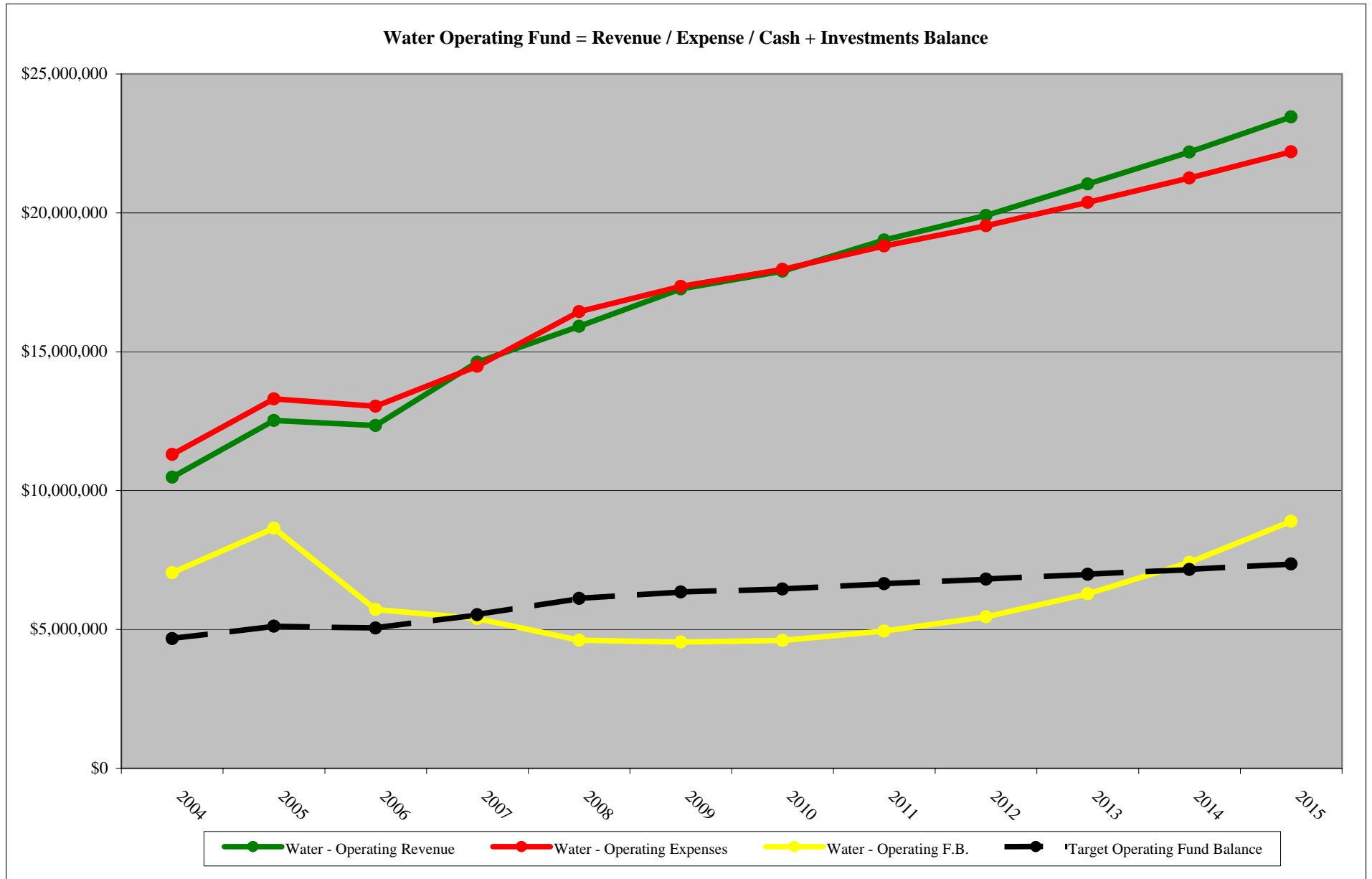


2008 - 2009 Proposed Water Rates [Example #7 = Change Customer Charge in 2009, B/E in 2009, Meet Target in 2014]

Water Rate - Model	Actual 2005	Actual 2006	Actual 2007	Forecasted 2008	Forecasted 2009	Forecasted 2010	Forecasted 2011	Forecasted 2012	Forecasted 2013	Forecasted 2014	Forecasted 2015
Rochester Hills Rate Increase %	104.43%	1.86%	0.00%	0.00%	-24.77%	-11.57%	3.18%	3.21%	3.24%	3.26%	3.29%
Customer - (per bill)	\$ 6.46	\$ 6.58	\$ 6.58	\$ 6.58	\$ 4.95	\$ 4.38	\$ 4.52	\$ 4.66	\$ 4.81	\$ 4.97	\$ 5.13
Rochester Hills Rate Increase %	5.16%	3.07%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Capacity - (per ERU)	\$ 3.26	\$ 3.36	\$ 3.46	\$ 3.56	\$ 3.67	\$ 3.78	\$ 3.89	\$ 4.01	\$ 4.13	\$ 4.25	\$ 4.38
Rochester Hills Rate Increase %	12.39%	6.94%	17.18%	11.92%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	6.00%
Commodity - (per Ccf)	\$ 2.45	\$ 2.62	\$ 3.07	\$ 3.44	\$ 3.64	\$ 3.85	\$ 4.08	\$ 4.32	\$ 4.58	\$ 4.85	\$ 5.14
Rochester Hills Rate Increase \$\$'s	\$ 0.27	\$ 0.17	\$ 0.45	\$ 0.37	\$ 0.20	\$ 0.21	\$ 0.23	\$ 0.24	\$ 0.25	\$ 0.27	\$ 0.29
DWSD Rate Increase %	6.79%	3.12%	17.23%	11.92%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Anticipated DWSD Water Rates (Ccf)	\$ 1.666	\$ 1.718	\$ 2.014	\$ 2.254	\$ 2.389	\$ 2.533	\$ 2.685	\$ 2.846	\$ 3.016	\$ 3.197	\$ 3.389
	actual	actual	actual	4-Year Ave.	4-Year Ave.	4-Year Ave.	4-Year Ave.	4-Year Ave.	4-Year Ave.	4-Year Ave.	4-Year Ave.
City Metered Water Sold (Units)	4,254,748	3,892,267	4,292,252	4,069,167	4,127,108	4,095,198	4,145,931	4,109,351	4,119,397	4,117,470	4,123,037
%-age Change in Water Consumed	10.9%	-8.5%	10.3%	-5.2%	1.4%	-0.8%	1.2%	-0.9%	0.2%	0.0%	0.1%
Revenue by Increasing Rates 1 Cent	\$ 42,547	\$ 38,923	\$ 42,923	\$ 40,692	\$ 41,271	\$ 40,952	\$ 41,459	\$ 41,094	\$ 41,194	\$ 41,175	\$ 41,230

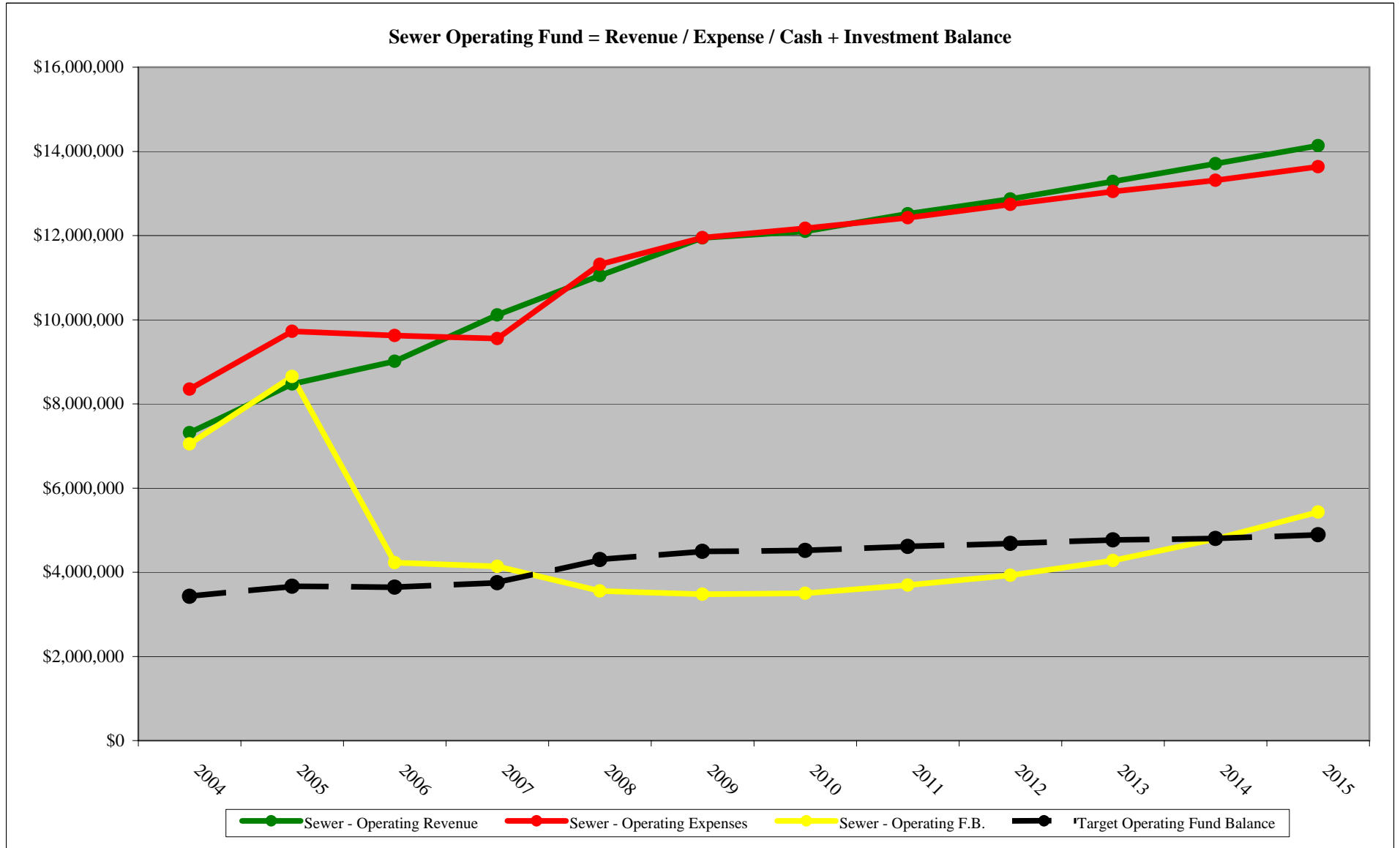
[Example #7 = Change Customer Charge in 2009, B/E in 2009, Meet Target in 2014]



2008 - 2009 Proposed Sewer Rates [Example #7 = Change Customer Charge in 2009, B/E in 2009, Meet Target in 2014]

Sewer Rate - Model											
	<i>Actual 2005</i>	<i>Actual 2006</i>	<i>Actual 2007</i>	Forecasted 2008	Forecasted 2009	<i>Forecasted 2010</i>	<i>Forecasted 2011</i>	<i>Forecasted 2012</i>	<i>Forecasted 2013</i>	<i>Forecasted 2014</i>	<i>Forecasted 2015</i>
<i>Rochester Hills Rate Increase %</i>	153.54%	2.17%	0.00%	0.00%	-24.77%	-11.57%	3.18%	3.21%	3.24%	3.26%	3.29%
Customer - (per bill)	\$ 6.44	\$ 6.58	\$ 6.58	\$ 6.58	\$ 4.95	\$ 4.38	\$ 4.52	\$ 4.66	\$ 4.81	\$ 4.97	\$ 5.13
<i>Rochester Hills Rate Increase %</i>	5.10%	2.91%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Capacity - (per ERU)	\$ 2.06	\$ 2.12	\$ 2.18	\$ 2.26	\$ 2.33	\$ 2.40	\$ 2.47	\$ 2.54	\$ 2.62	\$ 2.70	\$ 2.78
<i>Rochester Hills Rate Increase %</i>	7.62%	7.52%	13.17%	19.64%	3.49%	3.49%	3.49%	3.49%	3.49%	3.49%	3.00%
Commodity - (per Ccf)	\$ 2.26	\$ 2.43	\$ 2.75	\$ 3.29	\$ 3.40	\$ 3.52	\$ 3.65	\$ 3.77	\$ 3.91	\$ 4.04	\$ 4.16
<i>Sewer Disposal Rate Increase %</i>	3.81%	3.59%	3.00%	24.08%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Anticipated Sewer Disposal Rates (Ccf)	\$ 1.253	\$ 1.298	\$ 1.337	\$ 1.659	\$ 1.709	\$ 1.760	\$ 1.813	\$ 1.867	\$ 1.923	\$ 1.981	\$ 2.040
<i>Flat Rate Increase %</i>		43.36%	13.16%	19.67%	3.47%	3.49%	3.49%	3.49%	3.49%	3.49%	3.00%
Flat Rate - (per bill)	\$ 36.16	\$ 51.84	\$ 58.66	\$ 70.20	\$ 72.64	\$ 75.18	\$ 77.80	\$ 80.52	\$ 83.34	\$ 86.25	\$ 88.84
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>4-Year Ave.</i>	<i>4-Year Ave.</i>	<i>4-Year Ave.</i>	<i>4-Year Ave.</i>	<i>4-Year Ave.</i>	<i>4-Year Ave.</i>	<i>4-Year Ave.</i>	<i>4-Year Ave.</i>
City Metered Sewer Sold (Units)	3,287,944	3,096,117	3,287,029	3,214,085	3,221,294	3,204,631	3,231,760	3,217,942	3,218,907	3,218,310	3,221,730
%-age Change in Wastewater Treated	3.2%	-5.8%	6.2%	-2.2%	0.2%	-0.5%	0.8%	-0.4%	0.0%	0.0%	0.1%
Revenue by Increasing Rates 1 Cent	\$ 32,879	\$ 30,961	\$ 32,870	\$ 32,141	\$ 32,213	\$ 32,046	\$ 32,318	\$ 32,179	\$ 32,189	\$ 32,183	\$ 322

[Example #7 = Change Customer Charge in 2009, B/E in 2009, Meet Target in 2014]



2008 - 2009 Proposed Water & Sewer Average Bi-Monthly Bill [Example #7 = Change Customer Charge in 2009, B/E in 2009, Meet Target in 2014]

	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Forecasted 2008	Forecasted 2009	Forecasted 2010	Forecasted 2011	Forecasted 2012	Forecasted 2013	Forecasted 2014	Forecasted 2015
Total Water Charged by City	3,837,402	4,254,748	3,892,267	4,292,252	4,069,167	4,127,108	4,095,198	4,145,931	4,109,351	4,119,397	4,117,470	4,123,037
Total Sewage Charged by City	3,185,250	3,287,944	3,096,117	3,287,029	3,214,085	3,221,294	3,204,631	3,231,760	3,217,942	3,218,907	3,218,310	3,221,730
Ave. Water Consumed / House (per Bill)	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Ave. Sewage Disposed / House (per Bill)	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Water Rate / Unit	\$ 2.18	\$ 2.45	\$ 2.62	\$ 3.07	\$ 3.44	\$ 3.64	\$ 3.86	\$ 4.09	\$ 4.33	\$ 4.58	\$ 4.85	\$ 5.14
Sewer Rate / Unit	\$ 2.10	\$ 2.26	\$ 2.43	\$ 2.75	\$ 3.29	\$ 3.40	\$ 3.52	\$ 3.65	\$ 3.77	\$ 3.91	\$ 4.04	\$ 4.16
Average Water Use - Bill Projection												
Commodity Charge - Water	\$ 39.24	\$ 44.10	\$ 47.16	\$ 55.26	\$ 61.92	\$ 65.57	\$ 69.44	\$ 73.53	\$ 77.87	\$ 82.46	\$ 87.32	\$ 92.56
Capacity Charge (1" Meter) - Water	\$ 4.96	\$ 5.20	\$ 5.36	\$ 5.52	\$ 5.68	\$ 5.85	\$ 6.03	\$ 6.21	\$ 6.39	\$ 6.58	\$ 6.78	\$ 6.99
Customer Charge - Water	\$ 3.16	\$ 6.46	\$ 6.58	\$ 6.58	\$ 6.58	\$ 4.95	\$ 4.38	\$ 4.52	\$ 4.66	\$ 4.81	\$ 4.97	\$ 5.13
Average Bill - Water	\$ 47.36	\$ 55.76	\$ 59.10	\$ 67.36	\$ 74.18	\$ 76.37	\$ 79.84	\$ 84.26	\$ 88.92	\$ 93.86	\$ 99.08	\$ 104.68
Ave. Percentage Increase - Water	15.1%	17.7%	6.0%	14.0%	10.1%	3.0%	4.5%	5.5%	5.5%	5.5%	5.6%	5.7%
Average Sewer Use - Bill Projection												
Commodity Charge - Sewer	\$ 37.80	\$ 40.68	\$ 43.74	\$ 49.50	\$ 59.22	\$ 61.29	\$ 63.43	\$ 65.65	\$ 67.94	\$ 70.31	\$ 72.77	\$ 74.95
Capacity Charge (1" Meter) - Sewer	\$ 3.14	\$ 3.29	\$ 3.38	\$ 3.48	\$ 3.59	\$ 3.70	\$ 3.81	\$ 3.92	\$ 4.04	\$ 4.16	\$ 4.28	\$ 4.41
Customer Charge - Sewer	\$ 2.54	\$ 6.44	\$ 6.58	\$ 6.58	\$ 6.58	\$ 4.95	\$ 4.38	\$ 4.52	\$ 4.66	\$ 4.81	\$ 4.97	\$ 5.13
Average Bill - Sewer	\$ 43.48	\$ 50.41	\$ 53.70	\$ 59.56	\$ 69.39	\$ 69.94	\$ 71.61	\$ 74.08	\$ 76.64	\$ 79.29	\$ 82.03	\$ 84.50
Ave. Percentage Increase - Sewer	12.7%	15.9%	6.5%	10.9%	16.5%	0.8%	2.4%	3.4%	3.5%	3.5%	3.5%	3.0%
AVERAGE W&S Use - Bill Projection * = Average Household (18 Units/mo)												
Commodity Charge - W&S	\$ 77.04	\$ 84.78	\$ 90.90	\$ 104.76	\$ 121.14	\$ 126.86	\$ 132.87	\$ 139.18	\$ 145.81	\$ 152.78	\$ 160.10	\$ 167.52
Capacity Charge (1" Meter) - W&S	\$ 8.10	\$ 8.49	\$ 8.74	\$ 9.00	\$ 9.27	\$ 9.55	\$ 9.83	\$ 10.13	\$ 10.43	\$ 10.74	\$ 11.07	\$ 11.40
Customer Charge - W&S	\$ 5.70	\$ 12.90	\$ 13.16	\$ 13.16	\$ 13.16	\$ 9.90	\$ 8.76	\$ 9.03	\$ 9.32	\$ 9.63	\$ 9.94	\$ 10.27
AVERAGE Water & Sewer Bill	\$ 90.84	\$ 106.17	\$ 112.80	\$ 126.92	\$ 143.57	\$ 146.31	\$ 151.46	\$ 158.34	\$ 165.57	\$ 173.15	\$ 181.10	\$ 189.18
Ave. W&S Bill - Percentage Increase	13.9%	16.9%	6.3%	12.5%	13.1%	1.9%	3.5%	4.5%	4.6%	4.6%	4.6%	4.5%
LIGHT W&S Use - Bill Projection * = 1/2 the Use of Average Household (9 Units/mo)												
Commodity Charge - W&S (Light)	\$ 38.52	\$ 42.39	\$ 45.45	\$ 52.38	\$ 60.57	\$ 63.43	\$ 66.43	\$ 69.59	\$ 72.91	\$ 76.39	\$ 80.05	\$ 83.76
Capacity Charge (1") - W&S (Light)	\$ 8.10	\$ 8.49	\$ 8.74	\$ 9.00	\$ 9.27	\$ 9.55	\$ 9.83	\$ 10.13	\$ 10.43	\$ 10.74	\$ 11.07	\$ 11.40
Customer Charge - W&S (Light)	\$ 5.70	\$ 12.90	\$ 13.16	\$ 13.16	\$ 13.16	\$ 9.90	\$ 8.76	\$ 9.03	\$ 9.32	\$ 9.63	\$ 9.94	\$ 10.27
LIGHT W&S Bill	\$ 52.32	\$ 63.78	\$ 67.35	\$ 74.54	\$ 83.00	\$ 82.88	\$ 85.02	\$ 88.75	\$ 92.66	\$ 96.76	\$ 101.05	\$ 105.43
Ave. W&S Bill - % Change (Light)	21.7%	21.9%	5.6%	10.7%	11.3%	-0.1%	2.6%	4.4%	4.4%	4.4%	4.4%	4.3%
HEAVY W&S Use - Bill Projection * = 1.5 times the Use of Average Household (27 Units/mo)												
Commodity Charge - W&S (Heavy)	\$ 115.56	\$ 127.17	\$ 136.35	\$ 157.14	\$ 181.71	\$ 190.29	\$ 199.30	\$ 208.77	\$ 218.72	\$ 229.16	\$ 240.14	\$ 251.28
Capacity Charge (1") - W&S (Heavy)	\$ 8.10	\$ 8.49	\$ 8.74	\$ 9.00	\$ 9.27	\$ 9.55	\$ 9.83	\$ 10.13	\$ 10.43	\$ 10.74	\$ 11.07	\$ 11.40
Customer Charge - W&S (Heavy)	\$ 5.70	\$ 12.90	\$ 13.16	\$ 13.16	\$ 13.16	\$ 9.90	\$ 8.76	\$ 9.03	\$ 9.32	\$ 9.63	\$ 9.94	\$ 10.27
HEAVY W&S Bill	\$ 129.36	\$ 148.56	\$ 158.25	\$ 179.30	\$ 204.14	\$ 209.74	\$ 217.89	\$ 227.93	\$ 238.47	\$ 249.53	\$ 261.15	\$ 272.94
Ave. W&S Bill - % Change (Heavy)	11.1%	14.8%	6.5%	13.3%	13.9%	2.7%	3.9%	4.6%	4.6%	4.6%	4.7%	4.5%