

Four Corners Water Works Corporation
Detailed Comparative Income Statement

	Four Corners Initial Rates PSC Application
Number of Customers	265
Total Operating Revenues	\$248,186
O&M Expenses:	
Supervising & Operating Labor	
Daily Operation, Contract Labor	\$20,000
Admin./Office Salaries	10,000
Operating Expenses:	
Alarms	\$600
Chemicals	2,000
Materials & Supplies	1,500
Meter Reading	2,500
Purchased Power	12,000
Fuel Oil	
Repairs & Maintenance	2,500
Testing, Chemicals	200
Testing, Laboratory	2,000
Administrative Expenses:	
Association Dues & Subscriptions	300
Bank Charges	200
Bad Debt Expense	500
Billing Bookkeeping, & Collecting	7,500
Bookkeeping	
Insurance	4,000
Office Expense:	1,000
Rent	3,000
Telephone & Internet	1,000
Professional Fees	
Accounting	2,500
Engineering	
Legal	1,000
Regulatory Expense	300
Miscellaneous Expense	500
Total O&M Expenses	\$75,100
Depreciation	\$39,295
Regulatory Expense, Amortized	2,000
Total Depreciation and Amortizations	\$41,295
Operating Taxes:	
Real Estate	\$10,000
Revenue Taxes	
Total Operating Taxes	\$10,000
Total Operating Revenue Deductions	\$126,395
Utility Operating Income	\$121,791
Rate Base	\$1,200,996
Rate of Return (Pre-Tax)	10.14%

Four Corners Water Works Corporation

Rate Base, Depreciation, and Amortizations

For Year Ending December 31, 2006

Year Installed	Description	Estimated Construction Costs	Percent Capitalized	Net Utility Plant	Life	Annual Depreciation Expense	Years In Service	Accumulated Depreciation
	Land			\$0				
	Franchise & Consent			0				
	Organization Costs			0				
2005	Wells	180,000	83.71%	150,680	40	\$3,767	0.5	1,884
2005	Mains		83.71%	0	40	\$0	0.5	0
2005	Meters		83.71%	0	40	\$0	0.5	0
2005	Pump House, Buildings	635,000	83.71%	531,566	40	\$13,289	0.5	6,645
2005	Purification Equipment	148,500	83.71%	124,311	15	8,287	0.5	4,144
2005	Service Laterals		83.71%	0	40	0	0.5	0
2005	Tanks	455,000	83.71%	380,886	30	12,696	0.5	6,348
2005	Office Furniture	15,000	83.71%	12,557	10	1,256	0.5	628
2005	Other General Equipment		83.71%	0	10	0	0.5	0
		\$1,433,500	83.71%	\$1,200,000		\$39,295		\$19,648
Average Rate Base 2004								
<u>Utility Plant in Service</u>			\$1,200,000					
Less:	Accumulated Depreciation		<u>19,648</u>					
Net Plant				\$1,180,353				
<u>Allowance for Working Capital</u>								
O&M Expenses		\$75,100						
Working Capital Percent		20.83%						
Allowance for Working Capital				15,643				
<u>Amortization</u>								
Rate Case Expense			\$6,000					
Amortization Period (yrs.)			3					
Annual Amortization		\$2,000						
Amount Amortized in the rate year			<u>1,000</u>					
Unamortized Balance			<u>5,000</u>					
Total Rate Base				<u>\$1,200,996</u>				

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Rate and Revenue Computations

Full Development			
Revenue Required		\$248,000.00	
Service Charge, Quarterly	\$100.00		
Average Number of Customers	265		
Number of Quarterly Bills	1,060	106,000.00	\$106,000.00
Revenue Required from per gallon Sales		\$142,000.00	
Commercial			
Average Daily Use per customer	300		
Annual Sales per Customer	109,500		
Total Water Sales	29,017,500		
Rate per Thousand gallons	\$4.90		
Revenue for usage			142,185.75
Total Annual Revenue			\$248,185.75
Average Bill		Quarterly	Annually
Service Charge, Fixed Quarterly	\$100.00	\$100.00	\$400.00
Rate per Thousand Gallons	\$4.90		
Annual Sales Customer	109,500		
Usage Charge		\$134.14	\$536.55
Average Bill		\$234.14	\$936.55