

H&R Waterworks, Inc. Results of Operations

For the period ending 12/31/04

08/29/05

	P&L	C-ROR	RESTATE	PER BOOK	PROFORMA	PROFORMA	PROPOSED	PROPOSED	REVISED	REVISED
	12/31/04	12/31/04	ADJ	ADJ	ADJ	BEFORE	RATES	PERIOD	RATES	PERIOD
REVENUES										
Other Sales - Trident/Evergreen	381,221	787,414	R6	(787,414)	0	P8	49,052	49,052		49,052
Metered Sales, Residential	1,168,318	1,168,318	R1	(79,138)	1,089,180				131,400	1220580
Ready to Serve			R1	8,582	8,582		8,582		8,582	8582.19
Utility Tax - State	6,728		R1,3	54,775	54,775		54,775	C1	12,296	67,071
Other Income, Ancillary Charges	(216,527)		R1	15,888	15,888		15,888		15,888	15887.86
Other Income, Service Connection	21,650	28,378	R4	(28,378)	0		0	C1	4,873	4,873
OPERATING REVENUE	1,361,390	1,984,110		(815,685)	1,168,425		49,052	1,217,477	256,808	1,474,285
EXPENSES										
Salary Employees	238,733	204,893	R5,10	72,374	277,267		277,267	P1	78,609	355,876
Salary Officers		33,840			33,840		33,840	P1	76,164	110,004
Employee Pension/Benefit	38,675	38,675			38,675		38,675	P1	51,250	89,925
Purchased Power	84,467	84,467			84,467		84,467		84,467	84,467
New Water System - Trident/Evergreen					0	P8	45,221		45,221	45,221
Material & Supplies	4,208	4,208			4,208		4,208		4,208	4,208
Contractual Engineer	20,602	20,602	R7	(18,601)	2,001		2,001		2,001	2,001
Contractual Accounting	13,475	13,475			13,475	P9	(12,232)		1,243	1,243
Contractual Legal	1,089	1,089			1,089		1,089		1,089	1,089
Cont Ops/Mgmt/ - SMA		406,193	R6	(406,193)	0	P6	(34,411)		(34,411)	(34,411)
Testing	36,267	36,267			36,267		36,267		36,267	36,267
Rents / Building, Property	24,718	24,718			24,718		24,718		24,718	24,718
Transportation	29,072	29,072			29,072		29,072	P3	12,409	41,481
Insurance GL	46,093	46,093			46,093	P4	(3,036)		43,057	43,057
Insurance KM	1,790	1,790			1,790	P5	2,210		4,000	4,000
Regulatory, Fees / Rate Case	1,770	1,770			1,770		1,770	P7	846	2,616
Travel/ Education/ Bank/ CCR	2,487	2,487			2,487		2,487		2,487	2,487
Office/ Postage / Phone	74,549	74,549	R11	(2,507)	72,042		72,042		72,042	72,042
Repairs	70,668	70,668	R13	(8,238)	62,430		62,430		62,430	62,430
Misc Exp	12,047	15,416	R12	(9,495)	5,921		5,921		5,921	5,921
Depreciation	202,917	202,917	R14	(21,805)	181,112	P8	5,990		187,102	187,102
Amortization	(54,944)	(54,944)			(54,944)		(54,944)		(54,944)	(54,944)
Utility Excise Tax	76,379	76,398	R8	(10,152)	66,246		66,246	P7	4,198	70,444
Property Tax	4,297	4,297			4,297		4,297		4,297	4,297
Payroll Tax (15%)	46,001	46,001			46,001		46,001	P1	16,819	62,820
Permits & Licenses	12,056	12,056			12,056		12,056		12,056	12,056
OPERATING EXPENSES	990,805	1,396,997		(404,618)	992,379		3,742	996,121	240,295	1,236,416
OPERATING INCOME	370,585	587,113		(411,067)	176,046		45,310	221,356	16,513	237,869
Interest Expense	123,741	123,918			123,918		123,918		123,918	123,918
Fed Income Tax - 15%	(2,555)	0			0		0	C1	4,873	4,873
TOTAL EXPENSE	1,111,991	1,520,915			1,116,297		1,120,039		1,365,207	1,365,207
Ordinary INCOME (LOSS)	249,399	463,195		(411,067)	52,128		45,310	97,438	11,640	109,078
NET OPERATING INCOME	373,140	587,113			176,046		221,356		232,996	232,996
BEOY										
UTIL PLANT IN SERV	4,102,398	4,102,398	R14,P8	20,448	4,122,846		(108,903)	4,013,943		4,013,943
ACCUM DEPRECIATION	(1,322,601)	(1,322,601)	R14,	15,223	(1,307,377)		104,914	(1,202,463)		(1,202,463)
ACQUISITION ADJUSTMENT	(370,721)	(351,107)			(351,107)		(9,807)	(360,914)		(360,914)
CIAC PLANT IN SERV	(719,454)	(719,454)			(719,454)		39,570	(679,884)		(679,884)
ACCUM AMORTIZATION	227,960	227,960			227,960		(21,120)	206,839		206,839
NET RATE BASE	1,917,582	1,937,196		35,671	1,972,867		4,654	1,977,521	0	1,977,521
RATE OF RETURN %	19.46%	30.31%			8.92%			11.19%		11.78%
Customer Count	2,747	2,747			2,747	P8	141	2,888		2,888