

Demonstration of Labor Savings with representative position examples

	<u>Mechanic-Fleet Maintenance</u>	<u>Representative Customer Service</u>	<u>HR Representative</u>	<u>Engineer</u>	
<u>Base Year 1998</u>					
Average 1998 Salary/Wage	\$43,263	\$26,941	\$65,163	\$54,252	
Other Compensation (List):					
Bonus	\$0	\$0	\$5,000	\$2,000	
Vehicle Allowance	\$0	\$0	\$3,500	\$2,500	
Meal Allowance	\$500	\$0	\$0	\$0	
Shoes/Uniforms	\$350	\$0	\$0	\$0	
Total Savings	\$44,113	\$26,941	\$73,663	\$58,752	
Labor percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Labor percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
O&M Savings	\$37,496	\$26,941	\$73,663	\$0	
Capital Savings	\$6,617	\$0	\$0	\$58,752	\$65,369
<u>1999</u>					
Cost Change	2.41%	4.50%	4.50%	4.50%	
Average 1999 Salary/Wage	\$44,306	\$28,153	\$68,095	\$56,693	
Other Compensation (List):					
Bonus	\$0	\$0	\$5,225	\$2,090	
Vehicle Allowance	\$0	\$0	\$3,658	\$2,613	
Meal Allowance	\$512	\$0	\$0	\$0	
Shoes/Uniforms	\$358	\$0	\$0	\$0	
Total Savings	\$45,176	\$28,153	\$76,978	\$61,396	
Labor percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Labor percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
O&M Savings	\$38,400	\$28,153	\$76,978	\$0	
Capital Savings	\$6,776	\$0	\$0	\$61,396	\$68,172
<u>2000</u>					
Cost Change	2.52%	4.50%	4.50%	4.50%	
Average 2000 Salary/Wage	\$45,423	\$29,420	\$71,159	\$59,244	
Other Compensation (List):					
Bonus	\$0	\$0	\$5,460	\$2,184	
Vehicle Allowance	\$0	\$0	\$3,823	\$2,731	
Meal Allowance	\$525	\$0	\$0	\$0	
Shoes/Uniforms	\$367	\$0	\$0	\$0	
Total Savings	\$46,315	\$29,420	\$80,442	\$64,159	
Labor percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Labor percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
O&M Savings	\$39,368	\$29,420	\$80,442	\$0	
Capital Savings	\$6,947	\$0	\$0	\$64,159	\$71,106

Demonstration of Labor Savings with representative position examples

	<u>Mechanic-Fleet Maintenance</u>	<u>Representative Customer Service</u>	<u>HR Representative</u>	<u>Engineer</u>	
<u>2001</u>					
Cost Change	2.60%	3.50%	3.50%	3.50%	
Average 2001 Salary/Wage	\$46,604	\$30,450	\$73,650	\$61,318	
Other Compensation (List):					
Bonus	\$0	\$0	\$5,651	\$2,260	
Vehicle Allowance	\$0	\$0	\$3,957	\$2,827	
Meal Allowance	\$539	\$0	\$0	\$0	
Shoes/Uniforms	\$377	\$0	\$0	\$0	
Total Savings	\$47,520	\$30,450	\$83,258	\$66,405	
Labor percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Labor percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
O&M Savings	\$40,392	\$30,450	\$83,258	\$0	
Capital Savings	\$7,128	\$0	\$0	\$66,405	\$73,533
<u>2002</u>					
Cost Change	2.70%	4.00%	4.00%	4.00%	
Average 2002 Salary/Wage	\$47,862	\$31,668	\$76,596	\$63,771	
Other Compensation (List):					
Bonus	\$0	\$0	\$5,877	\$2,350	
Vehicle Allowance	\$0	\$0	\$4,115	\$2,940	
Meal Allowance	\$554	\$0	\$0	\$0	
Shoes/Uniforms	\$387	\$0	\$0	\$0	
Total Savings	\$48,803	\$31,668	\$86,588	\$69,061	
Labor percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Labor percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
O&M Savings	\$41,483	\$31,668	\$86,588	\$0	
Capital Savings	\$7,320	\$0	\$0	\$69,061	\$76,381
<u>2003</u>					
Cost Change	2.80%	4.00%	4.00%	4.00%	
Average 2002 Salary/Wage	\$49,202	\$32,935	\$79,660	\$66,322	
Other Compensation (List):					
Bonus	\$0	\$0	\$6,112	\$2,444	
Vehicle Allowance	\$0	\$0	\$4,280	\$3,058	
Meal Allowance	\$570	\$0	\$0	\$0	
Shoes/Uniforms	\$398	\$0	\$0	\$0	
Total Savings	\$50,170	\$32,935	\$90,052	\$71,824	
Labor percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Labor percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
O&M Savings	\$42,645	\$32,935	\$90,052	\$0	
Capital Savings	\$7,526	\$0	\$0	\$71,824	\$79,350

Discussion of eliminated positions and resulting Labor Savings

Mechanic-Fleet Maintenance

Description of Primary Functions:

Repair and maintenance work on entire vehicle fleet

Activity Disposition:

Work to be contracted out.

Additional costs resulting from activity disposition:

Elimination of supervisor and mechanics result in additional fleet maintenance expense (see Schedule M)

Representative Customer Service

Description of Primary Functions:

Repair and maintenance work on entire vehicle maintenance fleet

Activity Disposition:

Work to be performed at American Water Works national call center in Alton, Illinois.

Additional costs resulting from activity disposition:

Increase in overall costs from call center due to increase in number of customers served partially offset by lower costs per customer for fixed costs component of billing from call center (Sch. H)

HR Representative

Description of Primary Functions:

Support Human Resources activities on behalf of CUCI.

Activity Disposition:

Work to be absorbed by existing IAWC personnel.

Additional costs resulting from activity disposition:

None.

Engineer

Description of Primary Functions:

Supervised completion of investment projects.

Activity Disposition:

Work to be absorbed by existing CUCI engineering staff - five engineering personnel retained.

Additional costs resulting from activity disposition:

None.

Exhibit 1.2
Schedule B
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Demonstration of Group Insurance Savings with representative position examples

	<u>Mechanic-Fleet Maintenance</u>	<u>Representative Customer Service</u>	<u>HR Representative</u>	<u>Engineer</u>	
<u>Base Year 1998</u>					
Group Insurance Cost per Employee	\$5,401	\$5,401	\$5,401	\$5,401	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
Group Insurance Savings to O&M	\$4,591	\$5,401	\$5,401	\$0	
Group Insurance Savings to Capital	\$810	\$0	\$0	\$5,401	\$6,211
<u>1999</u>					
Cost Change	16.86%	16.86%	16.86%	16.86%	
Group Insurance Savings	\$6,312	\$6,312	\$6,312	\$6,312	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
Group Insurance Savings to O&M	\$5,365	\$6,312	\$6,312	\$0	
Group Insurance Savings to Capital	\$947	\$0	\$0	\$6,312	\$7,259
<u>2000</u>					
Cost Change	10.00%	10.00%	10.00%	10.00%	
Group Insurance Savings	\$6,943	\$6,943	\$6,943	\$6,943	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
Group Insurance Savings to O&M	\$5,902	\$6,943	\$6,943	\$0	
Group Insurance Savings to Capital	\$1,041	\$0	\$0	\$6,943	\$7,984
<u>2001</u>					
Cost Change	3.73%	3.73%	3.73%	3.73%	
Group Insurance Savings	\$7,202	\$7,202	\$7,202	\$7,202	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
Group Insurance Savings to O&M	\$6,122	\$7,202	\$7,202	\$0	
Group Insurance Savings to Capital	\$1,080	\$0	\$0	\$7,202	\$8,282
<u>2002</u>					
Cost Change	10.00%	10.00%	10.00%	10.00%	
Group Insurance Savings	\$7,922	\$7,922	\$7,922	\$7,922	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
Group Insurance Savings to O&M	\$6,734	\$7,922	\$7,922	\$0	
Group Insurance Savings to Capital	\$1,188	\$0	\$0	\$7,922	\$9,110
<u>2003</u>					
Cost Change	10.00%	10.00%	10.00%	10.00%	
Group Insurance Savings	\$8,714	\$8,714	\$8,714	\$8,714	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
Group Insurance Savings to O&M	\$7,407	\$8,714	\$8,714	\$0	
Group Insurance Savings to Capital	\$1,307	\$0	\$0	\$8,714	\$10,021

Exhibit 1.2
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Demonstration of Workers Compensation Insurance Savings with representative position examples

	<u>Mechanic-Fleet Maintenance</u>	<u>Representative Customer Service</u>	<u>HR Representative</u>	<u>Engineer</u>	
<u>Base Year 1998</u>					
Other Insurance Cost per Employee	\$857	\$857	\$857	\$857	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
Other Insurance Savings to O&M	\$728	\$857	\$857	\$0	
Other Insurance Savings to Capital	\$129	\$0	\$0	\$857	\$986
<u>1999</u>					
Cost Change	7.40%	7.40%	7.40%	7.40%	
Other Insurance Savings	\$920	\$920	\$920	\$920	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
Other Insurance Savings to O&M	\$782	\$920	\$920	\$0	
Other Insurance Savings to Capital	\$138	\$0	\$0	\$920	\$1,058
<u>2000</u>					
Cost Change	54.10%	54.10%	54.10%	54.10%	
Other Insurance Savings	\$1,418	\$1,418	\$1,418	\$1,418	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
Other Insurance Savings to O&M	\$1,205	\$1,418	\$1,418	\$0	
Other Insurance Savings to Capital	\$213	\$0	\$0	\$1,418	\$1,631
<u>2001</u>					
Cost Change	4.50%	4.50%	4.50%	4.50%	
Other Insurance Savings	\$1,482	\$1,482	\$1,482	\$1,482	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
Other Insurance Savings to O&M	\$1,260	\$1,482	\$1,482	\$0	
Other Insurance Savings to Capital	\$222	\$0	\$0	\$1,482	\$1,704
<u>2002</u>					
Cost Change	7.00%	7.00%	7.00%	7.00%	
Other Insurance Savings	\$1,586	\$1,586	\$1,586	\$1,586	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
Other Insurance Savings to O&M	\$1,348	\$1,586	\$1,586	\$0	
Other Insurance Savings to Capital	\$238	\$0	\$0	\$1,586	\$1,824
<u>2003</u>					
Cost Change	7.00%	7.00%	7.00%	7.00%	
Other Insurance Savings	\$1,697	\$1,697	\$1,697	\$1,697	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
Other Insurance Savings to O&M	\$1,442	\$1,697	\$1,697	\$0	
Other Insurance Savings to Capital	\$255	\$0	\$0	\$1,697	\$1,952

Exhibit 1.2
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Demonstration of Pension Savings with representative position examples

	Mechanic-Fleet Maintenance	Representative Customer Service	HR Representative	Engineer	
<u>Base Year 1998</u>					
Pension Cost per Employee	\$1,594	\$1,594	\$1,594	\$1,594	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
Pension Savings to O&M	\$1,355	\$1,594	\$1,594	\$0	
Pension Savings to Capital	\$239	\$0	\$0	\$1,594	\$1,833
<u>1999</u>					
Cost Change	10.00%	10.00%	10.00%	10.00%	
Pension Savings	\$1,753	\$1,753	\$1,753	\$1,753	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
Pension Savings to O&M	\$1,490	\$1,753	\$1,753	\$0	
Pension Savings to Capital	\$263	\$0	\$0	\$1,753	\$2,016
<u>2000</u>					
Cost Change	15.00%	15.00%	15.00%	15.00%	
Pension Savings	\$2,016	\$2,016	\$2,016	\$2,016	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
Pension Savings to O&M	\$1,714	\$2,016	\$2,016	\$0	
Pension Savings to Capital	\$302	\$0	\$0	\$2,016	\$2,318
<u>2001</u>					
Cost Change	20.00%	20.00%	20.00%	20.00%	
Pension Savings	\$2,419	\$2,419	\$2,419	\$2,419	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
Pension Savings to O&M	\$2,056	\$2,419	\$2,419	\$0	
Pension Savings to Capital	\$363	\$0	\$0	\$2,419	\$2,782
<u>2002</u>					
Cost Change	5.00%	5.00%	5.00%	5.00%	
Pension Savings	\$2,540	\$2,540	\$2,540	\$2,540	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
Pension Savings to O&M	\$2,159	\$2,540	\$2,540	\$0	
Pension Savings to Capital	\$381	\$0	\$0	\$2,540	\$2,921
<u>2003</u>					
Cost Change	10.00%	10.00%	10.00%	10.00%	
Pension Savings	\$2,794	\$2,794	\$2,794	\$2,794	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
Pension Savings to O&M	\$2,375	\$2,794	\$2,794	\$0	
Pension Savings to Capital	\$419	\$0	\$0	\$2,794	\$3,213

Exhibit 1.2
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Demonstration of 401K Plan Savings with representative position examples

	Mechanic-Fleet Maintenance	Representative Customer Service	HR Representative	Engineer	
<u>Base Year 1998</u>					
401K Cost per Employee	\$1,064	\$1,064	\$1,064	\$1,064	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
401K Savings to O&M	\$904	\$1,064	\$1,064	\$0	
401K Savings to Capital	\$160	\$0	\$0	\$1,064	\$1,224
<u>1999</u>					
Cost Change	2.41%	4.50%	4.50%	4.50%	
401K Savings	\$1,089	\$1,112	\$1,112	\$1,112	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
401K Savings to O&M	\$926	\$1,112	\$1,112	\$0	
401K Savings to Capital	\$163	\$0	\$0	\$1,112	\$1,275
<u>2000</u>					
Cost Change	2.52%	4.50%	4.50%	4.50%	
401K Savings	\$1,116	\$1,162	\$1,162	\$1,162	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
401K Savings to O&M	\$949	\$1,162	\$1,162	\$0	
401K Savings to Capital	\$167	\$0	\$0	\$1,162	\$1,329
<u>2001</u>					
Cost Change	2.60%	3.50%	3.50%	3.50%	
401K Savings	\$1,145	\$1,203	\$1,203	\$1,203	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
401K Savings to O&M	\$973	\$1,203	\$1,203	\$0	
401K Savings to Capital	\$172	\$0	\$0	\$1,203	\$1,375
<u>2002</u>					
Cost Change	2.70%	4.00%	4.00%	4.00%	
401K Savings	\$1,176	\$1,251	\$1,251	\$1,251	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
401K Savings to O&M	\$1,000	\$1,251	\$1,251	\$0	
401K Savings to Capital	\$176	\$0	\$0	\$1,251	\$1,427
<u>2003</u>					
Cost Change	2.80%	4.00%	4.00%	4.00%	
401K Savings	\$1,209	\$1,301	\$1,301	\$1,301	
Percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
401K Savings to O&M	\$1,028	\$1,301	\$1,301	\$0	
401K Savings to Capital	\$181	\$0	\$0	\$1,301	\$1,482

Exhibit 1.2
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Demonstration of Payroll Tax Savings with representative position examples

	<u>Mechanic-Fleet Maintenance</u>	<u>Representative Customer Service</u>	<u>HR Representative</u>	<u>Engineer</u>	
<u>Base Year 1998</u>					
FICA Base:	\$68,400	\$68,400	\$68,400	\$68,400	
FICA Rate (1.45% for salary above base):	7.65%	7.65%	7.65%	7.65%	
FUTA Base:	\$7,000	\$7,000	\$7,000	\$7,000	
FUTA Rate:	0.80%	0.80%	0.80%	0.80%	
SUTA Base:	\$9,000	\$9,000	\$9,000	\$9,000	
SUTA Rate:	1.70%	1.70%	1.70%	1.70%	
 Average 1998 Salary/Wage	 \$43,263	 \$26,941	 \$65,163	 \$54,252	
 FICA	 \$3,310	 \$2,061	 \$4,985	 \$4,150	
FUTA	\$56	\$56	\$56	\$56	
SUTA	\$153	\$153	\$153	\$153	
Total Payroll Tax Savings	\$3,519	\$2,270	\$5,194	\$4,359	
Labor percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Labor percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
 O&M Savings	 \$2,991	 \$2,270	 \$5,194	 \$0	
Capital Savings	\$528	\$0	\$0	\$4,359	\$4,887
 <u>1999</u>					
FICA Base:	\$72,600	\$72,600	\$72,600	\$72,600	
FICA Rate (1.45% for salary above base):	7.65%	7.65%	7.65%	7.65%	
FUTA Base:	\$7,000	\$7,000	\$7,000	\$7,000	
FUTA Rate:	0.80%	0.80%	0.80%	0.80%	
SUTA Base:	\$9,000	\$9,000	\$9,000	\$9,000	
SUTA Rate:	1.60%	1.60%	1.60%	1.60%	
 Average 1999 Salary/Wage	 \$44,306	 \$28,153	 \$68,095	 \$56,693	
 FICA	 \$3,389	 \$2,154	 \$5,209	 \$4,337	
FUTA	\$56	\$56	\$56	\$56	
SUTA	\$144	\$144	\$144	\$144	
Total Payroll Tax Savings	\$3,589	\$2,354	\$5,409	\$4,537	
Labor percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Labor percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
 O&M Savings	 \$3,051	 \$2,354	 \$5,409	 \$0	
Capital Savings	\$538	\$0	\$0	\$4,537	\$5,075
 <u>2000</u>					
FICA Base:	\$76,200	\$76,200	\$76,200	\$76,200	
FICA Rate (1.45% for salary above base):	7.65%	7.65%	7.65%	7.65%	
FUTA Base:	\$7,000	\$7,000	\$7,000	\$7,000	
FUTA Rate:	0.80%	0.80%	0.80%	0.80%	
SUTA Base:	\$9,000	\$9,000	\$9,000	\$9,000	
SUTA Rate:	1.60%	1.60%	1.60%	1.60%	
 Average 2000 Salary/Wage	 \$45,423	 \$29,420	 \$71,159	 \$59,244	
 FICA	 \$3,475	 \$2,251	 \$5,444	 \$4,532	
FUTA	\$56	\$56	\$56	\$56	
SUTA	\$144	\$144	\$144	\$144	
Total Payroll Tax Savings	\$3,675	\$2,451	\$5,644	\$4,732	
Labor percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Labor percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
 O&M Savings	 \$3,124	 \$2,451	 \$5,644	 \$0	
Capital Savings	\$551	\$0	\$0	\$4,732	\$5,283

Exhibit 1.2
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Demonstration of Payroll Tax Savings with representative position examples

	<u>Mechanic-Fleet Maintenance</u>	<u>Representative Customer Service</u>	<u>HR Representative</u>	<u>Engineer</u>	
<u>2001</u>					
FICA Base:	\$80,400	\$80,400	\$80,400	\$80,400	
FICA Rate (1.45% for salary above base):	7.65%	7.65%	7.65%	7.65%	
FUTA Base:	\$7,000	\$7,000	\$7,000	\$7,000	
FUTA Rate:	0.80%	0.80%	0.80%	0.80%	
SUTA Base:	\$9,000	\$9,000	\$9,000	\$9,000	
SUTA Rate:	2.10%	2.10%	2.10%	2.10%	
 Average 2001 Salary/Wage	 \$46,604	 \$30,450	 \$73,650	 \$61,318	
FICA	\$3,565	\$2,329	\$5,634	\$4,691	
FUTA	\$56	\$56	\$56	\$56	
SUTA	\$189	\$189	\$189	\$189	
Total Payroll Tax Savings	\$3,810	\$2,574	\$5,879	\$4,936	
Labor percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Labor percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
 O&M Savings	 \$3,239	 \$2,574	 \$5,879	 \$0	
Capital Savings	\$572	\$0	\$0	\$4,936	\$5,508
 <u>2002</u>					
FICA Projected Base (5% increase):	\$84,420	\$84,420	\$84,420	\$84,420	
FICA Rate (no change from 2001):	7.65%	7.65%	7.65%	7.65%	
FUTA Projected Base (no change):	\$7,000	\$7,000	\$7,000	\$7,000	
FUTA Projected Rate (no change):	0.80%	0.80%	0.80%	0.80%	
SUTA Projected Base (no change):	\$9,000	\$9,000	\$9,000	\$9,000	
SUTA Projected Rate (no change):	2.10%	2.10%	2.10%	2.10%	
 Average 2002 Salary/Wage	 \$47,862	 \$31,668	 \$76,596	 \$63,771	
FICA	\$3,661	\$2,423	\$5,860	\$4,878	
FUTA	\$56	\$56	\$56	\$56	
SUTA	\$189	\$189	\$189	\$189	
Total Payroll Tax Savings	\$3,906	\$2,668	\$6,105	\$5,123	
Labor percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Labor percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
 O&M Savings	 \$3,320	 \$2,668	 \$6,105	 \$0	
Capital Savings	\$586	\$0	\$0	\$5,123	\$5,709
 <u>2003</u>					
FICA Projected Base (5% increase):	\$88,641	\$88,641	\$88,641	\$88,641	
FICA Rate (no change from 2001):	7.65%	7.65%	7.65%	7.65%	
FUTA Projected Base (no change):	\$7,000	\$7,000	\$7,000	\$7,000	
FUTA Projected Rate (no change):	0.80%	0.80%	0.80%	0.80%	
SUTA Projected Base (no change):	\$9,000	\$9,000	\$9,000	\$9,000	
SUTA Projected Rate (no change):	2.10%	2.10%	2.10%	2.10%	
 Average 2003 Salary/Wage	 \$49,202	 \$32,935	 \$79,660	 \$66,322	
FICA	\$3,764	\$2,520	\$6,094	\$5,074	
FUTA	\$56	\$56	\$56	\$56	
SUTA	\$189	\$189	\$189	\$189	
Total Payroll Tax Savings	\$4,009	\$2,765	\$6,339	\$5,319	
Labor percent charged to O&M	85.00%	100.00%	100.00%	0.00%	
Labor percent charged to Capital	15.00%	0.00%	0.00%	100.00%	
 O&M Savings	 \$3,408	 \$2,765	 \$6,339	 \$0	
Capital Savings	\$601	\$0	\$0	\$5,319	\$5,920