

Osage Water Company

Customer Counts

System	Sewer Customers	Water Customers
Cedar Glen	174	176
KK	34	26
F-12	26	29
S.B. 5	72	70
Super 8	0	1
O.B. North	0	23
O.B. South	0	25
Total	306	350

Customer numbers shown are July 2003 numbers.

Annualized Sewer Revenues at Current Rates

(Customers x \$25.03 monthly flat rate x 12 months/year) +
(Customers x \$1.00 monthly x 12 months/year) *

System	Number of Customers	Flat Rate Revenue	Org. Fee Revenue	Total Revenue
Cedar Glen	174	\$ 52,263	\$ 2,088	\$ 54,351
KK	34	\$ 10,212	\$ 408	\$ 10,620
F-12	26	\$ 7,809	\$ 312	\$ 8,121
S.B. 5	72	\$ 21,626	\$ 864	\$ 22,490
Total All Systems	306	\$ 91,910	\$ 3,672	\$ 95,582
Misc. Revenues				\$ 1,000
Total All Revenues				\$ 96,582

Annualized Water Delivery Data

System	Total Delivered M Gallons	Percent Commodity	Commodity M Gallons
Cedar Glen	1,943.5	21.8249%	424.2
KK	352.2	34.1572%	120.3
F-12	1,382.1	63.3454%	875.5
S.B. 5	373.9	54.7682%	204.8
Super 8	1,136.3	98.2729%	1,116.7
O.B. North	11,358.8	95.8124%	10,883.2
O.B. South	1,895.9	69.3761%	1,315.3
Total	18,442.7	xxxxxxx	14,939.9

Notes: Total delivered gallons based on 12 months ended July 2003.
Percent commodity numbers based on July 2003 data.

Annualized Water Revenues at Current Rates

[(Customers x \$15.36 monthly minimum x 12 months/year) + (Customers x \$1.00/month x 12 months/year) +
(Commodity MGal x \$3.8701 per MGal.)] *

System	Number of Customers	Mo. Min. Revenue	Org. Fee Revenue	Commodity M Gallons	Commodity Revenue	Total Revenue
Cedar Glen	176	\$ 32,440	\$ 2,112	424.2	\$ 1,642	\$ 36,194
KK	26	\$ 4,792	\$ 312	120.3	\$ 466	\$ 5,570
F-12	29	\$ 5,345	\$ 348	875.5	\$ 3,388	\$ 9,081
S.B. 5	70	\$ 12,902	\$ 840	204.8	\$ 792	\$ 14,535
Super 8	1	\$ 184	\$ 12	1,116.7	\$ 4,322	\$ 4,518
O.B. North	23	\$ 4,239	\$ 276	10,883.2	\$ 42,119	\$ 46,634
O.B. South	25	\$ 4,608	\$ 300	1,315.3	\$ 5,090	\$ 9,998
Total All Systems	350	\$ 64,512	\$ 4,200	14,939.9	\$ 57,819	\$ 126,531
Misc. Revenues						\$ 1,000
Total All Revenues						\$ 127,531

* \$1.00/month charge goes to offset of Organization Fees

Schedule DWJ-RD-1
Annualization Data

Osage Water Company

Rate Making Income Statement - Sewer

Revenue at Current Rates		\$ 96,582
Cost of Service		
Item		Amount
1	Salaries - O & M	\$ 22,817
2	Salaries - Supervision	\$ -
3	Salaries - Secretary	\$ -
4	Accounting	\$ 573
5	Legal	\$ 466
6	Insurance	\$ 4,475
7	Engineering	\$ -
8	Telephone - Pager	\$ -
9	Rents & Utilities	\$ 2,795
10	Water Testing	\$ -
11	Supplies - Office	\$ -
12	Materials & Supplies	\$ 950
13	Postage	\$ -
14	Electric Expense	\$ 8,378
15	PSC Assessment	\$ 4,967
16	DNR Fees	\$ -
17	Sludge Removal	\$ -
18	Miscellaneous Expense	\$ 5,185
19	Fuel Expense	\$ -
20	Taxes Other Than Income Taxes	\$ 3,279
21	Employee Pension & Benefits	\$ 155
22	Outside Services/Contracts	\$ 147
23	Equipment Rental	\$ 32
24	Repairs	\$ 1,070
25	Transportation Expense	\$ 1,612
26	Bank Service Charges	\$ 212
27	Property Tax	\$ 107
28	Miscellaneous Taxes & Licenses	\$ 18
29	Purchased Wastewater Treatment	\$ 7,500
30	Operating Expenses	\$ 1,237
31	Payroll Taxes	\$ 4,067
32	Sub-Total	\$ 70,042
33	Depreciation Expense	\$ 6,718
34	Sub-Total	\$ 76,760
35	Return on Rate Base	\$ 10,697
36	Sub-Total	\$ 87,457
37	Income Taxes	\$ 2,664
38	Total Cost of Service	\$ 90,121
39	Less: Organization Fees Revenues	\$ 3,672
40	Less: Miscellaneous Revenues	\$ 1,000
41	Cost to Recover in Monthly Flat Rate	\$ 85,449
Overall Revenue Change Needed		\$ (6,461)
Percent Revenue Change		-6.69%

Osage Water Company

Development of Sewer Rate

Cost of Service to Recover in Rates	\$ 85,449
Divided By: Annual Customer Bills (306 customers X 12 months/year)	3,672
Equals: Monthly Usage Charge	\$ 23.27
Recovery of Organization Fees	\$ 1.00
Total Monthly Flat Rate	\$ 24.27

Customer Impact

Calculated Rate	\$ 24.27
Current Rate	\$ 26.03
Dollar Difference	\$ (1.76)
Percentage Difference	-6.76%

Osage Water Company

Rate Making Income Statement - Water

Revenue at Current Rates	\$ 127,531
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Cost of Service

	Item	Amount
1	Salaries - O & M	\$ 26,158
2	Salaries - Supervision	\$ -
3	Salaries - Secretary	\$ -
4	Accounting	\$ 657
5	Legal	\$ 534
6	Insurance	\$ 5,860
7	Engineering	\$ -
8	Telephone - Pager	\$ -
9	Rents & Utilities	\$ 3,205
10	Water Testing	\$ -
11	Supplies - Office	\$ -
12	Materials & Supplies	\$ 2,038
13	Postage	\$ -
14	Electric Expense	\$ 9,605
15	PSC Assessment	\$ 528
16	DNR Fees	\$ -
17	Hancock Debenture Payment	\$ 12,000
18	Miscellaneous Expense	\$ 5,943
19	Fuel Expense	\$ -
20	Taxes Other Than Income Taxes	\$ 5,264
21	Employee Pension & Benefits	\$ 177
22	Outside Services/Contracts	\$ 168
23	Equipment Rental	\$ 36
24	Repairs	\$ 1,226
25	Transportation Expense	\$ 1,849
26	Bank Service Charges	\$ 242
27	Property Tax	\$ 123
28	Miscellaneous Taxes & Licenses	\$ 20
29	Purchased Water	\$ 7,526
30	Operating Expenses	\$ 1,418
31	Payroll Taxes	\$ 2,172
32	Sub-Total	\$ 86,749
33	Depreciation Expense	\$ 8,712
34	Sub-Total	\$ 95,461
35	Return on Rate Base	\$ 20,550
36	Sub-Total	\$ 116,011
37	Income Taxes	\$ 5,118
38	Total Cost of Service	\$ 121,129
39	Less: Organization Fees Revenues	\$ 4,200
40	Less: Miscellaneous Revenues	\$ 1,000
41	Cost to Recover in Rates	\$ 115,929

Overall Revenue Change Needed

\$ (6,402)

Percent Revenue Change

-5.02%

Schedule DWJ-RD-1

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Osage Water Company

Development of Water Rates

Rate Calculations Reflect Recovery of 2,000 Gallons in Monthly Minimum

Allocation of Costs to Rate Components

Total Costs to Recover in Rates	\$ 115,929
Allocation to Monthly Minimum	21.41%
(percentage established in WR-2000-557)	
Costs to Recover in Monthly Minimum	\$ 24,820
Costs to Recover in Commodity Rate	\$ 91,109

Development of Commodity Rate

Annualized Water "Delivery" Data

Commodity M Gallons (sales)	14,940.0
Base M Gallons (billed)	8,400.0
Total M Gallons	23,340.0

Rate Calculation

	Costs to Collect	Total M Gallons	Rate per 1,000 gal.
Water Commodity Rate	\$ 91,109	23,340.0	\$ 3.9035

Development of Monthly Minimum

Assigned Cost of Service	\$ 24,820
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Total Number of Customers	350
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Monthly Minimum Charge

Collection of Assigned Cost	\$ 5.91
Collection of 2,000 gal. Base	\$ 7.81
Organization Fee Add-On	\$ 1.00
Total Monthly Minimum Charge	\$ 14.72

Customer Impact

Comparison Based on Usage of 6,000 Gallons per Month

(2,000 Base and 4,000 Commodity)

	Monthly Minimum	Usage Rate	Billed Usage	Total Bill
Calculated Rates	\$ 14.72	\$ 3.9035	\$ 15.61	\$ 30.33
Current Rates	\$ 16.36	\$ 3.8701	\$ 15.48	\$ 31.84
Dollar Difference	\$ (1.64)	\$ 0.0334	\$ 0.13	\$ (1.51)
Percentage Difference	-10.04%	0.86%	0.86%	-4.74%