

	A	B	C	D	E	F	G	H	I	J
1	<b>American Water Resources, Inc.</b>		RESULTS OF OPERATION STATEMENT							
2	UW-031284		for 12 MONTHS ENDED JUNE 30, 2003							
3										
4		UW-010961	2002 - 2003		RESTATING	PER BOOK		PROFORMA	PROFORMA	
5		1-Jan-01	Test Year		ADJ	ADJ		ADJ	BEFORE	
6	REVENUES	----	----		----	----		----	----	
7	Unmetered Sales 370	213,090				0			0	
8	Metered Sales 1132	667,410	653,491			653,491	<b>P1</b>	(9,957)	643,534	<b>P2</b>
9	Fire Flow	13,990	14,207			14,207			14,207	
10	Other Revenue	22,059	19,474			19,474			19,474	
11	Other Income		11,108	<b>R1</b>	(11,108)	0				
12	OPERATING REVENUE	\$916,549	\$698,281		(\$11,108)	\$687,172		(\$9,957)	\$677,215	
13	Average Bill	37.47	36.26						35.70	
14	EXPENSES									
15	Salary Employees	279,364	169,096			169,096	<b>P3</b>	(35,041)	134,055	
16	Salary Officers	24,000	23,842			23,842			23,842	
17	Pension/Benefit 17.2%	30,337	29,071			29,071	<b>P3</b>	(5,445)	23,626	
18	Purchased Power	57,489	36,732			36,732			36,732	
19	Chemicals	14,941	11,178			11,178			11,178	
20	Material & Supplies	8,767	4,664			4,664			4,664	
21	Contractual Engineer	5,220	4,305			4,305			4,305	
22	Contractual Accounting	14,847	19,032	<b>R3</b>	(7,200)	11,832			11,832	
23	Contractual Legal	9,087	6,279	<b>R4</b>	(2,902)	3,378			3,378	
24	Contractual Management	0				0			0	
25	Contractual Testing	37,715	19,797			19,797			19,797	
26	Rents / Building, Property	10,800	10,859			10,859			10,859	
27	Trans. Fuel/Repair/Maint	43,116	26,601			26,601			26,601	
28	Insurance	23,186	17,517			17,517			17,517	
29	Regulatory/ IRS Fees	179	2,597	<b>R2</b>	(2,597)	0			0	
30	Regulatory, Rate Case	11,000	11,000			11,000	<b>S1</b>		11,000	
31	Amort Reg Liab -010961						<b>P5</b>	(67,861)	(67,861)	
32	Bad Debt Expense	10,762	1,918			1,918			1,918	
33	Misc/Travel/Bank/Education	3,477	2,149			2,149			2,149	
34	Office/ Postage / Phone	37,263	26,008			26,008			26,008	
35	Repairs	13,853	20,769			20,769			20,769	
36	Depn/Amort Net	76,860	49,726			49,726			49,726	
37	Utility Excise Tax	44,585	36,667			36,667			36,667	
38	Property Tax	7,286	3,166			3,166			3,166	
39	Payroll Tax 15%	45,504	25,252			25,252	<b>P3</b>	(4,502)	20,750	
40	Other Tax & License	9,258	1,279			1,279			1,279	
41	Other Expense		37,364	<b>R5</b>	(37,364)	0			0	
42	OPERATING EXPENSES	818,894	596,867		(12,699)	546,805		(112,848)	433,957	
43										
44	OPERATING INCOME	97,655	101,413		1,590	103,003		102,891	243,259	
45	Interest Expense	79,692	31,404			31,404			31,404	
46	Fed Income Tax (15%)		16,652			16,652			16,652	
47	TOTAL EXPENSE	898,587	644,923		(12,699)	632,225		(112,848)	482,012	
48	INCOME (LOSS)	\$17,962	\$53,357		1,590	\$54,948		102,891	\$195,203	
49	INCOME (LOSS) RATES	\$97,655	\$84,761			\$123,715			\$226,607	
50										
51	Beginning/End of Year									
52	UTIL PLANT IN SERV	2,638,476	2,244,621			2,244,621	<b>RB1</b>	25,101	2,269,721	
53	ACCUM DEPRECIATION	(503,214)	(522,797)			(522,797)	<b>RB1</b>	33,044	(489,753)	
54	REG LIABILITY - 010961			<b>R6</b>	(135,722)	(135,722)	<b>RB5</b>	67,861	(67,861)	
55	ACQUISITION ADJUST NET	(82,215)	(174,427)			(174,427)	<b>RB1</b>	(2,547)	(176,974)	St
56	CIAC PLANT IN SERV	(1,123,298)	(794,658)			(794,658)	<b>RB1</b>	33,645	(761,013)	<b>RB2</b>
57	ACCUM AMORTIZATION	146,142	88,709			88,709	<b>RB1</b>	(10,756)	77,953	
58	NET RATE BASE	\$1,075,892	\$841,448		(\$135,722)	\$705,726		\$146,348	\$852,074	
59	NET RATE BASE									
60	RATE OF RETURN %	9.08%	10.07%			17.53%			26.59%	
61	Customer Count	1,958	1,502			1,502			1,502	

	A	K	L	M	N	O	P	Q	R
1	<b>American Water Resources</b>								
2	UW-031284								
3									
4									
5									
6	REVENUES	----		----				PROPOSED	PROPOSED
7	Unmetered Sales 370								PERIOD
8	Metered Sales 1132	(79,306)					<b>S1</b>	(155,320)	0
9	Fire Flow								408,909
10	Other Revenue								14,207
11	Other Income								19,474
12	OPERATING REVENUE	<u>(\$79,306)</u>		<u>\$0</u>		<u>\$0</u>		<u>(\$155,320)</u>	<u>\$442,590</u>
13	Average Bill								22.69
14	EXPENSES								
15	Salary Employees								134,055
16	Salary Officers								23,842
17	Pension/Benefit 17.2%								23,626
18	Purchased Power								36,732
19	Chemicals								11,178
20	Material & Supplies								4,664
21	Contractual Engineer								4,305
22	Contractual Accounting								11,832
23	Contractual Legal								3,378
24	Contractual Management								0
25	Contractual Testing								19,797
26	Rents / Building, Property								10,859
27	Trans. Fuel/Repair/Maint								26,601
28	Insurance								17,517
29	Regulatory/ IRS Fees						<b>S1</b>	(311)	(310)
30	Regulatory, Rate Case								11,000
31	Amort Reg Liab -010961								(67,861)
32	Bad Debt Expense								1,918
33	Misc/Travel/Bank/Education								2,149
34	Office/ Postage / Phone								26,008
35	Repairs								20,769
36	Depn/Amort Net								49,726
37	Utility Excise Tax						<b>S1</b>	(7,811)	28,856
38	Property Tax								3,166
39	Payroll Tax 15%								20,750
40	Other Tax & License								1,279
41	Other Expense								0
42	OPERATING EXPENSES	<u>0</u>		<u>0</u>		<u>0</u>		<u>(8,122)</u>	<u>425,835</u>
43									
44	OPERATING INCOME							(147,198)	<b>16,755</b>
45	Interest Expense						<b>P4</b>	(26,387)	5,017
46	Fed Income Tax (15%)						<b>S1</b>	(14,891)	1,761
47	TOTAL EXPENSE							<u>(49,400)</u>	<u>432,612</u>
48	INCOME (LOSS)	<u>0</u>		<u>0</u>		<u>0</u>		<u>(\$105,920)</u>	<u>\$9,977</u>
49	INCOME (LOSS) RATES								\$14,994
50									
51	Beginning/End of Year			RATE BASE		RATE BASE			
52	UTIL PLANT IN SERV		<b>RB3</b>	GOS View Royal (225,694)		GOS Birchfield (193,366)			1,850,661
53	ACCUM DEPRECIATION								(489,753)
54	REG LIABILITY - 010961								(67,861)
55	ACQUISITION ADJUST NET								(176,974)
56	CIAC PLANT IN SERV								(1,028,674)
57	ACCUM AMORTIZATION								77,953
58	NET RATE BASE	<u>(\$267,661)</u>		<u>(\$225,694)</u>		<u>(\$193,366)</u>		<u>\$0</u>	<u>\$165,352</u>
59	NET RATE BASE	\$584,413		\$358,719		\$165,352			
60	RATE OF RETURN %								<b>9.07%</b>
61	Customer Count								1,502

408,909 Revenue Requirement for Customers				
409,127	Revenue Generation	218	Diff	\$0.01
1,502	BOEY 2000	272.24	Annual Revenue per customer	
0	Growth	12	Months	
		\$22.69	Average Monthly Revenue per customer	

	Summer Avg Use	1,284	Average	Cubic Feet	Allowance	Count	Monthly	Overage	Share	Annual	Cash Flow	Share
	Winter Avg Use	762										
	Annual Avg Use	1,023	<b>1,023</b>		0							
			Allowance	Meter Base								
17.70			0	<b>\$14.70</b>	1,132		16,640		64.88%	199,685		64.88%
	Usage Rate	Per 100 Cubic feet										
1.21	0 - 500	<b>\$0.65</b>	<b>500</b>	\$3.25	1,132			3,679	14.34%	44,148		14.34%
1.75	> 500	<b>\$0.90</b>	<b>523</b>	\$4.71	1,132			5,330	20.78%	63,960		20.78%
		<b>\$0.90</b>	<b>0</b>	\$0.00	1,132			0	0.00%	0		0.00%
				<u>\$7.96</u>								
				<u>\$22.66</u>				<b>\$25,649</b>	100%	307,793		100%
	Ready To Serve			\$1.00			0			0		0.00%
	Flat			\$22.66	370		8,384			100,604		100.00%
					1,502		<b>25,024</b>		<b>\$34,033</b>	100,604		100%
										408,396		

	Last Case			This Case	
Base	227,804	34.86%		199,685	48.89%
Usage	278,857	42.67%	78%	108,108	26.47%
Flat	146,831	22.47%	22%	100,604	24.63%
RTS	0	0.00%	0%	0	0.00%
36.26	653,491	100%	100%	408,396	100%

	XF	Allowance	Base	Count	Annual	Revenue
3/4 Inch Meter	1	0	\$14.70			
1 inch meter	1.67	0	\$24.55	7	171.84	
1 1/2 inch meter	3.33	0	\$48.95		0.00	
2 inch meter	5.33	0	\$78.35	4	313.40	
4 inch meter	16.67	0	\$245.05	1	245.05	
				12	<u>\$730.30</u>	\$730

XF = Factor for allowance size equal to 3/4 inch.

Gross Revenue **\$409,127**

	Current	Proposed	Revised	AVG	BILL
Ready To Serve	0.00		\$1.00		
Surcharge Cap Imp	4.54	4.54	\$4.54	<b>\$22.66</b>	Water
Flat	33.07		\$22.66	<b>\$4.54</b>	Surcharge
Contingent Revenue			\$0.00	<b>\$0.00</b>	Contingent Revenue
Base Zero	16.77		\$14.70	<b>\$0.00</b>	Tax State
0 - 500	1.21		0.65	<b>\$27.20</b>	Total Flat/Average
> 500	1.75		0.90		
0	1.75		0.90		

American Water Resources, Inc.  
UW-031284  
Beginning/End of Year

	BOY July 1, 2002	EOY June 30, 2003	BEOY	ADJ RB1
UTIL PLANT IN SERV	2,294,822	2,244,621	2,269,721	25,101
ACCUM DEPRECIATION	(456,708)	(522,797)	(489,753)	33,044
ACQUISITION ADJUSTMENT	(193,834)	(193,834)	(193,834)	0
ACCUM AMORTIZATION	14,313	19,407	16,860	(2,547)
CIAC PLANT IN SERV	(727,369)	(794,658)	(761,013)	33,645
ACCUM AMORTIZATION	67,198	88,709	77,953	(10,756)
NET RATE BASE	<u>998,422</u>	<u>841,448</u>	919,935	<u>78,487</u>
Net UPIS	1,838,114	1,721,823	1,779,968	
Net ACQ	(179,521)	(174,427)	(176,974)	
Net CIAC	(660,171)	(705,949)	(683,060)	
	<u>998,422</u>	<u>841,448</u>	919,935	

American Water Resources, Inc.  
UW-031284  
Rate Base Interest Calculation

	<u>PROPOSED</u>
Rate Base	\$165,352
Weighted Debt	X <u>3.03%</u>
Interest on Rate Base	<u>\$5,017</u>
Interest on Rate Base	5,017
Company Interest Expense	+ (31,404)
Adjustment	<u>(26,387)</u>
	<b>P4</b>

American Water Resources, Inc.

UW-031284

For the Year ending

June 30, 2003

Capital Structure with

Docket 010961 Account Adjustment

		Principal	Percent of Total	Cost Rate	Weighted Cost Rate
<b>DEBT</b>					
	FCB-70	57,616	16.04%	6.00%	0.96%
	FCB-71	195,741	54.49%	6.00%	3.27%
267,661	FCB-72 Surcharge		0.00%	6.00%	0.00%
	Loma Vista	9,000	2.51%	6.00%	0.15%
	Horner	1,667	0.46%	6.00%	0.03%
	Black	2,450	0.68%	6.00%	0.04%
	Shambaugh	7,003	1.95%	6.00%	0.12%
	Other Current Liabilities	13,653	3.80%	6.45%	0.25%
	Accounts Payable	72,115	20.07%	6.45%	1.29%
		<u>359,245</u>	100%		<u>6.11%</u>
<b>EQUITY</b>					
	Common Stock	310,125	85.21%		
	Retained Earnings	116,181	31.92%		
	REG LIABILITY - 010961	(135,722)	-37.29%		
	Paid In Capital	20,006	5.50%		
	Net Income	53,358	14.66%		
		<u>363,948</u>	100%	12.00%	<u>12.00%</u>
<b>ACTUAL</b>					
	Debt	359,245	49.67%	6.11%	3.03%
	Equity	<u>363,948</u>	<u>50.33%</u>	12.00%	6.04%
		990,854	100%		
				Weighted Average Cost of Capital	<u><b>9.07%</b></u>

American Water Resources, Inc.  
UW-031284

Docket UW-010961 Balance Sheet

29-Oct-03

Balance Owing	Amounts Spend	Acct Balance
5,290	(66,258)	62,371
	(1,803)	
<hr/> 5,290	<hr/> (68,061)	<hr/> 62,371

Cash in Account	62,371	<hr/> 62,371	
CIAC			REG LIABILITY - 010961
Non funded Account	5,290		135,722
Collected and Spent	68,061	<hr/> 73,351	
			Amort Reg Liab -010961
			67,861

	A	B	C	D	E	F	G	H	I	J	K
1	American Water Resources, Inc.										
2	UW-031284										
3	Payroll Allocation based on year 2003 field cost.										
4									Allocated	Allocated	
5									Benefit	Taxes	
6			Payroll	Benefit		Taxes		Field	<b>15.54%</b>	<b>12.85%</b>	Total
7	July 02		18,140	2,588		2,417		11,371			
8	Allocation				14.27%		13.32%		1,767	1,461	
9											
10	Aug 02		27,286	3,880		4,021		17,132			
11	Allocation				14.22%		14.74%		2,662	2,201	
12											
13	Sept 02		18,366	2,581		2,822		11,597			
14	Allocation				14.05%		15.37%		1,802	1,490	
15											
16	Oct 02		16,929	2,583		2,313		10,160			
17	Allocation				15.26%		13.66%		1,579	1,305	
18											
19	Nov 02		16,903	2,581		2,236		10,134			
20	Allocation				15.27%		13.23%		1,575	1,302	
21											
22	Dec 02		19,994	2,737		2,141		13,225			
23	Allocation				13.69%		10.71%		2,055	1,699	
24	Test Period		117,618	16,950		15,950					
25											
26	Six Month Average Allocation				<b>14.46%</b>		<b>13.50%</b>				
27								73,619	11,439	9,458	94,515
28									<b>15.54%</b>	<b>12.85%</b>	
29											
30	Jan 03		18,341	1,951		2,695		9,418			
31	Allocation				10.64%		14.69%		1,463	1,210	
32											
33	Feb 03		11,309	1,811		2,036		5,770			
34	Allocation				16.01%		18.00%		897	741	
35											
36	Mar 03		11,627	2,917		(717)		5,781			
37	Allocation				25.09%		-6.17%		898	743	
38											
39	Apr 03		11,275	1,810		1,991		5,736			
40	Allocation				16.05%		17.66%		891	737	
41											
42	May 03		11,416	1,814		2,005		5,878			
43	Allocation				15.89%		17.56%		913	755	
44											
45	Jun 03		11,352	1,818		1,292		5,995			
46	Allocation				16.01%		11.38%		932	770	
47	Test Period		75,320	12,121		9,302					
48											
49	Six Month Average Allocation				<b>16.62%</b>		<b>12.19%</b>				
50								38,578	5,994	4,956	49,528
51	Annual Average Allocation				<b>15.54%</b>		<b>12.85%</b>				
52	Test Period		\$192,938	\$29,071		\$25,252		\$112,197	\$17,433	\$14,413	144,043
53											
54	Staff Annualized of Field							77,156	11,989	9,912	99,057
55											
56	Adjustment to Staff Annualized field							<b>(35,041)</b>	<b>(5,445)</b>	<b>(4,502)</b>	44,988
57								<b>P3</b>	<b>P3</b>	<b>P3</b>	
58	Note 1: Payroll, Benefit, Taxes & Field expenses from Exhibit No. __ (JAW-3) at 4-9.										
59	Note 2: Field Benefits & Taxes are calculated on percentage of actual Benefit & Taxes to total actual Payroll.										
60											



