

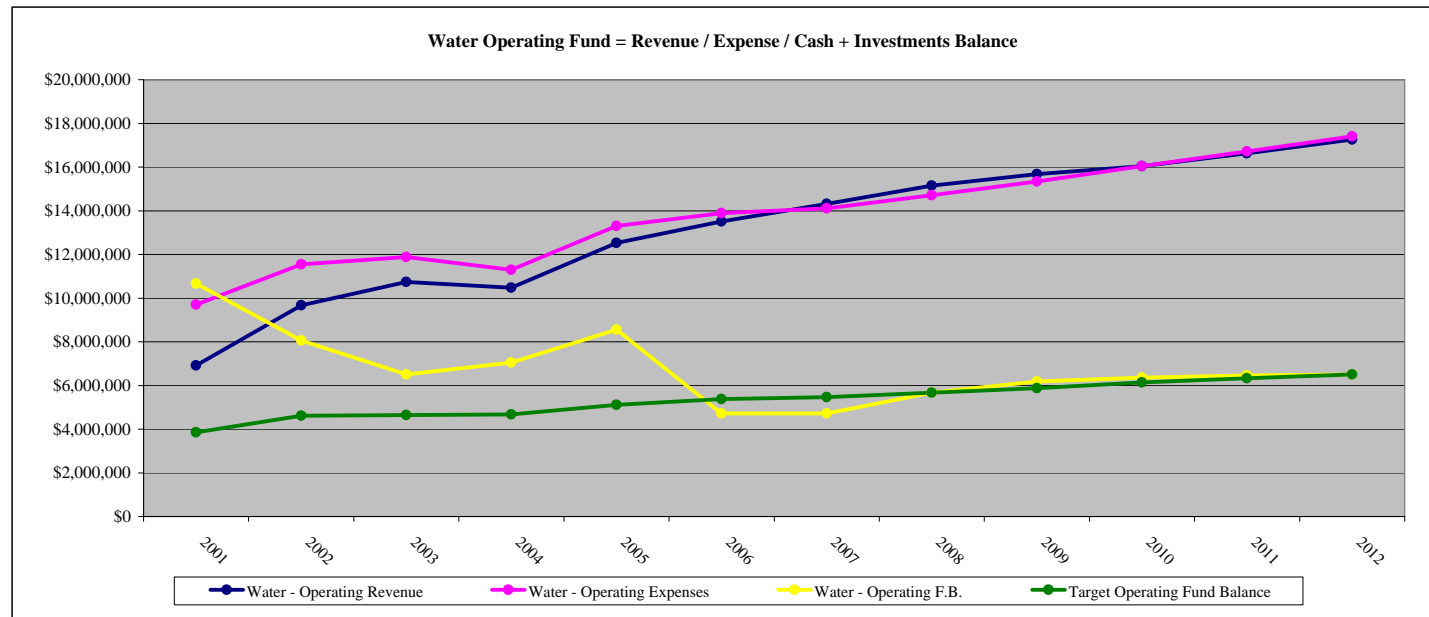
Preliminary 2006-2007 Water Rates

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Water Rate - Model	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Projected 2006	Forecasted 2007	Forecasted 2008	Forecasted 2009	Forecasted 2010	Forecasted 2011	Forecasted 2012
Rochester Hills Rate Increase %	10.74%	7.46%	9.72%	104.43%	1.87%	1.23%	-0.57%	-42.67%	2.60%	2.63%	2.65%
Customer - (per bill)	\$ 1.34	\$ 1.44	\$ 3.16	\$ 6.46	\$ 6.58	\$ 6.66	\$ 6.62	\$ 3.80	\$ 3.90	\$ 4.00	\$ 4.10
Rochester Hills Rate Increase %	0.00%	7.63%	9.93%	5.16%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Capacity - (per ERU)	\$ 1.31	\$ 1.41	\$ 3.10	\$ 3.26	\$ 3.36	\$ 3.46	\$ 3.56	\$ 3.67	\$ 3.78	\$ 3.89	\$ 4.01
Rochester Hills Rate Increase %	45.04%	9.47%	4.81%	12.39%	6.94%	6.94%	6.94%	4.00%	4.00%	4.00%	4.00%
Commodity - (per Ccf)	\$ 1.90	\$ 2.08	\$ 2.18	\$ 2.45	\$ 2.62	\$ 2.80	\$ 3.00	\$ 3.12	\$ 3.24	\$ 3.37	\$ 3.51
Rochester Hills Rate Increase \$\$'s	\$ 0.59	\$ 0.18	\$ 0.10	\$ 0.27	\$ 0.17	\$ 0.18	\$ 0.19	\$ 0.12	\$ 0.12	\$ 0.13	\$ 0.13
DWSD Rate Increase %	14.97%	5.01%	5.05%	6.79%	3.12%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Anticipated DWSD Water Rates	\$ 1.414	\$ 1.485	\$ 1.560	\$ 1.666	\$ 1.718	\$ 1.821	\$ 1.930	\$ 2.046	\$ 2.169	\$ 2.299	\$ 2.437
Amount Over / (Under) DSWD Rate	\$ 0.49	\$ 0.60	\$ 0.62	\$ 0.78	\$ 0.90	\$ 0.98	\$ 1.07	\$ 1.07	\$ 1.07	\$ 1.07	\$ 1.07

	actual	actual	actual	actual	est.	est.	est.	est.	est.	est.	est.
Water Purchased/Sold (Ccf)	437,539,500	418,592,250	383,740,150	425,474,750	425,474,750	425,474,750	425,474,750	425,474,750	425,474,750	425,474,750	425,474,750
%-age Change in Water Consumed	0.3%	-4.3%	-8.3%	10.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenue by Increasing Rates 1 Cent	\$ 43,754	\$ 41,859	\$ 38,374	\$ 42,547	\$ 42,547	\$ 42,547	\$ 42,547	\$ 42,547	\$ 42,547	\$ 42,547	\$ 42,547

** Changed Consumption to 1.0% from 05-06 Rates



Percent Change =>	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Number of Water Customers											
Residential	19,820	20,224	20,675	21,089	21,510	21,940	22,379	22,827	23,283	23,749	24,224
Commercial	1,050	1,050	1,050	1,071	1,092	1,114	1,137	1,159	1,182	1,206	1,230

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Water Rate - Model	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Projected 2006	Forecasted 2007	Forecasted 2008	Forecasted 2009	Forecasted 2010	Forecasted 2011	Forecasted 2012
Government	60	60	60	61	61	61	61	61	61	61	62
Area Maintenance	8,611	9,064	9,541	9,732	9,926	10,125	10,327	10,534	10,745	10,960	11,179
Total Customers Billed	20,930	21,334	21,785	22,221	22,664	23,116	23,577	24,047	24,527	25,016	25,517

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Water Rate - Model		Actual 2002	Actual 2003	Actual 2004	Actual 2005	Projected 2006	Forecasted 2007	Forecasted 2008	Forecasted 2009	Forecasted 2010	Forecasted 2011	Forecasted 2012
Percent Change =>		0.29%	-4.33%	-8.33%	10.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Annual Water Use												
Residential		2,481,595	2,495,144	2,296,418	2,546,171	2,546,171	2,546,171	2,546,171	2,546,171	2,546,171	2,546,171	2,546,171
Commercial		854,515	795,325	729,106	808,402	808,402	808,402	808,402	808,402	808,402	808,402	808,402
Government		41,129	41,859	38,374	42,547	42,547	42,547	42,547	42,547	42,547	42,547	42,547
Area Maintenance		998,157	853,595	773,503	857,627	857,627	857,627	857,627	857,627	857,627	857,627	857,627
Total Annual Water Use (Mcf)		4,375,395	4,185,923	3,837,402	4,254,748	4,254,748	4,254,748	4,254,748	4,254,748	4,254,748	4,254,748	4,254,748
# of Billings / Customer / Year =>		12	12	6	6	6	6	6	6	6	6	6
Customer Charge Revenue												
Residential		\$ 303,239	\$ 337,336	\$ 374,631	\$ 608,614	\$ 841,518	\$ 871,596	\$ 891,914	\$ 713,624	\$ 537,390	\$ 562,472	\$ 588,847
Commercial		16,065	17,514	19,026	30,909	42,737	44,265	45,297	36,242	27,292	28,566	29,905
Government		918	1,001	1,087	1,766	2,394	2,431	2,439	1,913	1,413	1,449	1,517
Customer Charge		\$ 320,222	\$ 355,851	\$ 394,744	\$ 641,289	\$ 886,650	\$ 918,292	\$ 939,649	\$ 751,779	\$ 566,094	\$ 592,487	\$ 620,270
# of Billings / Customer / Year =>		12	12	6	6	6	6	6	6	6	6	6
Capacity Charge Revenue												
Residential		373,875	396,229	440,791	482,505	511,764	537,659	564,865	593,447	623,475	655,023	688,167
Commercial		2,889	2,999	3,265	3,576	3,792	3,984	4,186	4,397	4,620	4,854	5,099
Government		4,622	4,798	5,224	5,721	5,948	6,127	6,311	6,500	6,695	6,896	7,245
Area Maintenance		135,361	147,924	169,448	185,683	197,074	207,046	217,522	228,529	240,093	252,241	265,005
Capacity Charge		\$ 516,747	\$ 551,950	\$ 618,728	\$ 677,485	\$ 718,578	\$ 754,816	\$ 792,883	\$ 832,873	\$ 874,883	\$ 919,014	\$ 965,516
Commodity Charge Revenue												
Residential		\$ 3,860,948	\$ 4,927,908	\$ 4,872,234	\$ 5,837,097	\$ 6,418,603	\$ 6,864,300	\$ 7,340,945	\$ 7,757,099	\$ 8,067,383	\$ 8,390,079	\$ 8,725,682
Commercial		1,329,482	1,570,767	1,546,921	1,853,262	2,037,888	2,179,396	2,330,729	2,462,857	2,561,371	2,663,826	2,770,379
Government		63,989	82,672	81,417	97,540	107,257	114,705	122,670	129,624	134,809	140,201	145,809
Area Maintenance		1,552,966	1,685,849	1,641,116	1,966,110	2,161,979	2,312,104	2,472,652	2,612,825	2,717,338	2,826,032	2,939,073
Commodity Charge		\$ 6,807,385	\$ 8,267,197	\$ 8,141,687	\$ 9,754,009	\$ 10,725,729	\$ 11,470,505	\$ 12,266,997	\$ 12,962,406	\$ 13,480,902	\$ 14,020,138	\$ 14,580,944
Water Service Revenue (Subtotal)												
Residential		\$ 4,538,062	\$ 5,661,473	\$ 5,687,656	\$ 6,928,216	\$ 7,771,885	\$ 8,273,556	\$ 8,797,723	\$ 9,064,170	\$ 9,228,248	\$ 9,607,574	\$ 10,002,696
Commercial		1,348,436	1,591,280	1,569,211	1,887,746	2,084,418	2,227,645	2,380,212	2,503,497	2,593,283	2,697,246	2,805,384
Government		69,529	88,471	87,728	105,027	115,600	123,263	131,420	138,037	142,917	148,547	154,572
Area Maintenance		1,688,327	1,833,773	1,810,564	2,151,794	2,359,053	2,519,149	2,690,174	2,841,354	2,957,431	3,078,273	3,204,078
Water Service Revenue		\$ 7,644,354	\$ 9,174,998	\$ 9,155,159	\$ 11,072,783	\$ 12,330,956	\$ 13,143,613	\$ 13,999,529	\$ 14,547,058	\$ 14,921,879	\$ 15,531,639	\$ 16,166,730
Total Water Consumed (Residents)		2,481,595	2,495,144	2,296,418	2,546,171	2,546,171	2,546,171	2,546,171	2,546,171	2,546,171	2,546,171	2,546,171
Total Households		19,820	20,224	20,675	21,089	21,510	21,940	22,379	22,827	23,283	23,749	24,224
Ave. Water Consumed / House (Year)		125.21	123.38	111.07	120.74	118.37	116.05	113.77	111.54	109.36	107.21	105.11
Ave. Water Consumed / House (per Bill)		20.87	20.56	18.51	20.12	19.73	19.34	18.96	18.59	18.23	17.87	17.52

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Water Rate - Model		Actual 2002	Actual 2003	Actual 2004	Actual 2005	Projected 2006	Forecasted 2007	Forecasted 2008	Forecasted 2009	Forecasted 2010	Forecasted 2011	Forecasted 2012
Water Rate / Unit	\$	1.90	2.08	2.18	2.45	2.62	2.80	3.00	3.12	3.24	3.37	3.51
Sewer Rate / Unit	\$	1.67	2.00	2.10	2.26	2.43	2.61	2.80	2.91	3.03	3.15	3.27
Average Water Use - Bill Projection												
Commodity Charge - Water	\$	39.65	42.77	40.36	49.30	51.69	54.20	56.82	57.94	59.07	60.23	61.41
Capacity Charge (1" Meter) - Water	\$	2.10	2.26	4.96	5.20	5.36	5.52	5.68	5.85	6.03	6.21	6.40
Customer Charge - Water	\$	1.34	1.44	3.16	6.46	6.58	6.66	6.62	3.80	3.90	4.00	4.10
Average Bill - Water	\$	43.09	46.47	48.48	60.96	63.63	66.37	69.13	67.59	69.00	70.44	71.91
Ave. Percentage Increase - Water		36.6%	7.9%	4.3%	25.8%	4.4%	4.3%	4.2%	-2.2%	2.1%	2.1%	2.1%
Average Sewer Use - Bill Projection												
Commodity Charge - Sewer	\$	34.85	41.13	38.88	45.48	47.87	50.39	53.04	54.08	55.14	56.22	57.33
Capacity Charge (1" Meter) - Sewer	\$	1.42	1.43	3.14	3.29	3.38	3.49	3.59	3.70	3.81	3.92	4.04
Customer Charge - Sewer	\$	1.15	1.15	2.54	6.44	6.58	6.66	6.62	3.80	3.90	4.00	4.10
Average Bill - Sewer	\$	37.42	43.70	44.55	55.20	57.84	60.54	63.26	61.58	62.85	64.14	65.47
Ave. Percentage Increase - Sewer		15.4%	16.8%	1.9%	23.9%	4.8%	4.7%	4.5%	-2.7%	2.1%	2.1%	2.1%
AVERAGE W&S Use - Bill Projection <i>** Average Water Use = Approx. 21 units / bill</i>												
Commodity Charge - W&S	\$	74.50	83.90	79.23	94.78	99.56	104.59	109.86	112.02	114.21	116.45	118.74
Capacity Charge (1" Meter) - W&S	\$	3.52	3.69	8.10	8.49	8.74	9.00	9.27	9.55	9.84	10.13	10.44
Customer Charge - W&S	\$	2.49	2.59	5.70	12.90	13.16	13.32	13.25	7.59	7.79	8.00	8.21
AVERAGE Water & Sewer Bill	\$	80.51	90.17	93.03	116.16	121.46	126.91	132.38	129.16	131.84	134.58	137.38
Ave. W&S Bill - Percentage Increase		25.8%	12.0%	3.2%	24.9%	4.6%	4.5%	4.3%	-2.4%	2.1%	2.1%	2.1%
LIGHT W&S Use - Bill Projection <i>** Light Water Use = 1/2 of Normal Usage (approx. 11 units / bill)</i>												
Commodity Charge - W&S (Light)	\$	37.25	41.95	39.62	47.39	49.78	52.29	54.93	56.01	57.11	58.23	59.37
Capacity Charge (1") - W&S (Light)	\$	3.52	3.69	8.10	8.49	8.74	9.00	9.27	9.55	9.84	10.13	10.44
Customer Charge - W&S (Light)	\$	2.49	2.59	5.70	12.90	13.16	13.32	13.25	7.59	7.79	8.00	8.21
LIGHT W&S Bill	\$	43.26	48.22	53.41	68.78	71.68	74.62	77.45	73.15	74.74	76.36	78.01
Ave. W&S Bill - % Change (Light)		24.0%	11.5%	10.8%	28.8%	4.2%	4.1%	3.8%	-5.5%	2.2%	2.2%	2.2%
HEAVY W&S Use - Bill Projection <i>** Heavy Water Use = 1.5x of Normal Usage (approx. 32 units / bill)</i>												
Commodity Charge - W&S (Heavy)	\$	111.75	125.84	118.85	142.17	149.34	156.88	164.80	168.03	171.32	174.68	178.11
Capacity Charge (1") - W&S (Heavy)	\$	3.52	3.69	8.10	8.49	8.74	9.00	9.27	9.55	9.84	10.13	10.44
Customer Charge - W&S (Heavy)	\$	2.49	2.59	5.70	12.90	13.16	13.32	13.25	7.59	7.79	8.00	8.21
HEAVY W&S Bill	\$	117.76	132.12	132.64	163.55	171.24	179.20	187.32	185.17	188.95	192.81	196.75
Ave. W&S Bill - % Change (Heavy)		26.5%	12.2%	0.4%	23.3%	4.7%	4.6%	4.5%	-1.1%	2.0%	2.0%	2.0%