

**American Water Resources, Inc.**

Attachment 1

UW-010417

Recalculation of distribution of Gain on Sale

Sale of Water Systems to Peninsula Light

Line no.	<u>As Originally Approved</u>			<u>Company Requested Recalculation</u>		
1	Computation of Allocable Gain					
2	Sale Price	150,000		150,000		
3	Less Rate Base	<u>(36,014)</u>		<u>(56,421)</u>		
4	Gain on Sale	113,986		93,579		
5						
6	Present Value of Loss of Facility Charges	(43,173)	Schedule 1	(43,173)	Schedule 1	
7	Present Value of Loss of Economies of Scale	<u>(31,166)</u>	Schedule 2	<u>(31,166)</u>	Schedule 2	
8	Total Effect of Sale on Remaining Customers	(74,339)		<u>(74,339)</u>		
9						
10	Gain available for Allocation	<u>39,647</u>		<u>19,240</u>		
11						
12	Allocation based on Customers					
13						
14	Customers on purchased system	153				
15	Total Current Customer Base	<u>1,938</u>				
16	Percent of Total Customer Base	<u>7.89%</u>	7.89%	<u>7.89%</u>		
17						
18						
19	Shareholders	3,130		1,519		
20	Customer	<u>36,517</u>		<u>17,721</u>		
21	Gain Allocated	<u>39,647</u>		<u>19,240</u>		
22						
23	Reconciliation of Sale Price					
24						
25	Total Available to Shareholders					
26						
27	Allocated Gain	3,130		1,519		
28	Rate Base	<u>36,014</u>		<u>56,421</u>		
29	Total	<u>39,144</u>	\$39,144 26%	<u>57,940</u>	\$57,940 39%	
30						
31	Total Available for Customer			<b>Difference \$18,796.34</b>		
32				<b>Less Imputed Loss of Interest (\$693.34)</b>		
33				<b>Revised Distribution \$18,103.00</b>		
34						
35	Allocated Gain	36,517		17,721		
36	Present Value of Lost Facility Charges	43,173		43,173		
37	Present Value of Loss of Economies of Scale	<u>31,166</u>		<u>31,166</u>		
38	Total	<u>110,856</u>	\$110,856 74%	<u>92,060</u>	\$92,060 61%	
39	Sale Price	<u>\$150,000</u>	100%	<u>Sale Price</u>	<u>\$150,000</u>	100%