

Warren County Water & Sewer Company

Rate Base & Revenue Impact Summaries

Plant In Service and Rate Base @ 06.30.01

Info from Small Company Rate Increase Requests
2002 00019 (Water) and 2002 00020 (Sewer)

Water System

Plant In Service	Amount
Pumping Equip.	\$ 13,590
Treatment Equip.	\$ 2,005
Office Furn. & Equip.	\$ 3,425
Computer Equip.	\$ 920
Transportation Equip.	\$ 10,950
Total for All Plant	\$ 30,890
Depreciation Reserve	\$ 8,785 (total plant)
Water Rate Base	\$ 22,105

Sewer System

Plant In Service	Amount
Pumping Equip.	\$ 29,815
Treatment & Disposal	\$ 5,245
Office Furn. & Equip.	\$ 3,425
Computer Equip.	\$ 720
Total for All Plant	\$ 39,205
Depreciation Reserve	\$ 8,160 (total plant)
Sewer Rate Base	\$ 31,045

Combined Rate Base

Water	\$ 22,105	41.59%
Sewer	\$ 31,045	58.41%
Total	\$ 53,150	

Return on Rate Base & Customer Impacts Using Established Historical Rate Base

Return on Rate Base @ 9.55% *

Water	\$ 2,111
Sewer	\$ 2,965
Total	\$ 5,076

Annual Average Customer Impacts **

Type of Customer	Customers	Rev. Req.	Impact
Water	393	\$ 2,111	\$5.37
Sewer	374	\$ 2,965	\$7.93
Combined			\$13.30

Exhibit No. 11
Case No(s) WM-2004-0122
Date 11-12-03 Rptr RF

**Return on Rate Base & Customer Impacts
With Rate Base Set Equal to Purchase Price**

Purchase Price	\$ 335,000	
Water Portion	\$ 139,326	41.59%
Sewer Portion	\$ 195,674	58.41%

Return on Rate Base @ 9.55% *

Water	\$ 13,306
Sewer	\$ 18,687
Total	\$ 31,993

Annual Average Customer Impacts **

Type of Customer	Customers	Rev. Req.	Impact
Water	393	\$ 13,306	\$33.86
Sewer	374	\$ 18,687	\$49.96
Combined			\$83.82

Increase in Annual Impact for Combined Customers

Rate Base Revenue with Price as Rate Base	\$83.82
Rate Base Revenue with Staff's Rate Base	\$13.30
Annual Increase in Rate Base Revenue	\$70.52

Current Rates and Average Annual Bills

Current Rates

Sewer - flat rate	\$ 18.14/month
Water - base rate	\$ 7.50/month
Water - usage rate	\$ 2.42/1,000 gal

Annual Bills (assumes 6,000 gal/mo usage)

Sewer	\$ 217.68
Water - base	\$ 90.00
Water - usage	\$ 174.24
Water - total	\$ 264.24
Combined Total	\$ 481.92

Annual Combined Bill with Price as Rate Base

Current Combined Bill	\$ 481.92
Revenue Increase	\$ 70.52
New Combined Total	\$ 552.44

Customer Impact with Price as Rate Base

Current Combined Bill	\$ 481.92
New Combined Bill	\$ 552.44
Percent Increase	14.63%

* Overall rate of return at Staff's mid-point return on equity from rebuttal testimony in Case No. WR-2003-0500, factored up for effect of income taxes.

** Customer numbers taken from MAWC response to Staff recommendation. (customer numbers used in 2002 rate reviews: water - 355 sewer - 320)