

**MADISON WATER UTILITY**

Estimated for Test Year 2009

<b>Part One:</b>	Total Operating Revenues	(per Attachment 7)	<u>\$23,405,725</u>
	Total Operation and Maintenance Expenses	(per Attachment 10)	\$14,546,766
	Depreciation Expense	(per Attachment 12)	2,949,007
	Amortization Expense--Account # 404 (specify):		0
			0
	Taxes	(per Attachment 8)	<u>3,604,130</u>
	Total Operating Expenses		<u>\$21,099,903</u>
	<b>Net Operating Income (Loss)-Test Year 2009</b>		<u><u>\$2,305,822</u></u>

<b>Part Two:</b>	Utility Plant In Service--Financed by Utility or Municipality:		
	Test Year Average Balance	(per Attachment 11)	\$122,114,925
	Materials and Supplies:		
	Test Year Average Balance	(per Attachment 13)	669,696
	Add: Working Capital		5,128,100
	Less: Accumulated Depreciation:		
	Test Year Average Balance	(per Attachment 13)	30,598,273
	Regulatory Liability and Other:		
	Test Year Average Balance	(per Attachment 13)	<u>6,664,695</u>
	<b>Average Net Investment Rate Base (NIRB)</b>		<u><u>\$90,649,753</u></u>

<b>Part Three:</b>	Average Net Investment Rate Base	(per Part Two above)	\$90,649,753
	<b>TIMES</b> Rate of Return Requested		
	(Enter requested rate in this box.)	7.00%	7.00%
	Return on Average Net Investment Rate Base (NIRB)		<u>\$6,345,483 (A)</u>
	Total Operation and Maintenance Expenses	(per Part One above)	\$14,546,766
	<b>TIMES</b> allowance on O&M expenses		6.00%
	Operating Allowance		<u>\$872,806 (B)</u>
	<b>Enter the larger of either:</b>		
	The Return on NIRB (A) or the Operating Allowance (B)		\$6,345,483
	Less: Estimated Net Operating Income (Loss)	(per Part One above)	<u>2,305,822</u>
	<b>Increase Requested-Test Year 2009</b>		<u><u>\$4,039,661</u></u>
	Overall Percentage Increase in		
	Total Sales of Water <u>at Current Rates:</u>	18%	

**MADISON WATER UTILITY**

**WATER UTILITY CONSUMER ANALYSIS**  
Estimated For Test Year 2009

Insert Number of Billings per Year (if different) 2

Authorized Rates			Residential		Commercial		Industrial		Public Authority		Total	
Volume Charges:			Units	Amount	Units	Amount	Units	Amount	Units	Amount	Units	Amount
	Cubic Feet	Per 100 Cubic Feet										
FIRST	500	\$1.41	4,387,000	\$6,185,670	3,110,600	\$4,385,946	31,000	\$43,710	229,000	\$322,890	7,757,600	\$10,938,216
NEXT	500	\$0.86	0	0	0	0	0	0	0	0	0	0
NEXT	500	\$1.20	0	0	0	0	0	0	0	0	0	0
OVER	500	\$1.00	0	0	2,202,200	2,202,200	1,034,600	1,034,600	1,850,900	1,850,900	5,087,700	5,087,700
<b>SUBTOTALS</b>			<b>4,387,000</b>	<b>\$6,185,670</b>	<b>5,312,800</b>	<b>\$6,588,146</b>	<b>1,065,600</b>	<b>\$1,078,310</b>	<b>2,079,900</b>	<b>\$2,173,790</b>	<b>12,845,300</b>	<b>\$16,025,916</b>

Meter Charges:			Average	(A)	Average	(A)	Average	(A)	Average	(A)	Average	(A)
Meter Size	Each Billing	No. of Meters	Annual Revenues	No. of Meters	Annual Revenues	No. of Meters	Annual Revenues	No. of Meters	Annual Revenues	No. of Meters	Annual Revenues	Annual Revenues
5/8"	\$25.50	55,500	\$2,830,500	3,329	\$169,779	1	\$51	67	\$3,417	58,897	\$3,003,747	
3/4"	\$29.00	532	30,856	1,660	96,280	10	580	55	3,190	2,257	130,906	
1"	\$43.00	41	3,526	1,849	159,014	13	1,118	121	10,406	2,024	174,064	
1 1/4"	\$0.00	0	0	0	0	0	0	0	0	0	0	
1 1/2"	\$70.00	0	0	996	139,440	3	420	51	7,140	1,050	147,000	
2"	\$104.00	0	0	804	167,232	8	1,664	96	19,968	908	188,864	
2 1/2"	\$0.00	0	0	0	0	0	0	0	0	0	0	
3"	\$166.00	0	0	103	34,196	4	1,328	42	13,944	149	49,468	
4"	\$248.00	0	0	45	22,320	7	3,472	40	19,840	92	45,632	
6"	\$424.00	0	0	8	6,784	4	3,392	6	5,088	18	15,264	
8"	\$654.00	0	0	2	2,616	1	1,308	2	2,616	5	6,540	
10"	\$964.00	0	0	0	0	0	0	4	7,712	4	7,712	
12"	\$0.00	0	0	0	0	0	0	0	0	0	0	
<b>SUBTOTALS</b>			<b>56,073</b>	<b>\$2,864,882</b>	<b>8,796</b>	<b>\$797,661</b>	<b>51</b>	<b>\$13,333</b>	<b>484</b>	<b>\$93,321</b>	<b>65,404</b>	<b>\$3,769,197</b>

Surcharges, etc. \$0 \$0 \$0 \$0 \$0

Total Revenues Per Analysis \$9,050,552 \$7,385,807 \$1,091,643 \$2,267,111 \$19,795,113

Estimated Customer Growth for the Test Year:

Customer Class	Number of Customers	Meter Sizes
Residential	382	5/8"-1"
Commercial	52	5/8" - 3"
Industrial	(7)	5/8" - 3"
Public Auth.	2	2" - 3"
<b>Total</b>	<b>429</b>	

Provide explanations for any unusual growth in customers projected for the test year.  
For example, a new subdivision that will include 25 residential homes.

Provide details for any increase or decrease for large customers and the consumption effect by customer class.

**Note (A):** The annual revenues from meter charges are based upon the number of bills issued annually.

MADISON WATER UTILITY

OPERATING EXPENSES  
Estimated For Test Year 2009

Acct. No.	Description	2005	2006	2007	3 Year Average	Actual 2008	Test Year 2009	Actual 2008	Test Year 2009
600	Operation labor	\$0	\$0	\$0	\$0	\$0	\$0		
601	Operation labor and expenses	0	0	0	0	0	0		
602	Purchased water	0	0	0	0	0	0		
603	Miscellaneous expenses	0	0	0	0	0	0		
604	Rents	0	0	0	0	0	0		
610	Maintenance supervision and engineering	19,665	16,101	21,750	19,172	21,764	22,500		<a href="#">Explain</a>
611	Maintenance of structures and improvements	0	0	0	0	0	0		
612	Maint. of collecting and impounding reservoirs	15,792	43,569	79,758	46,373	16,738	34,000	<a href="#">Explain</a>	<a href="#">Explain</a>
613	Maintenance of lake, river, and other intakes	0	0	0	0	0	0		
614	Maintenance of wells and springs	274,639	44,525	61,249	126,804	51,381	260,000	<a href="#">Explain</a>	<a href="#">Explain</a>
615	Maintenance of infiltration galleries and tunnels	0	0	0	0	0	0		
616	Maintenance of supply mains	0	0	0	0	0	0		
617	Maintenance of misc. water source plant	0	0	0	0	0	0		
Total Source of Supply Expenses		\$310,096	\$104,195	\$162,757	\$192,349	\$89,883	\$316,500		
620	Operation supervision and engineering	\$32,991	\$7,237	\$4,491	\$14,906	\$79,639	\$82,000	<a href="#">Explain</a>	<a href="#">Explain</a>
621	Fuel for power production	0	0	0	0	0	0		
622	Power production labor and expenses	0	0	0	0	0	0		
623	Fuel or power purchased for production	1,765,847	1,926,565	1,960,626	1,884,346	2,013,263	2,385,866		<a href="#">Explain</a>
624	Pumping labor and expenses	279,589	295,729	302,720	292,679	324,263	334,000		
625	Expenses transferred--credit	0	0	0	0	0	0		
626	Miscellaneous expenses	262,735	280,315	297,901	280,317	311,165	320,500		
627	Rents	0	0	0	0	0	0		
630	Maintenance supervision and engineering	56,617	50,556	63,349	56,841	63,213	65,200		
631	Maintenance of structures and improvements	78,778	94,042	85,901	86,240	87,543	90,200		
632	Maintenance of power production equipment	0	0	0	0	0	0		
633	Maintenance of pumping equipment	273,648	283,010	329,904	295,521	413,534	330,000	<a href="#">Explain</a>	
Total Pumping Expenses		\$2,750,205	\$2,937,454	\$3,044,892	\$2,910,850	\$3,292,620	\$3,607,766		
640	Operation supervision and engineering	\$35,562	\$15,248	\$24,865	\$25,225	\$56,569	\$58,300	<a href="#">Explain</a>	<a href="#">Explain</a>
641	Chemicals	118,115	157,312	178,729	151,385	225,964	250,000	<a href="#">Explain</a>	<a href="#">Explain</a>
642	Operation labor and expenses	302,198	535,747	293,509	377,151	312,447	336,200	<a href="#">Explain</a>	
643	Miscellaneous expenses	11,852	79,856	74,482	55,397	62,314	64,200		<a href="#">Explain</a>
644	Rents	0	0	0	0	0	0		
650	Maintenance supervision and engineering	10,517	11,515	22,118	14,717	21,700	24,300	<a href="#">Explain</a>	<a href="#">Explain</a>
651	Maintenance of structures and improvements	0	0	0	0	0	5,000		
652	Maintenance of water treatment equipment	56,738	65,897	113,396	78,677	136,265	150,000	<a href="#">Explain</a>	<a href="#">Explain</a>
Total Water Treatment Expenses		\$534,982	\$865,575	\$707,099	\$702,552	\$815,259	\$888,000		

**NOTE:** All 2008 and test year 2009 estimates that vary from the three year average by more than (plus or minus) 15 percent **must** be explained in detail in the Notes.

OPERATING EXPENSES  
Estimated For Test Year 2009

Acct. No.	Description	2005	2006	2007	3 Year Average	Actual 2008	Test Year 2009	Actual 2008	Test Year 2009
660	Operation supervision and engineering	\$111,093	\$97,334	\$119,963	\$109,463	\$186,610	\$192,200	Explain	Explain
661	Storage facilities expenses	64,094	66,078	74,290	68,154	82,726	80,900		Explain
662	Transmission and distribution expenses	138,266	576,808	487,719	400,931	325,555	494,500	Explain	Explain
663	Meter expenses	144,280	123,134	93,983	120,466	83,124	106,700	Explain	
664	Customer installations expenses	116,567	86,329	99,735	100,877	109,347	118,500		Explain
665	Miscellaneous expenses	532,385	576,173	647,235	585,264	704,945	675,000	Explain	Explain
666	Rents	0	0	0	0	0	0		
670	Maintenance supervision and engineering	0	0	0	0	0	0		
671	Maintenance of structures and improvements	0	0	0	0	8,779	20,000		
672	Maintenance of distr.reservoirs and standpipes	3,864	8,161	5,462	5,829	36,461	360,000	Explain	Explain
673	Maintenance of transmission and distr. mains	1,236,108	1,294,285	1,967,137	1,499,177	2,015,890	1,850,000	Explain	Explain
674	Maintenance of fire mains	0	0	0	0	0	0		
675	Maintenance of services	721,849	706,240	1,486,336	971,475	1,108,670	971,300		
676	Maintenance of meters	134,390	147,200	129,394	136,995	129,967	140,000		
677	Maintenance of hydrants	251,903	253,251	314,374	273,176	390,196	350,000	Explain	Explain
678	Maintenance of miscellaneous plant	0	0	0	0	403	5,000		
Total Transmission and Distribution Expenses		\$3,454,799	\$3,934,993	\$5,425,628	\$4,271,807	\$5,182,673	\$5,364,100		
901	Supervision	\$16,029	\$16,913	\$18,629	\$17,190	\$18,407	\$20,000		Explain
902	Meter reading labor	94,854	98,467	83,299	92,207	96,310	100,000		
903	Customer records and collection expenses	191,940	209,924	210,885	204,250	240,027	243,900	Explain	Explain
904	Uncollectible accounts	0	0	0	0	0	0		
905	Miscellaneous customer accounts expenses	0	0	0	0	0	0		
906	Water Conservation Expense	0	0	0	0	35,163	350,000		
Total Customer Accounts Expenses		\$302,823	\$325,304	\$312,813	\$313,647	\$389,907	\$713,900		
910	Sales Expenses	\$0	\$0	\$0	\$0	\$0	\$0		
920	Administrative and general salaries	\$685,490	\$696,473	\$723,595	\$701,853	\$629,966	\$742,600		
921	Office supplies and expenses	251,500	313,171	330,647	298,439	399,994	405,000	Explain	Explain
922	Administrative expenses transferred -- credit	0	0	0	0	0	0		
923	Outside services employed	301,604	217,945	590,093	369,881	163,970	335,000	Explain	
924	Property insurance	16,725	16,070	17,339	16,711	17,394	20,000		Explain
925	Injuries and damages	264,798	322,881	232,827	273,502	309,498	363,000		Explain
926	Employee pensions and benefits	1,283,428	1,415,650	1,450,738	1,383,272	1,727,820	1,672,900	Explain	Explain
928	Regulatory commission expenses	8,631	0	6,806	5,146	12,137	10,000	Explain	Explain
929	Duplicate charges -- credit	0	0	0	0	0	0		
930	Miscellaneous general expenses	128,957	138,761	119,836	129,185	89,413	100,000	Explain	Explain
931	Rents	0	0	0	0	0	0		
932	Maintenance of general plant	2,648	5,382	6,748	4,926	6,061	8,000	Explain	Explain
Total Admin. And General Expenses		\$2,943,781	\$3,126,333	\$3,478,629	\$3,182,914	\$3,356,253	\$3,656,500		
Total Oper. And Maint. Expenses		\$10,296,686	\$11,293,854	\$13,131,818	\$11,574,119	\$13,126,595	\$14,546,766		

NOTE: All 2008 and test year 2009 estimates that vary from the three year average by more than (plus or minus) 15 percent **must** be explained in detail in the Notes.

**MADISON WATER UTILITY**  
**FINANCING AND DEBT SUMMARY**  
Estimated For Test Year 2009

FINANCING OF PLANT ADDITIONS (Including Contributed Plant)

Description	Actual 2008	Test Year 2009
Contributed Plant by Developers	\$1,674,951	\$3,241,700
Contributed Plant by Customers	211,056	231,300
Special Assessments--Collections and Tax Roll		
Grants for Plant Additions		
Plant Paid for by Municipality	113,370	
Plant Paid for by TIF District		
Proceeds from Debt Issued during Year		
Special Construction Funds		
Available Cash or Invested Funds		
Utility Earnings		
Other: (Specify)		
Prior Year Constructioun Fund	9,081,567	9,573,000
<b>Total</b>	<u><u>\$11,080,944</u></u>	<u><u>\$13,046,000</u></u>

DEBT SUMMARY (See Instruction # 17)

- a. List the utility's debt issues. Use only one line for each existing and estimated new debt issue.
  - i. Include the corresponding annual interest, either accrued or payable, for each issue.
  - ii. A summary in total is acceptable if the utility has debt information available by issue and can scan and/or insert the information to this attachment. An attachment to this email is also acceptable.
  - iii. All debt issues for all utility departments and non-utility sewer departments reported in the PSC annual report must be included unless a separate balance sheet and income statement are provided.
- b. If necessary, please describe unusual situations in the Notes (Attachment 18).

Description	Actual 2008		Estimated 2009		Estimated 2010	
	Annual Interest Expense (1)	Outstanding Principal End of Year	Annual Interest Expense (1)	Outstanding Principal End of Year	Annual Interest Expense (1)	Outstanding Principal End of Year
Outstanding Debt Issues - Detailed List::	\$0	\$0	\$0	\$0	\$0	\$0
2001-A Revenue Bond Issue	175,385	3,500,000	166,722	3,280,000	157,482	3,050,000
2002 Revenue Bond Issue	172,342	3,435,000	164,268	3,235,000	155,768	3,025,000
2003 Revenue Bond Issue	795,762	15,935,000	767,762	15,110,000	736,825	14,260,000
2006 Revenue Bond Issue	623,169	14,030,000	600,769	13450000	577,569	12,845,000
2007-A Revenue Bond Issue	1,022,800	23,170,000	994,000	22,335,000	960,600	21,470,000
2005-A Refunding Bond Issue	81,519	1,845,000	66,569	1,360,000	50,806	1,120,000
2007-B Refunding Bond Issue	131,800	9,075,000	123,000	2,795,000	111,800	2,495,000
2009 Revenue Bond Issue	0	0	182,000	13,000,000	546,000	12,750,000
2010 Revenue Bond Issue	0	0	0	0	274,000	17,500,000
Due to City:						
2009 Bond Anticipation Note	0	0	26,600	0	0	0
2010 Bond Anticipation Note	0	0	0	0	33,300	0
Advance from City-WRS Payoff	73,515	1,395,149	72,179	1,364,493	70,605	1,338,382
Cash Flow Draw	139,286	5,405,000	91,000	4,000,000	80,000	3,200,000
Burke Utility District #1-Advance	10,227	403,989	8,080	412,069	8,241	420,310
<b>Totals</b>	<u><u>\$3,225,805</u></u>	<u><u>\$78,194,138</u></u>	<u><u>\$3,262,949</u></u>	<u><u>\$80,341,562</u></u>	<u><u>\$3,762,996</u></u>	<u><u>\$93,473,692</u></u>

Note (1): Include as Interest Expense amounts which will be reported in Account 427, Interest on Long Term Debt; in Account 430, Interest on Debt to Municipality; and Account 431, Other Interest Charges.