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Docket Control

Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Legal Department

Name Craig A. Marks
Phone 623 445 2442
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E-Mail Craig.Marks@amwater.com

October 26, 2005

**Re: Arizona-American Water Company
Docket No. W-01303A-05-0718
White Tanks Treatment Plant**

Dear Sir or Madam:

Enclosed for filing are an original and 13 copies of a revised Attachment C to the Report that accompanied Arizona-American's Application in this docket. This corrects an error on Schedule A-1, where depreciation expense was not included in the annual cost of capital for the White Tanks Regional Water Treatment Plant.

Also, please correct my mailing address on the service list. It is

Craig A. Marks
Arizona-American Water Company
19820 N. 7th St.
Suite 201
Phoenix, AZ 85024

Very truly yours,

Craig A. Marks
Corporate Counsel

Cc: James Dorf
Ernest Johnson
Chris Kempley
Lyn Farmer
RUCO

Enclosures

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2005 OCT 28 P 4: 14

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Arizona-American Water Company
Docket No. W-01303A-05-0718
White Tanks Treatment Plant

ATTACHMENT C

**White Tanks Regional Water Treatment Plant
Comparison of Water Supply Options
*Revised October 25, 2005***

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**Arizona-American Water Company - Agua Fria District
Comparison of Water Supply Options
Index to Schedules**

Revised 10/26/05

<u>Schedule</u>	<u>Pages</u>	<u>Description</u>
A-1	1	Summary of Annual Costs
A-2	1	Detail of Annual Costs
B-1	1	White Tanks Regional WTP - Detailed Capital Cost Estimate
B-2	1	White Tanks Regional WTP - Capital Cost Estimate by Plant Account
B-3	1	White Tanks Regional WTP - Depreciation by Plant Account
B-4	1	White Tanks Regional WTP - Operating Cost Estimate
C-1	1	Well Supply System - Capital, Depreciation and Operating Cost Estimate
C-2	1	Arsenic Treatment - Capital and Operating Cost Estimate
D-1	1	Standalone Surface WTP - Capital Cost and Depreciation Estimate by Plant Account

Arizona-American Water Company - Agua Fria District
Comparison of Water Supply Options
Detail of Annual Costs
Prepared by ARICOR Water Solutions
 9/12/2005

Schedule A-1

Estimated Annual Costs			
	White Tanks Regional Water Treatment Plant	Well Supply System with Arsenic Treatment	Standalone Water Treatment Plant
Annual Cost of Capital	\$ 5,885,559	\$ 5,014,094	\$ 7,813,492
Annual Operating Costs	1,319,698	3,013,404	1,524,252
Water Resource Annual Costs	1,349,997	1,174,807	1,349,997
Total Annual Costs	\$ 8,555,254	\$ 9,202,305	\$ 10,687,741
Difference From Low Cost Option	+0.0%	+7.6%	+24.9%
Annual Cost Per 1,000 gallons produced	\$ 2.55	\$ 2.74	\$ 3.18

Arizona-American Water Company - Agua Fria District
 Comparison of Water Supply Options
 Detail of Annual Costs
 Prepared by ARICOR Water Solutions
 9/12/2005

Schedule A-2

Annual Costs				
	Factor	White Tanks Regional Water Treatment Plant	Well Supply System with arsenic treatment	Standalone Water Treatment Plant
Capital Costs				
Assumptions:				
Debt Ratio	60.0%			
Equity Ratio	40.0%			
Cost of Debt		6.0%	6.0%	6.0%
Cost of Equity		12.0%	12.0%	12.0%
Weighted Average Cost of Debt		3.6%	3.6%	3.6%
Weighted Average Cost of Equity		4.8%	4.8%	4.8%
Federal Tax Rate	34.0000%			
State Tax Rate	6.9680%			
Combined Federal/State Tax Rate	38.5989%			
Total Capital Cost Estimate		\$ 42,029,258	\$ 37,468,170	\$ 55,933,626
Annual Cost of Capital (Year 1)				
Annual Depreciation		\$ 1,086,890	\$ 736,185	\$ 1,427,300
Return				
Debt Cost		1,513,053	1,348,854	2,013,611
Equity Cost		2,017,404	1,798,472	2,684,814
Income Tax on Equity Return	0.62863	1,268,211	1,130,582	1,687,768
Total Annual Cost of Capital		\$ 5,885,559	\$ 5,014,094	\$ 7,813,492
Operating Costs				
Assumptions:				
CAP Water Op. Cost per 1,000 gallon		\$ 0.3930		\$ 0.4323
AZ-AM Annual Average Day (MGD)	9.2			
AZ-AM Annual Usage (gallons)	3,358,000,000			
AZ-AM Annual Usage (acre-feet)	10,305			
Annual Operating Cost				
CAP Water Treatment Operating Costs		\$ 1,319,698		\$ 1,524,252
Well System Operating Costs		-	\$ 3,013,404	-
Subtotal Annual Operating Costs		1,319,698	3,013,404	1,524,252
Water Resource Annual Costs				
	<u>per acre-foot</u>			
CAP Water Purchase	\$ 106.00	1,092,364	1,092,364	1,092,364
CAP Water Wheeling	\$ 25.00	257,633		257,633
CAP Recharge Costs	\$ 8.00	-	82,443	-
Subtotal Water Resource Annual Costs		1,349,997	1,174,807	1,349,997
Total Annual Costs		\$ 8,555,254	\$ 9,202,305	\$ 10,687,741
Annual Cost Per 1,000 gallons		\$ 2.55	\$ 2.74	\$ 3.18

**Arizona-American Water Company - Agua Fria District
Comparison of Water Supply Options
White Tanks Regional Water Treatment Plant
Detailed Capital Cost Estimate
Prepared by ARICOR Water Solutions
9/12/2005**

Schedule B-1

Phase IA Detailed Estimate		
Phase IA Capacity (MGD)		13.5
Arizona American Contracted Share	55.6%	7.5
Estimated Cost		
Land and Land Rights		
Land Purchase	\$	1,350,000
Phase IA Plant Construction		
Bid Costs		
Structures and Improvements	\$	17,986,000
Raw Water Storage Reservoirs		1,638,000
Bearsley Canal Intake		422,000
Backup Power		380,000
Pumps, Motors & Piping		1,986,000
Water Treatment Equipment		7,138,000
Finished Water Reservoir		2,151,000
Office Furniture		32,000
Tools & Equipment		40,000
Laboratory Equipment		130,000
Sub Total Bid Costs		31,903,000
Design Changes and Inflation through 5/12/05		7,000,000
Adjusted Bid Costs		38,903,000
Inflation Adjuster (6 months @ 2.5%)		488,827
Contingency @ 5%		1,945,150
Total Phase IA Plant Construction Costs	\$	41,336,977
Phase IA Design, Construction Support, Consulting		
Original WTP Joint Venture Contract	\$	3,294,823
Change Orders through November 2004		271,546
Delay Charges (Dec. - Feb.)		120,000
B&V Home Office Construction Support		(478,038)
Permitting through November		113,695
Estimated Additional Permitting		25,500
Prepare Bid Documents		251,440
Bidding Services		83,080
Construction Phase Services		1,189,730
Resident Engineer		594,600
AAW Internal Costs (through 12/04)		1,015,788
Estimated Additional AAW Costs		500,000
Pilot Testing DAF and UV Procurement Costs		115,000
Owners Internal Costs During Construction		500,000
Total Phase IA Design, Const. Support, Consulting	\$	7,597,164
TOTAL Phase IA Treatment Plant Costs	\$	48,934,141
TOTAL Phase IA Treatment Plant Cost per MGD capacity	\$	3,624,751
TOTAL Phase IA Treatment Plant Cost per gallon capacity	\$	3.62
AF Trunk Transmission Main Design and Construction		
Phase I Main	\$	9,207,970
Connection to Treatment Plant		1,347,747
Total Transmission Main Costs	\$	10,555,717
Interim Well Supply Costs		
Upgrade 3 existing MWD wells	\$	362,250
Connect 3 wells to Trunk Pipeline		300,150
Total Interim Well Supply	\$	662,400
TOTAL Phase IA Costs (before financing)	\$	61,502,258
TOTAL Phase IA Cost (before financing) per MGD capacity	\$	4,555,723
TOTAL Phase IA Cost (before financing) per gallon capacity	\$	4.56
Fair Value Financing Costs		
Construction Interest Financing (2 x 4.75%)	\$	5,842,715
Other	\$	-
Total Capitalized Interest	\$	5,842,715
TOTAL Phase IA Costs	\$	67,344,973
TOTAL Phase IA Costs per MGD of capacity	\$	4,988,517
TOTAL Phase IA Cost per gallon of capacity	\$	4.99

Phase IB Detailed Estimate		
Phase IB Capacity (MGD)		6.5
Arizona American Contracted Share	61.5%	4.0
Estimated Cost		
Phase IB Plant Construction		
Structures and Improvements	\$	2,025,000
Water Treatment Equipment		4,050,000
Pumps Motors and Piping		675,000
Total Phase IB Plant Costs	\$	6,750,000
Phase IB Design, Construction Support		
	\$	750,000
TOTAL Phase IB Treatment Plant Costs	\$	7,500,000
TOTAL Phase IB Treatment Plant Cost per MGD capacity	\$	1,153,846
TOTAL Phase IIB Treatment Plant Cost per gallon capacity	\$	1.15
Financing Costs		
Issuance Cost	\$	-
TOTAL Phase IB Costs	\$	7,500,000
TOTAL Phase IB Cost per MGD capacity	\$	1,153,846
TOTAL Phase IIB Cost per gallon capacity	\$	7.50

Phase I Summary Cost Estimate		
Phase I Capacity (mgd)		20
Arizona American Contracted Share		11.5
Estimated Cost		
Land Purchase	\$	1,350,000
Treatment Plant Costs		
Phase IA Treatment Plant Costs	\$	48,934,141
Phase IB Treatment Plant Costs		7,500,000
TOTAL Phase I Treatment Plant Cost	\$	56,434,141
TOTAL Phase I Treatment Plant Cost per MDG capacity	\$	2,821,707
TOTAL Phase I Treatment Plant Cost per gallon capacity	\$	2.82
AF Trunk Transmission Main Design and Construction	\$	10,555,717
Interim Well Supply Costs	\$	662,400
TOTAL Phase I Costs (before financing)	\$	69,002,258
TOTAL Phase I Cost (before financing) per MGD capacity	\$	3,450,113
TOTAL Phase I Cost (before financing) per gallon capacity	\$	3.45
Financing Costs		
Phase IA Financing Costs	\$	5,842,715
Phase IB Financing Costs	\$	-
Total Financing Costs	\$	5,842,715
TOTAL Phase I Costs	\$	74,844,973
TOTAL Phase I Costs per MGD of capacity	\$	3,742,249
TOTAL Phase I Cost per gallon of capacity	\$	3.74

Arizona-American Water Company - Agua Fria District
 Comparison of Water Supply Options
 White Tanks Regional Water Treatment Plant
 Capital Cost Estimate by Plant Account
 Prepared by ARICOR Water Solutions
 9/12/2005

Schedule B-2

Phase IA - Cost Estimate by Plant Account									
	Land Purchase	Phase IA Plant Construction	Phase IA Design, Const. Support, Consulting	Transmission Main Design and Const.	Interim Well Supply	Phase IA Estimated Cost (before financing)	Financing Costs	Total Phase IA Estimated Cost	Arizona American Share Phase IA
303 Land and Land Rights	\$ 1,350,000	\$ -	\$ -	\$ -	\$ -	\$ 1,350,000	\$ -	\$ 1,350,000	\$ 750,000
304 Structures and Improvements		23,304,607	4,283,064			27,587,671	2,679,648	30,267,319	16,815,177
305 Collecting and Impounding Reservoirs		2,122,370	390,062			2,512,432	244,038	2,756,470	1,531,372
306 Lake, River and Other Intakes		546,789	100,492			647,281	62,872	710,153	394,529
307 Wells and Springs					36,225	36,225	3,519	39,744	22,080
310 Power Generation Equipment		492,369	90,491			582,860	56,614	639,474	355,263
311 Pumping Equipment		2,573,276	472,933		326,025	3,372,234	327,552	3,699,786	2,055,437
320 Water Treatment Equipment		9,248,765	1,699,795			10,948,560	1,063,456	12,012,016	6,673,342
330 Distribution Reservoirs and Standpipes		2,787,068	512,225			3,299,293	320,467	3,619,760	2,010,978
331 Transmission and Distribution Mains				10,555,717	300,150	10,855,867	1,054,453	11,910,320	6,616,844
340 Office Furniture and Equipment		41,463	7,620			49,083	4,768	53,850	29,917
343 Tools, Shop and Garage Equipment		51,828	9,525			61,354	5,969	67,313	37,396
344 Laboratory Equipment		168,442	30,957			199,399	19,368	218,767	121,537
TOTALS	\$ 1,350,000	\$ 41,336,977	\$ 7,597,164	\$ 10,555,717	\$ 662,400	\$ 61,502,258	\$ 5,842,715	\$ 67,344,973	\$ 37,413,874

Phase IB - Cost Estimate by Plant Account						
	Phase IB Plant Construction	Phase IB Design, Const. Support, Consulting	Phase IB Estimated Cost (before financing)	Financing Costs	Total Phase IB Estimated Cost	Arizona American Share Phase IB
303 Land and Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
304 Structures and Improvements	2,025,000	225,000	2,250,000	-	2,250,000	1,384,615
305 Collecting and Impounding Reservoirs						
306 Lake, River and Other Intakes						
307 Wells and Springs						
310 Power Generation Equipment						
311 Pumping Equipment	675,000	75,000	750,000		750,000	461,538
320 Water Treatment Equipment	4,050,000	450,000	4,500,000		4,500,000	2,769,231
330 Distribution Reservoirs and Standpipes						
331 Transmission and Distribution Mains						
340 Office Furniture and Equipment						
343 Tools, Shop and Garage Equipment						
344 Laboratory Equipment						
TOTALS	\$ 6,750,000	\$ 750,000	\$ 7,500,000	\$ -	\$ 7,500,000	\$ 4,615,385

Phase I - Summary Cost Estimate by Plant Account				
	Total Phase IA Estimated Cost	Phase IB Estimated Cost	Total Phase I Estimated Cost	Arizona American Share Phase I
303 Land and Land Rights	\$ 1,350,000	\$ -	\$ 1,350,000	\$ 750,000
304 Structures and Improvements	\$ 30,267,319	\$ 2,250,000	\$ 32,517,319	\$ 18,199,793
305 Collecting and Impounding Reservoirs	\$ 2,756,470	\$ -	\$ 2,756,470	\$ 1,531,372
306 Lake, River and Other Intakes	\$ 710,153	\$ -	\$ 710,153	\$ 394,529
307 Wells and Springs	\$ 39,744	\$ -	\$ 39,744	\$ 22,080
310 Power Generation Equipment	\$ 639,474	\$ -	\$ 639,474	\$ 355,263
311 Pumping Equipment	\$ 3,699,786	\$ 750,000	\$ 4,449,786	\$ 2,516,975
320 Water Treatment Equipment	\$ 12,012,016	\$ 4,500,000	\$ 16,512,016	\$ 9,442,573
330 Distribution Reservoirs and Standpipes	\$ 3,619,760	\$ -	\$ 3,619,760	\$ 2,010,978
331 Transmission and Distribution Mains	\$ 11,910,320	\$ -	\$ 11,910,320	\$ 6,616,844
340 Office Furniture and Equipment	\$ 53,850	\$ -	\$ 53,850	\$ 29,917
343 Tools, Shop and Garage Equipment	\$ 67,313	\$ -	\$ 67,313	\$ 37,396
344 Laboratory Equipment	\$ 218,767	\$ -	\$ 218,767	\$ 121,537
TOTALS	\$ 67,344,973	\$ 7,500,000	\$ 74,844,973	\$ 42,029,258

Arizona-American Water Company - Agua Fria District
 Comparison of Water Supply Options
 White Tanks Regional Water Treatment Plant
 Depreciation by Plant Account
 Prepared by ARICOR Water Solutions
 9/12/2005

Schedule B-3

Phase I Summary - Depreciation by Plant Account					
		Total Phase I Estimated Cost	Depreciation Rate	Annual Depreciation	Arizona American Share Phase I
303	Land and Land Rights (non depreciable)	\$ 1,350,000	n/a	\$ -	\$ -
Depreciable Assets:					
304	Structures and Improvements	32,517,319	2.50%	812,933	-
305	Collecting and Impounding Reservoirs	2,756,470	2.50%	68,912	-
306	Lake, River and Other Intakes	710,153	2.50%	17,754	-
307	Wells and Springs	39,744	2.52%	1,002	-
310	Power Generation Equipment	639,474	5.00%	31,974	-
311	Pumping Equipment	4,449,786	4.42%	196,681	-
320	Water Treatment Equipment	16,512,016	3.33%	549,850	-
330	Distribution Reservoirs and Standpipes	3,619,760	1.67%	60,450	-
331	Transmission and Distribution Mains	11,910,320	1.53%	182,228	-
340	Office Furniture and Equipment	53,850	4.55%	2,450	-
343	Tools, Shop and Garage Equipment	67,313	4.14%	2,787	-
344	Laboratory Equipment	218,767	3.71%	8,116	-
TOTAL Depreciable Assets		\$ 73,494,973	2.63%	\$ 1,935,136	\$ -

Arizona-American Water Company - Agua Fria District
Comparison of Water Supply Options
White Tanks Regional Water Treatment Plant
Operating Cost Estimate
Prepared by ARICOR Water Solutions
9/12/2005

Schedule B-4

Annual Operating Cost Estimate			
Constructed Capacity	20.00	MGD	
Plant Utilization Factor	80%		
Annual Average Daily (AAD) Flow	16.00	MGD	
Annual Average Daily (AAD) Flow	5,840,000,000	gallons	
			Arizona American Cost Estimate
Fixed Costs			
Labor		\$	644,741
Vehicle Expense			2,996
Leased Auto			25,656
Telephone and Telemetry			20,662
Misc. Expense			49,324
Safety Supplies			4,250
Misc. Contract Services			96,445
Contract Lab			39,015
Replacements			118,854
Maintenance			106,755
Total Fixed Cost		\$	1,108,699
Variable Costs			
	<u>Unit Cost per 1,000 gallon</u>		
Treatment Chemicals	\$ 0.0530	\$	309,236
UV Royalty	\$ 0.0150		87,600
Sludge Chemicals	\$ 0.0012		7,175
Sludge Hauling	\$ 0.0128		74,867
Electric Power	\$ 0.0426		248,525
Total Variable Costs		\$	727,403
Management and Overhead Costs			
Contract Operator	15.0%	\$	275,415
Maricopa Water District	10.0%		183,610
Total Management and Overhead Costs		\$	459,026
Total Estimated Operating Costs		\$	2,295,128
Total Cost per 1,000 gallons		\$	0.3930

Arizona-American Water Company - Agua Fria District
 Comparison of Water Supply Options
 Well Supply System
 Capital, Depreciation and Operating Cost Estimate
 Prepared by ARICOR Water Solutions
 9/12/2005

Schedule C-1

Capital Cost Estimate Well Supply System			
	Cost Estimate	Depreciation Rate	Annual Depreciation
Well Costs			
303 Land and Land Rights	\$ 10,000	n/a	\$ -
307 Wells and Springs	550,000	2.52%	13,860
310 Power Generation Equipment	55,000	5.00%	2,750
311 Pumping Equipment	440,000	4.42%	19,448
320 Water Treatment Equipment (Chlorinator)	55,000	3.33%	1,832
331 Transmission and Distribution Mains	33,000	1.53%	505
TOTAL Cost per MGD (before financing)	\$ 1,143,000	3.39%	\$ 38,394
AFUDC	40,000	3.39%	1,355
TOTAL Cost Per Well	\$ 1,183,000	3.39%	\$ 39,750
Estimated Average Well Capacit 600 gpm			
Estimated Average Well Capacit 0.864 MGD			
320 Arsenic Treatment per MGD	\$ 540,000	3.3%	\$ 17,982
AF Trunk Transmission Main Design and Construction			
331 Phase I Main	\$ 9,207,970	1.53%	\$ 140,882
AFUDC	386,700	1.53%	5,917
TOTAL Trunk Transmission Main Cost	\$ 9,594,670		\$ 146,798
Required Firm Capacity	11.50	MGD	
Gross Capacity to Firm Capacity Factor	0.80		
Required Gross Capacity	14.38	MGD	
Required Number of Wells	17		
TOTAL Cost for firm capacity 11.50 MGD	\$ 37,468,170		\$ 736,185
TOTAL Cost per MGD of firm capacity	\$ 3,258,102		
TOTAL Cost per gallon of firm capacity	\$ 3.26		

Operating Cost Estimate Well Supply System			Annual Estimate of Costs
Salaries and Wages			\$ 140,000
Employee Pensions and Benefits	25% of Salaries		35,000
Purchased Power	\$ 0.3280 per 1,000 gal		1,101,385
Chemicals (non-arsenic treatment)	\$ 0.0500 per 1,000 gal		167,900
Arsenic Treatment	\$ 0.4253 per 1,000 gal		1,428,119
Materials and Supplies	\$ 3,000 per well		51,000
Maintenance and Replacements	\$ 3,000 per well		51,000
Transportation Expense			20,000
Insurance			5,000
Taxes other than Income	10% of Salaries		14,000
Total Annual O&M Costs			\$ 3,013,404
Usage Assumptions			
Plant Utilization (% of Firm)	80%		
Annual Pumpage	3,358,000,000 gallons		
Cost of Power Assumptions			
Total Pumping Head	650 feet		
Pump/Motor efficiency	56%		
Cost per KWh	\$ 0.09		
Labor Assumptions			
1 Senior Operator			
2 Operator			
1 Laborer			

Arizona-American Water Company - Agua Fria District
Comparison of Water Supply Options
Arsenic Treatment Capital Cost Estimate
 Prepared by ARICOR Water Solutions
 9/12/2005

Schedule C-2

Estimated Arsenic Treatment Capital Costs for Agua Fria Water Plants					
Site	Capacity	Average Arsenic Concentration	Cost Estimate	Cost per gpm	Cost per MGD
AF WP#1	4,800		\$ 3,380,610	\$ 704.29	\$ 489,093
AF WP#2	3,600	10.67	\$ 2,444,748	\$ 679.10	\$ 471,595
AF WP#5	2,200	33.67	\$ 2,404,558	\$ 1,092.98	\$ 759,014
Totals	10,600	22.17	\$ 8,229,916	\$ 776.41	\$ 539,172
Use					\$ 540,000

Estimated Arsenic Treatment Operating Costs					
	Projected Annual Cost				
	2006	2007	2008	2009	Average
Power	\$ 28,030	\$ 28,703	\$ 29,420	\$ 30,156	\$ 29,077
Equipment Repairs	103,732	106,222	108,877	111,599	107,608
Chemicals/Media	767,045	785,454	805,091	825,218	795,702
Sludge/Media Disposal	14,834	15,190	15,569	15,958	15,388
	\$ 913,641	\$ 935,569	\$ 958,957	\$ 982,931	\$ 947,775
Gross Annual Well Capacity 5,571,360,000 Gross Capacity to Firm Capacity Factor 0.80 Firm Annual Well Capacity 4,457,088,000 Well Utilization Factor 0.50 Annual Gallons Produced 2,228,544,000 Cost per 1,000 Gallon Produced \$ 0.4253					

Arizona-American Water Company - Agua Fria District
Comparison of Water Supply Options
Standalone Surface Water Treatment Plant
Capital Cost and Depreciation Estimate by Plant Account
Prepared by ARICOR Water Solutions
9/12/2005

Schedule D-1

Cost Estimate Phase IA - 6.25 MGD Capacity					
	Phase IA Estimated Cost for 13.5 MGD Plant (before financing)	Percentage of Cost applicable to 6.25 MGD Plant	Total Phase IA Estimated Cost (before financing)	AFUDC	Total Phase IA Estimated Cost
303	Land and Land Rights		\$ 605,000	\$ -	\$ 605,000
304	Structures and Improvements	60.0%	16,552,603	1,390,419	17,943,021
305	Collecting and Impounding Reservoirs	62.5%	1,570,270	131,903	1,702,173
306	Lake, River and Other Intakes	75.0%	485,461	40,779	526,240
310	Power Generation Equipment	35.0%	204,001	17,136	221,137
311	Pumping Equipment	55.0%	1,675,415	140,735	1,816,150
320	Water Treatment Equipment	52.5%	5,747,994	482,831	6,230,825
330	Distribution Reservoirs and Standpipes	65.0%	2,144,540	180,141	2,324,682
331	Transmission and Distribution Mains	95.0%	10,027,931	842,346	10,870,277
340	Office Furniture and Equipment	90.0%	44,175	-	44,175
343	Tools, Shop and Garage Equipment	100.0%	61,354	-	61,354
344	Laboratory Equipment	100.0%	199,399	-	199,399
	TOTAL Phase IA Cost Estimate (before financing)		\$ 39,318,142	\$ 3,226,290	\$ 42,544,432
	AFUDC		\$ 3,226,290		
	TOTAL Phase IA Cost Estimate		\$ 42,544,432		
	TOTAL Phase IA Plant Cost Estimate per MDG capacity		\$ 6,807,109		
	Total Phase IA Plant Cost per gallon capacity		\$ 6.81		

Cost Estimate Phase IB - 6.25 MGD Capacity Addition					
	Total Phase IA Estimated Cost (before financing)	Percentage of Cost applicable to 6.25 MGD Addition	Total Phase IB Estimated Cost (before financing)	AFUDC	Total Phase IB Estimated Cost
303	Land and Land Rights	0%	\$ -	\$ -	\$ -
304	Structures and Improvements	40%	6,621,041	324,431	6,945,472
305	Collecting and Impounding Reservoirs	0%	-	-	-
306	Lake, River and Other Intakes	0%	-	-	-
310	Power Generation Equipment	100%	204,001	9,996	213,997
311	Pumping Equipment	80%	1,340,332	65,676	1,406,008
320	Water Treatment Equipment	80%	4,598,395	225,321	4,823,716
330	Distribution Reservoirs and Standpipes	0%	-	-	-
331	Transmission and Distribution Mains	0%	-	-	-
340	Office Furniture and Equipment	0%	-	-	-
343	Tools, Shop and Garage Equipment	0%	-	-	-
344	Laboratory Equipment	0%	-	-	-
	TOTAL Phase IA Cost Estimate (before financing)		\$ 12,763,769	\$ 625,425	\$ 13,389,194
	AFUDC		\$ 625,425		
	TOTAL Phase IB Cost Estimate		\$ 13,389,194		
	TOTAL Phase IB Plant Cost Estimate per MDG capacity		\$ 2,142,271		
	Total Phase IB Plant Cost per gallon capacity		\$ 2.14		

Cost Estimate Phase I Summary - 12.5 MGD Total Capacity				
	Total Phase I Estimated Cost	Depreciation Rate	Annual Depreciation	
303	Land and Land Rights	n/a	\$ -	
304	Structures and Improvements	2.50%	622,212	
305	Collecting and Impounding Reservoirs	2.50%	42,554	
306	Lake, River and Other Intakes	2.50%	13,156	
310	Power Generation Equipment	5.00%	21,757	
311	Pumping Equipment	4.42%	142,419	
320	Water Treatment Equipment	3.33%	368,116	
330	Distribution Reservoirs and Standpipes	1.67%	38,822	
331	Transmission and Distribution Mains	1.53%	166,315	
340	Office Furniture and Equipment	4.55%	2,010	
343	Tools, Shop and Garage Equipment	4.14%	2,540	
344	Laboratory Equipment	3.71%	7,398	
	TOTAL Phase I Cost Estimate	2.58%	\$ 1,427,300	
	TOTAL Phase I Cost Estimate per MDG capacity			
	Total Phase I Cost per gallon capacity			