

# **Analysis of Revenue to Cost Ratios for Rate 1 with and without Upstream Cost allocation changes implemented in Fiscal 2005**

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
		<u>Revenues</u>	<u>Costs</u>	<u>Over / (Under)</u>	<u>Revenue to</u>	<u>Phase-in</u>	<u>Over / (Under)</u>	<u>Revenue to</u>
		(\$000)	(\$000)	<u>Contribution</u>	<u>Cost Ratios</u>	<u>Adjustment</u>	<u>Contribution Adjusted</u>	<u>Cost Ratios Adjusted</u>
				(\$000)		(\$000)	(\$000)	
	2001	747,150	752,910	(5,760)	0.99	20,817	15,057	1.02
	2002	750,610	759,430	(8,820)	0.99	21,020	12,200	1.02
	2003	803,972	813,405	(9,433)	0.99	21,209	11,776	1.01
	2004	n/a	n/a	n/a	n/a	n/a		
	2005	873,830	867,650	6,180	1.01	(8,722)	(2,542)	1.00
	2006	899,330	890,580	8,750	1.01	(5,405)	3,345	1.00
As Filed	2007	956,460	940,950	15,510	1.02	(5,010)	10,500	1.01
ADR @ \$26M	2007	855,195	844,839	10,356	1.01	(5,010)	5,346	1.01

## Notes:

Col 2 = Approved Revenues excluding Commodity

Col 3 = Approved Costs excluding Commodity

Col 4 = Revenues - Costs

Col 5 = Revenues/Costs

Col 6 = Adjustment to reflect currently approved upstream cost allocation methodology

Impact of full implementation of approved methodology in 2005 = 0.5 c/m3 for Rate 1 customers

Impact for 2001-2003 derived as 0.5 c/m3\*Rate 1 volumes

Col 7 = Col 2 + Col 6

Col 8 = Col 2/(Col 3-Col 6) for 2001- 2003

Col 8 = (Col 2+Col 6)/Col 3 for 2005-2007