

Exhibit 1

South Cross Road Water Company, Inc.
Balance Sheets
Historic Levels

	<u>2002</u>	<u>2003</u>	<u>2004</u>
ASSETS			
Cash - RSB	\$3,339	\$2,335	\$5,138
Cash - M&T	35,591		
Cash - RSB Savings	<u>14,768</u>	<u>60,519</u>	<u>63,197</u>
Total Cash	53,699	62,853	68,335
Due From Golden & Golden	48,385	48,385	48,385
Meters	5,033	5,033	5,033
Office Equipment	1,050	1,050	1,050
Pumps	24,397	24,397	24,397
Structures	5,163	5,163	5,163
Water Mains	37,495	37,495	37,495
Wells	8,829	8,829	8,829
Accumulated Depreciation	<u>(66,150)</u>	<u>(68,087)</u>	<u>(69,730)</u>
Net Plant	15,817	13,880	12,237
Total Assets	<u>\$117,900</u>	<u>\$125,118</u>	<u>\$128,957</u>
LIABILITIES & EQUITY			
Capital Stock	\$25,000	\$25,000	\$25,000
Equity	<u>92,900</u>	<u>100,118</u>	<u>103,957</u>
Total Liabilities & Equity	<u>\$117,900</u>	<u>\$125,118</u>	<u>\$128,957</u>

South Cross Road Water Company, Inc.
Income Statements
Historic Levels

	<u>3/31/2002</u>	<u>3/31/2003</u>	<u>3/31/2004</u>
Operating Revenue	\$33,147	\$33,542	\$31,988
Operating Revenue Deductions			
Management	15,100	14,950	12,000
Bank Fees	7		10
Office Expense	492	426	333
Dues & Publications	150	170	46
Education			52
Rent			4,992
Utilities	1,473	1,670	2,322
Chemicals	2,210	1,680	1,446
Accounting	300	125	125
Repairs	3,000		
Water Testing	948	483	240
Telephone	301	339	358
Depreciation	2,676	1,937	1,643
Property Taxes	4,224	4,585	4,938
Revenue Taxes	1,666	1,189	323
Total Operating Revenue Deductions	32,547	27,554	28,828
Net Income from Operations	600	5,988	3,160
Interest Income	2,150	1,229	679
Total Income	\$2,750	\$7,217	\$3,839
Rate Base	17,841	15,527	14,057
Pre-Tax Rate of Return	3.36%	38.57%	22.48%

Exhibit 3

South Cross Road Water Company, Inc.
Rate Base

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Total Plant	\$81,967	\$81,967	\$81,967
Less: Accumulated Depreciation	<u>(66,150)</u>	<u>(68,087)</u>	<u>(69,730)</u>
Net Plant	15,817	13,880	12,237
Plus: Working Capital	<u>2,024</u>	<u>1,647</u>	<u>1,820</u>
Rate Base	<u><u>\$17,841</u></u>	<u><u>\$15,527</u></u>	<u><u>\$14,057</u></u>

Exhibit 4

South Cross Water Company
Income Statement
ProForma

	<u>3/31/2002</u>	<u>3/31/2003</u>	<u>3/31/2004</u>	<u>Normalized</u> <u>Test Year</u>	<u>Adjustments</u>	<u>Pro-forma</u> <u>without</u> <u>Increase</u>	<u>Increase</u>	<u>Pro-Forma</u> <u>with</u> <u>Increase</u>
Operating Revenue	33,147	33,542	31,988	32,892	D	32,892	8,666	41,559
Operating Revenue Deductions								
Operator/Mgm't Fees	15,100	14,950	12,000	16,320	B	2,606 F	18,926	18,926
Management Fees	0	0	0	5,000	B	798 F	5,798	5,798
Bank Fees	7	0	10		C		0	0
Office Expense	492	426	333	696	C	111 F	807	807
Dues & Publications	150	170	46		C		0	0
Education	0	0	52		C		0	
Rent	0	0	4,992	1,200	B	192 F	1,392	1,392
Utilities	1,473	1,670	2,322	1,822	D		1,822	1,822
Chemicals	2,210	1,680	1,446	1,779	D		1,779	1,779
Accounting	300	125	125	183	D		183	183
Repairs	3,000	0	0	1,000	D		1,000	1,000
Water Testing	948	483	240	557	D		557	557
Telephone	301	339	358		C		0	0
Rate Case						800 E	800	800
Depreciation	2,676	1,937	1,643	1,643	A		1,643	1,643
Property Taxes	4,224	4,585	4,938	4,938	A		4,938	4,938
Revenue Taxes	1,666	1,189	323	323	A		323	323
Total Operating Revenue Deductions	32,547	27,554	28,828	35,461			39,968	39,968
Net Income from Operations	600	5,988	3,160	(2,568)			(7,076)	1,591
Interest Income	2,150	1,229	679	679	A		679	679
Total Income	2,750	7,217	3,839	(1,889)			(6,397)	2,270
Rate Base	17,841	15,527	14,057	18,914			18,914	18,914
Pre-Tax Rate of Return	3.36%	38.57%	22.48%	-13.58%			-37.41%	12.00%

Exhibit 5

South Cross Road Water Company, Inc.
Rate Design - per Quarter

<u>Description</u>	<u>Current Rate</u>	<u>% Increase</u>	<u>New Rate</u>
First 9,000 gallons	30.58	26.30%	38.62
Over 9,000 gallons	3.87	26.30%	4.89
<u>Typical Customer Bill</u>			
Average usage - 12,000 gal/qtr.			
First 9,000 gallons	30.58		38.62
3,000 gallons @ 3.87/1,000 gal.	11.61		14.67
Total Bill	<u>42.19</u>		<u>53.29</u>

Conversion to Four Month Billing Cycle -

	<u>Current Rate</u>	<u>Increase</u>	<u>New Rate</u>
First 12,000 gallons	40.77	26.30%	51.50
Over 12,000 gallons	3.87	26.30%	4.89
<u>Typical Customer Bill</u>			
Average usage - 4,000 gal/month			
First 12,000 gallons	40.77		51.50
Additional 4,000 gallons	15.48		19.56
Total Bill	<u>56.25</u>		<u>71.06</u>