



4026 Canterwood Drive NW • Suite B • Gig Harbor, WA 98332 (253) 851-1645 • FAX (253) 851-9306

January 12, 2006

Carole Washburn Executive Secretary WUTC PO Box 47250 Olympia, WA 98504-7250

Re: Release of funds from escrow

Dear Ms. Washburn:

In early July 2005, the Company informally requested reimbursement for funds expended to develop a new source of supply for our water system. The need for a new source of supply was driven primarily because our customers were using more water than permitted by Ecology. Obtaining a new water right was not an option. We had to purchase an existing water right, transfer it to a new well, and decommission the old well.

The Company has met with Commission staff over the past several months and supplied supporting documentation. The Company asks that the material previously provided to Commission staff be included in consideration of this request.

At this time, we are formally requesting reimbursement for the new well. The new source has been approved by Washington State Department of Health (WSDOH). The total project cost exceeds the amount in the escrow account.

Total Project Cost: \$298,470 (not including engineering and attorney time)

Total Amount in Escrow: \$137,334.58 thru November 2005

Recommended Percentage of Cost to Existing Customers: minimum: 59%

This recommendation is from our engineer and is based on ERU's that are not available to new customers because of annual water use that exceeds Ecology's reasonable allotment and exceeds anticipated original planning expectations which were much higher than WSDOH design guidelines. If it were based on WSDOH design guidelines for average day and/or actual peak hourly demand this figure would be even higher. (See September 15, 2005 email from engineer to Commission staff for further clarification). We believe this methodology is reasonable and fair. We believe

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the reimbursement of these amounts is consistent with the intent behind the creation of the escrow account.

For the record, in our opinion at least two other capital expenditures documented in tariff filing under rate base that would also be eligible for payment out of escrow include: existing well upgrades at \$27,754 and booster station power supply upgrade at \$6,311. Both of these projects would be for existing customer base.

We respectfully request action upon this request at the Commission's earliest opportunity.

If you have any questions please feel free to contact our engineer, Lisa Raysby at (2530 857.1598 (office), (360) 870-9476 (cell), or lisar@penlight.org (email). I can be reached at (253) 851-1645.

Cordially,

Russell Tanner President

Cc: Danny Kermode

cc: Carole Washburn, WUTC Richard Finnigan, Attorney

Lisa Raysby, Engineer

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Filing Informatio	Filing Information - No change in current rate structure		Customer	Customer and Water Use Data	ш			Beginning End of		Average
					Actual A	Adjusted	Other	Year Year		Customers Billed
			Active Cus	Active Customer Accounts	0	customer avg > 100 cubic	ft / month			
Name	CANTERWOOD WATER COMPANY			2002	561	532		631	563	547 based on annual report filed with WUTC
Docket	UTC WN U-4 UTC WN U-5?			10/02 - 9/03	587	556		549	582	566 based on number of customers billed
	Last New			10/04 - 9/05	888	638		616	666	641 based on number of customers billed
Test Period	10/02 - 9/03 10/04 - 9/05		Annual Cu	Annual Customer Consumption (cubic feet)	on (cubic feet)					
Year Ending	12/31/2003 12/31/2005			2002	ω	14,670,128				
WUTC review of notice				10/02 - 9/03			record dry summer since before year 1900	oefore year 1900		
Filed	11/10/2003	xtension to 1/31/06	Adjusted	10/02 - 9/03		15,331,938				
Mail public notice	TBD-12/05			10/04 - 9/05	14,254,489	14,247,759				
Agenda	12/1/2003 TBD - 01/06		Average co	Average customer monthly use (cf/month)	se (cf/month)					
				2002	2,181	2,298				
Effective	1/1/2004 TBD			10/02 - 9/03	2,283	2,409 record o	2,409 record dry summer since before year 1900	petore year 1900		
Customers	550			10/04 - 9/05	1,784	1,861 average	1,861 average use from 2002 to test period; down 20%)	test period; do	vn 20%)	
Avg Consumption	2,181 1,861 for test period			Use smaller numb	er of connections a	Use smaller number of connections and reduce water use	U			
Rates		Current		to get the actual c	to get the actual consumption for the connections used.	connections used.				
Flat	Allowance	(May 27, 2004)								
Meter Base	16.70 0	\$16.50	0 Three tiers	0 Three tiers (or less) recommended by Jim Ward	nded by Jim Ward	-				
	0.75 1000	\$0.75	1500 This tier ex	1500 This tier exceeds WSDOH design standard and Ecology's annual water right of 400 gpd/ERU.	ign standard and	Ecology's annual v	water right of 400	gpd/ERU.		
	1.00 1001-2000	\$1.25 15	1501-4000 This tier exceeds WSDOH design standard and Ecology's annual water right of 800 gpd/ERU.	xceeds WSDOH des	sign standard and	Ecology's annual v	water right of 800	gpd/ERU.		
	1.25 2001-4000	\$3.50	>4000 These cus	>4000 These customers are using greater than approximately 1,000 gpd/ERU.	reater than approx	dmately 1,000 gpd/	ERU.			
	1.50 >4000									
Ready to Serve	16.70	\$16.50 redu	reduced to same as base rate	e rate		14254489	186			
Serv Conn	429.42	\$429.42 PLC	PLC charge \$400 per meter install (avg. PLC cost)	eter install (avg. PLC	cost)	15074930	969			
Fac Charge	0.00	\$0.00 no c	no change proposed			ယူ	34064			
Latte Fee	0.00	\$0.00 noc	no change proposed			15040866	986			
New Account	26.00	\$20.00 no c	no change proposed			0.05228269	269			
NSF	15.00	\$30.00 no c	no change proposed							
Water Availability	35.00	\$210.00 no	\$210.00 no change proposed							
B Daniel Canada										

Attachment 1

12/31/05

Settle 8/1/03	RAIE OF REIORN S		NET RATE BASE	ACCUM AMORTIZATION	CIAC PLANT IN SERV	ACQUISITION ADJUSTMENT	ACCUM DEPRECIATION	UTIL PLANT IN SERV	BEOY	NET OPERATING INCOME	INCOME (LOSS)	TOTAL EXPENSE	Fed Income Tax - 15%	Interest Expense	OPERATING INCOME	OPERATING EXPENSES	Other Tax & License	Payroll Tax	Property Tax	Utility Excise Tax	Depreciation	Repairs	Office/ Postage / Phone	Travel/ Education/ Bank/ CCR & WHPP en	Regulatory, Fees / Nate Case	Requisitory Fees / Rata Case	Transportation	Rents / Building, Property	Water Quality and Pump Testing	Contractual Ops/Mgmt/SMA	Contractual Legal	Contractual Accounting	Contractual Engineer/Hydrogeologist	Chemicals	Purchased Power	Employee Pension/Benefit	Salary Officers	Salary Employees	EXPENSES		CONTRACTIVE CONTRACTIVE CHARGES	Othiny lax - State	Ready to Selve (Incl. in metered sales)	Metered Sales, Residential	Unmetered Sales	REVENUES		
Į,	6.9/%		\$1,107,115	47,891	(147,344)	13,312	(307,770)	1,501,026		\$99,354	\$101,346	158,675	0	(1,992)	99,354	\$160,667	15,740	0	6,430	0	41,521	5,332	1,611	о Ф		5, 80 /	. 0	4,800	0	16,726	2,344	35,185	.	. 8	25,302	0	0	0	\$4 0.73	\$200,021	2000			260,02	0	1	UW-940934 31-Dec-02	
9	9.50%	0 000	\$1,102,663	47,891	(155,739)	14,171	(337,483)	1,533,823		\$104,739	\$104,739	163,274	0	0	104,739	\$163,274	938	0	6,100	13,148	42,422	15,206	119	0 0	o 6	5,U87 4 39	0	6,000	1,224	15,256	1,190	33,587	.	o 0	22,565	0	0	0	\$39.13	\$200,012	5768 047	, 5		261,095	200	1	COMPANY 12/31/03	
6 0 0	16.23%	6000	-	54,579	(173,989)	21,535	(385,766)	1,650,273	es.	\$189,311	\$197,187	149,996	(63,781)	(7,876)	125,530	\$221,653	2,692	0	7,362	14,497	49,672			1.025 fe		9,560 c			5,030 [r	36,342	Ch .	41,378	0 9 9 0	2,781	25,267	0	0	0	\$44.36	\$047,100	2,740	7540		339,643	0	per CWC	COMPANY 10/04 - 9/31/05	
ojusted Canterwoodtarif			ឌ	10/01/04 7,720	10/01/04 (6,935)	3,801	10/01/04 (51,143)	10/01/04 363,863	as of														customer]	tee @ 0.25 per	mater use efficiency	find new WSDOH	also due to	increase in regs	[new source +																	1	RESTATE ADJ	
cos contenuodariff3 proposed no change in rate - WUTC.XLS / Results	12/0%		\$1,	20 62,299 9/31/05	3	01 25,336 9/31/05	43) (436,909) 9/31/05	963 2,014,136 9/31/05	as of	\$189,311	\$0 \$197,187	ı	(63,781)	(7,876)	125,530	\$0 \$221,653	2,692	0	7,362	14,497	49,672	18,645	76	1.025	1,010	5,560 2,376		6,000	5,030	36,342	S	41,378	39 b	2,781	25,267	0	0	0	\$44.36	90° , 100°	ı	7500		339,643	0	1	TE PER BOOK ADJ	
rate - WUTC.XI	ř		\$7,131	0	(325)	3,728	(11,143)	14,871			8					-\$139							,	1.000	2,000	2 590			(3,729)											\$14,800	34.336			14,906	:	1	PROFORMA ADJ	
LS / Results	13/1%	13 748	\$1,491,069	62,299	(181,249)	29,064	(448,052)	2,029,007		\$204,356	\$212,232	149,858	(63,781)	(7,876)	140,575	\$221,515	2,692	0	7,362	14,497	49,672	18,645	76	2025	, 0	5,560 4.068	0	6,000	1,301	36,342	5	41,378	3 60 50 50 50 50 50 50 50 50 50 50 50 50 50	2,781	25,267	0	0	0	\$44.36	\$302,008	000 CO	7.0		354,549	0	1	PROFORMA BEFORE	
•			\$5	12/31/05	12/31/05	12/31/05	12/31/05	12/31/05	вуоу		(\$1,923)				(1,923)	\$1,923								1.000	676	923			three year average										-	0.00%					0	1	PROPOSED RATES	
88	13.5/%	;	\$1,491,928	62,299	(181,249)	29,923	(448,052)	2,029,007		\$202,433	\$210,309	151,781	(63,781)	(7,876)	138,652	8	2,692	0	7,362	14,497	49,672	18,645		3,025	ç		0	6,000	1,301	36,342	On	41,378	3 6	2,781	25,287	0	0	0	\$44.36	13.57%		2510	. 0	354,549		1	PROPOSED PERIOD	
1/13/20			88								\$13,030				13,030	\$1,923							,	1.000	0.26	953														8.21%				14,953	0	i	REVISED RATES	
1/13/2006 / 1:44 PM	11.34%	1	\$1,491,928	62,299	(181,249)	29,923	(448,052)	2,029,007		\$169,144	\$177,020	151,781	(63,781)	(7,876)	105,383	\$223,438	2,692	0	7,362	14,497	49,672	18,645		3025	ر د م	5,560	0	6,000	1,301	36,342	On	41.378	3 8 8 8	2,781	25,267	0	0	0	\$42.49	11.34%	7,540	(18,335)	0	339,596	0	1	REVISED PERIOD	

Revenue and Rate Calculations Test Year Ending :

1.50

0.00

\$0.00

311,830 Revenue Requirement for Customers

12/31/05

1/13/2006

Diff 3.47 per customer offage 339,596 Revenue Generation 27.767 666 **Customer Count** 509.90 Annual Revenue per customer Months Λ Growth 12 \$42.49 Average Monthly Revenue per customer Annual RESIDENTIAL Average Monthly Cash Flow Share Cash Flow RATE DESIGN **Cubic Feet** Allowance Count Overage Share Average 10/04-9/05 1,861 2,190 OLD Reduce 0 **Meter Base** Allowance 39.38% 39.38% 638 10,527 126.324 16.70 Reduction n \$16.50 Per 100 Cubic feet Usage Rate O 0 - 1500 \$0.75 1,500 \$11.25 638 7,178 26.85% 86,130 26.85% 0.75 1501 - 4000 638 2,552 9.55% 30,624 9.55% 1.00 \$1.00 400 \$4.00 77,708 24.22% 1.25 > 4,000 \$3.50 290 \$10.15 638 6,476 24.22% 0.00% 0.00% 1.50 \$0.00 \$0.00 0 O based on revenue generated 2,190 \$25.40 100% for this test period \$41.90 \$26,732 100% 320,786 100.00% 28 462 5.544 16.50 Ready To Serve \$16.50 \$0.00 0.00% 0.00 Flat Ω 666 10.989 \$27,194 5,544 100% Difference \$17.33 Min charge 326,330 0.00 With B&O Tax 41.90 Last Case This Case Base 38.71% 48.83% ? 126,324 Usage 51.17% ? 194,462 59.59% Flat 0.00% 0.00% 0 RTS 1.70% 0.00% 5,544 LARGER THAN RESIDENTIAL 228,182 100% 326,330 100% 532 RATE DESIGN XF Base Allowance 3/4 inch meter 1 0 \$16.50 Annual Count Revenue 3/4 Meter 1 inch meter 1.70 0 28.05 9 3,029.40 1 1/2 Inch meter 3.30 0 54.45 3 1,960.20 Monthly Cuft 2,190 2 inch meter 5.30 0 87.45 6 6,296.40 Months 12 0 165.00 1,980.00 3 inch meter 10.00 1 **Annual Cuft** 26,280 4 inch meter 16.70 0 275.55 0 0.00 Annual Gallons 196,574 19 \$13,266.00 \$13,266 XF = Factor for allowance size equal to 3/4 inch. **Gross Revenue** \$339,596 **Previous Current** Proposed **AVG** Ready To Serve 16.70 \$16.50 BILL 16.50 Surcharge Cap Imp 0.00 0.00 \$0.00 \$41.90 Water Flat 0.00 0.00 \$0.00 \$0.00 Surcharge \$41.90 Base Zero 16.70 16.50 \$16.50 \$0.00 Tax 0 - 1500 0.75 0.75 \$0.75 \$41.90 Total revised 1501 - 4000 1.25 \$1.00 revised 1.00 > 4.000 1.25 3.50 \$3.50 revised

CAPITAL STRUCTURE

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Count CWC to Update: 1,501,026 Adds 1,901,026 Adds 9,911,2005 BeT of Test Period 1,231/2005 BEDY 1,249/11 1,249/1	Adjustment R-1 (14,555)
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	9/31/2005 End of Test Perioc

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eptember 10	CANTERWOOD WATER COMPANY
UTC to update if the want Month September October Reading Use 1,255,224 Count 558 558 Average 0 2,250 Cuft 16,826 10000 Gallons 10000 35000	COMPANY
November 576,531 558 1,033 1033 7,728	•
Decemble 411,66 55 738 5,518 Wat	
January 486,354 558 872 6,520 Y Con	10/03 - 0/03
December January February Mi 411,662 486,354 430,672 38 558 558 558 738 872 772 738 872 778 5,518 6,520 5,773 5, Water Company Water Company	
March 383,568 558 687 5,142	
April 518,046 558 928 928 6,944	
May June 882,013 2,359,872 558 558 1,581 4229 11,823 31,634	
July 3,378,771 558 6,055 6055 45,292	
August 2,936,047 2,558 5,262 5,262 39,358	
September 2,463,114 558 4,414 33,018	
TOTAL 16,081,874 558 2402 2402 17,965	

iling Informatio	n - Revenue Neu	Filing Information - Revenue Neutral - compared with 2002	2002	Customer	Customer and Water Use Data	D.			Beginning End of		Average
•						Actual	Adjusted	Other	Year		Customers Billed
				Active Cus	Active Customer Accounts	•	:ustomer avg > 10	customer avg > 100 cubic ft / month			
Name	CANTERWOOD	CANTERWOOD WATER COMPANY			2002	561	532		631	563	547 based on annual report filed with WUTC
Docket	UTC WN U-4 UTC WN U-57	C WN U-57			10/02 - 9/03	587	558		549	582	566 based on number of customers billed
	Last New	₹			10/04 - 9/05	888	638		616	666	841 based on number of customers billed
Test Period	02-9/03	104 - 9/05		Annual Cu	Annual Customer Consumption (cubic feet)	on (cubic feet)					
Year Ending	12/31/2003 12/31/2005	2/31/2005			2002	14,679,723	14,670,128				
WUTC review of notice		TBD - 12/05			10/02 - 9/03	16,081,874	16,075,569 recor	16,075,569 record dry summer since before year 1900	before year 1	8	
Filed		11/10/2003 TBD - 12/05 requesting extension to 1/31/06	xtension to 1/31/06	Adjusted	10/02 - 9/03		15,331,938				
Mail public notice	Ŧ	TBD-12/05			10/04 - 9/05	14,254,489	14,247,759				
Agenda	12/1/2003 TBD - 01/06	ID - 01/06		Average co	Average customer monthly use (cf/month)	se (cf/month)					
					2002	2,181	2,298				
Effective	1/1/2004 TBD	ŏ			10/02 - 9/03	2,283	2,409 recor	2,409 record dry summer since before year 1900	e before year 19	8	
Customers	550				10/04 - 9/05	1,784	1,861 avera	1,861 average use from 2002 to test period; down 20%)	to test period	down 20%)	
Avg Consumption	2,181	1,861 for test period	u .		Use smaller numb	Use smaller number of connections and reduce water use	and reduce water	ıse			
Rates			Current		to get the actual c	to get the actual consumption for the connections used.	connections used				
Flat	<u>A</u>	Allowance	(May 27, 2004)								
Meter Base	16.70	0	\$16.50	0 Three tiers	O Three tiers (or less) recommended by Jim Ward	inded by Jim Wari	ŗ.				
	0.75	1000	\$0.75	1500 This tier e	1500 This tier exceeds WSDOH design standard and Ecology's annual water right of 400 gpd/ERU.	sign standard and	l Ecology's annua	al water right of 40)0 gpd/ERU.		
		1001-2000	\$1.25 16	1501-4000 This tier exceeds WSDOH design standard and Ecology's annual water right of 800 gpd/ERU.	xceeds WSDOH des	sign standard and	l Ecology's annu	al water right of 80)0 gpd/ERU.		
	1.25	2001-4000		>4000 These cus	>4000 These customers are using greater than approximately 1,000 gpd/ERU.	reater than appro-	ximately 1,000 gp	d/ERU.			
	1.50	>4000									
Ready to Serve	16.70		\$16.50 red	reduced to same as base rate	e rate		Ä	14254489			
Serv Conn	429.42		\$429.42 PLO	PLC charge \$400 per meter install (avg. PLC cost)	eter install (avg. PLC	cost)	15	15074930			
Fac Charge	0.00		\$0.00 no	no change proposed				34064			
late Fee	0.00		\$0.00 no	no change proposed			효	15040866			
New Account	20.00		\$20.00 no	no change proposed			0.05	0.05228269			
NSF P	15.00		\$30.00 no	no change proposed							
Water Availability	35.00		\$210.00 no	\$210.00 no change proposed							

Customer Count Settle 8/1/03	RATE OF RETURN %	NET RATE BASE	ACCUM AMORTIZATION	CIAC PLANT IN SERV	ACQUISITION ADJUSTMENT	ACCUM DEPRECIATION	UTIL PLANT IN SERV	BEOY	NET OPERATING INCOME	INCOME (LOSS)	TOTAL EXPENSE	Fed Income Tax - 15%	Interest Expense	OPERATING INCOME	OPERATING EXPENSES	Other Tax & License	Payroll Tax	Property Tax	Utility Excise Tax	Depreciation	Repairs	Office/ Postage / Phone	Travel/ Education/ Bank/ CCR & WHPP ed	Pod Pok	Insurance	Transportation	Rents / Building, Property	Water Quality and Pump Testing	Contractual Ops/Mgmt/SMA	Contractual Legal	Contractual Accounting	Material & Supplies	Chemicals	Purchased Power	Employee Pension/Benefit	Salary Officers	Salary Employees	EXPENSES	OPERATING REVENUE	Other Income, Ancillary Charges	Utility Tax - State	Ready to Serve (incl. in metered sales)	Metered Sales, Residential	Unmetered Sales	REVENUES
		\$1,107,115	4	(14)	**	(30)	1,501,026		\$9	\$101	15		3	82	\$16	 _				4			/HPP e						= .	!		1		Ŋ				₩	\$280,021			ales)			1
8	8.97%		47,891	(147,344)	13,312	(307.770)			\$99,354	\$101,346	158,675	0	(1,992)	99,354	\$160,667	15,740	0	6,430	0	41,521	5,332	1,611	0 0	•	5,607	0	4,800	0	16,726	2344	35,186 -		8	25,302	0	0	0	\$40.73	ž	ŀ	0	0	260,021	0	
550	9.50%	\$1,102,663	47,891	(155,739)	14,171	(337,483)	1,533,823		\$104,739	\$104,739	163,274	0	0	104,739	\$163,274	938	0	6,100	13,148	42,422	15,206	119	0 (- {	5,081 4 39	0	6,000	1,224	15,256	1.190	33,587		, 0	22,565	0	0	0	\$39.13	\$268,012	6,917		0	261,095	0	1
g	16.23%	\$1,166,632	54,579	(173,989)	21,535	(385,766)	1,650,273		\$189,311	\$197,187	149,996	(63,781)	(7,876)	125,530	\$221,653	2,692		7,362	14,497	49,672	18,645		1,025	!	5,560 2,376		6,000	5,030	36,342		41,378	٠ ۲ م	2,781	25,267				\$44.36	\$347,183	7,540	1		339,643		CWC TO DO
Canterwo	3%	32	79 10/01/04		35	36) 10/01/04	73 10/01/04	as of	3	37	96	3	76)	8	53	×	0	ĸ	77	72						0 also due to	00 increase in regs	0 [new source +	20	On i	ωö	8 8	. 3	***	0	0	0	36	83	ļŏ		0	ω	0	C
odtariff3 rev	•	\$317,306	¥ 7,720	_	3,801	и (51,143)	4 363,863			49					ss							<u> </u>	fee @ 0.25 per	e de co	find new WSDOH	ਰੋ	in regs	ırce +											48						1
enue neuf		ž.							\$18	\$0 \$18	_	•		.	\$0 \$2																								\$0 \$3				ω		1
ral w investme	12.76%	\$1,483,938	62,299 9/31/05	(180,924) 9/31/05	25,336 9/31/05	(436,909) 9/31/05	2,014,136 9/31/05	as of	\$189,311	\$197,187	149,996	(63,781)	(7,876)	125,530	\$221,653	2,692	0	7,362	14,497	49,672	18,645	76	1,025 6	1000	5,560 2,376	0	6,000	5,030	36,342	(J)	41,378	3	2,781	25,267	0	o	0	\$44.36	\$347,183	7,540		0	339,643	0	•
canterwoodbariff3 revenue neutral w investments return - WUTCXLS / Results		\$7,131		(325)	3,728	(11,143)	14,871			•					\$ 139								1,000	!	2.590			(3,729)											\$14,906				14,906		
щсхтs	3	ş		_					8	25 SS													8	3	5			9)																	1
/Results	13.71%	\$1,491,069	•		29,064	(448,052)	2,029,007	10	\$204,356	\$212,232	149,858	(63,781)	(7,876)	140,575	\$221,515	2,692	0	7,362	14,497	49,672	18,645	76	2,025	, 40	5,560 666	0	6,000	1,301 #	36,342	Ch .	41,378	3 8	2,781	25,267	0	0	0	\$44.36	\$362,089	7,540	0	0	354,549	0	,
			12/31/05	12/31/05	12/31/05	12/31/05	12/31/05	вуоу		(\$1 ,				is i	\$ 1													three year average										0.00							1
		8								(\$1,923)				(1,923)	\$1,923								1,000	Š	9														78					0	
8	13.58%	\$1,491,069	62,289	(181,249)	29,084	(448,052)	2,029,007		\$202,433	\$210,309	151,781	(63,781)	(7,876)	138,652	\$223,438	2,692	0	7,362	14,497	49,672	18,645	76	3,025	,	5,560 5,890	0	6,000	1,301	36,342	У	41,378	3 8	2,781	25,267	0	0	0	\$44.36	\$362,089	7,540	. 0	0	354,549	0	-
1/13/20		8								\$40,796				40,796	\$1,923								1,000		923													10,0078	\$42,720				42,720	0	•
1/13/2006 / 1:45 PM	9.58%	\$1,491,069	62,289	(181,249)	29,064	(448,052)	2,029,007		\$142,844	\$150,720	151,781	(63,781)	(7,876)	79,063	\$223,438	2,692	0	7,362	14,497	49,672	18,645		3,025		5,560 5,880	0	6,000	1,301	36,342	(J)	41,378	30 25	2,781	25,267	0	0	0	\$39.02	\$302,501	7,540	(16,869)	0	311,830	0	i

12/31/05

1/13/2006

Revenue and Rate Calculations

Test Year Ending:

311,830 Revenue Requirement for Customers

12/31/05

1.82 per customer offage Diff 326,402 Revenue Generation 14,573 **Customer Count** 490.09 Annual Revenue per customer 666 Months Growth 12 \$40.84 Average Monthly Revenue per customer Annual Monthly RESIDENTIAL Average Cash Flow Count Cash Flow Overage Share Share RATE DESIGN **Cubic Feet** Allowance 2,190 Average 10/04-9/05 1,861 OLD Reduce 0 Allowance Meter Base 37.13% 638 9.570 37.13% 114,840 \$15.00 16.70 Reduction 0 Per 100 Cubic feet 0 **Usage Rate** 0 - 1500 \$0.75 1,500 \$11.25 638 7,178 27.85% 86,130 27.85% 0.75 2,552 30,624 9.90% 1501 - 4000 \$1.00 400 \$4.00 638 9.90% 1.00 77,708 25.12% 638 6,476 25.12% 1.25 > 4,000 \$3.50 290 \$10.15 \$0.00 Λ n 0.00% 0.00% 1.50 \$0.00 \$25,40 based on revenue generated 2.190 100% 100% 309.302 \$25,775 for this test period \$40.40 420 5.040 100.00% 28 \$15.00 16.50 Ready To Serve \$0.00 0.00% 0.00 Flat 0 666 9,990 \$26,195 5,040 100% Difference 0.00 \$15.75 Min charge 314,342 With B&O Tax 40.40 Last Case This Case 48.83% ? 114,840 36.53% Base 194,462 61.86% 51.17% ? Usage Flat 0.00% 0 0.00% 1.60% RTS 0.00% 5,040 LARGER THAN RESIDENTIAL 228,182 100% 314,342 100% RATE DESIGN Base ΧF Allowance 0 Annual 3/4 Inch meter 1 \$15.00 Count Revenue 3/4 Meter 0 9 2,754.00 1 inch meter 1.70 25.50 1,782.00 **Monthly Cuft** 1 1/2 inch meter 3.30 0 49.50 3 2,190 0 79.50 6 5,724.00 2 inch meter 5.30 Months 12 0 150.00 1,800.00 **Annual Cuft** 26,280 3 inch meter 10.00 1 4 inch meter 16.70 0 250.50 0 0.00 **Annual Gallons** 196,574 \$12,060.00 19 \$12,060 XF = Factor for allowance size equal to 3/4 inch. \$326,402 **Gross Revenue AVG Previous Current** Proposed Ready To Serve 16.70 16.50 \$15.00 **BILL** Water \$40.40 Surcharge Cap imp 0.00 0.00 \$0.00 \$0.00 Surcharge \$40.40 Flat 0.00 0.00 \$0.00 \$0.00 Base Zero 16.70 16.50 \$15.00 Tax \$0.75 \$40.40 0 - 1500 0.75 0.75 Total revised \$1.00 revised 1501 - 4000 1.00 1.25 revised > 4,000 1.25 3.50 \$3.50 \$0.00 0.00

CANTERWOOD WATER COMPANY

UTC WN U-4

For the Year ending December 31, 2005

CAPITAL STRUCTURE

For the Yea	ar ending December 31, 2005		Percent	Actual Cost	Weighted Cost		
	_	Principal	of Total	Rate	Rate		
DEBT	Accounts Payable	-	0.00%	0.00%	0.00%		
	(1) Liabilities	33,225.15	11.92%	6.00%	0.71%		
	(2) Long-term Liabilities	245,625.87	88.08%	6.50%	5.73%		
	-	278,851	100%		6.44%	•	
EQUITY							
	(3) Common Stock	615,671.34	40.67%				
	Retained Earnings	385,902.19	25.49%			as of 1	2/3105
	Paid in Capital	386,973.80	25.57%				
	Net Earnings	125,133.22	8.27%			as of 1	2/31/05
		1,513,681	100%	12.00%	12.00%		
ACTUAL						Staff	
							etical?
	Debt	278,851	15.56%	6.44%	1.00%	30%	1.93%
	Equity	1,513,681	84.44%	12.00%	10.13%	70%	8.40%
	-	1,792,532	100%				
		Weighted A	verage Cost	of Capital	11.14%		10.33%

ī.

		t R-1 (14,555)	Adjustment R-1	8,800	Growth CIAC (8, 750)	
		(448,052) (462,606)	Company Depn Total BYOY	6 400 400	Growth action Charge	Conn
		t R-1 (14,555)	Adjustment R-1	532	12/31/2002	Acquisition
		(436,909) (451,464)	Company Depn Total			
	67.75%	68.26%	66.08%	69.68%		CAR
(207)	1,374,606	1,374,812	1,090,518	1,045,912		Rate Base
(3,935) thru end of 12/05 corrected 01/12/06	(184,859) (6,935)	(180,924) (6,935) (6,935)	(173,989) Adjustment R-1 (6 ,	(147,344)	ate	CIAC CIAC Update
(11,142)	(462,606)	555) (451,464)	(385,766) (14,555)	(307,770)	1	Total
corrected 01/12/06	(448,052) (14,555)	(436,909) 0 0 (14,555)	(385,766) 0 0 0 (14	(307,770)		Depn Adds
14,871	2,029,006	2,014,135	1,650,273	1,501,026	: : :	Total
5,202 still in progress; not billed yet for work done in Nov and Dec 2005, and 2006 ADJ????	5,202 si A	18,800 7,879 7,83,863	18,800 7,879 363,863		Meters installed Comprehensive plan	#1334 #1348
	1,399	17,140	1.		Serv ices	#1331 #1333
7,391 both vents need to be replaced on each tank still	7,391 b	6,311	ِ ۾	r supply epair	Booster Station power supply Tank inspection and repair	#1310 #1330
פופ וויסרוויסימיבע פיניסווים, פווס פוי?וויספיווי? וויזים נס וביסספר וויסרובל סמר סו ביסמא.	9	27.754	27,754	ades	Existing Wells - upgrades	#1307
moved to another account and reclassed by accounting firm; moved to 120 not included attended and proping time to recover money out of Engree	9 7 0	(12,491)	(12,		Land & Water Rights	#1303 #1307
not included attorney and engineering time to recover money out of Escrow	J	150,000			Water Right	#1201
			000	lectrical upgr Testing	Well No. 2 upgrade Well No. 3, 5 and 6 electrical upgr New Well Acquisition Testing	
		2,014,135	1,650,273	1,501,026	CWC to Update: Well No. 1 upgrade	Assets Adds
		666	616	532	,	Count
	12/31/2005 BEOY	9/31/2005 End of Test Period	10/1/2004 Start of Test Period	Yr 2002		UTC WN U-5
End of Year	BEOY - Before End of Year			NY.	CANTERWOOD WATER COMPANY	CANTERW

Gallons	Cuf	verage	ount	Jse	Reading	Month	ITC to u	TC WN	ANTER\
		0	558			September	date if the v	4	VOOD WATE
16,826	2250	2,250	558	1,255,224		October	/ant		R COMPAN
7,728	1033	1,033	558	576,531		November			`
5,518	738	Average 0 2,250 1,033 738	558	411,662		December			
6,520		872	558	486,354		January		10/02 - 9/03	
5,773	772	772	558	430,672		February			
5,142	687	687	558	383,568		March			
6,944	928	928	558	518,046		April			
		1,581				May			
31,634	4229	4,229	558	2,359,872		June			
45,292	6055	6,055	558	3,378,771		July			
39,358	5262	5,262	558	2,936,047		August			
33,018	4414	4,414	558	2,463,114		August September			
17,965	2402			16,081,874		TOTAL			

