## **Summary of Test Year Adjustments**

		Fiscal Year Ending June 30,				
Line		Actual [1]	Business Plan	Projected [2]		Projected
No.	Description	2011	Adjustments	Fiscal Year 2013	Adjustments	Fiscal Year 2014
	<b>Operating Revenues</b>					
1	Metered Water Revenues	\$23,915,443	\$3,518,057	\$27,433,500	\$58,978 [*]	\$27,492,478
2	Standpipe Revenues	1,527,528	(845,992)	681,536	0	681,536
3	Other Operating Revenues	393,688	32,528	426,216	149,000 [*]	575,216
4	Revenues from LEAC	12,463,680	(1,898,920)	10,564,760	0	10,564,760
5	<b>Total Operating Revenues</b>	\$38,300,339	\$805,673	\$39,106,012 [3]	\$207,978	\$39,313,990
	Operating Expenses [4]					
6	Personnel Costs	\$6,889,984	(\$1,331,727)	\$5,558,257 [5]	\$55,583 [6]	\$5,613,840
7	OPEB	1,427,920	(733,858)	694,062 [*]	0 [*]	694,062
8	Training and Education	16,912	41,588	58,500 [5]	1,170 [6]	59,670
9	Materials and Supplies	708,785	(383,906)	324,879 [5]	6,498 [6]	331,377
10	Maintenance and Repairs	2,076,920	(1,122,695)	954,225 [5]	38,169 [6]	992,394
11	Legal, Engineering & Professional Services	235,050	288,566	523,616 [5]	10,472 [6]	534,088
12	Bad Debt Expense	731,947	390,396	1,122,343 [5]	0 [7]	1,122,343
13	Other Operating Expense	1,594,363	21,291	1,615,654 [5]	32,313 [6]	1,647,967
14	Fuel Allocation to Water	12,800,427	(11,266,450)	1,533,977 [5]	0 [7]	1,533,977
15	Water Purchases & Taxes - Seven Seas	4,160,047	4,191,685	8,351,732 [5]	0 [7]	8,351,732
16	Water Purchases - Due Electric System	0	7,858,054	7,858,054 [5]	0 [7]	7,858,054
17	WHRB Steam Purchased by Electric	(1,481,280)	(78,720)	(1,560,000) [5]	0 [7]	(1,560,000)
18	Allocations from Electric System	7,016,634	(1,439,140)	5,577,494 [5]	55,775 [6]	5,633,269
19	Allocations to Capital	(108,106)	12,465	(95,641) [5]	(956) [6]	(96,597)
20	Depreciation Expense	3,858,654	(3,858,654)	0 [5]	0	0
21	<b>Total Operating Expenses</b>	\$39,928,257	(\$7,411,104)	\$32,517,153	\$199,024	\$32,716,177

#### **Summary of Test Year Adjustments**

Fiscal Year Ending June 30, Actual [1] Line **Business Plan** Projected [2] Inflationary Projected 2011 Test Year FY13 Test Year FY14 No. Description Adjustments Adjustments **Other Expenses (Income)** 22 Interest Expense on Long-term Debt \$1,221,431 (\$1,221,431) [8] \$0 \$0 \$0 23 Interest Expense (Credit Line) 230,500 0 0 0 (230,500) [8] 24 **Amortization Expense** 370,020 (370,020) [8] 0 0 0 25 0 Interest Income (131,999)84,999 [9] (47,000)(47,000)26 Contribution in Aide of Construction 0 0 0 0 27 0 0 Capital Grant Revenues (4,150,260)4,150,260 [8] 0 \$0 (\$2,460,308) (\$47,000) (\$47,000) 28 **Total Other Expenses (Income)** \$2,413,308 \$832,390 \$5,803,469 \$8,954 29 **Total Net Income / Net Revenue Available for Debt & Capital** \$6,635,859 \$6,644,813

[\*] Amounts revised per PSC Technical Consultant comments on July 26, 2013.

<sup>[1]</sup> Amounts based upon the Audited Financial Statements as provided by WAPA staff.

<sup>[2]</sup> Amounts based upon a financial forecast of system revenues and expenses, which were adjusted as described hereunder.

<sup>[3]</sup> Projected sales revenue based on actual 2011 revenues as adjusted for subsequent increases to the Base Rates, changes in LEAC, decreases in customers and sales, and anticipated increases in sales from new incentive customers as describe within this testimony under revenue assumptions and as shown in Exhibits WAPA-HLT-2 and WAPA-HLT-3.

## **Summary of Test Year Adjustments**

[4] Operating Expenses were first adjusted to reflect changes in operating expenses based on the adopted Fiscal Year 2013 Budget:

		Adjustments	Amended	
Budget Adjustments (FY11 Actual to FY13 Budgeted)	Actual 2011	FY11 - FY13	Budget 2013 [*]	_
Personnel Costs	\$6,889,984	\$583,395	\$7,473,379	
OPEB	1,427,920	(494,467)	933,453	<= Based on FY14 Budget, 07/25/2013
Training and Education	16,912	41,588	58,500	
Materials and Supplies	708,785	66,094	774,879	
Maintenance and Repairs	2,076,920	938,972	3,015,892	[*]
Legal, Engineering & Professional Services	235,050	297,316	532,366	
Bad Debt Expense	731,947	112,681	844,628	
Other Operating Expense	1,594,363	21,291	1,615,654	
Fuel Allocation to Water	12,800,427	(97,960)	12,702,467	
Water Purchases & Taxes - Seven Seas	4,160,047	131,161	4,291,208	
Water Purchases - Due Electric System	0	0	0	
WHRB Steam Purchased by Electric	(1,481,280)	(78,720)	(1,560,000)	
Allocations from Electric System	7,016,634	(332,899)	6,683,735	
Allocations to Capital	(108, 106)	12,465	(95,641)	
Depreciation Expense	3,858,654	51,803	3,910,457	
Total Operating Expenses	\$39,928,257	\$1,252,720	\$41,180,977	

<sup>[\*]</sup> Reflects amounts as adopted by WAPA, plus additional operating expenses of \$390,000 to fund annual expenses associated with reducing line losses.

#### **Summary of Test Year Adjustments**

[5] Projected Operating Expenses for FY13 were then adjusted to reflect changes in operating expenses associated with transitioning from producing water internally to purchasing water from Seven Seas as follows:

	Adopted	Business Plan	Projected
Business Plan Adjustments (FY13 Budgeted to Projected)	Budget 2013	Adjustments	FY 2013
Personnel Costs	\$7,473,379	(\$1,915,122) a)	\$5,558,257
OPEB	933,453	(239,391) b)	694,062
Training and Education	58,500	0	58,500
Materials and Supplies	774,879	(450,000) a)	324,879
Maintenance and Repairs	3,015,892	(2,061,667) a)	954,225
Legal, Engineering & Professional Services	532,366	(8,750) a)	523,616
Bad Debt Expense	844,628	277,715 c)	1,122,343
Other Operating Expense	1,615,654	0	1,615,654
Fuel Allocation to Water	12,702,467	(11,168,490) d)	1,533,977
Water Purchases & Taxes - Seven Seas	4,291,208	4,060,524 d)	8,351,732
Water Purchases - Due Electric System	0	7,858,054 d)	7,858,054
WHRB Steam Purchased by Electric	(1,560,000)	0	(1,560,000)
Allocations from Electric System	6,683,735	(1,106,241) e)	5,577,494
Allocations to Capital	(95,641)	0	(95,641)
Depreciation Expense	3,910,457	(3,910,457) f)	0
Total Operating Expenses	\$41,180,977	(\$8,663,824)	\$32,517,153

a) decreases in production-related operating expenses allocated from electric that will be eliminated as shown in Exhibit WAPA-HLT-4;

c) increases in bad debt expenses based on actual write-offs in 2012 equal to 2.87% of revenues;

Operating Revenues	\$39,106,012
Bad Debt Expense - %	2.87%
Bad Debt Expense - \$	\$1,122,343

d) adjustments to fuel expenses and purchased water expenses based on current timelines associated with full R.O. implementation as derived from Exhibit WAPA-HLT-5;

b) decrease in OPEB expenses estimated at 20% of the personnel costs shown for a) above, which reflects a prorata share of the expenses;

e) changes associated with Indirect Cost Allocation between water and electric such as increases due to electric for A&G allocations and water distribution utility expenses, and decreases due to electric based on eliminating the indirect cost allocation and asset allocation to electric as shown in Exhibit WAPA-HLT-6; and

f) reductions for non-cash expenses such as depreciation, which are excluded from Net Revenues as defined in the Bond Resolution.

### **Summary of Test Year Adjustments**

[6] The Projected Operating Expenses, as adjusted for the business plan, were increased based on assumed inflation for Fiscal Year 2014, the "Test Year" as follows:

	Inflationary	
Inflationary Adjustments (FY13 Projected to FY14 Test Year)	Adjustments	
Personnel Costs	1.00% a)	
OPEB	0.00% a)	(None, already in FY14 dollars)
Training and Education	2.00% b)	
Materials and Supplies	2.00% b)	
Maintenance and Repairs	4.00% c)	
Legal, Engineering & Professional Services	2.00% b)	
Other Operating Expense	2.00% b)	
Allocations from Electric System	1.00% a)	
Allocations to Capital	1.00% a)	

a) amounts associated with labor costs. Staff estimates that labor costs will increase over the next three (3) years as follows;

Fiscal Year 2014	1.00%
Fiscal Year 2015	2.00%
Fiscal Year 2016	3.00%

- b) amounts reflect the average projected change in the Consumer Price Index (CPI) as published by the Congressional Budget Office (CBO), August 2012; and
- c) based on an evaluation of the Engineering News Record (ENR) Index, annual results typically equal two (2) times the rate of CIP.
- [7] Amounts assumed at current levels.
- [8] Amounts excluded from determination of *Net Revenues* as defined by the Bond Resolution.
- [9] Interest Income decreased based on existing cash balances, which are currently lower than during Fiscal Year 2011.

### **Projected Water Business Plan Changes to Inter-Company Transactions**

Line		Annualized A Projected Increases				
No.	Description		Increases	Decreases	Total	
	Proposed Changes Related to Water Base Rates					
	Personnel Cost Allocation					
1	Decrease in Personnel Costs (Direct Production) [	[1]	\$1,915,122	\$0	\$1,915,122	
2	Decrease in Other Post Employment Benefits (OPEB)	[2]	239,391	0	239,391	
3	<b>Total Personnel Cost Allocation</b>		\$2,154,513	\$0	\$2,154,513	
	Indirect Cost Allocation Cost Allocation					
4	Elimination of Production O&M Allocation [	[3]	\$2,029,634	\$0	\$2,029,634	
5	Elimination of Capital Allocation [	[3]	177,717	0	177,717	
6		[4]	0	(1,519,371)	(1,519,371)	
7	Elimination of Electric Allocation [	[5]	1,078,982	0	1,078,982	
8	Direct Bill Water Utility for Electric Service (Distribution) [	[5]	0	(960,000)	(960,000)	
9	Due from Electric - Intake No. 2	[5]	299,279	0	299,279	
10	Total Indirect Cost Allocation		\$3,585,612	(\$2,479,371)	\$1,106,241	
11	Total Projected Changes Related to Water Base Rates		\$5,740,124	(\$2,479,371)	\$3,260,753	
	Proposed Changes Related to Charges for Station Use					
	Direct Charges for Services					
12	Direct Bill Water Utility for Electric Service (Production) [	[5]	\$0	(\$7,858,054)	(\$7,858,054)	
13	Direct Bill Electric Utility for Water Service [	[4]	3,057,788	0	3,057,788	
14	<b>Total Direct Charges for Services</b>		\$3,057,788	(\$7,858,054)	(\$4,800,266)	
15	Total Adjustments		\$8,797,912	(\$10,337,425)	(\$1,539,513)	

PWA = Purchased Water Adjustment Clause

- [1] Direct allocation of production-related personnel expenses must be recovered from the Electric System or eliminated.
- [2] Amount estimated based upon the percent of total personnel costs allocable to production or 25% of total OPEB.
- [3] Indirect cost allocations eliminated completely.
- [4] The water allocation is eliminated and direct water charges to the Electric System are proposed as follows:

Total Annual Water Purchased (kgal)	273,750
Projected (Average) Bulk Water Costs	\$11.17
Total Projected Revenues from Electric System	\$3,057,788

## **Projected Water Business Plan Changes to Inter-Company Transactions**

[5] The electric allocation is eliminated and direct electric charges are proposed as follows:

## Billed to Water Utility

Projected Revenues from Water Utility	
Total Annual Energy Needs (kWh)	3,000,000
Current Rate per kWh	\$0.320
Total Projected Revenues from Water Utility	\$960,000
Billed to Water System by Electric System	
Projected Revenues from Water System	
Estimated kWh (Production) - 1st Pass	23,872,044
Estimated kWh (Production) - 2nd Pass	684,375
Total Projected kWh Seven Seas	24,556,419
Current Rate per kWh	\$0.320
Total Projected Revenues from Water System	\$7,858,054

## **Determination of Test Year Rate Adjustment**

Line No.	Description	Test Year
	Projected Sufficiency of Existing Rates	
	Operating Revenues	
1 2	Operating Revenues at Existing (Interim) Rates [1] Additional Adjustments, if any	\$39,313,990 0
3	Total Operating Revenues	\$39,313,990
	Expenditures	
4 5 6 7 8 9	Operating Expenses (including OPEB) [1] Other Expenses (Income) [1] Principal & Interest Payments on Debt [2] Average Capital Improvements Funded from Rates [3] Average Payment to Credit Line - Prior Period Expenses [4] Average Transfer to Working Capital (Cash Reserve Fund) [5] Average Payment to Electric - Prior Period Allocated Expenses [6]	\$32,716,177 (47,000) 3,870,800 1,449,609 500,000 813,177 1,678,533
11	Total Expenditures	\$40,981,296
12 13	Projected Surplus (Deficiency) at Existing Rates - \$ Projected Surplus (Deficiency) at Existing Rates - % Revenue	(\$1,667,306) (4.2%)
	<b>Development of Proposed Line Loss Reduction Capital Surcharge</b>	
14	Average Line Loss Projects Funded from Rates [7]	\$926,609
15 16 17 18	Projected Water Sales (kgals) [7] Less Amount Billed to Electric (kgals) Less Amount Billed Standpipe (kgals) Net Sales Applicable to Line Loss Reduction Capital Surcharge (kgal)	1,621,586 273,750 38,011 1,309,825
19	Proposed Line Loss Reduction Capital Surcharge per Kgal	\$0.71
	Development of Base Rate Adjustment	
20 21 22	Projected Deficiency at Existing Rates - \$ Less Amount Recovered from Line Loss Reduction Capital Surcharge Additional Amount to be Recovered thru Base Rates	\$1,667,306 926,609 \$740,696
23 24 25 26	Base Rate Revenues Operating Revenues Less Amount Billed to Electric Less Amount Billed Thru LEAC Total Base Rate Revenues	\$39,313,990 3,057,788 10,564,760 \$25,691,442
27	Proposed Increase to Water Base Rates	2.9%

### **Determination of Test Year Rate Adjustment**

Line No.	Description	Test Year
	Projected Sufficiency of Proposed Rates and Adjustments	
28	Projected Surplus (Deficiency) at Existing Rates - \$	(\$1,667,306)
29	Additional Revenues from Line Loss Reduction Capital Surcharge	926,609
30	Additional Revenues from Base Rate Increase	740,696
31	Projected Surplus (Deficiency) at Proposed Rates	\$0

- [1] Amounts derived from Water Exhibit WAPA-HLT-1 for the Test Year.
- [2] Amounts derived from the principal and interest payment schedule of the Series 1998A Refunding Bonds.
- [3] Amount based on funding the Water System's Priority #1 Projects, which includes all health and safety projects, all line loss reduction projects, and certain strategic expansion-related projects that are anticipated to provide a net benefit to the existing customers.
- [4] The Water System borrowed \$2.5 million from its credit line in FY11, which must be repaid over time. Amount assumed paid over five (5) years (FY14-18).
- [5] The Water System's unrestricted cash balances are projected to be approximately \$180,000 as of June 30, 2013. The Water System should maintain working capital cash balances over time equal to not less than 45 days of operating expenses or approximately \$4.0 million. This represents the annual amount assumed to be funded over the next five (5) years (FY14-18), Which will provide less working cash than the target amount.
- [6] As of June 30, 2012, the Water System owed electric approximately \$10.1 million for prior period A&G, which is estimated to be paid over six (6) years (FY14-19).
- [7] Amount reflects the average line loss capital projects per year to be funded from the capital surcharge as identified by WAPA staff. This amount anticipated to be funded from customers who impact the distribution system. Specifically, the capital surcharge will not be recovered from standpipe sales and electric sales originating from the water plant.

# **Schedule of Existing and Proposed Rates**

		Original Rates to Existing (Interim) Rates to Proposed Water Rates				er Rates
Line		Original Rates	Interim	Existing Rate	Permanent	Proposed Rate
No.	Description	per Kgal	Increase (%)	per Kgal	Increase (%)	per Kgal
	RESIDENTIAL					
1	0 - 1,000 Monthly Gallons	\$18.16	6.2%	\$19.28	2.9%	\$19.84
2	Above 1,000 Monthly Gallons	\$20.60	6.2%	\$21.87	2.9%	\$22.50
3	Proposed Line Loss Reduction Capital Surcharge	N/A	N/A	N/A	N/A	\$0.71
	COMMERCIAL					
4	All Monthly Gallons	\$20.60	6.2%	\$21.87	2.9%	\$22.50
5	Proposed Line Loss Reduction Capital Surcharge	N/A	N/A	N/A	N/A	\$0.71
	VI GOVERNMENT					
6	All Monthly Gallons	\$20.60	6.2%	\$21.87	2.9%	\$22.50
7	Proposed Line Loss Reduction Capital Surcharge	N/A	N/A	N/A	N/A	\$0.71
	LARGE WATER CUSTOMERS - INCENTIVE RATE					
8	Small User 5-20 kgal per day	\$12.40	6.2%	\$13.16	2.9%	\$13.54
9	Medium User 21-50 kgal per day	\$9.30	6.2%	\$9.87	2.9%	\$10.16
10	Medium Large User 51-70 kgal per day	\$7.75	6.2%	\$8.23	2.9%	\$8.47
11	Large User > 70 kgal per day	\$6.71	6.2%	\$7.13	2.9%	\$7.34
12	Proposed Line Loss Reduction Capital Surcharge	N/A	N/A	N/A	N/A	\$0.71
	STAND PIPE					
13	All Monthly Gallons	\$20.60	6.2%	\$21.87	(15.6%)	\$18.45
14	Proposed Line Loss Reduction Capital Surcharge [1]	N/A	N/A	N/A	N/A	\$0.00

<sup>[1]</sup> Amount not applicable to Stand Pipe customers since such service does not utilize the water distribution system whereby line losses are occurring.

#### Summary of Existing and Proposed Bill Comparisons

					Monthly Bill Comparison								
		Existing and Proposed Base Water Rates [1]				Fiscal Year 2014					Fiscal Year 2015		
Line		Original Rate	Existing Rate	Proposed Rate	Original Bill [2]	Existing Bill [2]	Proposed Bill [2]	Proposed Bill [3]	Proposed (net)	Proposed (net)	Proposed Bill [4]	Proposed (net)	Proposed (net)
No.	Description	per Kgal	per Kgal	per Kgal	Current LEAC	Current LEAC	Current LEAC	Projected LEAC FY14	Increase (\$)	Increase (%)	Projected LEAC FY15	Increase (\$)	Increase (%)
	RESIDENTIAL												
1	0 - 1,000 Monthly Gallons	\$18.16	\$19.28	\$19.84									
2	Above 1,000 Monthly Gallons	\$20.60	\$21.87	\$22.50									
4	Proposed Line Loss Reduction Capital Surcharge		N/A	\$0.71									
5	Monthly Bill Based on 2,400 Monthly Gallons				\$73.74	\$76.63	\$79.78	\$74.96	(\$1.68)	(2.2%)	\$70.59	(\$6.05)	(7.9%)
6	Monthly Bill Based on 5,000 Monthly Gallons				\$156.26	\$162.46	\$169.09	\$159.04	(\$3.42)	(2.1%)	\$149.94	(\$12.52)	(7.7%)
7	Monthly Bill Based on 7,500 Monthly Gallons				\$235.61	\$244.99	\$254.97	\$239.89	(\$5.10)	(2.1%)	\$226.24	(\$18.75)	(7.7%)
,	Monthly Bill Based on 7,500 Monthly Gallons				\$233.01	\$244.99	\$234.97	\$237.07	(\$5.10)	(2.170)	\$220.24	(\$10.73)	(7.770)
8	Monthly Bill Based on 10,000 Monthly Gallons				\$314.96	\$327.51	\$340.84	\$320.74	(\$6.77)	(2.1%)	\$302.54	(\$24.97)	(7.6%)
	,,,								(+)	(=11,1)		(+= )	(,-)
	COMMERCIAL												
9	All Monthly Gallons	\$20.60	\$21.87	\$22.50									
10	Proposed Line Loss Reduction Capital Surcharge		N/A	\$0.71									
11	Monthly Bill Based on 25,000 Monthly Gallons				\$793.50	\$825.25	\$858.75	\$808.50	(\$16.75)	(2.0%)	\$763.00	(\$62.25)	(7.5%)
	VI GOVERNMENT												
12	All Monthly Gallons	\$20.60	\$21.87	\$22.50									
13	Proposed Line Loss Reduction Capital Surcharge	\$20.00	321.67 N/A	\$0.71									
13	Troposed Ellie Eoss Reduction Capital Sulcharge		IV/A	30.71									
14	Monthly Bill Based on 95,000 Monthly Gallons				\$3,015.30	\$3,135.95	\$3,263,25	\$3,072,30	(\$63.65)	(2.0%)	\$2,899.40	(\$236.55)	(7.5%)
	,,,				***************************************	40,200.00	,	++,··=···	(+)	(=10,0)	<del>-,</del> ,,,,,,,	(+======)	(11272)
	STAND PIPE												
15	All Monthly Gallons	\$20.60	\$21.87	\$18.45									
16	Proposed Line Loss Reduction Capital Surcharge [5	5]	N/A	\$0.00									
17	Charge per 1,000 Gallons				\$31.74	\$33.01	\$29.59	\$27.58	(\$5.43)	(16.4%)	\$25.76	(\$7.25)	(22.0%)

- [4] Amounts include the proposed LEAC of \$7.31 per thousand gallons for the period beginning July 1, 2014.
- [5] Amount not applicable to Stand Pipe customers since such service does not utilize the water distribution system whereby line losses are occurring.

<sup>[1]</sup> Amounts exclude the LEAC charges.

<sup>[2]</sup> Amounts include the current LEAC of \$11.14 per thousand gallons for the period beginning October 1, 2012.

Amounts include the proposed LEAC of \$9.13 per thousand gallons for the period beginning July 1, 2013.

## **Projected Test Year Results Based on Proposed Rates**

Line		
No.	Description	Test Year
	Projected Debt Service Coverage at Proposed Rates [1]	
	Gross Revenues	
1	Operating Revenues at Existing (Interim) Rates	\$39,313,990
2	Additional Revenues from Proposed Increases	1,667,306
3	Sub-total Operating Revenues	\$40,981,296
4	Unrestricted Interest Income	47,000
5	<b>Total Gross Revenues</b>	\$41,028,296
	Operating Expenses	
6	Operating Expenses (including OPEB)	\$32,716,177
7	Less Unfunded OPEB [2]	0
8	Total Operating Expenses (excluding Unfunded OPEB)	\$32,716,177
9	Total Net Revenues Available for Debt Service	\$8,312,119
10	Debt Service - Series 1998A Refunding Revenue Bonds	\$3,870,800
11	Calculated Debt Service Coverage	2.15
12	<b>Minimum Debt Service Coverage - Required</b>	1.25
	Projected Net Income at Proposed Rates	
13	<b>Total Gross Revenues</b>	\$41,028,296
	Operating Expenses	
14	Operating Expenses (including OPEB)	\$32,716,177
15	Depreciation Expenses	3,858,654
16	Interest Expenses	1,221,431
17	Amortization Expenses	370,020
18	Total Operating Expenses	\$38,166,282
19	Projected Net Income	\$2,862,014

<sup>[1]</sup> Projected calculation based on requirements outlined in the Bond Resolution.

<sup>[2]</sup> No current period, unfunded liability assumed based on discussions with staff.

# $\underline{Projected\ Adequacy\ of\ Proposed\ Rates\ for\ the\ Forecast\ Period\ (through\ FY2018)}$

Line		Projected Fiscal Year Ending June 30,							
No.	Description	2013	2014	2015	2016	2017	2018		
	Operating Expenses								
1	Operating Expenses - Excluding Depreciation	\$34,001,566	\$31,686,906	\$31,094,803	\$31,915,513	\$32,528,940	\$33,058,713		
2	Bad Debt Expense	1,117,930	1,122,343	1,102,944	1,122,685	1,124,201	1,123,000		
3	Total Operating Expenses	\$35,119,496	\$32,809,249	\$32,197,747	\$33,038,198	\$33,653,141	\$34,181,713		
	Other Revenue Requirements Debt Service								
4	Existing Debt Service	\$3,868,600	\$3,870,800	\$3,868,925	\$3,867,700	\$3,866,575	\$0		
5	Proposed Debt Service	0	0	0	0	0	2,431,196		
6	Total Debt Service	\$3,868,600	\$3,870,800	\$3,868,925	\$3,867,700	\$3,866,575	\$2,431,196		
7	Capital Funded from Rates (Priorty #1 Projects)	1,079,138	2,537,410	1,850,637	995,000	970,000	895,000		
8	Payments to (Draws from ) Credit Line	(500,000)	0	0	1,000,000	1,000,000	1,000,000		
9	Total Other Revenue Requirements	\$579,138	\$2,537,410	\$1,850,637	\$1,995,000	\$1,970,000	\$1,895,000		
10	Gross Revenue Requirements	\$39,567,234	\$39,217,459	\$37,917,309	\$38,900,898	\$39,489,716	\$38,507,908		
	Less Income and Funds from Other Sources								
11	Other Income (Expense)	\$0	\$0	\$0	\$0	\$0	\$0		
12	Interest Income	47,000	47,000	50,000	55,000	49,000	47,000		
13	Total Net Revenue Requirements	\$39,520,234	\$39,170,459	\$37,867,309	\$38,845,898	\$39,440,716	\$38,460,908		
	Revenue from Rates								
14	Existing Water Rate Revenue	\$38,952,254	\$39,313,990	\$38,638,098	\$39,325,907	\$39,378,742	\$39,324,678		
15	Revenue from Proposed Rate Increases	0	0	1,623,000	1,652,000	1,654,000	1,652,000		
16	Total Applicable Rate Revenue	\$38,952,254	\$39,313,990	\$40,261,098	\$40,977,907	\$41,032,742	\$40,976,678		
	Revenue Surplus/(Deficiency) Before Add'l Adjustment:								
17	Amount	(\$567,980)	\$143,530	\$2,393,789	\$2,132,009	\$1,592,025	\$2,515,769		
18	Percent	(1.5%)	0.4%	5.9%	5.2%	3.9%	6.1%		
19	Proposed Additional System-wide Revenue	0.0%	4.2%	0.0%	0.0%	0.0%	0.0%		
20	Effective Month	Jan.	Jul.	Jul.	Jul.	Jul.	Jul.		
20	% of Current Year Effective	50.00%	100.00%	100.00%	100.00%	100.00%	100.00%		
21	Total Revenue From Current Year Adjustments	\$0	\$1,651,000	\$0	\$0	\$0	\$0		
22	Total Revenue From Rates	\$38,952,254	\$40,964,990	\$40,261,098	\$40,977,907	\$41,032,742	\$40,976,678		
23	Revenue Surplus/(Deficiency) from Rates	(\$567,980)	\$1,794,530	\$2,393,789	\$2,132,009	\$1,592,025	\$2,515,769		
24	Other Funding Sources and Uses	(1.46%)	4.38%	5.95%	5.20%	3.88%	6.14%		
25	Collection of Fuel Under Recovery from Projected LEAC	\$2,182,304	\$1,742,747	\$0	\$0	\$0	\$0		
26	Payment on Electric System Receivable - Fuel LOC	(2,124,541)	(1,188,209)	0	0	0	0		
27	Payment on Electric System Receivable - Fuel Prior Period	(57,762)	(554,539)	0	0	0	0		
28	Payment on Electric System Receivable - Cost Allocation	0	(1,678,533)	(1,678,533)	(1,678,533)	(1,678,533)	(1,678,533)		
29	Net Contribution to (Use of) Working Capital	(\$567,980)	\$115,997	\$715,256	\$453,476	(\$86,508)	\$837,236		
30	Projected Working Capital / Cash Balance	\$20,463	\$584,482	\$1,735,760	\$2,637,257	\$2,999,772	\$4,285,030		
31	Cash Balance - Days of Expenses	0	7	20	29	33	46		
32	Cash Balance - Targeted Days of Expenses	45	45	45	45	45	45		
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