

**Village of Hamilton
Electric Department
Forecasted Income Statements with Rate of Return**

	Test Year FY 2011	PSC Normalizing Adjustments	Normalized Test Year	Known Changes	Updated Normalized Rate Year	Increase	Rate Year After Increase	% Increase
Operating revenues	3,037,775	(38,464) a)	2,999,311		\$2,999,311	\$239,362	\$3,238,673	8.0%
Operating Expenses:								
Purchased Power	1,686,583	(6,069) b)	1,680,514		\$1,680,514		\$1,680,514	
PSC 18a Assessment	52,568		52,568		\$52,568		\$52,568	
TCCs	87,863		87,863		\$87,863		\$87,863	
Total PPAC Expenses	1,827,014		1,827,014		\$1,827,014		\$1,827,014	
Labor	214,877		214,877	66,099 e)	\$280,976		\$280,976	
Workers Compensation and Liability Insurance	10,000		10,000		\$10,000		\$10,000	
Pension	23,322	17,267 c)	40,589	11,225 f)	51,814		51,814	
Health Insurance	53,353		53,353		\$53,353		\$53,353	
OPEBs	82,277	(82,277) d)	0		\$0		\$0	
Disability Insurance	1,431		1,431		\$1,431		\$1,431	
Life Insurance	805		805		\$805		\$805	
Social Security	27,946		27,946	8,597 g)	\$36,543		\$36,543	
Misc. Charges Transferred	(63,709)		(63,709)		(\$63,709)		(\$63,709)	
Outside Services	46,255		46,255		\$46,255		\$46,255	
All Other Non-Labor Expense	382,090		382,090		\$382,090		382,090	
Uncollectible Revenues	0		0		\$0		\$0	
Insurance	28,569		28,569		\$28,569		\$28,569	
Taxes	18,539		18,539		\$18,539		\$18,539	
PILOT	40,000		40,000	20,000 h)	60,000		60,000	
Amortizations	0		0	8,000 i)	8,000		8,000	
Depreciation	<u>264,759</u>		<u>264,759</u>	19,968 j)	<u>284,727</u>		<u>284,727</u>	
Total Operating Expenses	2,957,528		2,892,518		3,026,407		3,026,407	
Operating Income	80,247		106,793		(27,096)		212,266	
Rate Base	4,691,762		4,691,762	540,000 k)	5,231,762		5,231,762	
Rate of Return	1.71%		2.28%		-0.52%		4.06%	