

**BRISTOL WATER WORKS CORP.**  
**APPENDIX A**

	<u>Year 1</u> <u>2017</u>	<u>Year 2</u> <u>2018</u>	<u>Year 3</u> <u>2019</u>	<u>Forecast</u> <u>Changes</u>		<u>Projected</u> <u>2020</u>	<u>Requested</u> <u>increase</u>	<u>% increase</u>
1 Annual Operating Revenue	<u>145,740</u>	<u>145,188</u>	<u>196,880</u>	<u>(63,389)</u>	<b>H</b>	<u>133,491</u>	272,500	104.1%
O&M Expenses:								
2 Management	25,202	24,555	23,650	-		23,650		
2a Officer salary	-	-	-	10,000	<b>C</b>	10,000		
3 Supervisor's Salary & taxes	7,727	37,500	37,500	1,000	<b>D</b>	38,500		
4 Operator's Salary & taxes	6,701	24,872	38,592	1,000	<b>D</b>	39,592		
5 Materials & Supplies	1,143	1,213	569	-		569		
6 Office Expenses	11,893	13,329	10,647	-		10,647		
7 Rent / Assoc. Dues	2,356	1,947	1,874	-		1,874		
8 Power Purchases	20,477	24,541	18,920	-		18,920		
9 Purification Chemicals	-	-	-	-		-		
10 Transportation	869	1,470	690	-		690		
11 Bookkeeping	-	4,218	4,362	-		4,362		
12 Billing & Water Reading	2,020	-	-	-		-		
13 Insurance	5,511	9,456	16,841	-		16,841		
14 Repairs & Maintenance	3,941	10,583	29,834	(4,000)	<b>G</b>	25,834		
15 Accounting	11,655	1,250	2,988	-		2,988		
16 Professional Fees	125,432	14,657	13,003	-		13,003		
17 Water Testing Expenses	1,991	2,789	3,359	(1,000)	<b>G</b>	2,359		
18 Rate Case Expenses	-	-	-	1,500	<b>E</b>	1,500		
19 Miscellaneous	<u>359</u>	<u>2,591</u>	<u>4,337</u>	<u>-</u>		<u>4,337</u>		
20 Total O&M Expenses	227,277	174,971	207,166	8,500		215,666	215,666	
21 Amortization / Interest	866	4,907	12,726	(12,726)	<b>I</b>	-	-	
22 Depreciation	9,733	13,994	17,671	7,194	<b>F</b>	24,865	24,865	
23 Property Taxes	1,432	1,133	735	-		735	735	
24 Revenue Taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	
25 Total operating taxes	1,432	1,133	735	-		735	735	
26 Federal income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>	
27 Total deductions (lines 20-26)	<u>239,308</u>	<u>195,005</u>	<u>238,298</u>	<u>2,968</u>		<u>241,266</u>	<u>241,266</u>	
28 Net operating income (line 1-27)	<b>(93,568)</b>	<b>(49,817)</b>	<b>(41,418)</b>	<b>(66,357)</b>		<b>(107,775)</b>	<b>31,234</b>	
29 Rate Base			210,042	119,623	<b>B</b>	329,665	329,665	
30 Pre Tax rate of return (line 28/29)			-18.4%			-52.8%	<b>9.5%</b>	

**A** Assumed repayment of balance outstanding over a 3-year period (informational only; not included in rate of return calculation)

**B** 2019 capital additions of \$90,569, 2020 capital additions of \$33,643, less depreciation of 2.5% totaling \$7,341, plus unamortized rate case balance, net of tax, of \$2,752

**C** Salary based on anticipated hours spent by CEO of the company (who has previously not been paid)

**D** COLA increases

**E** Budgeted consulting fees for assistance with rate case, amortized over 3-year period (\$4,500 expense total)

**F** Includes full year of debt and capital additions added in 2019

**G** Reduction due to loss of commercial customer

**H** Loss of commercial and golf course customer revenues

**I** Interest expense excluded from rate calculation