

Harbor Ridge Utilities, Inc.-Water Operations  
Class Cost of Service Study  
Revenue Requirement & Calculation of Rates  
For the Test Year Ending September 30, 2010

**Water Revenue Requirements & Calculation of Water Rates**

Line No.	(A) Account Name	(B) Projected	(C) Allocation Basis BFC	(D) Gallorage	(E) Allocation Amount BFC [(C)*(B)]	(F) Gallorage [(D)*(B)]
1	<b>Total Operating Revenue Requirements</b>	\$ 141,594	30%	70%	\$ 42,478	\$ 99,116
2						
3	<b>Less Miscellaneous Income</b>	(7,431)	100.00%		(7,431)	
4						
5	<b>Revenue Requirement From Rates</b>	\$ 134,163			\$ 35,047	\$ 99,116
6						
7	Factored Bills				4,282	
8	Gallons Sold (000)					12,935
9						
10	<b>Monthly BFC</b>				\$ 8.18	
11	<b>Gallorage Charge (per 1,000)</b>					\$ 7.66

Notes:

- (B)(1) ICC Staff Exhibit 9.0, Schedule 9.01 HR-W, column (i), line 3
- (B)(3) ICC Staff Exhibit 9.0, Schedule 9.01 HR-W, column (i), line 2
- (B)(5) (B)(1) + (B)(3)
- (C)(1) Company's BFC share of water revenues from rates
- (D)(1) Company's Usage share of water revenues from rates
- (E)(7) ICC Staff Exhibit 5.0; Schedule 5.1, page 2, (D)(9)
- (F)(8) Company Exhibit 1.0 Schedule E
- (E)(10) (E)(5) / (E)(7)
- (F)(11) (F)(5) / (F)(8)

Harbor Ridge Utilities, Inc.-Water Operations  
Comparison of Company Current and Original Proposed Rates and Surrebuttal Proposed Rates  
For the Test Year Ending September 30, 2010

Line No.	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
	Billing Units	Present Rates	Present Revenue [(B)*(C)]	Company Original Proposed Rates	Company Original Proposed Revenue [(B)*(E)]	AWWA Meter Factor (from ICC Schedule 5.1)	Resulting Base Facilities Charge (from Page 1)	Company Surrebuttal Proposed Rates [(G)*(H)]	Company Surrebuttal Proposed Revenue [(B)*(I)]	Dollar Difference [(F)-(J)]	Total % Difference [(K)/(F)]	% increase from present rates [(J)-(D)/(D)]	
1	<b>Base Facilities Charge</b>												
2	5/8 inch	3,364	\$ 6.00	\$ 20,184	\$ 12.62	\$ 42,454	1.00	\$ 8.18	\$ 8.18	\$ 27,518	\$ (14,936)	-35.18%	36%
3	3/4 inch	0	\$ 6.00	\$ -	\$ 14.73	\$ -	1.50	\$ 8.18	\$ 12.27	\$ -	\$ -		
4	1 inch	252	\$ 6.00	\$ 1,512	\$ 18.20	\$ 4,586	2.50	\$ 8.18	\$ 20.45	\$ 5,153	\$ 567	12.37%	241%
5	1.5 inch	0	\$ 6.00	\$ -	\$ 26.09	\$ -	5.00	\$ 8.18	\$ 40.90	\$ -	\$ -		
6	2 inch	36	\$ 6.00	\$ 216	\$ 36.08	\$ 1,299	8.00	\$ 8.18	\$ 65.44	\$ 2,356	\$ 1,057	81.36%	991%
7	3 inch	0	\$ 6.00	\$ -	\$ 57.34	\$ -	15.00	\$ 8.18	\$ 122.70	\$ -	\$ -		
8	4 inch	0	\$ 6.00	\$ -	\$ 87.95	\$ -	25.00	\$ 8.18	\$ 204.50	\$ -	\$ -		
9	6 inch	0	\$ 6.00	\$ -	\$ -	\$ -	50.00	\$ 8.18	\$ 409.00	\$ -	\$ -		
10	<b>Total</b>					<b>\$ 48,339</b>	<b>32%</b>			<b>\$ 35,027</b>			
11	<b>Usage Charge</b>												
12	All meter sizes	12,935,220	\$ 3.73	\$ 48,248	\$ 7.85	<b>\$ 101,541</b>	<b>68%</b>		\$ 7.66	\$ 99,084	\$ (2,458)	-2.42%	105%
13	<b>Miscellaneous Revenues</b>			<u>6,474.00</u>		<u>\$ 7,267</u>			<u>\$ 7,431</u>	\$ 164	2.26%	15%	
14	<b>Residential Revenues from Rates</b>					* \$ 149,880			* \$ 134,111				
15	<b>Residential Total Revenues</b>			<u>\$ 76,634</u>		<u>* \$ 157,147</u>			<u>* \$ 141,542</u>				

\* Rounding  
Billing Units from Schedule E  
Present Rates from Harbor Ridge, Inc. Current Tariffs.  
Company Proposed Rates from Company Proposed Tariff Pages.