

H & R Waterworks, Inc. Results of Operations

For the period ending 12/31/04

No changes since August 31, 2005 Open Meeting

	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			1,089,180	C1	239,639
Ready to Serve			R1	8,582	8,582			8,582		8,582
Utility Tax - State	6,728		R1,3	54,775	54,775			54,775	C1	12,296
Other Income, Ancillary Charges	(216,527)		R1	15,888	15,888			15,888		15,888
Other Income, Service Connection	21,650	28,378	R4	(28,378)	0			0	C1	4,873
OPERATING REVENUE	1,361,390	1,984,110		(815,685)	1,168,425		49,052	1,217,477		256,808
EXPENSES										
Salary Employees	238,733	204,893	R5,10	72,374	277,267			277,267	P1	78,609
Salary Officers		33,840			33,840			33,840	P1	76,164
Employee Pension/Benefit	38,675	38,675			38,675			38,675	P1	51,250
Purchased Power	84,467	84,467			84,467			84,467		84,467
Other Expense - Trident/Evergreen					0	P8	45,221	45,221		45,221
Material & Supplies	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
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
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
Rents / Building, Property	24,718	24,718			24,718			24,718		24,718
Transportation	29,072	29,072			29,072	P3	12,409	41,481	P3	7,993
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
Travel/ Education/ Bank/ CCR	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
Repairs	70,668	70,668	R13	(8,238)	62,430			62,430		62,430
Misc Exp	12,047	15,416	R12	(9,495)	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)
Utility Excise Tax	76,379	76,398	R8	(10,152)	66,246			66,246	P7	4,198
Property Tax	4,297	4,297			4,297			4,297		4,297
Payroll Tax (15%)	46,001	46,001			46,001			46,001	P1	16,819
Permits & Licenses	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
OPERATING INCOME	370,585	587,113		(411,067)	176,046		45,310	221,356		16,513
Interest Expense	123,741	123,918			123,918			123,918		123,918
Fed Income Tax - 15%	(2,555)	0			0			0	C1	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
NET OPERATING INCOME	373,140	587,113			176,046			221,356		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	S2	(42,602)
NET RATE BASE	1,917,582	1,937,196		35,671	1,972,867		4,654	1,977,521		0
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