

**Warren County Water & Sewer Company
Rate Analysis**

Line No.	Description	# Customers	No Growth 06/30/2001 Warren County	No Growth Midpoint	No Growth 06/30/2001 Staff Model
1	Original Cost Rate Base - Company Proposal		\$ 335,000	\$ 335,000	\$ 335,000
2	Capital Additions		550,000	550,000	550,000
3	Net Rate Base		885,000	885,000	885,000
4	Rate of Return - 11% ROE		8.30%	8.30%	8.30%
5	Operating Income		73,455	73,455	73,455
6	Conversion Factor		1.32	1.32	1.32
7	Revenue Requirement - Rate Base		96,961	96,961	96,961
8					
9	Operating Expenses		194,000	163,000	132,000
10					
11	Required Revenue Requirement		290,961	259,961	228,961
12					
13	Present Rate Revenues		180,000	180,000	180,000
14					
15	Required Rate Increase		\$ 110,961	\$ 79,961	\$ 48,961
16					
17	Percentage Increase		61.64%	44.42%	27.20%
18					
19	Monthly Water & Sewer Bill - Present Rates	374	\$ 40	\$ 40	\$ 40
20	Monthly Water & Sewer Bill - Future Rates - No Growth	374	\$ 65	\$ 58	\$ 51

Line No.	Description	# Customers	5% Growth 06/30/2001 Warren County	5% Growth Midpoint	5% Growth 06/30/2001 Staff Model
21	Original Cost Rate Base - Company Proposal		\$ 335,000	\$ 335,000	\$ 335,000
22	Capital Additions		550,000	550,000	550,000
23	Net Rate Base		885,000	885,000	885,000
24	Rate of Return - 11% ROE		8.30%	8.30%	8.30%
25	Operating Income		73,455	73,455	73,455
26	Conversion Factor		1.32	1.32	1.32
27	Revenue Requirement - Rate Base		96,961	96,961	96,961
28					
29	Operating Expenses		194,000	163,000	132,000
30					
31	Required Revenue Requirement		290,961	259,961	228,961
32					
33	Present Rate Revenues - 3 Years Later		208,373	208,373	208,373
34					
35	Required Rate Increase		\$ 82,588	\$ 51,588	\$ 20,588
36					
37	Percentage Increase		39.63%	24.76%	9.88%
38					
39	Annual Water & Sewer Bill - Present Rates	374	\$ 40	\$ 40	\$ 40
40	Annual Water & Sewer Bill - Future Rates - 5% Growth	433	\$ 56	\$ 50	\$ 44

Exhibit No. 14
Case No(s). LD-2004-0122
Date 11-13-03 **Rptr** XF