

PWV Proforma 5 Year Average 2021 Test Year					
Pro forma Revenue Requirement ¹		\$ 41,544,489			
based on a requested rate increase of -		13.06%			
	CFRR	Material Operating Expense Requirement (MODER)	Operating Expense Requirement	1.0 Debt Service Revenue Requirement (L.D. \$581)	0.1 Debt Service Revenue Requirement (D.S. \$581)
Revenue Requirement ²	\$ 7,729,032	\$ 25,093,672	\$ 546,634	\$ 7,433,774	\$ 743,377
Percentage of Revenues -	18.40%	60.42%	1.32%	17.89%	1.79%
5 Year Operating ³	\$ 364,336	\$ 4,633,134	\$ 300,245	\$ -	\$ -
DW19-184 Approved RSF Levels ⁴	\$ 680,000	\$ 2,850,000	No Stabilization Fund	\$ 390,000	No Stabilization Fund
Based on largest variance from five year average of -		2.71%			

Requested MOEF -	9.00%
Rate increase @ requested MOEF -	13.06%
Annual MOEF Cash -	\$ 2,029,310
Approved DW19-184 RSF Total Ingress value -	\$ 1,920,000
MOEF from 100A-06 Sch A -	\$ 22,883,225
Amortization Expense -	\$ 151,136

Calculation of MODER R/SF	
Operating Expense Increases Over 2021 Pro Forma	Revenue Shortfall from Lowest Sales in last 5 years
2021 -	\$ 1,075,655
2024 -	\$ 1,075,960
7/31/2025 -	\$ 1,124,459
	\$ 3,276,074
	\$ 1,405,000
	\$ 2,131,112

Projected MDE Revenues	MOEF's Inclusive of Amort Expense (\$)	Transfer Into/out of MODER R/SF Account	MOEF R/SF Balance as of 12/31/2022 (\$)
2023 -	\$ 25,093,672	\$ 24,062,017	\$ 1,031,655
2024 -	\$ 25,093,672	\$ 25,289,148	\$ (1,017,471)
7/31/2025 (Yr)	\$ 24,616,809	\$ 15,496,068	\$ (9,120,741)
			\$ 3,920,000

Revenue Type	2017 PWV Billed Revenue	2018 PWV Billed Revenue	2019 PWV Billed Revenue	2020 PWV Billed Revenue	2021 PWV Billed Revenue
Total Volumetric Charges, includes Unbilled water sales, Unbilled and Billed Recoupment and abatement	\$ 15,457,354	\$ 17,516,995	\$ 16,935,334	\$ 20,325,668	\$ 18,599,067
Total Meter Charge (Fixed) includes fixed portion of special contracts	\$ 8,766,739	\$ 9,437,913	\$ 9,838,132	\$ 9,941,467	\$ 10,727,336
OCFAC revenues	\$ 705,861	\$ 360,339	\$ 1,049,281	\$ 1,044,799	\$ 2,265,513
Total Private Fire Protection Charges (Fixed)	\$ 1,089,300	\$ 1,210,960	\$ 1,203,062	\$ 1,267,078	\$ 2,092,387
Total Municipal Fire Protection Charges (Fixed)	\$ 3,116,640	\$ 3,442,774	\$ 3,488,137	\$ 3,548,925	\$ 3,888,166
Total Billed Revenue	\$ 29,155,494	\$ 31,970,980	\$ 31,893,547	\$ 36,127,940	\$ 37,772,470
% of Revenues that are variable	54.4%	55.4%	52.9%	57.9%	52.7%
% of Revenues that are fixed	45.6%	44.6%	47.1%	42.1%	47.3%

Maximum percentage of revenues that were variable during the previous 5 years - 57.94%

Expense Type	2017 PWV Actual Variable Expenses	2018 PWV Actual Variable Expenses	2019 PWV Actual Variable Expenses	2020 PWV Actual Variable Expenses	2021 PWV Actual Variable Expenses	2022 Projected PWV Actual Variable Expenses
Purchased Water	\$ 437,664	\$ 472,007	\$ 464,954	\$ 579,959	\$ 546,277	\$ 527,982
Electric	\$ 1,063,878	\$ 1,152,305	\$ 1,198,435	\$ 1,367,715	\$ 1,500,095	\$ 1,480,000
Chemical	\$ 763,438	\$ 908,981	\$ 919,829	\$ 980,250	\$ 1,011,422	\$ 1,488,166
Sludge Disposal	\$ 285,873	\$ 376,440	\$ 345,969	\$ 329,240	\$ 368,000	\$ 488,000
Total Variable Costs	\$ 2,642,853	\$ 2,911,833	\$ 2,928,107	\$ 3,165,863	\$ 3,549,195	\$ 3,983,728
Variable Expenses as a Percent of Total Revenue	9.1%	9.1%	9.2%	8.7%	9.4%	10.6%

	2017 Actual CCP's sold by PWV	2018 Actual CCP's sold by PWV	2019 Actual CCP's sold by PWV	2020 Actual CCP's sold by PWV	2021 Actual CCP's sold by PWV
Annual Metered Sales (CCP)	5,056,592	5,060,912	5,056,601	5,571,374	5,220,807
Percentage Variance between Current and High Consumption Year	-10.18%	-10.04%	-10.18%	0.00%	-6.73%
Average Consumption (CCP) over the past five years	5,193,666	698,387	1,127,470	1,086,043	1,196,033
Variance between current and 5 Yr Ave Consumption	-2.71%	-2.05%	-3.71%	6.78%	0.25%

Largest percentage reduction in volumetric sales at PWV of 2.71% over the past five years from the five year average of volumetric sales excluding 2016, including 2013
 Results in a Revenue loss of based on 5 year average sales of \$ 564,544 based on current permanent rate of \$ 4.01 per CCP
 Results in an Operating Expense reduction of \$ 86,211 based on 2021 variable operating expenses
 Results in a Revenue reduction of \$ 468,333

Calculation of Annual Material Operating Expense Adjustment Percentage

	2017 PWV Actual Operating Expenses ⁵	2018 PWV Actual Operating Expenses ⁵	2019 PWV Actual Operating Expenses ⁵	2020 PWV Actual Operating Expenses ⁵	2021 PWV Actual Operating Expenses ⁵	2022 PWV Actual Estimated Expenses ⁵
Production Expenses	\$ 4,571,844	\$ 5,074,509	\$ 5,064,262	\$ 5,287,617	\$ 5,675,210	\$ 6,435,512
T&O expenses	\$ 2,168,076	\$ 2,846,339	\$ 3,197,561	\$ 3,159,073	\$ 3,311,068	\$ 3,374,948
Engineering Expenses	\$ 1,169,300	\$ 1,287,747	\$ 1,351,622	\$ 679,636	\$ 964,232	\$ 946,858
Customer Acct & Collection Expenses	\$ 447,889	\$ 1,472,752	\$ 1,384,386	\$ 1,686,046	\$ 1,698,564	\$ 1,714,399
Information Systems Expenses	\$ -	\$ -	\$ 1,123,112	\$ 1,086,043	\$ 1,196,033	\$ 1,388,875
Admin and General Expenses (Includes NMODS)	\$ 7,303,584	\$ 6,597,868	\$ 6,798,314	\$ 6,795,527	\$ 7,207,829	\$ 7,666,268
Inter Div Mgt Fee Expense (includes POP Mgt Fee)	\$ (3,302,124)	\$ (3,288,850)	\$ (2,177,470)	\$ (3,122,659)	\$ (3,393,190)	\$ (3,532,702)
Amortization Expenses	\$ 145,442	\$ 134,666	\$ 134,466	\$ 120,231	\$ 150,000	\$ 151,136
Property Tax Expenses	\$ 4,553,766	\$ 4,438,775	\$ 4,048,124	\$ 4,314,436	\$ 4,633,638	\$ 4,642,311
Payroll Tax Expenses	\$ 654,916	\$ 698,387	\$ 722,008	\$ 728,383	\$ 783,124	\$ 783,124
Cash Tax Expenses	\$ 90,795	\$ 103,249	\$ 90,703	\$ 95,775	\$ 59,828	\$ 59,828
Less NMOD's	\$ (56,668)	\$ 607,375	\$ 491,669	\$ 448,738	\$ 492,716	\$ 546,634
Total Annual MOEF	\$ 17,279,824	\$ 18,799,394	\$ 19,422,499	\$ 20,068,898	\$ 21,782,813	\$ 23,032,262
Total Annual Fixed MOEF	\$ 2,642,853	\$ 2,911,833	\$ 2,928,107	\$ 3,165,863	\$ 3,549,195	\$ 3,983,728
	\$ 14,636,971	\$ 15,887,561	\$ 16,494,392	\$ 16,903,035	\$ 18,233,618	\$ 19,048,534
Total Annual MOEF	\$ 17,279,824	\$ 18,799,394	\$ 19,422,499	\$ 20,068,898	\$ 21,782,813	\$ 23,032,262
Percent increase in MOEF's over the prior year		8.88%	3.33%	3.33%	8.54%	5.74%
						16.11%
						5.11%

Notes:

- Based on SD04.06 Schedule A Firm Rate based on Five Year Ave.
- OCFAC revenues are divided between variable and fixed revenues based on the ratio between those revenues without the OCFAC Revenues per year as follows

Year	Fixed	Variable
2017	45.6%	54.4%
2018	44.6%	55.4%
2019	47.1%	52.9%
2020	42.1%	57.9%
2021	47.3%	52.7%

3. Actual year audited expenses, including non-material operating expenses

4. Cash tax expenses estimated for non-rate case test years 2017, 2019, 2020 and projected 2022

5. As part of this rate case the R/SF balance will reset to \$3,920,000 via a credit/debit over three years to the calculated revenue requirement

6. 2021, 2024 and 2025 MOEF's are projected based on 2021 proforma actual 12/31/2021 expenses adjusted to that year average with the projected annual operating expense increase of

7. 2025 Revenues and expenses are based on adjustment for 7 months of 2025 expenses and 2025 revenues based on new rates becoming effective for the 2024 Yr case filing at the end of July 2025.

4.5%