



Pennsylvania
Office of Open Records

Standard Right-to-Know Law Request Form

*Please read carefully. Complete this form and retain a copy of **both** pages; this copy may be required if an appeal is filed. You have 15 business days to appeal after a request is denied or deemed denied. More information about the RTKL is available at <https://www.openrecords.pa.gov>. In most cases, a completed RTKL request form is a public record.*

SUBMITTED TO AGENCY NAME: City of DuBois, Pennsylvania (Attn: AORO)

Date Request Submitted: 11/21/24 Submitted via: Email U.S. Mail Fax In Person

PERSON MAKING REQUEST:

Full Name: Judith Suplizio

Company (if applicable): _____

Please send response via: Email U.S. Mail

If you wish to obtain records that only exist in hard copy, or must be provided on an electronic storage device, you may be required to provide a mailing address to the agency. See Section 703.

Email: [REDACTED]

Mailing Address: 314 Hamor Street

City: DuBois, State: Pa Zip: 15801 Telephone: [REDACTED]

How do you prefer to be contacted if the agency has questions? Telephone Email U.S. Mail

By checking this box, I affirm that my full name and contact information is true and correct, and that I am a legal resident of the United States. I understand that failure to check this box may result in the denial of my request and the dismissal of any appeal filed with the Office of Open Records.

RECORDS REQUESTED: *Provide as much detail as possible, including subject matter, time frame, and type of record sought. RTKL requests must seek records, not ask questions. Use additional pages if necessary.*

The City of DuBois has in the past hired an independent consultant to perform water rate studies for the City of DuBois Water Services. The results of the consultant's studies routinely supported successful Pennsylvania PUC Audits. Please provide complete copies of all studies for the periods 2000-2020.

*Form continues on page 2. Retain a copy of **both** pages.*

RECORDS REQUESTED (continued):

DO YOU WANT COPIES? Yes, printed Yes, electronic No, in-person inspection

Records shall be provided in the medium requested if they exist in that medium; otherwise, they shall be provided in the medium in which they exist. See Section 701. Your request may require payment or prepayment of fees. View the Official RTKL Fee Schedule for more details.

I understand that my request may incur fees. Notify me before further processing if fees will be more than \$100 (or) \$_____.

Do you want certified copies? Yes (may be subject to additional costs) No

ITEMS BELOW THIS LINE FOR AGENCY USE ONLY

Tracking: _____ Date Received: _____ Response Due (5 bus. days): _____

30-Day Ext.? Yes No (If Yes, Final Due Date: _____) Actual Response Date: _____

Request was: Granted Partially Granted & Denied Denied Cost to Requester:
\$ _____

Appropriate third parties notified and given an opportunity to object to the release of requested records.

Retain a copy of both pages of this Form.



CITY OF DuBOIS, PENNSYLVANIA

P.O. BOX 408

16 W. SCRIBNER AVE.

DuBOIS, PENNSYLVANIA 15801

TELEPHONE: (814)371-2000

FAX: (814)371-1290

November 27, 2024

Ms. Judy Suplizio
314 Hamor Street
DuBois, PA 15801

Dear Ms. Suplizio,

Thank you for writing the City of DuBois with your request for information pursuant to the Pennsylvania Right- To-Know law.

On November 21, 2024, you requested the results of the consultant's studies that routinely supported successful Pennsylvania PUC Audits for the periods 2000-2020.

Pursuant to Section 902(a) of the Right to Know Law, the City of DuBois requires an additional 30 days to respond to the request:

- A timely response to the request cannot be accomplished due to bona fide and specified staffing limitations.
- A legal review is necessary to determine whether the records are subject to access under this act.

The City of DuBois expects to respond to your request on or before December 27, 2024.

Respectfully,

Shawn Arbaugh
City Manager
City of DuBois, Clearfield County

"Gateway To Big Game Country"



CITY OF DUBOIS, PENNSYLVANIA

PO BOX 408 16 W. SCRIBNER AVE. DUBOIS, PENNSYLVANIA 15801

TELEPHONE: 814-371-2000

FAX: 814-371-1290

December 29, 2024

Judith Suplizio

314 Hamor Street

DuBois, PA 15801

Via email only: [REDACTED]

Re: Right-to-Know Request dated November 21, 2024

Dear Ms. Suplizio,

This letter is a written response to the right-to-know request you filed with the City dated November 21, 2024. Under the "records requested" section of the Standard Right-to-Know Law Request form, your request states as follows:

"The City of DuBois has in the past hired an independent consultant to perform water rate studies for the City of DuBois Water Services. The results of the consultant's studies routinely supported successful Pennsylvania PUC Audits. Please provide complete copies of all studies for the periods 2000-2020."

After careful review, we have found there to be two studies completed in the time period that you requested. Those two studies are attached to this email.

Thank you for your request and continued desire to understand the functions of the City of DuBois. If you have any questions, please feel free to reach out to me at 814-371-2000 x 109.

Respectfully,

Lisa Hagberg
Interim City Manager
Clearfield County, PA

Exhibit No. 1 (Revised)

CITY OF DUBOIS
BUREAU OF WATER

DuBois, Pennsylvania

RATE STUDY AND DATA
IN SUPPORT OF
PROPOSED SUPPLEMENT NO. 18 TO
TARIFF WATER PA. P.U.C. NO. 4

GANNETT FLEMING, INC. - VALUATION AND RATE DIVISION

Harrisburg, Pennsylvania

June 27, 2013

City of DuBois
16 W. Scribner Avenue
DuBois, PA 15801

Attention John "Herm" Suplizio, City Manager

ii

Ladies and Gentlemen:

Pursuant to your authorization, we have prepared a water rate study for the City of DuBois based on the level of operations of the City of DuBois Bureau of Water for the twelve-month period ended December 31, 2012 and December 31, 2013. Appropriate ratemaking adjustments for known and measurable changes were made in order to reflect a more current level of cost of service.

On the basis of the supporting data presented in the following report, it is our opinion that the City of DuBois cannot continue to operate its water system without rate relief. An increase in water rates will afford an opportunity to achieve an adequate return on the original cost measure of value of its used and useful property that services outside-City customers.

We recommend that the City file with the Public Utility Commission, Supplement No. 18 to Tariff Water-Pa. P.U.C. No. 4, which proposes an increase in water rates for all general classes of service outside the City by approximately 108.6 percent. The overall increase in annual operating revenue from outside-City customers is approximately 92.2 percent.

The following report presents our conclusions in appropriate form for filing with the Pennsylvania Public Utility Commission in response to the data required under Subchapter 53.52 of the Commission's Tariff Regulations at Chapter 53 of Title 52 Pa. Code.

Respectfully submitted,

GANNETT FLEMING, INC.
Valuation and Rate Division

PAUL R. HERBERT
President

CONSTANCE E. HEPPESTALL
Project Manager, Rate Studies

PRH:krm
056361.200

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CITY OF DUBOIS
BUREAU OF WATER

SPECIFIC REASONS FOR PROPOSED INCREASE IN WATER RATES

Pursuant to Subsection 53.52(a)(1) and (b)(1) of Tariff Regulations

The City of DuBois - Bureau of Water (DuBois or City) submits herewith the data required under 52 PA Code § 53.52 of the Pennsylvania Public Utility Commission Tariff Regulations in support of the proposed rates under Supplement No. 18 to Tariff Water-Pa. P.U.C. No. 4. The supporting data for the tariff revision is for the twelve-month periods ending December 31, 2012 and December 31, 2013, adjusted for ratemaking purposes. The last rate revision was effective October 27, 2006, based on a historic test year ended December 31, 2004 and future test year ending December 31, 2005.

Since the date of the last rate increase, the City has experienced higher levels of operation and maintenance expenses as a result of inflation and labor cost increases and has made additional investments in plant in service, through the end of the future test year. The effect of these increases has reduced the rate of return on rate base to approximately 0.55%.

The specific reasons for the City's proposal to increase its rates for water service are as follows:

- (a) To provide sufficient revenues to enable it to continue to discharge, properly, its public duty to furnish adequate, safe, and reliable water service pursuant to the safe drinking water standards prescribed and enforced by the PA Department of Environmental Protection and the Federal Environmental Protection Agency;

- (b) To provide the cash flow necessary to continue to operate, maintain and renew its facilities properly and meet its financial obligations; and
- (c) To afford the opportunity to achieve an adequate rate of return on the original cost invested in the water property.

UTILITY BASIS

Pursuant to 52 PA Code § 53.52 of the Tariff Regulations, the supporting data are presented using the utility basis for ratemaking purposes. The utility basis includes, in addition to operating expenses, a provision for annual depreciation expense and a return on the depreciated original cost of the property (rate base) in place of debt service and renewals and replacements. The rate base and annual depreciation expense are calculated in Exhibit Nos. 2A and 2B, as of December 31, 2012 and December 31, 2013, respectively.

RATE OF RETURN

Under present and proposed rates, the indicated rates of return for the combined inside-City and outside-City operations are presented below.

	<u>Under Present Rates</u>			<u>Under Proposed Rates</u>		
	<u>Inside-City</u>	<u>Outside-City</u>	<u>Total</u>	<u>Inside-City</u>	<u>Outside-City</u>	<u>Total</u>
Rate of Return	3.39%	-5.40%	0.64%	7.10%	4.12%	6.16%

The total rate of return under proposed rates of 6.16% is less than the 7.04% return the City can justify based on a hypothetical capital structure of 50% debt, 50% equity, as set forth below and described in Appendix E. The City decided to forgo a higher level of return in order to keep the rate increase as low as possible.

	<u>Capital Structure</u>	<u>Cost</u>	<u>Weighted Cost</u>
Debt	50%	3.19%	1.59%
Equity	<u>50%</u>	10.90%	<u>5.45%</u>
Total	<u>100%</u>		<u>7.04%</u>

PROPOSED RATES

Under Supplement No. 18 to Tariff Water-Pa. P.U.C. No. 4, the City proposes to eliminate the allowance related to the minimum charge and replace the minimum charge with a customer charge equal to the customer surcharge that is currently paid by inside-City customers. In addition, the City is proposing consolidating rate blocks to match the rate blocks inside the City and raising the consumption charge to \$7.40 per thousand for the first 300,000 gallons per quarter (100,000 gallons per month) and \$4.40 per thousand for all over 300,000 gallons per quarter (100,000 gallons per month). Finally, the City proposed to bill outside-City customers monthly, rather than quarterly, in the same manner that it bills inside-City customers. The rates for public fire protection remain unchanged. Refer to pages 7 and 8 for the increases by classification for inside-City and outside-City customers. The revenues under proposed rates are developed in Appendix C. Appendix D provides a comparison of present and proposed rates as well as a comparison of customers' bills at various consumption levels by meter size.

The Pennsylvania Public Utility Commission has jurisdiction and power under Section 1301 of the Public Utility Code to regulate rates for utility service furnished by a municipality to customers beyond its corporate boundaries. The requisite data and information in the following report and related exhibits, in support of the proposed rates,

include analyses of the City's entire water system property and its operation. The City also proposes to increase the water consumption rates for customers inside the City. The increase in revenues for inside-City customers is 21.1%.

The data presented in support of proposed Supplement No. 18 to Tariff Water-Pa. P.U.C. No. 4 clearly indicate that the level of revenues from the City's present water rates is inadequate, and immediate rate relief is necessary. It is essential that the rates proposed under Supplement No. 18 to Tariff Water-Pa. P.U.C. No. 4 become effective as soon as possible, in order that the City recover the cost of rendering water service, including a return on the depreciated original cost of the water system's used or useful property, and continue to provide its customers with efficient, safe and reliable service.

CITY OF DUBOIS - BUREAU OF WATER

TOTAL NUMBER OF CUSTOMERS SERVED INSIDE AND OUTSIDE THE CITY

Pursuant to Subsection 53.52 (a)(2) of Tariff Regulations

	As of 12/31/2011		As of 12/31/2012	
	Inside-City	Outside-City	Inside-City	Outside-City
Residential	3,349	517	3,349	518
Commercial	434	162	435	163
Industrial	18	4	18	4
Sales for Resale		1		1
Public Fire Protection		1		1
TOTAL INSIDE	3,801	685	3,802	687

NUMBER OF CUSTOMERS WHOSE BILLS WILL INCREASE
INSIDE AND OUTSIDE THE CITY

Pursuant to Subsection 53.52 (a)(3) AND (b)(3) of Tariff Regulations

	As of 12/31/2011		As of 12/31/2012	
	Inside-City	Outside-City	Inside-City	Outside-City
Residential	3,349	517	3,349	518
Commercial	434	162	435	163
Industrial	18	4	18	4
Sales for Resale		1		1
Public Fire Protection		-		-
TOTAL INSIDE	3,801	684	3,802	686

CITY OF DUBOIS - BUREAU OF WATER

STATEMENT OF THE EFFECT OF THE PROPOSED
TARIFF CHANGES ON THE UTILITY'S CUSTOMERS

Pursuant to Subsection 53.52(a)(4) through (a)(11)
of Tariff Regulations

- (a)(4): The proposed tariff changes will increase all customers' rates for outside-City water service excluding public fire by 116.0%. The overall increase in revenues is approximately 97.3%.
- (a)(5): Refer to page 10 in response to Subsection 53.52(c)(1), for the effect of the proposed tariff changes on the City's revenues and expenses.
- (a)(6): The proposed tariff changes will not change the service rendered by the Bureau of Water.
- (a)(7): Not applicable.
- (a)(8): Not applicable.
- (a)(9): Customer polls were not taken to indicate customer acceptance and desire for the proposed tariff changes. The tariff changes are in the public interest as stated in response to Subsection 53.52(a)(1) of the tariff regulations.
- (a)(10): The City of DuBois will implement the proposed tariff changes upon the Commission's approval.
- (a)(11): Not applicable.

CITY OF DUBOIS - BUREAU OF WATER

STATEMENT OF OPERATING REVENUES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012 AND DECEMBER 31, 2013
AND THE CALCULATION OF THE PROPOSED REVENUE INCREASE FROM INSIDE-CITY CUSTOMERS BY CUSTOMER CLASSIFICATION

Pursuant To Subsection 53.52, (b)(4) and (c)(5) of Tariff Regulations

Line No.	Customer Classification (1)	Revenues Per Books, 12 Months Ended 31-Dec-12 (2)	Historic Test Year Pro Forma Adjustments Under Present Rates (3)		Future Test Year Pro Forma Adjustments Under Present Rates (6)		Pro Forma, Present Rates, 31-Dec-13 (8)	Percent Increase (9)	Under Proposed Rates, Supplement No. 18 to Tariff Water Pa-PUC No. 4 Pro Forma, Proposed Rates 31-Dec-13 (10)		Pro Forma, Proposed Rates 31-Dec-13 (11)
			Ref. Amount	Amount	Ref. Amount	Amount			Amount	Amount	
1	INSIDE-CITY										
2	Sales of Water										
3	Residential	\$ 1,085,687	R1	\$ 1,085,687	R5	\$ 657	\$1,086,344	16.5%	\$ 179,234	\$ 1,265,578	\$ 1,265,578
4	Commercial	467,229		467,773		2,177	469,950	23.3%	109,277	579,227	579,227
5	Industrial	291,424		291,424			291,424	40.9%	119,196	410,620	410,620
6	Public Fire	0	R3	64,714			64,714	0.0%	0	64,714	64,714
7	Total Sales of Water	1,844,339		1,909,597		2,834	1,912,431	21.3%	407,707	2,320,138	2,320,138
8											
9	Other Operating Revenues										
10	Sales and Jobbing	7,548		7,548			7,548			7,548	7,548
11	Contract Cust. Revenue	-		-			-			-	-
12	Misc. Revenues	8,015		8,015			8,015			8,015	8,015
13											
14	Total Other Revenues	15,563		15,563		-	15,563	0.0%	-	15,563	15,563
15											
16	Total Inside City	\$ 1,859,902		\$ 1,925,160		\$ 2,834	\$ 1,927,994	21.1%	\$ 407,707	\$ 2,335,701	\$ 2,335,701
17											

CITY OF DUBOIS - BUREAU OF WATER

STATEMENT OF OPERATING REVENUES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012 AND DECEMBER 31, 2013
AND THE CALCULATION OF THE PROPOSED REVENUE INCREASE FROM OUTSIDE-CITY CUSTOMERS BY CUSTOMER CLASSIFICATION

Pursuant To Subsection 53.52 (b)(4) and (c)(5) of Tariff Regulations - REVISED

Line No.	Customer Classification (1)	Revenues Per Books, 12 Months Ended 12/31/2012* (2)	Historic Test Year (3)		Future Test Year (7)		Under Proposed Rates, Supplement No. 18 to Tariff Water Pa-PUC No. 4 (10)		Proposed Rates 31-Dec-13 (11)
			Pro Forma Adjustments Under Present Rates		Pro Forma Adjustments Under Present Rates		Increase	Amount	
			Ref. Amount	Pro Forma, 31-Dec-12	Ref. Amount	Pro Forma, 31-Dec-13			
1	OUTSIDE-CITY								
2	Sales of Water								
3	Residential	\$ 105,845	R2 \$ 103	R6 \$ 413	\$106,361	116.9%	\$ 124,345	\$ 230,707	
4	Commercial	112,629	R2 390	R6 780	113,799	125.6%	142,896	256,695	
5	Industrial	7,498			7,498	132.8%	9,956	17,455	
6	Sales for Resale	149,445			149,445	96.0%	143,444	292,889	
7	Public Fire Protection	8,400	R4 1,925		10,325	0.0%	0	10,325	
8	Total Sales of Water	383,817	2,418	1,193	387,428	108.6%	420,641	808,070	
11	Other Operating Revenues								
12	Sales and Jobbing	1,561			1,561			1,561	
13	Contract Cust. Revenue	125,662		R7 1,429	127,091	44.6%	56,636	183,727	
14	Misc. Revenues	1,658			1,658			1,658	
15	Total Other Revenues	128,881		1,429	130,310	43.5%	56,636	186,947	
17	Total Outside City	512,699	2,418	2,622	517,739	92.2%	477,278	995,016	
19	Total Inside & Outside City	\$ 2,372,507	\$ 67,576	\$ 5,456	\$ 2,445,639	36.2%	\$ 884,985	\$ 3,330,524	

* Excludes test year revenue from sales of water to a shale gas drilling company discontinued in August 2012. No additional sales are anticipated.

** Revised from Original Filing

CITY OF DUBOIS - BUREAU OF WATER

NUMBER OF CUSTOMERS WHOSE BILLS WILL BE DECREASED

Pursuant to Subsection 53.52(b)(5) of Tariff Regulations

Under the proposed rates, no customers' bills will be decreased for water service.

CALCULATION OF TOTAL REVENUE DECREASE
UNDER THE PROPOSED RATES PROJECTED TO AN ANNUAL BASIS

Pursuant to Subsection 53.52(b)(6) of Tariff Regulations

Under the proposed rates, operating revenues for water service will not decrease.

CITY OF DUBOIS - BUREAU OF WATER

STATEMENT OF THE CALCULATION OF THE RATE OF RETURN UNDER PRESENT RATES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012 AND DECEMBER 31, 2013, AND THE ANTICIPATED RATE OF RETURN UNDER PROPOSED RATES FOR INSIDE-CITY AND OUTSIDE-CITY CUSTOMERS - REVISED

Pursuant To Subsection 53.52 (b)(2) and (c)(1) of Tariff Regulations

Line No.	Description (1)	12 Months Ended 31-Dec-12 (2)	Pro Forma Test Year Adjustments (3)		Pro Forma Present Rates, 31-Dec-12 (5)		Pro Forma Future Test Year Adjustments Ref. Amount (6)		Pro Forma Present Rates, 31-Dec-13 (8)		Under Proposed Rates, Supplement No. 18 to Tariff Water Pa-PUC No. 4 Increase (9)		31-Dec-13 (10)
			Ref.	Amount	Ref.	Amount	Ref.	Amount	Ref.	Amount	Ref.	Amount	
1	Operating Revenue	\$ 2,372,507	\$ 67,576	\$ 2,440,183	\$ 5,456	\$ 2,445,639	\$ 884,985	\$ 3,330,624					
2													
3	Operating Revenue Deductions:												
4	Operation and Maintenance	1,381,147	553,413	1,934,559	10,975	1,945,534		1,945,534					1,945,534
5	Expenses		334,568	334,568	63,373	397,941		397,941					397,941
6	Depreciation												
7													
8	Total Operating Revenue Deductions	1,381,147	887,981	2,269,127	74,348	2,343,475		2,343,475					2,343,475
9													
10													
11													
12	Net Operating Income Available for Return	\$ 991,360	\$ (820,305)	\$ 171,056	\$ (68,892)	\$ 102,164	\$ 884,985	\$ 987,149					
13													
14													
15													
16	Original Cost Measure of Value	\$ 13,287,904	\$ -	\$ 13,287,904	\$ 2,725,812	\$ 16,013,716	\$ -	\$ 16,013,716					16,013,716
17													
18	Rate of Return	7.46%		1.29%		0.64%		6.16%					

CITY OF DUBOIS - BUREAU OF WATER

STATEMENT OF THE CALCULATION OF THE RATE OF RETURN UNDER PRESENT RATES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012 AND DECEMBER 31, 2013, AND THE ANTICIPATED RATE OF RETURN UNDER PROPOSED RATES FOR INSIDE-CITY CUSTOMERS - REVISED

Pursuant To Subsection 53.52 (b)(2) and (c)(1) of Tariff Regulations

Line No.	Description (1)	12 Months Ended 31-Dec-12 (2)		Pro Forma Test Year Adjustments Ref. Amount (3)		Pro Forma Present Rates, 31-Dec-12 (5)		Pro Forma Test Year Adjustments Ref. Amount (6)		Pro Forma Future Rates, 31-Dec-13 (8)		Under Proposed Rates, Supplement No. 18 to Tariff Water Pa.-PUC No. 4 Increase (9)		Pro Forma 31-Dec-13 (10)
		\$	p. 8	\$	p. 8	\$	p. 8	\$	p. 8	\$	p. 8	\$	p. 8	
1	Operating Revenue	\$ 1,859,808	p. 8	\$ 65,258	p. 8	\$ 1,925,066	p. 8	\$ 2,834	p. 8	\$ 1,927,900	\$ 407,707	\$ 2,335,607		
2	Operating Revenue Deductions:													
3	Operation and Maintenance Expenses	910,414	p. 17	364,795	p. 17	1,275,209	p. 17	7,234	p. 17	1,282,443		1,282,443		
4	Depreciation	-	p. 17	229,232	p. 17	229,232	p. 17	43,421	p. 17	272,653		272,653		
5	Total Operating Revenue Deductions	910,414		594,027		1,504,441		50,655		1,555,096		1,555,096		
6	Net Operating Income Available for Return	\$ 949,394		\$ (528,769)		\$ 420,625		\$ (47,821)		\$ 372,804	\$ 407,707	\$ 780,511		
7	Original Cost Measure of Value	\$ 9,126,408	p. 13	\$ -	p. 13	\$ 9,126,408	p. 13	\$ 1,872,144	p. 13	\$ 10,998,553	\$ -	\$ 10,998,553		
8	Rate of Return	10.40%				4.61%				3.39%		7.10%		

CITY OF DUBOIS - BUREAU OF WATER

STATEMENT OF THE CALCULATION OF THE RATE OF RETURN UNDER PRESENT RATES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012 AND DECEMBER 31, 2013, AND THE ANTICIPATED RATE OF RETURN UNDER PROPOSED RATES FOR OUTSIDE-CITY CUSTOMERS - REVISED

Pursuant To Subsection 53.52, (b)(2) and (c)(1) of Tariff Regulations

Line No.	Description	12 Months Ended 31-Dec-12 (2)	Pro Forma Test Year Adjustments (3)		Pro Forma Present Rates, 31-Dec-12 (5)		Pro Forma Future Test Year Adjustments (6)		Pro Forma Present Rates, 31-Dec-13 (8)		Under Proposed Rates, Supplement No. 18 to Tariff Water Pa-PUC No. 4 Increase (9)		Pro Forma 31-Dec-13 (10)
			Ref. p. 17	Amount (4)	Ref. p. 8	Amount (4)	Ref. p. 8	Amount (7)	Ref. p. 17	Amount (8)	Ref. p. 17	Amount (9)	
1	Operating Revenue	\$ 512,699	\$ 2,418	\$ 515,117	\$ 2,418	\$ 517,535	\$ 2,622	\$ 520,157	\$ 517,539	\$ 477,278	\$ 477,278	\$ 995,016	
2													
3	Operating Revenue Deductions:												
4	Operation and Maintenance Expenses	470,732	188,618	659,351	188,618	847,969	3,740	851,709	663,091	663,091	663,091	663,091	
5	Depreciation	-	105,336	105,336	105,336	105,336	19,952	125,288	125,288	125,288	125,288	125,288	
6													
7													
8	Total Operating Revenue Deductions	470,732	293,954	764,686	293,954	764,686	23,693	788,379	788,379	-	-	788,379	
9													
10													
11													
12	Net Operating Income Available for Return	\$ 41,966	\$ (291,536)	\$ (249,569)	\$ (291,536)	\$ (249,569)	\$ (21,071)	\$ (270,641)	\$ (270,641)	\$ 477,278	\$ 477,278	\$ 206,637	
13													
14													
15	Original Cost Measure of Value	\$ 4,161,496	\$ -	\$ 4,161,496	\$ -	\$ 4,161,496	\$ 853,668	\$ 5,015,164	\$ 5,015,164	\$ -	\$ -	\$ 5,015,162	
16													
17	Rate of Return	1.01%		-6.00%		-6.00%		-5.40%		-5.40%		4.12%	
18													

CITY OF DUBOIS - BUREAU OF WATER

ORIGINAL COST MEASURE OF VALUE AS OF DECEMBER 31, 2012
AND DECEMBER 31, 2013*

Pursuant to Subsection 53.52 (C)(1) of Tariff Regulations

	<u>As of 12/31/2012</u>	<u>As of 12/31/2013</u>
Original Cost of Utility Plant In Service	\$ 17,478,099	\$ 20,503,669
Less: Accumulated Depreciation	<u>(4,214,377)</u>	<u>(4,514,272)</u>
Net Utility Plant	13,263,722	15,989,397
Add:		
Cash Working Capital	<u>24,182</u>	<u>24,319</u>
Total Original Cost Measure of Value	<u>\$ 13,287,904</u>	<u>\$ 16,013,716</u>

* See Exhibit Nos. 2A and 2B.

CITY OF DUBOIS - BUREAU OF WATER

BALANCE SHEET AS OF 12/31/2011 (CASH BASIS)

Pursuant to Subsection 53.52 (C)(2) of Tariff Regulations

<u>ASSETS</u>	<u>As of</u> <u>12/31/2011</u>
Current Assets:	
Cash	\$ 1,328,176
Interfund Receivable	89
Total Current Assets	<u>1,328,265</u>
Total Assets	<u>\$ 1,328,265</u>
 <u>LIABILITIES AND NET ASSETS</u>	
Current Liabilities:	
Interfund Payables	\$ 494,787
Total Current Liabilities	<u>494,787</u>
Total Liabilities	<u>494,787</u>
Net Assets, Unrestricted	<u>833,478</u>
Total Liabilities and Net Assets	<u>\$ 1,328,265</u>

CITY OF DUBOIS - BUREAU OF WATER
SUMMARY BY DETAILED PLANT ACCOUNTS
OF THE BOOK VALUE OF WATER UTILITY PLANT IN SERVICE
AS OF DECEMBER 31, 2012 AND DECEMBER 31, 2013

Pursuant to Subsection 53.52(c)(3) of Tariff Regulations

Refer to Exhibit No. 2A titled, "Depreciation Study - Calculated Annual Depreciation Accruals Related to Utility Plant at December 31, 2012" for the book value of water utility plant by plant account for the historic test year.

Refer to Exhibit No. 2B titled, "Depreciation Study - Calculated Annual Depreciation Accruals Related to Utility Plant at December 31, 2013" for the book value of water utility plant by plant account for the future test year.

DEPRECIATION RESERVE PER BOOKS AS OF DECEMBER 31, 2012
AND DECEMBER 31, 2013 APPLICABLE TO WATER UTILITY PLANT IN SERVICE

Pursuant to Subsection 53.52(c)(4) of Tariff Regulations

Refer to Exhibit 2A titled, "Depreciation Study - Calculated Annual Depreciation Accruals Related to Utility Plant at December 31, 2012" for the depreciation reserve applicable to water utility plant in service for the historic test year.

Refer to Exhibit 2B titled, "Depreciation Study - Calculated Annual Depreciation Accruals Related to Utility Plant at December 31, 2013" for the depreciation reserve applicable to water utility plant in service for the future test year.

CITY OF DUBOIS - BUREAU OF WATER

STATEMENT OF PRO FORMA OPERATING EXPENSES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013

Pursuant To Subsection 53.52 (c)(5) of Tariff Regulations

Line No.	Account (1)	Per Books,	Historic Test Year		Pro Forma, 31-Dec-12 (5)	Future Test Year		Pro Forma, 31-Dec-13 (8)
		12 Months Ended 31-Dec-12 (2)	Pro Forma Adjustments			Pro Forma Adjustments		
			App. B (3)	Amount (4)		App. B (6)	Amount (7)	
1								
2	OPERATION AND MAINTENANCE EXPENSES							
3								
4								
5	Water Treatment							
6								
7	448.120	\$ 47,136	E1	\$ 943	\$ 48,079	E8	\$ 1,082	\$ 49,161
8	448.140	196,320	E1	3,926	200,247	E8	4,506	204,752
9	448.141	5,361			5,361			5,361
10	448.156	103,910			103,910			103,910
11	448.158	522			522			522
12	448.159	22,417			22,417			22,417
13	448.162	1,852			1,852			1,852
14	448.183	35,549			35,549			35,549
15	448.191	750			750			750
16	448.192	130			130			130
17	448.211	18,532	E1	371	18,902	E8	425	19,328
18	448.212	4,334	E1	87	4,421	E8	99	4,520
19	448.222	100,924	E2	3,730	104,654			104,654
20	448.231	2,459			2,459			2,459
21	448.245	13,986			13,986			13,986
22	448.322	3,059			3,059			3,059
23	448.331	751			751			751
24	448.351	-			-			-
25	448.352	-			-			-
26	448.354	19,595			19,595			19,595
27	448.355	-			-			-
28	448.361	41,648			41,648			41,648
29	448.362	17,800			17,800			17,800
30	448.365	57,860	E7	(38,574)	19,287			19,287
31	448.373	10,381			10,381			10,381
32	448.374	-			-			-
33	448.450	16,098			16,098			16,098
34	448.452	6,998			6,998			6,998
35	448.480	-			-			-
36	449.245	-			-			-
37	449.322	798			798			798
38	449.361	6,081			6,081			6,081
39	449.361	2,394			2,394			2,394
40	449.373	3,469			3,469			3,469
41	Total Water Treatment	\$ 741,095		(29,517)	\$ 711,577		\$ 6,112	\$ 717,690
42								
43	Transmission and Distribution							
44								
45	450.120	\$ -			\$ -			\$ -
46	450.140	186,006	E1	3,320	169,326	E8	3,810	173,136
47	450.142	28,684	E1	574	29,258	E8	658	29,916
48	450.156	78,819			78,819			78,819
49	450.158	435			435			435
50	450.159	22,683			22,683			22,683
51	450.162	1,368			1,368			1,368
52	450.183	13,827			13,827			13,827
53	450.191	900			900			900
54	450.192	660			660			660
55	450.211	13,927	E1	279	14,205	E8	320	14,525
56	450.212	3,257	E1	65	3,322	E8	75	3,397
57	450.231	16,324			16,324			16,324
58	450.245	179,738			179,738			179,738
59	450.354	19,166			19,166			19,166
60	450.371	758			758			758
61	450.452	93,499			93,499			93,499
62	Total Transmission and Distribution	640,052		4,237	644,289		4,863	649,152

CITY OF DUBOIS - BUREAU OF WATER

STATEMENT OF PRO FORMA OPERATING EXPENSES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013

Pursuant To Subsection 53.52 (c)(5) of Tariff Regulations

Line No.	Account	Per Books,	Historic Test Year		Pro Forma,	Future Test Year		Pro Forma,
		12 Months Ended	App. B	Pro Forma Adjustments	31-Dec-12	App. B	Pro Forma Adjustments	31-Dec-13
	(1)	31-Dec-12	(3)	(4)	(5)	(6)	(7)	(8)
		(2)						
63								
64								
65	Administrative and General Expenses							
66	Administrative and General Expense	\$ -	E5	\$ 456,128	\$ 456,128			\$ 456,128
67	Postage	-	E6	22,314	22,314			22,314
68	Rate Case Expense	-	E3	100,250	100,250			100,250
69	Total Administrative and General Expenses	-		578,692	578,692			578,692
70								
71								
72	Total Operation and Maintenance Exp.	\$ 1,381,147		\$ 553,413	\$ 1,934,559		\$ 10,975	\$ 1,945,534
73								
74								
75	Depreciation Expense	-	E4	334,568	334,568	E9	63,373	397,941
76								
77								
78	Total Expenses	\$ 1,381,147		\$ 887,981	\$ 2,269,127		\$ 74,348	\$ 2,343,476
79								

APPENDIX A

PRO FORMA REVENUE ADJUSTMENTS UNDER PRESENT RATES

CITY OF DUBOIS - BUREAU OF WATER
HISTORIC TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation					Adjustment Increase (Decrease)
R1	To adjust Inside-City Operating Revenues for the gain in the number of customers during the twelve months ended 12/31/2012.					
	Customer Classification	Number of Customers		Customer Gain/(Loss)	Average Annual Bill, Present Rates	Annualized Revenue Adjustment (Half Year)
	(1)	31-Dec-11 (2)	31-Dec-12 (3)	(4)	(6)	(7)
	Residential	3,349	3,349	-	\$ 328.33	\$ -
	Commercial	434	436	1	1,088.56	544
	Industrial	18	18	-		-
	Total	3,801	3,802	1		544
R2	To annualize Outside-City Operating Revenues for the gain or loss in the customers during the twelve months ended 12/31/2012.					
	Customer Classification	Number of Customers		Customer Gain/(Loss)	Annual Bill, Present Rates	Average Revenue Adjustment (Half Year)
	(1)	31-Dec-11 (2)	31-Dec-12 (3)	(4)	(6)	(7)
	Residential	517	518	1	\$ 206.37	\$ 103
	Commercial	162	163	1	780.03	390
	Industrial	4	4	-		-
	Sales for Resale	1	1	-		-
	Total	684	686	2		493
R3	To impute revenue for Inside-City public fire at present Outside City hydrant rates.					
		Number of Hydrants	Annual Rate	Imputed Revenue		
	Public Fire	351	\$ 184.37	\$ 64,714		64,714
R4	To adjust revenue for Outside-City public fire to present Outside City hydrant rates.					
		Number of Hydrants	Annual Rate	Imputed Revenue		
	Public Fire	56	\$ 184.37	\$ 10,325		
	Less Current Revenue Billed			8,400		
	Adjustment			1,925		1,925
	Total Historic Test Year, Pro Forma Operating Revenue Adjustments Under Present Rates					<u>\$ 67,676</u>

CITY OF DUBOIS - BUREAU OF WATER
FUTURE TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation					Adjustment Increase (Decrease)
R5	To adjust Inside-City Operating Revenues for the projected gain in the number of customers during the twelve months ended 12/31/2013.					
	Customer Classification	Increase in Number of Customers		Average Customer Gain/(Loss)	Average Annual Bill, Present Rates	Annualized Revenue Adjustment
		31-Dec-11	31-Dec-12			
	Residential	4	-	2	\$ 328.33	\$ 657
	Commercial	2	1	2	1,088.56	2,177
	Industrial	-	-	-		-
	Public	-	-	-		-
	Total	6	1	4		2,834
R6	To adjust Outside-City Operating Revenues for the projected gain in the number of customers during the twelve months ended 12/31/2013.					
	Customer Classification	Increase in Number of Customers		Average Customer Gain/(Loss)	Annual Bill, Present Rates	Average Annualized Revenue Adjustment
		31-Dec-11	31-Dec-12			
	Residential	2	1	2	\$ 206.37	\$ 413 #
	Commercial	1	1	1	780.03	780 #
	Industrial	-	-	-		- #
	Sales for Resale	-	-	-		-
	Total		3	2		1,193
R7	To adjust contract revenues for the increase in the consumption charge for a Contract Customer.					
	Union Township Contract Revenue - Pro Forma (10,986,000 gallons @ \$1.81 per Thousand Gallons)					19,885
	Less: Union Township Contract Revenues - per books					(18,456)
	Adjustment					1,429
	Total Future Test Year, Pro Forma Operating Revenue Adjustments Under Present Rates					<u>\$ 5,456</u>

APPENDIX B

PRO FORMA OPERATING EXPENSE ADJUSTMENTS

CITY OF DUBOIS - BUREAU OF WATER
HISTORIC TEST YEAR

PRO FORMA OPERATING EXPENSE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation				Adjustment Increase (Decrease)
E1	To adjust actual test year salaries and wages to reflect the change in wage rates and number of employees as of January 1, 2013				
	<u>Account</u>	<u>Test Year 12/31/2012</u>	<u>Pro Forma 2013**</u>	<u>Increase (Decrease)</u>	
	Water Treatment				
	448.120 Wages - Supervision	\$ 47,136	\$ 48,079	\$ 943	\$ 943
	448.140 Wages - Plant Labor	196,320	200,247	3,926	3,926
	Transmission and Distribution				
	450.120 Salary	-	-	-	-
	450.140 Wages - Maintenance of Mains	166,006	169,326	3,320	3,320
	450.142 Wages - Maintenance of Meters	28,684	29,258	574	574
	Total Labor	<u>438,147</u>	<u>446,910</u>	<u>8,763</u>	
	Payroll Taxes				
	448.211 FICA WTP	18,532	18,902	371	371
	448.212 Medicare WTP	4,334	4,421	87	87
	450.211 FICA - Maint of Mains	13,927	14,205	279	279
	450.212 Medicare - Maint. Of Mains	3,257	3,322	65	65

** Based on wage rates effective 1/1/2013

CITY OF DUBOIS - BUREAU OF WATER
HISTORIC TEST YEAR

PRO FORMA OPERATING EXPENSE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation	Adjustment Increase (Decrease)
--------------	-------------	--------------------------------------

E2 To adjust chemical expense to reflect the projected annual usage of chemicals required at the treatment plant and current unit prices.

Chemical	Projected Quantity	Units	Current Unit Cost	Units	Pro Forma Cost
Sodium Floride	154	50lb bags	45.70	50lb bags	\$ 7,038
Light Soda Ash	2,518	50lb bags	11.75	50lb bags	29,587
Zinc Orthophosphat	22	30 Gallon Drums	258.21	30 Gallon Drums	5,681
Gas Chlorine	12	2000lb Cylinders	529.00	2000lb Cylinders	6,348
Potassium Perman;	52	55lb drums	168.01	55lb drums	8,737
Stern Pac	255	550lb Drums	185.35	550lb Drums	<u>47,264</u>
Total Pro Forma					104,654
Less Test Year Chemical Expense					<u>100,924</u>
Adjustment					\$ 3,730

E3 To normalize operating expenses for the estimated cost of this rate case over three years.

Revenue Requirement, Rate Base, Depreciation, Rate of Return, Rate Design and Application	\$ 85,000
Legal Fees	215,000
Customer Notice and Postage	<u>750</u>
Total	300,750
Normalized Amount (3-year amortization)	\$ 100,250
Less: Test Year Rate Case Expense	<u>-</u>
Adjustment	\$ 100,250

E4 To adjust depreciation expense as of December 31, 2012 (See Exhibit 2A)

Annual Depreciation Expense as of December 31, 2012	\$ 334,568
Less: Depreciation Expense Per Books	<u>-</u>
Adjustment	\$ 334,568

CITY OF DUBOIS - BUREAU OF WATER
HISTORIC TEST YEAR

PRO FORMA OPERATING EXPENSE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation	Adjustment Increase (Decrease)
E5	To transfer a portion of City Administrative and General Expenses to the Water Fund	
		2012 Per Books
		Percentage to Water
		Allocated to Bureau of Water
	Government Expense For Mayor and Council (net of postage)	30,287
	Administrative Expense	356,222
	Finance, (net of Clerical Billing Salaries and Bond Issuance Costs)	351,134
	Clerical Billing Salaries	46,289
	Legal (Net of Judgements and damages)	65,378
	Engineering	161,032
	City Buildings	170,859
	Insurance	148,155
	Pension Contribution (Net of State Aid)	32,954
	Water Fund HealthCare Deductible Transfer	20,004
		10.0%
		33.0%
		33.0%
		51.5%
		10.0%
		33.0%
		33.0%
		33.0%
		100.0%
	Administrative and General Expense	456,128
		\$ 456,128
E6	To transfer and adjust postage expense from City Administrative and General Expenses to the Water Fund.	
		2012 Amount
	2012 Water Postage Expense	\$ 19,602
	Increase due to planned monthly billing for Outside Water customers	2,275
	Total Projected Postage Expense	21,877
	Adjustment for increase in Postage Rates	438
	Proforma Postage Expense	22,314
		\$ 22,314
E7	To normalize sludge removal expense over three years:	
	Test Year Sludge Removal Expense of \$57,860 Normalized over three years	\$ 19,287
	Less: Test Year Removal Expense	(57,860)
	Adjustment	(38,574)
		\$ (38,574)
	Total Test Year, Pro Forma Operating Expense Adjustments	<u>\$ 887,981</u>

CITY OF DUBOIS - BUREAU OF WATER
FUTURE TEST YEAR

PRO FORMA OPERATING EXPENSE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation	Adjustment Increase (Decrease)		
E8	To adjust Pro Forma 2013 salaries and wages to reflect the change in wage rates as of January 1, 2014*.			
		Pro Forma 2013	Pro Forma FTY*	Increase (Decrease)
	Water Treatment			
	448.120 Wages - Supervision	\$ 48,079	\$ 49,161	\$ 1,082
	448.140 Wages - Plant Labor	200,247	204,752	4,506
	Transmission and Distribution			
	450.120 Salary	0	-	0
	450.140 Wages - Maintenance of Mains	169,326	173,136	\$ 3,810
	450.142 Wages - Maintenance of Meters	29,258	29,916	658
	Total Labor	<u>446,910</u>	<u>456,966</u>	<u>10,055</u>
	Payroll Taxes			
	448.211 FICA WTP	18,902	19,328	\$ 425
	448.212 Medicare WTP	4,421	4,520	99
	450.211 FICA - Maint of Mains	14,205	14,525	320
	450.212 Medicare - Maint. Of Mains	3,322	3,397	75
	* Based on wage rates effective 1/1/2014			
E9	To adjust depreciation expense as of December 31, 2013 (See Exhibit 2B)			
	Annual Depreciation Expense as of December 31, 2013			\$ 397,941
	Less: Annual Depreciation Expense as of December 31, 2012			<u>(334,568)</u>
	Adjustment			<u>\$ 63,373</u>
	Total Test Year, Pro Forma Operating Expense Adjustments			<u>\$ 74,348</u>

APPENDIX C

PRO FORMA REVENUES UNDER PRESENT
AND PROPOSED RATES

CITY OF DUBOIS - BUREAU OF WATER

SUMMARY OF APPLICATION OF PRESENT AND PROPOSED RATES TO CONSUMPTION ANALYSIS AS OF 12/31/2012
AND PRO FORMA REVENUES UNDER PROPOSED RATES AS OF 12/31/2013

Customer Classification (1)	Revenues Per Books, 12/31/2012 (2)	Application of Present Rates to Bill Analysis (3)	Adjustment Factor (4)=(2)/(3)	Application of Proposed Rates to Bill Analysis (5)	Adjusted Revenues Under Proposed Rates (6)=(5)x(4)	Historic Test Year		Future Test Year		Pro Forma, Proposed Rates, 12/31/2013 (12)
						Pro Forma Adjustments Under Proposed Rates Ref. (7)	Amount (8)	Pro Forma Adjustments Under Proposed Rates Ref. (10)	Amount (11)	
INSIDE-CITY										
Residential	\$ 1,085,667	\$ 1,069,760	1.014888	\$ 1,246,258	\$ 1,264,813			\$ 765	\$ 1,266,578	
Commercial	457,226	442,139	1.055748	544,948	575,873	R8		2,683	579,227	
Industrial	291,424	290,363	1.003654	408,125	410,620				410,620	
Public Fire						R10			64,714	
Total Inside	1,844,339	1,802,261		2,200,331	2,251,306			3,448	2,320,138	
OUTSIDE-CITY										
Residential	\$ 105,845	\$ 105,145	1.006657	\$ 228,180	\$ 229,699	R9		\$ 896	\$ 230,707	
Commercial	112,629	111,349	1.011495	251,598	254,491	R9		1,753	256,685	
Industrial	7,498	7,485	1.001792	17,424	17,455				17,455	
Sales for Resale	149,445	149,445	1.000000	292,889	292,889				292,889	
Public Fire	8,400	8,400	1.000000	10,325	10,325				10,325	
Total Outside	383,817	381,824		800,416	804,858			2,659	808,070	
Total	\$ 2,228,157	\$ 2,184,085		\$ 3,000,747	\$ 3,056,164			\$ 6,107	\$ 3,128,208	

Schedule 2

CITY OF DUBOIS - BUREAU OF WATER
INSIDE THE CITY

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
YEAR ENDED DECEMBER 31, 2012

<u>Rate Block</u> <u>1000 Gallons</u> (1)	<u>Number</u> <u>Of Bills</u> (2)	<u>Total</u> <u>Consumption</u> (3)	<u>Present</u> <u>Rate</u> (4)	<u>Present</u> <u>Revenue</u> (5)	<u>Proposed</u> <u>Rates</u> (6)	<u>Proposed</u> <u>Revenue</u> (7)
<u>Residential - Monthly</u>						
Water Fund Surcharge						
5/8	38,959		\$ 8.00	\$ 311,672	\$ 8.00	\$ 311,672
1	139		12.00	1,668	12.00	1,668
1 1/2	0		35.00	0	35.00	0
2	0		55.00	0	55.00	0
3	0		90.00	0	90.00	0
4	0		175.00	0	175.00	0
6	0		225.00	0	225.00	0
8	0		300.00	0	300.00	0
Subtotal	39,098			313,340		313,340
Consumption						
Up to 100,000 Gallons	0	126,070	6.0000	756,420	7.4000	932,918
Over 100,000 Gallons	0	0	3.0000	0	4.4000	0
Subtotal	0	126,070		756,420		932,918
Total	39,098	126,070		\$ 1,069,760		\$ 1,246,258
<u>Commercial - Monthly</u>						
Water Fund Surcharge						
5/8	3,748		\$ 8.00	\$ 29,984	\$ 8.00	\$ 29,984
1	398		12.00	4,776	12.00	4,776
1 1/2	231		35.00	8,085	35.00	8,085
2	368		55.00	20,240	55.00	20,240
3	84		90.00	7,560	90.00	7,560
4	33		175.00	5,775	175.00	5,775
6	12		225.00	2,700	225.00	2,700
8	0		300.00	0	300.00	0
Subtotal	4,874			79,120		79,120
Consumption						
Up to 100,000 Gallons	0	47,570	6.0000	285,420	7.4000	352,018
Over 100,000 Gallons	0	25,866	3.0000	77,598	4.4000	113,810
Subtotal	0	73,436		363,018		465,828
Total	4,874	73,436		\$ 442,138		\$ 544,948

Schedule 2

CITY OF DUBOIS - BUREAU OF WATER
INSIDE THE CITY

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
YEAR ENDED DECEMBER 31, 2012

<u>Rate Block</u> <u>1000 Gallons</u>	<u>Number</u> <u>Of Bills</u>	<u>Total</u> <u>Consumption</u>	<u>Present</u> <u>Rate</u>	<u>Present</u> <u>Revenue</u>	<u>Proposed</u> <u>Rates</u>	<u>Proposed</u> <u>Revenue</u>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Industrial - Monthly</u>						
Water Fund Surcharge						
5/8	48		\$ 8.00	\$ 384	\$ 8.00	\$ 384
1	48		12.00	576	12.00	576
1 1/2	0		35.00	0	35.00	0
2	73		55.00	4,015	55.00	4,015
3	12		90.00	1,080	90.00	1,080
4	25		175.00	4,375	175.00	4,375
6			225.00	0	225.00	0
8			300.00	0	300.00	0
Subtotal	206			10,430		10,430
Consumption						
Up to 100,000 Gallons	0	8,481	6.0000	50,886	7.4000	62,759
Over 100,000 Gallons	0	76,349	3.0000	229,047	4.4000	335,936
Subtotal	0	84,830		279,933		398,695
Total	206	84,830		\$ 290,363		\$ 409,125
Total - Inside	44,178	284,336	0	\$ 1,802,261	0	\$ 2,200,331

Schedule 2

CITY OF DUBOIS - BUREAU OF WATER
OUTSIDE THE CITY

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
YEAR ENDED DECEMBER 31, 2012

Rate Block 1000 Gallons (1)	Number Minimum Bills (2)	Total Consumption (3)	Present Rate (4)	Present Revenue (5)	Number Customer Charge Bills (6)	Total Consumption (7)	Proposed Rate (8)	Proposed Revenue (9)
<u>Residential - Quarterly</u>								
<u>Minimum Charges</u>					<u>Customer Charges</u>			
5/8	1,978	3,712	\$ 10.30	\$ 20,373	1,978	0	\$ 24.00	\$ 47,472
1	28	76	13.74	385	28	0	36.00	1,008
1 1/2	16	107	34.34	549	16	0	105.00	1,680
2	12	200	71.65	860	12	0	165.00	1,980
3			155.25	0		0	270.00	0
4	4	307	269.65	1,079	4	0	525.00	2,100
6			346.65	0		0	675.00	0
8			544.65	0		0	900.00	0
Subtotal	2,038	4,402		23,246	2,038	0		54,240
<u>Consumption</u>								
Up to 9,000 gallons	0	10,126	5.1500	52,149	0			
Next 291,000 gallons	0	8,818	3.3000	29,099	0			
First 300,000 gallons	0				0	23,346	7.4000	172,760
Over 300,000 gallons	0	268	2.4300	651	0	268	4.4000	1,179
Subtotal	0	19,212		81,899	0	23,614		173,940
Total	2,038	23,614		\$ 105,145	2,038	23,614		\$ 228,180
<u>Commercial - Quarterly</u>								
<u>Minimum Charges</u>					<u>Customer Charges</u>			
5/8	407	666	\$ 10.30	\$ 4,192	407	0	\$ 24.00	\$ 9,768
1	56	141	13.74	769	56	0	36.00	2,016
1 1/2	49	299	34.34	1,683	49	0	105.00	5,145
2	33	523	71.65	2,364	33	0	165.00	5,445
3	16	637	155.25	2,484	16	0	270.00	4,320
4	4	307	269.65	1,079	4	0	525.00	2,100
6	4	400	346.65	1,387	4	0	675.00	2,700
8	2	6	544.65	1,089	2	0	900.00	1,800
Subtotal	571	2,979		15,047	571	0		33,294
<u>Consumption</u>								
Up to 9,000 gallons	0	1,492	5.1500	7,684	0			
Next 291,000 gallons	0	17,379	3.3000	57,351	0			
First 300,000 gallons	0				0	21,850	7.4000	161,690
Over 300,000 gallons	0	12,867	2.4300	31,267	0	12,867	4.4000	56,615
Subtotal	0	31,738		96,302	0	34,717		218,305
Total	571	34,717		\$ 111,349	571	34,717		\$ 251,599

Schedule 2

CITY OF DUBOIS - BUREAU OF WATER
OUTSIDE THE CITY

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
YEAR ENDED DECEMBER 31, 2012

Rate Block 1000 Gallons (1)	Number Minimum Bills (2)	Total Consumption (3)	Present Rate (4)	Present Revenue (5)	Number Customer Charge Bills (6)	Total Consumption (7)	Proposed Rate (8)	Proposed Revenue (9)
<u>Industrial - Quarterly</u>								
			<u>Customer Charges</u>					
<u>Minimum Charges</u>								
5/8			\$ 10.30	\$ -		0	\$ 24.00	\$ -
1	4	11	13.74	55	4	0	36.00	144
1 1/2			34.34	0		0	105.00	0
2	12	174	71.65	860	12	0	165.00	1,980
3			155.25	0		0	270.00	0
4			289.65	0		0	525.00	0
6			346.65	0		0	675.00	0
8			544.65	0		0	900.00	0
Subtotal	16	185		915	16	0		2,124
<u>Consumption</u>								
Up to 9,000 gallons	0	21	5.1500	108				
Next 291,000 gallons	0	1,456	3.3000	4,805	0			
First 300,000 gallons					0	1,662	7.4000	12,299
Over 300,000 gallons	0	682	2.4300	1,657	0	682	4.4000	3,001
Subtotal	0	2,159		6,570	0	2,344		15,300
Total	16	2,344		\$ 7,485	16	2,344		\$ 17,424
<u>Sales for Resale - Quarterly - Sandy Township</u>								
			<u>Customer Charges</u>					
<u>Minimum Charges</u>								
5/8	4	8	\$ 10.30	\$ 41	4	0	\$ 24.00	\$ 96
1			13.74	0		0	36.00	0
1 1/2			34.34	0		0	105.00	0
2	6	98	71.65	430	6	0	165.00	990
3			155.25	0		0	270.00	0
4	5	8	289.65	1,348	5	0	525.00	2,625
6	10	898	346.65	3,467	10	0	675.00	6,750
8	15	1,558	544.65	8,170	15	0	900.00	13,500
Subtotal	40	2,570		13,456	40	0		23,961
<u>Consumption</u>								
Up to 9,000 gallons	0	28	5.1500	144				
Next 291,000 gallons	0	2,612	3.3000	8,620				
First 300,000 gallons					0	5,211	7.4000	38,561
Over 300,000 gallons	0	52,356	2.4300	127,225	0	52,356	4.4000	230,366
Subtotal	0	54,996		135,989	0	57,567		268,928
Total	40	57,566		\$ 149,445	40	57,567		\$ 292,889
<u>Public Fire - Quarterly</u>								
<u>Customer Charge</u>								
Hydrant	56	0	\$ 184.37	\$ 10,325	56	0	\$ 184.37	\$ 10,325
Total	56	0		10,325	56	0		10,325
Total - Outside	2,721	118,241		\$ 383,749	2,721	118,242		\$ 800,416

CITY OF DUBOIS - BUREAU OF WATER
OUTSIDE THE CITY

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
YEAR ENDED DECEMBER 31, 2012

<u>Rate Block</u> <u>1000 Gallons</u> (1)	<u>Number</u> <u>Of Bills</u> (2)	<u>Total</u> <u>Consumption</u> (3)	<u>Present</u> <u>Rate</u> (4)	<u>Revenue</u> (5)	<u>Proposed</u> <u>Rates</u> (6)	<u>Proposed</u> <u>Revenue</u> (7)
<u>Contract Customers - Monthly</u>						
<u>Sykesville</u>						
All Usage	12	40,455	2.6500	107,206	4.0500	163,843
<u>Union Township</u>						
All Usage	12	<u>10,986</u>	1.8100 *	<u>19,885</u>	1.8100 *	<u>19,885</u>
Total Contract		51,441		127,091		183,727

* Rate effective 1/1/2013.

CITY OF DUBOIS - BUREAU OF WATER
HISTORIC TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PROPOSED RATES

Adj. Ref.	Explanation					Adjustment Increase (Decrease)	
R8	To annualize <u>Inside-City</u> Operating Revenues for the net gain or loss in the number of customers during the twelve months ended 12/31/2012.						
	Customer Classification (1)	Number of Customers 31-Dec-11 31-Dec-12 (2) (3)		Customer Gain/(Loss) (4)	Average Annual Bill, Proposed Rates (6)	Annualized Revenue Adjustment (Half Year) (7)	
	Residential	3,349	3,349	-	\$ 382.50	\$ -	-
	Commercial	434	435	1	1,341.69	671	\$ 671
	Industrial	18	18	-		-	-
	Total	3,801	3,802	1		671	
R9	To annualize <u>Outside-City</u> Operating Revenues for the net gain or loss in the number of customers during the twelve months ended 12/31/2012.						
	Customer Classification (1)	Number of Customers 31-Dec-11 31-Dec-12 (2) (3)		Customer Gain/(Loss) (4)	Average Annual Bill, Proposed Rates (6)	Annualized Revenue Adjustment (Half Year) (7)	
	Residential	517	518	1	\$ 447.85	\$ 112	\$ 112
	Commercial	162	163	1	1,762.51	441	441
	Industrial	4	4	-		-	-
	Sales for Resale	1	1	-		-	-
	Total	684	686	2		553	
R10	To impute revenue for Inside-City public fire at present Outside City hydrant rates.						
		Number of Hydrants	Annual Rate	Imputed Revenue			
	Public Fire	351	\$ 184.37	\$ 64,714			<u>\$ 64,714</u>
	Total Historic Test Year, Pro Forma Operating Revenue Adjustments Under Proposed Rates						<u><u>\$ 65,937</u></u>

CITY OF DUBOIS - BUREAU OF WATER
FUTURE TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PROPOSED RATES

Adj. Ref.	Explanation				Adjustment Increase (Decrease)		
R11	To adjust Inside-City Operating Revenues for the projected gain in the number of customers during the twelve months ended 12/31/2013.						
	Customer Classification	Change in Number of Customers		Average Customer Gain/(Loss)	Average Annual Bill, Proposed Rates	Annualized Revenue Adjustment	
		31-Dec-11	31-Dec-12				
	Residential	4	-	2	\$ 382.50	\$ 765	\$ 765
	Commercial	2	1	2	1,341.69	2,683	2,683
	Industrial	-	-	-		-	-
	Total	6	1	4		3,448	
R12	To adjust Outside-City Operating Revenues for the projected gain in the number of customers during the twelve months ended 12/31/2013.						
	Customer Classification	Change in Number of Customers		Average Customer Gain/(Loss)	Average Annual Bill, Proposed Rates	Annualized Revenue Adjustment	
		31-Dec-11	31-Dec-12				
	Residential	2	1	2	\$ 447.85	\$ 896	\$ 896
	Commercial	1	1	1	1,762.51	1,763	1,763
	Industrial	-	-	-		-	-
	Sales for Resale	-	-	-		-	-
	Total	3	2	3		2,659	
Total Future Test Year, Pro Forma Operating Revenue Adjustments Under Proposed Rates							<u>\$ 6,107</u>

APPENDIX D

COMPARISON OF PRESENT AND PROPOSED RATES

CITY OF DUBOIS - BUREAU OF WATER
INSIDE-CITY
 COMPARISON OF PRESENT AND PROPOSED RATES

<u>Monthly Customer Charge</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase</u>
5/8-3/4	\$ 8.00	\$ 8.00	0.0%
1	12.00	12.00	0.0%
1 1/2	35.00	35.00	0.0%
2	55.00	55.00	0.0%
3	90.00	90.00	0.0%
4	175.00	175.00	0.0%
6	225.00	225.00	0.0%
8	300.00	300.00	0.0%
 <u>Consumption Charge per Month</u>	<u>Per Thousand Gallons</u>		
First 100,000 gallons	\$ 6.00	\$ 7.40	23.3%
Over 100,000 gallons	3.00	4.40	46.7%
 <u>Contract Customers</u>			
Sykesville	\$ 2.65	\$ 4.05	52.8%
Union Township	1.81	1.81	0.0%

CITY OF DUBOIS - BUREAU OF WATER
OUTSIDE-CITY
 COMPARISON OF PRESENT AND PROPOSED RATES

Meter Size	Present Rates		Proposed Rates		Increase
	Minimum	Allowance (Gallons)	Quarterly	Monthly	
5/8-3/4	\$ 10.30	2,000	\$ 24.00	\$ 8.00	133.0%
1	13.74	2,667	36.00	12.00	162.0%
1 1/2	34.34	6,667	105.00	35.00	205.8%
2	71.65	16,667	165.00	55.00	130.3%
3	155.25	42,000	270.00	90.00	73.9%
4	269.65	78,667	525.00	175.00	94.7%
6	346.65	100,000	675.00	225.00	94.7%
8	544.65	160,000	900.00	300.00	65.2%

Consumption Charge	Per Thousand		Per Thousand		Increase
	Gallons Per Quarter	Gallons Per Month			
Up to	9,000		\$ 5.15	\$ 7.40	43.7%
Next	291,000		3.30	7.40	124.2%
First		100,000		\$ 7.40	
Over	300,000	100,000	2.43	4.40	81.1%

Public Fire - Annual Charge:	Present	Proposed	Increase
Per Fire Hydrant, Annually	\$ 184.37	\$ 184.37	0.0%

CITY OF DUBOIS - BUREAU OF WATER
INSIDE CITY
 COMPARISON OF BILLS UNDER PRESENT AND PROPOSED RATES

RESIDENTIAL MONTHLY - 5/8 INCH METER

Monthly Usage Gallons	Present Rates	Proposed Rates	Dollar Increase	Percentage Increase
-	\$ 8.00	\$ 8.00	\$ -	0.0%
1,000	14.00	15.40	1.40	10.0%
2,000	20.00	22.80	2.80	14.0%
3,000	26.00	30.20	4.20	16.2%
4,000 *	32.00	37.60	5.60	17.5%
5,000	38.00	45.00	7.00	18.4%
6,000	44.00	52.40	8.40	19.1%
7,000	50.00	59.80	9.80	19.6%
8,000	56.00	67.20	11.20	20.0%
9,000	62.00	74.60	12.60	20.3%
10,000	68.00	82.00	14.00	20.6%
11,000	74.00	89.40	15.40	20.8%
12,000	80.00	96.80	16.80	21.0%
13,000	86.00	104.20	18.20	21.2%
14,000	92.00	111.60	19.60	21.3%
15,000	98.00	119.00	21.00	21.4%
16,000	104.00	126.40	22.40	21.5%
17,000	110.00	133.80	23.80	21.6%
18,000	116.00	141.20	25.20	21.7%
19,000	122.00	148.60	26.60	21.8%
20,000	128.00	156.00	28.00	21.9%

* Average Usage.

CITY OF DUBOIS - BUREAU OF WATER
OUTSIDE CITY
 COMPARISON OF BILLS UNDER PRESENT AND PROPOSED RATES
RESIDENTIAL QUARTERLY - 5/8 INCH METER

Quarterly Usage Gallons	Present Rates	Proposed Rates	Dollar Increase	Percentage Increase
-	\$ 10.30	\$ 24.00	\$ 13.70	133.0%
1,000	10.30	31.40	21.10	204.9%
2,000	10.30	38.80	28.50	276.7%
3,000	15.45	46.20	30.75	199.0%
4,000	20.60	53.60	33.00	160.2%
5,000	25.75	61.00	35.25	136.9%
6,000	30.90	68.40	37.50	121.4%
7,000	36.05	75.80	39.75	110.3%
8,000	41.20	83.20	42.00	101.9%
9,000	46.35	90.60	44.25	95.5%
10,000	49.65	98.00	48.35	97.4%
11,000	52.95	105.40	52.45	99.1%
12,000 *	56.25	112.80	56.55	100.5%
13,000	59.55	120.20	60.65	101.8%
14,000	62.85	127.60	64.75	103.0%
15,000	66.15	135.00	68.85	104.1%
16,000	69.45	142.40	72.95	105.0%
17,000	72.75	149.80	77.05	105.9%
18,000	76.05	157.20	81.15	106.7%
19,000	79.35	164.60	85.25	107.4%
20,000	82.65	172.00	89.35	108.1%

* Average Usage.

CITY OF DUBOIS - BUREAU OF WATER
OUTSIDE CITY
 COMPARISON OF BILLS UNDER PRESENT AND PROPOSED RATES

COMMERCIAL QUARTERLY - 5/8 INCH METER

Quarterly Usage Gallons	Present Rates	Proposed Rates	Dollar Increase	Percentage Increase
-	\$ 10.30	\$ 24.00	\$ 13.70	133.0%
1,000	10.30	31.40	21.10	204.9%
2,000	10.30	38.80	28.50	276.7%
3,000	15.45	46.20	30.75	199.0%
4,000	20.60	53.60	33.00	160.2%
5,000	25.75	61.00	35.25	136.9%
6,000	30.90	68.40	37.50	121.4%
7,000	36.05	75.80	39.75	110.3%
8,000	41.20	83.20	42.00	101.9%
9,000	46.35	90.60	44.25	95.5%
10,000	49.65	98.00	48.35	97.4%
11,000	52.95	105.40	52.45	99.1%
12,000	56.25	112.80	56.55	100.5%
13,000	59.55	120.20	60.65	101.8%
14,000	62.85	127.60	64.75	103.0%
15,000	66.15	135.00	68.85	104.1%
20,000	82.65	172.00	89.35	108.1%
25,000	99.15	209.00	109.85	110.8%
30,000	115.65	246.00	130.35	112.7%
35,000	132.15	283.00	150.85	114.2%
40,000	148.65	320.00	171.35	115.3%
45,000	166.15	357.00	190.85	114.9%
50,000	183.65	394.00	210.35	114.5%
55,000	201.15	431.00	229.85	114.3%
60,000	218.65	468.00	249.35	114.0%
61,000 *	222.95	475.40	252.45	113.2%
65,000	236.15	505.00	268.85	113.8%
70,000	253.65	542.00	288.35	113.7%
75,000	271.15	579.00	307.85	113.5%
80,000	288.65	616.00	327.35	113.4%
85,000	306.15	653.00	346.85	113.3%
90,000	323.65	690.00	366.35	113.2%
95,000	341.15	727.00	385.85	113.1%
100,000	358.65	764.00	405.35	113.0%
105,000	376.15	801.00	424.85	112.9%
110,000	393.65	838.00	444.35	112.9%
115,000	411.15	875.00	463.85	112.8%
120,000	428.65	912.00	483.35	112.8%

* Average Usage

CITY OF DUBOIS - BUREAU OF WATER
OUTSIDE CITY
COMPARISON OF BILLS UNDER PRESENT AND PROPOSED RATES

INDUSTRIAL QUARTERLY - 2 INCH METER

Quarterly Usage Gallons	Present Rates	Proposed Rates	Dollar Increase	Percentage Increase
-	\$ 71.65	\$ 165.00	\$ 93.35	130.3%
1,000	71.65	172.40	100.75	140.6%
2,000	71.65	179.80	108.15	150.9%
3,000	71.65	187.20	115.55	161.3%
4,000	71.65	194.60	122.95	171.6%
5,000	71.65	202.00	130.35	181.9%
6,000	71.65	209.40	137.75	192.3%
7,000	71.65	216.80	145.15	202.6%
8,000	71.65	224.20	152.55	212.9%
9,000	71.65	231.60	159.95	223.2%
10,000	71.65	239.00	167.35	233.6%
11,000	71.65	246.40	174.75	243.9%
12,000	71.65	253.80	182.15	254.2%
13,000	71.65	261.20	189.55	264.5%
14,000	71.65	268.60	196.95	274.9%
15,000	71.65	276.00	204.35	285.2%
20,000	82.65	313.00	230.35	278.7%
25,000	99.15	350.00	250.85	253.0%
30,000	115.65	387.00	271.35	234.6%
35,000	132.15	424.00	291.85	220.9%
40,000	148.65	461.00	312.35	210.1%
50,000	181.65	535.00	353.35	194.5%
60,000	214.65	609.00	394.35	183.7%
70,000	247.65	683.00	435.35	175.8%
80,000	280.65	757.00	476.35	169.7%
90,000	313.65	831.00	517.35	164.9%
100,000	346.65	905.00	558.35	161.1%
110,000	379.65	979.00	599.35	157.9%
120,000	412.65	1,053.00	640.35	155.2%
130,000	445.65	1,127.00	681.35	152.9%
140,000	478.65	1,201.00	722.35	150.9%
147,000 *	501.75	1,252.80	751.05	149.7%
150,000	511.65	1,275.00	763.35	149.2%
160,000	544.65	1,349.00	804.35	147.7%
170,000	577.65	1,423.00	845.35	146.3%
180,000	610.65	1,497.00	886.35	145.1%
190,000	643.65	1,571.00	927.35	144.1%
200,000	676.65	1,645.00	968.35	143.1%
250,000	841.65	2,015.00	1,173.35	139.4%
300,000	1,006.65	2,385.00	1,378.35	136.9%

* Average Usage

REVISED

CITY OF DUBOIS - BUREAU OF WATER
OUTSIDE CITY
 COMPARISON OF BILLS UNDER PRESENT AND PROPOSED RATES
SALES FOR RESALE QUARTERLY - 8 INCH METER

Quarterly Usage Gallons	Present Rates	Proposed Rates	Dollar Increase	Percentage Increase
-	\$ 544.65	\$ 900.00	\$ 355.35	65.2%
100,000	544.65	1,640.00	1,095.35	201.1%
200,000	676.65	2,380.00	1,703.35	251.7%
300,000	1,006.65	3,120.00	2,113.35	209.9%
400,000	1,249.65	3,560.00	2,310.35	184.9%
500,000	1,492.65	4,000.00	2,507.35	168.0%
600,000	1,735.65	4,440.00	2,704.35	155.8%
700,000	1,978.65	4,880.00	2,901.35	146.6%
800,000	2,221.65	5,320.00	3,098.35	139.5%
900,000	2,464.65	5,760.00	3,295.35	133.7%
1,000,000	2,707.65	6,200.00	3,492.35	129.0%
1,100,000	2,950.65	6,640.00	3,689.35	125.0%
1,200,000	3,193.65	7,080.00	3,886.35	121.7%
1,300,000	3,436.65	7,520.00	4,083.35	118.8%
1,400,000	3,679.65	7,960.00	4,280.35	116.3%
1,439,000 *	3,774.42	8,131.60	4,357.18	115.4%
1,500,000	3,922.65	8,400.00	4,477.35	114.1%
1,750,000	4,530.15	9,500.00	4,969.85	109.7%
2,000,000	5,137.65	10,600.00	5,462.35	106.3%
2,250,000	5,745.15	11,700.00	5,954.85	103.7%
2,500,000	6,352.65	12,800.00	6,447.35	101.5%
2,750,000	6,960.15	13,900.00	6,939.85	99.7%
3,000,000	7,567.65	15,000.00	7,432.35	98.2%
3,250,000	8,175.15	16,100.00	7,924.85	96.9%
3,500,000	8,782.65	17,200.00	8,417.35	95.8%
3,750,000	9,390.15	18,300.00	8,909.85	94.9%
4,000,000	9,997.65	19,400.00	9,402.35	94.0%
4,250,000	10,605.15	20,500.00	9,894.85	93.3%
4,500,000	11,212.65	21,600.00	10,387.35	92.6%
4,750,000	11,820.15	22,700.00	10,879.85	92.0%
5,000,000	12,427.65	23,800.00	11,372.35	91.5%
5,250,000	13,035.15	24,900.00	11,864.85	91.0%
5,500,000	13,642.65	26,000.00	12,357.35	90.6%
5,750,000	14,250.15	27,100.00	12,849.85	90.2%
6,000,000	14,857.65	28,200.00	13,342.35	89.8%
6,250,000	15,465.15	29,300.00	13,834.85	89.5%
6,500,000	16,072.65	30,400.00	14,327.35	89.1%
6,750,000	16,680.15	31,500.00	14,819.85	88.8%
7,000,000	17,287.65	32,600.00	15,312.35	88.6%
7,250,000	17,895.15	33,700.00	15,804.85	88.3%

* Average Usage

APPENDIX E

CITY OF DUBOIS - BUREAU OF WATER'S
OVERALL RATE OF RETURN



Memo

To: Paul Herbert
From: Harold Walker
Date: February 19, 2013
Re: City of DuBois - Bureau of Water's Overall ROR

Based upon a review of current information, an overall rate of return of 7.04% based upon the City of DuBois - Bureau of Water's hypothetical capital structure estimated and pro forma at December 31, 2013 including a 10.9% cost of common equity is recommended. However, it should be noted that a full-scale company specific cost of equity study has not been conducted at this time. In the event that this rate filing is fully litigated, it may be necessary for one to be performed.

The first step in developing an overall rate of return is the selection of capital structure ratios to be employed. Next, the cost rate for each capital component is determined. The overall rate of return is the product of weighting each capital component by its respective capital cost rate. This procedure results in the City of DuBois - Bureau of Water's overall rate of return being weighted proportionately to the amount of capital and cost of capital employed by each class of investor.

Based on a review of the City of DuBois - Bureau of Water's current capital structure ratios, I believe it is appropriate to evaluate the City of DuBois - Bureau of Water's current cost of capital based upon a hypothetical capital structure pro forma estimated at December 31, 2013. The Company's financials are reported on a cash basis. Therefore, the required information does not exist to calculate an actual capital structure. Further, a hypothetical capital structure, estimated at December 31, 2013, consisting of 50% long term debt and 50% equity, better represents the current water and waste water industry practice. Using an industry standard eliminates the need for warranted, but highly debatable, adjustments required when using an industry to calculate an equity cost rate that is far different than a subject company's ratios. Further, such hypothetical ratios are in line with Standard & Poor's implied ratios based upon published financial benchmarks for a water and waste water utility.

The embedded debt cost rate of 3.18% estimated and pro forma at December 31, 2013 is equal to the embedded cost of debt that will be financing the City of DuBois - Bureau of Water's capitalization.

City of DuBois - Bureau of Water's cost of equity is at least 10.9% reflecting the City of DuBois - Bureau of Water's hypothetical capital structure pro forma at December 31, 2013. This is based primarily upon the most recently authorized return on equity for a large investor-owned utility that we are aware of and other more recent studies. However, as stated before, a full-scale company specific cost of equity study has not been conducted at this time. In the event that rate of return is litigated, it would be necessary for one to be performed.

To: Paul Herbert
From: Harold Walker
Date: February 19, 2013
Re: City of DuBols - Bureau Of Water's Overall
ROR
Page: 2

Based upon the recommended capitalization ratios, estimated embedded debt cost, and 10.9% return on common equity, a reasonable overall rate of return of 7.04% is indicated at this time, as calculated below:

	<u>Recommended</u> <u>Ratios</u>	<u>Cost</u> <u>Rates</u>	<u>Weighted</u> <u>Cost</u>
Debt	50.0	3.18	1.59
Fund Equity	<u>50.0</u>	10.90	<u>5.45</u>
Overall	<u>100.0</u>		<u>7.04</u>

Exhibit_(CEH-1)

CITY OF DUBOIS
BUREAU OF WATER

DuBois, Pennsylvania

RATE STUDY AND DATA
IN SUPPORT OF
PROPOSED SUPPLEMENT NO. 22 TO
TARIFF WATER PA. P.U.C. NO. 4

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

Harrisburg, Pennsylvania



Excellence Delivered As Promised

June 30, 2016

City of DuBois
16 W. Scribner Avenue
DuBois, PA 15801

Attention John "Herm" Suplizio, City Manager

Ladies and Gentlemen:

Pursuant to your authorization, we have prepared a water rate study for the City of DuBois based on the level of operations of the City of DuBois Bureau of Water for the twelve-month period ended December 31, 2015 and December 31, 2016. Appropriate ratemaking adjustments for known and measurable changes were made in order to reflect a more current level of cost of service.

On the basis of the supporting data presented in the following report, it is our opinion that the City of DuBois cannot continue to operate its water system without rate relief. An increase in water rates will afford an opportunity to achieve an adequate return on the original cost measure of value of its used and useful property that services outside-City customers.

We recommend that the City file with the Public Utility Commission, Supplement No.22 to Tariff Water-Pa. P.U.C. No. 4, which proposes an increase in water rates for all general classes of service outside the City by approximately 33.7 percent. The overall increase in annual operating revenue from outside-City customers is approximately 32.2 percent.

The following report presents our conclusions in appropriate form for filing with the Pennsylvania Public Utility Commission in response to the data required under Subchapter 53.52 of the Commission's Tariff Regulations at Chapter 53 of Title 52 Pa. Code.

Respectfully submitted,

GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC

A handwritten signature in black ink, appearing to read 'C. Heppenstall', written over a faint circular stamp.

CONSTANCE E. HEPPENSTALL
Project Manager - Rate Studies

CEH:mlw
060728.200

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CITY OF DUBOIS
BUREAU OF WATER

SPECIFIC REASONS FOR PROPOSED INCREASE IN WATER RATES

Pursuant to Subsection 53.52(a)(1) and (b)(1) of Tariff Regulations

The City of DuBois - Bureau of Water (DuBois or City) submits herewith the data required under 52 PA Code § 53.52 of the Pennsylvania Public Utility Commission Tariff Regulations in support of the proposed rates under Supplement No. 22 to Tariff Water-Pa. P.U.C. No. 4. The supporting data for the tariff revision is for the twelve-month periods ending December 31, 2015 and December 31, 2016, adjusted for ratemaking purposes. The last rate revision was effective January 1, 2014, based on a historic test year ended December 31, 2012 and future test year ending December 31, 2013.

Since the date of the last rate increase, the City has experienced higher levels of operation and maintenance expenses as a result of inflation and labor cost increases and has made additional investments in plant in service, through the end of the future test year. The effect of these increases has reduced the rate of return on rate base Outside City to approximately 0.74%.

The specific reasons for the City's proposal to increase its rates for water service are as follows:

- (a) To provide sufficient revenues to enable It to continue to discharge, properly, its public duty to furnish adequate, safe, and reliable water service pursuant to the safe drinking water standards prescribed and enforced by the PA Department of Environmental Protection and the Federal Environmental Protection Agency;
- (b) To provide the cash flow necessary to continue to operate, maintain

- and renew its facilities properly and meet its financial obligations; and
- (c) To afford the opportunity to achieve an adequate rate of return on the original cost invested in the water property.

UTILITY BASIS

Pursuant to 52 PA Code § 53.52 of the Tariff Regulations, the supporting data are presented using the utility basis for ratemaking purposes. The utility basis includes, in addition to operating expenses, a provision for annual depreciation expense and a return on the depreciated original cost of the property (rate base) in place of debt service and renewals and replacements. The rate base and annual depreciation expense are calculated in Exhibit_(JJS-1) and Exhibit_(JJS-2) as of December 31, 2015 and December 31, 2016, respectively.

RATE OF RETURN

Under present and proposed rates, the indicated rates of return for the combined inside-City and outside-City operations are presented below.

	<u>Present Rates</u>	<u>Proposed Rates</u>
Rate of Return	1.08%	6.49%

The rate of return of 6.49% is less than the 6.76% return the City can justify based on a hypothetical capital structure of 50% debt, 50% equity, as set forth below and described in Exhibit_(HW-1).

	<u>Capital Structure</u>	<u>Cost</u>	<u>Weighted Cost</u>
Debt	50%	3.02%	1.51%
Equity	<u>50%</u>	10.50%	<u>5.25%</u>
Total	<u>100%</u>		<u>6.76%</u>

PROPOSED RATES

Under Supplement No. 22 to Tariff Water-Pa. P.U.C. No. 4, the City proposes to increase the customer charge equal to the customer surcharge supported by the cost of service study in Exhibit_(CEH-2) or \$7.00 per month for the 5/8-inch meter size. In addition, the City is proposing to raise the consumption charge to \$7.15 per thousand for the first 100,000 gallons per month and \$5.10 per thousand for all over 100,000 gallons per month. The rates for public fire protection remain unchanged. Refer to pages 7 and 8 for the increases by classification for inside-City and outside-City customers. The revenues under proposed rates are developed in Appendix C. Appendix D provides a comparison of present and proposed rates as well as a comparison of customers' bills at various consumption levels by meter size.

The Pennsylvania Public Utility Commission has jurisdiction and power under Section 1301 of the Public Utility Code to regulate rates for utility service furnished by a municipality to customers beyond its corporate boundaries. The requisite data and information in the following report and related exhibits, in support of the proposed rates, include analyses of the City's entire water system property and its operation. The City also proposes to increase the water consumption rates for customers inside the City. The increase in revenues for inside-City customers is 14.9%.

The data presented in support of proposed Supplement No. 22 to Tariff Water-Pa. P.U.C. No. 4 clearly indicate that the level of revenues from the City's present water rates is inadequate, and immediate rate relief is necessary. It is essential that the rates proposed under Supplement No. 22 to Tariff Water-Pa. P.U.C. No. 4 become effective as soon as possible, in order that the City recover the cost of rendering water service, including a return on the depreciated original cost of the water system's used or useful property, and continue to provide its customers with efficient, safe and reliable service.

CITY OF DUBOIS - BUREAU OF WATER

TOTAL NUMBER OF CUSTOMERS SERVED INSIDE AND OUTSIDE THE CITY

Pursuant to Subsection 53.52 (a)(2) of Tariff Regulations

	As of 12/31/2014		As of 12/31/2015	
	Inside-City	Outside-City	Inside-City	Outside-City
Residential	3,339	516	3,338	519
Commercial	439	170	440	171
Industrial	18	5	18	5
Sales for Resale		1		1
Public Fire Protection		1		1
TOTAL	3,796	693	3,796	697

NUMBER OF CUSTOMERS WHOSE BILLS WILL INCREASE
INSIDE AND OUTSIDE THE CITY

Pursuant to Subsection 53.52 (a)(3) AND (b)(3) of Tariff Regulations

	As of 12/31/2014		As of 12/31/2015	
	Inside-City	Outside-City	Inside-City	Outside-City
Residential	3,339	516	3,338	519
Commercial	439	170	440	171
Industrial	18	5	18	5
Sales for Resale		1		1
Public Fire Protection		-		-
TOTAL	3,796	692	3,796	696

CITY OF DUBOIS - BUREAU OF WATER

STATEMENT OF THE EFFECT OF THE PROPOSED
TARIFF CHANGES ON THE UTILITY'S CUSTOMERS

Pursuant to Subsection 53.52(a)(4) through (a)(11)
of Tariff Regulations

- (a)(4): The proposed tariff changes will increase all customers' rates for outside-City water service. The overall increase in revenues from sale of water is approximately 33.7%.
- (a)(5): Refer to page 10 in response to Subsection 53.52(c)(1), for the effect of the proposed tariff changes on the City's revenues and expenses.
- (a)(6): The proposed tariff changes will not change the service rendered by the Bureau of Water.
- (a)(7): Not applicable.
- (a)(8): Not applicable.
- (a)(9): Customer polls were not taken to indicate customer acceptance and desire for the proposed tariff changes. The tariff changes are in the public interest as stated in response to Subsection 53.52(a)(1) of the tariff regulations.
- (a)(10): The City of DuBois will implement the proposed tariff changes upon the Commission's approval.
- (a)(11): Not applicable.

CITY OF DUBOIS - BUREAU OF WATER

STATEMENT OF OPERATING REVENUES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015 AND DECEMBER 31, 2016
AND THE CALCULATION OF THE PROPOSED REVENUE INCREASE FROM INSIDE-CITY CUSTOMERS BY CUSTOMER CLASSIFICATION

Pursuant To Subsection 53.52 (b)(4) and (c)(5) of Tariff Regulations

Line No.	Customer Classification (1)	Revenues Per Books, 12 Months Ended 31-Dec-15 (2)		Historic Test Year Pro Forma Adjustments Under Present Rates (3)		Future Test Year Pro Forma Adjustments Under Present Rates (7)		Under Proposed Rates, Supplement No. 22 to Tariff Water Pa-PUC No. 4 (9)		Pro Forma, Proposed Rates 31-Dec-16 (11)	
		31-Dec-15		Ref. Amount		Ref. Amount		Percent		Amount	
		31-Dec-15	31-Dec-15	31-Dec-15	31-Dec-15	31-Dec-15	31-Dec-15	31-Dec-15	31-Dec-15	31-Dec-15	31-Dec-15
1	INSIDE-CITY										
2	Sales of Water	\$ 1,057,174	\$ 1,057,010	R6	\$ (987)	\$ 1,056,023	5.1%	\$ 53,950	\$ 1,109,972		
3	Residential	430,349	430,871	R6	1,043	431,914	13.0%	56,021	487,935		
4	Commercial	333,167	333,167			333,167	47.1%	156,849	490,016		
5	Industrial	199,420	199,420			199,420	22.2%	44,201	243,622		
6	Sykesville	0	66,558	R3		66,558	0.0%	0	66,558		
7	Public Fire										
8	Total Sales of Water	2,020,111	2,087,025		56	2,087,081	14.9%	311,021	2,398,102		
9	Other Operating Revenues										
10	Sales and Jobbing	2,131	2,131			2,131			2,131		
11	Shale Gas Revenues	19,651		R5							
12	Misc. Revenues	31,191	31,191			31,191			31,191		
13	Total Other Revenues	52,973	33,322			33,322	0.0%		33,322		
14	Total Inside City	\$ 2,073,084	\$ 2,120,347		\$ 56	\$ 2,120,403	14.7%	\$ 311,021	\$ 2,431,424		

CITY OF DUBOIS - BUREAU OF WATER

NUMBER OF CUSTOMERS WHOSE BILLS WILL BE DECREASED

Pursuant to Subsection 53.52(b)(5) of Tariff Regulations

Under the proposed rates, no customers' bills will be decreased for water service.

CALCULATION OF TOTAL REVENUE DECREASE
UNDER THE PROPOSED RATES PROJECTED TO AN ANNUAL BASIS

Pursuant to Subsection 53.52(b)(6) of Tariff Regulations

Under the proposed rates, operating revenues for water service will not decrease.

CITY OF DUBOIS - BUREAU OF WATER

STATEMENT OF THE CALCULATION OF THE RATE OF RETURN UNDER PRESENT RATES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
AND DECEMBER 31, 2016, AND THE ANTICIPATED RATE OF RETURN UNDER PROPOSED RATES
FOR INSIDE-CITY AND OUTSIDE-CITY CUSTOMERS

Pursuant To Subsection 53.52 (b)(2) and (c)(1) of Tariff Regulations

Line No.	Description (1)	12 Months Ended 31-Dec-15 (2)		Pro Forma Test Year Adjustments Ref. p. 7-8 (3)		Pro Forma Present Rates, 31-Dec-15 (5)		Pro Forma Future Test Year Adjustments Ref. p. 7-8 (6)		Pro Forma Present Rates, 31-Dec-16 (8)		Under Proposed Rates, Supplement No. 22 to Tariff Water Pa-PUC No. 4 Increase (9)		Pro Forma 31-Dec-16 (10)	
		\$		\$		\$		\$		\$		\$		\$	
1	Operating Revenue	\$ 2,876,885		\$ 42,962	p. 7-8	\$ 2,919,847		\$ 1,162	p. 7-8	\$ 2,921,009		\$ 568,625		\$ 3,489,635	
2															
3	Operating Revenue Deductions:														
4	Operation and Maintenance														
5	Expenses	1,471,452	p. 16	608,433	p. 16	2,079,885	p. 16	18,114	p. 16	2,097,999				2,097,999	
6	Depreciation	-	p. 16	367,982	p. 16	367,982	p. 16	9,668	p. 16	377,650				377,650	
7															
8	Total Operating	1,471,452		976,415		2,447,867		27,782		2,475,649				2,475,649	
9	Revenue Deductions														
10															
11															
12	Net Operating Income														
13	Available for Return	\$ 1,405,433		\$ (933,453)		\$ 471,980		\$ (25,620)		\$ 445,360		\$ 568,625		\$ 1,013,986	
14															
15															
16	Original Cost Measure of Value	\$ 14,976,043	p. 13	\$ -	p. 13	\$ 14,976,043	p. 13	\$ 646,380	p. 13	\$ 15,622,423		\$ -		\$ 15,622,423	
17															
18	Rate of Return					3.15%				2.85%				6.49%	

CITY OF DUBOIS - BUREAU OF WATER

STATEMENT OF THE CALCULATION OF THE RATE OF RETURN UNDER PRESENT RATES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015
AND DECEMBER 31, 2016, AND THE ANTICIPATED RATE OF RETURN UNDER PROPOSED RATES
FOR INSIDE-CITY CUSTOMERS

Pursuant To Subsection 53.52 (b)(2) and (c)(1) of Tariff Regulations

Line No.	Description (1)	12 Months Ended 31-Dec-15 (2)		Pro Forma Test Year Adjustments Ref. Amount (3)		Pro Forma Present Rates 31-Dec-15 (5)		Pro Forma Test Year Adjustments Ref. Amount (6)		Pro Forma Present Rates 31-Dec-16 (8)		Under Proposed Rates, Supplement No. 22 to Tariff Water Pa-PUC No. 4 Increase (9)		Pro Forma 31-Dec-16 (10)			
		\$		\$		\$		\$		\$		\$					
1	Operating Revenue	\$	2,073,084	p. 7	\$	47,264	\$	2,120,347	p. 7	\$	56	\$	2,120,403	\$	311,021	\$	2,431,424
2																	
3	Operating Revenue Deductions:																
4	Operation and Maintenance		1,009,550	p. 16		417,440		1,426,990	p. 16		12,428		1,439,418				1,439,418
5	Expenses		-	p. 16		261,915		261,915	p. 16		6,881		268,796				268,796
6	Depreciation																
7																	
8	Total Operating Revenue Deductions		1,009,550			679,355		1,688,305			19,309		1,708,214				1,708,214
9																	
10																	
11																	
12	Net Operating Income Available for Return	\$	1,063,534		\$	(632,092)	\$	431,442		\$	(19,253)	\$	412,189	\$	311,021	\$	723,210
13																	
14																	
15																	
16	Original Cost Measure of Value	\$	10,668,129	p. 13	\$	-	\$	10,668,129	p. 13	\$	460,447	\$	11,128,575	\$	-	\$	11,128,575
17																	
18	Rate of Return							4.04%					3.70%				6.50%

CITY OF DUBOIS - BUREAU OF WATER

ORIGINAL COST MEASURE OF VALUE AS OF DECEMBER 31, 2015
AND DECEMBER 31, 2016*

Pursuant to Subsection 53.52 (C)(1) of Tariff Regulations

	<u>As of 12/31/2015</u>	<u>As of 12/31/2016</u>
Original Cost of Utility Plant In Service	\$ 19,973,973	\$ 20,982,073
Less: Accumulated Depreciation	<u>(5,257,916)</u>	<u>(5,621,900)</u>
Net Utility Plant	14,716,057	15,360,173
Add:		
Cash Working Capital	<u>259,932</u>	<u>262,141</u>
Total Original Cost Measure of Value	<u>\$ 14,975,989</u>	<u>\$ 15,622,314</u>

* See Exhibit_(JJS-1) and Exhibit_(JJS-2),

CITY OF DUBOIS - BUREAU OF WATER

BALANCE SHEET AS OF 12/31/2014 (CASH BASIS)

Pursuant to Subsection 53.52 (C)(2) of Tariff Regulations

<u>ASSETS</u>	<u>As of 12/31/2014</u>
Current Assets:	
Cash	\$ 197,041
Interfund Receivable	0
Total Current Assets	<u>197,041</u>
Total Assets	<u>\$ 197,041</u>
 <u>LIABILITIES AND NET ASSETS</u>	
Current Liabilities:	
Interfund Payables	\$ 150,553
Total Current Liabilities	<u>150,553</u>
Total Liabilities	<u>150,553</u>
Net Assets, Unrestricted	<u>46,488</u>
Total Liabilities and Net Assets	<u>\$ 197,041</u>

CITY OF DUBOIS - BUREAU OF WATER

SUMMARY BY DETAILED PLANT ACCOUNTS
OF THE BOOK VALUE OF WATER UTILITY PLANT IN SERVICE
AS OF DECEMBER 31, 2015 AND DECEMBER 31, 2016

Pursuant to Subsection 53.52(c)(3) of Tariff Regulations

Refer to Exhibit_(JJS-1) titled, "Depreciation Study - Calculated Annual Depreciation Accruals Related to Utility Plant at December 31, 2015" for the book value of water utility plant by plant account for the historic test year.

Refer to Exhibit_(JJS-2) titled, "Depreciation Study - Calculated Annual Depreciation Accruals Related to Utility Plant at December 31, 2016" for the book value of water utility plant by plant account for the future test year.

DEPRECIATION RESERVE PER BOOKS AS OF DECEMBER 31, 2015
AND DECEMBER 31, 2016 APPLICABLE TO WATER UTILITY PLANT IN SERVICE

Pursuant to Subsection 53.52(c)(4) of Tariff Regulations

Refer to Exhibit_(JJS-1) titled, "Depreciation Study - Calculated Annual Depreciation Accruals Related to Utility Plant at December 31, 2015" for the depreciation reserve applicable to water utility plant in service for the historic test year.

Refer to Exhibit_(JJS-2) titled, "Depreciation Study - Calculated Annual Depreciation Accruals Related to Utility Plant at December 31, 2016" for the depreciation reserve applicable to water utility plant in service for the future test year.

CITY OF DUBOIS - BUREAU OF WATER

STATEMENT OF PRO FORMA OPERATING EXPENSES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015

Pursuant To Subsection 53.52 (c)(5) of Tariff Regulations

Line No.	Account (1)	Per Books, 12 Months Ended 31-Dec-15	Historic Test Year Pro Forma Adjustments		Pro Forma, 31-Dec-15	Future Test Year Pro Forma Adjustments		Pro Forma, 31-Dec-16
		(2)	App. B (3)	Amount (4)	(5)	App. B (6)	Amount (7)	(8)
1								
2	OPERATION AND MAINTENANCE EXPENSES							
3								
4								
5	Water Treatment							
6								
7	448.120 Wages - Supervision	\$ 51,856	E1	\$ 2,105	\$ 53,961	E8	\$ 1,349	\$ 55,310
8	448.140 Wages - Plant Labor	215,623	E1	5,388	220,911	E8	5,523	226,434
9	448.141 Wages - Summer Help	7,507			7,507			7,507
10	448.156 Health Insurance - WTP	130,227	E7	24	130,250			130,250
11	448.158 Life Insurance Premium - WTP	638			638			638
12	448.159 Vacation - WTP	31,079			31,079			31,079
13	448.162 Unemployment Comp - WTP	2,259			2,259			2,259
14	448.183 Overtime	43,534			43,534			43,534
15	448.191 Uniforms	750			750			750
16	448.192 Training	405			405			405
17	448.211 Fica - WTP	20,089	E1	522	21,412	E8	535	21,947
18	448.212 Medicare - WTP	4,885	E1	122	5,007	E8	125	5,133
19	448.222 Chemicals	100,365	E2	(22,258)	78,107			78,107
20	448.231 Vehicle Gas & Oil	1,884			1,884			1,884
21	448.245 Operating Supplies	20,739			20,739			20,739
22	448.322 Telephone	3,026			3,026			3,026
23	448.354 Worker's Comp - WTP	26,413			26,413			26,413
24	448.361 Electric	44,637			44,637			44,637
25	448.362 Gas Heat	13,429			13,429			13,429
26	448.365 Sludge Removal	210			210			210
27	448.373 Building Repairs & Maintenance	16,177			16,177			16,177
28	448.450 Contractual Services	101,288	E6	(51,082)	50,206			50,206
29	448.452 Water Analysis	6,709			6,709			6,709
30	448.245 Water Tank Expenses	1,200			1,200			1,200
31	449.322 Telephone	856			856			856
32	449.361 Electric	17,838			17,838			17,838
33	449.361 Heat	1,668			1,668			1,668
34	449.373 Building Repairs & Maintenance	595			595			595
35	Total Water Treatment	\$ 866,587		\$ (65,179)	\$ 801,408		\$ 7,532	\$ 808,940
36								
37	Transmission and Distribution							
38								
39								
40	450.140 Wages - Maintenance of Mains	\$ 139,883	E1	\$ 3,497	\$ 143,380	E8	\$ 3,585	\$ 146,965
41	450.142 Wages - Maintenance of Meters	29,955	E1	749	30,703	E8	768	31,471
42	450.156 Health Insurance - Trans/Dist	58,237	E7	4,077	62,314			62,314
43	450.158 Life Insurance Premium - Trans/Dist	293			293			293
44	450.159 Vacation - Trans/Dist	18,132			18,132			18,132
45	450.162 Unemployment Comp - Trans/Dist	901			901			901
46	450.183 Overtime	34,397			34,397			34,397
47	450.191 Uniforms	550			550			550
48	450.192 Training / Registration	1,330			1,330			1,330
49	450.211 FICA	13,147	E1	329	13,475	E8	337	13,812
50	450.212 Medicare	3,075	E1	77	3,152	E8	79	3,230
51	450.231 Vehicle Gas & Oil	15,823			15,823			15,823
52	450.245 Operating Supplies	132,852			132,852			132,852
53	450.354 Worker's Comp - Trans/Dist	22,592			22,592			22,592
54	450.371 Water Tank Exp. - Highland & Pat	928			928			928
55	450.452 Contractual Services	132,771			132,771			132,771
56	Total Transmission and Distribution	\$ 604,865		\$ 8,728	\$ 613,593		\$ 4,768	\$ 618,361

CITY OF DUBOIS - BUREAU OF WATER

STATEMENT OF PRO FORMA OPERATING EXPENSES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015

Pursuant To Subsection 53.52 (c)(5) of Tariff Regulations

Line No.	Account (1)	Per Books, 12 Months Ended	Historic Test Year Pro Forma Adjustments		Pro Forma, 31-Dec-15	Future Test Year Pro Forma Adjustments		Pro Forma, 31-Dec-16
		31-Dec-15 (2)	App. B (3)	Amount (4)	31-Dec-15 (5)	App. B (6)	Amount (7)	31-Dec-16 (8)
57								
58								
59	Administrative and General Expenses							
60	Administrative and General Expense	\$ -	E1,E5,E7	\$ 584,682	\$ 584,682	E8	\$ 5,814	\$ 590,496
61	Rate Case Expense	-	E3	80,202	80,202			80,202
62	Total Administrative and General Expenses	-		664,884	664,884		5,814	670,698
63								
64								
65	Total Operation and Maintenance Exp.	\$ 1,471,452		\$ 608,433	\$ 2,079,885		\$ 18,114	\$ 2,097,999
66								
67								
68	Depreciation Expense	-	E4	367,982	367,982	E9	9,668	377,650
69								
70								
71	Total Expenses	\$ 1,471,452		\$ 976,415	\$ 2,447,867		\$ 27,782	\$ 2,475,649
72								

APPENDIX A

PRO FORMA REVENUE ADJUSTMENTS UNDER PRESENT RATES

CITY OF DUBOIS - BUREAU OF WATER
HISTORIC TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation					Adjustment Increase (Decrease)
R1	To adjust Inside-City Operating Revenues for the gain in the number of customers during the twelve months ended 12/31/2015					
	Customer Classification	Number of Customers		Customer Gain/(Loss)	Average Annual Bill, Present Rates	Annualized Revenue Adjustment (Half Year)
	(1)	31-Dec-14 (2)	31-Dec-15 (3)	(4)	(6)	(7)
	Residential	3,339	3,338	(1)	\$ 329.03	\$ (165)
	Commercial	439	440	1	1,043.16	522
	Industrial	18	18	-		-
		-	-	-		-
	Total	3,796	3,796	-		357
R2	To annualize <u>Outside-City</u> Operating Revenues for the gain or loss in the customers during the twelve months ended 12/31/2015					
	Customer Classification	Number of Customers		Customer Gain/(Loss)	Annual Bill, Present Rates	Average Revenue Adjustment (Half Year)
	(1)	31-Dec-14 (2)	31-Dec-15 (3)	(4)	(6)	(7)
	Residential	525	528	3	\$ 103.55	\$ 155
	Commercial	170	171	1	397.70	199
	Industrial	5	5	-		-
	Sales for Resale	1	1	-		-
		-	-	-		-
	Total	701	705	4		354
R3	To impute revenue for Inside-City public fire at present Outside City hydrant rates.					
		Number of Hydrants	Annual Rate	Imputed Revenue		
	Public Fire	361	\$ 184.37	\$ 66,558		66,558
R4	To adjust revenue for Outside-City public fire to present Outside City hydrant rates.					
		Number of Hydrants	Annual Rate	Imputed Revenue		
	Public Fire	80	\$ 184.37	\$ 14,750		
	Less Current Revenue Billed			12,000		
	Adjustment			2,750		2,750
R5	To adjust for reduced revenue from Shale Gas Companies.					

CITY OF DUBOIS - BUREAU OF WATER
HISTORIC TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation		Adjustment Increase (Decrease)
	Shale Gas Revenues - 2015	\$ 27,056	
	Projected Shale Gas Revenues - 2016	\$ -	
	Adjustment		\$ (27,056)
Total Historic Test Year, Pro Forma Operating Revenue Adjustments Under Present Rates			<u>\$ 42,962</u>

CITY OF DUBOIS - BUREAU OF WATER
FUTURE TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation	Adjustment Increase (Decrease)
--------------	-------------	--------------------------------------

R6 To adjust Inside-City Operating Revenues for the projected gain in the number of customers during the twelve months ended 12/31/2016

Customer Classification	Increase in Number of Customers		Average Customer Gain/(Loss)	Average Annual Bill, Present Rates	Annualized Revenue Adjustment	
	31-Dec-14	31-Dec-15				
Residential	(5)	(1)	(3)	\$ 329.03	\$ (987)	\$ (987)
Commercial	1	1	1	1,043.16	1,043	1,043
Industrial	-	-	-		-	-
Public	-	-	-		-	-
Total	(4)	-	(2)		56	

R7 To adjust Outside-City Operating Revenues for the projected gain in the number of customers during the twelve months ended 12/31/2016.

Customer Classification	Increase in Number of Customers		Average Customer Gain/(Loss)	Annual Bill, Present Rates	Average Annualized Revenue Adjustment	
	31-Dec-14	31-Dec-15				
Residential	2	3	3	\$ 103.55	\$ 311	\$ 311
Commercial	3	1	2	397.70	795	795
Industrial	-	-	-		-	-
Sales for Resale	-	-	-		-	-
Total		5	4		1,106	

Total Future Test Year, Pro Forma Operating
Revenue Adjustments Under Present Rates

\$ 1,162

APPENDIX B
PRO FORMA OPERATING EXPENSE ADJUSTMENTS

CITY OF DUBOIS - BUREAU OF WATER
HISTORIC TEST YEAR

PRO FORMA OPERATING EXPENSE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation				Adjustment Increase (Decrease)
E1	To adjust actual test year salaries and wages to reflect the change in wage rates and number of employees as of January 1, 2016				
		Test Year 12/31/2015	Pro Forma 2016**	Increase (Decrease)	
	Water Treatment				
	448.120 Wages - Supervision	\$ 51,856	\$ 53,961 ***	\$ 2,105	\$ 2,105
	448.140 Wages - Plant Labor	216,523	220,911	5,388	5,388
	Transmission and Distribution				
	450.140 Wages - Maintenance of Mains	139,883	143,380	3,497	3,497
	450.142 Wages - Maintenance of Meters	29,955	30,703	749	749
	Administration (See Adjustment E5)				
	Salary - Manager	65,525	67,163	1,638	
	Salary - Public Works Director	48,105	49,308	1,203	
	Finance Salaries	36,134	37,038	903	
	Clerical Billing Salaries	16,425	16,835	411	
	Treasury Salaries	17,216	17,646	430	
	Salary - Engineering	43,476	44,563	1,087	5,672
	Total Labor	\$ 664,099	\$ 681,509	\$ 17,411	
	Payroll Taxes				
	448.211 FICA WTP	20,889	21,412	522	522
	448.212 Medicare WTP	4,885	5,007	122	122
	450.211 FICA - Maint of Mains	13,147	13,475	329	329
	450.212 Medicare - Maint. Of Mains	3,076	3,152	77	77

** Based on wage rates effective 1/1/2016.

*** Reflects replacement of WTP Supervisor with one individual who will supervise both water and sewer treatment plants.

CITY OF DUBOIS - BUREAU OF WATER
HISTORIC TEST YEAR
PRO FORMA OPERATING EXPENSE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation					Adjustment Increase (Decrease)
E2	To adjust chemical expense to reflect the projected annual usage of chemicals required at the treatment plant and current unit prices.					
	Chemical	Projected Quantity	Units	Current Unit Cost	Units	Pro Forma Cost
	Sodium Floride	320	50 lb. bags	39.00	50lb bags	\$ 12,480
	Light Soda Ash	2,592	50 lb. bags	11.45	50lb bags	29,678
	Polyaluminum Chlor	132	550 lb. Drums	203.50	30 Gallon Drums	26,862
	Gas Chlorine	9	2000 lb. Cylinders	479.00	2000lb Cylinders	4,311
	Permanganate	2	275 Galton Tote	2,387.87	55lb drums	4,776
	Total Pro Forma					78,107
	Less Test Year Chemical Expense					<u>100,365</u>
	Adjustment					\$ (22,258)
E3	To normalize operating expenses for the estimated cost of this rate case over 2 1/2 years.					
	Revenue Requirement, Rate Base, Depreciation, Rate of Return, Rate Design and Application					\$ 75,000
	Legal Fees					125,000
	Customer Notice and Postage					<u>505</u>
	Total					200,505
	Normalized Amount (2.5-year amortization)					\$ 80,202
	Less: Test Year Rate Case Expense					<u>-</u>
	Adjustment					\$ 80,202
E4	To adjust depreciation expense as of December 31, 2015 (See Exhibit (JJS-1))					
	Annual Depreciation Expense as of December 31, 2015					\$ 367,982
	Less: Depreciation Expense Per Books					<u>-</u>
	Adjustment					\$ 367,982

CITY OF DUBOIS - BUREAU OF WATER
HISTORIC TEST YEAR
PRO FORMA OPERATING EXPENSE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation			Adjustment Increase (Decrease)
E5	To transfer a portion of City Customer Accounting, Engineering and Administration to the Water Revenue Requirements.			
		2015 Per Books	Percentage to Water	Allocated to Bureau of Water
	Government Expense For Mayor and Council (net of postage and EIT Error)	23,666	10.0% (a)	\$ 2,367
	Administrative Expense:			
	Salary - Manager	109,208	60.0% (a)	65,525
	Salary - Public Works Director	79,251	60.7% (b)	48,105
	Expenses	58,712	60.3% (c)	35,403
	Health Insurance	168,266	42.5% (h)	71,495
	Other Benefits	35,162	42.5% (h)	14,940
	Finance Salaries (Less Clerical Salaries)	200,415	24.0% (b)	48,100
	Less Reimbursed Salary	<u>(49,856)</u>	24.0% (b)	<u>(11,969)</u>
		150,559		36,134
	Accounting and Auditing and Surety Bonds	26,474	24.0% (b)	6,354
	Clerical Billing Salaries	30,416	54.0% (e)	16,425
	Treasury Salaries	71,733	24.0% (b)	17,216
	Treasury Health Insurance	19,272	24.0% (b)	4,625
	Treasury Other Benefits	9,621	24.0% (b)	2,309
	Treasury Other Expense	20,922	24.0% (b)	5,021
	Legal	23,000	10.0% (a)	2,300
	Engineering			
	Salary - Engineering	91,529	47.5% (b)	43,476
	Health Insurance	24,943	47.5% (b)	11,848
	FICA, UC, Benefits	9,826	47.5% (b)	4,667
	Contracted Services and Other Expense	27,859	47.5% (b)	13,233
	City Buildings	213,227	24.0% (d)	51,174
	Postage	37,321	54.0% (e)	20,154
	Property and Liability Insurance	135,065	17.6% (f)	23,771
	Vehicle Insurance	34,624	58.0% (g)	20,024
	Pension Contribution (Net of State Aid)	225,233	15.0% (d)	33,785
	Water Fund HealthCare Deductible Transfer	<u>22,500</u>	100.0%	<u>22,500</u>
	Transfer to Water Fund	1,708,849		572,852 \$ 572,852
	<p>(a) Based on interview with City Manager and review of Council minutes. (b) Based on hours spent on Water system divided by total hours per time sheets. (c) Based on weighing of salaries for the Manager and Public Works Director. (d) Based on number of Water System employees divided by Total Employees. (e) Based on number of Water bills divided by total Water and Sewer Bills. (f) Based on Insurable Value of Water assets as a percentage of total assets. (g) Based on value of Water related vehicles Insured as a percentage of total value of vehicles insured. (h) Based on a composit allocation of Administrative, Finance and Clerical Billing Salary allocations.</p>			
E6	To normalize certain Contractual Services expenses:			
	Herbicide Application of \$40,300 Normalized over two years			\$ 20,150
	Less: Test Year Expense			(40,300)
	Water Shed Inventory Management Plan (\$30,000 + \$8,665 = \$38,665) Normalized Over 5 years			7,733
	Less: Test Year Expense			(38,665)
	Total Adjustment			<u>\$ (51,082)</u>

CITY OF DUBOIS - BUREAU OF WATER
HISTORIC TEST YEAR
PRO FORMA OPERATING EXPENSE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation				Adjustment Increase (Decrease)
E7	To adjust actual test year Health Insurance to reflect percentage change in Health Insurance as of January 1, 2016.				
		Test Year 12/31/2015	Pro Forma 2016	Increase (Decrease)	
	Water Treatment				
	448.156 Health Insurance - WTP	\$ 130,227	\$ 139,342 *		
	Less Insurance for Reduction In Employee		(8,092)		
	Net Insurance	130,227	130,250	23,8	24
	Transmission and Distribution				
	450.156 Health Insurance - Trans/Dist	58,237	62,314	4,077	4,077
	Administration				
	401.215 Health Insurance - Administration	71,495 **	76,500	5,005	
	403.215 Health Insurance - Treasurer Dept	4,625	4,848	324	
	408.215 Health Insurance - Engineering Dept	11,848	12,677	829	
	Total Administration			6,158	6,158
	Total Test Year, Pro Forma Operating Expense Adjustments			\$ 976,415	

*Reflects replacement of WTP Supervisor with one individual who will supervise both water and sewer treatment plants.
** See E5 adjustment.

CITY OF DUBOIS - BUREAU OF WATER
FUTURE TEST YEAR
PRO FORMA OPERATING EXPENSE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation				Adjustment Increase (Decrease)
E8	To adjust Pro Forma 2016 salaries and wages to reflect the change in wage rates as of January 1, 2017.				
		Pro Forma 2016	Pro Forma FTY	Increase (Decrease)	
	Water Treatment				
	448.120 Wages - Supervision	\$ 53,961	\$ 55,310	\$ 1,349	\$ 1,349
	448.140 Wages - Plant Labor	220,911	\$ 226,434	5,523	5,523
	Transmission and Distribution				
	450.140 Wages - Maintenance of Mains	\$ 143,380	\$ 146,965	\$ 3,585	\$ 3,585
	450.142 Wages - Maintenance of Meters	30,703	\$ 31,471	768	768
	Administration				
	Salary - Manager	\$ 67,163	\$ 68,842	\$ 1,679	
	Salary - Public Works Director	49,308	50,641	1,233	
	Finance Salaries	37,038	37,963	926	
	Clerical Billing Salaries	16,835	17,256	421	
	Treasury Salaries	17,646	18,087	441	
	Salary - Engineering	44,563	46,677	1,114	5,814
	Total Labor	\$ 681,509	\$ 698,647	\$ 17,038	
	Payroll Taxes				
	448.211 FICA WTP	21,412	\$ 21,947	\$ 535	\$ 535
	448.212 Medicare WTP	5,007	5,133	125	125
	450.211 FICA - Maint of Mains	13,475	13,812	337	337
	450.212 Medicare - Maint. Of Mains	3,152	3,230	78	79
E9	To adjust depreciation expense as of December 31, 2016 (See Exhibit_(JJS-2))				
	Annual Depreciation Expense as of December 31, 2016			\$ 377,650	
	Less: Annual Depreciation Expense as of December 31, 2015			<u>(367,982)</u>	
	Adjustment				<u>\$ 9,668</u>
	Total Test Year, Pro Forma Operating Expense Adjustments				<u><u>\$ 27,782</u></u>

APPENDIX C
PRO FORMA REVENUES UNDER PRESENT
AND PROPOSED RATES

CITY OF DUBOIS - BUREAU OF WATER

SUMMARY OF APPLICATION OF PRESENT AND PROPOSED RATES TO CONSUMPTION ANALYSIS AS OF 12/31/2015
AND PRO FORMA REVENUES UNDER PROPOSED RATES AS OF 12/31/2016

Customer Classification (1)	Revenues Per Books, 12/31/2015 (2)	Application of Present Rates to Bill Analysis (3)	Adjustment Factor (4)=(2)/(3)	Application of Proposed Rates to Bill Analysis (5)	Adjusted Revenues Under Proposed Rates (6)=(5)(4)	Historic Test Year Pro Forma Adjustments Under Proposed Rates (7)		Future Test Year Pro Forma Adjustments Under Proposed Rates (11)		Pro Forma, Proposed Rates, 12/31/2016 (12)
						Ref.	Amount	Ref.	Amount	
INSIDE-CITY										
Residential	\$ 1,057,174	\$ 1,094,849	1.021574	\$ 1,087,547	\$ 1,111,009	R7	\$ 589	\$ (1,037)	\$ 1,109,972	
Commercial	430,349	421,261	1.021574	475,901	486,168			1,178	487,935	
Industrial	333,167	326,131	1.021574	479,668	490,016				490,016	
Sylkesville	189,420	195,209	1.021574	238,477	243,622				243,622	
Public Fire					66,558	R9	66,558		66,558	
Total Inside	2,020,111	1,977,450		2,281,592	2,330,814		67,147	141	2,398,102	
OUTSIDE-CITY										
Residential	\$ 158,351	\$ 155,007	1.021574	\$ 206,255	\$ 210,704	R8	\$ 103	\$ 413	\$ 211,221	
Commercial	186,880	182,943	1.021574	246,261	251,574	R8	134	1,071	252,779	
Industrial	117,188	114,714	1.021574	154,983	158,337				158,337	
Sales for Resale	286,816	280,799	1.021574	377,823	385,973				385,973	
Public Fire	12,000	12,000	1.000000	14,750	14,750				14,750	
Total Outside	761,245	745,423		1,000,081	1,021,338		237	\$ 1,484	1,023,058	
Total	\$ 2,781,356	\$ 2,722,873		\$ 3,281,673	\$ 3,352,153		\$ 87,384	\$ 1,625	\$ 3,421,162	

CITY OF DUBOIS - BUREAU OF WATER
INSIDE THE CITY

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
YEAR ENDED DECEMBER 31, 2015

Rate Block 1000 Gallons (1)	Number Of Bills (2)	Total Consumption (3)	Present Rate (4)	Present Revenue (5)	Proposed Rates (6)	Proposed Revenue (7)
<u>Residential - Monthly</u>						
Water Fund Surcharge						
5/8	37,597		\$ 8.00	\$ 300,776	\$ 8.00	\$ 300,776
1	145		12.00	1,740	12.00	1,740
1 1/2	0		35.00	0	35.00	0
2	0		55.00	0	55.00	0
3	0		90.00	0	90.00	0
4	0		175.00	0	175.00	0
6	0		225.00	0	225.00	0
8	0		300.00	0	300.00	0
Subtotal	37,742			302,516		302,516
Consumption						
Up to 100,000 Gallons	0	116,934	6.0000	701,604	6.3000	736,684
Over 100,000 Gallons	0	10,243	3.0000	30,729	4.7200	48,347
Subtotal	0	127,177		732,333		785,031
Total	37,742	127,177		\$ 1,034,849		\$ 1,087,547
<u>Commercial - Monthly</u>						
Water Fund Surcharge						
5/8	3,705		\$ 8.00	\$ 29,640	\$ 8.00	\$ 29,640
1	407		12.00	4,884	12.00	4,884
1 1/2	238		35.00	8,330	35.00	8,330
2	360		55.00	19,800	55.00	19,800
3	89		90.00	8,010	90.00	8,010
4	35		175.00	6,125	175.00	6,125
6	12		225.00	2,700	225.00	2,700
8	0		300.00	0	300.00	0
Subtotal	4,846			79,489		79,489
Consumption						
Up to 100,000 Gallons	0	45,003	6.0000	270,018	6.3000	283,519
Over 100,000 Gallons	0	23,918	3.0000	71,754	4.7200	112,893
Subtotal	0	68,921		341,772		396,412
Total	4,846	68,921		\$ 421,261		\$ 475,901

CITY OF DUBOIS - BUREAU OF WATER
INSIDE THE CITY

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
YEAR ENDED DECEMBER 31, 2015

Rate Block 1000 Gallons (1)	Number Of Bills (2)	Total Consumption (3)	Present Rate (4)	Present Revenue (5)	Proposed Rates (6)	Proposed Revenue (7)
<u>Industrial - Monthly</u>						
Water Fund Surcharge						
5/8	37		\$ 8.00	\$ 296	\$ 8.00	\$ 296
1	48		12.00	576	12.00	576
1 1/2	0		35.00	0	35.00	0
2	73		55.00	4,015	55.00	4,015
3	12		90.00	1,080	90.00	1,080
4	25		175.00	4,375	175.00	4,375
6			225.00	0	225.00	0
8			300.00	0	300.00	0
Subtotal	195			10,342		10,342
Consumption						
Up to 100,000 Gallons	0	8,763	6.0000	52,578	6.3000	55,207
Over 100,000 Gallons	0	87,737	3.0000	263,211	4.7200	414,119
Subtotal	0	96,500		315,789		469,326
Total	195	96,500		\$ 326,131		\$ 479,668
<u>Sykesville</u>						
Customer Charge	12	0	\$ 168.00	2,016	\$ 196.00	2,352
All Usage	0	47,702	4.0500	193,193	4.9500	236,125
Total	12	47,702		195,209		238,477
Total - Inside	42,795	340,300		\$ 1,977,450		\$ 2,281,592

CITY OF DUBOIS - BUREAU OF WATER
OUTSIDE THE CITY

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
YEAR ENDED DECEMBER 31, 2015

Rate Block 1000 Gallons (1)	Number Minimum Bills (2)	Total Consumption (3)	Present Rate (4)	Present Revenue (5)	Proposed Rate (6)	Proposed Revenue (9)
<u>Residential - Monthly</u>						
<u>Customer Charges</u>						
5/8	5,820	0	\$ 6.00	\$ 34,920	\$ 7.00	\$ 40,740
1	84	0	9.00	756	10.50	882
1 1/2	36	0	26.00	936	30.30	1,091
2	36	0	41.00	1,476	47.80	1,721
3		0	67.00	0	78.20	0
4	12	0	131.00	1,572	152.80	1,834
6			168.00	0	196.00	0
8			225.00	0	262.50	0
Subtotal	5,988	0		39,660		46,267
<u>Consumption</u>						
Up to 100,000 gallons	0	21,557	5.1500	111,019	7.1500	154,133
Over 100,000 gallons	0	1,148	3.7700	4,328	5.1000	5,855
Subtotal	0	22,705		115,347		159,987
Total	5,988	22,705		\$ 155,007		\$ 206,255
<u>Commercial - Monthly</u>						
<u>Customer Charges</u>						
5/8	1,318	0	\$ 6.00	\$ 7,908	\$ 7.00	\$ 9,226
1	180	0	9.00	1,620	10.50	1,890
1 1/2	160	0	26.00	4,160	30.30	4,848
2	108	0	41.00	4,428	47.80	5,162
3	36	0	67.00	2,412	78.20	2,815
4	12	0	131.00	1,572	152.80	1,834
6	12	0	168.00	2,016	196.00	2,352
8	2	0	225.00	450	262.50	525
10	12	0	226.00	2,700	262.50	3,150
Subtotal	1,840	0		27,266		31,802
<u>Consumption</u>						
Up to 100,000 gallons		21,086	5.1500	108,593	7.1500	150,765
Over 100,000 gallons	0	12,489	3.7700	47,084	5.1000	63,694
Subtotal	0	33,575		155,677		214,459
Total	1,840	33,575		\$ 182,943		\$ 246,261

CITY OF DUBOIS - BUREAU OF WATER
OUTSIDE THE CITY

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
YEAR ENDED DECEMBER 31, 2015

Rate Block 1000 Gallons (1)	Number Minimum Bills (2)	Total Consumption (3)	Present Rate (4)	Present Revenue (5)	Proposed Rate (8)	Proposed Revenue (9)
<u>Industrial - Monthly</u>						
<u>Customer Charges</u>						
5/8			\$ 6.00	\$ -	\$ 7.00	\$ -
1	12	0	9.00	108	10.50	126
1 1/2			26.00	0	30.30	0
2	36	0	41.00	1,476	47.80	1,721
3			67.00	0	78.20	0
4			131.00	0	152.80	0
6	12	0	168.00	2,016	198.00	2,352
8			225.00	0	262.50	0
Subtotal	60	0		3,600		4,199
<u>Consumption</u>						
Up to 100,000 gallons	0	2,631	5.1500	13,550	7.1500	18,812
Over 100,000 gallons	0	26,879	3.7700	97,564	5.1000	131,983
Subtotal	0	28,510		111,114		150,795
Total	60	28,510		\$ 114,714		\$ 154,983

Sales for Resale - Monthly - Sandy Township

<u>Customer Charges</u>						
5/8		0	\$ 6.00	\$ -	\$ 7.00	\$ -
1			9.00	0	10.50	0
1 1/2			26.00	0	30.30	0
2	18	0	41.00	738	47.80	860
3			67.00	0	78.20	0
4	11	0	131.00	1,441	152.80	1,681
6	42	0	168.00	7,056	198.00	8,232
8	36	0	225.00	8,100	262.50	9,450
Subtotal	107	0		17,335		20,223
<u>Consumption</u>						
Up to 100,000 gallons	0	6,788	5.1500	34,958	7.1500	48,534
Over 100,000 gallons	0	60,601	3.7700	228,466	5.1000	309,065
Subtotal	0	67,389		263,424		357,599
Total	107	67,389		\$ 280,759		\$ 377,823

Public Fire - Quarterly

Hydrant	80	0	\$ 184.37	\$ 14,750	\$ 184.37	\$ 14,750
Total	80	0		14,750		14,750
Total - Outside	8,075	152,179		\$ 748,173		\$ 1,000,081

CITY OF DUBOIS - BUREAU OF WATER

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
YEAR ENDED DECEMBER 31, 2015

<u>Rate Block</u> <u>1000 Gallons</u> (1)	<u>Number</u> <u>Of Bills</u> (2)	<u>Total</u> <u>Consumption</u> (3)	<u>Present</u> <u>Rate</u> (4)	<u>Revenue</u> (5)	<u>Proposed</u> <u>Rates</u> (6)	<u>Proposed</u> <u>Revenue</u> (7)
<u>Contract Customers - Monthly</u>						
<u>Union Township</u>						
All Usage	12	<u>10,364</u>	2.1800	<u>22,594</u>	2.1800	<u>22,594</u>
Total Contract		10,364		22,594		22,594

CITY OF DUBOIS - BUREAU OF WATER
HISTORIC TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PROPOSED RATES

Adj. Ref.	Explanation					Adjustment Increase (Decrease)
R8	To annualize <u>Inside-City</u> Operating Revenues for the net gain or loss in the number of customers during the twelve months ended 12/31/2015					
	Customer Classification	Number of Customers		Customer Gain/(Loss)	Average Annual Bill, Proposed Rates	Annualized Revenue Adjustment (Half Year)
	(1)	31-Dec-14 (2)	31-Dec-15 (3)	(4)	(6)	(7)
	Residential	3,339	3,338	(1)	\$ 345.78	\$ (173)
	Commercial	439	440	1	1,178.46	589
	Industrial	18	18	-		-
	Total	3,796	3,796	-		416
R9	To annualize <u>Outside-City</u> Operating Revenues for the net gain or loss in the number of customers during the twelve months ended 12/31/2015					
	Customer Classification	Number of Customers		Customer Gain/(Loss)	Average Annual Bill, Proposed Rates	Annualized Revenue Adjustment (Half Year)
	(1)	31-Dec-14 (2)	31-Dec-15 (3)	(4)	(6)	(7)
	Residential	525	528	3	\$ 137.78	\$ 103
	Commercial	170	171	1	535.35	134
	Industrial	5	5	-		-
	Sales for Resale	1	1	-		-
	Total	701	705	4		237
R10	To impute revenue for Inside-City public fire at present Outside City hydrant rates.					
		Number of Hydrants	Annual Rate	Imputed Revenue		
	Public Fire	361	\$ 184.37	\$ 66,558		\$ 66,558
	Total Historic Test Year, Pro Forma Operating Revenue Adjustments Under Proposed Rates					\$ 67,211

CITY OF DUBOIS - BUREAU OF WATER
FUTURE TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PROPOSED RATES

Adj. Ref.	Explanation	Adjustment Increase (Decrease)
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R11 To adjust Inside-City Operating Revenues for the projected gain in the number of customers during the twelve months ended 12/31/2016.

Customer Classification	Change in Number of Customers		Average Customer Gain/(Loss)	Average Annual Bill, Proposed Rates	Annualized Revenue Adjustment	
	31-Dec-14	31-Dec-15				
Residential	(5)	(1)	(3)	\$ 345.78	\$ (1,037)	\$ (1,037)
Commercial	1	1	1	1,178.46	1,178	1,178
Industrial	-	-	-		-	-
Total	(4)	-	(2)		141	

R12 To adjust Outside-City Operating Revenues for the projected gain in the number of customers during the twelve months ended 12/31/2016.

Customer Classification	Change in Number of Customers		Average Customer Gain/(Loss)	Average Annual Bill, Proposed Rates	Annualized Revenue Adjustment	
	31-Dec-14	31-Dec-15				
Residential	2	3	3	\$ 137.78	\$ 413	\$ 413
Commercial	3	1	2	535.35	1,071	1,071
Industrial	-	-	-		-	-
Sales for Resale	-	-	-		-	-
Total	5	4	5		1,484	

Total Future Test Year, Pro Forma Operating
Revenue Adjustments Under Proposed Rates

\$ 1,625

APPENDIX D
COMPARISON OF PRESENT AND PROPOSED RATES

CITY OF DUBOIS - BUREAU OF WATER
 INSIDE-CITY
 COMPARISON OF PRESENT AND PROPOSED RATES

	<u>Present</u>	<u>Proposed</u>	<u>Increase</u>
<u>Monthly Customer Charge</u>			
5/8-3/4	\$ 8.00	\$ 8.00	0.0%
1	12.00	12.00	0.0%
1 1/2	35.00	35.00	0.0%
2	55.00	55.00	0.0%
3	90.00	90.00	0.0%
4	175.00	175.00	0.0%
6	225.00	225.00	0.0%
8	300.00	300.00	0.0%
<u>Consumption Charge per Month</u>			
	<u>Per Thousand Gallons</u>		
First 100,000 gallons	\$ 6.00	\$ 6.30	5.0%
Over 100,000 gallons	3.00	4.72	57.3%
<u>Contract Customers</u>			
Sykesville	\$ 4.05	\$ 4.95	22.2%
Union Township	2.18	2.18	0.0%

CITY OF DUBOIS - BUREAU OF WATER
OUTSIDE-CITY
 COMPARISON OF PRESENT AND PROPOSED RATES

<u>Monthly Customer Charge</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase</u>
5/8-3/4	\$ 6.00	\$ 7.00	16.7%
1	9.00	10.50	16.7%
1 1/2	26.00	30.30	16.5%
2	41.00	47.80	16.6%
3	67.00	78.20	16.7%
4	131.00	152.80	16.6%
6	168.00	196.00	16.7%
8	225.00	262.50	16.7%
<u>Consumption Charge</u>	<u>Per</u>	<u>Per</u>	
	<u>Thousand</u>	<u>Thousand</u>	
<u>Consumption Charge per Month</u>			
First 100,000 gallons	\$ 5.15	\$ 7.15	38.8%
Over 100,000 gallons	3.77	5.10	35.3%
<u>Public Fire - Annual Charge:</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase</u>
Per Fire Hydrant, Annually	\$ 184.37	\$ 184.37	0.0%

CITY OF DUBOIS - BUREAU OF WATER
INSIDE CITY
 COMPARISON OF BILLS UNDER PRESENT AND PROPOSED RATES
RESIDENTIAL MONTHLY- 5/8 INCH METER

<u>Usage Gallons</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Dollar Increase</u>	<u>Percentage Increase</u>
-	\$ 8.00	\$ 8.00	\$ -	0.0%
1,000	14.00	14.30	0.30	2.1%
2,000	20.00	20.60	0.60	3.0%
3,000	26.00	26.90	0.90	3.5%
3,300 *	27.80	28.79	0.99	3.6%
4,000	32.00	33.20	1.20	3.8%
5,000	38.00	39.50	1.50	3.9%
6,000	44.00	45.80	1.80	4.1%
7,000	50.00	52.10	2.10	4.2%
8,000	56.00	58.40	2.40	4.3%
9,000	62.00	64.70	2.70	4.4%
10,000	68.00	71.00	3.00	4.4%
11,000	74.00	77.30	3.30	4.5%
12,000	80.00	83.60	3.60	4.5%
13,000	86.00	89.90	3.90	4.5%
14,000	92.00	96.20	4.20	4.6%
15,000	98.00	102.50	4.50	4.6%

* Average Usage.

CITY OF DUBOIS - BUREAU OF WATER
OUTSIDE CITY
 COMPARISON OF BILLS UNDER PRESENT AND PROPOSED RATES
RESIDENTIAL MONTHLY- 5/8 INCH METER

Usage Gallons	Present Rates	Proposed Rates	Dollar Increase	Percentage Increase
-	\$ 6.00	\$ 7.00	\$ 1.00	16.7%
1,000	11.15	14.15	3.00	26.9%
2,000	16.30	21.30	5.00	30.7%
3,000	21.45	28.45	7.00	32.6%
3,800 *	25.57	34.17	8.60	33.6%
4,000	26.60	35.60	9.00	33.8%
5,000	31.75	42.75	11.00	34.6%
6,000	36.90	49.90	13.00	35.2%
7,000	42.05	57.05	15.00	35.7%
8,000	47.20	64.20	17.00	36.0%
9,000	52.35	71.35	19.00	36.3%
10,000	57.50	78.50	21.00	36.5%
11,000	62.65	85.65	23.00	36.7%
12,000	67.80	92.80	25.00	36.9%
13,000	72.95	99.95	27.00	37.0%
14,000	78.10	107.10	29.00	37.1%
15,000	83.25	114.25	31.00	37.2%

* Average Usage.

CITY OF DUBOIS - BUREAU OF WATER
OUTSIDE CITY
 COMPARISON OF BILLS UNDER PRESENT AND PROPOSED RATES
COMMERCIAL MONTHLY- 5/8 INCH METER

Quarterly Usage Gallons	Present Rates	Proposed Rates	Dollar Increase	Percentage Increase
-	\$ 6.00	\$ 7.00	\$ 1.00	16.7%
1,000	11.15	14.15	3.00	26.9%
2,000	16.30	21.30	5.00	30.7%
3,000	21.45	28.45	7.00	32.6%
4,000	26.60	35.60	9.00	33.8%
5,000	31.75	42.75	11.00	34.6%
6,000	36.90	49.90	13.00	35.2%
7,000	42.05	57.05	15.00	35.7%
8,000	47.20	64.20	17.00	36.0%
9,000	52.35	71.35	19.00	36.3%
10,000	57.50	78.50	21.00	36.5%
11,000	62.65	85.65	23.00	36.7%
12,000	67.80	92.80	25.00	36.9%
13,000	72.95	99.95	27.00	37.0%
14,000	78.10	107.10	29.00	37.1%
15,000	83.25	114.25	31.00	37.2%
18,250 *	99.99	137.49	37.50	37.5%
20,000	109.00	150.00	41.00	37.6%
25,000	134.75	185.75	51.00	37.8%
30,000	160.50	221.50	61.00	38.0%
35,000	186.25	257.25	71.00	38.1%
40,000	212.00	293.00	81.00	38.2%
45,000	237.75	328.75	91.00	38.3%
50,000	263.50	364.50	101.00	38.3%
55,000	289.25	400.25	111.00	38.4%
60,000	315.00	436.00	121.00	38.4%

* Average Usage

CITY OF DUBOIS - BUREAU OF WATER
OUTSIDE CITY
 COMPARISON OF BILLS UNDER PRESENT AND PROPOSED RATES

INDUSTRIAL MONTHLY - 2 INCH METER

Quarterly Usage Gallons	Present Rates	Proposed Rates	Dollar Increase	Percentage Increase
-	\$ 41.00	\$ 47.80	\$ 6.80	16.6%
10,000	92.50	119.30	26.80	29.0%
20,000	144.00	190.80	46.80	32.5%
30,000	195.50	262.30	66.80	34.2%
50,000	298.50	405.30	106.80	35.8%
100,000	556.00	762.80	206.80	37.2%
150,000	744.50	1,017.80	273.30	36.7%
200,000	933.00	1,272.80	339.80	36.4%
250,000	1,121.50	1,527.80	406.30	36.2%
300,000	1,310.00	1,782.80	472.80	36.1%
400,000	1,687.00	2,292.80	605.80	35.9%
475,000 *	1,969.75	2,675.30	705.55	35.8%
500,000	2,064.00	2,802.80	738.80	35.8%
600,000	2,441.00	3,312.80	871.80	35.7%
700,000	2,818.00	3,822.80	1,004.80	35.7%
800,000	3,195.00	4,332.80	1,137.80	35.6%
900,000	3,572.00	4,842.80	1,270.80	35.6%
1,000,000	3,949.00	5,352.80	1,403.80	35.5%

* Average Usage

CITY OF DUBOIS - BUREAU OF WATER
OUTSIDE CITY
 COMPARISON OF BILLS UNDER PRESENT AND PROPOSED RATES

SALES FOR RESALE MONTHLY - 8 INCH METER

Quarterly Usage Gallons	Present Rates	Proposed Rates	Dollar Increase	Percentage Increase
-	\$ 225.00	\$ 262.50	\$ 37.50	16.7%
100,000	740.00	977.50	237.50	32.1%
200,000	1,117.00	1,487.50	370.50	33.2%
300,000	1,494.00	1,997.50	503.50	33.7%
400,000	1,871.00	2,507.50	636.50	34.0%
500,000	2,248.00	3,017.50	769.50	34.2%
600,000	2,625.00	3,527.50	902.50	34.4%
630,000 *	2,738.10	3,680.50	942.40	34.4%
700,000	3,002.00	4,037.50	1,035.50	34.5%
800,000	3,379.00	4,547.50	1,168.50	34.6%
900,000	3,756.00	5,057.50	1,301.50	34.7%
1,000,000	4,133.00	5,567.50	1,434.50	34.7%
1,100,000	4,510.00	6,077.50	1,567.50	34.8%
1,200,000	4,887.00	6,587.50	1,700.50	34.8%
1,300,000	5,264.00	7,097.50	1,833.50	34.8%
1,400,000	5,641.00	7,607.50	1,966.50	34.9%
1,439,000	5,788.03	7,806.40	2,018.37	34.9%
1,500,000	6,018.00	8,117.50	2,099.50	34.9%
1,750,000	6,960.50	9,392.50	2,432.00	34.9%
2,000,000	7,903.00	10,667.50	2,764.50	35.0%
2,250,000	8,845.50	11,942.50	3,097.00	35.0%

* Average Usage