,884
Total Customer Accounts Expenses	\$ 314,489			\$ -		\$ 314,489
Administrative and General Expenses						
Operation						
Administrative and General Salaries	\$ 54,576	CC	18.6%	\$ 10,174	81.4%	\$ 44,402
Office Supplies and Other Expenses	\$ 10,469	CC	18.6%	\$ 1,952	81.4%	\$ 8,517
Administrative Expenses Transferred	\$ (101,492)	CC	18.6%	\$ (18,920)	81.4%	\$ (82,572)
Outside Services Employed	\$ 81,650	CC	18.6%	\$ 15,221	81.4%	\$ 66,429
Property Insurance	\$ 12,160	CC	18.6%	\$ 2,267	81.4%	\$ 9,893
Injuries and Damages	\$ 4,817	CC	18.6%	\$ 898	81.4%	\$ 3,919
Employee Pension and Benefits	\$ 119,336	LL	22.0%	\$ 26,299	78.0%	\$ 93,037
Regulatory Commission Expenses	\$ 25,543	CC	18.6%	\$ 4,762	81.4%	\$ 20,781
Miscellaneous General Expenses	\$ 24,882	CC	18.6%	\$ 4,638	81.4%	\$ 20,244
Rents	\$ 5,764	CC	18.6%	\$ 1,075	81.4%	\$ 4,690
Total Operation	\$ 237,705			\$ 48,365		\$ 189,340
Maintenance						
Maintenance of General Plant	\$ 2,553	CC	18.6%	\$ 476	81.4%	\$ 2,077
Total Administrative and General Expenses	\$ 240,258			\$ 48,841		\$ 191,417
Total Operation and Maintenance Expenses	\$ 621,823	OO	18.6%	\$ 115,917	81.4%	\$ 505,906

ALLOCATION OF CUSTOMER SERVICE LABOR

<u>EXPENSE ITEM</u>	<u>TOTAL CUST. SERV.</u>	<u>ALLOC. SYMBOL</u>	<u><-CUST. METER-></u>		<u><-CUST. BILL-></u>	
			<u>%</u>	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>
Transmission and Distribution Expenses						
<i>Operation</i>						
Operation Supervision and Engineering	\$ 10,377	AA	100.0%	\$ 10,377	0.0%	\$ -
Transmission and Distribution Lines Expenses	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Meter Expenses	\$ 23,557	AA	100.0%	\$ 23,557	0.0%	\$ -
Miscellaneous Expenses	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Rents	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Total Operation	\$ 33,934			\$ 33,934		\$ -
<i>Maintenance</i>						
Maintenance Supervision and Engineering	\$ 264	AA	100.0%	\$ 264	0.0%	\$ -
	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Maintenance of Dist. Reservoirs & Standpipes	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Maintenance of Trans. & Distribution Mains	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Maintenance of Fire Mains	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Maintenance of Services	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Maintenance of Meters	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Maintenance of Hydrants	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Maintenance of Miscellaneous Plant	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Total Maintenance	\$ 264			\$ 264		\$ -
Total Transmission & Distribution Expenses	\$ 34,197			\$ 34,197		\$ -
Customer Accounts Expenses						
<i>Operation</i>						
Supervision	\$ -	BB	0.0%	\$ -	100.0%	\$ -
Meter Reading Salaries	\$ 61,265	BB	0.0%	\$ -	100.0%	\$ 61,265
Customer Records & Coll. Expenses-Labor	\$ 55,699	BB	0.0%	\$ -	100.0%	\$ 55,699
Uncollectible Accounts	\$ -	BB	0.0%	\$ -	100.0%	\$ -
Miscellaneous Customer Account Expense	\$ 4,013	BB	0.0%	\$ -	100.0%	\$ 4,013
Total Customer Accounts Expenses	\$ 120,977			\$ -		\$ 120,977
Administrative and General Expenses						
<i>Operation</i>						
Administrative and General Salaries	\$ 71,240	LL	22.0%	\$ 15,700	78.0%	\$ 55,540
Office Supplies and Other Expenses	\$ -	LL	22.0%	\$ -	78.0%	\$ -
Administrative Expenses Transferred	\$ -	LL	22.0%	\$ -	78.0%	\$ -
Outside Services Employed	\$ -	LL	22.0%	\$ -	78.0%	\$ -
Property Insurance	\$ -	LL	22.0%	\$ -	78.0%	\$ -
Injuries and Damages	\$ -	LL	22.0%	\$ -	78.0%	\$ -
Employee Pension and Benefits	\$ -	LL	22.0%	\$ -	78.0%	\$ -
Regulatory Commission Expenses	\$ -	LL	22.0%	\$ -	78.0%	\$ -
Miscellaneous General Expenses	\$ -	LL	22.0%	\$ -	78.0%	\$ -
Rents	\$ -	LL	22.0%	\$ -	78.0%	\$ -
Total Operation	\$ -			\$ 15,700		\$ 55,540
<i>Maintenance</i>						
Maintenance of General Plant	\$ -	LL	22.0%	\$ -	78.0%	\$ -
Total Administrative and General Expenses	\$ 71,240			\$ 15,700		\$ 55,540
Total Labor Expenses	\$ 226,415	LL	22.0%	\$ 49,897	78.0%	\$ 176,517

**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	\$ -	II	97.2%	\$ -	2.8%	\$ -
INTANGIBLE PLANT						
Organization	\$ 14,029	II	97.2%	\$ 13,637	2.8%	\$ 392
Misc. Intangibles	\$ 63,530	II	97.2%	\$ 61,757	2.8%	\$ 1,773
Subtotal	\$ 77,558			\$ 75,394		\$ 2,165
TRANSMISSION & DISTRIBUTION PLANT						
Land & Land Rights	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Structures & Improvements	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Distrib Reservoirs & Standpipes	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Trans. & Dist. Mains	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Services	\$ 2,963,555	AA	100.0%	\$ 2,963,555	0.0%	\$ -
Meters	\$ 2,683,106	AA	100.0%	\$ 2,683,106	0.0%	\$ -
Hydrants	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Subtotal	\$ 5,646,661			\$ 5,646,661		\$ -
GENERAL PLANT						
Structures & Improvements	\$ 56,498	II	97.2%	\$ 54,921	2.8%	\$ 1,577
Computer Hardware	\$ 162,143	BB	0.0%	\$ -	100.0%	\$ 162,143
391A-CIS	\$ 129,652	II	97.2%	\$ 126,033	2.8%	\$ 3,619
Stores Equipment	\$ -	II	97.2%	\$ -	2.8%	\$ -
Tools, Shop & Garage Equip.	\$ 17,891	II	97.2%	\$ 17,391	2.8%	\$ 499
Laboratory Equipment	\$ -	II	97.2%	\$ -	2.8%	\$ -
Power Operated Equipment	\$ 4,306	II	97.2%	\$ 4,185	2.8%	\$ 120
Communication Equipment	\$ 50,887	II	97.2%	\$ 49,466	2.8%	\$ 1,420
Miscellaneous Equipment	\$ 21,871	II	97.2%	\$ 21,260	2.8%	\$ 610
Subtotal	\$ 443,248			\$ 273,258		\$ 169,989
	=====			=====		=====
TOTAL PLANT IN SERVICE	\$ 6,167,467	II	97.2%	\$ 5,995,312	2.8%	\$ 172,154

**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	\$ -	II	97.2%	\$ -	2.8%	\$ -
TRANSMISSION & DISTRIBUTION PLANT						
Land & Land Rights	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Structures & Improvements	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Distrib Reservoirs & Standpipes	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Trans. & Dist. Mains	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Services	\$ 59,242	AA	100.0%	\$ 59,242	0.0%	\$ -
Meters	\$ 80,422	AA	100.0%	\$ 80,422	0.0%	\$ -
Hydrants	\$ -	AA	100.0%	\$ -	0.0%	\$ -
Subtotal	\$ 139,664			\$ 139,664	\$ -	
GENERAL PLANT						
Structures & Improvements	\$ 2,823	II	97.2%	\$ 2,744	2.8%	\$ 79
Computer Hardware	\$ 16,142	BB	0.0%	\$ -	100.0%	\$ 16,142
391A-CIS	\$ 12,965	II	97.2%	\$ 12,603	2.8%	\$ 362
Stores Equipment	\$ -	II	97.2%	\$ -	2.8%	\$ -
Tools, Shop & Garage Equip.	\$ 1,786	II	97.2%	\$ 1,736	2.8%	\$ 50
Laboratory Equipment	\$ -	II	97.2%	\$ -	2.8%	\$ -
Power Operated Equipment	\$ 431	II	97.2%	\$ 419	2.8%	\$ 12
Communication Equipment	\$ 2,544	II	97.2%	\$ 2,473	2.8%	\$ 71
Miscellaneous Equipment	\$ 437	II	97.2%	\$ 425	2.8%	\$ 12
Subtotal	\$ 37,128			\$ 20,400	\$ 16,727	
TOTAL	\$ 176,791			\$ 160,064	\$ 16,727	
Less: Contributions	\$ (7,823)	AA	100.0%	\$ (7,823)	0.0%	\$ -
TOTAL DEPRECIATION	\$ 168,968	DD	90.1%	\$ 152,241	9.9%	\$ 16,727

ALLOCATION SYMBOLS - CUSTOMER SERVICE

<u>ALLOCATION SYMBOL</u>	<u>CUSTOM METER</u>	<u>CUSTOM BILL</u>	<u>TOTAL</u>
AA	100.0%	0.0%	100.0% Meters
BB	0.0%	100.0%	100.0% Billing
CC	18.6%	81.4%	100.0% O&M G&A
DD	90.1%	9.9%	100.0% Depreciation
FF	55.0%	45.0%	100.0% Total Costs
II	97.2%	2.8%	100.0% Plant Investment
JJ	100.0%	0.0%	100.0% Capital/Debt
LL	22.0%	78.0%	100.0% Labor
OO	18.6%	81.4%	100.0% Total O&M
RR	99.3%	0.7%	100.0% Rate Base
TT	75.9%	24.1%	100.0% Nonincome Tax
XX	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 \$	74,394	II	\$ 72,317	\$ 2,077
Payroll \$	23,430	LL	\$ 5,164	\$ 18,267
Gross Receipt \$	15,374	FF	\$ 8,453	\$ 6,922
Total \$	113,198		\$ 85,933	\$ 27,265
Percent		TT	75.9%	24.1%

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	7,455	1	7,455
3/4	5	1.1	6
1	272	1.8	489
1 1/2	78	3.3	257
2	163	4.6	748
3	13	6.3	82
4	2	9.6	19
6	5	16.9	85
>=8	2	29.6	59
TOTALS	7,994		9,199

(1) Based on prior dockets including Docket Nos. 2098 and 2555.

DETERMINATION OF SERVICE CHARGES

BILLING CHARGE

CUST. BILLING ALLOC. (2)	=	\$228,385	
NUMBER OF BILLINGS (1)	=	32,899	6.94 PER BILLING

METER CHARGE

CUST. METER ALLOC. (3)	=	\$618,827	
NO. EQUIV. METERS (1)	=	9,199	67.27 / EQ. METER/YR

(1) See Ex. 5 (Division) Sch. 2

(2) Allocation to Billing was reduced and reallocated to base retail rates by \$320,000

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

TOTAL SERVICE CHARGES

METER SIZE (IN)	<u>QUARTERLY ACCOUNTS</u>			<u>MONTHLY ACCOUNTS</u>		
	METER CHARGE	BILLING CHARGE	TOTAL CHARGE	METER CHARGE	BILLING CHARGE	TOTAL CHARGE
5/8	\$ 16.82	\$ 6.94	\$ 23.76	\$ 5.61	\$ 6.94	\$ 12.55
3/4	\$ 18.50	\$ 6.94	\$ 25.44	\$ 6.17	\$ 6.94	\$ 13.11
1	\$ 30.27	\$ 6.94	\$ 37.21	\$ 10.09	\$ 6.94	\$ 17.03
1 1/2	\$ 55.50	\$ 6.94	\$ 62.44	\$ 18.50	\$ 6.94	\$ 25.44
2	\$ 77.36	\$ 6.94	\$ 84.30	\$ 25.79	\$ 6.94	\$ 32.73
3	\$ 105.95	\$ 6.94	\$ 112.89	\$ 35.32	\$ 6.94	\$ 42.26
4	\$ 161.45	\$ 6.94	\$ 168.39	\$ 53.82	\$ 6.94	\$ 60.76
6	\$ 284.21	\$ 6.94	\$ 291.16	\$ 94.74	\$ 6.94	\$ 101.68
>8	\$ 497.80	\$ 6.94	\$ 504.74	\$ 165.93	\$ 6.94	\$ 172.87

SUMMARY GENERAL WATER EXPENSE ALLOCATIONS

	TOTAL GEN'L WATER	ALLOC. SYMBOL (1)	BASE		EXTRA CAP.-MAX DAY		EXTRA CAP.-PEAK HR	
			%	AMOUNT	%	AMOUNT	%	AMOUNT
Operation & Maintenance	\$ 1,160,127	mm	55.5%	\$ 643,899	33.4%	\$ 387,144	11.1%	\$ 129,084
Depreciation	\$ 298,823	dd	39.3%	\$ 117,348	45.5%	\$ 135,833	15.3%	\$ 45,642
Taxes other than Income	\$ 247,457	tt	37.8%	\$ 93,438	42.8%	\$ 106,008	19.4%	\$ 48,011
Total Operating	\$ 1,706,407			\$ 854,685		\$ 628,985		\$ 222,736
Federal Income Tax	\$ 179,293	rr	36.7%	\$ 65,871	43.4%	\$ 77,890	19.8%	\$ 35,532
Return on Rate Base	\$ 544,259	rr	36.7%	\$ 199,956	43.4%	\$ 236,442	19.8%	\$ 107,861
Total Revenue Required	\$ 2,429,958			\$ 1,120,512		\$ 943,317		\$ 366,130
Less:								
Misc. Income/Turn on-off	\$ 18,155	xx	100.0%	\$ 18,155	0.0%	\$ -	0.0%	\$ -
Other Water Revenues	\$ 14,517	xx	100.0%	\$ 14,517	0.0%	\$ -	0.0%	\$ -
Subtotal	\$ 2,397,287	ff	45.4%	\$ 1,087,840	39.3%	\$ 943,317	15.3%	\$ 366,130
Plus:								
Public Fire Service Adjustment	\$ -	cc	100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Required From Rates	\$ 2,397,287			\$ 1,087,840		\$ 943,317		\$ 366,130

ALLOCATION OF GENERAL WATER RATE BASE TO
BASE AND EXTRA CAPACITY

	<u>TOTAL</u>	<u>ALLOC.</u>	<u>BASE</u>		<u>EXTRA CAP.-MAX DAY</u>		<u>EXTRA CAP.-PEAK HR</u>	
<u>GEN'L WATER</u>	<u>SYMBOL (1)</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>AMOUNT</u>
Average Utility Plant on Service	pp		\$ 15,372,147	36.3%	\$ 5,583,882	43.1%	\$ 6,622,461	\$ 3,165,805
Less:								
Accumulated Amortization	rr		\$ (4,102,139)	36.7%	\$ (1,507,090)	43.4%	\$ (1,782,089)	\$ (812,960)
Contributions	bb		\$ (2,985,121)	33.7%	\$ (1,005,894)	41.5%	\$ (1,237,461)	\$ (741,826)
Deferred Income Tax	rr		\$ (1,036,534)	36.7%	\$ (380,813)	43.4%	\$ (450,300)	\$ (205,420)
Unamortized ITC	rr		\$ (64,977)	36.7%	\$ (23,872)	43.4%	\$ (28,228)	\$ (12,877)
1/13th Unfunded FAS 106	ll		\$ (293,103)	38.9%	\$ (113,949)	44.7%	\$ (131,163)	\$ (47,991)
Plus:								
Customer Advances	rr		\$ -	36.7%	\$ -	43.4%	\$ -	\$ -
Materials & Supplies	rr		\$ 58,160	36.7%	\$ 21,367	43.4%	\$ 25,266	\$ 11,526
Working Capital	ff		\$ 141,592	45.4%	\$ 64,251	39.3%	\$ 55,715	\$ 21,625
Deferred Tank Painting	ss		\$ 90,178	0.0%	\$ -	50.0%	\$ 45,089	\$ 45,089
Deferred Rate Case	ff		\$ 0	45.4%	\$ 0	39.3%	\$ -	\$ 0
Deferred Operations	mm		\$ -	55.5%	\$ -	33.4%	\$ -	\$ -
Deferred Acquisitions	pp		\$ -	36.3%	\$ -	43.1%	\$ -	\$ -
Total Rate Base	rr		\$ 7,180,203	36.7%	\$ 2,637,943	43.4%	\$ 3,119,290	\$ 1,422,970

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	%	AMOUNT
Source of Supply Expenses										
<i>Operation</i>										
Operation Supervision and Engineering	\$ 2,990		cc		100.0%	\$ 2,990	0.0%	\$ -	0.0%	\$ -
Operation Labor and Expenses	\$ 3,759		cc		100.0%	\$ 3,759	0.0%	\$ -	0.0%	\$ -
Purchased Water	\$ -		cc		100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Miscellaneous Expenses	\$ -		cc		100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Rents	\$ -		cc		100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Total Operation	\$ 6,749					\$ 6,749				\$ -
<i>Maintenance</i>										
Maintenance of Wells and Springs	\$ -		cc		100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Maintenance of Supply Mains	\$ -		cc		100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Maintenance of Miscellaneous Water Source Plk	\$ -		cc		100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Total Maintenance	\$ -					\$ -				\$ -
Total Source of Supply Expenses	\$ 6,749					\$ 6,749				\$ -
Pumping Expenses										
<i>Operation</i>										
Operation Supervision and Engineering	\$ -		aa		44.8%	\$ -	55.2%	\$ -	0.0%	\$ -
Fuel for Power Production	\$ 747		cc		100.0%	\$ 747	0.0%	\$ -	0.0%	\$ -
Fuel or Power Purchased for Production	\$ 185,457		cc		100.0%	\$ 185,457	0.0%	\$ -	0.0%	\$ -
Pumping Labor and Expenses	\$ 72,889		aa		44.8%	\$ 32,681	55.2%	\$ 40,207	0.0%	\$ -
Miscellaneous Expenses	\$ 4,660		aa		44.8%	\$ 2,089	55.2%	\$ 2,570	0.0%	\$ -
Rents	\$ -		aa		44.8%	\$ -	55.2%	\$ -	0.0%	\$ -
Total Operation	\$ 263,753					\$ 220,975		\$ 42,778		\$ -
<i>Maintenance</i>										
Maintenance Supervision and Engineering	\$ -		aa		44.8%	\$ -	55.2%	\$ -	0.0%	\$ -
Maintenance of Structures and Improvements	\$ 43		aa		44.8%	\$ 19	55.2%	\$ 24	0.0%	\$ -
Maintenance of Power Production Equipment	\$ 1,231		aa		44.8%	\$ 552	55.2%	\$ 679	0.0%	\$ -
Maintenance of Pumping Equipment	\$ 18,121		aa		44.8%	\$ 8,125	55.2%	\$ 9,996	0.0%	\$ -
Total Maintenance	\$ 19,395					\$ 8,696		\$ 10,699		\$ -
Total Pumping Expenses	\$ 283,147					\$ 229,671		\$ 53,476		\$ -
Water Treatment Expenses										
<i>Operation</i>										
Operation Supervision and Engineering	\$ -		aa		44.8%	\$ -	55.2%	\$ -	0.0%	\$ -
Chemicals	\$ 65,577		cc		100.0%	\$ 65,577	0.0%	\$ -	0.0%	\$ -
Operation Labor and Expenses	\$ 65,634		aa		44.8%	\$ 29,429	55.2%	\$ 36,206	0.0%	\$ -
Miscellaneous Expenses	\$ 30,171		aa		44.8%	\$ 13,528	55.2%	\$ 16,643	0.0%	\$ -
Total Operation	\$ 161,382					\$ 108,533		\$ 52,849		\$ -
<i>Maintenance</i>										
Maintenance of Water Treatment Equipment	\$ 4,521		aa		44.8%	\$ 2,027	55.2%	\$ 2,494	0.0%	\$ -
Total Maintenance	\$ 4,521					\$ 2,027		\$ 2,494		\$ -
Total Water Treatment Expenses	\$ 165,903					\$ 110,560		\$ 55,343		\$ -

Transmission and Distribution Expenses

Operation												
Operation Supervision and Engineering	\$	79,349	bb	\$	26,737	33.7%	\$	32,894	41.5%	\$	19,719	24.9%
Transmission and Distribution Lines Expenses	\$	58,964	bb	\$	19,868	33.7%	\$	24,443	41.5%	\$	14,653	24.9%
Meter Expenses	\$	-	bb	\$	-	33.7%	\$	-	41.5%	\$	-	24.9%
Miscellaneous Expenses	\$	83,036	bb	\$	27,979	33.7%	\$	34,422	41.5%	\$	20,635	24.9%
Rents	\$	-	bb	\$	-	33.7%	\$	-	41.5%	\$	-	24.9%
Total Operation	\$	221,350		\$	74,584		\$	91,759		\$	55,007	
Maintenance												
Maintenance Supervision and Engineering	\$	1,978	bb	\$	667	33.7%	\$	820	41.5%	\$	492	24.9%
Maintenance of Structures and Improvements	\$	13,164	bb	\$	4,435	33.7%	\$	5,457	41.5%	\$	3,271	24.9%
Maintenance of Dist. Reservoirs & Standpipes	\$	38,574	bb	\$	12,997	33.7%	\$	15,990	41.5%	\$	9,586	24.9%
Maintenance of Trans. & Distribution Mains	\$	31,947	bb	\$	10,764	33.7%	\$	13,243	41.5%	\$	7,939	24.9%
Maintenance of Fire Mains	\$	-	bb	\$	-	33.7%	\$	-	41.5%	\$	-	24.9%
Maintenance of Services	\$	-	bb	\$	-	33.7%	\$	-	41.5%	\$	-	24.9%
Maintenance of Meters	\$	-	bb	\$	-	33.7%	\$	-	41.5%	\$	-	24.9%
Maintenance of Hydrants	\$	-	bb	\$	-	33.7%	\$	-	41.5%	\$	-	24.9%
Maintenance of Miscellaneous Plant	\$	661	bb	\$	219	33.7%	\$	270	41.5%	\$	162	24.9%
Total Maintenance	\$	86,313		\$	29,083		\$	35,780		\$	21,449	
Total Transmission & Distribution Expenses	\$	307,663		\$	103,667		\$	127,539		\$	76,457	

Customer Accounts Expenses

Operation												
Supervision	\$	-	cc	\$	-	100.0%	\$	-	0.0%	\$	-	0.0%
Meter Reading Salaries	\$	-	cc	\$	-	100.0%	\$	-	0.0%	\$	-	0.0%
Customer Records & Coll. Expenses-Labor	\$	-	cc	\$	-	100.0%	\$	-	0.0%	\$	-	0.0%
Uncollectible Accounts	\$	-	cc	\$	-	100.0%	\$	-	0.0%	\$	-	0.0%
Miscellaneous Customer Account Expense	\$	-	cc	\$	-	100.0%	\$	-	0.0%	\$	-	0.0%
Total Customer Accounts Expenses	\$	-		\$	-		\$	-		\$	-	

Administrative and General Expenses

Operation												
Administrative and General Salaries	\$	101,822	mm	\$	56,513	55.5%	\$	33,979	33.4%	\$	11,329	11.1%
Office Supplies and Other Expenses	\$	19,532	mm	\$	10,841	55.5%	\$	6,518	33.4%	\$	2,173	11.1%
Administrative Expenses Transferred	\$	(189,361)	mm	\$	(105,095)	55.5%	\$	(63,188)	33.4%	\$	(21,069)	11.1%
Outside Services Employed	\$	152,333	mm	\$	84,548	55.5%	\$	50,835	33.4%	\$	16,950	11.1%
Property Insurance	\$	30,308	mm	\$	16,822	55.5%	\$	10,114	33.4%	\$	3,372	11.1%
Injuries and Damages	\$	8,986	mm	\$	4,988	55.5%	\$	2,999	33.4%	\$	1,000	11.1%
Employee Pension and Benefits	\$	161,841	ll	\$	62,918	38.9%	\$	72,423	44.7%	\$	26,499	16.4%
Regulatory Commission Expenses	\$	47,664	mm	\$	26,449	55.5%	\$	15,903	33.4%	\$	5,302	11.1%
Miscellaneous General Expenses	\$	46,422	mm	\$	25,765	55.5%	\$	15,491	33.4%	\$	5,165	11.1%
Rents	\$	10,754	mm	\$	5,969	55.5%	\$	3,589	33.4%	\$	1,197	11.1%
Total Operation	\$	390,300		\$	189,719		\$	148,662		\$	51,919	
Maintenance												
Maintenance of General Plant	\$	-	mm	\$	3,532	55.5%	\$	2,124	33.4%	\$	708	11.1%
Total Administrative and General Expenses	\$	6,364		\$	193,251		\$	150,786		\$	52,627	
Total Operation and Maintenance Expenses	\$	1,160,127	mm	\$	643,899	55.5%	\$	387,144	33.4%	\$	129,084	11.1%

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	\$ 3,135	cc	100.0%	\$ 3,135	0.0%	\$ -	0.0%	\$ -
Operation Labor and Expenses	\$ 2,133	cc	100.0%	\$ 2,133	0.0%	\$ -	0.0%	\$ -
Purchased Water	\$ -	cc	100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Miscellaneous Expenses	\$ -	cc	100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Rents	\$ -	cc	100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Total Operation	\$ 5,268			\$ 5,268				\$ -
<i>Maintenance</i>								
Maintenance of Wells and Springs	\$ -	cc	100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Maintenance of Supply Mains	\$ -	cc	100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Maintenance of Miscellaneous Water Source Pk	\$ -	cc	100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Total Maintenance	\$ -			\$ -				\$ -
Total Source of Supply Expenses	\$ 5,268			\$ 5,268				\$ -
Pumping Expenses								
<i>Operation</i>								
Operation Supervision and Engineering	\$ -	aa	44.8%	\$ -	55.2%	\$ -	0.0%	\$ -
Fuel for Power Production	\$ -	cc	100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Fuel or Power Purchased for Production	\$ -	cc	100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Pumping Labor and Expenses	\$ 32,452	aa	44.8%	\$ 14,551	55.2%	\$ 17,901	0.0%	\$ -
Miscellaneous Expenses	\$ -	aa	44.8%	\$ -	55.2%	\$ -	0.0%	\$ -
Rents	\$ -	aa	44.8%	\$ -	55.2%	\$ -	0.0%	\$ -
Total Operation	\$ 32,452			\$ 14,551		\$ 17,901		\$ -
<i>Maintenance</i>								
Maintenance Supervision and Engineering	\$ -	aa	44.8%	\$ -	55.2%	\$ -	0.0%	\$ -
Maintenance of Structures and Improvements	\$ -	aa	44.8%	\$ -	55.2%	\$ -	0.0%	\$ -
Maintenance of Power Production Equipment	\$ -	aa	44.8%	\$ -	55.2%	\$ -	0.0%	\$ -
Maintenance of Pumping Equipment	\$ 6,595	aa	44.8%	\$ 2,957	55.2%	\$ 3,638	0.0%	\$ -
Total Maintenance	\$ 6,595			\$ 2,957		\$ 3,638		\$ -
Total Pumping Expenses	\$ 39,047			\$ 17,508		\$ 21,539		\$ -
Water Treatment Expenses								
<i>Operation</i>								
Operation Supervision and Engineering	\$ -	aa	44.8%	\$ -	55.2%	\$ -	0.0%	\$ -
Chemicals	\$ -	cc	100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Operation Labor and Expenses	\$ 27,472	aa	44.8%	\$ 12,318	55.2%	\$ 15,154	0.0%	\$ -
Miscellaneous Expenses	\$ -	aa	44.8%	\$ -	55.2%	\$ -	0.0%	\$ -
Total Operation	\$ 27,472			\$ 12,318		\$ 15,154		\$ -
<i>Maintenance</i>								
Maintenance of Water Treatment Equipment	\$ -	aa	44.8%	\$ -	55.2%	\$ -	0.0%	\$ -
Total Maintenance	\$ -			\$ -		\$ -		\$ -
Total Water Treatment Expenses	\$ 27,472			\$ 12,318		\$ 15,154		\$ -

Transmission and Distribution Expenses												
<i>Operation</i>												
Operation Supervision and Engineering	\$	47,596	bb	33.7%	\$	16,037	41.5%	\$	19,731	24.9%	\$	11,828
Transmission and Distribution Lines Expenses	\$	28,309	bb	33.7%	\$	9,539	41.5%	\$	11,735	24.9%	\$	7,035
Meter Expenses	\$	-	bb	33.7%	\$	-	41.5%	\$	-	24.9%	\$	-
Miscellaneous Expenses	\$	38,194	bb	33.7%	\$	12,869	41.5%	\$	15,833	24.9%	\$	9,492
Rents	\$	-	bb	33.7%	\$	-	41.5%	\$	-	24.9%	\$	-
Total Operation	\$	114,099			\$	38,446		\$	47,299		\$	28,365
<i>Maintenance</i>												
Maintenance Supervision and Engineering	\$	1,209	bb	33.7%	\$	407	41.5%	\$	501	24.9%	\$	300
Maintenance of Structures and Improvements	\$	6,027	bb	33.7%	\$	2,031	41.5%	\$	2,498	24.9%	\$	1,498
Maintenance of Dist. Reservoirs & Standpipes	\$	-	bb	33.7%	\$	-	41.5%	\$	-	24.9%	\$	-
Maintenance of Trans. & Distribution Mains	\$	17,321	bb	33.7%	\$	5,836	41.5%	\$	7,180	24.9%	\$	4,304
Maintenance of Fire Mains	\$	-	bb	33.7%	\$	-	41.5%	\$	-	24.9%	\$	-
Maintenance of Services	\$	-	bb	33.7%	\$	-	41.5%	\$	-	24.9%	\$	-
Maintenance of Meters	\$	-	bb	33.7%	\$	-	41.5%	\$	-	24.9%	\$	-
Maintenance of Hydrants	\$	-	bb	33.7%	\$	-	41.5%	\$	-	24.9%	\$	-
Maintenance of Miscellaneous Plant	\$	-	bb	33.7%	\$	-	41.5%	\$	-	24.9%	\$	-
Total Maintenance	\$	24,557			\$	8,274		\$	10,180		\$	6,103
Total Transmission & Distribution Expenses	\$	138,656			\$	46,720		\$	57,479		\$	34,457
Customer Accounts Expenses												
<i>Operation</i>												
Supervision	\$	-	cc	100.0%	\$	-	0.0%	\$	-	0.0%	\$	-
Meter Reading Salaries	\$	-	cc	100.0%	\$	-	0.0%	\$	-	0.0%	\$	-
Customer Records & Coll. Expenses-Labor	\$	-	cc	100.0%	\$	-	0.0%	\$	-	0.0%	\$	-
Uncollectible Accounts	\$	-	cc	100.0%	\$	-	0.0%	\$	-	0.0%	\$	-
Miscellaneous Customer Account Expense	\$	-	cc	100.0%	\$	-	0.0%	\$	-	0.0%	\$	-
Total Customer Accounts Expenses	\$	-			\$	-		\$	-		\$	-
Administrative and General Expenses												
<i>Operation</i>												
Administrative and General Salaries	\$	96,614	ll	38.9%	\$	37,560	44.7%	\$	43,234	16.4%	\$	15,819
Office Supplies and Other Expenses	\$	-	ll	38.9%	\$	-	44.7%	\$	-	16.4%	\$	-
Administrative Expenses Transferred	\$	-	ll	38.9%	\$	-	44.7%	\$	-	16.4%	\$	-
Outside Services Employed	\$	-	ll	38.9%	\$	-	44.7%	\$	-	16.4%	\$	-
Property Insurance	\$	-	ll	38.9%	\$	-	44.7%	\$	-	16.4%	\$	-
Injuries and Damages	\$	-	ll	38.9%	\$	-	44.7%	\$	-	16.4%	\$	-
Employee Pension and Benefits	\$	-	ll	38.9%	\$	-	44.7%	\$	-	16.4%	\$	-
Regulatory Commission Expenses	\$	-	ll	38.9%	\$	-	44.7%	\$	-	16.4%	\$	-
Miscellaneous General Expenses	\$	-	ll	38.9%	\$	-	44.7%	\$	-	16.4%	\$	-
Rents	\$	-	ll	38.9%	\$	-	44.7%	\$	-	16.4%	\$	-
Total Operation	\$	96,614			\$	37,560		\$	43,234		\$	15,819
<i>Maintenance</i>												
Maintenance of General Plant	\$	2,524	ll	38.9%	\$	981	44.7%	\$	1,129	16.4%	\$	413
Total Administrative and General Expenses	\$	2,524			\$	981		\$	1,129		\$	413
Total Labor Expenses	\$	309,580	ll	38.9%	\$	120,355	44.7%	\$	138,536	16.4%	\$	50,689

ALLOCATION OF GEN'L WATER PLANT IN SERVICE 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
Plant Held for Future Use	\$ -	pp	36.3%	\$ -	43.1%	\$ -	20.6%	\$ -
INTANGIBLE PLANT								
Organization	\$ 34,966	pp	36.3%	\$ 12,701	43.1%	\$ 15,063	20.6%	\$ 7,201
Misc. Intangibles	\$ 158,345	pp	36.3%	\$ 57,518	43.1%	\$ 68,217	20.6%	\$ 32,610
Subtotal	\$ 193,311			\$ 70,220		\$ 83,280		\$ 39,811
SOURCE OF SUPPLY								
Land & Land Rights	\$ 27,717	cc	100.0%	\$ 27,717	0.0%	\$ -	0.0%	\$ -
Wells & Springs	\$ 442,871	cc	100.0%	\$ 442,871	0.0%	\$ -	0.0%	\$ -
Supply Mains	\$ 47,627	aa	44.8%	\$ 21,355	55.2%	\$ 26,272	0.0%	\$ -
Struct & Other Source of Supply	\$ 106,861	cc	100.0%	\$ 106,861	0.0%	\$ -	0.0%	\$ -
Subtotal	\$ 625,076			\$ 598,804		\$ 26,272		\$ -
PUMPING PLANT								
Land & Land Rights	\$ 5,601	aa	44.8%	\$ 2,512	55.2%	\$ 3,090	0.0%	\$ -
Structures & Improvements	\$ 679,313	aa	44.8%	\$ 304,586	55.2%	\$ 374,727	0.0%	\$ -
Electric Pump Equip	\$ 1,511,686	aa	44.8%	\$ 677,800	55.2%	\$ 833,887	0.0%	\$ -
Diesel Pump Equip	\$ -	aa	44.8%	\$ -	55.2%	\$ -	0.0%	\$ -
Other Pump Equip	\$ 113,127	aa	44.8%	\$ 50,723	55.2%	\$ 62,404	0.0%	\$ -
Subtotal	\$ 2,309,727			\$ 1,035,620		\$ 1,274,107		\$ -
WATER TREATMENT PLANT								
Structures & Improvements	\$ 18,475	aa	44.8%	\$ 8,284	55.2%	\$ 10,191	0.0%	\$ -
Water Treatment Plant	\$ 436,922	aa	44.8%	\$ 195,904	55.2%	\$ 241,018	0.0%	\$ -
Subtotal	\$ 455,396			\$ 204,187		\$ 251,209		\$ -
TRANSMISSION & DISTRIBUTION PLANT								
Land & Land Rights	\$ 1,862	bb	33.7%	\$ 627	41.5%	\$ 772	24.9%	\$ 463
Structures & Improvements	\$ 25,772	bb	33.7%	\$ 8,684	41.5%	\$ 10,684	24.9%	\$ 6,405
Distrib Reservoirs & Standpipes	\$ 968,016	ss	0.0%	\$ -	50.0%	\$ 484,008	50.0%	\$ 484,008
Trans. & Dist. Mains	\$ 9,688,212	bb	33.7%	\$ 3,264,434	41.5%	\$ 4,016,182	24.9%	\$ 2,407,596
Services	\$ -	cc	100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Meters	\$ -	cc	100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Hydrants	\$ -	cc	100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Subtotal	\$ 10,683,862			\$ 3,273,745		\$ 4,511,645		\$ 2,898,471
GENERAL PLANT								
Structures & Improvements	\$ 140,819	pp	36.3%	\$ 51,152	43.1%	\$ 60,666	20.6%	\$ 29,001
Computer Hardware	\$ 404,134	pp	36.3%	\$ 146,800	43.1%	\$ 174,105	20.6%	\$ 83,229
391A-CIS	\$ 323,153	pp	36.3%	\$ 117,384	43.1%	\$ 139,217	20.6%	\$ 66,551
Stores Equipment	\$ -	pp	36.3%	\$ -	43.1%	\$ -	20.6%	\$ -
Tools, Shop & Garage Equip.	\$ 44,592	pp	36.3%	\$ 16,198	43.1%	\$ 19,211	20.6%	\$ 9,184
Laboratory Equipment	\$ -	pp	36.3%	\$ -	43.1%	\$ -	20.6%	\$ -
Power Operated Equipment	\$ 10,731	pp	36.3%	\$ 3,898	43.1%	\$ 4,623	20.6%	\$ 2,210
Communication Equipment	\$ 126,833	pp	36.3%	\$ 46,072	43.1%	\$ 54,641	20.6%	\$ 26,121
Miscellaneous Equipment	\$ 54,512	pp	36.3%	\$ 19,801	43.1%	\$ 23,484	20.6%	\$ 11,227
Subtotal	\$ 1,104,776			\$ 401,306		\$ 475,947		\$ 227,522
TOTAL PLANT IN SERVICE	\$ 15,372,147	pp	36.3%	\$ 5,583,882	43.1%	\$ 6,622,461	20.6%	\$ 3,165,805

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

	TOTAL GEN'L WATER	ALLOC. SYMBOL (1)	BASE %	AMOUNT	EXTRA CAP.-MAX DAY %	AMOUNT	EXTRA CAP.-PEAK HR %	AMOUNT
Plant Held for Future Use	\$ -	pp	36.3%	\$ -	43.1%	\$ -	20.6%	\$ -
INTANGIBLE PLANT								
Organization	\$ -	pp	36.3%	\$ -	43.1%	\$ -	20.6%	\$ -
Misc. Intangibles	\$ -	pp	36.3%	\$ -	43.1%	\$ -	20.6%	\$ -
Subtotal	\$ -			\$ -		\$ -		\$ -
SOURCE OF SUPPLY								
Land & Land Rights	\$ -	cc	100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Wells & Springs	\$ 8,857	cc	100.0%	\$ 8,857	0.0%	\$ -	0.0%	\$ -
Supply Mains	\$ 595	aa	44.8%	\$ 267	55.2%	\$ 328	0.0%	\$ -
Struct & Other Source of Supply	\$ 2,105	cc	100.0%	\$ 2,105	0.0%	\$ -	0.0%	\$ -
Subtotal	\$ 11,558			\$ 11,230		\$ 328		\$ -
PUMPING PLANT								
Land & Land Rights	\$ -	aa	44.8%	\$ -	55.2%	\$ -	0.0%	\$ -
Structures & Improvements	\$ 13,586	aa	44.8%	\$ 6,092	55.2%	\$ 7,495	0.0%	\$ -
Electric Pump Equip	\$ 60,456	aa	44.8%	\$ 27,107	55.2%	\$ 33,349	0.0%	\$ -
Diesel Pump Equip	\$ -	aa	44.8%	\$ -	55.2%	\$ -	0.0%	\$ -
Other Pump Equip	\$ 4,525	aa	44.8%	\$ 2,029	55.2%	\$ 2,496	0.0%	\$ -
Subtotal	\$ 78,568			\$ 35,228		\$ 43,340		\$ -
WATER TREATMENT PLANT								
Structures & Improvements	\$ 369	aa	44.8%	\$ 166	55.2%	\$ 204	0.0%	\$ -
Water Treatment Plant	\$ 21,844	aa	44.8%	\$ 9,794	55.2%	\$ 12,050	0.0%	\$ -
Subtotal	\$ 22,214			\$ 9,960		\$ 12,254		\$ -
TRANSMISSION & DISTRIBUTION PLANT								
Land & Land Rights	\$ -	bb	33.7%	\$ -	41.5%	\$ -	24.9%	\$ -
Structures & Improvements	\$ 773	bb	33.7%	\$ 261	41.5%	\$ 321	24.9%	\$ 192
Distrib Reservoirs & Standpipes	\$ 12,875	ss	0.0%	\$ -	50.0%	\$ 6,437	50.0%	\$ 6,437
Trans. & Dist. Mains	\$ 118,492	bb	33.7%	\$ 39,926	41.5%	\$ 49,120	24.9%	\$ 29,446
Services	\$ -	cc	100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Meters	\$ -	cc	100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Hydrants	\$ -	cc	100.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Subtotal	\$ 132,139			\$ 40,186		\$ 55,878		\$ 36,076
GENERAL PLANT								
Structures & Improvements	\$ 7,037	pp	36.3%	\$ 2,556	43.1%	\$ 3,032	20.6%	\$ 1,449
Computer Hardware	\$ 40,233	pp	36.3%	\$ 14,614	43.1%	\$ 17,333	20.6%	\$ 8,286
391A-CIS	\$ 32,315	pp	36.3%	\$ 11,738	43.1%	\$ 13,922	20.6%	\$ 6,655
Stores Equipment	\$ -	pp	36.3%	\$ -	43.1%	\$ -	20.6%	\$ -
Tools, Shop & Garage Equip.	\$ 4,451	pp	36.3%	\$ 1,617	43.1%	\$ 1,918	20.6%	\$ 917
Laboratory Equipment	\$ -	pp	36.3%	\$ -	43.1%	\$ -	20.6%	\$ -
Power Operated Equipment	\$ 1,073	pp	36.3%	\$ 390	43.1%	\$ 462	20.6%	\$ 221
Communication Equipment	\$ 6,340	pp	36.3%	\$ 2,303	43.1%	\$ 2,731	20.6%	\$ 1,306
Miscellaneous Equipment	\$ 1,090	pp	36.3%	\$ 396	43.1%	\$ 470	20.6%	\$ 225
Subtotal	\$ 92,539			\$ 33,614		\$ 39,867		\$ 19,058
TOTAL	\$ 337,018			\$ 130,218		\$ 151,667		\$ 55,133
Less: Contributions	\$ (38,195)	bb	33.7%	\$ (12,870)	41.5%	\$ (15,834)	24.9%	\$ (9,492)
TOTAL DEPRECIATION	\$ 298,823	dd	39.3%	\$ 117,348	45.5%	\$ 135,833	15.3%	\$ 45,642

ALLOCATION SYMBOLS - GENERAL WATER

ALLOCATION SYMBOL	BASE		EXTRA CAPACITY		TOTAL
	%		%		
aa	44.8%		55.2%	0.0%	100.0% Production & pumping costs
bb	33.7%		41.5%	24.9%	100.0% T&D Mains
cc	100.0%		0.0%	0.0%	100.0% Supply, chemicals, power & water
dd	39.3%		45.5%	15.3%	100.0% Depreciation
ff	45.4%		39.3%	15.3%	100.0% Total Costs/Revenue Required
ll	38.9%		44.7%	16.4%	100.0% Labor
mm	55.5%		33.4%	11.1%	100.0% Total O&M
pp	36.3%		43.1%	20.6%	100.0% Plant Investment
rr	36.7%		43.4%	19.8%	100.0% Rate Base
ss	0.0%		50.0%	50.0%	100.0% Storage
tt	37.8%		42.8%	19.4%	100.0% Taxes other than income
xx	100.0%		0.0%	0.0%	100.0% Misc revenues

Max Hour Demand 4,547 Gal/Min
 Peak Hour Demand 6,050

Symbol aa Avg Day Increment 2,039
 Max Day Increment 2,508

Symbol bb Average Day 2,039 Gal/Min
 Max Day Increment 2,508
 Peak Hour Increment 1,503
 Total Peak Hour 6,050

Symbol tt - Taxes other than income

	Gen'l Water	Base	Max Day	Peak Hr
Property	\$ 185,423	\$ 67,354	\$ 79,882	\$ 38,187
Payroll	\$ 31,776	\$ 12,353	\$ 14,220	\$ 5,203
Gross Receipt	\$ 30,259	\$ 13,731	\$ 11,907	\$ 4,621
Total	\$ 247,457	\$ 93,438	\$ 106,008	\$ 48,011
Percent		37.8%	42.8%	19.4%

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

	<u>Total</u>	<u>Base</u>	<u>Max Day</u>	<u>Peak Hour</u>	
Revenue Requirements	\$2,397,287	\$1,087,840	\$943,317	\$366,130	Ex. 5 (Division) Sch. 6
Allocation to Fire Service	<u>\$631,332</u>	<u>\$5,439</u>	<u>\$366,118</u>	<u>\$259,775</u>	Ex. 5 (Division) Sch. 2 A
Net to Wholesale/Retail	\$1,765,955	\$1,082,401	\$577,199	\$106,355	
Allocation to Wholesale *	<u>\$441,226</u>	<u>\$397,889</u>	<u>\$43,337</u>	<u>\$0</u>	
Subtotal	\$1,324,730	\$684,512	\$533,863	\$106,355	
+ Fire Adjustment (Sch 4A)	<u>\$320,000</u>	<u>\$320,000</u>			
+ Cust Adjustment (Sch 5A)	<u>\$320,000</u>	<u>\$320,000</u>			
Net to Retail Metered Rates	\$1,964,730	\$1,324,512	\$533,863	\$106,355	
<u>Residential</u>					
Percent		66.2%	73.1%	75.1%	Ex. 5 (Division) Sch. 3 A
Amount	\$1,346,438	\$876,401.92	\$390,210.48	\$79,825.12	
<u>Non-Residential</u>					
Percent		33.8%	26.9%	24.9%	Ex. 5 (Division) Sch. 2 A
Amount	\$618,292	\$448,110.05	\$143,652.37	\$26,529.82	

* Allocation to fire protection:

Base: 0.05% assigned to fire to reflect minimal use on fires

Max Day & Peak Hour – see Ex. 5 (Division) Sch. 2A

** Allocation to wholesale based on:

<u>BASE</u>		
Metered Sales (ccf/yr)	1,390,081	
Retail Sales (ccf/yr)	856,601	61.6%
Retail Unacctd For (ccf/yr)	<u>68,924</u>	Based on miles of pipe: 100% of distribution/service plus 61.6% of transmission
Total Retail (ccf/yr)	925,525	
Wholesale Sales (ccf/yr)	533,480	38.4%
Wholesale Unacctd For (ccf/yr)	<u>4,504</u>	
Total Wholesale (ccf/yr)	<u>537,984</u>	
Grand Total (ccf/yr)	1,463,509	
Wholesale % of Grand Total	36.8%	
Net Base Allocation	\$1,082,401	
Wholesale Allocation	<u>\$397,889</u>	
<u>MAX DAY</u>		
Net Max Day Allocation	\$577,199	
Less: Distribution Costs		
share of T&D O&M	-\$79,138	Based on inch-miles of distrib. pipe
Admin O&M Share	-\$30,823	38.9%
Distribution Capital Items	<u>-\$306,914</u>	55.2% (Less Distribution Mains & Gen'l Items allocated to Max Day)
Total Net. of Distribution	\$160,325	
Wholesale Max Day %	27.03%	Ex. 5 (Division) Sch. 2 A
Wholesale Allocation	<u>\$43,337</u>	
<u>PEAK HOUR</u>		
Total Peak Hour Allocation	\$366,130	
Wholesale Peak Hr %	0.00%	Ex. 5 (Division) Sch. 2 A
Wholesale Allocation	<u>\$0</u>	

METERED WATER RATES

Residential

Two Block Rate

1st Block:

Base Expense	\$876,401.92		
Max Day Expense	\$390,210.48		
Peak Hr Expense	\$ -	0.0%	
Total	\$ 1,266,612	=	=
Metered Sales (HCF) (1)	566,795		\$2.235

2nd Block

Peak Hour Expense	\$79,825.12		
2nd Block Sales (1)	141,141	=	=
		Plus First Block	\$2.235
		2nd Block Rate	\$2.801

Non- Residential

Uniform Rate

Total Allocation (2)	\$618,292		
Metered Sales (HCF) (1)	289,806	=	=
			\$2.133

Wholesale (Sales for Resale) Rates

Total Allocation (2)	\$441,226		
Metered Sales (HCF) (1)	533,480	=	=
			\$0.827

\$1.106 per 1000 gal

Notes: (1) refer to Ex. 5 (Division) Sch. 2.
 (2) refer to Ex. 5 (Division) Sch. 7

COMPARISON OF CURRENT AND COST BASED RATES

		Current	Cost of Service Based Rates	% Change From Current	Proposed Rates	% Change From Current
<u>Metered Rates (\$/hundred cubic feet)</u>						
<i>Residential</i>						
	1st 24 ccf/qurt	\$1.945	\$1.488	-23.5%	\$2.235	14.9%
	Over 24 ccf/qurt	\$2.592	\$2.054	-20.8%	\$2.801	8.1%
<i>Non-Residential</i>						
	all use	\$1.415	\$1.386	-2.0%	\$2.133	50.7%
<i>Sales for Resale</i>						
	per 100 cu ft	\$0.711	\$0.827	16.4%	\$0.827	16.4%
	per 1000 gal	\$0.950	\$1.106	16.4%	\$1.106	16.4%
<u>Service Charges</u>						
<i>Quarterly</i>						
	5/8	\$17.26	\$ 33.49	94.0%	\$ 23.76	37.7%
	3/4	\$20.36	\$ 35.17	72.7%	\$ 25.44	25.0%
	1	\$26.63	\$ 46.94	76.3%	\$ 37.21	39.7%
	1 1/2	\$40.34	\$ 72.17	78.9%	\$ 62.44	54.8%
	2	\$53.58	\$ 94.03	75.5%	\$ 84.30	57.3%
	3	\$75.62	\$122.62	62.2%	\$112.89	49.3%
	4	\$112.53	\$178.12	58.3%	\$168.39	49.6%
	6	\$198.16	\$300.88	51.8%	\$291.16	46.9%
	8 & up	\$269.73	\$514.47	90.7%	\$504.74	87.1%
<i>Monthly</i>						
	5/8	\$12.58	\$ 22.30	77.3%	\$ 12.58	0.0%
	3/4	\$13.08	\$ 22.84	74.6%	\$ 13.11	0.2%
	1	\$15.17	\$ 26.76	76.4%	\$ 17.03	12.3%
	1 1/2	\$19.74	\$ 35.17	78.2%	\$ 25.44	28.9%
	2	\$24.15	\$ 42.46	75.8%	\$ 32.73	35.5%
	3	\$31.50	\$ 51.99	65.0%	\$ 42.26	34.2%
	4	\$43.80	\$ 70.48	60.9%	\$ 60.76	38.7%
	6	\$72.35	\$111.41	54.0%	\$101.68	40.5%
	8 & up	\$89.91	\$182.60	103.1%	\$172.87	92.3%
<u>Fire Service</u>						
<i>Public</i>						
	/hydrant/qurt	\$65.00	\$ 220.00	238.5%	\$ 130.00	100.0%
	/hydrant/semi-ann.	\$130.00	\$ 440.00	238.5%	\$ 260.00	100.0%
<i>Private (per quarter)</i>						
	2.5	\$21.00	\$ 41.00	95.2%	\$ 22.00	4.8%
	3	\$27.00	\$ 56.00	107.4%	\$ 31.00	14.8%
	4	\$43.00	\$101.00	134.9%	\$ 59.00	37.2%
	6	\$100.00	\$261.00	161.0%	\$159.00	59.0%
	8	\$200.00	\$538.00	169.0%	\$331.00	65.5%
	10	\$350.00	\$954.00	172.6%	\$589.00	68.3%
	12	\$550.00	\$1,530.00	178.2%	\$947.00	72.2%
	16	\$1,005.00	\$3,242.00	222.6%	\$2,010.00	100.0%

**IMPACT OF COST BASED RATES
(QUARTERLY BILLINGS)**

METER SIZE	QUARTERLY USE - CU FT	CURRENT RATES	COST BASED RATES			PROPOSED RATES		
			BILL	% INCREASE	\$ INCREASE	BILL	% INCREASE	\$ INCREASE
Residential								
5/8	1,000	\$36.71	\$52.49	43.0%	\$15.78	\$46.11	25.6%	\$9.40
5/8	2,000	\$56.16	\$68.72	22.4%	\$12.56	\$68.46	21.9%	\$12.30
5/8	2,500	\$66.53	\$77.46	16.4%	\$10.93	\$80.20	20.5%	\$13.67
5/8	4,000	\$105.41	\$111.15	5.4%	\$5.74	\$122.22	15.9%	\$16.80
5/8	5,000	\$131.33	\$133.61	1.7%	\$2.28	\$150.23	14.4%	\$18.89
5/8	8,000	\$209.09	\$200.99	-3.9%	-\$8.10	\$234.26	12.0%	\$25.16
5/8	10,000	\$260.93	\$245.91	-5.8%	-\$15.02	\$290.28	11.2%	\$29.34
5/8	15,000	\$390.53	\$358.21	-8.3%	-\$32.32	\$430.33	10.2%	\$39.79
5/8	20,000	\$520.13	\$470.51	-9.5%	-\$49.62	\$570.38	9.7%	\$50.24
1	30,000	\$788.70	\$710.07	-10.0%	-\$78.63	\$863.93	9.5%	\$75.22
1	40,000	\$1,047.90	\$934.67	-10.8%	-\$113.23	\$1,144.03	9.2%	\$96.12
1	75,000	\$1,955.10	\$1,720.77	-12.0%	-\$234.33	\$2,124.38	8.7%	\$169.27
2	100,000	\$2,630.05	\$2,334.63	-11.2%	-\$295.42	\$2,871.72	9.2%	\$241.66
2	200,000	\$5,222.05	\$4,580.63	-12.3%	-\$641.42	\$5,672.72	8.6%	\$450.66
2	300,000	\$7,814.05	\$6,826.63	-12.6%	-\$987.42	\$8,473.72	8.4%	\$659.66
2	400,000	\$10,406.05	\$9,072.63	-12.8%	-\$1,333.42	\$11,274.72	8.3%	\$868.66
2	600,000	\$15,590.05	\$13,564.63	-13.0%	-\$2,025.42	\$16,876.72	8.3%	\$1,286.66
Nonresidential								
1	40,000	\$592.63	\$656.02	10.7%	\$63.39	\$890.41	50.2%	\$297.78
1	75,000	\$1,087.88	\$1,185.22	8.9%	\$97.34	\$1,636.96	50.5%	\$549.08
2	100,000	\$1,468.58	\$1,615.58	10.0%	\$147.00	\$2,217.30	51.0%	\$748.72
3	200,000	\$2,905.62	\$3,159.38	8.7%	\$253.76	\$4,378.89	50.7%	\$1,473.27
3	400,000	\$5,735.62	\$6,183.38	7.8%	\$447.76	\$8,644.89	50.7%	\$2,909.27
3	600,000	\$8,565.62	\$9,207.38	7.5%	\$641.76	\$12,910.89	50.7%	\$4,345.27
4	800,000	\$11,432.53	\$12,293.09	7.5%	\$860.56	\$17,232.39	50.7%	\$5,799.86
4	1,000,000	\$14,262.53	\$15,317.09	7.4%	\$1,054.56	\$21,498.39	50.7%	\$7,235.86
6	1,200,000	\$17,178.16	\$18,477.61	7.6%	\$1,299.45	\$25,887.16	50.7%	\$8,709.00
6	1,333,333	\$19,064.82	\$20,493.60	7.5%	\$1,428.78	\$28,731.15	50.7%	\$9,666.33
8	2,000,000	\$28,569.73	\$30,811.13	7.8%	\$2,241.40	\$43,164.74	51.1%	\$14,595.01
Sales for Resale	13,000,000	\$92,378.00	\$116,350.00	25.9%	\$23,972.00	\$107,510.00	16.4%	\$15,132.00
Municipal Fire Service	300 hydrants	\$19,500.00	\$73,500.00	276.9%	\$54,000.00	\$39,000.00	100.0%	\$19,500.00
Private Fire Service	4 " Service	\$43.00	\$110.00	155.8%	\$67.00	\$59.00	37.2%	\$16.00
	6 " Service	\$100.00	\$287.00	187.0%	\$187.00	\$159.00	59.0%	\$59.00