

OFFICIAL FILE

ILL. C. C. DOCKET NO. 00-0591

00-0591

CIWC Exhibit No. 3.0

Witness \_\_\_\_\_

Date 10/25/02 Reporter CB

LATE FILED  
CIWC EXHIBIT 3.0  
Schedule 1

**INCREMENTAL ANNUAL REVENUE :**

Average annual usage of 912,500,000 gallons (2.5 MGD)

Incremental Annual Revenue:

Annual Service Charge = \$ 200,000

Usage Charge = \$ 684,375 (\$0.75 per 1000 gallons)

Total Incremental Annual Revenue = \$ 884,375 (\$200,000 + \$ 684,375)

**INCREMENTAL ANNUAL EXPENSES:**

Incremental Power Expenses = \$ 91,250 (Includes Power and Maintenance)

Incremental Chemical Cost = \$136,875 (Includes Chemicals &  
Sludge Disposal)

Incremental Taxes = \$ 5,000 (Includes Property and ICC Taxes)

Total Incremental Annual Expenses = \$233,125

Total amount available to cover fixed costs is \$651,250 (\$884,375 – \$233,125)

**NOTES:**

No additional labor is required to serve the Project

No Gross Revenue Conversion factor is needed due to the Company having no investment in the new facilities constructed to serve the project. Duke Energy Kankakee is contributing 100% of the capital facilities needed to serve the Project

The above analysis reflects all applicable taxes. There are no income taxes associated with amounts provided by Duke for the construction of facilities.

**CONSUMERS ILLINOIS WATER COMPANY (CIWC)**

Incremental Statement of Operating Income

Line No	Description (A)	Company Pro Forma Present (CIWC Exhibit 3.0) (B)	Staff Adjustments (C)	Staff Pro Forma Present (Cols. B+C) (D)	Company Proposed Increase (E)	Staff Gross Revenue Conversion Factor (F)	Proposed Rates with Staff Adjustments (Cols. D+E+F) (G)	Adjustment To Proposed Increase (H)	Staff Pro Forma Proposed (Cols. G+H) (I)	Revenue Change (Col I-D) (J)	% Revenue Change (3) (K)
1	Annual Service Charge	\$ 200,000	\$ -	\$ 200,000	-	-	\$ 200,000	-	\$ 200,000		
2	Usage Charge	684,375	-	684,375	-	-	684,375	-	684,375		
3	<b>Total Incremental Operating Revenue</b>	<b>884,375</b>	<b>-</b>	<b>884,375</b>	<b>-</b>	<b>-</b>	<b>884,375</b>	<b>-</b>	<b>884,375</b>	<b>\$ -</b>	<b>0.00%</b>
4											
5	Power Expenses	91,250	-	91,250	-	-	91,250	-	91,250		
6	Chemical Cost	136,875	-	136,875	-	-	136,875	-	136,875		
7	Taxes (Property & ICC)	5,000	-	5,000	-	-	5,000	-	5,000		
8		-	-	-	-	-	-	-	-		
9		-	-	-	-	-	-	-	-		
10	<b>Total Incremental Operating Expense</b>										
11	<b>Before Income Taxes</b>	<b>233,125</b>	<b>-</b>	<b>233,125</b>	<b>-</b>	<b>-</b>	<b>233,125</b>	<b>-</b>	<b>233,125</b>		
12											
13	State Income Tax	-	-	-	-	-	-	-	46,760		
14	Federal Income Tax	-	-	-	-	-	-	-	211,572		
15	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-		
16	<b>Total Incremental Operating Expenses</b>	<b>233,125</b>	<b>-</b>	<b>233,125</b>	<b>-</b>	<b>-</b>	<b>233,125</b>	<b>-</b>	<b>491,456</b>		
17											
18	<b>NET INCREMENTAL OPERATING INCOI</b>	<b>\$ 651,250</b>	<b>\$ -</b>	<b>\$ 651,250</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 651,250</b>	<b>\$ -</b>	<b>\$ 392,919</b>		
19											
20	Staff Incremental Rate Base								\$ -	(1)	
21											
22	Staff Overall Rate of Return -- Kankakee Division								9.27%		

(1): H.R. 3448 eliminated the tax on CIAC retroactive to June 12, 1996.  
 There is no incremental rate base as current projections show construction costs to equal contribution amount.

## CONSUMERS ILLINOIS WATER COMPANY

### Incremental Statement of Operating Income

Line No	Description (A)	CIWC Incremental Statement (CIWC Exhibit 3.0) (B)
1	Annual Service Charge	\$ 200,000
2	Usage Charge	684,375
3	Total Incremental Operating Revenue	884,375
4		
5	Power Expenses	91,250
6	Chemical Cost	136,875
7	Taxes (Property & ICC)	5,000
8		-
9		-
10	Total Incremental Operating Expense	
11	Before Income Taxes	233,125
12		
13	State Income Tax	46,760
14	Federal Income Tax	211,572
15	Deferred Taxes and ITCs Net	-
16	Total Incremental Operating Expenses	491,456
17		
18	NET INCREMENTAL OPERATING INCOME	\$ 392,919
19		
20	Staff Incremental Rate Base	\$ - (1)
21		
22	Staff Overall Rate of Return -- Kankakee Division	9.27%

(1): H.R. 3448 eliminated the tax on CIAC retroactive to June 12, 1996.

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