|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| TABLE I | | | | | | | | | | | | | |
| City of Dubois | | | | | | | | | | | | | |
| INCOME SUMMARY | | | | | | | | | | | | | |
| R-2016-2554150 | | | | | | | | | | | | | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Pro Forma |  | Test |  | Pro Forma |  |  |  | ALJ |  | ALJ |  | Total |
|  | Present Rates |  | Year |  | Present Rates |  | ALJ |  | Pro Forma |  | Revenue |  | Allowable |
|  | 31-Dec-15 |  | Adjustments |  | 12/31/2016 |  | Adjustments |  | Present Rates |  | Increase |  | Revenues |
|  | $ |  | $ |  | $ |  | $ |  | $ |  | $ |  | $ |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Operating Revenue | 796,924 | ¹ | 3,318 |  | 800,242 |  | 0 |  | 800,242 |  | 97,534 |  | 897,776 |
|  |  |  |  |  |  |  |  |  |  |  |  |  | **APPENDIX A** |
| Expenses: |  |  |  |  |  |  |  |  |  |  |  |  |  |
| O & M Expense  1 | 660,257 |  | (13,934) |  | 646,323 |  | (63,960) |  | 582,363 |  | 0 |  | 582,363 |
| Depreciation | 106,176 |  | 950 |  | 107,126 |  | (769) |  | 106,357 |  | 0 |  | 106,357 |
| Taxes, Other | 0 |  | 0 |  | 0 |  | 0 |  | 0 |  | 0 |  | 0 |
| Income Taxes: |  |  |  |  |  |  |  |  |  |  |  |  |  |
| State | 0 |  | 0 |  | 0 |  | 0 |  | 0 |  |  |  | 0 |
| Federal | 0 |  | 0 |  | 0 |  | 0 |  | 0 |  |  |  | 0 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total Expenses | 766,433 |  | (12,984) |  | 753,449 |  | (64,729) |  | 688,720 |  | 0 |  | 688,720 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income Available for Return | 30,491 |  | 16,302 |  | 46,793 |  | 64,729 |  | 111,522 |  | 97,534 |  | 209,056 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Rate Base | 4,317,704 |  | 646,380 |  | 4,964,084 |  | (20,693) |  | 4,943,391 |  |  |  | 4,943,391 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Rate of Return | 0.71% |  |  |  | 0.94% |  |  |  | 2.26% |  |  |  | 4.23% |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ¹ City Exhibit CEH-1R, Page 2 | |  |  |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| TABLE I(A) | | | | | |
| City of Dubois | | | | | |
| RATE OF RETURN | | | | | |
| R-2016-2554150 | | | | | |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  | Weighted |
|  | Structure |  | Cost |  | Cost |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total Cost of Debt | 70.00% |  | 3.02% |  | 2.11% |
|  |  |  |  |  |  |
| 1 |  |  |  |  |  |
| Short-term Debt  2 | 0.00% |  | 0.00% |  | 0.00% |
| Preferred Stock | 0.00% |  | 0.00% |  | 0.00% |
| Common Equity | 30.00% |  | 7.05% | ² | 2.12% |
|  |  |  |  |  |  |
|  | 100.00% |  |  |  | 4.23% |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| ² Using I&E recommended 18.22% implied tax rate reduces common equity from 8.62% to 7.05% | | | | | |
|

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| TABLE II | | | | | | | | | | | | | |
| City of Dubois | | | | | | | | | | | | | |
| SUMMARY OF ADJUSTMENTS | | | | | | | | | | | | | |
| R-2016-2554150 | | | | | | | | | | | | | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  | State |  | Federal |
| Adjustments | Rate Base |  | Revenues |  | Expenses |  | Depreciation |  | Taxes-Other |  | Income Tax |  | Income Tax |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | $ |  | $ |  | $ |  | $ |  | $ |  | $ |  | $ |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RATE BASE: |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash Working Capital(1) | (7,995) |  |  |  |  |  |  |  |  |  |  |  |  |
| Heating & Air Conditioning(2) | (5,204) |  |  |  |  |  |  |  |  |  |  |  |  |
| Fire Hydrants - High Street(3) | (1,071) |  |  |  |  |  |  |  |  |  |  |  |  |
| Billing, Payroll & Accounting Software(4) | (1,426) |  |  |  |  |  |  |  |  |  |  |  |  |
| Telephone(5) | (1,663) |  |  |  |  |  |  |  |  |  |  |  |  |
| Vacant Home(6) | (3,334) |  |  |  |  |  |  |  |  |  |  |  |  |
| 3 |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| REVENUES: |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | 0 |  |  |  |  |  |  |  | 0 |  | 0 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| EXPENSES: |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Rate Case Expense(7) |  |  |  |  | (42,282) |  |  |  |  |  | 0 |  | 0 |
| Contractual services - WTP(8) |  |  |  |  | (4,194) |  |  |  |  |  | 0 |  | 0 |
| City Manager Salary(9) |  |  |  |  | (11,209) |  |  |  |  |  | 0 |  | 0 |
| Vacant Home(10) |  |  |  |  | (1,077) |  |  |  |  |  | 0 |  | 0 |
| City Buildings/Computer Parts/Supplies/Software(11) |  |  |  |  | (1,313) |  |  |  |  |  | 0 |  | 0 |
| Allocation of Admin Benefits Expenses(12) |  |  |  |  | (3,885) |  |  |  |  |  | 0 |  | 0 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Annual Depreciation(13) |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Depreciation Heating & Air Conditioning |  |  |  |  |  |  | (93) |  |  |  | 0 |  | 0 |
| Depreciation Mains & Accessories - High St. | |  |  |  |  |  | (124) |  |  |  |  |  |  |
| Depreciation Fire Hydrants - High St. |  |  |  |  |  |  | (15) |  |  |  |  |  |  |
| Depreciation Software |  |  |  |  |  |  | (254) |  |  |  |  |  |  |
| Depreciation Telephone |  |  |  |  |  |  | (111) |  |  |  |  |  |  |
| Depreciation Vacant Home |  |  |  |  |  |  | (172) |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 |
| TOTALS | (20,693) |  | 0 |  | (63,960) |  | (769) |  | 0 |  | 0 |  | 0 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (1) 12.5% of $73,813 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (2) OCA Main Brief, Table II |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (3) OCA Main Brief Table II |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (4) BI&E Main Brief Table II |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (5) OCA Main Brief Table II |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (6) OCA Main Brief Table II |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (7) BI&E Main Brief Table II |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (8) OCA Main Brief Table II |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (9) OCA Main Brief Table II |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (10) OCA Main Brief Table II |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (11) OCA Main Brief Table II |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (12) BI&E Main Brief Table II |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (13) OCA Main Brief Table II |  |  |  |  |  |  |  |  |  |  |  |  |  |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| City of DuBois - Comparison of Present and Proposed Water Rates | | | | | | | |  |  |  |
| Customer Charges  Meter Size | | Present | Proposed | % Change | |  |  |  |  |  |
| 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% |  |  |  |  |  |  |
| 10 |  | $225.00 | $262.50 | 16.7% |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| Consumption Charges | |  |  |  |  |  |  |  |  |  |
|  |  |  |  | Present Rate per Thousand Gallons | |  | Proposed Rate per Thousand Gallons | |  | Percent Change |
| Consumption Charge per Month | | |  |  |  |
| First 100,000 Gallons | | |  | $5.15 | |  | $5.68 | |  | 10.29% |
| Over 100,000 Gallons | | |  | $3.77 | |  | $4.30 | |  | 14.06% |
| 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 5 |
| Public Fire - Annual Charge | | |  | Present Rate | |  | Proposed Rate | |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| Per Fire Hydrant | | |  | $184.37 | |  | $184.37 | |  | 0.00% |