PSC REF#:131565

Exhibit 2.2
Docket No. 3720-WR-107
Witness: Patrick Planton
May 14, 2010

Docket No. 3720-WR-106
Witness: Vishwa M. Kashyap
Exhibit No. _____(VMK-1)

Public Service Commission of Wisconsin
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Milwaukee Water Works

Cost of Service Study

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Division of Water, Compliance and Consumer Affairs
Public Service Commission of Wisconsin
April, 2007

Allocation of Test Year 2007 Average Plant Balance
to the Service Cost of Functions

Acct No.	Account Title	2007 Plant Balances ($)	Base		Extra-Capacity Demand				Customer Costs			Fire Protection
			Nondistr.	Distr	Maximum Day	Maximum Hour			Equiv. Services	Equiv. Meters	Billing	
						Storage	Nondistr.	Distr.				
	Source of Supply											
310	Land and land rights	0	0		0							
313	Lake, river & other intakes	16,080,676	8,361,952		7,718,724							
316	Supply mains	5,618,708	2,921,728		2,696,980							
	Pumping Plant											
320	Land and land rights											
	Major	223,452	116,195		107,257							
	Minor	100,149	35,052				65,097					
321	Structures & improvements											
	Major	6,066,336	3,154,495		2,911,841							
	Minor	1,253,577	438,752				814,825					
325	Electric pumping equipment											
	Major	11,360,080	5,907,242		5,452,838							
	Minor	2,487,438	870,603				1,616,835					
	Water Treatment Plant											
330	Land and land rights	914,137	475,351		438,786							
331	Structures & improvements	11,821,107	6,146,976		5,674,131							
332	Water treatment equipment	98,091,370	51,007,512		47,083,858							
	Trans. & Distr. Plant											
340	Land and land rights	29,629	10,370			19,259						
342	Distr. reservoirs & standpipes	8,189,451	2,866,308			5,323,143						
343	Transmission mains	77,826,315	40,469,684		37,356,631							
343	Distribution mains	117,520,860		41,132,301				76,388,559				
346	Meters	29,254,308								29,254,308		
348	Hydrants	22,673,186										22,673,186
	General Plant											
389	Land and land rights	274,489	82,299	27,570	73,357	3,581	1,674	51,202	0	19,609	0	15,198
390	Structures & improvements	4,328,414	1,297,774	434,757	1,156,761	56,468	26,390	807,406	0	309,210	0	239,649
391	Office furniture and equipment	11,488,421	3,444,534	1,153,926	3,070,261	149,876	70,044	2,143,006	0	820,701	0	636,074
392	Transportation equipment	6,114,342	1,833,242	614,140	1,634,047	79,767	37,279	1,140,546	0	436,792	0	338,530
393	Stores equipment	228,753	68,586	22,977	61,134	2,984	1,395	42,671	0	16,341	0	12,665
394	Tools, shop, & garage equipment	1,754,387	526,012	176,215	468,857	22,887	10,696	327,257	0	125,329	0	97,134
395	Laboratory equipment	764,035	229,078	76,742	204,187	9,967	4,658	142,520	0	54,581	0	42,302
396	Power-operated equipment	2,720,009	815,531	273,205	726,918	35,485	16,584	507,380	0	194,310	0	150,597
397	Communication equipment	7,209,672	2,161,651	724,158	1,926,772	94,056	43,957	1,344,864	0	515,039	0	399,174
398	Micellaneous equipment	67,393	20,206	6,769	18,011	879	411	12,571	0	4,814	0	3,731
399	Other tangible property	0	0	0	0	0	0	0	0	0	0	0
	TOTAL--UTILITY AND MUNICIPALITY FINANCED PLANT	444,460,694	133,261,133	44,642,759	118,781,351	5,798,352	2,709,844	82,907,981	0	31,751,032	0	24,608,241

Allocation of Test Year 2007 Average Net Investment
Rate Base to the Service Cost Functions

Acct No.	Account Title	2007 Average Net Investment Rate Base	Base		Extra-Capacity Demand				Customer Costs			Fire Protection
					Maximum	Maximum Hour			Equiv.	Equiv.		
			Nondistr.	Distr	Day	Storage	Nondistr.	Distr.	Services	Meters	Billing	
	Source of Supply											
310	Land and land rights											
313	Lake, river & other intakes	10,913,269	5,674,900		5,238,369							
316	Supply mains	2,175,653	1,131,340		1,044,313							
	Pumping Plant											
320	Land and land rights											
	Major	223,452	116,195		107,257							
	Minor	100,149	35,052				65,097					
321	Structures & improvements											
	Major	1,154,260	600,215		554,045							
	Minor	238,205	83,372				154,833					
325	Electric pumping equipment											
	Major	3,659,244	1,902,807		1,756,437							
	Minor	801,590	280,557				521,034					
	Water Treatment Plant											
330	Land and land rights	914,137	475,351		438,786							
331	Structures & improvements	4,787,039	2,489,260		2,297,779							
332	Water treatment equipment	65,344,906	33,979,351		31,365,555							
	Trans. & Distr. Plant											
340	Land and land rights	29,629	10,370			19,259						
342	Distr. reservoirs & standpipes	5,541,076	1,939,377			3,601,699						
343	Transmission mains	55,120,851	28,662,843		26,458,008							
343	Distribution mains	83,493,937		29,222,878				54,271,059				
346	Meters	9,043,812								9,043,812		
348	Hydrants	15,228,233										15,228,233
	General Plant											
389	Land and land rights	274,489	82,299	27,570	73,357	3,581	1,674	51,202	0	19,609	0	15,198
390	Structures & improvements	2,026,228	607,517	203,519	541,506	26,434	12,354	377,965	0	144,748	0	112,185
391	Office furniture and equipment	5,985,405	1,794,584	601,189	1,599,589	78,084	36,493	1,116,494	0	427,581	0	331,391
392	Transportation equipment	431,340	129,327	43,325	115,275	5,627	2,630	80,460	0	30,814	0	23,882
393	Stores equipment	-17,039	-5,109	-1,711	-4,554	-222	-104	-3,178	0	-1,217	0	-943
394	Tools, shop, & garage equipmen	649,461	194,726	65,234	173,567	8,473	3,960	121,148	0	46,396	0	35,958
395	Laboratory equipment	289,906	86,922	29,119	77,477	3,782	1,768	54,078	0	20,710	0	16,051
396	Power-operated equipment	1,708,004	512,105	171,556	456,461	22,282	10,414	318,604	0	122,015	0	94,566
397	Communication equipment	2,278,608	683,187	228,869	608,954	29,726	13,893	425,043	0	162,777	0	126,159
398	Micellaneous equipment	1,494	448	150	399	19	9	279	0	107	0	83
399	Other tangible property											
	TOTAL	272,397,338	81,466,994	30,591,698	72,902,581	3,798,745	824,052	56,813,154	0	10,017,351	0	15,982,762

Allocation of Test Year 2007 Depreciation Expense
to the Service Cost Functions

Acct No.	Account Title	2007 Depreciation Expense	Base		Extra-Capacity Demand				Customer Costs			Fire Protection
					Maximum Day	Maximum Hour			Equiv. Services	Equiv. Meters	Billing	
			Nondistr.	Distr		Storage	Nondistr.	Distr.				
	Source of Supply											
313	Lake, river & other intakes	273,372	142,153		131,219							
316	Supply Mains	101,137	52,591		48,546							
	Pumping Plant											
321	Structures & improvements											
	Major	194,112	100,938		93,174							
	Minor	40,125	14,044				26,081					
325	Electric pumping equipment											
	Major	165,588	86,106		79,482							
	Minor	36,250	12,688				23,563					
	Water Treatment Plant											
331	Structures & improvements	378,275	196,703		181,572							
332	Water treatment equipment	3,237,015	1,683,248		1,553,767							
	Trans. & Distr. Plant											
342	Distr. reservoirs & standpipes	155,600	54,460			101,140						
343	Transmission mains	856,089	445,166		410,923							
343	Distribution mains	1,292,730		452,456				840,275				
346	Meters	1,065,207								1,065,207		
348	Hydrants	385,444										385,444
	General Plant											
390	Structures & improvements	44,493	13,340	4,469	11,891	580	271	8,300	0	3,178	0	2,463
391	Office furniture and equipment	800,329	239,960	80,387	213,887	10,441	4,880	149,290	0	57,173	0	44,311
392	Transportation equipment	716,908	214,948	72,008	191,592	9,353	4,371	133,729	0	51,214	0	39,693
393	Stores equipment	13,268	3,978	1,333	3,546	173	81	2,475	0	948	0	735
394	Tools, shop, & garage equipment	91,395	27,403	9,180	24,425	1,192	557	17,048	0	6,529	0	5,060
395	Laboratory equipment	44,314	13,287	4,451	11,843	578	270	8,266	0	3,166	0	2,454
396	Power-operated equipment	204,001	61,165	20,490	54,519	2,661	1,244	38,054	0	14,573	0	11,295
397	Communication equipment	661,087	198,211	66,401	176,674	8,624	4,031	123,317	0	47,226	0	36,602
398	Micellaneous equipment	3,910	1,172	393	1,045	51	24	729	0	279	0	216
399	Other tangible property											
	TOTAL	10,760,649	3,561,561	711,568	3,188,104	134,794	65,372	1,321,483	0	1,249,494	0	528,273

Allocation of Test Year 2007 Operation and Maintenance and Tax Expenses to the Service Cost Functions

Acct No.	Account Title	2007 Operation & Maintenance Expenses	Base		Extra-Capacity Demand				Customer Costs			Fire Protection
					Maximum Day	Maximum Hour			Equiv. Services	Equiv. Meters	Billing	
			Nondistr.	Distr		Storage	Nondistr.	Distr.				
	Source of Supply Expenses											
613	Maint. Of lake intakes	0	0		0							
	Pumping Expenses											
623	Power purchased for pumping	5,275,597	5,275,597									
624	Pumping labor and expenses											
	Major	249,479	129,729		119,750							
	Minor	0	0				0					
626	Miscellaneous expenses											
	Major	32,875	17,095		15,780							
	Minor	10,825	3,789				7,036					
630	Maint. Superv. & engineering											
	Major	164,451	85,515		78,936							
	Minor	6,753	2,364				4,389					
631	Maint. Struct. & improvements											
	Major	213,562	111,052		102,510							
	Minor	88,438	30,953				57,485					
633	Maint. of pumping equipment											
	Major	438,547	228,044		210,503							
	Minor	177,453	62,109				115,344					
	Water Treatment Expenses											
640	Oper. superv. & engineering	420,792	218,812		201,980							
641	Chemicals	1,914,000	1,914,000									
642	Operation labor and expenses	3,866,261	2,010,456		1,855,805							
643	Miscellaneous expenses	1,182,999	615,159		567,840							
650	Maint. Superv. & engineering	142,200	73,944		68,256							
651	Maint. Struct. & improvements	888,004	461,762		426,242							
652	Maint. water treatment equip.	1,954,097	1,016,130		937,967							
	Trans. & Distr. Expenses											
660	Oper. superv. & engineering	987,580	153,541	242,308	141,731			450,000				
661	Storage facilities expenses	0	0			0						
662	Transmission lines expenses	817,334	425,014		392,320							
662	Distribution lines expenses	1,234,208		431,973				802,235				
663	Meter expenses	896,032								896,032		
664	Cust. installations expenses	0							0			
665	Miscellaneous expenses	901,568	123,345	153,001	113,857	0		284,145	0	227,219		
666	Rents	1,232,508	128,444	202,700	118,563			376,443		406,358		
670	Maint. Superv. & engineering	0	0	0	0	0		0	0	0		0
672	Maint. distr. reser. & stndpps	335,622	117,468			218,154						
673	Maint. of transmission mains	2,536,006	1,318,723		1,217,283							
673	Maint. of Distribution mains	3,829,470		1,340,315				2,489,156				
675	Maint. of services	2,845,398							2,845,398			
676	Maint. of meters	113,652								113,652		
677	Maint. of hydrants	820,411										820,411
678	Maint. of miscellaneous plant											
	Major	127,571	66,337		61,234							
	Minor	38,558	13,495				25,063					
	Other	118,017	16,172	15,093	13,707	2,457		28,029	32,041	1,280		9,238

Allocation of Test Year 2007 Operation and Maintenance and Tax Expenses to the Service Cost Functions

Acct No.	Account Title	2007 Operation & Maintenance Expenses	Base		Extra-Capacity Demand				Customer Costs			Fire Protection
					Maximum Day	Maximum Hour			Equiv. Services	Equiv. Meters	Billing	
			Nondistr.	Distr		Storage	Nondistr.	Distr.				
	Customer Accounts Expenses											
901	Supervision	67,851									67,851	
902	Meter reading expenses	163,432									163,432	
903	Cust.-records & collecting exp.	602,642									602,642	
905	Misc. customer accts. expenses	0									0	
	Adm. and General Expenses											
920	Adm. and general salaries	2,252,777	608,513	195,376	544,202	18,069	17,144	362,842	235,678	134,697	68,303	67,953
921	Office supplies and expenses	350,411	94,652	30,390	84,649	2,811	2,667	56,439	36,659	20,952	10,624	10,570
922	Adm. exp. transferred - cr.	0	0	0	0	0	0	0	0	0	0	0
923	Outside services employed	1,014,584	274,056	87,992	245,092	8,138	7,721	163,413	106,142	60,663	30,762	30,604
924	Property insurance	65,358	16,754	8,471	14,934	729	341	15,732	0	4,385	0	4,013
925	Injuries and damages	436,246	117,837	37,834	105,384	3,499	3,320	70,264	45,639	26,084	13,227	13,159
926	Employee pensions and benefits	4,245,017	1,146,650	368,157	1,025,465	34,049	32,306	683,721	444,099	253,816	128,707	128,047
928	Regulatory commission expenses	514	139	45	124	4	4	83	54	31	16	16
930	Miscellaneous general expenses	146,362	39,535	12,694	35,357	1,174	1,114	23,574	15,312	8,751	4,438	4,415
931	Rents	212,474	57,393	18,427	51,327	1,704	1,617	34,222	22,228	12,704	6,442	6,409
932	Maintenance of general plant	50,389	13,611	4,370	12,172	404	383	8,116	5,272	3,013	1,528	1,520
	TOTAL	43,488,329	10,585,169	3,140,149	8,782,086	291,192	275,534	5,848,413	3,786,522	2,186,638	1,067,978	1,096,353
408	Taxes: Tax Equivalent	8,255,707	2,174,834	1,099,507	1,935,965	102,783	41,177	2,041,942	0	342,186	0	517,293
408	Taxes: Other	1,071,364	289,393	92,916	258,809	8,593	8,153	172,558	112,083	64,058	32,483	32,317
	TOTAL	9,327,071	2,464,227	1,192,423	2,194,774	111,376	49,330	2,214,501	112,083	406,244	32,483	549,609

Summary of Allocation of Operating Costs to Service

				Extra-Capacity Demand				Customer Costs			
	Total	Base		Maximum	Maximum Hour			Equiv.	Equiv.		Fire
Operating Costs	($)	Nondistr.	Distr	Day	Storage	Nondistr.	Distr.	Services	Meters	Billing	Protection
Operation and Maintenance	43,468,325	16,988,189	3,149,145	8,762,969	291,192	275,934	5,848,413	3,788,522	2,169,636	1,097,970	1,096,353
Depreciation expense	10,760,649	3,561,561	711,568	3,188,104	134,794	65,372	1,321,483	0	1,249,494	0	528,273
Taxes and tax equivalent	9,327,071	2,464,227	1,192,423	2,194,794	111,376	49,330	2,214,501	112,083	406,244	32,483	549,609
Return on rate base	8,989,113	2,688,411	1,009,526	2,405,785	125,359	27,194	1,874,834	0	330,573	0	527,431
TOTAL	72,545,158	25,702,389	6,062,662	16,551,652	662,721	417,831	11,259,230	3,900,604	4,155,947	1,130,454	2,701,667

CUSTOMER CLASS DEMAND RATIOS

Customer Class	Annual Volume 100 Cu. Ft.	Average Day Volume Cu. Ft.	Base Allocation Nondistr %	Base Allocation Distr %	Extra-Capacity Demand: Maximum Day Demand: Extra Capacity Ratio	Maximum Day Demand: Cu. Ft. Per Day	Maximum Day Demand: Percent (%)	Maximum Hour Demand: Extra Capacity Ratio	Maximum Hour Demand: Cu. Ft. Per Hour	Maximum Hour Demand: Storage (%)	Maximum Hour Demand: Nondistr. (%)	Maximum Hour Demand: Distr. (%)
Milwaukee:												
Residential	15,841,700	4,340,192	31.73	**42.20**	1.50	6,510,288	35.71	4.64	839,104	39.86	39.86	44.32
Commercial	10,098,000	2,766,575	20.23	26.90	1.20	3,319,890	18.21	4.50	518,733	24.64	24.64	27.40
Industrial	5,973,641	1,636,614	11.97	15.91	0.60	981,968	5.39	1.11	75,693	3.60	3.60	4.00
Public Authority	2,470,000	676,712	4.95	6.58	1.05	710,548	3.90	3.93	110,812	5.26	5.26	5.85
West Milwaukee:												
Residential	101,000	27,671	0.20		1.85	51,192	0.28	5.08	5,857	0.28	0.28	
Commercial	87,000	23,836	0.17		1.35	32,178	0.18	3.93	3,903	0.19	0.19	
Industrial	474,000	129,863	0.95		1.00	129,863	0.71	2.59	14,014	0.67	0.67	
Public Authority		0	0.00		1.25	0	0.00	3.93	0	0.00	0.00	
Suburban Retail:												
Residential	1,393,000	381,644	2.79	3.71	1.85	706,041	3.87	5.08	80,781	3.84	3.84	4.27
Commercial	1,073,000	293,973	2.15	2.86	1.35	396,863	2.18	3.93	48,138	2.29	2.29	2.54
Industrial	186,000	50,959	0.37	0.50	1.00	50,959	0.28	2.59	5,499	0.26	0.26	0.29
Public Authority	12,000	3,288	0.02	0.03	1.25	4,110	0.02	3.93	538	0.03	0.03	0.03
Wholesale:												
West Allis	3,325,718	911,156	6.66		0.78	710,701	3.90	1.03	39,104	1.86	1.86	
Wauwatosa	2,660,247	728,835	5.33		1.00	728,835	4.00	1.55	47,071	2.24	2.24	
Brown Deer	716,013	196,168	1.43		1.15	225,593	1.24	2.00	16,347	0.78	0.78	
Greendale	762,945	209,026	1.53		1.85	386,698	2.12	2.00	17,419	0.83	0.83	
Shorewood	657,815	180,223	1.32		1.15	207,257	1.14	2.20	16,520	0.78	0.78	
County Institutions	512,804	140,494	1.03		1.00	140,494	0.77	1.50	8,781	0.42	0.42	
Menomonee Falls	1,803,558	494,125	3.61		1.00	494,125	2.71	1.50	30,883	1.47	1.47	
Wisconsin Gas Co.	439,616	120,443	0.88		1.25	150,553	0.83	1.75	8,782	0.42	0.42	
Butler	165,669	45,389	0.33		1.25	56,736	0.31	1.75	3,310	0.16	0.16	
New Berlin	674,200	184,712	1.35		1.25	230,890	1.27	1.75	13,469	0.64	0.64	
Public Fire Protection	492,546	134,944	0.99	1.31		2,005,214	11.00		200,521	9.52	9.52	10.59
TOTAL	49,920,472	13,676,842	100.00	100.00		18,230,997	100.00		2,105,280	100.00	100.00	99.29

Maximum Day Demand = 29,767,681 (Gal/Day or Cubic Feet/Day) Sum of general service average and maximum day extra capacity demand
Maximum Hour Demand = 2,469,004 (Gal/Hour or Cubic Feet/Hour) Sum of general service average and maximum hour extra capacity demand.

CUSTOMER CLASS ALLOCATION FACTORS

Number of Meters

	METERS Size (inches)												Total	Total
Customer Class	**5/8**	**3/4**	**1**	**1-1/4**	**1-1/2**	**2**	**3**	**4**	**6**	**8**	**10**	**12**	**Meters**	**(%)**
Milwaukee:														
Residential	93,186	35,597	1,090	1	76	18							129,968	80.43
Commercial	4,117	2,858	2,747	2	2,046	1,111	330	218	76	9			13,514	8.36
Industrial	275	280	206		216	253	95	58	37	6	1		1,427	0.88
Public Authority	64	81	325	1	114	185	160	93	51	14	3		1,091	0.68
West Milwaukee:														
Residential	449	341	13		1	1							805	0.50
Commercial	48	37	46		24	9	3	2					169	0.10
Industrial	11	18	2		13	12	2	6	2	2			68	0.04
Public Authority													0	0.00
Suburban Retail:														
Residential	10,261	2,471	130		51	1							12,914	7.99
Commercial	377	163	454	2	441	60	28	17	12	2			1,556	0.96
Industrial	8	3	10		11	6	1	1	1	1			42	0.03
Public Authority			1			1		1	2				5	0.00
Wholesale:														
West Allis											4		4	0.00
Wauwatosa										2	2	2	6	0.00
Brown Deer										4			4	0.00
Greendale										2	1		3	0.00
Shorewood										1		2	3	0.00
County Institutions										1		2	3	0.00
Menomonee Falls										2	2		4	0.00
Wisconsin Gas Co.										2			2	0.00
Bulter									2				2	0.00
New Berlin										4			4	0.00
TOTAL	108,796	41,849	5,024	6	2,993	1,657	619	396	183	52	13	6	161,594	100.00

CUSTOMER CLASS ALLOCATION FACTORS

Equivalent Meters

Allocation Factor:														
Meter Size (inches):	**5/8**	**3/4**	**1**	**1-1/4**	**1-1/2**	**2**	**3**	**4**	**6**	**8**	**10**	**12**	**Equiv. Meters**	**Total (%)**
Equiv. Meter Ratio:	**1**	**1**	**2.5**	**3.7**	**5**	**8**	**15**	**25**	**50**	**80**	**120**	**160**		
Milwaukee:														
Residential	93,186	35,597	2,725	4	380	144	0	0	0	0	0	0	132,036	58.30
Commercial	4,117	2,858	6,868	7	10,230	8,888	4,950	5,450	3,800	720	0	0	47,888	21.15
Industrial	275	280	515	0	1,080	2,024	1,425	1,450	1,850	480	120	0	9,499	4.19
Public Authority	64	81	813	4	570	1,480	2,400	2,325	2,550	1,120	360	0	11,766	5.20
West Milwaukee:														
Residential	449	341	33	0	5	8	0	0	0	0	0	0	836	0.37
Commercial	48	37	115	0	120	72	45	50	0	0	0	0	487	0.22
Industrial	11	18	5	0	65	96	30	150	100	160	0	0	635	0.28
Public Authority	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
Suburban Retail:														
Residential	10,261	2,471	325	0	255	8	0	0	0	0	0	0	13,320	5.88
Commercial	377	163	1,135	7	2,205	480	420	425	600	160	0	0	5,972	2.64
Industrial	8	3	25	0	55	48	15	25	50	80	0	0	309	0.14
Public Authority	0	0	3	0	0	8	0	25	100	0	0	0	136	0.06
Wholesale:														
West Allis	0	0	0	0	0	0	0	0	0	0	480	0	480	0.21
Wauwatosa	0	0	0	0	0	0	0	0	0	160	240	320	720	0.32
Brown Deer	0	0	0	0	0	0	0	0	0	320	0	0	320	0.14
Greendale	0	0	0	0	0	0	0	0	0	160	120	0	280	0.12
Shorewood	0	0	0	0	0	0	0	0	0	80	0	320	400	0.18
County Institutions	0	0	0	0	0	0	0	0	0	80	0	320	400	0.18
Menomonee Falls	0	0	0	0	0	0	0	0	0	160	240	0	400	0.18
Wisconsin Gas Co.	0	0	0	0	0	0	0	0	0	160	0	0	160	0.07
Butler	0	0	0	0	0	0	0	0	100	0	0	0	100	0.04
New Berlin	0	0	0	0	0	0	0	0	0	320	0	0	320	0.14
TOTAL	108,796	41,849	12,560	22	14,965	13,256	9,285	9,900	9,150	4,160	1,560	960	226,463	100.00

CUSTOMER CLASS ALLOCATION FACTORS

Equivalent Services

Allocation Factor :														
Meter size (inches):	**5/8**	**3/4**	**1**	**1-1/4**	**1-1/2**	**2**	**3**	**4**	**6**	**8**	**10**	**12**	**Equiv. Servc.**	**Total (%)**
Equiv. service ratio :	**1**	**1**	**1.3**	**1.7**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**		
Milwaukee:														
Residential	93,186	35,597	1,417	2	152	54	0	0	0	0	0	0	130,408	75.52
Commercial	4,117	2,858	3,571	3	4,092	3,333	1,320	1,090	456	63	0	0	20,904	12.11
Industrial	275	280	268	0	432	759	380	290	222	42	8	0	2,956	1.71
Public Authority	64	81	423	2	228	555	640	465	306	98	24	0	2,885	1.67
Suburban Retail:														
Residential	10,261	2,471	169	0	102	3	0	0	0	0	0	0	13,006	7.53
Commercial	377	163	590	3	882	180	112	10	72	14	0	0	2,404	1.39
Industrial	8	3	13	0	22	18	4	5	6	7	0	0	86	0.05
Public Authority	0	0	1	0	0	3	0	5	12	0	0	0	21	0.01
TOTAL	108,288	41,453	6,452	10	5,910	4,905	2,456	1,865	1,074	224	32	0	172,669	100.00

ALLOCATION OF THE SERVICE COSTS TO CUSTOMER CLASSES

			Extra-Capacity Demand				Customer Costs				
	Base		Maximum	Maximum Hour			Equiv.	Equiv.		Fire	
Customer Class	Nondistr.	Distr.	Day	Storage	Nondistr.	Distr.	Services	Meters	Billing	Protection	Total
Total Cost of Service	25,702,389	6,062,662	16,551,652	662,721	417,831	11,259,230	3,900,604	4,155,947	1,130,454	2,701,667	72,545,158
Less: Other Revenues								953,396	1,677,735	504,083	3,135,214
Net Cost of Service	25,702,389	6,062,662	16,551,652	662,721	417,831	11,259,230	3,900,604	3,202,551	-547,281	2,197,584	69,409,944
Allocation:											
Milwaukee:											
Residential	8,156,364	2,558,422	5,910,594	264,141	166,535	4,990,080	2,945,917	1,867,196	-440,171		26,419,078
Commercial	5,199,124	1,630,819	3,014,079	163,292	102,952	3,084,861	472,211	677,211	-45,769		14,298,781
Industrial	3,075,629	964,738	891,515	23,828	15,023	450,142	66,772	134,331	-4,833		5,617,144
Public Authority	1,271,721	398,903	645,096	34,882	21,993	658,988	65,177	166,393	-3,695		3,259,457
West Milwaukee:											
Residential	52,002	0	46,476	1,844	1,162	0		11,815	-2,726		110,573
Commercial	44,793	0	29,214	1,229	775	0		6,887	-572		82,325
Industrial	244,047	0	117,901	4,412	2,781	0		8,980	-230		377,890
Public Authority	0	0	0	0	0	0		0	0		0
Suburban Retail:											
Residential	717,209	224,968	641,004	25,429	16,032	480,400	293,806	188,366	-43,737		2,543,479
Commercial	552,452	173,289	360,306	15,153	9,554	286,273	54,297	84,459	-5,270		1,530,514
Industrial	95,765	30,039	46,265	1,731	1,091	32,704	1,943	4,370	-142		213,766
Public Authority	6,178	1,938	3,731	169	107	3,202	481	1,916	-17		17,706
Wholesale:											
West Allis	1,712,301	0	645,235	12,309	7,761	0		6,788	-14		2,384,381
Wauwatosa	1,369,673	0	661,698	14,817	9,342	0		10,182	-20		2,065,692
Brown Deer	368,651	0	204,813	5,146	3,244	0		4,525	-14		586,366
Greendale	392,815	0	351,078	5,483	3,457	0		3,960	-10		756,782
Shorewood	338,687	0	188,165	5,200	3,279	0		5,657	-10		540,978
County Institutions	264,026	0	127,553	2,764	1,743	0		5,657	-10		401,732
Menomonee Falls	928,592	0	448,609	9,722	6,129	0		5,657	-14		1,398,695
Wisconsin Gas Co.	226,344	0	136,685	2,765	1,743	0		2,263	-7		369,792
Butler	85,297	0	51,510	1,042	657	0		1,414	-7		139,913
New Berlin	347,123	0	209,622	4,240	2,673	0		4,525	-14		568,170
Public Fire Protection	253,596	79,546	1,820,504	63,122	39,797	1,192,484				2,197,584	5,646,632

COMPARISON OF PRESENT RATES
TO COST OF SERVICE

Customer Class	Revenue at Present Rate	Cost of Service	Difference Amount	Difference Percent
Operating Revenues	68,520,748	72,545,158	4,024,410	5.87
Less: Other Revenues	3,162,388	3,215,312	52,924	1.67
NET WATER SALES	65,358,360	69,329,846	3,971,486	6.08
Allocation:				
Milwaukee:				
Residential	25,065,103	26,419,078	1,353,975	5.40
Commercial	13,056,002	14,298,781	1,242,779	9.52
Industrial	5,165,869	5,617,144	451,275	8.74
Public Authority	2,869,088	3,259,457	390,369	13.61
West Milwaukee:				
Residential	115,677	110,573	-5,104	-4.41
Commercial	82,675	82,325	-350	-0.42
Industrial	297,706	377,890	80,184	26.93
Public Authority		0	0	0.00
Suburban Retail:				
Residential	2,848,002	2,543,479	-304,523	-10.69
Commercial	1,831,278	1,530,514	-300,764	-16.42
Industrial	224,915	213,766	-11,149	-4.96
Public Authority	24,079	17,706	-6,373	-26.47
Wholesale:				
West Allis	2,220,458	2,384,381	163,923	7.38
Wauwatosa	1,999,356	2,065,692	66,336	3.32
Brown Deer	566,294	586,366	20,072	3.54
Greendale	695,660	756,782	61,122	8.79
Shorewood	501,970	540,978	39,008	7.77
County Institutions	382,222	401,732	19,510	5.10
Menomonee Falls	1,110,139	1,398,695	288,556	25.99
Wisconsin Gas Co.	235,181	369,792	134,611	57.24
Butler	137,419	139,913	2,494	1.82
New Berlin	509,021	568,170	59,149	11.62
Public Fire Protection	5,420,246	5,646,632	226,386	4.18

ALLOCATIONS USED TO DISTRIBUTE PUBLIC FIRE PROTECTION COSTS

	Gallons Per Minute	Duration (Hours)	Total Demand	Percent of Total 1/	Percent of Total 2/	Percent of Distribution Mains 3/	Percent of Hydrants 4/
Milwaukee:	18,000	10	10,800,000	49.59	73.17	89.81	85.90
West Milwaukee:	4,500	4	1,080,000	4.96	7.32		0.04
Suburban Retail:							
Greenfield	4,000	4	960,000	4.41	6.50	7.60	10.22
St. Francis	4,000	4	960,000	4.41	6.50	1.38	2.00
Hales Corner	2,750	2	330,000	1.52	2.24	1.17	1.80
(Cudahy & Franklin not included)							
Wholesale:							
West allis	5,500	5	1,650,000	7.58			
Wauwatosa	5,000	5	1,500,000	6.89		0.04	0.04
Brown Deer	3,000	3	540,000	2.48			
Greendale	3,500	3	630,000	2.89			
Shorewood	3,500	3	630,000	2.89	4.27		
County Institutions							
Menomonee Falls	4,500	4	1,080,000	4.96			
Wisconsin Gas Co.	3,000	3	540,000	2.48			
Butler	3,000	3	540,000	2.48			
New Berlin	3,000	3	540,000	2.48			
TOTAL			21,780,000	100.00	100.00	100.00	100.00

1/ This column allocates Base-Nondistribution and Maximum-day Public Fire Protection Costs, and is based on the above fire flows.
2/ This column allocates Maximum Hour-Storage and Maximum Hour-Nondistribution Public Fire Protection Costs, and is also based on the above fire flows.
3/ This column allocates Based-Distribution and Maximum Hour-Distribution Public Fire Protetion Costs, and is based on a diameter-length product of mains less than 16-inch that are located in the above communities.
4/ This column allocates Direct Public Fire Protection Costs based on the number of hydrants that are located in the above communities.

ALLOCATION OF PUBLIC FIRE PROTECTION COSTS

	Base		Max. Day	Max. Hour			Direct		Total	Revenue at	
	Nondistr.	Distr.	Alloc.	Storage Alloc.	Nondistr. Alloc.	Distr. Alloc.	Public Fire	Private Fire	Public Fire	Present Rates	Percent Change
Milwaukee:	125,750	71,440	902,729	46,187	29,120	1,070,970	2,320,732	-425,040	4,141,888	4,152,734	-0.26
West Milwaukee:	12,575		90,273	4,619	2,912		1,081	-10,373	101,086	86,289	17.15
Suburban Retail:											
Greenfield	11,178	6,045	80,243	4,106	2,588	90,629	276,110	-43,826	427,073	342,668	24.63
St. Francis	11,178	1,098	80,243	4,106	2,588	16,456	54,033	-15,794	153,908	173,289	-11.18
Hales Corner	3,842	931	27,583	1,411	890	13,952	48,630	-9,050	88,190	71,338	23.62
(Cudahy & Franklin not included)											
Wholesale:											
West Allis	19,212		137,917						157,129	147,240	6.72
Wauwatosa	17,465	32	125,379			477	1,081		144,434	135,660	6.47
Brown Deer	6,287		45,136						51,424	48,180	6.73
Greendale	7,335		52,659						59,995	56,244	6.67
Shorewood	7,335		52,659	2,694	1,699				64,387	62,040	3.78
County Institutions											
Menomonee Falls	12,575		90,273						102,848	85,620	20.12
Wisconsin Gas Co.	6,287		45,136						51,424	18,612	176.29
Butler	6,287		45,136						51,424	40,332	27.50
New Berlin	6,287		45,136						51,424		N/A
TOTAL	253,596	79,546	1,820,504	63,122	39,797	1,192,484	2,701,667	-504,083	5,646,632	5,420,246	4.18