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Commonwealth Utilities Corporation

2025 Rate Study and Long-Term Financial Plan



**COMMONWEALTH UTILITIES CORPORATION
CONSOLIDATED POWER, WATER AND WASTEWATER
RATE STUDY AND LONG-TERM FINANCIAL PLAN**

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APPENDIX A – Rate Design Model – Scenario I

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Acknowledgements

During the course of this rate study, CUC's Board of Directors and staff several expended considerable time and effort in assisting the project team. The project team owes a debt of gratitude to the hard work, dedication, and professionalism of these individuals, without whom this project would not have been successfully completed.

The project team has relied upon the extensive data supplied by CUC. Thus, the integrity of the study is largely dependent upon the accuracy of this financial and volumetric data. Every effort has been made by the project team to validate and confirm the information contained herein prior to the preparation of the final study documents. **This report presents no assurance or guarantee that the forecast contained herein will be consistent with actual results or performances.** These represent a forecast based on a series of assumptions about future behavior, and are not guarantees. Any changes in assumptions or actual events may result in significant revisions to the forecast and its conclusions. The cash flow projections and debt service coverage calculations are not intended to present overall financial positions, results of operations, and/or cash flows for the periods indicated, in conformity with guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants.

Executive Summary

Background

In January 2025, Commonwealth Utilities Corporation (“CUC”) engaged **Economists.com** to conduct a comprehensive power, water and wastewater rate study. Like many utilities throughout the Pacific and the United States, CUC has been burdened by increasing costs and the need to invest in its system to ensure a reliable quality of service. At the same time, the Commonwealth of Northern Mariana Islands (“CNMI”) has been severely impacted by both a dwindling tourism market and the lingering effects of the COVID-19 pandemic. The combination of increasing costs and an adverse economic environment has presented a significant challenge for CUC.

The purpose of this rate study is to provide CUC staff, its Board of Directors, the Commonwealth Public Utility Commission (“CPUC”) and the government of the CNMI the critical information required to set a current and long-term rate and financial plan. The goal of the plan is to recover sufficient revenues to fund operating and capital obligations while to the best extent possible minimizing the impact on the ratepayers.

Rate Comparison

CUC has not raised its base electric, water and wastewater rates in over a decade. During this same period, a combination of factors—including inflation, rising operating costs, new federal regulations, and the growing need to upgrade aging infrastructure—has resulted in substantial rate increases at other utilities across the U.S. and the Pacific.

Chart ES-1 compares monthly residential electric charges at 500 kWh for utilities across the Pacific. **Chart ES-2** compares monthly residential charges for 10,000 gallons of water service. The charts reveal that current CUC residential electric charges are significantly below rates for most of the utilities in the sample.

It should be noted that these types of comparisons can be imperfect. This is because many utilities choose to treat fuel charges in a different manner, either through frequent (monthly) adjustments or incorporating expected charges into base rates. Further, many utilities charge below-cost rates and are supported through subsidies from their national governments. These factors can limit the usefulness of these types of comparisons.

CHART ES-1

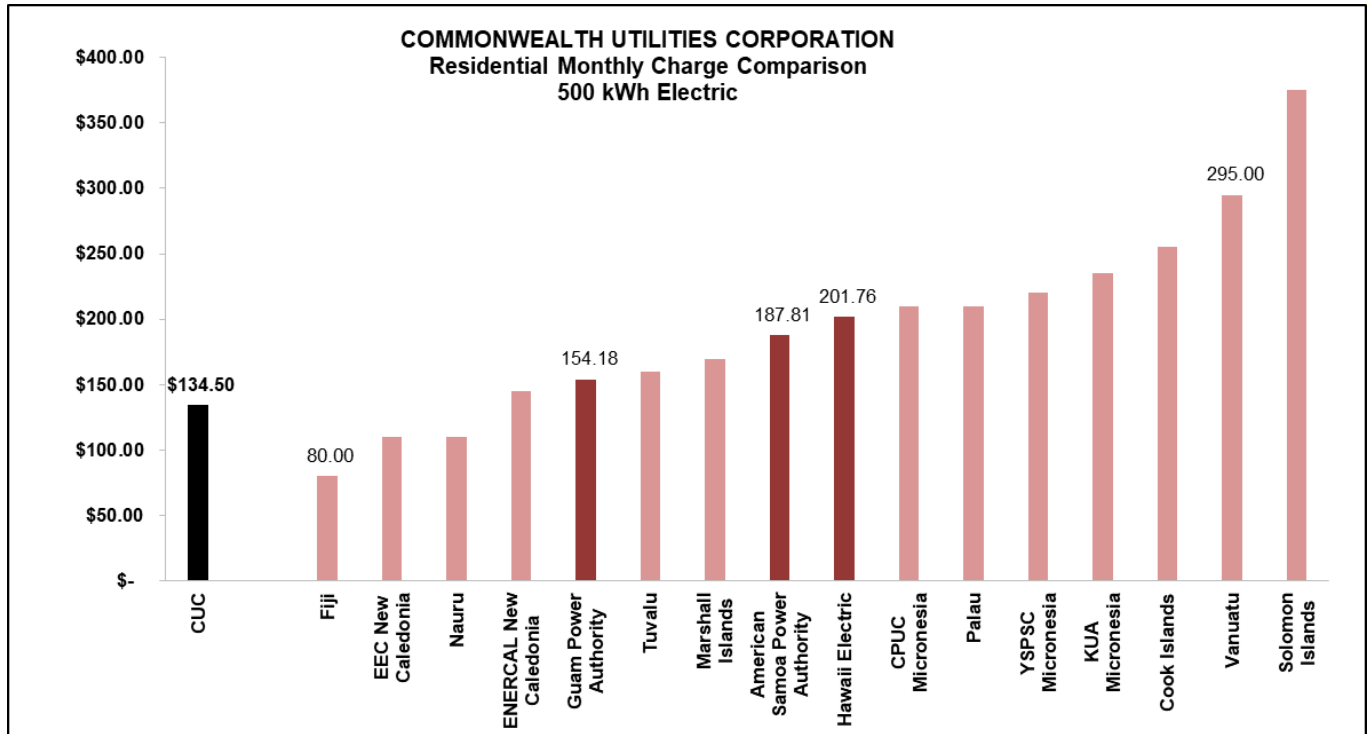
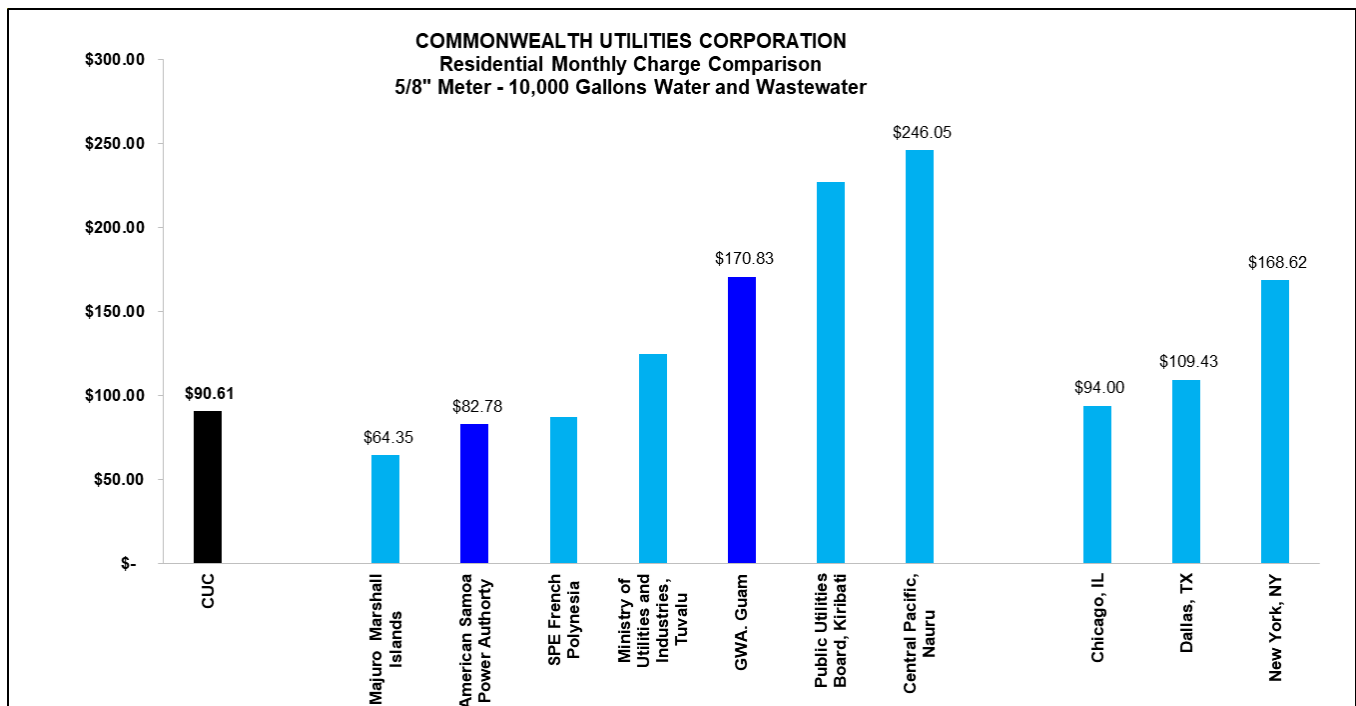


CHART ES-2



Forecast Customers and Usage

According to standard utility ratemaking methodology, in order to allocate revenue requirements equitably among system users, customers must be classified into relatively homogeneous groups with similar usage characteristics or service demands. Costs are then allocated to the customer classes in proportion to the usage characteristics of each class.

Table ES-3 presents total electric accounts for the historical and forecast period. **Table ES-4** presents total water accounts, and **Table ES-5** presents total wastewater accounts for the same period.

TABLE ES-3

COMMONWEALTH UTILITIES CORPORATION							
Test Year							
2026							
2025 05 09 Scenario I -- 5 Year Implement -- No WEC							
FORECAST TOTAL CUSTOMERS							
POWER Customer Classes							
Fiscal Year	Residential	Residential Prepaid	Commercial	Government	Streetlights	CUC Municipal Pumping	Total
POWER Total Customers							
2026	11,182	1,945	3,391	741	12	181	17,452
2027	11,232	1,970	3,401	741	12	181	17,537
2028	11,282	1,995	3,411	741	12	181	17,622
2029	11,332	2,020	3,421	741	12	181	17,707
2030	11,382	2,045	3,431	741	12	181	17,792
2031	11,432	2,070	3,441	741	12	181	17,877
2032	11,482	2,095	3,451	741	12	181	17,962
2033	11,532	2,120	3,461	741	12	181	18,047
2034	11,582	2,145	3,471	741	12	181	18,132
2035	11,632	2,170	3,481	741	12	181	18,217

TABLE ES-4

COMMONWEALTH UTILITIES CORPORATION									
Test Year									
2026									
2025 05 09 Scenario I -- 5 Year Implement -- No WEC									
FORECAST TOTAL CUSTOMERS									
WATER Customer Classes									
Fiscal Year	Residential	Multi Family	Commercial	CUC	Government	PSS	CHC	CPA	Total
WATER Total Customers									
2026	8,948	6	1,282	49	194	58	18	11	10,566
2027	8,953	6	1,283	49	194	58	18	11	10,572
2028	8,958	6	1,284	49	194	58	18	11	10,578
2029	8,963	6	1,285	49	194	58	18	11	10,584
2030	8,968	6	1,286	49	194	58	18	11	10,590
2031	8,973	6	1,287	49	194	58	18	11	10,596
2032	8,978	6	1,288	49	194	58	18	11	10,602
2033	8,983	6	1,289	49	194	58	18	11	10,608
2034	8,988	6	1,290	49	194	58	18	11	10,614
2035	8,993	6	1,291	49	194	58	18	11	10,620

TABLE ES-5

COMMONWEALTH UTILITIES CORPORATION									
Test Year									
2026									
2025 05 09 Scenario I -- 5 Year Implement -- No WEC									
FORECAST TOTAL CUSTOMERS									
WASTEWATER Customer Classes									
	Residential	Multi Family	Commercial	CUC	Government	PSS	CHC	CPA	Total
WASTEWATER Total Customers									
2026	1,930	6	748	2	58	32	15	2	2,793
2027	1,935	6	749	2	58	32	15	2	2,799
2028	1,940	6	750	2	58	32	15	2	2,805
2029	1,945	6	751	2	58	32	15	2	2,811
2030	1,950	6	752	2	58	32	15	2	2,817
2031	1,955	6	753	2	58	32	15	2	2,823
2032	1,960	6	754	2	58	32	15	2	2,829
2033	1,965	6	755	2	58	32	15	2	2,835
2034	1,970	6	756	2	58	32	15	2	2,841
2035	1,975	6	757	2	58	32	15	2	2,847

Table ES-6 presents total electric consumption for the historical and forecast period. **Table ES-7** presents total water consumption for the same period. Water consumption is forecast to increase as CUC implements an aggressive program to reduce its non-revenue losses.

TABLE ES-6

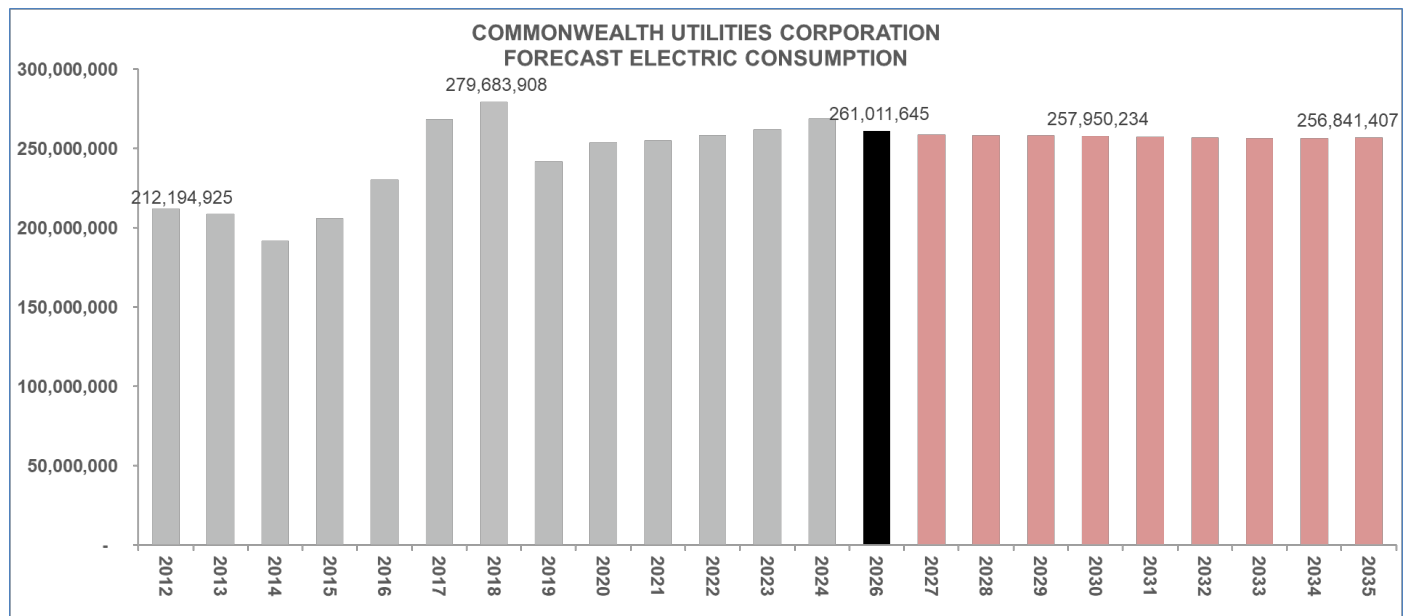
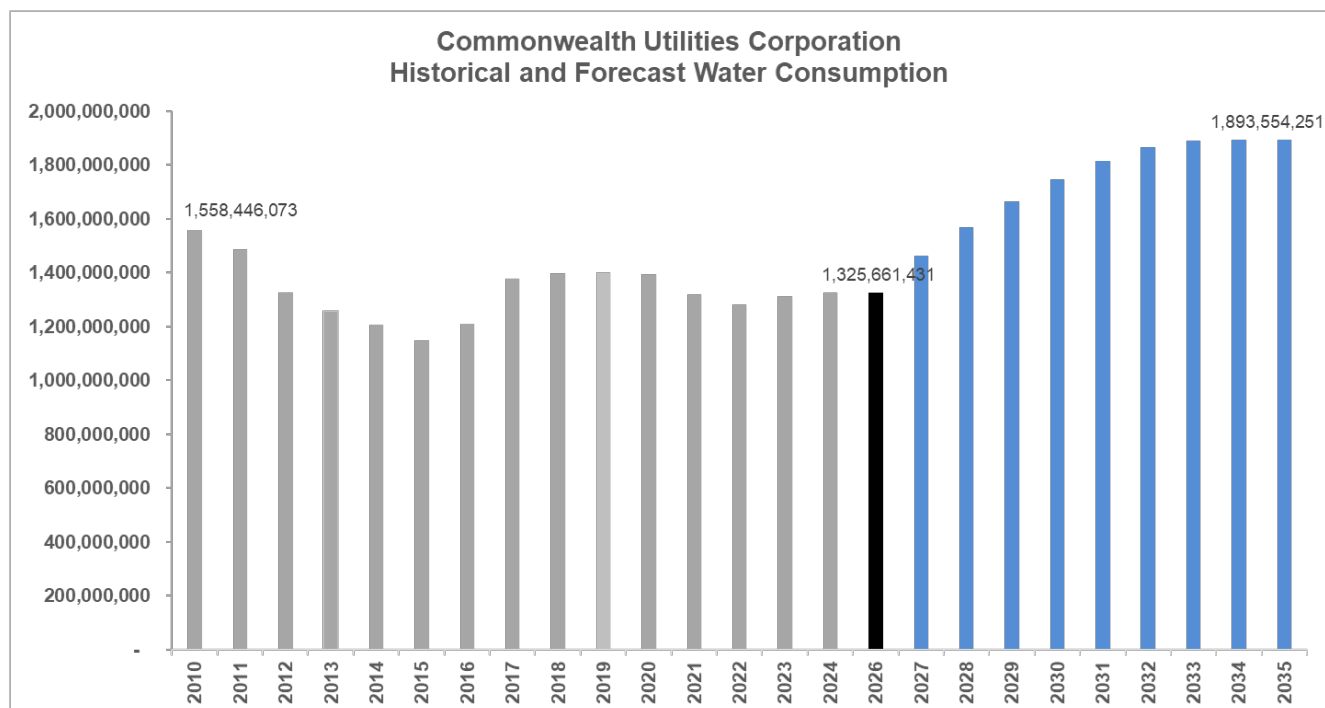


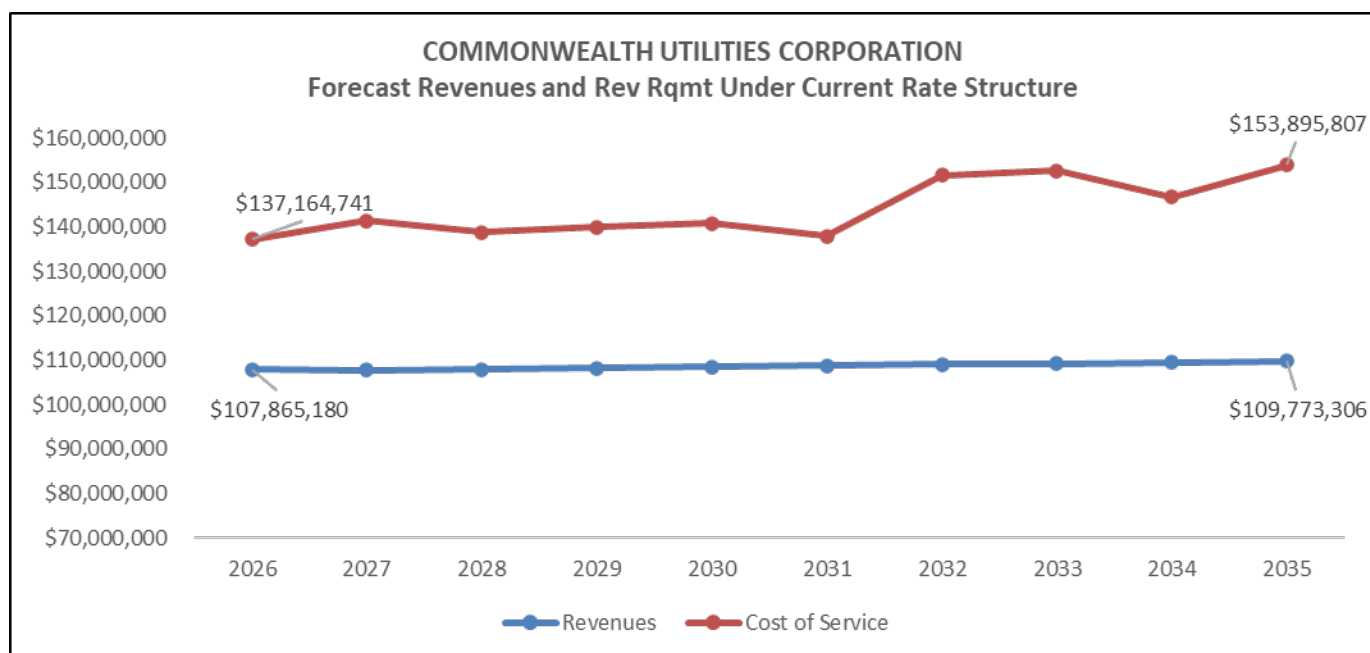
TABLE ES-7



Revenues under Current Rate Structure

Chart ES-8 compares forecast revenues and total revenue requirement for the power, water and wastewater utility assuming that there are no changes in CUC's rate structure. The chart reveals that without a rate adjustment, CUC's current financial crisis will continue and deepen, as it will recover less than its cost of service in every year of the forecast.

CHART ES-8



Current and Forecast Revenue Requirement

The calculation of a revenue requirement differs from a utility's budget in that it represents only that amount that must be raised through the utility's user rates. As is typical for publicly owned utilities, CUC's rates were developed using the cash basis of ratemaking. The development of the revenue requirement is similar for both the electric and the water/wastewater utilities. Under the cash basis, electric system revenue requirements consist of cash expenditures and other financial commitments (such as debt service and coverage) that must be met through system operating revenues and other revenue sources.

The following sets of assumptions were utilized in developing the revenue requirement. These assumptions are outlined in more detail in Sections II and III of this study:

- The cost of service is based primarily on CUC's staff-requested FY 2026 budget. The budget represents the staff's estimate of the expenses required to operate the utility in a reliable manner and to meet service mandates.
- Personnel levels are not expected to increase in the next decade
- The primary components of the cost of service are maintenance expenses and capital outlays. These expenses are outlined in detail in Sections II and III.
- There is no current debt service related to the power utility.
- The FAC is assumed to be unchanging for the purposes of this analysis. In reality, the FAC is likely to increase and decrease due to changes in world oil prices. CUC will periodically update and revise the FAC, subject to approval of the CPUC.
- CUC is forecast to issue future debt in order to fund capital improvements. **CUC is forecast to issue \$62,000,000 in long-term debt in 2026 to fund electric capital improvements.** This is a critical assumption, as the issuance of long-term debt is critical to the funding of CUC's capital improvement program.
- Water and wastewater capital improvements are forecast to be funded completely by grants. Therefore no debt is assumed to be issued to fund water and wastewater CIP.
- **Most expenses increase by 3.0% annually**, which is the inflation factor utilized in the forecast.
- Certain expenses, such as insurance and chemicals, increase at rates higher than inflation.
- The forecast includes Public Auditor Fees of approximately 1.0% of gross revenues.
- CUC implements an aggressive non-revenue water reduction program, reducing non revenue water to approximately 20% of production within ten years. Most non-revenue water is assumed to be unmetered, so the replacement of underregistering meters is forecast to lead to significant increases in consumed water and revenues for both the water and wastewater system.
- Uncollectibles are presented as an offset to gross revenues rather than a line-item expense. Based on data from the 2024 financial statements, the assumption of 6.4% of gross revenues for uncollectibles is utilized.
- Non-rate revenues are used to offset the cost of service, resulting in the net revenue requirement raised from rates.

Table ES-9 presents the current and forecast cost of service for the power utility. **Table ES-10** presents the current and forecast cost of service for the water and wastewater utility. Details behind these calculations can be found in Appendix A and Appendix B.

TABLE ES-9

COMMONWEALTH UTILITIES CORPORATION						
Test Year						
2026						
2025 05 09 Scenario I -- 5 Year Implement -- No WEC						
CURRENT AND FORECAST NET REVENUE REQUIREMENT						
Fiscal Year	Operating/ Cap Outlays	Debt Service	Non Operating	Total Cost of Service	Less Non-Rate Revenues	Net Revenue Requirement
ELECTRIC Revenue Requirement						
2026	\$ 105,291,312	\$ -	\$ 4,122,867	\$ 109,414,180	\$ 8,179,350	\$ 101,234,829
2027	105,525,382	3,163,194	4,173,998	112,862,574	4,872,046	107,990,527
2028	101,751,452	3,163,194	4,252,679	109,167,325	5,372,046	103,795,278
2029	101,780,281	3,163,194	4,333,569	109,277,044	5,372,046	103,904,997
2030	101,562,757	3,163,194	4,416,699	109,142,650	5,372,046	103,770,603
2031	97,700,714	3,163,194	4,502,087	105,365,996	4,472,046	100,893,950
2032	109,398,531	4,438,676	4,589,732	118,426,939	4,472,046	113,954,892
2033	109,647,928	4,438,676	4,679,590	118,766,194	4,472,046	114,294,148
2034	101,679,289	5,489,639	4,774,891	111,943,819	4,472,046	107,471,772
2035	107,780,164	5,521,167	4,873,062	118,174,393	4,472,046	113,702,347

TABLE ES-10

COMMONWEALTH UTILITIES CORPORATION						
Test Year						
2026						
2025 05 09 Scenario I -- 5 Year Implement -- No WEC						
CURRENT AND FORECAST NET REVENUE REQUIREMENT						
Fiscal Year	Operating/ Cap Outlays	Debt Service	Non Operating	Total Cost of Service	Less Non-Rate Revenues	Net Revenue Requirement
WATER Revenue Requirement						
2026	\$ 20,526,295	\$ -	\$ 639,525	\$ 21,165,820	\$ 1,111,890	\$ 20,053,930
2027	21,028,248	-	649,577	21,677,824	594,330	21,083,494
2028	21,795,414	-	665,848	22,461,262	594,330	21,866,932
2029	22,559,865	-	682,573	23,242,437	594,330	22,648,107
2030	23,353,418	-	699,757	24,053,175	594,330	23,458,845
2031	23,969,173	-	717,403	24,686,576	594,330	24,092,246
2032	24,436,006	-	735,509	25,171,515	594,330	24,577,185
2033	24,862,123	-	754,063	25,616,187	594,330	25,021,856
2034	25,555,487	-	773,799	26,329,286	594,330	25,734,956
2035	26,269,711	-	794,130	27,063,841	594,330	26,469,511
WASTEWATER Revenue Requirement						
2026	6,237,903	-	346,838	6,584,741	333,291	6,251,450
2027	6,479,904	-	351,211	6,831,115	178,151	6,652,964
2028	6,727,196	-	359,624	7,086,819	178,151	6,908,668
2029	6,976,329	-	368,266	7,344,595	178,151	7,166,444
2030	7,236,735	-	377,139	7,613,874	178,151	7,435,723
2031	7,449,046	-	386,243	7,835,289	178,151	7,657,138
2032	7,621,653	-	395,574	8,017,228	178,151	7,839,077
2033	7,785,981	-	405,123	8,191,104	178,151	8,012,953
2034	8,005,507	-	415,371	8,420,878	178,151	8,242,727
2035	8,231,645	-	425,928	8,657,573	178,151	8,479,422

Rate Plan Scenarios

During the conduct of this study, the project team discussed numerous alternative rate scenarios with CUC staff and the Board of Directors. **All scenarios assume the elimination of the Water and Wastewater Electric Charge.** As a result, for each of the utilities, the project team will be presenting the following rate plan scenarios:

Scenario I - 5 Year Rate Plan Implementation – this scenario assumes that CUC implements cost of service rates over a five-year period. This rate plan has the following benefits and challenges:

Benefits

- By gradually phasing in new rates, the plan lessens the overall impact on ratepayers' monthly charges
- The plan recognizes that CUC's financial challenges did not arise overnight, and therefore cannot be expected to be resolved at one time

Challenges

- The five-year plan means that **CUC will not recover sufficient revenues to fund all identified maintenance and capital outlays prior to 2030**
- Under this plan CUC will not recover all operating and capital costs until 2030

Scenario II - 1 Year Rate Plan Implementation – this scenario assumes that CUC implements cost of service rates over a single year. This rate plan has the following benefits and challenges:

Benefits

- The plan immediately eliminates CUC's operating deficit

Challenges

- The plan results in a much more immediate and significant impact on monthly ratepayer charges.

Scenario III - 5 Year Rate Plan with Phase-Out of Government Rate – this scenario assumes that CUC implements cost of service rates over five years and during the same period phases the water and wastewater government rate into the commercial rate. In addition to the benefits and challenges listed under Scenario I, this rate plan has the following benefits and challenges:

Benefits

- Reduces the government rate and financial obligations to CUC

Challenges

- Results in a significant additional increase to residential and commercial customers, as much as \$30 per month for the average residential customer

Scenario I -- Summary

This section presents the following summary schedules for **Scenario I – Five Year Rate Plan**:

Table ES-11 -- summary Electric rate recommendations

Table ES-12 -- summary Water and Wastewater rate recommendations

Table ES-13 -- Impact of rate recommendations on average residential and commercial monthly charges

Details for the calculations for this scenario are presented in Appendix A.

Table ES-11

COMMONWEALTH UTILITIES CORPORATION							
2025 05 09 Scenario I -- 5 Year Implement -- No WEC							
PROPOSED ELECTRIC RATE PLAN							
		Effective					
	Current	2026	2027	2028	2029	2030	
POWER							
Residential							
Monthly Customer Chg	\$ 7.00	\$ 8.75	\$ 10.68	\$ 12.70	\$ 15.12	\$ 16.48	
Base Rates Per kWh:							
- 350	0.0210	0.0263	0.0320	0.0381	0.0454	0.0494	
351 1,200	0.0970	0.1213	0.1479	0.1760	0.2095	0.2283	
1,201 Above	0.1580	0.1975	0.2410	0.2867	0.3412	0.3719	
Commercial							
Monthly Customer Chg	10.00	12.50	15.25	18.15	21.60	23.54	
Rates Per kWh:	0.1130	0.1413	0.1723	0.2051	0.2440	0.2660	
Government							
Monthly Customer Chg	10.00	12.50	15.25	18.15	21.60	23.54	
Rates Per kWh:	0.1240	0.1550	0.1891	0.2250	0.2678	0.2919	
Streetlights							
Monthly Customer Chg	11.67	14.59	17.80	21.18	25.20	27.47	
Rates Per kWh:	0.2500	0.3125	0.3813	0.4537	0.5399	0.5885	
Municipal Pumping							
Monthly Customer Chg	9.06	11.33	13.82	16.44	19.57	21.33	
Rates Per kWh:	0.1070	0.1338	0.1632	0.1942	0.2311	0.2519	

Table ES-12

COMMONWEALTH UTILITIES CORPORATION 2025 05 09 Scenario I -- 5 Year Implement -- No WEC PROPOSED WATER AND WASTEWATER RATE PLAN							
	Current	2026	2027	Effective 2028	2029	2030	
WATER							
Meter Service Charge							
Meter Size							
5/8 X 3/4"	\$ 10.86	\$ 15.75	\$ 17.01	\$ 18.20	\$ 19.47	\$ 20.06	
1"	12.67	18.37	19.84	21.23	22.72	23.40	
1 1/2"	19.91	28.87	31.18	33.36	35.70	36.77	
2"	25.34	36.74	39.68	42.46	45.43	46.80	
3"	63.35	91.86	99.21	106.15	113.58	116.99	
4"	99.55	144.35	155.90	166.81	178.48	183.84	
6"	135.75	196.84	212.58	227.47	243.39	250.69	
8"	199.10	288.70	311.79	333.62	356.97	367.68	
10"	280.55	406.80	439.34	470.10	503.00	518.09	
12"	362.00	524.90	566.89	606.57	649.03	668.51	
Residential, Commercial, PSS, and CHC Consumption Charges							
Volume Rate (per 1,000 Gal.)							
0 - 3,000	0.72	3.60	3.89	4.16	4.46	4.59	
3,001 - 15,000	1.74	5.08	5.49	5.87	6.29	6.47	
15,001 - 30,000	2.68	6.45	6.96	7.45	7.97	8.21	
30,001 - 60,000	3.59	7.77	8.39	8.97	9.60	9.89	
Over 60,000 Gallons	4.49	9.07	9.80	10.48	11.22	11.55	
Multi-Family Consumption Charges							
Volume Rate (per 1,000 Gal.)	2.95	6.84	7.38	7.90	8.45	8.71	
Government, CUC, and CPA Consumption Charges							
Volume Rate (per 1,000 Gal.)	54.30	81.30	87.80	93.94	100.52	103.54	
Other Charges							
Water Electric Charge -- Forecast	3.72	-	-	-	-	-	
Unmetered Residential and Government	54.00	78.30	84.56	90.48	96.82	99.72	
Unmetered Commercial	275.40	399.33	431.28	461.47	493.77	508.58	
WASTEWATER							
Residential and Multi Family Minimum and Consumption Charges							
Minimum Charge	\$ 9.69	\$ 13.57	\$ 15.60	\$ 17.94	\$ 20.63	\$ 21.66	
Volume Rate (per 1,000 Gal.)							
0 - 6,000	1.00	3.33	3.83	4.40	5.06	5.32	
Over 6,000 Gallons	3.13	6.31	7.26	8.35	9.60	10.08	
Commercial, PSS, and CHC Minimum and Consumption Charges							
Minimum Charge	9.24	12.94	14.88	17.11	19.67	20.66	
Volume Rate (per 1,000 Gal.)							
0 - 6,000	3.00	6.13	7.05	8.11	9.32	9.79	
Over 6,000 Gallons	3.13	6.31	7.26	8.35	9.60	10.08	
Government, CUC, and CPA Minimum and Consumption Charges							
Minimum Charge	-	-	-	-	-	-	
Volume Rate (per 1,000 Gal.)	68.00	97.13	111.70	128.45	147.72	155.11	
Other Charges							
Wastewater Electric Charge -- Forecast	-	-	-	-	-	-	

Table ES-13

COMMONWEALTH UTILITIES CORPORATION IMPACT OF RATE PLAN ON MONTHLY CHARGES 2025 05 09 Scenario I -- 5 Year Implement -- No WEC						
	Current	Effective				
		2026	2027	2028	2029	2030
Impact on Monthly Residential Charges						
Power -- 500 kWh						
Total	\$ 134.50	\$ 141.72	\$ 149.67	\$ 158.04	\$ 168.01	\$ 173.62
Water -- 5,000 Gallons						
Total	35.10	36.73	39.66	42.44	45.41	46.77
Wastewater -- 5,000 Gallons						
Total	14.69	30.22	34.75	39.96	45.95	48.25
Total -- All Utilities						
Total Charge	184.29	208.66	224.08	240.44	259.37	268.65
Increase -- \$		24.38	15.42	16.36	18.93	9.28
Increase -- %		13.2%	7.4%	7.3%	7.9%	3.6%
Average Annual Increase	9.2%					
Total -- Electric and Water						
Average Annual Increase	6.0%					
Impact on Monthly Commercial Charges						
Power -- 2,500 kWh						
FAC	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98
Usage Charge	292.50	365.63	446.06	530.81	631.67	688.52
Total	820.48	893.60	974.04	1,058.79	1,159.64	1,216.49
Water -- 20,000 Gallons						
Total	136.18	140.78	152.04	162.69	174.07	179.30
Wastewater -- 20,000 Gallons						
Total	71.06	138.08	158.80	182.62	210.01	220.51
Total						
Total Charge	1,027.72	1,172.47	1,284.88	1,404.09	1,543.73	1,616.30
Increase -- \$		144.75	112.41	119.21	139.64	72.57
Increase -- %		14.1%	9.6%	9.3%	9.9%	4.7%
Average Annual Increase	11.5%					
Total -- Electric and Water						
Average Annual Increase	9.2%					

Scenario II -- Summary

This section presents the following summary schedules for **Scenario II – One Year Rate Plan**:

Table ES-14 -- summary Electric rate recommendations

Table ES-15 -- summary Water and Wastewater rate recommendations

Table ES-16 -- Impact of rate recommendations on average residential and commercial monthly charges

Details for the calculations for this scenario are presented in Appendix B.

Table ES-14

COMMONWEALTH UTILITIES CORPORATION 2025 05 09 Scenario II -- 1 Year Implement -- No WEC PROPOSED ELECTRIC RATE PLAN							
		Effective					
		Current	2026	2027	2028	2029	2030
POWER							
Residential							
Monthly Customer Chg		\$ 7.00	\$ 15.26	\$ 15.72	\$ 16.19	\$ 16.68	\$ 17.18
Base Rates Per kWh:							
-	350	0.0210	0.0458	0.0472	0.0486	0.0500	0.0515
351	1,200	0.0970	0.2115	0.2178	0.2243	0.2311	0.2380
1,201	Above	0.1580	0.3444	0.3548	0.3654	0.3764	0.3877
Commercial							
Monthly Customer Chg		10.00	21.80	22.45	23.13	23.82	24.54
Rates Per kWh:		0.1130	0.2463	0.2537	0.2613	0.2692	0.2773
Government							
Monthly Customer Chg		10.00	21.80	22.45	23.13	23.82	24.54
Rates Per kWh:		0.1240	0.2703	0.2784	0.2868	0.2954	0.3042
Streetlights							
Monthly Customer Chg		11.67	25.44	26.20	26.99	27.80	28.63
Rates Per kWh:		0.2500	0.5450	0.5614	0.5782	0.5955	0.6134
Municipal Pumping							
Monthly Customer Chg		9.06	19.75	20.34	20.95	21.58	22.23
Rates Per kWh:		0.1070	0.2333	0.2403	0.2475	0.2549	0.2625

Table ES-15

COMMONWEALTH UTILITIES CORPORATION 2025 05 09 Scenario II -- 1 Year Implement -- No WEC PROPOSED WATER AND WASTEWATER RATE PLAN							
	Current	2026	2027	Effective 2028	2029	2030	
WATER							
Meter Service Charge							
Meter Size							
5/8 X 3/4"	\$ 10.86	\$ 22.81	\$ 23.49	\$ 24.19	\$ 24.92	\$ 25.67	
1"	12.67	26.61	27.41	28.23	29.07	29.95	
1 1/2"	19.91	41.81	43.07	44.36	45.69	47.06	
2"	25.34	53.21	54.81	56.45	58.15	59.89	
3"	63.35	133.04	137.03	141.14	145.37	149.73	
4"	99.55	209.06	215.33	221.79	228.44	235.29	
6"	135.75	285.08	293.63	302.44	311.51	320.85	
8"	199.10	418.11	430.65	443.57	456.88	470.59	
10"	280.55	589.16	606.83	625.03	643.79	663.10	
12"	362.00	760.20	783.01	806.50	830.69	855.61	
Residential, Commercial, PSS, and CHC Consumption Charges							
Volume Rate (per 1,000 Gal.)							
0 - 3,000	0.72	4.07	4.19	4.32	4.45	4.58	
3,001 - 15,000	1.74	6.21	6.40	6.59	6.79	6.99	
15,001 - 30,000	2.68	8.19	8.43	8.69	8.95	9.22	
30,001 - 60,000	3.59	10.10	10.40	10.71	11.04	11.37	
Over 60,000 Gallons	4.49	11.99	12.35	12.72	13.10	13.49	
Multi-Family Consumption Charges							
Volume Rate (per 1,000 Gal.)	2.95	8.76	9.02	9.29	9.57	9.85	
Government, CUC, and CPA Consumption Charges							
Volume Rate (per 1,000 Gal.)	54.30	116.59	120.09	123.69	127.40	131.22	
Other Charges							
Water Electric Charge -- Forecast	3.72	-	-	-	-	-	
Unmetered Residential and Government	54.00	113.40	116.80	120.31	123.92	127.63	
Unmetered Commercial	275.40	578.34	595.69	613.56	631.97	650.93	
WASTEWATER							
Residential and Multi Family Minimum and Consumption Charges							
Minimum Charge	\$ 9.69	\$ 21.80	\$ 22.46	\$ 23.13	\$ 23.82	\$ 24.54	
Volume Rate (per 1,000 Gal.)							
0 - 6,000	1.00	4.18	4.31	4.43	4.57	4.70	
Over 6,000 Gallons	3.13	8.97	9.24	9.52	9.80	10.10	
Commercial, PSS, and CHC Minimum and Consumption Charges							
Minimum Charge	9.24	20.79	21.41	22.06	22.72	23.40	
Volume Rate (per 1,000 Gal.)							
0 - 6,000	3.00	8.68	8.94	9.21	9.48	9.77	
Over 6,000 Gallons	3.13	8.97	9.24	9.52	9.80	10.10	
Government, CUC, and CPA Minimum and Consumption Charges							
Minimum Charge	-	-	-	-	-	-	
Volume Rate (per 1,000 Gal.)	68.00	154.93	159.58	164.37	169.30	174.38	
Other Charges							
Wastewater Electric Charge -- Forecast	-	-	-	-	-	-	

Table ES-16

COMMONWEALTH UTILITIES CORPORATION IMPACT OF RATE PLAN ON MONTHLY CHARGES 2025 05 09 Scenario II -- 1 Year Implement -- No WEC						
	Current	Effective				
		2026	2027	2028	2029	2030
Impact on Monthly Residential Charges						
Power -- 500 kWh						
Total	\$ 134.50	\$ 168.60	\$ 170.49	\$ 172.43	\$ 174.44	\$ 176.50
Water -- 5,000 Gallons						
Total	35.10	47.45	48.87	50.34	51.85	53.41
Wastewater -- 5,000 Gallons						
Total	14.69	42.70	43.98	45.30	46.66	48.06
Total -- All Utilities						
Total Charge	184.29	258.75	263.34	268.08	272.95	277.97
Increase -- \$		74.46	4.59	4.73	4.87	5.02
Increase -- %		40.4%	1.8%	1.8%	1.8%	1.8%
Average Annual Increase	10.2%					
Total -- Electric and Water						
Average Annual Increase	7.1%					
Impact on Monthly Commercial Charges						
Power -- 2,500 kWh						
FAC	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98
Usage Charge	292.50	637.65	656.78	676.48	696.78	717.68
Total	820.48	1,165.63	1,184.75	1,204.46	1,224.75	1,245.66
Water -- 20,000 Gallons						
Total	136.18	180.94	186.37	191.96	197.72	203.65
Wastewater -- 20,000 Gallons						
Total	71.06	198.49	204.44	210.57	216.89	223.40
Total						
Total Charge	1,027.72	1,545.05	1,575.56	1,606.99	1,639.36	1,672.70
Increase -- \$		517.33	30.51	31.43	32.37	33.34
Increase -- %		50.3%	2.0%	2.0%	2.0%	2.0%
Average Annual Increase	12.6%					
Total -- Electric and Water						
Average Annual Increase	10.3%					

Scenario III -- Summary

This section presents the following summary schedules for **Scenario III – Five Year Rate Plan – Government Rate Elimination**.

Table ES-17 -- summary Electric rate recommendations (same as Scenario I)

Table ES-18 -- summary Water and Wastewater rate recommendations

Table ES-19 -- Impact of rate recommendations on average residential and commercial monthly charges

Table ES-17

COMMONWEALTH UTILITIES CORPORATION							
2025 05 09 Scenario III -- 5 Year Implementation; Phase Out Govt Rate							
PROPOSED ELECTRIC RATE PLAN							
	Current	2026	2027	Effective 2028	2029	2030	
POWER							
Residential							
Monthly Customer Chg	\$ 7.00	\$ 8.75	\$ 10.68	\$ 12.70	\$ 15.12	\$ 16.48	
<u>Base Rates Per kWh:</u>							
- 350	0.0210	0.0263	0.0320	0.0381	0.0454	0.0494	
351 1,200	0.0970	0.1213	0.1479	0.1760	0.2095	0.2283	
1,201 Above	0.1580	0.1975	0.2410	0.2867	0.3412	0.3719	
Commercial							
Monthly Customer Chg	10.00	12.50	15.25	18.15	21.60	23.54	
Rates Per kWh:	0.1130	0.1413	0.1723	0.2051	0.2440	0.2660	
Government							
Monthly Customer Chg	10.00	12.50	15.25	18.15	21.60	23.54	
Rates Per kWh:	0.1240	0.1550	0.1891	0.2250	0.2678	0.2919	
Streetlights							
Monthly Customer Chg	11.67	14.59	17.80	21.18	25.20	27.47	
Rates Per kWh:	0.2500	0.3125	0.3813	0.4537	0.5399	0.5885	
Municipal Pumping							
Monthly Customer Chg	9.06	11.33	13.82	16.44	19.57	21.33	
Rates Per kWh:	0.1070	0.1338	0.1632	0.1942	0.2311	0.2519	
Other Charges							
Fuel Adjustment Charge	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	

Table ES-18

COMMONWEALTH UTILITIES CORPORATION 2025 05 09 Scenario III -- 5 Year Implementation; Phase Out Govt Rate PROPOSED WATER AND WASTEWATER RATE PLAN							
	Current	2026	2027	Effective 2028	2029	2030	
WATER							
Meter Service Charge							
Meter Size							
5/8 X 3/4"	\$ 10.86	\$ 20.09	\$ 25.11	\$ 30.14	\$ 33.75	\$ 35.44	
1"	12.67	23.44	29.30	35.16	39.38	41.35	
1 1/2"	19.91	36.83	46.04	55.25	61.88	64.97	
2"	25.34	46.88	58.60	70.32	78.76	82.69	
3"	63.35	117.20	146.50	175.80	196.89	206.74	
4"	99.55	184.17	230.21	276.25	309.40	324.87	
6"	135.75	251.14	313.92	376.71	421.91	443.01	
8"	199.10	368.34	460.42	552.50	618.80	649.74	
10"	280.55	519.02	648.77	778.53	871.95	915.55	
12"	362.00	669.70	837.13	1,004.55	1,125.10	1,181.35	
Residential, Commercial, PSS, and CHC Consumption Charges							
Volume Rate (per 1,000 Gal.)							
0 - 3,000	0.72	3.89	4.87	5.84	6.54	6.87	
3,001 - 15,000	1.74	5.78	7.22	8.67	9.71	10.19	
15,001 - 30,000	2.68	7.52	9.40	11.28	12.63	13.26	
30,001 - 60,000	3.59	9.20	11.50	13.80	15.46	16.23	
Over 60,000 Gallons	4.49	10.87	13.58	16.30	18.26	19.17	
Multi-Family Consumption Charges							
Volume Rate (per 1,000 Gal.)	2.95	8.02	10.02	12.03	13.47	14.14	
Government, CUC, and CPA Consumption Charges							
Volume Rate (per 1,000 Gal.)	54.30	40.00	30.00	20.00	10.00	6.87	
Other Charges							
Water Electric Charge -- Forecast	3.72	-	-	-	-	-	
Unmetered Residential and Government	54.00	99.90	124.88	149.85	167.83	176.22	
Unmetered Commercial	275.40	509.49	636.86	764.24	855.94	898.74	
WASTEWATER							
Residential and Multi Family Minimum and Consumption Charges							
Minimum Charge	\$ 9.69	\$ 15.50	\$ 19.38	\$ 23.26	\$ 26.74	\$ 28.08	
Volume Rate (per 1,000 Gal.)							
0 - 6,000	1.00	3.53	4.41	5.30	6.09	6.39	
Over 6,000 Gallons	3.13	6.94	8.67	10.41	11.97	12.57	
Commercial, PSS, and CHC Minimum and Consumption Charges							
Minimum Charge	9.24	14.78	18.48	22.18	25.50	26.78	
Volume Rate (per 1,000 Gal.)							
0 - 6,000	3.00	6.73	8.41	10.10	11.61	12.19	
Over 6,000 Gallons	3.13	6.94	8.67	10.41	11.97	12.57	
Government, CUC, and CPA Minimum and Consumption Charges							
Minimum Charge	-	-	-	-	-	-	
Volume Rate (per 1,000 Gal.)	68.00	50.00	35.00	20.00	10.00	12.19	
Other Charges							
Wastewater Electric Charge -- Forecast	-	-	-	-	-	-	

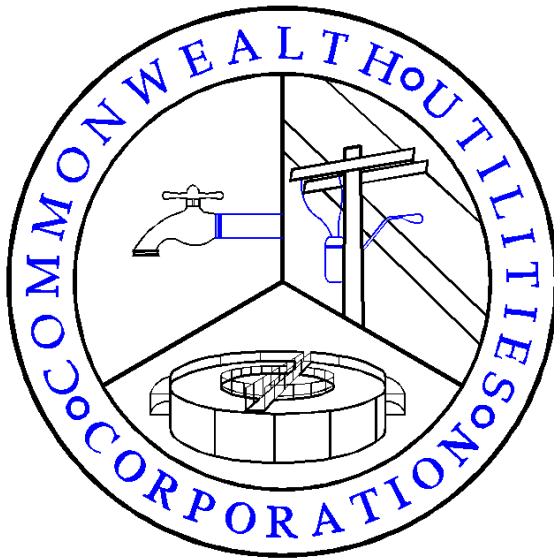
Table ES-19

COMMONWEALTH UTILITIES CORPORATION IMPACT OF RATE PLAN ON MONTHLY CHARGES 2025 05 09 Scenario III -- 5 Year Implementation; Phase Out Govt Rate						
	Current	Effective				
		2026	2027	2028	2029	2030
Impact on Monthly Residential Charges						
Power -- 500 kWh						
Total	134.50	141.72	149.67	158.04	168.01	173.62
Water -- 5,000 Gallons						
Total	35.10	43.33	54.16	64.99	72.79	76.43
Wastewater -- 5,000 Gallons						
Total	14.69	33.15	41.44	49.73	57.19	60.05
Total -- All Utilities						
Total Charge	184.29	218.20	245.27	272.76	297.98	310.10
Increase -- \$		33.91	27.07	27.49	25.22	12.12
Increase -- %		18.4%	12.4%	11.2%	9.2%	4.1%
Average Annual Increase	13.7%					
Total -- Electric and Water						
Average Annual Increase	9.5%					
Impact on Monthly Commercial Charges						
Power -- 2,500 kWh						
FAC	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98
Usage Charge	292.50	365.63	446.06	530.81	631.67	688.52
Total	820.48	893.60	974.04	1,058.79	1,159.64	1,216.49
Water -- 20,000 Gallons						
Total	136.18	165.49	206.87	248.24	278.03	291.93
Wastewater -- 20,000 Gallons						
Total	71.06	152.30	190.37	228.44	262.71	275.85
Total						
Total Charge	1,027.72	1,211.39	1,371.27	1,535.47	1,700.38	1,784.27
Increase -- \$		183.67	159.88	164.20	164.91	83.89
Increase -- %		17.9%	13.2%	12.0%	10.7%	4.9%
Average Annual Increase	14.7%					
Total -- Electric and Water						
Average Annual Increase	11.5%					

SECTION I

Introduction

Background



In January 2025, Commonwealth Utilities Corporation (“CUC”) engaged **Economists.com** to conduct a comprehensive power, water and wastewater rate study. Like many utilities throughout the Pacific and the United States, CUC has been burdened by increasing costs and the need to invest in its system to ensure a reliable quality of service. At the same time, the Commonwealth of Northern Mariana Islands (“CNMI”) has been severely impacted by both a dwindling tourism market and the lingering effects of the COVID-19 pandemic. The combination of increasing costs and an adverse economic environment has presented a significant challenge for CUC.

The purpose of this rate study is to provide CUC staff, its Board of Directors, the Commonwealth Public Utility Commission (“CPUC”) and the government of the CNMI the critical information required to set a current and long-term rate and financial plan. The goal of the plan is to

recover sufficient revenues to fund operating and capital obligations while to the best extent possible minimizing the impact on the ratepayers.

Scope

The scope of this study included the following:

- Calculate the overall cost of operating and maintaining the power, water and wastewater systems for test year 2026 and the ten-year forecast period 2026-2035. The development of a long-term financial plan will assist efforts in minimizing the impact of rate adjustments on ratepayers.
- Segregate the electric, water and wastewater cost of service by defined customer class. This involves allocating costs to customer classes based on their consumption characteristics.

- Prepare alternative rate plans for CUC staff and management to evaluate. The primary objective of each rate plan is to ensure that CUC will recover sufficient revenues to fund all operating and capital obligations, ensure the financial stability and viability of the power, water and wastewater utilities, and guarantee to the best extent possible that no customer class will be excessively burdened.

Report Organization

This report is organized into the following sections:

Section I – Introduction - outlines the background, objectives and scope of this cost of service and rate study.

Section II – Power Rate Study – presents a comprehensive analysis of CUC's power utility cost of service. Outlines data sources; presents comparisons of rates charged by other Pacific utilities; forecasts accounts and billing units; thoroughly analyzes the cost of service, including maintenance, capital outlays and debt requirements; and presents alternative rate plans and the impact of each on monthly ratepayer charges.

Section III – Water and Wastewater Rate Study – presents a comprehensive analysis of CUC's water and wastewater cost of service. Outlines data sources; presents comparisons of rates charged by other Pacific utilities; forecasts accounts and billing units; thoroughly analyzes the cost of service, including maintenance, capital outlays and debt requirements; and presents alternative rate plans and the impact of each on monthly ratepayer charges.

Section IV – Scenario Summaries – presents summaries of the three rate plan scenarios presented in this study. Presents the rates over a five-year period, the impact on average monthly charges, and the forecast revenues and expenses under each plan. Also presents an alternative rate plan assuming the elimination of OPA/CDA charges.

Appendix A – presents a hard copy printout of the summary pages from the interactive Microsoft Excel spreadsheet model developed for CUC to calculate the cost of service and recommended rate plans under Scenario I. The model automatically generates all calculations based on a set of defined user inputs

Appendix B – presents a hard copy printout of the summary pages from the interactive Microsoft Excel spreadsheet model developed for CUC to calculate the cost of service and recommended rate plans under Scenario II. The model automatically generates all calculations based on a set of defined user inputs



Rate Plan Scenarios

During the conduct of this study, the project team discussed numerous alternative rate scenarios with CUC staff and the Board of Directors. As a result, during the course of this study, for each of the utilities, the project team will be presenting the following rate plan scenarios:

Scenario I - 5 Year Rate Plan Implementation – this scenario assumes that CUC implements cost of service rates over a five-year period. This rate plan has the following benefits and challenges:

Benefits

- By gradually phasing in new rates, the plan lessens the overall impact on ratepayers' monthly charges
- The plan recognizes that CUC's financial challenges did not arise overnight, and therefore cannot be expected to be resolved at one time

Challenges

- The five year plan means that **CUC will not recover sufficient revenues to fund all identified maintenance and capital outlays prior to 2030**
- Under this plan CUC will not reach operating parity until 2030

Scenario II - 1 Year Rate Plan Implementation – this scenario assumes that CUC implements cost of service rates over a single year. This rate plan has the following benefits and challenges:

Benefits

- The plan immediately eliminates CUC's operating deficit

Challenges

- The plan results in a much more immediate and significant impact on monthly ratepayer charges

Scenario III - 5 Year Rate Plan with Phase-Out of Government Rate – this scenario assumes that CUC implements cost of service rates over five years and during the same period phases the water and wastewater government rate into the commercial rate. In addition to the benefits and challenges listed under Scenario I, this rate plan has the following benefits and challenges:

Benefits

- Reduces the government rate and financial obligations to CUC

Challenges

- Results in a significant additional increase to residential and commercial customers, as much as \$30 per month for the average residential customer

SECTION II

Power Utility – Rate Study

Background

CHART II-1



This section of the Power, Water and Wastewater Rate Study focuses on CUC's Electric system. CUC uses Ultra Low Sulphur Diesel (ULSD) fuel to generate all of the electricity on the islands of Saipan, Tinian and Rota. Over the last seven years the price of ULSD ranged from a low of approximately \$1.35 per gallon to over \$4.80 per gallon in June 2022.

The price of oil has immense importance to CUC and the citizens and businesses of the CNMI who purchase electricity that CUC generates because the price of No 2. diesel is the primary determinant of CUC's Fuel Adjustment Charge ("FAC"). **Chart II-1** shows the monthly delivered price of ULSD to Saipan from Jan 2019 through March 2025. During an average year

CUC consumes approximately 20,000,000 gallons of fuel to generate electricity for Saipan, Tinian and Rota. Saipan uses 18,300,000 gallons; Tinian uses 1,000,000 gallons; and Rota uses 700,000 gallons. This study projects that the delivered price of ULSD to Saipan will average \$3.00 per gallon over the next two years. This means that CUC can expect to spend approximately \$60 million per year on oil. This amount represents 85% of CUC's 2026 operating budget of \$72 million. The project team's estimate for 2027 is that CUC will spend approximately \$60 million on fuel, or 50% of its total budget of \$122 million.

Data Sources

During the course of this study project team members repeatedly met on-site with CUC personnel to gather information and obtain background for this study. The project team is deeply grateful to these and other CUC personnel for their widespread assistance in the completion of this study.

The list of information provided by CUC staff and obtained by the project team in the development of the electric rate study includes but is not limited to the following:

- FY2025 CUC Approved Operations Budget (with info per Division)
- FY 2026 Staff Requested Operations Budget
- Payments to CDA as of December 2024
- CUC's Current Power Rate Schedule
- FY 2022 Audited Financial Statements
- FY 2023-2024 Unaudited Balance Sheet
- FY 2023-2024 Unaudited Income Statement
- 2024 Power Project Priority List (Less Construction Phases)
- CUC Active Power accounts, usage, and revenues by Island and by Class Oct. 2020 – Nov. 2024
- Active Grant Status Report as of 12.31.2024
- FY24 Completed Construction Projects Accomplishments
- US Dept. of Labor Bureau of Labor Statistics Consumer Price Indices
- US Census Bureau statistics

Methodology



Determining an electric utility's total cost of service requires an analysis of both operating (O & M) and capital costs. The first step in the ratemaking process is to **Functionalize** costs into the following functions: **generation** costs which comprise the cost of generating the electricity including fuel expense; **transmission** costs including the cost of transmitting the electricity produced at power plants to the utility load centers; **distribution** costs which comprise the cost of the local network that delivers electricity to customers (a.k.a. poles, wires, transformers, meters and related software to manage the grid); **customer** related costs such as meter reading, billing and collection; and **administration** costs. This process is known in ratemaking as **Functionalization**.

The next step in the ratemaking process is to **Classify** the functionalized costs into the three categories: **Capacity** or **Demand** costs which vary with meeting power demand (kW),

including fixed production costs, transmission costs and a portion of distribution costs; **Energy** costs which vary with the level of energy consumption over time measured in kWh, including fuel and variable operations and maintenance expense; and **Customer** costs associated with the number of customers. Because of such factors as the numerous methods available to generate electricity (hydro, nuclear, oil, natural gas, coal, wind, geothermal, etc.), the various ways utilities can combine these resources, and the different cost allocation philosophies at the various US state public utility commissions, there is no single cost allocation philosophy that can be said to be the 'industry standard.' Therefore, the cost allocation methodology chosen for CUC's rate design is consistent with cost allocation and rate design standards included in the National Association of Regulatory Commissioners (NARUC) *Electricity Cost Allocation Manual* (1992) and the Federal Energy Regulatory Commission *Handbook* (1983).

The final step in the ratemaking process is **Allocation** of the classified costs to customer classes. Demand costs are allocated to customer classes based on the **Coincident System Peak Responsibility Formula** which allocates costs based on customer class demands in kW at the time of CUC system peak demand. Because CUC does not collect peak demand data the project team utilized the results of a recent load research study for Guam Power Authority to arrive at peak demand percentages for CUC customer classes. This method recognizes the differences in the cost of providing service due to variations in the average and peak rates of use by a given customer class. It also recognizes customer related costs as a valid function.

Energy costs are allocated to customer classes based on annual kWh consumption and customer costs are allocated based on the number of customers.

The methodology described above and used to develop the cost of service and rate recommendations in this section is in wide use by a large number of publicly-owned and investor-owned utilities in the US mainland.

Existing Rate Structure

CUC's current electric rate structure is presented in **Table II-2**. The following is notable:

- CUC has 5 different customer rate categories with different rate schedules: Residential, Commercial, Government, Streetlights, and Municipal Pumping.
- Each customer class has a monthly customer charge: \$7.00 for Residential, \$10.00 for Commercial and Government, \$11.67 for streetlights, and \$9.06 for Municipal Pumping.
- **Residential** customers also pay per kWh in a tiered schedule
- Other customer classes pay a flat rate per kWh

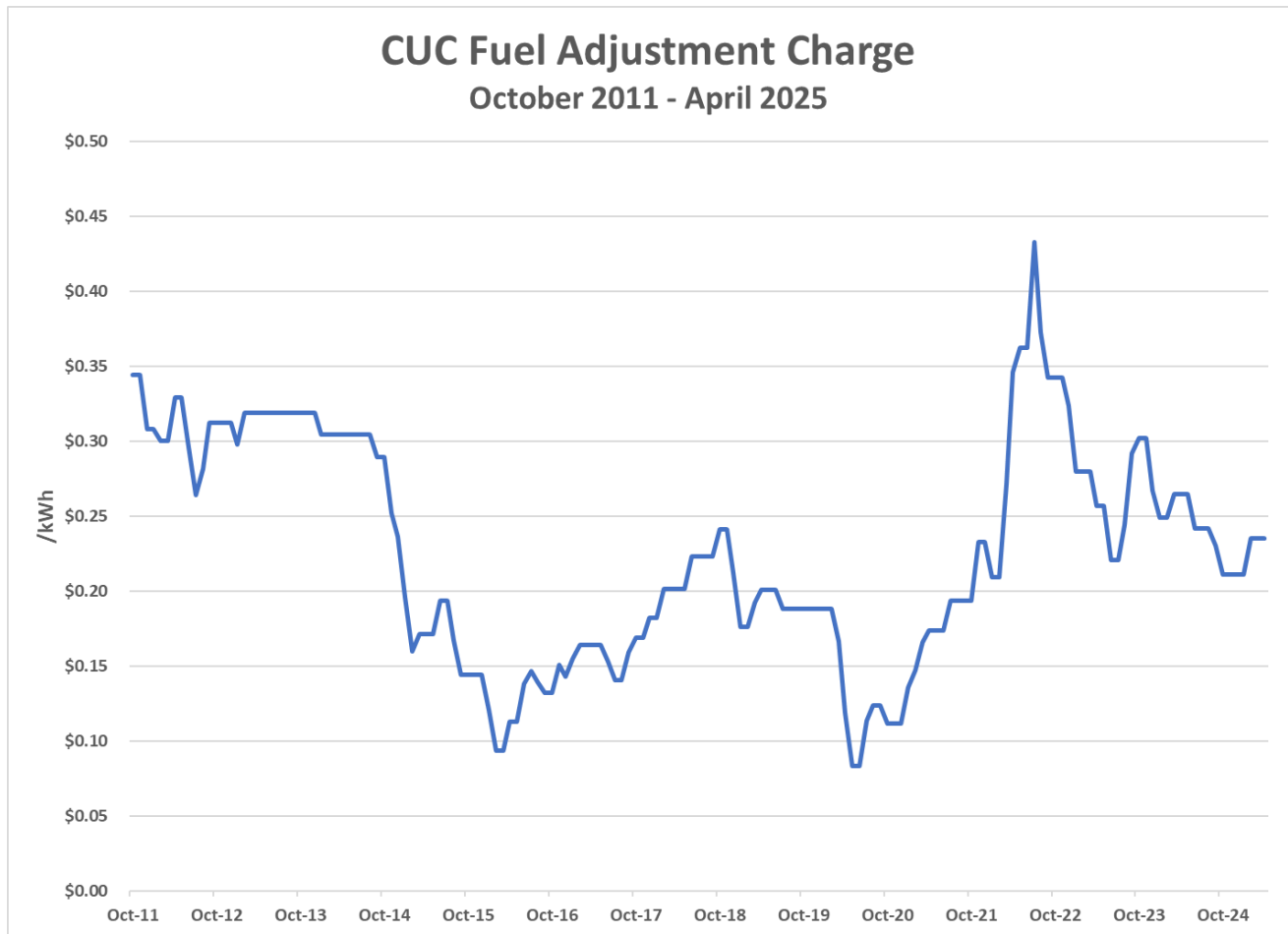
TABLE II-2

COMMONWEALTH UTILITIES CORPORATION									
Test Year									
2026									
2025 04 06 Scenario I -- Status Quo -- 0% Debt Funding									
CURRENT ELECTRIC RATES									
		Residential		Commercial		Government		Streetlights	Municipal Pumping
Monthly Customer Chg	\$	7.00	\$	10.00	\$	10.00	\$	11.67	\$ 9.06
Base Rates Per kWh:									
-	350	0.0210		0.1130		0.1240		0.2500	0.1070
351	1,200	0.0970		0.1130		0.1240		0.2500	0.1070
1,201	Above	0.1580		0.1130		0.1240		0.2500	0.1070

A critical component of the rate structure is the **Fuel Adjustment Charge (FAC)**. This charge was formerly known as the Levelized Energy Adjustment Charge (LEAC). The LEAC/FAC was established as a separate and distinct charge by the Commonwealth Public Utilities Commission in order to recover the varying cost of fuel. It is intended to be a pass-thru of these costs. The FAC is intended to be adjusted only once every six months; however a provision in the enabling order allows it to be adjusted immediately if the MOPS price varies by more than 4.5% in the period for which the FAC is in effect. Periodically the CPUC requires CUC to prepare a reconciliation of FAC revenues to ensure that the FAC is recovering the approximate cost of purchased fuel. Because of the lack of a quorum, the CPUC was not operational for several years after 2016, and therefore the FAC still must be reconciled. CUC will submit a FAC Reconciliation filing later in 2025.

Because the FAC is set in a separate filing before the CPUC, this study assumes that the current FAC rate will remain in effect over the 10-year period of this study.

Chart II-3 presents a history of the FAC charge per kWh. As is shown, the charge varies based on increases and decreases in the cost of fuel purchases, which are outside of the ability of CUC to control.

CHART II-3

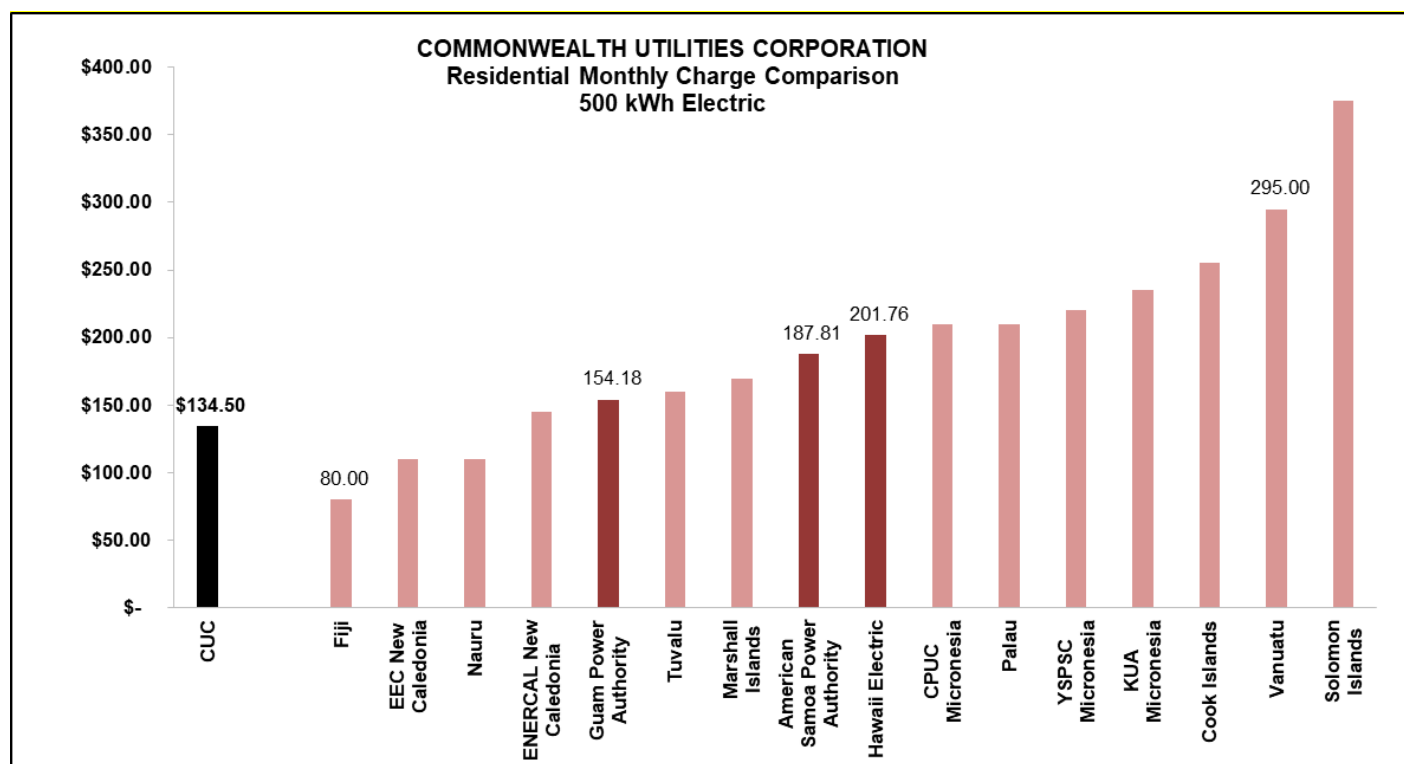
Electric Rate Comparison

CUC has not raised its base electric rates in over a decade. During this same period, a combination of factors—including inflation, rising operating costs, new federal regulations, and the growing need to upgrade aging infrastructure—has resulted in substantial rate increases at other utilities across the U.S. and the Pacific.

Chart II-4 compares monthly residential electric charges at 500 kWh for utilities across the Pacific. The data for the non-CUC utilities was derived from the 2022-2023 Pacific Power Association Benchmarking Study and from contacting individual utilities to obtain their rate schedules. The table reveals that current CUC residential electric charges are significantly below rates for most of the utilities in the sample.

It should be noted that these types of comparisons can be imperfect. This is because many utilities choose to treat fuel charges in a different manner, either through frequent (monthly) adjustments or incorporating expected charges into base rates. Further, many utilities charge below-cost rates and are supported through subsidies from their national governments. These factors can limit the usefulness of these types of comparisons.

CHART II-4



Electric System Description

Currently CUC provides electric service to customer accounts on each of the three primary islands of the CNMI – Saipan, Tinian and Rota. For all islands, diesel engines are used to generate electricity. The engines vary in generating capacity, with the smallest producing 1 megawatt (MW) and the largest produce 11 MW (1 megawatt = 1,000 kilowatts). In total, Saipan maintains 26 diesel generators with an installed capacity of approximately 93 MW. However, because of the age of the engines, and lack of funds for engine overhauls, **over the last 10 years CUC's available capacity has only been 30 MW**. This is well below Saipan's current peak load of 37 MW. Since 2021, CUC has rented 12 MW of temporary generation from Aggreko. Even with the Aggreko generation, CUC's generation reserve margin of 5 MW, or 8%, is well below utility industry standard reserve margins, particularly for an island utility with engines well beyond their useful life. CUC is on the 'razors edge' of reliability: a forced outage at any of its units could cause CUC to shed load, or cause an island wide blackout at any moment. CUC engaged the engineering and consulting firm, GHD, to prepare and Integrated Resource Plan, which was completed in March of 2025. The Saipan generation status as of April 2025 is presented in **Table II-5**.

Table II-5

Saipan Generation Status As of April 2025							
Power Plant	Design MW	Available MW	Restriction %	Run hours for PMI	Run hours to- date	Overdue hours	Remarks
PP 1							
D/E 1	7.27	5.00		36,000	255,255	0	OPERATIONAL
D/E 2	7.27	5.00	30%	36,000	281,472	27,315	OPERATIONAL
D/E 3	7.27	5.00	30%	36,000	260,866	21,726	OPERATIONAL
D/E 4	7.27	0.00					DECOMMISSIONED
D/E 5	13.04	0.00					DECOMMISSIONED
D/E 6	13.04	9.00	30%	36,000	203,055	0	OPERATIONAL
D/E 7	13.04	0.00	30%	36,000	223,278	0	MAINTENANCE
D/E 8	13.04	0.00					DECOMMISSIONED
Total	81.24	24.00					
PP 2							
D/E 1	2.5	0.0		0			REMOVED
D/E 2	2.5	2.0		24,000			OPERATIONAL ¹
D/E 3	2.5	0.0		0			DECOMMISSIONED
D/E 4	2.5	0.0		24,000			UNDER MAINTENANCE ¹
D/E 5	2.5	2.0		24,000			OPERATIONAL ¹
D/E 6	2.5						REMOVED
Total	15.0	4.0					
PP 3							
D/E 1	1.5	0.0					REMOVED
D/E 2	1.5	0.0					REMOVED
D/E 3	1.5	0.0					REMOVED
Total	4.5	0					
PP 4							
D/E 1	3.50	0.00		0			DECOMMISSIONED
D/E 2	2.50	0.00		36,000			UNDER MAINTENANCE ¹
D/E 3	2.50	0.00		36,000			UNDER MAINTENANCE ¹
D/E 4	2.50	0.00		24,000			UNDER MAINTENANCE/ELECTRICAL ¹
D/E 5	2.50	0.00		24,000			UNDER MAINTENANCE/ELECTRICAL ¹
D/E 6	1.00	0.00		0			REMOVED
D/E 7	1.00	0.00		0			REMOVED
D/E 8	1.00	0.00		0			REMOVED
D/E 9	1.00	0.00		0			REMOVED
D/E 10	2.50	2.00		24,000			OPERATIONAL ¹
Total	17.50	2.00					
Grand Total	118.24	30.00					

Note 1: Running hours not accurate

One of the primary causes of CUC's generation reliability crisis on Saipan is the accumulation of a massive accounts receivable balance from certain government customers. This balance grew from \$11 million in 2012 to \$36.2 million as of September 30, 2022. To put this in perspective, the \$36.2 million owed is more than 2.5 times the \$14 million CUC spent on maintenance in 2022. **If government agencies had remained current on their payments, CUC would have had the resources to perform regular maintenance on its engines.**

Instead, the lack of funding led to deferred maintenance, resulting in multiple engine failures. The remaining operational units became increasingly inefficient, and by 2019, CUC was forced to lease temporary replacement generators from Aggreko, which were installed in January 2020. These Aggreko units have been the only reason Saipan has avoided rolling blackouts.

The financial consequences have been severe. The reduced efficiency of CUC's remaining engines—approximately 10% below the performance of properly maintained units—has led to higher fuel consumption. Between 2018 and 2024, CUC is estimated to have used an additional 4.5 million gallons of fuel, costing approximately \$21.4 million. On top of that, the Aggreko rental cost totaled approximately \$18.1 million, bringing the total impact to \$39.5 million.

CUC also experienced considerable growth in customer owned distributed energy resources (DER), primarily rooftop solar, beginning with the passage of Public Law 15-23 in 2006. This law was subsequently amended by Public Law 15-87 in 2007 to expand the scope of net metering, allowing customer-generators and private power producers to generate and sell electricity produced by renewable energy to CUC. In 2012, CUC declared a moratorium on new net metering customers. This decision was made under the authority granted by Public Law 15-23, which allows CUC to impose such a moratorium. The moratorium was implemented to provide CUC with time to address technical, regulatory, and financial challenges associated with integrating additional customer-generated renewable energy into the existing power grid.

In 2015, the Commonwealth of the Northern Mariana Islands (CNMI) government enacted Public Law 18-75 to amend existing renewable energy legislation, prioritizing net metering for public health and education sectors, including the Public School System (PSS). This law aimed to alleviate the substantial utility costs faced by these institutions by facilitating the adoption of renewable energy solutions. Following this, in 2021, the CNMI PSS initiated the installation of solar energy systems across all 20 public schools. The Commonwealth Healthcare Corporation (CHCC) also installed solar generation. CUC's installed net metered solar capacity as of April 2025 is presented in **Table II-6**.



Table II-6

CUC Net Metering Customers As of April 2025		
Customer Class	Number of Customers	Installed Capacity kW
Residential	57	307
Commercial	28	1,635
Government	11	127
CHCC	1	176
PSS	20	4,100
Totals	117	6,345

In addition to the net metered capacity shown in Table II-6, Government customers are forecast to install another 1.478 MW. Within the next year or two, CUC will have close to 8 MW of solar capacity on its grid, most of it on Saipan. This affects this rate study in several ways:

- The reduction in kWh sales to customers with solar capacity means that the non-FAC related costs will be spread over a smaller sales base, which will raise CUC's Base Electric Rate
- Because CUC's installed solar capacity is close to 20% of its peak demand on Saipan, CUC will need to install additional grid hardware and software to handle the large amount of power flowing into the grid from solar customers. CUC's grid enhancement projects are part of a CUC master plan study that is scheduled to begin in 2025. To the extent that they are not covered by grants, the cost of grid enhancements will increase CUC's Base Electric Rate
- If CUC decides to lift the moratorium and allow new net metered customers under the existing or a revised net metering policy, CUC will likely experience rapid increase in installed solar capacity, which result in an additional decline in kWh sales and further increases in the Base Electric Rate.

Finally, to ensure that CUC customers without solar capacity are protected from Base Rate increases which result from increased solar capacity, CUC may need to revise its retail rate design so that net metered customers pay their fair share of maintaining the existing grid and their fair share of the cost of enhanced grid equipment required by the solar capacity. The effect of net metering on CUC's base rates is presented in **Table II-7**.

Table II-7

CUC Net Metering Customers					
Analysis of Rate Impact					
Class	Number	kW	Lost kWh Sales @ 18% CF	Base Rate \$/kWh	Lost Base Revenue @ 18% CF
Residential	57	307	215,044	0.097	\$20,859
Commercial	28	1,635	1,145,847	0.113	129,481
Government	11	127	89,131	0.124	11,052
CHCC	1	176	123,341	0.113	13,938
PSS	20	4,100	2,873,280	0.113	324,681
New Govt.	10	1,479	1,036,203	0.124	128,489
Totals	127	7,824	5,482,845		\$628,500

The implication of Table II-7 is that CUC lost approximately \$627,500 in Base Rate revenues from solar customers, or 2% of 2026 projected Base Rate revenues which is recovered from other CUC customers. While this cost shift is small at present, as the amount of customer owned solar increases, the amount of the cost shift from customers with solar to other CUC customers will correspondingly increase. CUC will address this cost shift in its forthcoming Net Metering policy which will be developed later in 2025.

Net metering is a policy that allows owners of rooftop solar systems to receive a one-to-one credit on their electricity bills for every kilowatt-hour (kWh) of electricity their systems send to the grid. Under this arrangement, excess energy generated during sunny periods offsets electricity drawn from the grid when the solar system is not producing enough to meet the customer's needs, such as at night or during cloudy weather. This effectively treats the grid like a virtual battery, enabling solar customers to significantly reduce—or in some cases eliminate—their monthly electric bills. The CNMI law provides that excess energy provided by the customer to CUC be compensated at the higher of 50% of the net metering rate or CUC's Fuel Adjustment Charge. Economists.com is at work on a review of CUC's current net metering policy that will be completed later in 2025.

Electric Customers - Historical and Forecast

CUC groups its electric customers into the following separate and distinct customer classes:

Residential
Residential Prepaid
Commercial
Government
Streetlights
Municipal Pumping

Table II-8 presents historical and forecast electric customers by customer class. The average annual rate of growth of electric accounts over the forecast ten-year period FY 2026 – FY 2035 is **0.7%**, which is nominally lower than the historical growth rate for CUC electric customers.

TABLE II-8

COMMONWEALTH UTILITIES CORPORATION							
Test Year							
2026							
2025 05 09 Scenario I -- 5 Year Implement -- No WEC							
FORECAST TOTAL CUSTOMERS							
POWER Customer Classes							
Fiscal Year	Residential	Residential Prepaid	Commercial	Government	Streetlights	CUC Municipal Pumping	Total
POWER Total Customers							
2012	10,796	257	2,719	718	3	189	14,682
2013	10,709	251	2,657	711	15	194	14,538
2014	10,893	262	2,670	723	38	193	14,779
2015	10,529	844	2,698	688	35	189	14,983
2016	10,281	865	2,773	688	31	179	14,818
2017	11,057	905	3,120	695	30	193	15,998
2018	11,260	918	3,274	716	33	187	16,388
2019	10,300	844	3,095	639	29	178	15,085
2020	10,908	1,082	3,249	668	26	184	16,116
2021	11,006	1,317	3,113	703	44	184	16,367
2022	11,508	1,262	3,233	743	37	182	16,964
2023	11,465	1,563	3,306	757	17	175	17,283
2024	11,132	1,920	3,381	741	12	181	17,367
2026	11,182	1,945	3,391	741	12	181	17,452
2027	11,232	1,970	3,401	741	12	181	17,537
2028	11,282	1,995	3,411	741	12	181	17,622
2029	11,332	2,020	3,421	741	12	181	17,707
2030	11,382	2,045	3,431	741	12	181	17,792
2031	11,432	2,070	3,441	741	12	181	17,877
2032	11,482	2,095	3,451	741	12	181	17,962
2033	11,532	2,120	3,461	741	12	181	18,047
2034	11,582	2,145	3,471	741	12	181	18,132
2035	11,632	2,170	3,481	741	12	181	18,217

Electric Consumption – Historical and Forecast

Chart II-9 illustrates test year FY 2026 electric consumption by customer class. The chart reveals that small commercial customers represented the largest share of usage, followed by residential (including residential prepaid).

Chart II-10 presents the average monthly customer use by class for test year FY 2026.

CHART II-9

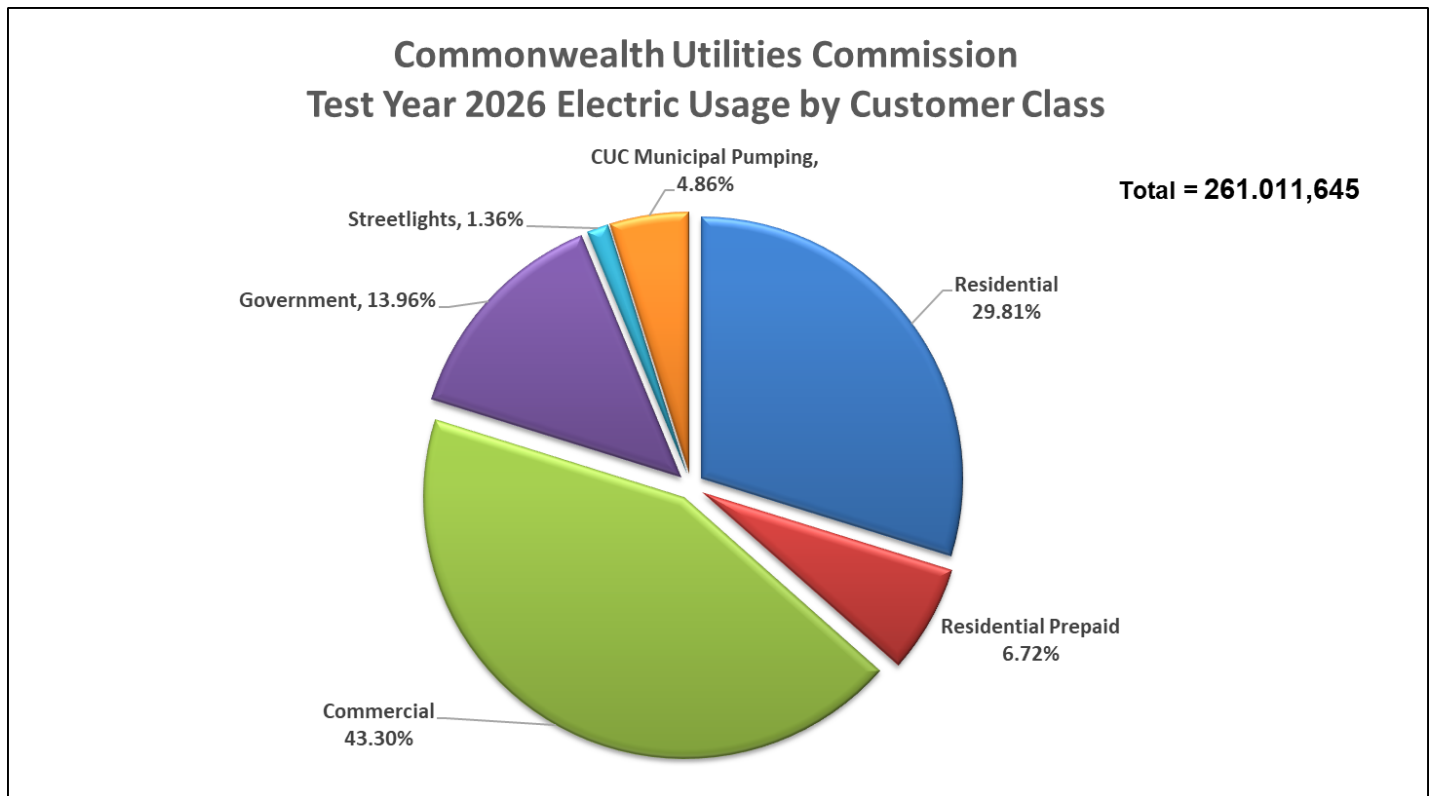


CHART II-10

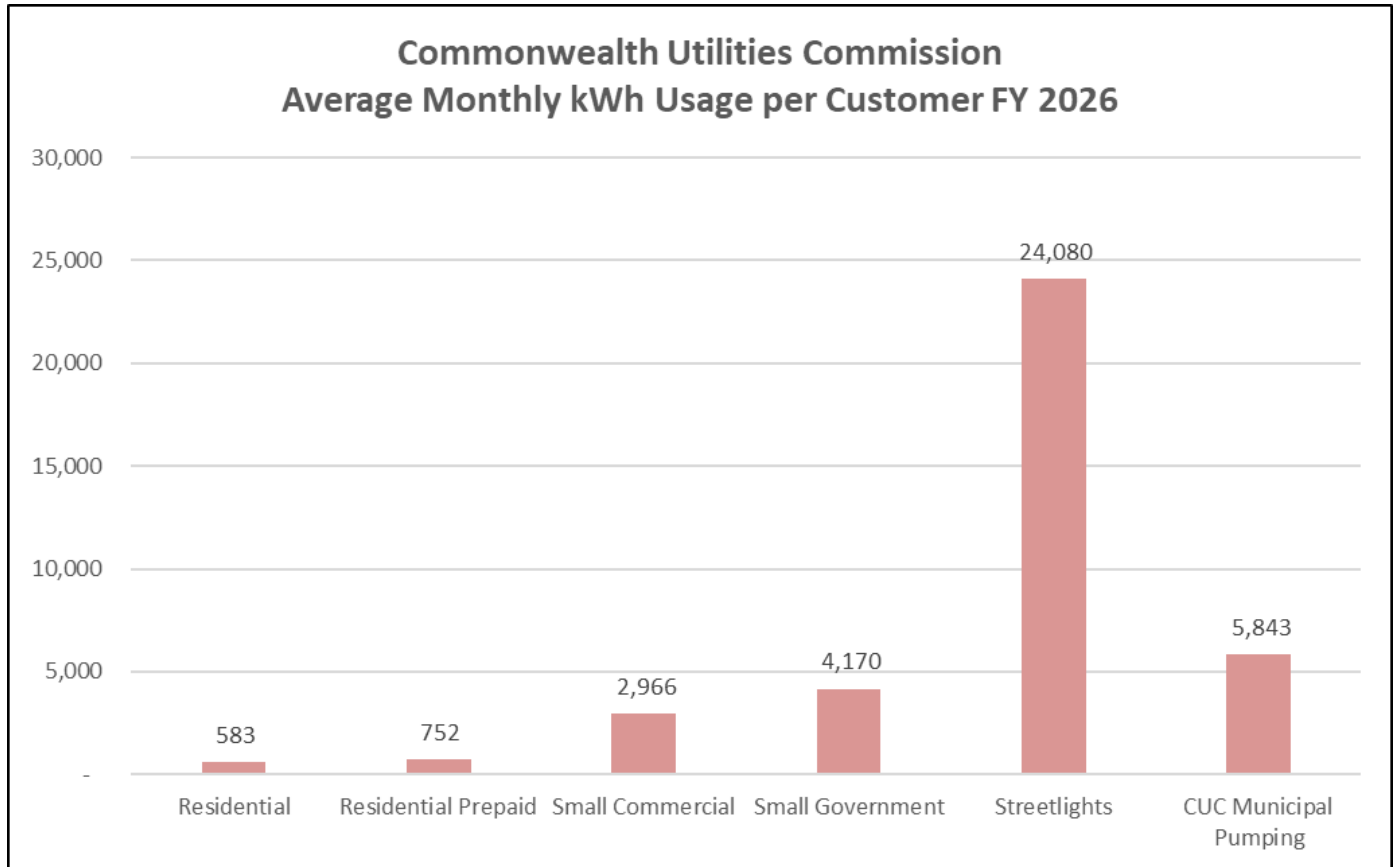


Table II-11 and **Chart II-12** present historical and forecast sales and usage in kWh by customer class for the period FY 2012 through FY 2035. The following is notable about this table:

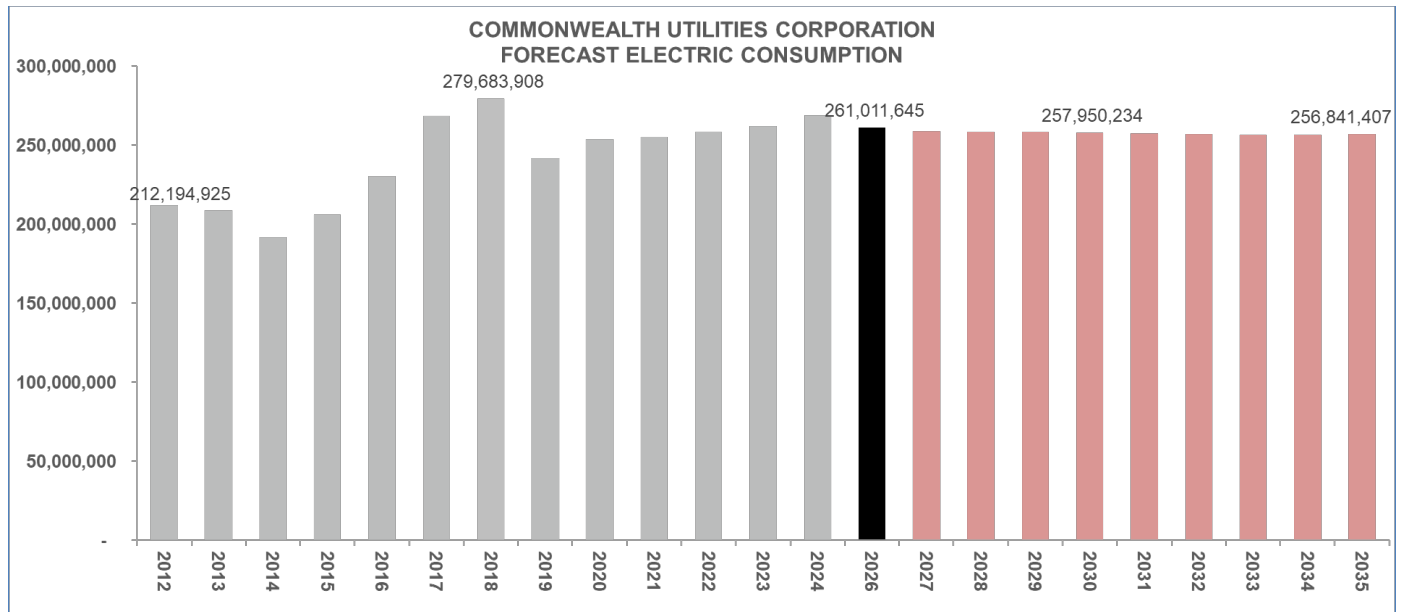
- Total historical usage for all customer classes has increased approximately 2.0% over the historical period from 212,194,925 kWh in FY 2012 to 268,869,403 kWh in FY 2024
- Future usage for all customers is forecast to nominally decline between FY 2026 and FY 2035. **The primary reason for the forecast decline is the limited account growth and the reductions in CUC usage due to solar installation by commercial and PSS customers.**

It should be noted that kWh consumption has varied significantly over the past fifteen years, a reflection of the economic upswings and downturns experienced by the CNMI over the past two decades.

TABLE II-11

COMMONWEALTH UTILITIES CORPORATION							
Test Year							
2026							
2025 05 09 Scenario I -- 5 Year Implement -- No WEC							
FORECAST TOTAL USAGE							
Electric Customer Classes Usage							
Fiscal Year	Residential	Residential Prepaid	Commercial	Government	Streetlights	CUC Municipal Pumping	Total
ELECTRIC Total Usage							
2012	56,010,263	1,307,261	108,685,288	27,349,950	4,114,034	14,728,129	212,194,925
2013	52,793,318	1,236,658	105,670,784	28,247,291	4,836,282	16,037,880	208,822,213
2014	50,275,761	1,321,340	98,338,033	23,802,796	4,503,850	13,799,172	192,040,953
2015	51,026,381	5,854,265	103,854,382	27,224,242	4,416,611	13,875,497	206,251,378
2016	56,856,440	6,711,602	116,452,099	33,174,758	4,759,776	12,506,120	230,460,795
2017	71,307,441	7,401,607	136,342,773	35,232,654	4,544,159	13,594,775	268,423,408
2018	75,037,844	7,287,374	145,461,101	37,005,986	1,832,152	13,059,451	279,683,908
2019	62,697,477	7,151,445	127,169,447	30,875,829	2,266,531	11,601,490	241,762,219
2020	75,786,116	10,815,791	121,698,671	30,663,782	2,162,088	12,908,070	254,034,518
2021	83,926,250	13,971,170	106,492,547	34,926,739	2,710,944	13,156,109	255,183,759
2022	82,175,488	12,390,490	110,343,439	38,272,564	2,723,842	12,365,791	258,271,614
2023	77,748,500	14,329,757	115,374,027	40,395,973	2,684,836	11,440,746	261,973,838
2024	77,886,814	17,311,933	120,354,077	37,091,611	3,539,689	12,685,279	268,869,403
2026	77,798,658	17,537,408	113,006,628	36,443,984	3,539,689	12,685,279	261,011,645
2027	77,272,501	17,762,882	113,362,600	34,501,104	3,539,689	12,355,069	258,793,845
2028	76,746,345	17,988,357	113,718,572	34,501,104	3,539,689	12,046,192	258,540,258
2029	76,220,188	18,213,831	114,074,543	34,501,104	3,539,689	11,711,576	258,260,931
2030	75,694,032	18,439,306	114,430,515	34,501,104	3,539,689	11,345,589	257,950,234
2031	75,167,875	18,664,780	114,786,487	34,501,104	3,539,689	10,940,389	257,600,324
2032	74,641,719	18,890,255	115,142,459	34,501,104	3,539,689	10,484,540	257,199,765
2033	74,115,562	19,115,729	115,498,431	34,501,104	3,539,689	9,960,313	256,730,827
2034	73,589,405	19,341,204	115,854,403	34,501,104	3,539,689	9,960,313	256,786,117
2035	73,063,249	19,566,678	116,210,374	34,501,104	3,539,689	9,960,313	256,841,407

CHART II-12



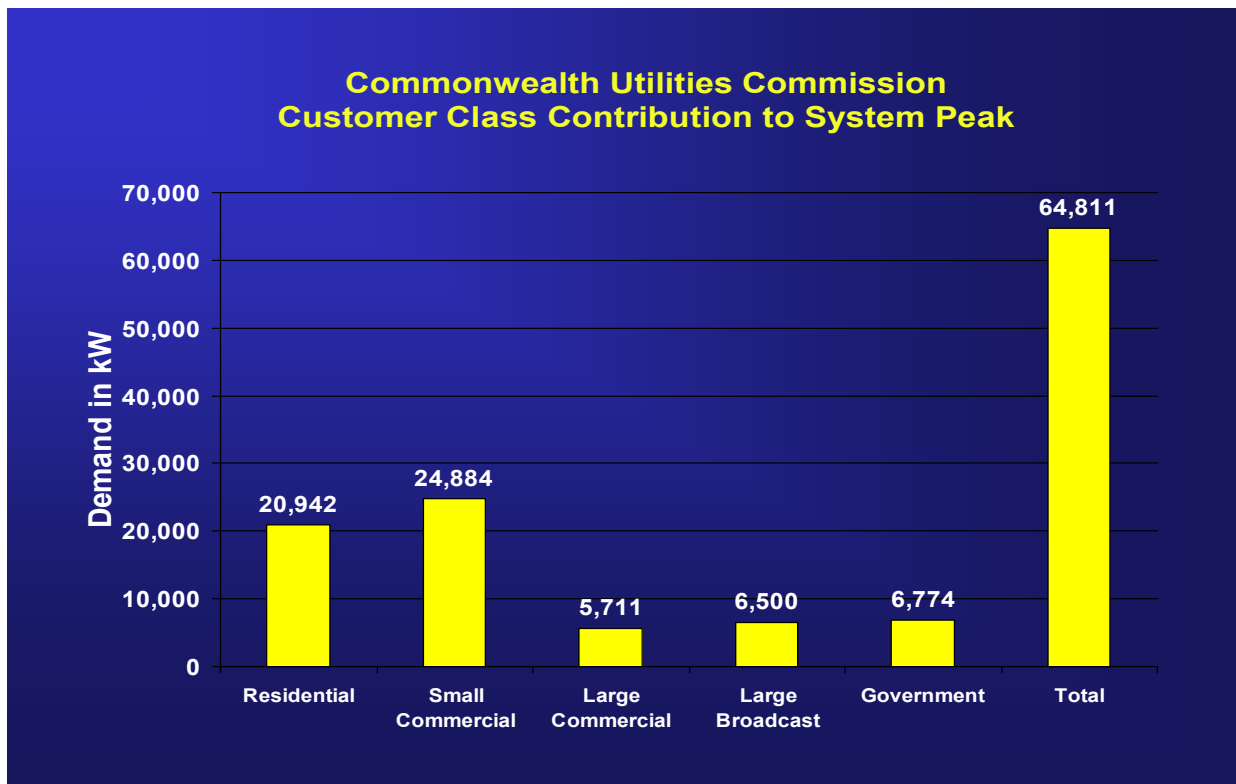
Peak Demand

The cost of providing electricity to customers depends not only on the amount of kWh or energy each class uses, but also on how that usage occurs over time. The maximum-day and maximum-hour peaking requirements of an electric utility's customers are an important influence on the utility's costs. Because electric utilities attempt to meet all of the demands of their customers, electric systems are sized to meet customers' peak requirements. Therefore, during off-peak periods, there are usually significant costs associated with the unused capacity of the system. These costs must be allocated based on the peak demand of each customer class coincident with CUC system peak demand in order to develop equitable cost-based rates. Thus, it is necessary to determine the peak rate of use relative to the average rate of use for each class. This ratio is called a **Load Factor**.

The project team has based its calculation of load factors for individual classes on a detailed load research study for Guam Power Authority. This is because CUC customers do not have demand meters and CUC does not have any information on customer class peak demand. CUC could install demand meters for certain of its larger customers (with consumption levels greater than 25 kW), as is common for many US mainland utilities as well as Hawaiian Electric and Guam Power Authority. Because of the significant cost of purchasing and installation, demand meters are seldom installed on residential customers. Therefore, it is accepted practice in the water industry to develop load factor estimates based on standard formulas using system peak day information, load research data and monthly customer class use records.

Chart II-13 presents the customer class peak demands developed for this analysis.

Chart II-13



Power Revenue Requirement – Current Year

The calculation of a revenue requirement differs from a utility's budget in that it represents only that amount that must be raised through the utility's user rates. This means that non-rate revenue (such as connection fees, pole attachment fees and interest) must be subtracted from the budgeted operating and capital expenditures to determine the net revenue requirement to be raised from rates.

As is typical for publicly owned utilities, CUC's electric rates were developed using the cash basis of ratemaking. As will be shown in Section III, the development of the revenue requirement is similar for both the power and the water/wastewater utilities. Under the cash basis, electric system revenue requirements consist of cash expenditures and other financial commitments (such as debt service and coverage) that must be met through system operating revenues and other revenue sources. The following specific items are included in CUC's revenue requirement raised from rates:

O&M Expenses

Capital Outlays

Debt Service

Notably, depreciation is eliminated from the calculation of the revenue requirement because it is not a cash expense.

Further details behind these calculations can be found in Appendix A for Scenario I and Appendix B for Scenario II. As will be noted in the following section, the cost of service is the same for Scenario I and Scenario II. The only difference between the two scenarios is the recommended rate plan.

Table II-14 presents the total cash basis cost of service for the test year FY 2026 for CUC as a whole. This revenue requirement represents a combination of the power, water, wastewater and administration divisions, and is based on a budget prepared by CUC staff for FY 2027 that enables CUC to fund operations, maintenance and EPA mandates for all utilities.

As shown in Table II-14, the total cost of service in FY 2026 for CUC as a whole is calculated to be **\$137,164,741**.

TABLE II-14

COMMONWEALTH UTILITIES CORPORATION	
Test Year	
2026	
TEST YEAR COST OF SERVICE	
2025 05 09 Scenario I -- 5 Year Implement -- No WEC	
Budgeted Expenditures:	FY 2026 Total Expenses
<u>Operating Expenditures</u>	
PF -- Production Fuel	\$ 55,123,049
P -- Personnel	26,966,348
GA -- General and Administrative	8,406,928
S -- Supplies	2,161,946
M -- Maintenance	26,432,681
OP -- Other Production	8,847,558
Total Operating	127,938,511
Capital Outlays	4,117,000
Debt Service	-
Sub-Total Budget Expenditures	132,055,511
Total Non-Operating	5,109,230
Total Cost of Service	137,164,741

The next step in this process is to allocate the test year cost of service between the power, water and wastewater functions. The results are presented in **Table II-15**. Detailed calculations supporting this functionalization are presented in Appendix A and Appendix B.

The table reveals that certain budget categories are allocated directly to each service. The remaining categories are allocated based on a variety of factors, most notably the number of personnel in each function. In summary, Table II-15 reveals that the power utility's budget cost of service net of depreciation and future debt service for new capital improvement projects for the test year FY 2026 is **\$109,414,180**.

TABLE II-15

COMMONWEALTH UTILITIES CORPORATION				
Test Year 2026				
TEST YEAR COST OF SERVICE				
2025 05 09 Scenario I -- 5 Year Implement -- No WEC				
	FY 2026 Power	FY 2026 Water	FY 2026 Wastewater	FY 2026 Total
Budgeted Expenditures:				
<u>Operating Expenditures</u>				
PF -- Production Fuel	\$ 55,123,049	\$ -	\$ -	\$ 55,123,049
P -- Personnel	16,872,604	7,521,574	2,572,171	26,966,348
GA -- General and Administrative	5,297,356	1,859,223	1,250,348	8,406,928
S -- Supplies	739,679	1,049,104	373,163	2,161,946
M -- Maintenance	20,049,495	5,562,565	820,621	26,432,681
OP -- Other Production	4,504,129	3,399,329	944,100	8,847,558
Total Operating	102,586,312	19,391,795	5,960,403	127,938,511
Capital Outlays	2,705,000	1,134,500	277,500	4,117,000
Debt Service	-	-	-	-
Sub-Total Budget Expenditures	105,291,312	20,526,295	6,237,903	132,055,511
Total Non-Operating	4,122,867	639,525	346,838	5,109,230
Total Cost of Service	109,414,180	21,165,820	6,584,741	137,164,741

The following schedules are presented to further illustrate the power revenue requirement:

Table II-16 – Power Revenue Requirement – Test Year – includes functionalization of costs

Table II-17 – Power Revenue Requirement – 10 Year Forecast

Following these schedules, the following topics will be discussed in more detail:

Assumptions behind cost forecast

Maintenance Costs – 10-Year forecast

Capital Outlays/Replacement Reserve – 10-Year Forecast

Capital Improvement Plan and Debt Service – 10-Year Forecast

TABLE II-16

COMMONWEALTH UTILITIES CORPORATION					
Test Year 2026					
2025 05 09 Scenario I -- 5 Year Implement -- No WEC					
ELECTRIC Net Revenue Requirement					
2025 05 09 Scenario I -- 5 Year Implement -- No WEC	Net Budget	Generation	Transmission/ Distribution	Admin	Customer Billing
Operating & Maintenance					
PF -- Production Fuel	\$ 55,123,049	\$ 55,123,049	\$ -	\$ -	\$ -
P -- Personnel	16,872,604	6,838,638	3,811,896	5,599,863	622,207
GA -- General and Administrative	5,297,356	743,800	1,036,200	3,165,621	351,736
S -- Supplies	739,679	327,600	149,500	236,321	26,258
M -- Maintenance	20,049,495	15,928,000	4,035,481	77,413	8,601
OP -- Other Production	4,504,129	4,500,000	500	3,266	363
Total Operating & Maintenance	102,586,312	83,461,087	9,033,577	9,082,483	1,009,165
Total Non-Operating	4,122,867	2,029,870	90,336	539,404	1,463,257
Debt Service	-	-	-	-	-
Capital Outlays	2,705,000	767,500	1,937,500	-	-
Total Cost of Service	109,414,180	86,258,457	11,061,413	9,621,888	2,472,422
Less Non-Rate Revenues	8,179,350	6,448,325	826,905	719,292	184,828
Net Electric Revenue Requirement	101,234,829	79,810,133	10,234,508	8,902,595	2,287,594

TABLE II-17

COMMONWEALTH UTILITIES CORPORATION						
Test Year 2026						
2025 05 09 Scenario I -- 5 Year Implement -- No WEC						
CURRENT AND FORECAST NET REVENUE REQUIREMENT						
Fiscal Year	Operating/ Cap Outlays	Debt Service	Non Operating	Total Cost of Service	Less Non-Rate Revenues	Net Revenue Requirement
ELECTRIC Revenue Requirement						
2026	\$ 105,291,312	\$ -	\$ 4,122,867	\$ 109,414,180	\$ 8,179,350	\$ 101,234,829
2027	105,525,382	3,163,194	4,173,998	112,862,574	4,872,046	107,990,527
2028	101,751,452	3,163,194	4,252,679	109,167,325	5,372,046	103,795,278
2029	101,780,281	3,163,194	4,333,569	109,277,044	5,372,046	103,904,997
2030	101,562,757	3,163,194	4,416,699	109,142,650	5,372,046	103,770,603
2031	97,700,714	3,163,194	4,502,087	105,365,996	4,472,046	100,893,950
2032	109,398,531	4,438,676	4,589,732	118,426,939	4,472,046	113,954,892
2033	109,647,928	4,438,676	4,679,590	118,766,194	4,472,046	114,294,148
2034	101,679,289	5,489,639	4,774,891	111,943,819	4,472,046	107,471,772
2035	107,780,164	5,521,167	4,873,062	118,174,393	4,472,046	113,702,347

Assumptions Behind Cost Forecast

The following is notable about the test year and forecast revenue requirement:

- The cost of service is based primarily on CUC's staff-requested FY 2026 budget. The budget represents the staff's estimate of the expenses required to operate the power utility in a reasonable and reliable manner and to meet service mandates.
- Personnel levels are not expected to increase in the next decade
- The primary components of the cost of service are maintenance expenses and capital outlays. Both are discussed in further detail in the following section.
- There is no current debt service related to the power utility.
- CUC is forecast to issue future debt in order to fund capital improvements. This is discussed further in the next section.
- Most expenses increase by 3.0% annually, which is the inflation factor utilized in the forecast.
- Certain expenses, such as insurance and chemicals, increase at rates higher than inflation.
- The forecast includes Public Auditor Fees of approximately 1.0% of gross revenues.
- Uncollectibles are presented as an offset to gross revenues rather than a line-item expense. Based on data from the 2024 financial statements, the assumption of 6.4% of gross revenues for uncollectibles is utilized.
- Non-rate revenues are used to offset the cost of service, resulting in the net revenue requirement to be raised from rates.

Maintenance Costs – Ten Year Forecast

One of the principal components of the power cost of service is maintenance costs. The project team consulted extensively with CUC staff regarding this issue. CUC staff produced the forecast of necessary and required maintenance costs for all three utilities that is presented in **Table II-18**. It should be noted that this table presented maintenance costs for the power, water and wastewater utilities, along with administration. Total maintenance expenses for CUC as a whole are also presented.

Capital Outlays and Replacement Reserve – Ten Year Forecast

Capital Outlays represent capital-related costs that are generally recovered through existing rate revenue. These are often small-ticket capital expenditures that require a utility to issue debt to fund. CUC staff has provided the project team with its estimate of the annual capital outlays that will be required by CUC over the next decade. Those capital outlays are summarized in **Table II-19**. As with the previous table, these expenses are presented for the power, water and wastewater utilities.

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL MAINT CO SUMMARY										TABLE II-18 TABLE II-19
Forecast										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035

Maintenance and Capital Outlays Summary

Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC

Maintenance Expenses

Power Division Maintenance

Generation -- Maintenance

Saipan	Maintenance parts fo PP1, PP2, PP4	\$ 850,000	\$ 875,500	\$ 901,765	\$ 928,818	\$ 956,682	\$ 985,383	\$ 1,014,944	\$ 1,045,393	\$ 1,076,755	\$ 1,109,057
Saipan	DE6 36K Overhaul, Machining of Engine, MAN Labor	5,000,000	-	500,000	-	1,500,000	-	5,796,370	-	-	-
Saipan	DE7 36K Overhaul, Machining of Engine, MAN Labor	-	4,000,000	-	2,000,000	-	-	-	4,637,096	-	-
Saipan	DE1 Overhaul, Machining of Engine, MAN Labor	-	100,000	4,000,000	-	500,000	-	-	115,927	-	-
Saipan	DE2 Overhaul, Machining of Engine, MAN Labor	-	4,000,000	-	500,000	-	-	-	4,637,096	-	-
Saipan	DE3 Overhaul, Machining of Engine, MAN Labor	-	-	850,000	4,000,000	-	-	-	-	-	4,637,096
Saipan	DE4 Overhaul, Machining of Engine, MAN Labor	-	-	2,000,000	-	3,675,000	-	-	-	-	-
Saipan	Replacement of Expansion Tanks	100,000	-	-	-	-	-	-	-	-	-
Saipan	Overhaul of one EMD and Supply Parts	340,000	350,200	360,706	371,527	382,673	394,153	405,978	418,157	430,702	443,623
Saipan	Overhaul of one EMD and Supply Parts for New Radiator	690,000	710,700	732,021	753,982	776,601	799,899	823,896	848,613	874,071	900,293
Saipan	Maintenance Vehicles	23,000	23,690	24,401	25,133	25,887	26,663	27,463	28,287	29,136	30,010
Tinian	Overhaul of 2 5MW Warsila Engines and PLC	4,000,000	4,200,000	-	-	-	-	4,637,096	-	-	-
Tinian	Maintenance of 4 2.5MW Engines	500,000	525,000	551,250	578,813	-	596,177	614,063	632,485	651,459	671,003
Tinian	Incinerator Maintenance and Repair	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239
Tinian	Other Routine Maintenance and Repair	500,000	525,000	551,250	578,813	596,177	614,063	632,485	651,459	671,003	691,133
Rota	Spare Parts for Power Plant	250,000	257,500	265,225	273,182	281,377	289,819	298,513	307,468	316,693	326,193
Rota	New Engine	2,500,000	-	-	-	-	-	-	-	-	-
Rota	Engine Overhauls	-	300,000	315,000	-	-	-	-	-	-	-
0	Maintenance	-	-	-	-	-	-	-	-	-	-
0	Maintenance	-	-	-	-	-	-	-	-	-	-
0	Maintenance	-	-	-	-	-	-	-	-	-	-
	Total	14,803,000	15,919,090	11,104,663	10,064,904	8,750,673	3,764,121	14,310,511	13,383,476	4,113,157	8,873,648

Generation -- Stipulated Order

Saipan	Stipulated Order Items	1,125,000	1,158,750	1,193,513	1,229,318	1,266,197	1,304,183	1,343,309	1,383,608	1,425,116	1,467,870
Tinian	Stipulated Order Items	-	-	-	-	-	-	-	-	-	-
Rota	Stipulated Order Items	-	-	-	-	-	-	-	-	-	-
0	Maintenance	-	-	-	-	-	-	-	-	-	-
	Total	1,125,000	1,158,750	1,193,513	1,229,318	1,266,197	1,304,183	1,343,309	1,383,608	1,425,116	1,467,870

Transmission and Distribution -- Maintenance

Saipan	Annual Supply of Materials	2,074,981	2,137,230	2,201,347	2,267,388	2,335,409	2,405,472	2,477,636	2,551,965	2,628,524	2,707,380
Saipan	Replacement of Defective Hardware on Single Phase Dist System	300,000	309,000	318,270	327,818	337,653	347,782	358,216	368,962	380,031	391,432
Saipan	Replacement of Defective Hardware on 3 Phase Dist System	500,000	515,000	530,450	546,364	562,754	579,637	597,026	614,937	633,385	652,387
Saipan	Power Transformers at Power Plants and Waterloo	290,000	298,700	307,661	316,891	326,398	336,189	346,275	356,663	367,363	378,384
Saipan	Load Tap Changer Panels at Waterloo	150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481	190,016	195,716
Tinian	Upkeep and Maintenance of Infrastructure	300,000	309,000	318,270	327,818	337,653	347,782	358,216	368,962	380,031	391,432
Rota	Upkeep and Maintenance of Infrastructure	420,500	433,115	446,108	459,492	473,276	487,475	502,099	517,162	532,677	548,657
0	Maintenance	-	-	-	-	-	-	-	-	-	-
	Total	4,035,481	4,156,545	4,281,242	4,409,679	4,541,969	4,678,229	4,818,575	4,963,133	5,112,027	5,265,387

Transmission and Distribution -- Stipulated Order

0	Maintenance	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL MAINT CO SUMMARY										TABLE II-18 TABLE II-19
Forecast										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035

Maintenance and Capital Outlays Summary

Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC

Water Division Maintenance											
<u>Water Division -- Maintenance</u>											
Saipan	Repairs and Maintenance	1,547,000	1,593,410	1,641,212	1,690,449	1,741,162	1,793,397	1,847,199	1,902,615	1,959,693	2,018,484
Saipan	Meters	1,500,000	1,545,000	1,591,350	1,639,091	1,688,263	1,738,911	1,791,078	1,844,811	1,900,155	1,957,160
Saipan	Road Restoration	1,200,000	1,236,000	1,273,080	1,311,272	1,350,611	1,391,129	1,432,863	1,475,849	1,520,124	1,565,728
Saipan	Water Treatment	250,000	257,500	265,225	273,182	281,377	289,819	298,513	307,468	316,693	326,193
Tinian	Repairs and Maintenance	165,000	169,950	175,049	180,300	185,709	191,280	197,019	202,929	209,017	215,288
Tinian	Meters	175,000	180,250	185,658	191,227	196,964	202,873	208,959	215,228	221,685	228,335
Tinian	Water Treatment	18,000	18,540	19,096	19,669	20,259	20,867	21,493	22,138	22,802	23,486
Rota	Repairs and Maintenance	95,000	97,850	100,786	103,809	106,923	110,131	113,435	116,838	120,343	123,953
Rota	Meters	175,000	180,250	185,658	191,227	196,964	202,873	208,959	215,228	221,685	228,335
Rota	Water Treatment	18,000	18,540	19,096	19,669	20,259	20,867	21,493	22,138	22,802	23,486
0	Maintenance	-	-	-	-	-	-	-	-	-	-
0	Maintenance	-	-	-	-	-	-	-	-	-	-
Total		5,143,000	5,297,290	5,456,209	5,619,895	5,788,492	5,962,147	6,141,011	6,325,241	6,514,999	6,710,448
<u>Water Division-- Stipulated Order</u>											
Saipan	CMMS, DW/WW O&M Court Order	400,000	412,000	424,360	437,091	450,204	463,710	477,621	491,950	506,708	521,909
Tinian	Stipulated Order Items	-	-	-	-	-	-	-	-	-	-
Rota	Stipulated Order Items	-	-	-	-	-	-	-	-	-	-
0	Maintenance	-	-	-	-	-	-	-	-	-	-
0	Maintenance	-	-	-	-	-	-	-	-	-	-
Total		400,000	412,000	424,360	437,091	450,204	463,710	477,621	491,950	506,708	521,909
Wastewater Division Maintenance											
<u>Wastewater Division -- Maintenance</u>											
Saipan	Repairs and Maintenance	137,700	141,831	146,086	150,469	154,983	159,632	164,421	169,354	174,434	179,667
Saipan	Road Restoration	300,000	309,000	318,270	327,818	337,653	347,782	358,216	368,962	380,031	391,432
Saipan	Maint -- Collectio and Lift Station	220,000	226,600	233,398	240,400	247,612	255,040	262,692	270,572	278,689	287,050
Saipan	Maint -- Treatment Plant	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239
0	Maintenance	-	-	-	-	-	-	-	-	-	-
0	Maintenance	-	-	-	-	-	-	-	-	-	-
Total		707,700	728,931	750,799	773,323	796,523	820,418	845,031	870,382	896,493	923,388
<u>Wastewater Division --Stipulated Order</u>											
Saipan	CMMS, DW/WW O&M Court Order	100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987	126,677	130,477
0	Maintenance	-	-	-	-	-	-	-	-	-	-
Total		100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987	126,677	130,477

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL MAINT CO SUMMARY										TABLE II-18 TABLE II-19
Forecast										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035

Maintenance and Capital Outlays Summary

Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC

Administration Division Maintenance																				
<u>Administration -- Maintenance</u>																				
Saipan	Maintenance -- General	105,500	108,665	111,925	115,283	118,741	122,303	125,973	129,752	133,644	137,654									
Tinian	Road Restoration	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914									
Rota	Maintenance	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048									
0	Maintenance	-	-	-	-	-	-	-	-	-	-									
0	Maintenance	-	-	-	-	-	-	-	-	-	-									
Total		118,500	122,055	125,717	129,488	133,373	137,374	141,495	145,740	150,112	154,616									
<u>Administration -- Stipulated Order</u>																				
Saipan	CMMS, DW/WW O&M Court Order	-	-	-	-	-	-	-	-	-	-									
Tinian	Maintenance	-	-	-	-	-	-	-	-	-	-									
Rota	Maintenance	-	-	-	-	-	-	-	-	-	-									
0	Maintenance	-	-	-	-	-	-	-	-	-	-									
Total		-	-	-	-	-	-	-	-	-	-									
Total Maintenance																				
Generation -- Maintenance	\$	14,803,000	\$	15,919,090	\$	11,104,663	\$	10,064,904	\$	8,750,673	\$	3,764,121	\$	14,310,511	\$	13,383,476	\$	4,113,157	\$	8,873,648
Generation -- Stipulated Order		1,125,000		1,158,750		1,193,513		1,229,318		1,266,197		1,304,183		1,343,309		1,383,608		1,425,116		1,467,870
Transmission and Distribution -- Maintenance		4,035,481		4,156,545		4,281,242		4,409,679		4,541,969		4,678,229		4,818,575		4,963,133		5,112,027		5,265,387
Transmission and Distribution -- Stipulated Order		-		-		-		-		-		-		-		-		-		-
Water Division -- Maintenance		5,143,000		5,297,290		5,456,209		5,619,895		5,788,492		5,962,147		6,141,011		6,325,241		6,514,999		6,710,448
Water Division-- Stipulated Order		400,000		412,000		424,360		437,091		450,204		463,710		477,621		491,950		506,708		521,909
Wastewater Division -- Maintenance		707,700		728,931		750,799		773,323		796,523		820,418		845,031		870,382		896,493		923,388
Wastewater Division --Stipulated Order		100,000		103,000		106,090		109,273		112,551		115,927		119,405		122,987		126,677		130,477
Administration -- Maintenance		118,500		122,055		125,717		129,488		133,373		137,374		141,495		145,740		150,112		154,616
Administration -- Stipulated Order		-		-		-		-		-		-		-		-		-		-
Total		26,432,681		27,897,661		23,442,591		22,772,970		21,839,982		17,246,109		28,196,958		27,686,517		18,845,288		24,047,743

COMMONWEALTH UTILITIES CORPORATION										TABLE II-18
COMBINED UTILITIES COST OF SERVICE MODEL										TABLE II-19
MAINT CO SUMMARY										
	Forecast									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035

Maintenance and Capital Outlays Summary

Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC

Capital Outlays

Power Division Capital Outlays

Power -- Replacement Reserve

0	Replacement Reserve	-	-	-	-	-	-	-	-	-
0	Replacement Reserve	-	-	-	-	-	-	-	-	-
0	Replacement Reserve	-	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-	-

Power -- Generation

Saipan	Other System Upgrade	60,000	61,800	63,654	65,564	67,531	69,556	71,643	73,792	76,006	78,286
Saipan	Purchase of Vehicle	80,000	82,400	84,872	87,418	90,041	92,742	95,524	98,390	101,342	104,382
Saipan	Fuel Line for Temporary Power	-	-	-	-	-	-	-	-	-	-
Saipan	Two Units of 3 to 3.5 MW generators	-	-	-	-	-	-	-	-	-	-
Saipan	Power Gen Share (DOE-BIL Grant)	510,000	525,300	541,059	557,291	574,009	591,230	608,967	627,236	646,053	665,434
Tinian	Roof and Building Renovation	-	-	-	-	-	-	-	-	-	-
Tinian	Two Units of 3 to 3.5 MW generators	-	-	-	-	-	-	-	-	-	-
Tinian	Computer Systems and Equipment	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239
Tinian	Office Furniture and Fistures	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143
Rota	2.5 MW Capacity Generator	-	-	-	-	-	-	-	-	-	-
0	Capital Outlay	-	-	-	-	-	-	-	-	-	-
0	Administrative Allocation	37,500	38,625	39,784	40,977	42,207	43,473	44,777	46,120	47,504	48,929
Total		767,500	790,525	814,241	838,668	863,828	889,743	916,435	943,928	972,246	1,001,413

Power -- Transmission and Distribution

Saipan	Proposed Garage for Fleet	170,000	-	-	-	-	-	-	-	-	-
Saipan	Heavy Equipment -- Hydro Mover	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239
Saipan	Power T&D Share (DOE-BIL Grant)	510,000	525,300	541,059	557,291	574,009	591,230	608,967	627,236	646,053	665,434
Tinian	Building Renovation	300,000	-	-	-	-	-	-	-	-	-
Tinian	Designated area for heavy equiment and parking	425,000	-	-	-	-	-	-	-	-	-
Tinian	Auger truck, riding mower, field safety equipment	300,000	309,000	318,270	327,818	337,653	347,782	358,216	368,962	380,031	391,432
Tinian	Office furniture and fixtures	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
Tinian	Vehicles (utility trucks)	100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987	126,677	130,477
Rota	Miscellaneous	40,000	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671	52,191
0	Capital Outlay	-	-	-	-	-	-	-	-	-	-
0	Administrative Allocation	37,500	38,625	39,784	40,977	42,207	43,473	44,777	46,120	47,504	48,929
Total		1,937,500	1,073,775	1,105,988	1,139,168	1,173,343	1,208,543	1,244,800	1,282,144	1,320,608	1,360,226

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL MAINT CO SUMMARY										TABLE II-18 TABLE II-19
Forecast										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035

Maintenance and Capital Outlays Summary

Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC

Water Division Capital Outlays											
<u>Water -- Replacement Reserve</u>											
	0	Replacement Reserve	-	-	-	-	-	-	-	-	-
	0	Replacement Reserve	-	-	-	-	-	-	-	-	-
	0	Replacement Reserve	-	-	-	-	-	-	-	-	-
		Total	-	-	-	-	-	-	-	-	-
 <u>Water -- Capital Outlays</u>											
Saipan	Pumps	135,000	139,050	143,222	147,518	151,944	156,502	161,197	166,033	171,014	176,144
Saipan	Machinery and Equipment	200,000	206,000	212,180	218,545	225,102	231,855	238,810	245,975	253,354	260,955
Saipan	Laboratory IMS	250,000	257,500	265,225	273,182	281,377	289,819	298,513	307,468	316,693	326,193
Saipan	Office Equipment/Furniture	17,000	17,510	18,035	18,576	19,134	19,708	20,299	20,908	21,535	22,181
Saipan	Vehicles	150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481	190,016	195,716
Tinian	Replace Pad-Mounted Transformer, Booster Pumps	200,000	-	-	-	-	-	-	-	-	-
Tinian	Office furniture and fixtures	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
Tinian	Vehicles	45,000	46,350	47,741	49,173	50,648	52,167	53,732	55,344	57,005	58,715
Rota	Construction of building for chlorine storage	50,000	-	-	-	-	-	-	-	-	-
Rota	Vehicles	45,000	46,350	47,741	49,173	50,648	52,167	53,732	55,344	57,005	58,715
0	Capital Outlay	-	-	-	-	-	-	-	-	-	-
0	Administrative Allocation	37,500	38,625	39,784	40,977	42,207	43,473	44,777	46,120	47,504	48,929
	Total	1,134,500	911,035	938,366	966,517	995,513	1,025,378	1,056,139	1,087,823	1,120,458	1,154,072
 <u>Wastewater Division Capital Outlays</u>											
<u>Wastewater -- Replacement Reserve</u>											
	0	Replacement Reserve	-	-	-	-	-	-	-	-	-
	0	Replacement Reserve	-	-	-	-	-	-	-	-	-
	0	Replacement Reserve	-	-	-	-	-	-	-	-	-
		Total	-	-	-	-	-	-	-	-	-
 <u>Wastewater -- Capital Outlays</u>											
Saipan	Flygt Pumps	200,000	206,000	212,180	218,545	225,102	231,855	238,810	245,975	253,354	260,955
Saipan	Trashpump	40,000	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671	52,191
0	Capital Outlay	-	-	-	-	-	-	-	-	-	-
0	Administrative Allocation	37,500	38,625	39,784	40,977	42,207	43,473	44,777	46,120	47,504	48,929
	Total	277,500	285,825	294,400	303,232	312,329	321,699	331,350	341,290	351,529	362,072

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL MAINT CO SUMMARY										TABLE II-18 TABLE II-19
Forecast										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Maintenance and Capital Outlays Summary										
Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC										
Administration Division Capital Outlays										
<u>Administration -- Replacement Reserve</u>										
0 Replacement Reserve	-	-	-	-	-	-	-	-	-	-
0 Replacement Reserve	-	-	-	-	-	-	-	-	-	-
0 Replacement Reserve	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
<u>Administration -- Capital Outlays</u>										
Saipan Construction Building/Maintenance	-	-	-	-	-	-	-	-	-	-
Saipan Computer Systems and Equipment	-	-	-	-	-	-	-	-	-	-
Saipan Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-
Saipan Vehicles	-	-	-	-	-	-	-	-	-	-
Tinian Construction Building/Maintenance	100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987	126,677	130,477
Tinian Computer Systems and Equipment	-	-	-	-	-	-	-	-	-	-
Tinian Furniture and Fixtures	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048
Tinian Vehicles	-	-	-	-	-	-	-	-	-	-
Rota Construction Building/Maintenance	-	-	-	-	-	-	-	-	-	-
Rota Computer Systems and Equipment	-	-	-	-	-	-	-	-	-	-
Rota Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-
Rota Vehicles	40,000	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671	52,191
0 Capital Outlay	-	-	-	-	-	-	-	-	-	-
0 Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total	150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481	190,016	195,716
<u>Total Replacement Reserve</u>										
Power -- Replacement Reserve	-	-	-	-	-	-	-	-	-	-
Water -- Replacement Reserve	-	-	-	-	-	-	-	-	-	-
Wastewater -- Replacement Reserve	-	-	-	-	-	-	-	-	-	-
Administration -- Replacement Reserve	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
<u>Total Capital Outlays</u>										
Power -- Generation	\$ 767,500	\$ 790,525	\$ 814,241	\$ 838,668	\$ 863,828	\$ 889,743	\$ 916,435	\$ 943,928	\$ 972,246	\$ 1,001,413
Power -- Transmission and Distribution	1,937,500	1,073,775	1,105,988	1,139,168	1,173,343	1,208,543	1,244,800	1,282,144	1,320,608	1,360,226
Water -- Capital Outlays	1,134,500	911,035	938,366	966,517	995,513	1,025,378	1,056,139	1,087,823	1,120,458	1,154,072
Wastewater -- Capital Outlays	277,500	285,825	294,400	303,232	312,329	321,699	331,350	341,290	351,529	362,075
Administration -- Capital Outlays	150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481	190,016	195,716
Total	4,267,000	3,215,660	3,312,130	3,411,494	3,513,839	3,619,254	3,727,831	3,839,666	3,954,856	4,073,502

Another issue that was investigated by the project team is the appropriateness of including a replacement reserve in the calculation of the cost of service. This is typically undertaken by utilities that do not have significant levels of capital outlays. Because CUC's cost of service forecast includes a significant component for capital outlays, under the cash basis of ratemaking it would be considered "double-counting" to include both a reserve requirement and capital outlays in the calculation of the cost of service. Therefore for the purposes of this cost analysis, no reserve requirement is included.

Capital Improvement Plan and Debt Service – Ten Year Forecast

Like most utilities, CUC maintains a capital improvement program to repair, maintain and expand its electric system. CUC staff developed an estimate of CUC's capital improvement costs over the next decade. The forecast CIP projects identified by CUC staff is presented in **Table II-20**. As the table shows, CUC has identified \$64,200,000 in projects to be required over the next five years.

For the purposes of this rate and financial forecast, **the project team is assuming that CUC obtains long-term debt financing of \$62,000,000 in FY 2026 to fund these projects.** This debt is assumed to have a 30 year term, an interest rate of 3.0%, and fixed principal and interest payments. The remainder of the CIP is assumed to be funded through a combination of interest income on unused bond funds and rate revenue.

Beyond FY 2030, CUC staff has yet to identify specific additional CIP projects. However, given the age and the condition of the system, the project team is assuming that additional capital improvements of \$10,000,000 per year will be required. Therefore, the forecast assumes that between FY 2031 and FY 2035 CUC will issue an additional **\$50,000,000** in long-term debt under the same terms as outlined above.

Table II-20

COMMONWEALTH UTILITIES CORPORATION FORECAST POWER CAPITAL IMPROVEMENT PLAN							
Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC							
		Total	2026	2027	2028	2029	2030
Saipan	Fuel Line for Temporary Power	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
Saipan	Two Units of 3 to 3.5 MW generators	26,500,000	4,500,000	4,500,000	4,725,000	4,961,250	-
Saipan	Two Units of 3 to 3.5 MW generators	-	-	-	-	4,961,250	5,209,313
Tinian	Roof and Building Renovation	3,000,000	3,000,000	-	-	-	-
Tinian	Two Units of 3 to 3.5 MW generators	18,000,000	4,500,000	4,500,000	4,725,000	4,725,000	-
Rota	2.5 MW Capacity Generator	5,500,000	2,500,000	-	-	-	-
Saipan	Construction Building/Maintenance	5,000,000	5,000,000	-	-	-	-
Saipan	Computer Systems and Equipment	5,200,000	5,200,000	-	-	-	-
Total		64,200,000	25,700,000	9,000,000	9,450,000	14,647,500	5,209,313

Power System Cost Functionalization

Once the total system costs have been identified, the next step in the rate development process is to isolate the costs associated with each system function. Some of these expenditures are a function of electricity use over time and are based on peak demands placed on the system. Certain costs are associated with serving customers regardless of the volume of electricity consumed by a given customer.

As outlined earlier in this section, electric system costs are allocated to the following functions:

Generation – the generation of electricity

Transmission and Distribution – substations, poles, and lines to individual customers' properties

Administration – miscellaneous overhead and other non-operating costs

Customer Billing – the processes involved in billing and providing other services to customers

The project team allocated operating budget line-item expenses individually to system functions based on general guidelines, specific research and input from CUC staff. The results of the allocation process are presented for the current year in **Table II-21** and for the ten-year forecast period in **Table II-22**.

For the electric system as a whole, **approximately 78.8% of total test year costs are associated with the generation of electricity, most of which is incorporated as fuel expense.**

TABLE II-21

COMMONWEALTH UTILITIES CORPORATION			
Test Year			
2026			
TEST YEAR ELECTRIC COST FUNCTIONALIZATION			
2025 05 09 Scenario I -- 5 Year Implement -- No WEC			
Function	Revenue Requirement		Percent
Generation	\$	79,810,133	78.8%
Transmission/Distribution		10,234,508	10.1%
Administration		8,902,595	8.8%
Customer		<u>2,287,594</u>	<u>2.3%</u>
Total		101,234,829	100.0%

TABLE II-22

COMMONWEALTH UTILITIES CORPORATION						
FORECAST ELECTRIC COST FUNCTIONALIZATION						
2025 05 09 Scenario I -- 5 Year Implement -- No WEC						
Year	Total Rev. Rqmt.	Generation	Transmission/ Distribution	Admin	Customer	
2026	\$ 101,234,829	\$ 79,436,286	\$ 10,272,623	\$ 9,169,693	\$ 2,356,227	
2027	107,990,527	85,644,430	10,163,045	9,721,449	2,461,604	
2028	103,795,278	81,820,341	9,396,908	10,056,454	2,521,576	
2029	103,904,997	81,421,368	9,446,260	10,445,080	2,592,290	
2030	103,770,603	80,813,154	9,448,112	10,844,384	2,664,952	
2031	100,893,950	78,046,087	8,805,581	11,291,346	2,750,936	
2032	113,954,892	88,150,124	11,210,870	11,760,952	2,832,946	
2033	114,294,148	87,867,627	11,315,280	12,199,034	2,912,207	
2034	107,471,772	82,112,409	9,749,330	12,618,752	2,991,281	
2035	113,702,347	86,500,720	11,016,444	13,106,313	3,078,869	

Power System Cost Classification

The allocation of functionalized electric system costs to service characteristics is conducted according to generally accepted ratemaking principles. Under this standardized methodology, costs are defined and segregated into the following categories:

Capacity or Demand costs -- vary with meeting power demand (kW), such as fixed production costs, transmission costs and a part of distribution costs

Energy costs -- vary with the level of energy consumption over time measured in kWh, such as fuel and variable operations and maintenance expense.

Customer costs -- operating and capital costs that vary with the number of customers, regardless of the amount of electricity consumed by a given customer.

The system-wide costs by service characteristic are shown for the test year in **Table II-23**; and for the ten-year forecast period in **Table II-24**.

TABLE II-23

COMMONWEALTH UTILITIES CORPORATION		
Test Year		
2026		
2025 05 09 Scenario I -- 5 Year Implement -- No WEC		
TEST YEAR ELECTRIC COST CLASSIFICATION		
Function	Revenue Requirement	Percent
Demand	\$ 30,131,435	29.76%
Energy	65,335,208	64.54%
Customer	<u>5,768,186</u>	<u>5.70%</u>
Total	101,234,829	100.0%

TABLE II-24

COMMONWEALTH UTILITIES CORPORATION				
FORECAST ELECTRIC COST CLASSIFICATION				
2025 05 09 Scenario I -- 5 Year Implement -- No WEC				
Year	Total Rev. Rqmt.	Demand	Energy	Customer
2026	\$ 101,234,829	\$ 30,131,435	\$ 65,335,208	\$ 5,768,186
2027	107,990,527	31,540,623	70,287,299	6,162,606
2028	103,795,278	30,136,426	67,472,559	6,186,293
2029	103,904,997	30,268,228	67,319,199	6,317,570
2030	103,770,603	30,314,654	67,008,155	6,447,795
2031	100,893,950	29,307,853	65,025,107	6,560,990
2032	113,954,892	33,955,974	73,033,617	6,965,302
2033	114,294,148	34,187,185	72,990,193	7,116,770
2034	107,471,772	31,632,354	68,703,460	7,135,958
2035	113,702,347	33,992,672	72,295,099	7,414,575

Power System Cost Allocation

Allocation of costs by service characteristic to customer classes is based on the proportionate use levels of each characteristic by each class. Total power utility costs by customer class for the ten-year period are summarized in **Table II-25**. Overall cost calculations are presented in detail in the rate model contained in Appendix A and Appendix B.

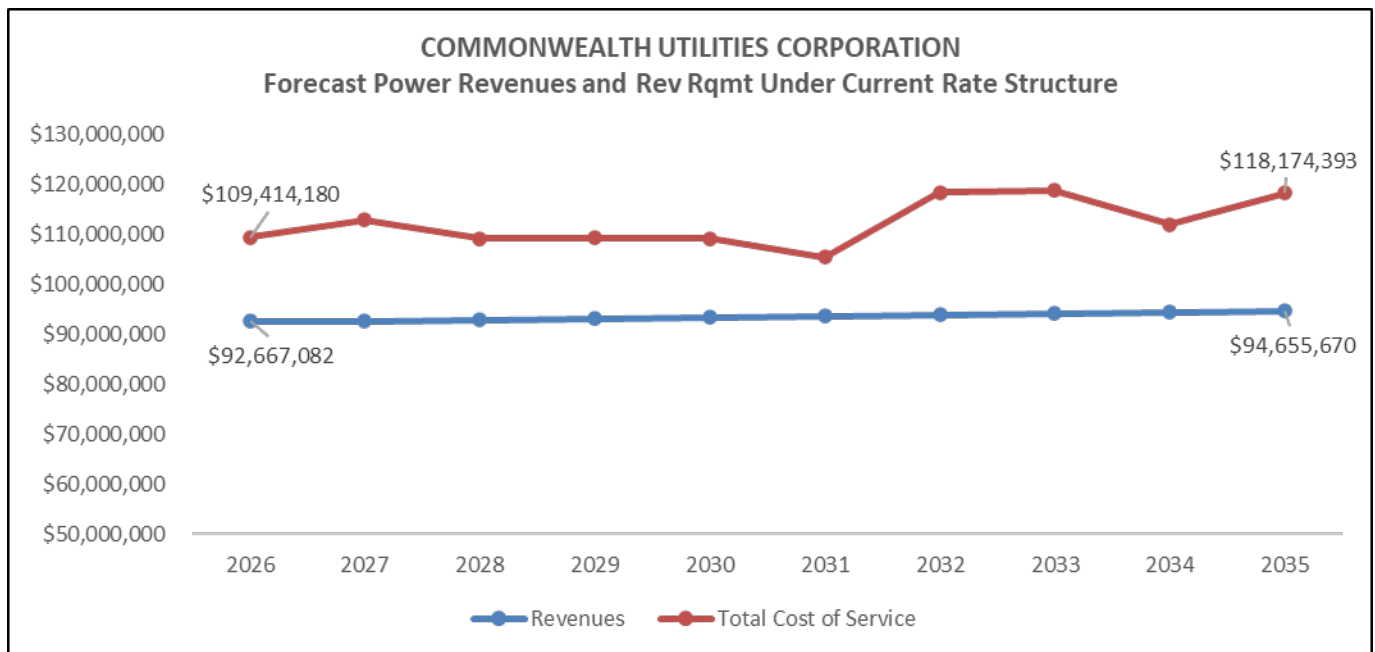
TABLE II-25

COMMONWEALTH UTILITIES CORPORATION							
Test Year							
2026							
Scenario I -- Status Quo							
FORECAST ELECTRIC COST ALLOCATION							
2025 05 09 Scenario I -- 5 Year Implement -- No WEC							
Year	Residential	Residential Prepaid	Commercial	Government	Streetlights	CUC Municipal Pumping	Total
2026	\$ 28,212,531	5,940,800	48,972,945	13,711,603	963,009	3,433,941	\$ 101,234,829
2027	30,429,557	6,517,088	52,782,698	14,275,167	1,051,958	2,934,059	107,990,527
2028	29,235,219	6,350,513	50,743,189	13,699,976	1,010,340	2,756,042	103,795,278
2029	29,171,639	6,427,242	50,901,707	13,709,914	1,009,364	2,685,131	103,904,997
2030	29,048,611	6,490,355	50,936,449	13,687,019	1,006,082	2,602,087	103,770,603
2031	28,249,271	6,397,771	49,534,781	13,286,561	977,159	2,448,406	100,893,950
2032	31,517,197	7,247,096	56,370,634	15,066,284	1,100,922	2,652,759	113,954,892
2033	31,517,357	7,346,673	56,675,956	15,112,435	1,102,378	2,539,348	114,294,148
2034	29,706,139	7,015,679	53,162,813	14,160,573	1,036,378	2,390,191	107,471,772
2035	31,161,411	7,461,462	56,474,143	14,995,332	1,091,962	2,518,037	113,702,347

Revenues under Current Electric Rate Structure

Chart II-26 compares forecast revenues and total revenue requirement for the power utility assuming that there are no changes in CUC's rate structure. The chart reveals that without a rate adjustment, CUC's current financial crisis will continue and deepen.

CHART II-26



Electric Rate Scenario I – 5 Year Implementation

Table II-27 summarizes the rate recommendations for Scenario I – 5 Year Implementation. As stated in Section I, the objective of Scenario I is to implement a rate plan that eliminates CUC's cost of service deficit over a five-year period. This means that by 2030 CUC would have base electric rates that fully cover the cost of service.

The impact of these recommendations on monthly residential and commercial charges is presented in **Table II-28**.

Chart II-29 presents forecast revenues and expenses under Scenario I. Details behind these calculations, as well as annual forecasts of revenues and expenses, are presented in Appendix A.

The following is notable about this scenario:

- This scenario requires CUC to institute an across the board electric base rate increase of 25.0% effective October 2025, 22.0% October 2027, 19.0% October 2028, 19.0% October 2029, and 9.0% October 2030.
- On a percentage basis, the average impact on residential monthly charges is significantly less. This is because the FAC represents the majority of the monthly charge.
- Further rate adjustments of 3.0% are forecast for the period beyond FY 2030.
- This rate structure will allow the electric utility to fully recover its cost of service by FY 2030.
- This plan also enables CUC to fund \$62,000,000 in long-term debt for identified capital improvements.

Finally, the forecast assumes that the FAC does not change during this period. Any changes to the FAC would be incorporated into monthly customer charges at that time.



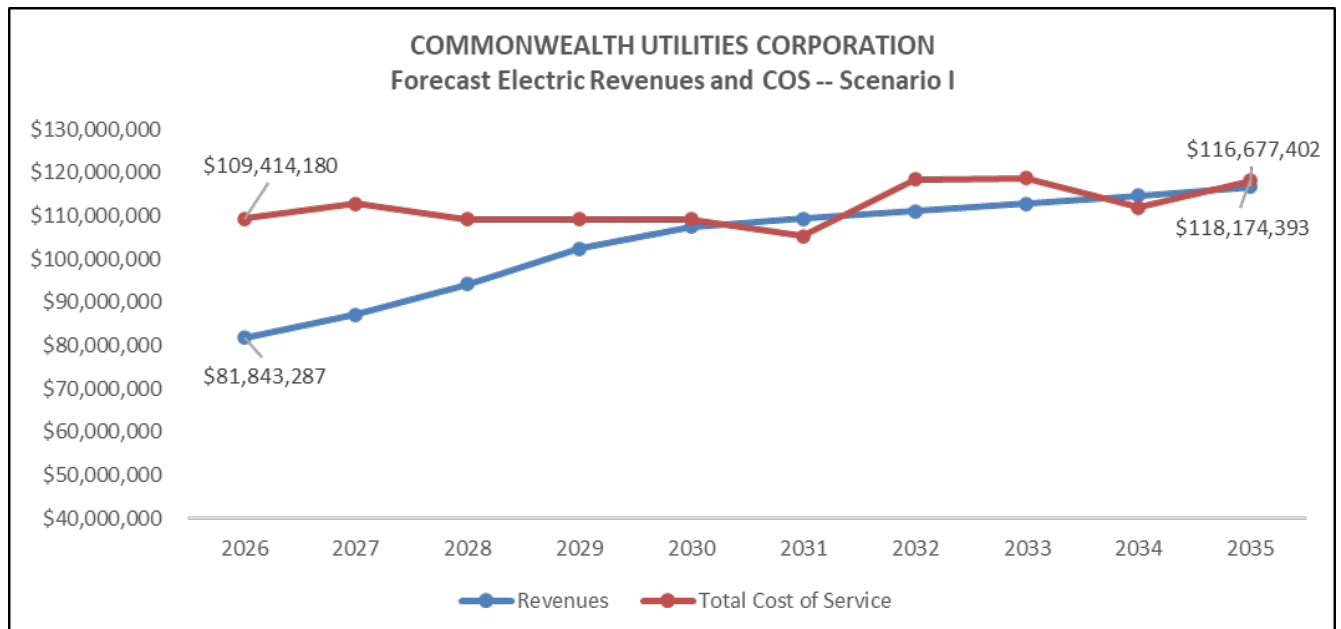
TABLE II-27

COMMONWEALTH UTILITIES CORPORATION 2025 05 09 Scenario I -- 5 Year Implement -- No WEC PROPOSED ELECTRIC RATE PLAN							
	Current	2026	2027	Effective 2028	2029	2030	
POWER							
Residential							
Monthly Customer Chg	\$ 7.00	\$ 8.75	\$ 10.68	\$ 12.70	\$ 15.12	\$ 16.48	
Base Rates Per kWh:							
- 350	0.0210	0.0263	0.0320	0.0381	0.0454	0.0494	
351 1,200	0.0970	0.1213	0.1479	0.1760	0.2095	0.2283	
1,201 Above	0.1580	0.1975	0.2410	0.2867	0.3412	0.3719	
Commercial							
Monthly Customer Chg	10.00	12.50	15.25	18.15	21.60	23.54	
Rates Per kWh:	0.1130	0.1413	0.1723	0.2051	0.2440	0.2660	
Government							
Monthly Customer Chg	10.00	12.50	15.25	18.15	21.60	23.54	
Rates Per kWh:	0.1240	0.1550	0.1891	0.2250	0.2678	0.2919	
Streetlights							
Monthly Customer Chg	11.67	14.59	17.80	21.18	25.20	27.47	
Rates Per kWh:	0.2500	0.3125	0.3813	0.4537	0.5399	0.5885	
Municipal Pumping							
Monthly Customer Chg	9.06	11.33	13.82	16.44	19.57	21.33	
Rates Per kWh:	0.1070	0.1338	0.1632	0.1942	0.2311	0.2519	

TABLE II-28

COMMONWEALTH UTILITIES CORPORATION 2025 05 09 Scenario I -- 5 Year Implement -- No WEC IMPACT OF RATE PLAN ON MONTHLY CHARGES						
	Current	Effective				
		2026	2027	2028	2029	2030
Residential Monthly Charges						
500 kWh	\$ 134.50	\$ 141.72	\$ 149.67	\$ 158.04	\$ 168.01	\$ 173.62
Increase -- \$		7.22	7.95	8.37	9.96	5.62
Increase -- %		5.4%	5.6%	5.6%	6.3%	3.3%
1,000 kWh	288.59	307.94	329.23	351.65	378.34	393.38
Increase -- \$		19.35	21.29	22.43	26.69	15.04
Increase -- %		6.7%	6.9%	6.8%	7.6%	4.0%
3,000 kWh	1,014.77	1,110.07	1,214.90	1,325.35	1,456.79	1,530.88
Increase -- \$		95.30	104.83	110.45	131.44	74.09
Increase -- %		9.4%	9.4%	9.1%	9.9%	5.1%
Commercial Monthly Charges						
2,500 kWh	\$ 820.48	\$ 893.60	\$ 974.04	\$ 1,058.79	\$ 1,159.64	\$ 1,216.49
Increase -- \$		73.13	80.44	84.75	100.85	56.85
Increase -- %		8.9%	9.0%	8.7%	9.5%	4.9%
5,000 kWh	1,630.95	1,774.70	1,932.83	2,099.43	2,297.69	2,409.45
Increase -- \$		143.75	158.13	166.61	198.26	111.76
Increase -- %		8.8%	8.9%	8.6%	9.4%	4.9%

CHART II-29



Electric Rate Scenario II – 1 Year Implementation

Table II-30 summarizes the rate recommendations for Scenario II – 1 Year Implementation. As stated in Section I, the objective of Scenario II is to implement a rate plan that eliminates CUC's cost of service deficit over a one-year period. This means that CUC would immediately have base electric rates that fully cover the cost of service.

The impact of these recommendations on monthly residential and commercial charges is presented in **Table II-31**.

Chart II-32 presents forecast revenues and expenses under Scenario II. Details behind these calculations, as well as annual forecasts of revenues and expenses, are presented in Appendix B.

The following is notable about this scenario:

- **This scenario requires CUC to institute a significantly higher across the board electric base rate increase effective October 2025.**
- On a percentage basis, the average impact on residential monthly charges is significantly less. This is because the FAC represents the majority of the monthly charge.
- **Further rate adjustments of 3.0% are forecast for the period beyond FY 2026.**
- This rate structure will allow the electric utility to fully recover its cost of service by FY 2027.
- This plan also enables CUC to fund \$62,000,000 in long-term debt for identified capital improvements.

Finally, the forecast assumes that the FAC does not change during this period. Any changes to the FAC would be incorporated into monthly customer charges at that time.



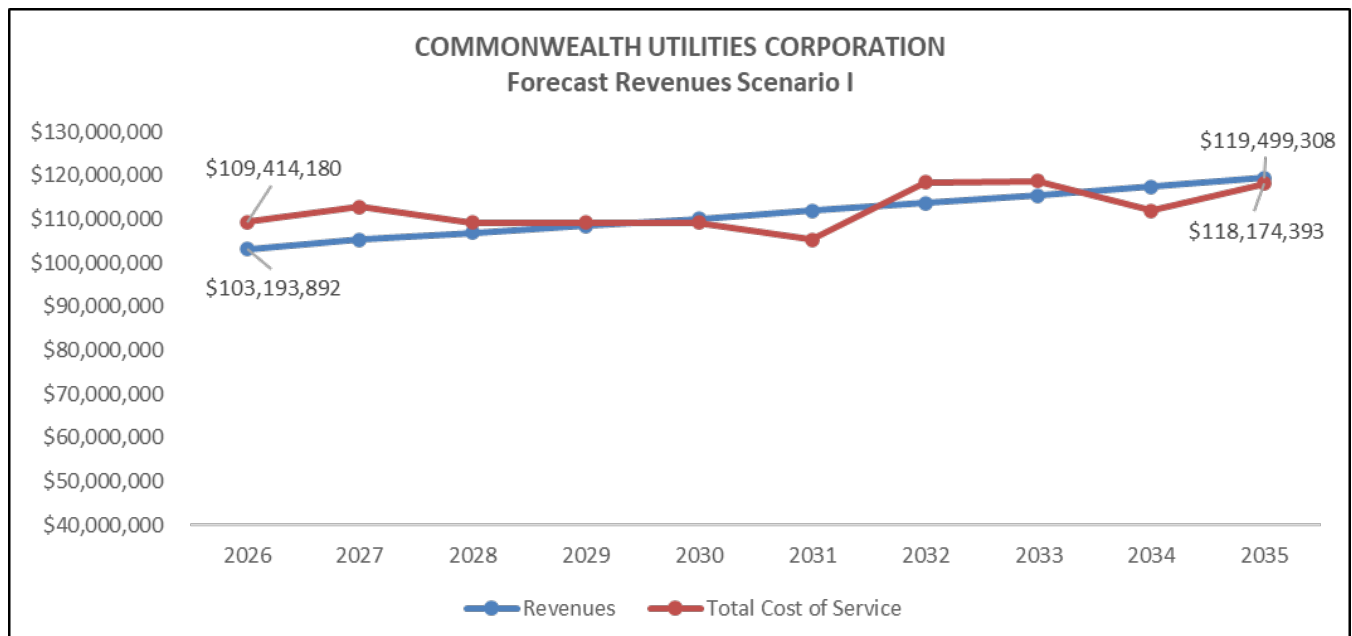
TABLE II-30

COMMONWEALTH UTILITIES CORPORATION 2025 05 09 Scenario II -- 1 Year Implement -- No WEC PROPOSED ELECTRIC RATE PLAN							
		Effective					
		Current	2026	2027	2028	2029	2030
POWER							
Residential							
Monthly Customer Chg		\$ 7.00	\$ 15.26	\$ 15.72	\$ 16.19	\$ 16.68	\$ 17.18
<u>Base Rates Per kWh:</u>							
-	350	0.0210	0.0458	0.0472	0.0486	0.0500	0.0515
351	1,200	0.0970	0.2115	0.2178	0.2243	0.2311	0.2380
1,201	Above	0.1580	0.3444	0.3548	0.3654	0.3764	0.3877
Commercial							
Monthly Customer Chg		10.00	21.80	22.45	23.13	23.82	24.54
Rates Per kWh:		0.1130	0.2463	0.2537	0.2613	0.2692	0.2773
Government							
Monthly Customer Chg		10.00	21.80	22.45	23.13	23.82	24.54
Rates Per kWh:		0.1240	0.2703	0.2784	0.2868	0.2954	0.3042
Streetlights							
Monthly Customer Chg		11.67	25.44	26.20	26.99	27.80	28.63
Rates Per kWh:		0.2500	0.5450	0.5614	0.5782	0.5955	0.6134
Municipal Pumping							
Monthly Customer Chg		9.06	19.75	20.34	20.95	21.58	22.23
Rates Per kWh:		0.1070	0.2333	0.2403	0.2475	0.2549	0.2625

TABLE II-31

COMMONWEALTH UTILITIES CORPORATION						
2025 05 09 Scenario II -- 1 Year Implement -- No WEC						
IMPACT OF RATE PLAN ON MONTHLY CHARGES						
	Current	Effective				
		2026	2027	2028	2029	2030
Residential Monthly Charges						
500 kWh	\$ 134.50	\$ 168.60	\$ 170.49	\$ 172.43	\$ 174.44	\$ 176.50
Increase -- \$		34.10	1.89	1.95	2.01	2.07
Increase -- %		25.4%	1.1%	1.1%	1.2%	1.2%
1,000 kWh	288.59	379.92	384.98	390.20	395.57	401.10
Increase -- \$		91.33	5.06	5.21	5.37	5.53
Increase -- %		31.6%	1.3%	1.4%	1.4%	1.4%
3,000 kWh	1,014.77	1,464.59	1,489.52	1,515.19	1,541.64	1,568.89
Increase -- \$		449.82	24.93	25.68	26.45	27.24
Increase -- %		44.3%	1.7%	1.7%	1.7%	1.8%
Commercial Monthly Charges						
2,500 kWh	820.48	1,165.63	1,184.75	1,204.46	1,224.75	1,245.66
Increase -- \$		345.15	19.13	19.70	20.29	20.90
Increase -- %		42.1%	1.6%	1.7%	1.7%	1.7%
5,000 kWh	1,630.95	2,309.45	2,347.06	2,385.79	2,425.68	2,466.78
Increase -- \$		678.50	37.61	38.73	39.90	41.09
Increase -- %		41.6%	1.6%	1.7%	1.7%	1.7%

CHART II-32



Comparative Impact on Ratepayers

Table II-33 below presents the impact on ratepayers' monthly bills for each of the scenarios at 500 kWh per month, a typical residential usage level. The table reveals that the impact on monthly ratepayer bills increases with each of the alternative scenarios, though the impact is more immediate under Scenario II.

TABLE II-33

COMMONWEALTH UTILITIES CORPORATION							
IMPACT OF RATE PLAN ON MONTHLY CHARGES							
		Effective					
	Current	2026	2027	2028	2029	2030	
Impact on Monthly Electric Residential Monthly Charges -- 500 kWh							
Scenario I		134.50	141.72	149.67	158.04	168.01	173.62
	Increase -- \$		7.22	7.95	8.37	9.97	5.61
	Increase -- %		5.4%	5.6%	5.6%	6.3%	3.3%
Scenario II		134.50	168.60	170.49	172.43	174.44	176.50
	Increase -- \$		34.10	1.89	1.95	2.01	2.07
	Increase -- %		25.4%	1.1%	1.1%	1.2%	1.2%

SECTION III

Water and Wastewater Utility – Rate Study

Background



This section of the Comprehensive Power, Water and Wastewater Rate Study focuses on CUC's water and wastewater utilities. It includes the methodology used for developing the current and forecast cost of service, as well as rate design recommendations under three identified scenarios.

One of the primary objectives of this study is to calculate the overall cost of operating and maintaining water and wastewater facilities both in the current year and for a forecast period ten years into the future. An additional objective is an evaluation of the current water and wastewater rate structures and revenue recovered versus the revenue requirement, both overall and for each customer class

Each of the rate design scenarios is designed to recover revenues in accordance with a specific objective. The rate

scenarios are summarized in Section I.

This section will also present an analysis and recommendations for the following:

- The inclusion of potential new customer classes, including standpipe/watering stations and agricultural
- The impact of reductions in Non-Revenue water on the cost of service
- The potential inclusion of a replacement reserve in the cost of service
- The calculation of and elimination of a Water Electric Charge and a Wastewater Electric Charge
- Wastewater BOD/TSS rates per lb.

Methodology

Determining a water utility's total cost of service requires an analysis of both operating and capital costs. The first step in the process is to allocate these costs to the following functions: **treatment** costs including supply and pumping; **distribution** costs; **customer-related** costs such as meter reading, billing and collection; and **administration** costs. This process is known in ratemaking as **Functionalization**.

The next step in the ratemaking process is to allocate functionalized costs among the various customer classes. According to the American Water Works Association, one of the most widely used methods of allocating these costs is the **base-extra capacity method**. This method recognizes the differences in the cost of providing service due to variations in the average rate of use and peak rate of use by a given customer class. It also recognizes customer-related costs as a valid function.

In the base-extra capacity method, costs must be carefully classified into base and extra capacity costs, a process known as **Classification**. **Base** costs are those that tend to vary with the total quantity of water used, plus those operating expenses and capital costs associated with service under average load conditions. Chemicals are an example of variable base costs. **Extra capacity** costs are those associated with meeting requirements in excess of average flows. These may be subdivided into costs required for maximum day extra demand, maximum hour demand in excess of maximum day demand or other appropriate criteria. Expenses for meters and services and for customer billing and collecting are allocated directly to the **customer** cost component.

The base-extra capacity method is particularly well suited for use when developing the cost of service for publicly owned utilities where certain expenses may benefit multiple utility operations. This methodology enables the costs to be allocated to each utility and proportioned appropriately to the cost components described above.

The final step in the process is to allocate these classified costs to customer classes based on the usage characteristics of each class. This process is known as **Allocation**. The final result of the allocation process is an identification of both the total cost of service for the utility and the specific cost of service for each customer class.

The methodology for developing the cost of service for wastewater operations is substantially the same. While the base-extra capacity allocation methodology does not apply, costs are functionalized between **treatment**, **collection**, **administration**, and **customer**. These costs are then allocated to customer classes based on usage characteristics.

The methodology described above and used to develop the cost of service and rate recommendations in this section is recognized by the American Water Works Association and used by thousands of utilities throughout the United States in their rate setting process and utilities throughout the World.

Data Sources

The following is a list of the documents and data provided to the project team for the water and wastewater study:

- FY2025 CUC Approved Operations Budget (with info per Division)
- FY 2026 Staff Requested Operations Budget
- Payments to CDA as of December 2024
- Current Water and Wastewater Rate Schedule
- Wastewater Charges & Rates Effective 2024

- Water Charges & Rates Effective 11-18-2024
- FY 2022 Audited Financial Statements
- FY 2024-2023 Unaudited Balance Sheet
- FY 2024-2023 Unaudited Income Statement
- CUC Active Water accounts, consumption, and revenues by Island and by Class Oct. 2020 – Nov. 2024
- CUC Active Wastewater accounts, consumption, and revenues by Island and by Class Oct. 2020 – Nov. 2024
- Water WW Project Priority List
- Water WW CIP List Revised for Rate Study
- Active Grant Status Report as of 12.31.2024
- FY24 Completed Construction Projects Accomplishments
- PWWA Data Summary Report
- US Dept. of Labor Bureau of Labor Statistics Consumer Price Indices
- US Census Bureau statistics

Existing Rate Structure

CUC's current water and wastewater rate structure is presented in **Table III-1**.

Metered water customers are charged a monthly service fee based on meter size and a volumetric rate based on an inverted block rate structure. Inverted block rates are intended to encourage conservation by providing a financial disincentive to use increasing amounts of water. Government accounts are considered a separate customer class and are billed at a uniform volume rate of \$54.30 per 1,000 gallons.

All metered water accounts are also charged \$3.72 per 1,000 gallons for a water electric charge. The Water Electric Charge will be discussed in more detail in the next section.

Wastewater customers are charged a flat monthly service fee and a volumetric rate based on an inverted block rate structure. Usage is based on the total amount of water service. Government accounts are charged a flat rate of \$68.00 per 1,000 gallons. A wastewater electric charge was adopted several years ago but was never implemented.

TABLE III-1

COMMONWEALTH UTILITIES CORPORATION			
Test Year			
2026			
CURRENT WATER AND WASTEWATER RATES			
Water Rates		Wastewater Rates	
Meter Service Charge		Residential and Multi Family Minimum and Consumption Charges	
<u>Meter Size</u>		Minimum Charge	\$ 9.69
5/8"	\$ 10.86	<u>Volume Rate (per 1,000 Gal.)</u>	
1"	12.67	0 - 6,000	\$ 1.00
1 1/2"	19.91	Over 6,000 Gallons	3.13
2"	25.34		
3"	63.35		
4"	99.55		
6"	135.75		
8"	199.10		
10"	280.55		
12"	362.00		
Residential, Commercial, PSS, and CHC Consumption Charges		Commercial, PSS, and CHC Minimum and Consumption Charges	
<u>Volume Rate (per 1,000 Gal.)</u>		Minimum Charge	\$ 9.24
0 - 3,000	\$ 0.72	<u>Volume Rate (per 1,000 Gal.)</u>	
3,001 - 15,000	1.74	0 - 6,000	\$ 3.00
15,001 - 30,000	2.68	Over 6,000 Gallons	3.13
30,001 - 60,000	3.59		
Over 60,000 Gallons	4.49		
Multi-Family Consumption Charges		Government, CUC, and CPA Minimum and Consumption Charges	
<u>Volume Rate (per 1,000 Gal.)</u>	\$ 2.95	Minimum Charge	\$ -
		<u>Volume Rate (per 1,000 Gal.)</u>	\$ 68.00
Government, CUC, and CPA Consumption Charges			
<u>Volume Rate (per 1,000 Gal.)</u>	\$ 54.30		
Other Charges			
Water Electric Charge	\$ 3.72		
Unmetered Residential and Government	54.00		
Unmetered Commercial	275.40		

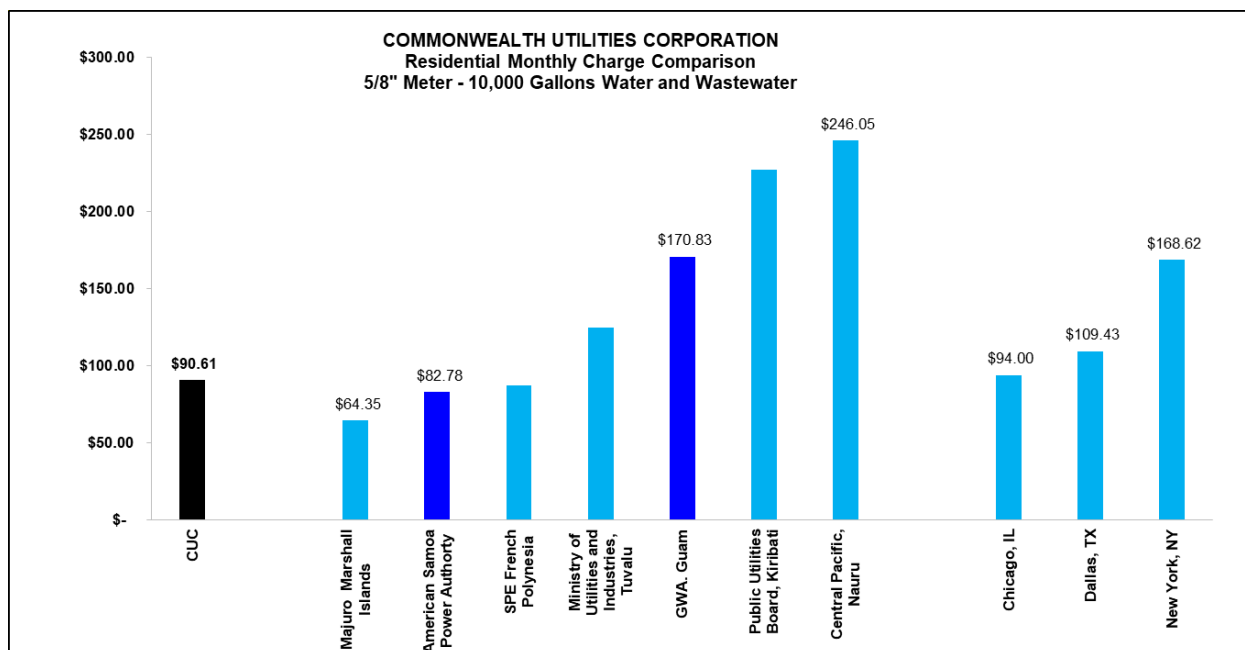
Rate Comparison

In **Table III-2** and **Chart III-3**, CUC water and wastewater rates are compared to those of other Pacific Islands, and to several US cities. Rates shown in the sample are for 3/4" meters. A volume of 10,000 gallons water and 10,000 gallons wastewater were used for the rate comparison as it represents typical usage levels for an average household. The charts reveal that while CUC's water rates are approximately equivalent to the sample of USA utilities, wastewater rates are significantly below that same sample.

TABLE III-2

COMMONWEALTH UTILITIES CORPORATION Total Monthly Residential Charges 3/4" Meter - 10,000 Gallons Water and Wastewater				
	10,000 Gallons Water	10,000 Gallons Wastewater	Total	
CUC	\$ 62.40	\$ 28.21	\$	90.61
<u>Pacific</u>				
Majuro Marshall Islands				64.35
American Samoa Power Authority				82.78
SPE French Polynesia				87.06
GWA. Guam				170.83
Ministry of Utilities and Industries, Tuvalu				124.92
Public Utilities Board, Kiribati				227.12
Central Pacific, Nauru				246.05
<u>Major US Cities</u>				
Dallas, TX	43.64	65.79		109.43
New York, NY	65.10	103.51		168.62
Chicago, IL	47.00	47.00		94.00
Sample Average				133.25

CHART III-3



Standards of Affordability

The American Water Works Association (AWWA) has published an *Affordability Manual* which addresses the question of when water and wastewater bills become unduly burdensome. The manual notes the following:

- The Safe Drinking Water Act (S. 1547) establishes special assistance for communities where the average water bill exceeds 2.0% of median income. Special assistance is also given to communities where the wastewater bill exceeds 2.0% of median income.
- The U.S. Department of Agriculture has a program to provide funds for water and wastewater systems. Loans are made for projects where the residential water bills go up to 1.5% of the community's median income. For costs in excess of 1.5% grants are awarded.
- The manual suggests that affordability programs should be enacted for communities where water and wastewater bills exceed 4.0% of household income.

CUC's average water bill for 10,000 gallons of water and wastewater service is 3.47% as shown in Table III-4 is above the AWWA's definition of burdensome for residents.

TABLE III-4

COMMONWEALTH UTILITIES CORPORATION Water and Wastewater Affordability						
	Population Estimate	Median HH Income	10,000 Gallons Water and Wastewater Total Charges	10,000 Gallons Water/ WW Charges as % MHHI	5,000 Gallons Water and Wastewater Total Charges	5,000 Gallons Water/ WW Charges as % MHHI
CUC	53,900	\$ 31,362	\$ 90.61	3.47%	\$ 49.79	1.91%

Water and Wastewater System Description

Currently CUC provides water service to customer accounts on each of the three primary islands of the CNMI – Saipan, Tinian and Rota. For Saipan and Tinian the primary source of water is wells, which tap into fresh water aquifers that lie below each island; for Rota the primary source of water is a fresh water spring.

Saipan utilizes several sources to supply the fresh water needs of the island, which is estimated to average approximately 10.0 mgd. These sources include approximately 138 production wells, 1 fresh water spring and 2 Maui wells. In addition to the production and treatment facilities, Saipan's water system includes approximately 14 water storage tanks and 380 miles of water mains.

Tinian possesses facilities for water service but not for wastewater service. All connections in Tinian are provided with 24 hour water service. Tinian possesses approximately 1 mgd of capacity, with the primary source as a Maui well. There are approximately 33 miles of water mains.

Rota residents are serviced by one spring, with a capacity of 0.56 mgd. All connections on Rota are provided with 24 hour water service. Additionally, Rota contains one reservoir, a.k.a. storage tank, and 60 miles of water mains.

Unlike the water system, wastewater service is limited to the island of Saipan only. The lack of wastewater facilities on Tinian and Rota may become more of an environmental problem in the future as private wastewater systems leak into each island's underground aquifers.

On the island of Saipan, the wastewater system consists of 37 lift stations and two wastewater treatment plants. The Agingan WWTP has a capacity of 3.0 mgd and was constructed in 1992, while the Sadog Tasi WWTP has a capacity of 4.8 mgd and was constructed in 1994. There are approximately 65 miles of sewer lines in service at this time.

Water and Wastewater Customers – Historical & Ten-Year Forecast

According to standard utility ratemaking methodology, in order to allocate revenue requirements equitably among system users, customers must be classified into relatively homogeneous groups with similar usage characteristics or service demands. Costs are then allocated to the customer classes in proportion to the usage characteristics of each class. For the water system, costs are typically allocated to customers based on their average and peak water demands. For the wastewater system, costs are allocated to customers based on their estimated wastewater flows, and in some cases, based on wastewater strengths.

Table III-5 presents total water accounts for the City for the historical and forecast period. Water accounts are forecast to increase from 10,566 in the test year to 10,620 in FY 2035, an average annual increase of 0.1% per year. Historical water accounts are presented from 2010 to 2024.

New Customer Classes

One of the project team's objectives was to review the current customer classes and determine whether new or revised classes was warranted. Specifically, the team was asked to evaluate the appropriateness of creating an **agricultural rate** and a **standpipe/water station rate**. After investigating these issues, the project team concludes that CUC's billing system does not have existing capacity to segregate agricultural customers into a separate and distinct customer class. In order to do so, CUC staff would have to conduct on-site and individual evaluations of each customer before determining whether to

include that customer in the customer class. The project team concludes that this level of effort is not warranted at this time. However, at some point in the future CUC should consider conducting a survey of its customer base in order to identify specific agricultural customers.

The project team has also identified the cost of producing water and CUC's four water stations. Later in this section a rate per 1,000 gallons for water station customers will be presented.

TABLE III-5

COMMONWEALTH UTILITIES CORPORATION									
Test Year									
2026									
2025 05 09 Scenario I -- 5 Year Implement -- No WEC									
FORECAST TOTAL CUSTOMERS									
WATER Customer Classes									
Fiscal Year	Residential	Multi Family	Commercial	CUC	Government	PSS	CHC	CPA	Total
WATER Total Customers									
2010	8,941	451	1,389	19	78	79	36	37	11,031
2011	8,165	501	1,123	18	224	55	34	35	10,155
2012	7,692	597	1,012	13	207	57	14	10	9,601
2013	7,507	653	909	12	199	52	14	10	9,356
2014	7,461	585	894	13	206	53	14	10	9,236
2015	7,690	452	945	12	206	53	13	10	9,381
2016	8,786	244	1,437	12	116	49	11	12	10,667
2017	8,459	175	1,317	13	231	55	12	25	10,286
2018	8,293	136	1,194	14	227	56	12	37	9,968
2019	8,343	120	1,206	17	234	57	11	49	10,037
2020	8,439	42	1,181	18	234	56	11	61	10,040
2021	8,639	20	1,183	38	200	56	11	26	10,172
2022	8,881	6	1,242	75	171	56	11	12	10,454
2023	8,965	7	1,260	56	193	58	19	13	10,570
2024	8,948	6	1,282	49	194	58	18	11	10,566
2026	8,948	6	1,282	49	194	58	18	11	10,566
2027	8,953	6	1,283	49	194	58	18	11	10,572
2028	8,958	6	1,284	49	194	58	18	11	10,578
2029	8,963	6	1,285	49	194	58	18	11	10,584
2030	8,968	6	1,286	49	194	58	18	11	10,590
2031	8,973	6	1,287	49	194	58	18	11	10,596
2032	8,978	6	1,288	49	194	58	18	11	10,602
2033	8,983	6	1,289	49	194	58	18	11	10,608
2034	8,988	6	1,290	49	194	58	18	11	10,614
2035	8,993	6	1,291	49	194	58	18	11	10,620

Table III-6 presents the project team's historical and ten-year forecast of wastewater account growth. It reveals that the customer base is forecast to remain primarily residential. Wastewater accounts are forecast to increase at an average annual rate of **0.2%** over the forecast period, increasing from 2,793 in the test year to 2,847 in FY 2035. Historical wastewater accounts are presented from 2010 to 2024.

TABLE III-6

COMMONWEALTH UTILITIES CORPORATION									
Test Year									
2026									
2025 05 09 Scenario I -- 5 Year Implement -- No WEC									
FORECAST TOTAL CUSTOMERS									
WASTEWATER Customer Classes									
Residential	Multi Family	Commercial	CUC	Government	PSS	CHC	CPA	Total	
WASTEWATER Total Customers									
2010	2,151	221	944	4	41	24	-	-	3,385
2011	1,784	247	747	5	93	11	-	-	2,887
2012	1,572	288	611	1	87	23	9	1	2,591
2013	1,564	333	480	1	102	29	8	1	2,517
2014	1,591	300	500	1	105	30	7	1	2,536
2015	1,642	189	561	1	100	31	6	2	2,532
2016	1,751	143	729	1	90	27	5	5	2,752
2017	1,730	155	709	1	84	30	5	17	2,729
2018	1,690	167	690	2	103	29	3	29	2,711
2019	1,727	179	740	2	66	29	2	41	2,786
2020	1,710	191	702	2	62	31	2	53	2,751
2021	1,833	54	695	2	63	31	3	17	2,697
2022	1,965	6	741	2	65	31	4	2	2,816
2023	1,947	6	740	2	65	30	7	2	2,797
2024	1,930	6	748	2	58	32	15	2	2,793
2026	1,930	6	748	2	58	32	15	2	2,793
2027	1,935	6	749	2	58	32	15	2	2,799
2028	1,940	6	750	2	58	32	15	2	2,805
2029	1,945	6	751	2	58	32	15	2	2,811
2030	1,950	6	752	2	58	32	15	2	2,817
2031	1,955	6	753	2	58	32	15	2	2,823
2032	1,960	6	754	2	58	32	15	2	2,829
2033	1,965	6	755	2	58	32	15	2	2,835
2034	1,970	6	756	2	58	32	15	2	2,841
2035	1,975	6	757	2	58	32	15	2	2,847

Consumption – Historical and Forecast

Chart III-7 presents total consumed water for the most recent 12 months, October 2023 through September 2024. The chart reveals that according to CUC volume records a total of 1,325,661,431 gallons of treated water was consumed in the past 12 months. The greatest amount was consumed by the residential customer class.

Chart III-8 presents average water consumption per account per month for each customer class.

CHART III-7

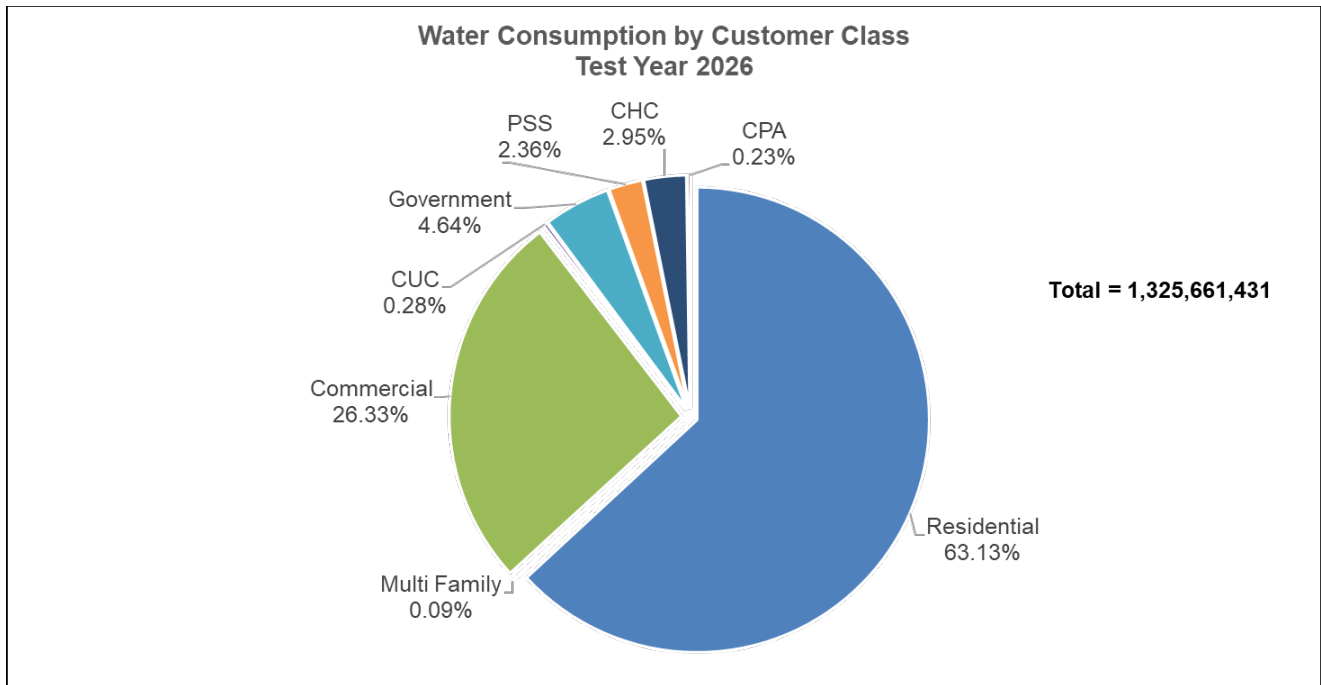


CHART III-8

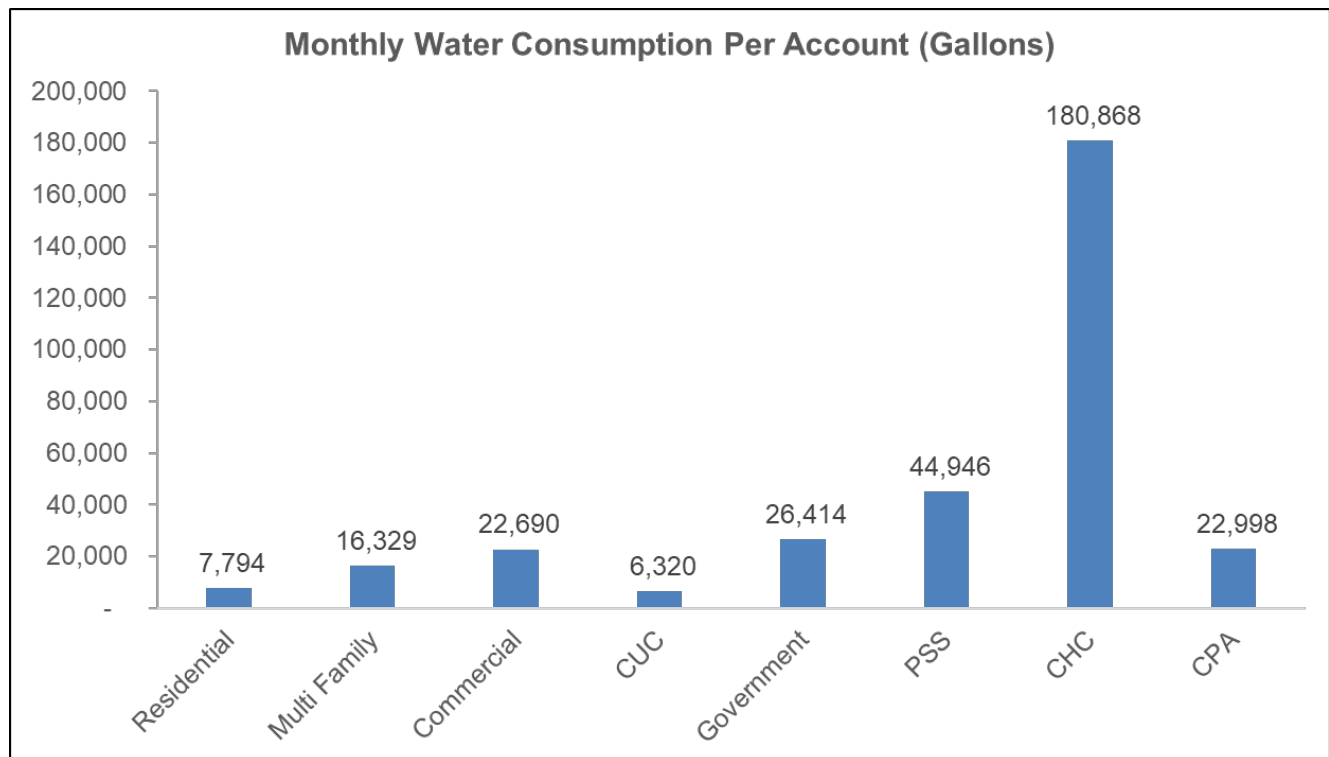


Table III-9 and **Chart III-10** present historical and forecast water consumption for the next decade. **Table III-11** and **Chart III-12** present historical and forecast wastewater billing units for the next decade. This usage forecast is based on all scenarios, which will be described further in the next section. The following is notable about this forecast:

- Water consumption and wastewater billing units are based on a combination of historical usage and assumed account growth over the next decade.
- Water consumption is forecast to increase significantly as a result of the reduction of lost water. CUC is undertaking an aggressive lost water reduction effort at the present time. CUC staff believes that lost water levels are primarily due to underregistering meters, the replacement of which will result in additional billing units as well as additional revenues for both the water and the wastewater utility. It should be noted that if lost water reduction targets are not met, the water consumption forecast will have to be adjusted. Lost water is discussed in more detail in the next section.
- Wastewater billing units are forecast to increase at an average annual rate of 0.14%.
- As will be shown in the rate design section, as rates are increased usage levels are likely to decrease further due to the elasticity of water demand and its sensitivity to cost variables.



TABLE III-9

COMMONWEALTH UTILITIES CORPORATION								
Test Year								
2026								
2025 05 09 Scenario I -- 5 Year Implement -- No WEC								
FORECAST BILLED CONSUMPTION								
WATER Customer Classes								
Residential	Multi Family	Commercial	CUC	Government	PSS	CHC	CPA	Total
WATER Historical Volume								
2010	950,335,070	136,287,913	430,455,565	2,826,044	13,858,094	24,683,387	-	1,558,446,073
2011	906,083,589	179,191,379	327,711,743	3,689,985	51,592,980	18,250,669	-	1,486,520,345
2012	768,591,170	182,809,286	270,494,179	2,678,552	37,460,886	18,410,033	15,239,756	1,325,937,271
2013	745,607,121	175,093,491	240,375,531	1,841,707	35,954,722	22,142,554	19,288,220	1,256,607,515
2014	706,302,484	154,184,355	260,789,004	3,950,904	32,274,081	20,483,106	21,158,043	1,206,980,354
2015	679,896,439	107,524,040	277,863,066	1,120,201	24,869,465	24,243,593	22,810,681	1,149,001,534
2016	698,414,193	104,553,421	332,674,529	1,620,102	26,659,598	22,252,448	14,017,309	1,210,051,372
2017	764,261,940	117,888,418	391,902,954	3,324,501	42,292,723	32,840,743	14,948,248	1,377,319,299
2018	775,815,179	98,565,758	392,390,500	2,405,901	61,032,205	33,473,268	22,905,928	1,396,448,511
2019	780,145,738	92,416,287	393,639,001	7,474,780	78,806,268	19,036,626	19,858,462	1,401,236,934
2020	870,974,280	31,688,245	374,128,050	4,748,384	77,212,009	17,331,204	7,558,973	1,393,500,917
2021	857,424,727	3,570,406	350,145,672	7,260,446	64,667,242	15,793,992	16,533,326	1,318,510,682
2022	825,335,370	1,215,844	345,726,029	6,878,646	59,879,770	17,328,090	21,939,989	1,280,287,264
2023	818,595,186	1,175,700	344,098,716	3,716,357	90,920,042	23,160,113	27,694,143	1,312,222,858
2024	836,836,559	602,247	349,055,477	3,490,990	61,492,069	31,282,126	39,067,420	1,324,862,610
WATER Forecast Volume								
2026	836,836,559	1,175,700	349,055,477	3,716,357	61,492,069	31,282,126	39,067,420	1,325,661,431
2027	922,708,630	1,295,688	384,951,069	4,095,635	67,767,724	34,474,665	43,054,497	1,461,693,443
2028	990,120,312	1,389,625	413,160,061	4,392,569	72,680,884	36,974,078	46,175,948	1,568,481,565
2029	1,050,680,250	1,473,845	438,521,840	4,658,785	77,085,786	39,214,931	48,974,490	1,664,415,475
2030	1,103,253,154	1,546,770	460,560,798	4,889,298	80,899,926	41,155,253	51,397,707	1,747,696,749
2031	1,146,301,073	1,606,261	478,632,809	5,077,348	84,011,462	42,738,148	53,374,542	1,815,889,094
2032	1,177,644,316	1,649,286	491,825,229	5,213,348	86,261,769	43,882,919	54,804,218	1,865,539,629
2033	1,194,002,090	1,671,276	498,764,750	5,282,859	87,411,926	44,468,025	55,534,940	1,891,451,193
2034	1,194,666,680	1,671,276	499,151,690	5,282,859	87,411,926	44,468,025	55,534,940	1,892,502,722
2035	1,195,331,270	1,671,276	499,538,629	5,282,859	87,411,926	44,468,025	55,534,940	1,893,554,251

CHART III-10

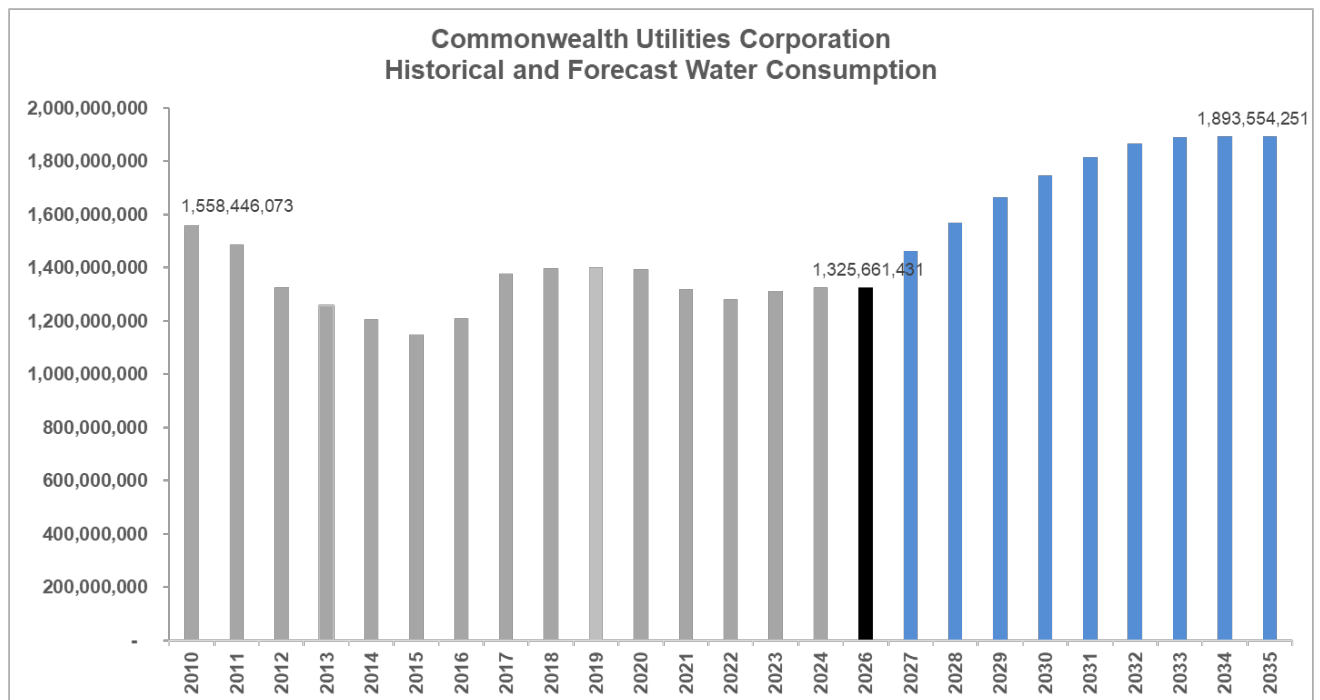


TABLE III-11

COMMONWEALTH UTILITIES CORPORATION									
Test Year									
2026									
2025 05 09 Scenario I -- 5 Year Implement -- No WEC									
FORECAST WASTEWATER BILLING UNITS									
WASTEWATER Customer Classes									
	Residential	Multi Family	Commercial	CUC	Government	PSS	CHC	CPA	Total
WASTEWATER Historical Billing Units									
2010	224,252,390	72,732,586	450,024,117	249,960	8,734,701	5,525,833	-	-	761,519,587
2011	204,584,441	91,267,136	414,680,550	611,556	18,324,442	2,094,540	-	-	731,562,665
2012	170,198,212	114,039,288	482,658,587	283,348	21,575,797	8,110,994	5,799,995	22,529,893	825,196,114
2013	171,309,378	105,721,941	373,437,830	261,034	13,140,469	13,057,633	9,333,520	9,211,100	695,472,905
2014	171,206,501	86,953,553	413,800,388	273,870	11,378,508	13,339,894	10,801,240	422,438	708,176,392
2015	156,272,269	53,485,879	410,554,711	179,509	12,137,467	13,384,743	14,337,086	1,607,674	661,959,338
2016	144,165,482	42,983,165	446,698,838	170,225	23,440,540	10,850,224	15,795,346	2,040,318	686,144,138
2017	171,834,813	42,983,165	499,988,944	183,907	20,380,109	16,630,858	20,664,750	2,040,318	774,706,864
2018	174,349,349	42,983,165	549,839,924	175,007	29,923,525	14,055,895	21,913,505	2,040,318	835,280,688
2019	172,948,470	42,983,165	469,306,940	308,445	25,663,569	9,217,597	18,930,405	2,040,318	741,398,909
2020	174,003,069	42,983,165	439,481,996	404,644	10,022,698	8,884,745	7,098,966	2,040,318	684,919,601
2021	207,029,964	9,704,036	315,400,453	127,595	13,926,719	10,948,075	14,466,693	1,038,465	572,642,000
2022	188,441,762	1,215,844	262,559,623	120,000	14,755,372	11,664,975	21,207,522	945,741	500,910,839
2023	183,448,837	1,175,700	200,359,831	120,000	20,747,694	14,944,868	27,375,850	944,954	449,117,734
2024	177,167,263	602,247	195,491,414	120,000	6,986,309	20,221,606	38,466,491	1,240,533	440,295,862
WASTEWATER Forecast Billing Units									
2026	177,167,263	1,175,700	244,364,267	120,000	6,986,309	20,221,606	38,466,491	1,240,533	489,742,168
2027	195,707,284	1,295,688	269,629,875	132,247	7,699,306	22,285,349	42,392,240	1,367,137	540,509,125
2028	210,401,766	1,389,625	289,538,027	141,835	8,257,505	23,901,036	45,465,677	1,466,255	580,561,726
2029	223,695,660	1,473,845	307,471,837	150,431	8,757,960	25,349,584	48,221,172	1,555,119	616,675,609
2030	235,338,988	1,546,770	323,094,704	157,874	9,191,297	26,603,860	50,607,116	1,632,065	648,172,674
2031	244,993,921	1,606,261	335,951,071	163,946	9,544,808	27,627,086	52,553,543	1,694,836	674,135,472
2032	252,182,841	1,649,286	345,395,910	168,337	9,800,473	28,367,097	53,961,228	1,740,234	693,265,405
2033	256,188,603	1,671,276	350,459,274	170,582	9,931,146	28,745,325	54,680,711	1,763,437	703,610,353
2034	256,840,482	1,671,276	350,923,458	170,582	9,931,146	28,745,325	54,680,711	1,763,437	704,726,416
2035	257,492,361	1,671,276	351,387,643	170,582	9,931,146	28,745,325	54,680,711	1,763,437	705,842,480

CHART III-12

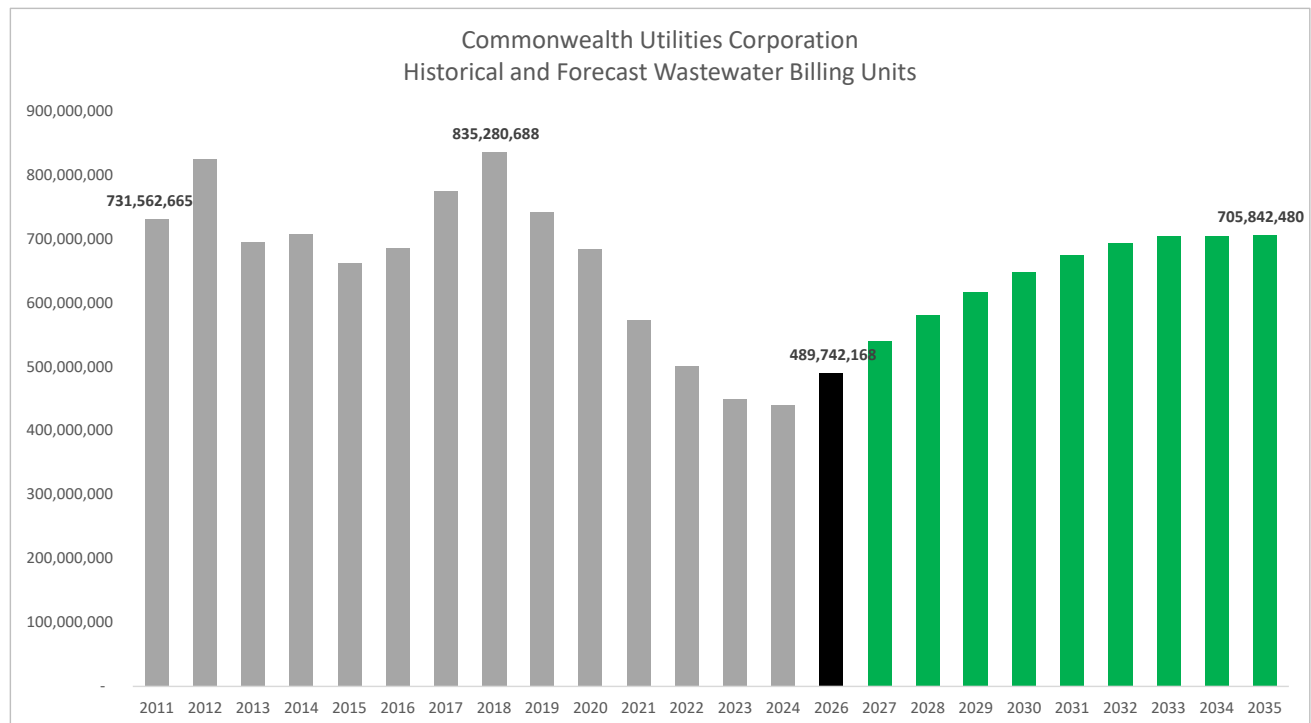


Table III-13 presents wastewater treatment plant loading data for the most recent 12 months, January through December 2024. This data is critical for both the cost of service analysis and a determination of a BOD and TSS per lb. rate.

TABLE III-13

COMMONWEALTH UTILITIES CORPORATION WWTP PLANT LOADINGS								
Date	SADOG TASI WWTP			Agington WWTP			Total mg/l	
	Volume	BOD	TSS	Volume	BOD	TSS	BOD	TSS
Jan-24	39,370,000	140.6	232.1	37,200,000	116.7	85.6	37,441,527,764	46,711,949,536
Feb-24	41,006,000	124.1	147.4	34,800,000	122.1	83.0	35,399,223,256	33,862,994,498
Mar-24	45,446,000	119.6	112.5	37,200,000	112.2	100.8	36,427,533,884	33,596,685,409
Apr-24	43,410,000	116.4	126.4	36,000,000	109.1	87.2	34,044,350,073	32,701,230,982
May-24	48,112,000	170.5	200.9	37,200,000	109.8	99.1	46,581,386,836	50,617,055,215
Jun-24	48,720,000	115.1	147.9	36,000,000	109.6	75.3	36,215,585,673	37,592,504,509
Jul-24	49,197,000	141.4	203.2	37,200,000	121.8	79.9	43,547,748,987	49,164,718,516
Aug-24	48,918,000	165.8	226.2	37,200,000	118.1	113.1	47,401,240,680	57,896,930,520
Sep-24	51,300,000	165.8	226.2	36,000,000	118.1	113.1	48,361,158,000	59,425,002,000
Oct-24	51,677,000	135.5	211.8	37,200,000	107.2	92.6	41,662,369,541	54,550,835,329
Nov-24	45,810,000	131.3	189.5	36,000,000	106.0	94.7	37,267,870,009	45,832,830,136
Dec-24	47,957,000	138.5	153.0	37,200,000	124.9	81.1	42,793,011,968	39,252,365,427
	560,923,000			439,200,000			487,143,006,671	541,205,102,078
Average							128	143



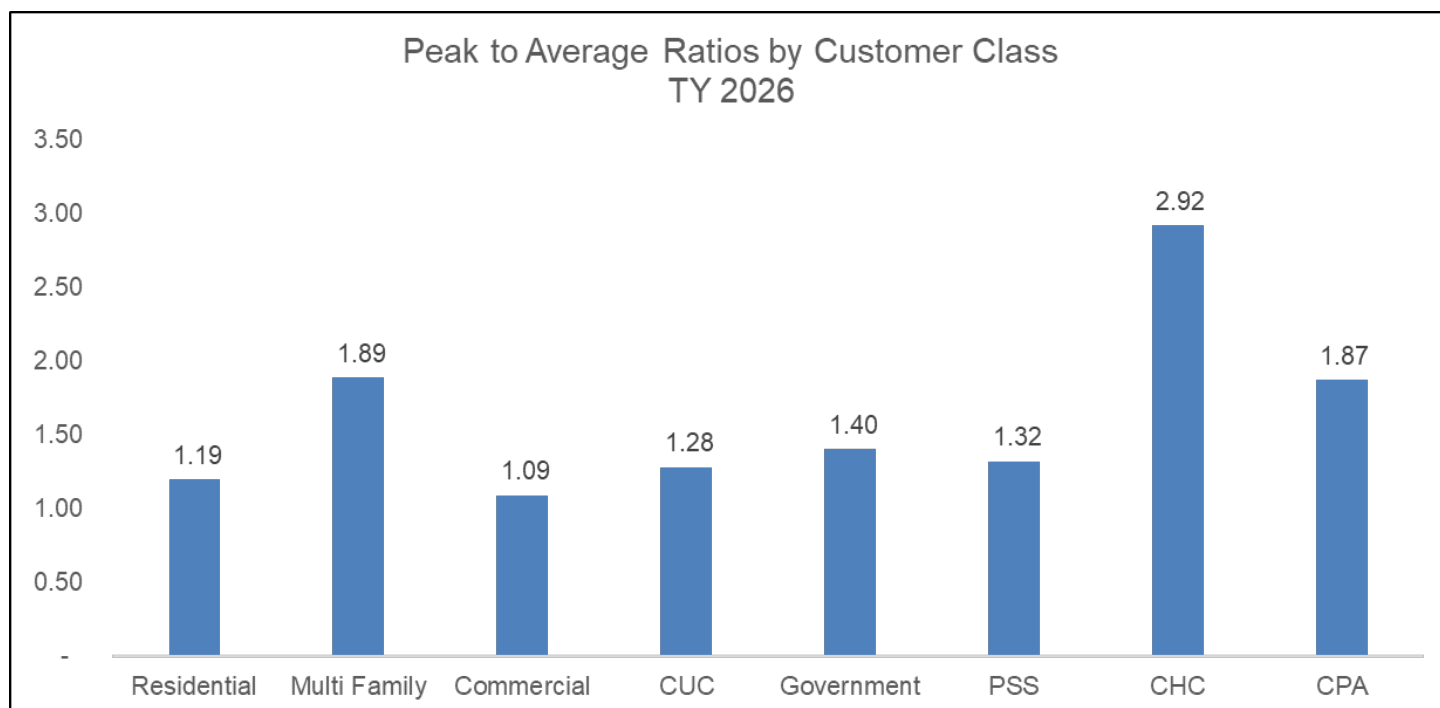
Peaking Factors

The cost of providing water to customers depends not only on the amount of water each class uses, but also on how that usage occurs over time. The maximum-day and maximum-hour peaking requirements of a water utility's customers are an important influence on the utility's costs. Because water utilities attempt to meet all of the demands of their customers, water systems are sized to meet customers' peak requirements. Therefore, during off-peak periods, there are usually significant costs associated with the unused capacity of the system. These costs must be allocated in proportion to the contribution of each customer class to the system peak, in order to develop equitable cost-based rates. Thus, it is necessary to determine the peak rate of use relative to the average rate of use for each class. This ratio is called a **Peaking Factor**.

The calculation of peaking factors for individual classes relies on available pumping and consumption information as well as professional judgment. If customer meters could record daily flow rates for each customer, more refined information could be obtained on peaking factors. This is not feasible because of the enormous cost that would be imposed on the utility. Therefore, it is accepted practice in the water industry to develop peaking factor estimates based on standard formulas using system peak day information and monthly customer class use records. This is a conservative methodology, since customer class peaking factors based on peak months will inevitably be lower than the system-wide peaking factor, which is based on the peak day.

Based on AWWA guidelines, the customer class peaking factors calculated in this study are for non-coincidental peaks. The peaking factors developed for this analysis are based on actual monthly water consumption by customer class for the recent twelve-month period, October 2023 – September 2024. The calculations of the peaking factors by class are calculated in **Chart III-14**.

CHART III-14



Water and Wastewater Revenue Requirement – Test Year 2026

The calculation of a revenue requirement differs from a utility's budget in that it represents only that amount that must be raised through the utility's user rates. This means that non-rate revenue (such as tap fees and interest) must be subtracted from the budgeted operating and capital expenditures to determine the net revenue requirement to be raised from rates.

As is typical for publicly owned utilities, CUC's water and wastewater system revenue requirements were developed using the **cash basis** of ratemaking. Under the cash basis, as defined by the AWWA Manual M-1, system revenue requirements consist of cash expenditures and other financial commitments (such as debt service and coverage) that must be met through system operating revenues and other revenue sources. The following specific items are included in CUC's revenue requirement raised from rates:

O&M expenses

Capital Outlays/Replacement Reserve

Debt service

Notably, depreciation is eliminated from the calculation of the revenue requirement because it is not a cash expense.

The following schedules are presented to outline the water and wastewater revenue requirement:

Table III-15 – Water Revenue Requirement – Test Year – includes functionalization of costs

Table III-16 – Wastewater Revenue Requirement -- Test Year – includes functionalization of costs

Table III-17 – Water and Wastewater Revenue Requirement – 10 Year Forecast

Following these schedules, the following topics will be discussed in more detail:

Assumptions behind cost forecast

Maintenance Costs – 10 Year forecast

Capital Outlays/Replacement Reserve – 10 Year Forecast

Capital Improvement Plan and Debt Service

Non-Revenue Water Assumptions

Further details behind these calculations can be found in **Appendix A** for Scenario I, and **Appendix B** for Scenario II.

TABLE III-15

COMMONWEALTH UTILITIES CORPORATION					
Test Year					
2026					
2025 05 09 Scenario I -- 5 Year Implement -- No WEC					
WATER Net Revenue Requirement					
	Net Budget	Treatment	Distribution	Admin	Customer Billing
<u>Operating & Maintenance</u>					
PF -- Production Fuel	\$ -	\$ -	\$ -	\$ -	\$ -
P -- Personnel	7,521,574	1,152,123	4,954,130	1,273,789	141,532
GA -- General and Administrative	1,859,223	587,785	471,353	720,077	80,009
S -- Supplies	1,049,104	593,626	395,750	53,755	5,973
M -- Maintenance	5,562,565	3,325,800	2,217,200	17,609	1,957
OP -- Other Production	3,399,329	2,039,102	1,359,401	743	83
Total Operating & Maintenance	19,391,795	7,698,436	9,397,834	2,065,973	229,553
Total Non-Operating	639,525	110,390	73,594	122,697	332,844
Debt Service	-	-	-	-	-
Capital Outlays	1,134,500	567,250	567,250	-	-
Total Cost of Service	\$ 21,165,820	\$ 8,376,076	\$ 10,038,678	\$ 2,188,670	\$ 562,396
Less Non-Rate Revenues	1,111,890	440,015	527,355	114,976	29,544
Net Water Revenue Requirement	\$ 20,053,930	\$ 7,936,061	\$ 9,511,322	\$ 2,073,694	\$ 532,852

TABLE III-16

COMMONWEALTH UTILITIES CORPORATION					
Test Year					
2026					
2025 05 09 Scenario I -- 5 Year Implement -- No WEC					
WASTEWATER Net Revenue Requirement					
	Net Budget	Treatment	Collection	Admin	Customer Billing
<u>Operating & Maintenance</u>					
PF -- Production Fuel	\$ -	\$ -	\$ -	\$ -	\$ -
P -- Personnel	2,572,171	818,763	818,763	841,181	93,465
GA -- General and Administrative	1,250,348	364,295	357,695	475,522	52,836
S -- Supplies	373,163	166,860	166,860	35,499	3,944
M -- Maintenance	820,621	403,850	403,850	11,629	1,292
OP -- Other Production	944,100	471,778	471,778	491	55
Total Operating & Maintenance	5,960,403	2,225,545	2,218,945	1,364,322	151,591
Total Non-Operating	346,838	23,005	23,005	81,026	219,803
Debt Service	-	-	-	-	-
Capital Outlays	277,500	138,750	138,750	-	-
Total Cost of Service	\$ 6,584,741	\$ 2,387,300	\$ 2,380,700	\$ 1,445,348	\$ 371,394
Less Non-Rate Revenues	333,291	120,835	120,501	73,157	18,798
Net Water Revenue Requirement	\$ 6,251,450	\$ 2,266,465	\$ 2,260,199	\$ 1,372,191	\$ 352,595

TABLE III-17

COMMONWEALTH UTILITIES CORPORATION						
Test Year						
2026						
2025 05 09 Scenario I -- 5 Year Implement -- No WEC						
CURRENT AND FORECAST NET REVENUE REQUIREMENT						
Fiscal Year	Operating/ Cap Outlays	Debt Service	Non Operating	Total Cost of Service	Less Non-Rate Revenues	Net Revenue Requirement
WATER Revenue Requirement						
2026	\$ 20,526,295	\$ -	\$ 639,525	\$ 21,165,820	\$ 1,111,890	\$ 20,053,930
2027	21,028,248	-	649,577	21,677,824	594,330	21,083,494
2028	21,795,414	-	665,848	22,461,262	594,330	21,866,932
2029	22,559,865	-	682,573	23,242,437	594,330	22,648,107
2030	23,353,418	-	699,757	24,053,175	594,330	23,458,845
2031	23,969,173	-	717,403	24,686,576	594,330	24,092,246
2032	24,436,006	-	735,509	25,171,515	594,330	24,577,185
2033	24,862,123	-	754,063	25,616,187	594,330	25,021,856
2034	25,555,487	-	773,799	26,329,286	594,330	25,734,956
2035	26,269,711	-	794,130	27,063,841	594,330	26,469,511
WASTEWATER Revenue Requirement						
2026	6,237,903	-	346,838	6,584,741	333,291	6,251,450
2027	6,479,904	-	351,211	6,831,115	178,151	6,652,964
2028	6,727,196	-	359,624	7,086,819	178,151	6,908,668
2029	6,976,329	-	368,266	7,344,595	178,151	7,166,444
2030	7,236,735	-	377,139	7,613,874	178,151	7,435,723
2031	7,449,046	-	386,243	7,835,289	178,151	7,657,138
2032	7,621,653	-	395,574	8,017,228	178,151	7,839,077
2033	7,785,981	-	405,123	8,191,104	178,151	8,012,953
2034	8,005,507	-	415,371	8,420,878	178,151	8,242,727
2035	8,231,645	-	425,928	8,657,573	178,151	8,479,422

Assumptions Behind Cost Forecast

The following is notable about the test year and forecast revenue requirement:

- The cost of service is based primarily on the FY 2026 budget compiled by staff in order to meet EPA and other mandates. The budget represents the staff's estimate of the expenses required to operate the water utility in a reasonable and reliable manner.
- Personnel levels are not expected to increase in the next decade
- The primary components of the cost of service are maintenance expenses and capital outlays. Both are discussed in further detail in the following section.
- There is no debt service currently related to either the water or the wastewater utility.
- Most expenses increase by 3.0% annually, which is the inflation factor utilized in the forecast.
- Certain expenses, such as insurance and chemicals, increase at rates higher than inflation.
- The forecast includes Public Auditor Fees of approximately 1.0% of gross revenues.
- The forecast assumes that non-revenue water losses are reduced significantly over the next decade. This will benefit both the cost of service and the water electric charge. This issue is examined in greater detail later in this section.
- Uncollectibles are presented as an offset to gross revenues rather than a line-item expense. Based on data from the 2024 financial statements, the assumption of 6.4% of gross revenues for uncollectibles is utilized.
- Non-rate revenues are used to offset the cost of service, resulting in the net revenue requirement to be raised from rates.

Maintenance Costs – Ten Year Forecast

One of the principal components of the water and wastewater cost of service is maintenance costs. The project team consulted extensively with CUC staff regarding this issue. CUC staff produced the forecast of necessary and required maintenance costs that is presented in **Table II-18** in the previous section. As stated above, these expenses are required to meet EPA and stipulated order mandates.

Capital Outlays and Replacement Reserve – Ten Year Forecast

Capital Outlays represent capital-related costs that are generally recovered through existing rate revenue. These are often small-ticket capital expenditures that require a utility to issue debt to fund. CUC staff has provided the project team with its estimate of the annual capital outlays that will be required by CUC over the next decade. Those capital outlays are summarized in **Table II-19** in the previous section. It should be noted that administration capital outlays are allocated to the water and wastewater utilities on an equal basis.

Another issue that was investigated by the project team is the appropriateness of including a replacement reserve in the calculation of the cost of service. This is typically undertaken by utilities that do not have significant levels of capital outlays. Because CUC's cost of service forecast includes a significant component for capital outlays, under the cash basis of

ratemaking it would be considered “double-counting” to include both a reserve requirement and capital outlays in the calculation of the cost of service. Therefore for the purposes of this cost analysis, no reserve requirement is included.

Capital Improvement Plan and Debt Service – Ten Year Forecast

Like most utilities, CUC maintains a capital improvement program to repair, maintain and expand its water and wastewater system. Major capital expenditures, such as building new water facilities or expanding a wastewater treatment plant, are funded through long-term debt.

CUC staff developed an estimate of CUC’s capital improvement costs over the next decade. CUC has identified a total of \$124,698,000 in long-term water capital improvement needs detailed in **Table III-18**. CUC has identified a total of \$100,220,000 in long-term wastewater capital improvement needs detailed in **Table III-19**.

For the purposes of this rate and financial forecast, **the project team is assuming that all of these projects are funded by grants**. In other words, it means that none of these projects will have a direct impact either on the cost of service or the water and wastewater rate recommendations. Because the CIP is assumed to be grant funded, it also means that the forecast assumes that **CUC will issue no water and wastewater-related long-term debt in the next decade**.

However, these schedules also represent the extent of the capital needs for CUC’s system. Should grant funding not be available, CUC would have to fund these projects itself through a combination of rate revenue and long-term debt. This would result in further rate adjustments beyond those outlined in this rate study.

:



TABLE III-18

COMMONWEALTH UTILITIES CORPORATION	
Test Year	
2026	
2025 05 09 Scenario I -- 5 Year Implement -- No WEC	
CAPITAL IMPROVEMENT PLAN	
FY 2026 - FY 2035	
WATER PROJECTS	COST
Wellhead Improvement Project	\$ 700,000
Well Rehabilitation and Disinfection Project	1,000,000
As Lito Wells Direct Feed Elimination	50,000
New Sinapalo 0.75MG WST Revised from .25 MG to .75 MG	7,000,000
Chalan Msgr. Martinez ACP Waterline Replacement Project	1,200,000
Tanapag Waterline Replacement Project	1,500,000
Chalan Kanoa Waterline Replacement Project	5,000,000
Susupe Waterline Replacement Project	2,500,000
GAC Filtration for Isley TSA	3,800,000
GAC Filtration for IB II TSA	1,500,000
Maui IV Infiltration Galley Rehabilitation Project	3,000,000
Koblerville Homestead Waterline Replacement Project	3,000,000
As-Gonno Waterline Replacement Project	850,000
As Terlaje Waterline Replacement Project	2,000,000
Isley Booster I 14-inch Transmission Line Replacement Project	3,000,000
Kannat Tabla 1.0 MG Tank (2008)	8,000,000
Agag 0.1 MG Concrete Tank (1980's)	3,000,000
Long Lane (Bishop Waterline) Installation	200,000
Chalan Tun Joaquin Doi Service Line Transfer	500,000
Chalan Laulau Waterline Replacement Project	1,800,000
Papago Pressure Improvement Project	500,000
San Vicente to Dandan Distribution Main Replacement (Kattan Hudda Drive) Project	1,500,000
Beach Rd. WL Upgrade - PH I	2,500,000
Beach Rd. WL Upgrade - PH II [Alupyang Place to Ghiyeg Street]	2,500,000
Beach Rd. WL Upgrade - PH III [Ghiyeg Street to Angaha Street]	2,500,000
Beach Rd. WL Upgrade - PH IV [Angana Street to Micro Beach Road]	2,500,000
San Jose Waterline Replacement	1,600,000
Wireless/Capitol Hill Waterline Replacement	1,250,000
Obyan Waterline Replacement/Upgrade and PRV Installation Project	1,400,000
Kagman 1, 2, 3 and 4 Waterline Replacement Project	10,000,000
Kagman Pressure Improvement Project	1,200,000
Pila Drive (Sadog Tasi) Waterline Replacement Project	900,000
Rubentacion (Sadog Tasi) Waterline Installation	500,000
Coastal Drive and Isleta Court (Sadog Tasi) Waterline Extension	800,000
Malinao (Sadog Tasi Drive) Waterline Extension Project	250,000
Maui IV, Calhoun Transmission Line Reconfiguration	850,000
Freedom Drive Waterline Replacement	650,000
Rakka Drive and Magazine Drive Waterline Extension(San Roque)	250,000
Robat Drive Waterline Replacement (Gualo Rai)	250,000
Talafofo Waterline Replacement Project	2,310,000
Chalan Tun Herman to Chalan Msgr. Martinez Distribution Line Project	1,500,000
Egigi Waterline Replacement Project	850,000
As Matuis Waterline Relocation Project	450,000
Isley Booster I Transmission Line Replacement Project	1,600,000
Rapagau 0.4 MG Tank (2010)	4,500,000
Calhoun 0.5 MG Steel tank (2) (2007)	3,000,000
Calhoun 0.5 MG Concrete tank Rehab. (1) (1980s)	500,000
Maui IV Sump Tank	200,000
Puerto Rico, Rapagau, Capitol Hill Telemetry and Control Valve System	500,000
Donnie Spring to Agag Tank Transmission Main Project	1,450,000
Islandwide ARV Replacement	1,500,000
Islandwide Defective GV Replacement	2,000,000
Agag Tank Replacement	3,000,000
Kulot De Rosa Drive Waterline Installation Project	250,000
Removal of Existing Waterline from Private Property	4,500,000
New 0.2 MG Tank (As Matuis)	1,000,000
Sailing Drive Waterline Extension (near Dandan Tank)	150,000
Islandwide Water Meter Replacement Program	500,000
Transformer Upgrade Phase II	1,000,000
Pump and Motor Upgrade	500,000
Water Office and Water Task Force Office Back Up Generator Project	100,000
Islandwide Water System Improvements (Tinian)	3,000,000
San Jose Loop Waterline (Tinian)	2,000,000
Maui I Disconnection (Tinian)	50,000
CPA Transmission Line (Tinian)	338,000
Islandwide Water System Improvements Phase III (Rota)	3,000,000
Water Transmission Line - Main Cave to Sinapalo WST (Rota)	3,300,000
WST Fencing (Rota)	150,000
Total	124,698,000

TABLE III-19

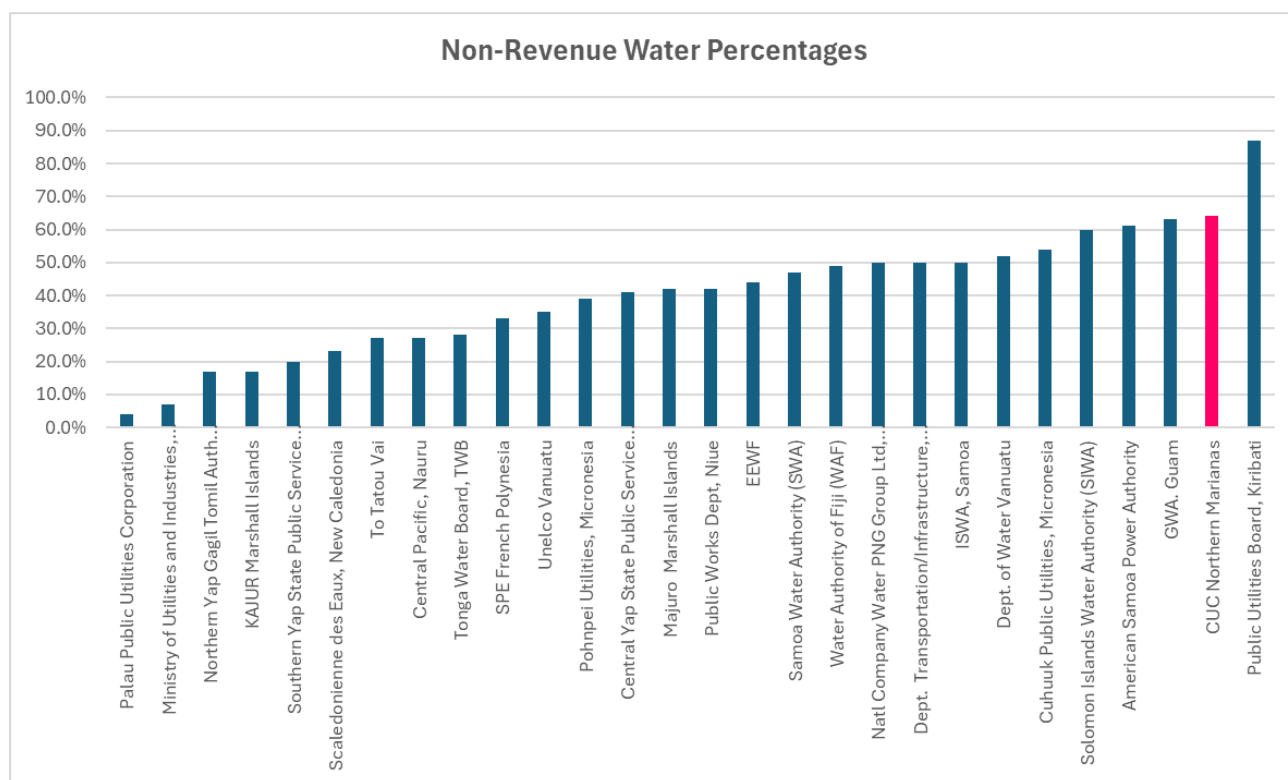
COMMONWEALTH UTILITIES CORPORATION	
Test Year	
2026	
2025 05 09 Scenario I -- 5 Year Implement -- No WEC	
CAPITAL IMPROVEMENT PLAN	
FY 2026 - FY 2035	
WASTEWATER PROJECTS	COST
Alternative Biosolids Treatment & Disposal For Agingan and Sadog Tasi WWTFs	\$ 2,500,000
Improvements & Upgrades to Wastewater Lift Stations	15,000,000
Perform Pump Sizing Assessment, all Lift Stations (I&I)	200,000
Lower Base Sewerline Replacement PH IV	2,000,000
Saipan Islandwide Sewerline Replacement	3,000,000
Island Wide Sewer Service Connections	2,000,000
Islandwide Rehab/Upgrade of Collection System Manholes	1,000,000
Treatment and Disposal of FOG From Wastewater Facilities	2,000,000
Extend new Collection Mains and Laterals into Existing Unsewered Areas	2,500,000
Collection Lines, San Antonio, Chalan Kanoa, Susupe, San Jose	3,000,000
Various Force Main Upgrades & Improvements	3,000,000
Texas Road Collection System Expansion	1,000,000
Wastewater System Telemetry/SCADA	10,000,000
South Garapan Sewer Collection System	5,000,000
H2S Control, Southern Collection System	250,000
S-3 Force Main Upgrade	1,000,000
I&I Control & Reduction	3,500,000
Agingan Force Main Upgrades	1,000,000
Process Control Laboratory	150,000
Odor Control	250,000
Process Control Laboratory	150,000
Installation of New Generator	120,000
W10 Lift Station	500,000
As Lito & Koblerville Sewer Collection System Expansion	3,000,000
A11 Lift Station	500,000
Dan Dan Homestead Sewer Collection System	7,000,000
Lower Sadog Tasi Sewer Collection System	800,000
Effluent Flow Meter Installation	50,000
Fina Sisu Collection System	2,200,000
Sadog Tasi Sewer Collection System	5,000,000
Chalan Kiya Sewer Collection System Upgrades & Expansion	1,500,000
Airport Road & Koblerville Diversion Sewer System	5,500,000
W8 Lift Station	500,000
Chalan Piao Sewer Collection System	1,000,000
Tanapag Force Main Upgrade & Improvements	500,000
As Matuis Collection System	3,500,000
As Mahetog Sewer Collection System	900,000
Japanese Tank Sludge Removal Project	1,300,000
Kannat Tabla/Upper Dan Dan Sewer Collection System	1,000,000
A10 Lift Station	650,000
W3 Lift Station	500,000
A14 Lift Station	500,000
Capitol Hill Sewer Collection System Modernization	2,000,000
A8 Lift Station	850,000
A9 Lift Station	850,000
A12 Lift Station	500,000
A13 Lift Station	500,000
Puerto Rico Sewer Collection System	500,000
Total	100,220,000

Non-Revenue Water Assumptions

“Non-revenue water” is defined as water that is produced and enters the distribution system but is not consumed or billed to end users. Non-revenue water loss is common in Pacific utilities, which often face the dual challenges of aging systems and rugged terrains. The most common causes of non-revenue water are leaks in the distribution system and under-registering meters. Significant levels of non-revenue water can present challenges to utilities, as a utility incurs costs to produce such water but is not compensated by end users for these costs.

Chart III-20 presents non-revenue water percentages for Pacific Utilities. This data was derived from the Pacific Water and Wastewater Association’s 2022 Benchmarking Report. It reveals that most Pacific utilities have non revenue water percentages that exceed 40%. It also illustrates the extent of the challenge faced by CUC, as CUC’s current non-revenue water loss of approximately 64% is one of the highest in the sample.

CHART III-20



CUC is undertaking measures to significantly reduce its non-revenue water. If achieved, this will have a beneficial impact on water and wastewater cost of service, as it will lessen the production, treatment and distribution marginal costs. This analysis assumes that a reduction from current levels to 20% is achieved over the next ten years. This is illustrated in **Chart III-21** and **Chart III-22**. The impact of these reductions in total production are incorporated into the cost of service forecast.

A key assumption regarding non-revenue water is that **approximately 75% is due to under-registering meters and 25% due to water lost from the system**. The replacement of improperly-functioning meters is forecast to lead to significant increases in water consumed volumes as well as additional water and wastewater revenues. This will have a beneficial impact on the rate plan. If these assumptions are not realized, the rate plan will have to be modified.

CHART III-21

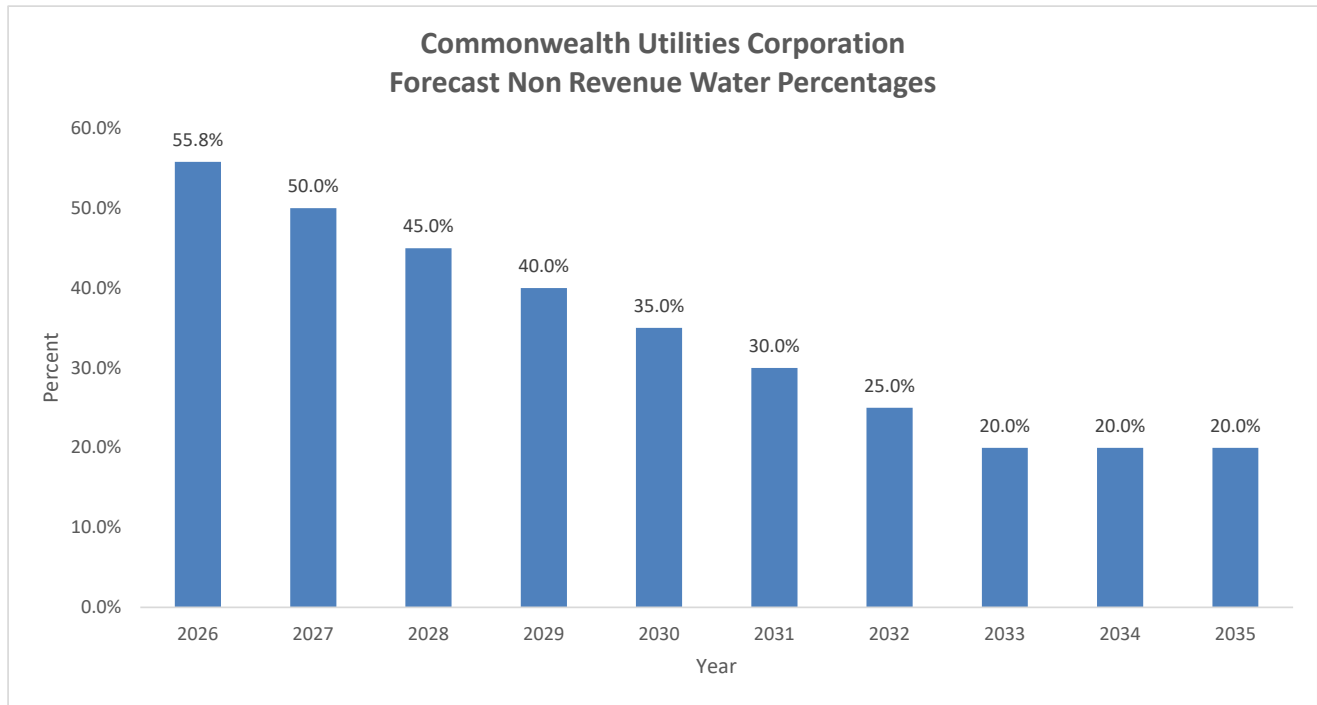
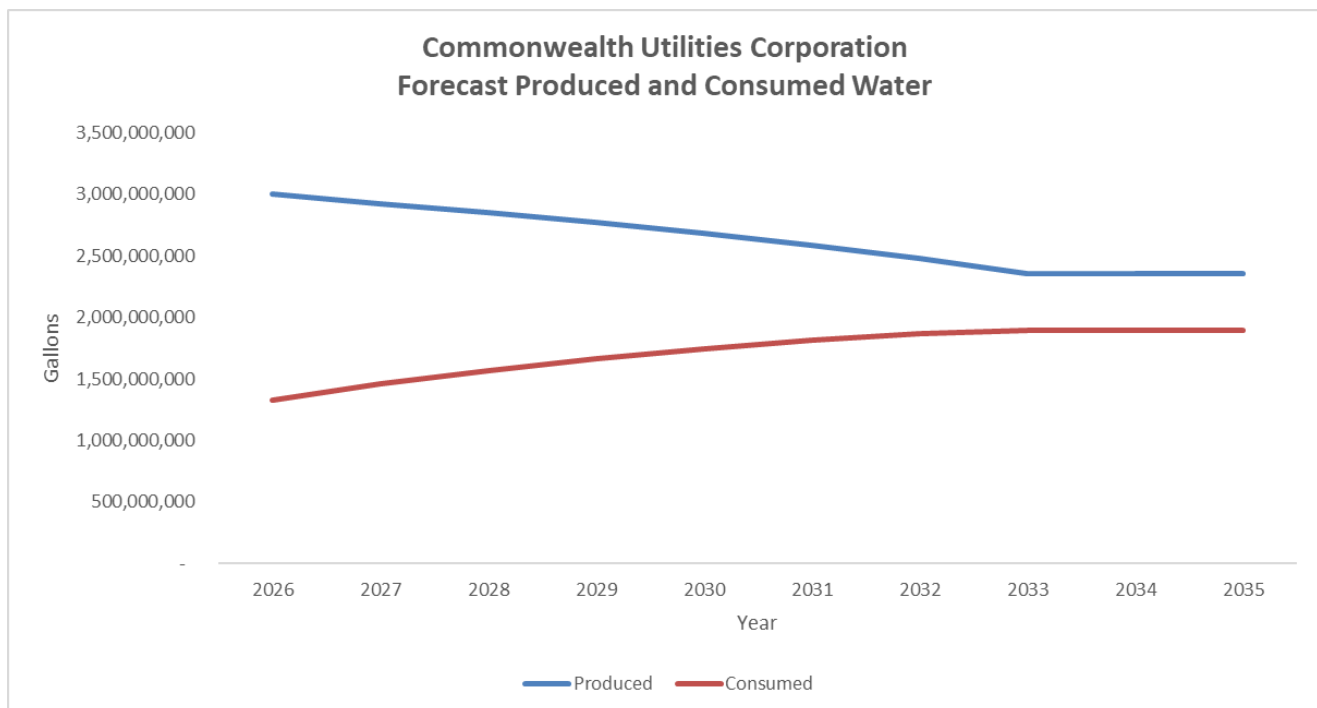


CHART III-22



Water System Cost Functionalization

Once the total water system costs have been identified, the next step in the rate development process is to isolate the costs associated with each system function. Some of these expenditures are a function of normal water demand; others are based on peak demands placed on the system. Certain costs are associated with serving customers regardless of the volume of water use.

As outlined earlier in this section, water system costs are allocated to the following functions:

Treatment – the process by which raw water is converted to potable water

Distribution – the lines that carry water to individual customers' properties

Administration – miscellaneous overhead and other non-operating costs

Customer Billing – the processes involved in billing and providing other services to customers

The project team allocated operating budget line item expenses individually to system functions based on general guidelines, specific research and input from CUC staff. The results of the allocation process are presented for the current year in **Table III-23** and **Table III-24**. The water and wastewater rate model presented in Appendix C and Appendix B includes a detailed listing of the allocations by line item.

TABLE III-23

COMMONWEALTH UTILITIES CORPORATION		
Test Year		
2026		
TEST YEAR WATER COST FUNCTIONALIZATION		
2025 05 09 Scenario I -- 5 Year Implement -- No WEC		
Function	Revenue Requirement	Percent
Treatment	\$ 7,936,061	39.6%
Distribution	9,511,322	47.4%
Administration	2,073,694	10.3%
Customer	<u>532,852</u>	<u>2.7%</u>
Total	20,053,930	100.0%

TABLE III-24

COMMONWEALTH UTILITIES CORPORATION					
FORECAST WATER COST FUNCTIONALIZATION					
2025 05 09 Scenario I -- 5 Year Implement -- No WEC					
Year	Total Rev. Rqmt.	Treatment	Distribution	Admin	Customer Billing
2026	\$ 20,053,930	\$ 8,078,160	\$ 9,736,162	\$ 2,015,648	\$ 223,961
2027	21,083,494	8,463,873	10,231,684	2,149,143	238,794
2028	21,866,932	8,777,708	10,611,781	2,229,698	247,744
2029	22,648,107	9,090,730	10,990,795	2,309,924	256,658
2030	23,458,845	9,415,575	11,384,147	2,393,210	265,912
2031	24,092,246	9,670,109	11,691,571	2,457,509	273,057
2032	24,577,185	9,865,795	11,927,060	2,505,897	278,433
2033	25,021,856	10,045,591	12,143,048	2,549,896	283,322
2034	25,734,956	10,332,049	12,489,139	2,622,391	291,377
2035	26,469,511	10,627,126	12,845,642	2,697,069	299,674

Water System Cost Classification

The allocation of functionalized water system costs to service characteristics follows the base-extra capacity cost allocation method recommended by AWWA. Using this method, costs are defined and segregated into the following categories:

Base costs – capital costs and O&M expenses associated with service to customers under average demand conditions. Base costs tend to vary directly with the total quantity of water used.

Maximum Day/Extra Capacity costs – costs attributable to facilities that are designed to meet peaking requirements.

Customer Billing costs – costs associated with any aspect of customer service, including billing, accounting, and meter services.

According to AWWA Manual M-1 (p. 12), in the base-extra capacity method, care must be taken in separating costs between those devoted to base capacity and those devoted to extra capacity. For the purposes of this study, the system's maximum day to average day ratio (known as the *system peaking factor*) is assumed to be 1.50. This means that facilities designed to meet maximum-day requirements, such as the treatment and distribution functions, are allocated 66.7% (1/1.50) to base, and 33.3% to extra capacity. All customer service-related costs are allocated 100% to billing. Administration costs are generally not directly-assignable to individual classifications. Therefore, it is standard rate-making practices to allocate these costs on an indirect basis (in which these costs are allocated to service characteristics in the same proportion as the directly allocated costs.)

The water and wastewater rate model in Appendix C provides detailed allocations of costs to service characteristics. The system-wide costs by service characteristic are shown for the current year in **Table III-25** and for the forecast period in **Table III-26**.

TABLE III-25

COMMONWEALTH UTILITIES CORPORATION		
Test Year		
2026		
2025 05 09 Scenario I -- 5 Year Implement -- No WEC		
TEST YEAR WATER COST CLASSIFICATION		
Function	Revenue Requirement	Percent
Base	\$ 12,973,082	64.69%
Maximum Day	6,486,541	32.35%
Customer	<u>594,307</u>	<u>2.96%</u>
Total	20,053,930	100.0%

TABLE III-26

COMMONWEALTH UTILITIES CORPORATION				
FORECAST WATER COST CLASSIFICATION				
2025 05 09 Scenario I -- 5 Year Implement -- No WEC				
Year	Total Rev. Rqmt.	Base	Max Day	Customer Billing
2026	\$ 20,053,930	\$ 12,973,082	\$ 6,486,541	\$ 594,307
2027	21,083,494	13,639,117	6,819,558	624,819
2028	21,866,932	14,145,930	7,072,965	648,036
2029	22,648,107	14,651,280	7,325,640	671,187
2030	23,458,845	15,175,754	7,587,877	695,213
2031	24,092,246	15,585,508	7,792,754	713,984
2032	24,577,185	15,899,219	7,949,610	728,356
2033	25,021,856	16,186,882	8,093,441	741,534
2034	25,734,956	16,648,193	8,324,096	762,667
2035	26,469,511	17,123,383	8,561,692	784,436

Water System Cost Allocation

Allocation of costs by service characteristic to customer classes is based on the proportionate use levels of each characteristic by each class. Total water utility costs by customer class for the ten year period are summarized in **Table III-27**. Overall cost calculations are presented in detail in the rate model contained in Appendix A and Appendix B.

TABLE III-27

COMMONWEALTH UTILITIES CORPORATION									
Test Year									
2026									
Scenario I -- Status Quo									
FORECAST WATER COST ALLOCATION									
2025 05 09 Scenario I -- 5 Year Implement -- No WEC									
Year	Residential	Multi Family	Commercial	CUC	Government	PSS	CHC	CPA	Total
2026	\$ 12,121,774	\$ 33,766	\$ 4,140,936	\$ 60,691	\$ 1,132,990	\$ 517,099	\$ 1,960,686	\$ 85,988	\$ 20,053,930
2027	12,744,708	35,485	4,354,522	63,778	1,190,645	543,407	2,060,581	90,366	21,083,494
2028	13,218,931	36,789	4,517,387	66,118	1,234,343	563,345	2,136,334	93,686	21,866,932
2029	13,691,839	38,087	4,679,870	68,448	1,277,868	583,204	2,211,798	96,993	22,648,107
2030	14,182,673	39,434	4,848,550	70,865	1,323,016	603,803	2,290,081	100,423	23,458,845
2031	14,566,345	40,482	4,980,660	72,743	1,358,120	619,818	2,350,988	103,091	24,092,246
2032	14,860,297	41,279	5,082,146	74,172	1,384,819	631,996	2,397,354	105,121	24,577,185
2033	15,129,940	42,008	5,175,367	75,477	1,409,218	643,124	2,439,745	106,977	25,021,856
2034	15,561,940	43,186	5,324,183	77,590	1,448,695	661,134	2,508,251	109,977	25,734,956
2035	16,006,958	44,400	5,477,510	79,766	1,489,343	679,677	2,578,790	113,067	26,469,511

Wastewater System Cost Functionalization and Classification

Wastewater system costs must be functionalized and classified in the same manner as water system costs. Conforming to standard ratemaking methodology, wastewater system costs are allocated to the following functions:

Treatment – the process associated with treating wastewater discharges

Collection – the lines that transport wastewater from individual customers' properties to the wastewater treatment plant

Administration – miscellaneous overhead and other non-operating costs

Customer Billing – the processes involved in billing and providing other services to customers

The project team allocated operating budget line item expenses individually to system functions based on general guidelines, specific research and input from CUC staff. The results of the allocation process are presented for the current year in **Table**

III-28 and for the ten year forecast period in **Table III-29**. The water and wastewater rate model presented in Appendix A and Appendix B includes a detailed listing of the allocations by line item.

TABLE III-28

COMMONWEALTH UTILITIES CORPORATION		
Test Year		
2026		
2025 05 09 Scenario I -- 5 Year Implement -- No WEC		
TEST YEAR WASTEWATER COST FUNCTIONALIZATION		
Function	Revenue Requirement	Percent
Treatment		
Volume	\$ 986,875	15.8%
BOD	639,795	10.2%
TSS	639,795	10.2%
Collection	2,260,199	36.2%
Administration	1,372,191	21.9%
Customer	<u>352,595</u>	<u>5.6%</u>
Total	6,251,450	100.0%

TABLE III-29

COMMONWEALTH UTILITIES CORPORATION							
2025 05 09 Scenario I -- 5 Year Implement -- No WEC							
FORECAST WASTEWATER COST FUNCTIONALIZATION							
Year	Total Rev. Rqmt.	Treatment - Volume	Treatment - BOD	Treatment - TSS	Collection	Admin	Customer Billing
2026	\$ 6,251,450	\$ 989,637	\$ 636,608	\$ 636,608	\$ 2,256,622	\$ 1,369,059	\$ 362,917
2027	6,652,964	1,052,074	680,205	680,205	2,405,823	1,459,079	375,577
2028	6,908,668	1,092,291	707,087	707,087	2,499,538	1,515,686	386,980
2029	7,166,444	1,132,879	734,150	734,150	2,593,987	1,572,709	398,568
2030	7,435,723	1,175,253	762,449	762,449	2,692,682	1,632,306	410,583
2031	7,657,138	1,210,535	785,341	785,341	2,773,521	1,680,886	421,514
2032	7,839,077	1,239,983	803,762	803,762	2,839,631	1,720,366	431,572
2033	8,012,953	1,268,299	821,229	821,229	2,902,710	1,757,936	441,550
2034	8,242,727	1,304,995	844,853	844,853	2,986,423	1,808,235	453,367
2035	8,479,422	1,342,795	869,189	869,189	3,072,657	1,860,050	465,541

Wastewater System Cost Allocation

Allocation of costs by service characteristic to customer classes is based on the proportionate use levels of each characteristic by each class. Total wastewater utility costs by customer class for the ten year period are summarized in **Table III-30**. Overall cost calculations are presented in detail in the rate model contained in Appendix A and Appendix B.

TABLE III-30

COMMONWEALTH UTILITIES CORPORATION									
Test Year									
2026									
2025 05 09 Scenario I -- 5 Year Implement -- No WEC									
FORECAST WASTEWATER COST ALLOCATION									
Year	Residential	Multi Family	Commercial	CUC	Government	PSS	CHC	CPA	Total
2026	\$ 2,410,245	\$ 14,894	\$ 3,014,831	\$ 1,745	\$ 92,116	\$ 244,647	\$ 457,960	\$ 15,014	\$ 6,251,450
2027	2,565,074	15,828	3,209,102	1,851	97,841	260,169	487,132	15,967	6,652,964
2028	2,664,788	16,412	3,332,349	1,917	101,421	269,866	505,354	16,562	6,908,668
2029	2,765,512	16,999	3,456,505	1,984	105,019	279,608	523,658	17,160	7,166,444
2030	2,870,782	17,611	3,586,194	2,053	108,771	289,771	542,756	17,783	7,435,723
2031	2,958,367	18,107	3,692,298	2,110	111,822	297,982	558,164	18,287	7,657,138
2032	3,031,367	18,508	3,778,946	2,157	114,297	304,581	570,528	18,692	7,839,077
2033	3,101,538	18,888	3,861,548	2,202	116,647	310,829	582,225	19,076	8,012,953
2034	3,193,026	19,399	3,971,366	2,260	119,790	319,258	598,035	19,593	8,242,727
2035	3,287,337	19,924	4,084,465	2,321	123,023	327,929	614,298	20,125	8,479,422



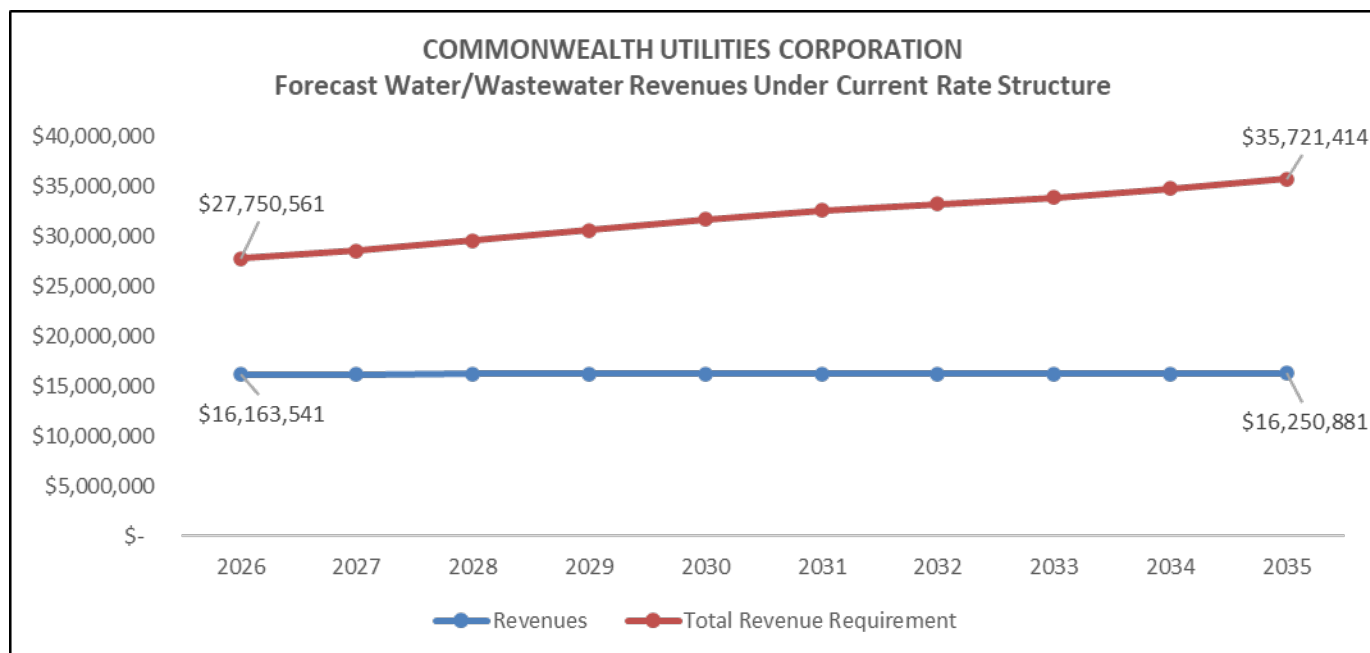
Revenues under Current Water and Wastewater Rate Structure

Chart III-31 compare forecast revenues and total revenue requirement for the water and the wastewater utility assuming that there are no changes in CUC's rate structure in the next decade. The following is notable about these charts:

- Chart III-31 reveals that without a rate adjustment CUC's water and wastewater utility will fail to recover its revenue requirement in every year over the next decade.
- Revenues are forecast to increase slightly even without a rate adjustment due to the addition of new accounts.
- After 2026 the disparity between revenues and the cost of service becomes more severe. By 2035 the revenue requirement will exceed revenues under the current rate structure by \$19,470,533.
- Residential and commercial revenues are insufficient to fund the cost of service for either the water or the wastewater operation.

Chart III-31 reveal that **without adjustments to its water and wastewater rate structure CUC will be faced with severe economic distress.**

CHART III-31



Water/Wastewater Rate Scenario I – Five Year Implementation

Table III-32 summarizes the rate recommendations for Scenario I – Five Year Implementation. As stated in Section I, the objective of Scenario I is to implement a rate plan that eliminates CUC’s cost of service deficit over a five-year period. This means that by 2030 CUC would have base water rates that fully cover the cost of service.

The impact of these recommendations on monthly residential and commercial charges is presented in **Table III-33**.

Chart III-34 presents forecast revenues and expenses under Scenario I. Details behind these calculations, as well as annual forecasts of revenues and expenses, are presented in Appendix A.

The following is notable about this scenario:

- **This scenario recommends that CUC eliminate its monthly Water and Wastewater Electric Charge.** This is in accordance with a policy preference stated by CUC’s Board of Directors.
- This alternative funds **0.0%** of the total \$224,918,000 CIP with CUC’s rate revenue. As stated earlier, all of the CIP is assumed to be funded through grants.
- **Further annual rate adjustments of 3.0% are forecast for the period beyond FY 2030.**



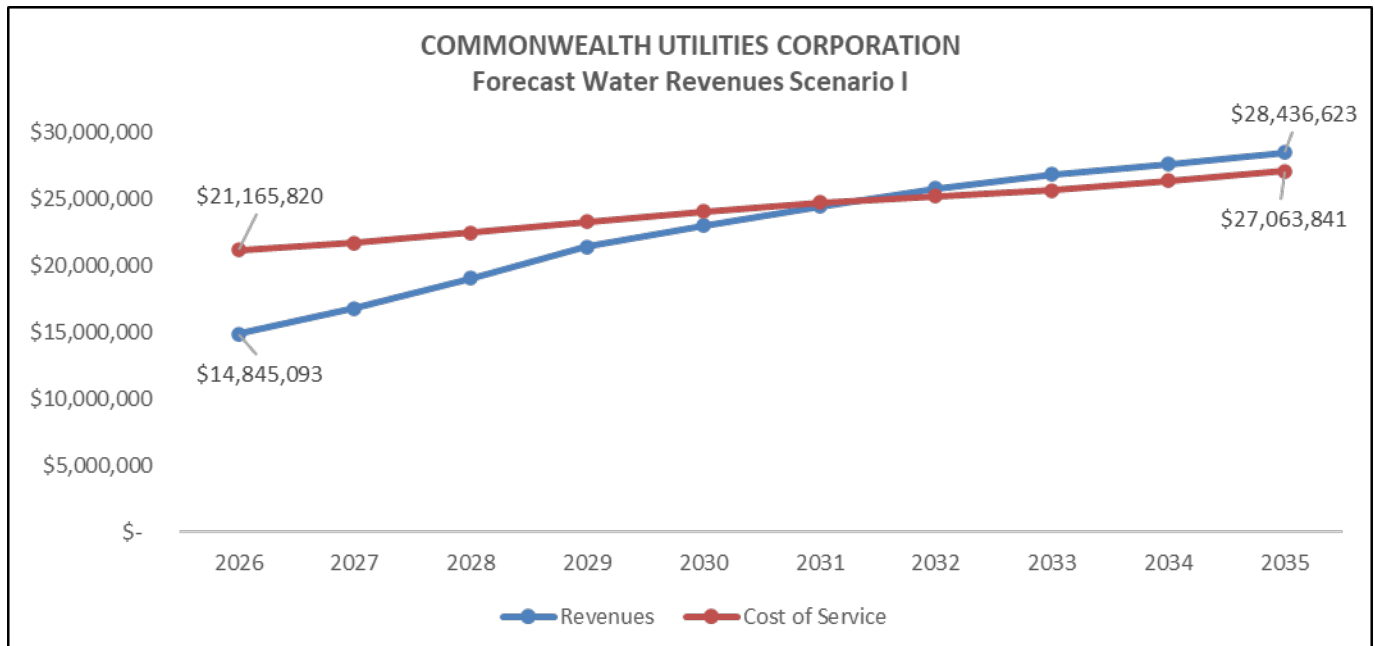
TABLE III-32

COMMONWEALTH UTILITIES CORPORATION 2025 05 09 Scenario I -- 5 Year Implement -- No WEC PROPOSED WATER AND WASTEWATER RATE PLAN							
	Current	2026	2027	Effective 2028	2029	2030	
WATER							
Meter Service Charge							
Meter Size							
5/8 X 3/4"	\$ 10.86	\$ 15.75	\$ 17.01	\$ 18.20	\$ 19.47	\$ 20.06	
1"	12.67	18.37	19.84	21.23	22.72	23.40	
1 1/2"	19.91	28.87	31.18	33.36	35.70	36.77	
2"	25.34	36.74	39.68	42.46	45.43	46.80	
3"	63.35	91.86	99.21	106.15	113.58	116.99	
4"	99.55	144.35	155.90	166.81	178.48	183.84	
6"	135.75	196.84	212.58	227.47	243.39	250.69	
8"	199.10	288.70	311.79	333.62	356.97	367.68	
10"	280.55	406.80	439.34	470.10	503.00	518.09	
12"	362.00	524.90	566.89	606.57	649.03	668.51	
Residential, Commercial, PSS, and CHC Consumption Charges							
Volume Rate (per 1,000 Gal.)							
0 - 3,000	0.72	3.60	3.89	4.16	4.46	4.59	
3,001 - 15,000	1.74	5.08	5.49	5.87	6.29	6.47	
15,001 - 30,000	2.68	6.45	6.96	7.45	7.97	8.21	
30,001 - 60,000	3.59	7.77	8.39	8.97	9.60	9.89	
Over 60,000 Gallons	4.49	9.07	9.80	10.48	11.22	11.55	
Multi-Family Consumption Charges							
Volume Rate (per 1,000 Gal.)	2.95	6.84	7.38	7.90	8.45	8.71	
Government, CUC, and CPA Consumption Charges							
Volume Rate (per 1,000 Gal.)	54.30	81.30	87.80	93.94	100.52	103.54	
Other Charges							
Water Electric Charge -- Forecast	3.72	-	-	-	-	-	
Unmetered Residential and Government	54.00	78.30	84.56	90.48	96.82	99.72	
Unmetered Commercial	275.40	399.33	431.28	461.47	493.77	508.58	
WASTEWATER							
Residential and Multi Family Minimum and Consumption Charges							
Minimum Charge	\$ 9.69	\$ 13.57	\$ 15.60	\$ 17.94	\$ 20.63	\$ 21.66	
Volume Rate (per 1,000 Gal.)							
0 - 6,000	1.00	3.33	3.83	4.40	5.06	5.32	
Over 6,000 Gallons	3.13	6.31	7.26	8.35	9.60	10.08	
Commercial, PSS, and CHC Minimum and Consumption Charges							
Minimum Charge	9.24	12.94	14.88	17.11	19.67	20.66	
Volume Rate (per 1,000 Gal.)							
0 - 6,000	3.00	6.13	7.05	8.11	9.32	9.79	
Over 6,000 Gallons	3.13	6.31	7.26	8.35	9.60	10.08	
Government, CUC, and CPA Minimum and Consumption Charges							
Minimum Charge	-	-	-	-	-	-	
Volume Rate (per 1,000 Gal.)	68.00	97.13	111.70	128.45	147.72	155.11	
Other Charges							
Wastewater Electric Charge -- Forecast	-	-	-	-	-	-	

TABLE III-33

COMMONWEALTH UTILITIES CORPORATION						
2025 05 09 Scenario I -- 5 Year Implement -- No WEC						
IMPACT OF RATE PLAN ON MONTHLY CHARGES						
	Current	Effective				
		2026	2027	2028	2029	2030
Residential Monthly Charges -- 3/4"						
5,000 Water and Wastewater	\$ 49.79	\$ 66.94	\$ 74.41	\$ 82.40	\$ 91.36	\$ 95.02
Increase -- \$		17.15	7.47	7.99	8.96	3.66
Increase -- %		34.4%	11.2%	10.7%	10.9%	4.0%
10,000 Water and Wastewater	90.61	120.93	134.72	149.56	166.25	173.03
Increase -- \$		30.32	13.79	14.84	16.69	6.78
Increase -- %		33.5%	11.4%	11.0%	11.2%	4.1%
30,000 Water and Wastewater	276.51	369.28	411.77	457.62	509.23	530.14
Increase -- \$		92.77	42.49	45.85	51.61	20.91
Increase -- %		33.5%	11.5%	11.1%	11.3%	4.1%
Commercial Monthly Charges -- 2"						
20,000 Water and Wastewater	\$ 207.24	\$ 278.87	\$ 310.84	\$ 345.30	\$ 384.08	\$ 399.81
Increase -- \$		71.63	31.98	34.46	38.78	15.72
Increase -- %		34.6%	11.5%	11.1%	11.2%	4.1%
40,000 Water and Wastewater	406.94	547.22	609.50	676.48	751.80	782.40
Increase -- \$		140.28	62.28	66.98	75.32	30.59
Increase -- %		34.5%	11.4%	11.0%	11.1%	4.1%

CHART III-34



Water/Wastewater Rate Scenario II – One-Year Implementation

Table III-35 summarizes the rate recommendations for Scenario I – Five Year Implementation. As stated in Section I, the objective of Scenario I is to implement a rate plan that eliminates CUC's cost of service deficit over a one-year period. This means that by 2027 CUC would have base water and wastewater rates that fully cover the cost of service.

The impact of these recommendations on monthly residential and commercial charges is presented in **Table III-36**.

Chart III-37 presents forecast revenues and expenses under Scenario I. Details behind these calculations, as well as annual forecasts of revenues and expenses, are presented in Appendix A.

The following is notable about this scenario:

- **This scenario also recommends that CUC eliminate its monthly Water and Wastewater Electric Charge.** This is in accordance with a policy preference stated by CUC's Board of Directors.
- This alternative funds **0.0%** of the total \$224,918,000 CIP with CUC's rate revenue. As stated earlier, all of the CIP is assumed to be funded through grants.
- **Further annual rate adjustments of 3.0% are forecast for the period beyond FY 2030.**



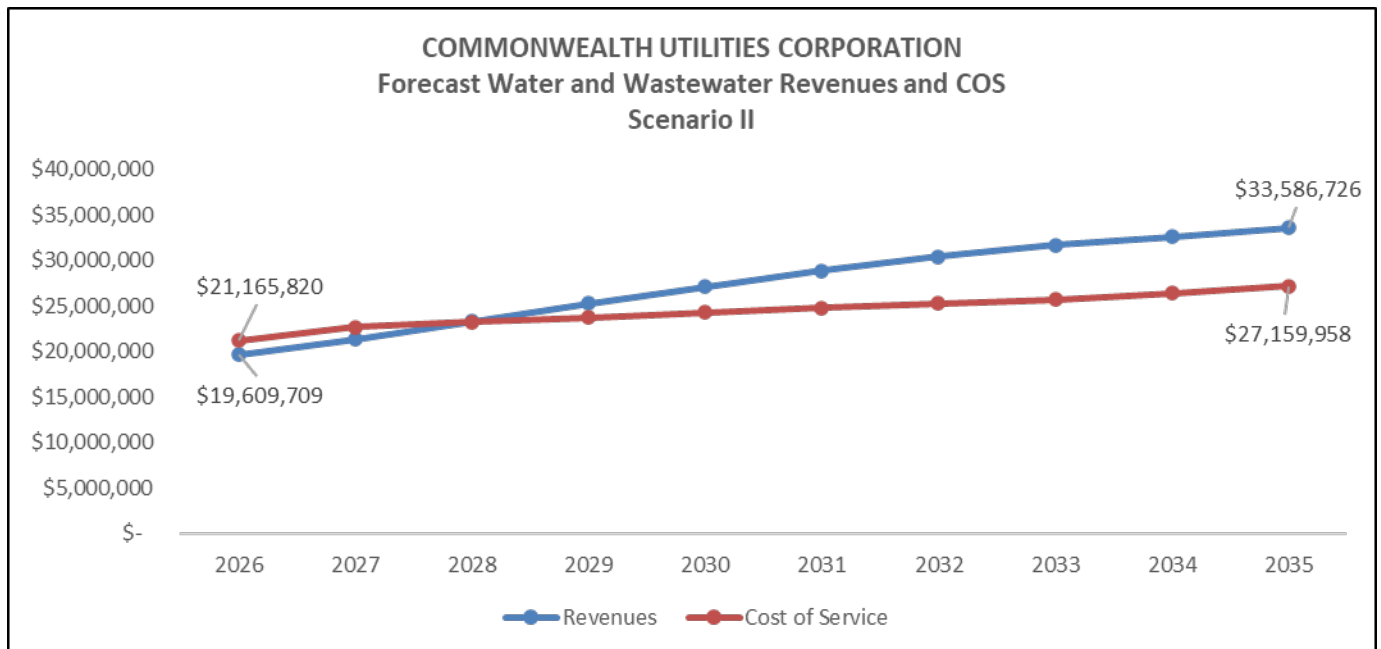
TABLE III-35

COMMONWEALTH UTILITIES CORPORATION 2025 05 09 Scenario II -- 1 Year Implement -- No WEC PROPOSED WATER AND WASTEWATER RATE PLAN						
	Current	Effective				
		2026	2027	2028	2029	2030
WATER						
Meter Service Charge						
Meter Size						
5/8 X 3/4"	\$ 10.86	\$ 22.81	\$ 23.49	\$ 24.19	\$ 24.92	\$ 25.67
1"	12.67	26.61	27.41	28.23	29.07	29.95
1 1/2"	19.91	41.81	43.07	44.36	45.69	47.06
2"	25.34	53.21	54.81	56.45	58.15	59.89
3"	63.35	133.04	137.03	141.14	145.37	149.73
4"	99.55	209.06	215.33	221.79	228.44	235.29
6"	135.75	285.08	293.63	302.44	311.51	320.85
8"	199.10	418.11	430.65	443.57	456.88	470.59
10"	280.55	589.16	606.83	625.03	643.79	663.10
12"	362.00	760.20	783.01	806.50	830.69	855.61
Residential, Commercial, PSS, and CHC Consumption Charges						
Volume Rate (per 1,000 Gal.)						
0 - 3,000	0.72	4.07	4.19	4.32	4.45	4.58
3,001 - 15,000	1.74	6.21	6.40	6.59	6.79	6.99
15,001 - 30,000	2.68	8.19	8.43	8.69	8.95	9.22
30,001 - 60,000	3.59	10.10	10.40	10.71	11.04	11.37
Over 60,000 Gallons	4.49	11.99	12.35	12.72	13.10	13.49
Multi-Family Consumption Charges						
Volume Rate (per 1,000 Gal.)	2.95	8.76	9.02	9.29	9.57	9.85
Government, CUC, and CPA Consumption Charges						
Volume Rate (per 1,000 Gal.)	54.30	116.59	120.09	123.69	127.40	131.22
Other Charges						
Water Electric Charge -- Forecast	3.72	-	-	-	-	-
Unmetered Residential and Government	54.00	113.40	116.80	120.31	123.92	127.63
Unmetered Commercial	275.40	578.34	595.69	613.56	631.97	650.93
WASTEWATER						
Residential and Multi Family Minimum and Consumption Charges						
Minimum Charge	\$ 9.69	\$ 21.80	\$ 22.46	\$ 23.13	\$ 23.82	\$ 24.54
Volume Rate (per 1,000 Gal.)						
0 - 6,000	1.00	4.18	4.31	4.43	4.57	4.70
Over 6,000 Gallons	3.13	8.97	9.24	9.52	9.80	10.10
Commercial, PSS, and CHC Minimum and Consumption Charges						
Minimum Charge	9.24	20.79	21.41	22.06	22.72	23.40
Volume Rate (per 1,000 Gal.)						
0 - 6,000	3.00	8.68	8.94	9.21	9.48	9.77
Over 6,000 Gallons	3.13	8.97	9.24	9.52	9.80	10.10
Government, CUC, and CPA Minimum and Consumption Charges						
Minimum Charge	-	-	-	-	-	-
Volume Rate (per 1,000 Gal.)	68.00	154.93	159.58	164.37	169.30	174.38
Other Charges						
Wastewater Electric Charge -- Forecast	-	-	-	-	-	-

TABLE III-36

COMMONWEALTH UTILITIES CORPORATION						
2025 05 09 Scenario II -- 1 Year Implement -- No WEC						
IMPACT OF RATE PLAN ON MONTHLY CHARGES						
	Current	Effective				
		2026	2027	2028	2029	2030
Residential Monthly Charges -- 3/4"						
5,000 Water and Wastewater	\$ 49.79	\$ 90.15	\$ 92.86	\$ 95.64	\$ 98.51	\$ 101.47
Increase -- \$		40.36	2.70	2.79	2.87	2.96
Increase -- %		81.1%	3.0%	3.0%	3.0%	3.0%
10,000 Water and Wastewater	90.61	161.29	166.13	171.12	176.25	181.54
Increase -- \$		70.68	4.84	4.98	5.13	5.29
Increase -- %		78.0%	3.0%	3.0%	3.0%	3.0%
30,000 Water and Wastewater	276.51	494.63	509.47	524.76	540.50	556.71
Increase -- \$		218.12	14.84	15.28	15.74	16.21
Increase -- %		78.9%	3.0%	3.0%	3.0%	3.0%
Commercial Monthly Charges -- 2"						
20,000 Water and Wastewater	\$ 207.24	\$ 379.42	\$ 390.81	\$ 402.53	\$ 414.61	\$ 427.04
Increase -- \$		172.18	11.38	11.72	12.08	12.44
Increase -- %		83.1%	3.0%	3.0%	3.0%	3.0%
40,000 Water and Wastewater	406.94	741.74	764.00	786.92	810.52	834.84
Increase -- \$		334.80	22.25	22.92	23.61	24.32
Increase -- %		82.3%	3.0%	3.0%	3.0%	3.0%

CHART III-37



Water/WW Rate Scenario III – Five-Year Implementation – Phase Out of Government Rate

Table III-38 summarizes the rate recommendations for Scenario III – Five Year Implementation – Phase Out of Government Rate. As stated in Section I, the objective of Scenario III is to implement a rate plan that eliminates CUC's cost of service deficit over a five-year period. This means that by 2030 CUC would have base water rates that fully cover the cost of service.

The impact of these recommendations on monthly residential and commercial charges is presented in **Table III-39**.

Chart III-40 presents forecast revenues and expenses under Scenario III.

The following is notable about this scenario:

- **Under this scenario, the higher government water and wastewater rates are assumed to be phased out over the five-year period.** By 2030 the government water and wastewater rate would be the same as the commercial rates.
- Because the government rate is phased out, **this scenario results in significantly higher residential and commercial water and wastewater rate adjustments.**
- **This scenario also recommends that CUC eliminate its monthly Water and Wastewater Electric Charge.** This is in accordance with a policy preference stated by CUC's Board of Directors.
- This alternative funds **0.0%** of the total \$224,918,000 CIP with CUC's rate revenue. As stated earlier, all of the CIP is assumed to be funded through grants.
- **Further annual rate adjustments of 3.0% are forecast for the period beyond FY 2030.**



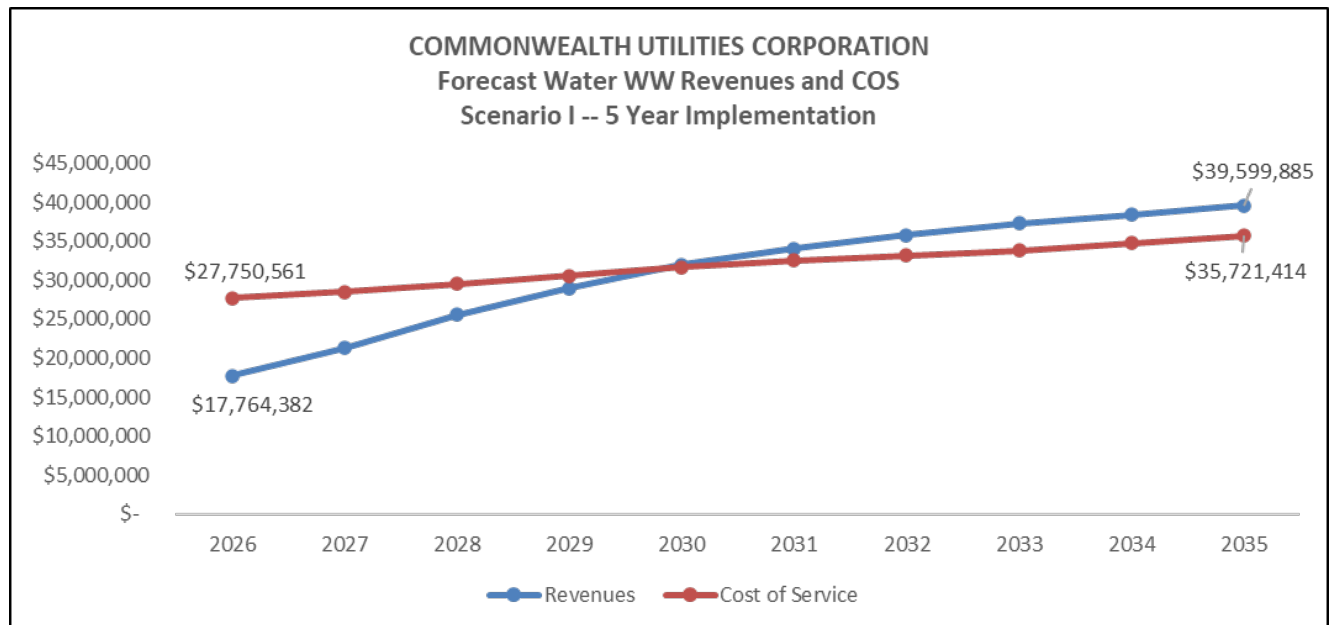
TABLE III-38

COMMONWEALTH UTILITIES CORPORATION 2025 05 09 Scenario III -- 5 Year Implementation; Phase Out Govt Rate PROPOSED WATER AND WASTEWATER RATE PLAN						
	Current	2026	2027	Effective 2028	2029	2030
WATER						
Meter Service Charge						
Meter Size						
5/8 X 3/4"	\$ 10.86	\$ 20.09	\$ 25.11	\$ 30.14	\$ 33.75	\$ 35.44
1"	12.67	23.44	29.30	35.16	39.38	41.35
1 1/2"	19.91	36.83	46.04	55.25	61.88	64.97
2"	25.34	46.88	58.60	70.32	78.76	82.69
3"	63.35	117.20	146.50	175.80	196.89	206.74
4"	99.55	184.17	230.21	276.25	309.40	324.87
6"	135.75	251.14	313.92	376.71	421.91	443.01
8"	199.10	368.34	460.42	552.50	618.80	649.74
10"	280.55	519.02	648.77	778.53	871.95	915.55
12"	362.00	669.70	837.13	1,004.55	1,125.10	1,181.35
Residential, Commercial, PSS, and CHC Consumption Charges						
Volume Rate (per 1,000 Gal.)						
0 - 3,000	0.72	3.89	4.87	5.84	6.54	6.87
3,001 - 15,000	1.74	5.78	7.22	8.67	9.71	10.19
15,001 - 30,000	2.68	7.52	9.40	11.28	12.63	13.26
30,001 - 60,000	3.59	9.20	11.50	13.80	15.46	16.23
Over 60,000 Gallons	4.49	10.87	13.58	16.30	18.26	19.17
Multi-Family Consumption Charges						
Volume Rate (per 1,000 Gal.)	2.95	8.02	10.02	12.03	13.47	14.14
Government, CUC, and CPA Consumption Charges						
Volume Rate (per 1,000 Gal.)	54.30	40.00	30.00	20.00	10.00	6.87
Other Charges						
Water Electric Charge -- Forecast	3.72	-	-	-	-	-
Unmetered Residential and Government	54.00	99.90	124.88	149.85	167.83	176.22
Unmetered Commercial	275.40	509.49	636.86	764.24	855.94	898.74
WASTEWATER						
Residential and Multi Family Minimum and Consumption Charges						
Minimum Charge	\$ 9.69	\$ 15.50	\$ 19.38	\$ 23.26	\$ 26.74	\$ 28.08
Volume Rate (per 1,000 Gal.)						
0 - 6,000	1.00	3.53	4.41	5.30	6.09	6.39
Over 6,000 Gallons	3.13	6.94	8.67	10.41	11.97	12.57
Commercial, PSS, and CHC Minimum and Consumption Charges						
Minimum Charge	9.24	14.78	18.48	22.18	25.50	26.78
Volume Rate (per 1,000 Gal.)						
0 - 6,000	3.00	6.73	8.41	10.10	11.61	12.19
Over 6,000 Gallons	3.13	6.94	8.67	10.41	11.97	12.57
Government, CUC, and CPA Minimum and Consumption Charges						
Minimum Charge	-	-	-	-	-	-
Volume Rate (per 1,000 Gal.)	68.00	50.00	35.00	20.00	10.00	12.19
Other Charges						
Wastewater Electric Charge -- Forecast	-	-	-	-	-	-

TABLE III-39

COMMONWEALTH UTILITIES CORPORATION						
2025 05 09 Scenario III -- 5 Year Implementation; Phase Out Govt Rate						
IMPACT OF RATE PLAN ON MONTHLY CHARGES						
	Current	Effective				
		2026	2027	2028	2029	2030
Residential Monthly Charges -- 3/4"						
5,000 Water and Wastewater	\$ 49.79	\$ 76.48	\$ 95.60	\$ 114.72	\$ 129.98	\$ 136.48
Increase -- \$		26.69	19.12	19.12	15.26	6.50
Increase -- %		53.6%	25.0%	20.0%	13.3%	5.0%
10,000 Water and Wastewater	90.61	136.66	170.82	204.98	232.48	244.11
Increase -- \$		46.05	34.16	34.16	27.50	11.62
Increase -- %		50.8%	25.0%	20.0%	13.4%	5.0%
30,000 Water and Wastewater	276.51	417.08	521.35	625.62	709.84	745.33
Increase -- \$		140.57	104.27	104.27	84.22	35.49
Increase -- %		50.8%	25.0%	20.0%	13.5%	5.0%
Commercial Monthly Charges -- 2"						
20,000 Water and Wastewater	\$ 207.24	\$ 317.79	\$ 397.24	\$ 476.68	\$ 540.74	\$ 567.78
Increase -- \$		110.55	79.45	79.45	64.06	27.04
Increase -- %		53.3%	25.0%	20.0%	13.4%	5.0%
40,000 Water and Wastewater	406.94	623.74	779.68	935.62	1,060.99	1,114.04
Increase -- \$		216.80	155.94	155.94	125.37	53.05
Increase -- %		53.3%	25.0%	20.0%	13.4%	5.0%

CHART III-40



Comparative Impact on Ratepayers

Table III-41 presents the impact on ratepayers' monthly bills for each of the scenarios at 5,000 gallons per month for residential and 20,000 gallons per month for commercial. These represent average usage levels for each customer class. The table reveals that the impact on monthly ratepayer bills increases with each of the alternative scenarios.

TABLE III-41

COMMONWEALTH UTILITIES CORPORATION IMPACT OF RATE PLAN ON MONTHLY CHARGES						
	Current	Effective				
		2026	2027	2028	2029	2030
Impact on Monthly Water/Wastewater Monthly Charges						
Residential 5/8" -- 5,000 Gallons Water/WW						
<u>Scenario I -- 5 Year Implementation</u>	\$ 49.79	\$ 66.94	\$ 74.41	\$ 82.40	\$ 91.36	\$ 95.02
Increase -- \$		17.15	7.47	7.99	8.96	3.66
Increase -- %		34.4%	11.2%	10.7%	10.9%	4.0%
<u>Scenario II -- 1 Year Implementation</u>	49.79	90.15	92.86	95.64	98.51	101.47
Increase -- \$		40.36	2.71	2.78	2.87	2.96
Increase -- %		81.1%	3.0%	3.0%	3.0%	3.0%
<u>Scenario III -- 5 Year Imp -- Govt Rate Elir</u>	49.79	76.48	95.60	114.72	129.98	136.48
Increase -- \$		26.69	19.12	19.12	15.26	6.50
Increase -- %		53.6%	25.0%	20.0%	13.3%	5.0%
Commercial 2" -- 20,000 Gallons Water/WW						
<u>Scenario I -- 5 Year Implementation</u>	207.24	278.87	31.84	345.30	384.08	399.81
Increase -- \$		71.63	(247.03)	313.46	38.78	15.73
Increase -- %		34.6%	-88.6%	984.5%	11.2%	4.1%
<u>Scenario II -- 1 Year Implementation</u>	207.24	379.43	390.81	402.53	414.61	427.04
Increase -- \$		172.19	11.38	11.72	12.08	12.43
Increase -- %		83.1%	3.0%	3.0%	3.0%	3.0%
<u>Scenario III -- 5 Year Imp -- Govt Rate Elir</u>	207.24	317.79	397.24	476.68	540.74	567.78
Increase -- \$		110.55	79.45	79.45	64.06	27.04
Increase -- %		53.3%	25.0%	20.0%	13.4%	5.0%

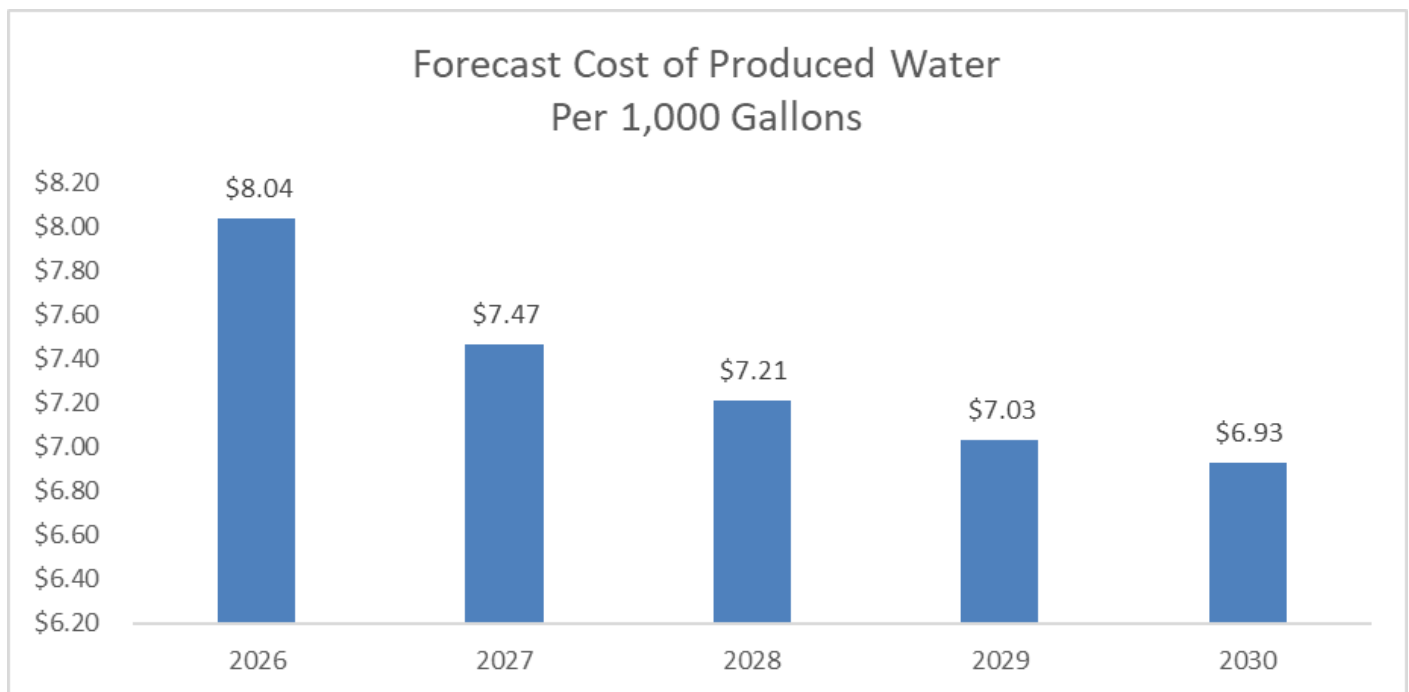
Standpipe/Water Station Rate

CUC maintains two separate water stations at which customers can receive both potable and non-potable water. One of the objectives of this study is to recommend a rate to charge these customer for this service. At present CUC does not charge for water station/standpipe service.

The project team recommends setting a charge for standpipe/water station water based on the cost of treating and producing water. As shown in **Chart III-42** below, CUC forecasts that the cost of produced water will vary between \$8.04 and \$6.93 per 1,000 gallons over the five year forecast period. This cost does not include any distribution or direct customer-related costs.

Therefore the project team recommends setting an initial charge of \$8.00 per 1,000 gallons for standpipe/water station service. This charge should be reassessed periodically as CUC recalculates its cost of service and rates.

Chart III-42



Section IV

SECTION IV

Scenario Summaries

Scenario I -- Summary

This section presents the following summary schedules for **Scenario I – Five Year Rate Plan**:

Table IV-1 -- summary Electric rate recommendations

Table IV-2 -- summary Water and Wastewater rate recommendations

Table IV-3 -- Impact of rate recommendations on average residential and commercial monthly charges

Table IV-4 -- Forecast revenues and cost of service under Scenario I

Details for the calculations for this scenario are presented in Appendix A.

Table IV-1

		COMMONWEALTH UTILITIES CORPORATION 2025 05 09 Scenario I -- 5 Year Implement -- No WEC PROPOSED ELECTRIC RATE PLAN					
		Current	2026	2027	Effective 2028	2029	2030
POWER							
Residential							
Monthly Customer Chg		\$ 7.00	\$ 8.75	\$ 10.68	\$ 12.70	\$ 15.12	\$ 16.48
<u>Base Rates Per kWh:</u>							
-	350	0.0210	0.0263	0.0320	0.0381	0.0454	0.0494
351	1,200	0.0970	0.1213	0.1479	0.1760	0.2095	0.2283
1,201	Above	0.1580	0.1975	0.2410	0.2867	0.3412	0.3719
Commercial							
Monthly Customer Chg		10.00	12.50	15.25	18.15	21.60	23.54
Rates Per kWh:		0.1130	0.1413	0.1723	0.2051	0.2440	0.2660
Government							
Monthly Customer Chg		10.00	12.50	15.25	18.15	21.60	23.54
Rates Per kWh:		0.1240	0.1550	0.1891	0.2250	0.2678	0.2919
Streetlights							
Monthly Customer Chg		11.67	14.59	17.80	21.18	25.20	27.47
Rates Per kWh:		0.2500	0.3125	0.3813	0.4537	0.5399	0.5885
Municipal Pumping							
Monthly Customer Chg		9.06	11.33	13.82	16.44	19.57	21.33
Rates Per kWh:		0.1070	0.1338	0.1632	0.1942	0.2311	0.2519

Table IV-2

COMMONWEALTH UTILITIES CORPORATION 2025 05 09 Scenario I -- 5 Year Implement -- No WEC PROPOSED WATER AND WASTEWATER RATE PLAN						
	Current	Effective				
		2026	2027	2028	2029	2030
WATER						
Meter Service Charge						
Meter Size						
5/8 X 3/4"	\$ 10.86	\$ 15.75	\$ 17.01	\$ 18.20	\$ 19.47	\$ 20.06
1"	12.67	18.37	19.84	21.23	22.72	23.40
1 1/2"	19.91	28.87	31.18	33.36	35.70	36.77
2"	25.34	36.74	39.68	42.46	45.43	46.80
3"	63.35	91.86	99.21	106.15	113.58	116.99
4"	99.55	144.35	155.90	166.81	178.48	183.84
6"	135.75	196.84	212.58	227.47	243.39	250.69
8"	199.10	288.70	311.79	333.62	356.97	367.68
10"	280.55	406.80	439.34	470.10	503.00	518.09
12"	362.00	524.90	566.89	606.57	649.03	668.51
Residential, Commercial, PSS, and CHC Consumption Charges						
Volume Rate (per 1,000 Gal.)						
0 - 3,000	0.72	3.60	3.89	4.16	4.46	4.59
3,001 - 15,000	1.74	5.08	5.49	5.87	6.29	6.47
15,001 - 30,000	2.68	6.45	6.96	7.45	7.97	8.21
30,001 - 60,000	3.59	7.77	8.39	8.97	9.60	9.89
Over 60,000 Gallons	4.49	9.07	9.80	10.48	11.22	11.55
Multi-Family Consumption Charges						
Volume Rate (per 1,000 Gal.)	2.95	6.84	7.38	7.90	8.45	8.71
Government, CUC, and CPA Consumption Charges						
Volume Rate (per 1,000 Gal.)	54.30	81.30	87.80	93.94	100.52	103.54
Other Charges						
Water Electric Charge -- Forecast	3.72	-	-	-	-	-
Unmetered Residential and Government	54.00	78.30	84.56	90.48	96.82	99.72
Unmetered Commercial	275.40	399.33	431.28	461.47	493.77	508.58
WASTEWATER						
Residential and Multi Family Minimum and Consumption Charges						
Minimum Charge	\$ 9.69	\$ 13.57	\$ 15.60	\$ 17.94	\$ 20.63	\$ 21.66
Volume Rate (per 1,000 Gal.)						
0 - 6,000	1.00	3.33	3.83	4.40	5.06	5.32
Over 6,000 Gallons	3.13	6.31	7.26	8.35	9.60	10.08
Commercial, PSS, and CHC Minimum and Consumption Charges						
Minimum Charge	9.24	12.94	14.88	17.11	19.67	20.66
Volume Rate (per 1,000 Gal.)						
0 - 6,000	3.00	6.13	7.05	8.11	9.32	9.79
Over 6,000 Gallons	3.13	6.31	7.26	8.35	9.60	10.08
Government, CUC, and CPA Minimum and Consumption Charges						
Minimum Charge	-	-	-	-	-	-
Volume Rate (per 1,000 Gal.)	68.00	97.13	111.70	128.45	147.72	155.11
Other Charges						
Wastewater Electric Charge -- Forecast	-	-	-	-	-	-

Table IV-3

COMMONWEALTH UTILITIES CORPORATION IMPACT OF RATE PLAN ON MONTHLY CHARGES 2025 05 09 Scenario I -- 5 Year Implement -- No WEC						
	Current	Effective				
		2026	2027	2028	2029	2030
Impact on Monthly Residential Charges						
Power -- 500 kWh						
Total	\$ 134.50	\$ 141.72	\$ 149.67	\$ 158.04	\$ 168.01	\$ 173.62
Water -- 5,000 Gallons						
Total	35.10	36.73	39.66	42.44	45.41	46.77
Wastewater -- 5,000 Gallons						
Total	14.69	30.22	34.75	39.96	45.95	48.25
Total -- All Utilities						
Total Charge	184.29	208.66	224.08	240.44	259.37	268.65
Increase -- \$		24.38	15.42	16.36	18.93	9.28
Increase -- %		13.2%	7.4%	7.3%	7.9%	3.6%
Average Annual Increase	9.2%					
Total -- Electric and Water						
Average Annual Increase	6.0%					
Impact on Monthly Commercial Charges						
Power -- 2,500 kWh						
FAC	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98
Usage Charge	292.50	365.63	446.06	530.81	631.67	688.52
Total	820.48	893.60	974.04	1,058.79	1,159.64	1,216.49
Water -- 20,000 Gallons						
Total	136.18	140.78	152.04	162.69	174.07	179.30
Wastewater -- 20,000 Gallons						
Total	71.06	138.08	158.80	182.62	210.01	220.51
Total						
Total Charge	1,027.72	1,172.47	1,284.88	1,404.09	1,543.73	1,616.30
Increase -- \$		144.75	112.41	119.21	139.64	72.57
Increase -- %		14.1%	9.6%	9.3%	9.9%	4.7%
Average Annual Increase	11.5%					
Total -- Electric and Water						
Average Annual Increase	9.2%					

Table IV-4

COMMONWEALTH UTILITIES CORPORATION COMBINED REVENUES AND COST OF SERVICE						
Scen:	2025 05 09 Scenario I -- 5 Year Implement -- No WEC					
	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	
Revenues						
Electric	\$ 88,019,001	\$ 93,478,574	\$ 100,987,916	\$ 109,837,687	\$ 115,177,124	
Water	14,751,603	17,340,388	19,736,451	22,253,652	23,935,863	
Wastewater	4,019,640	5,049,309	6,193,344	7,522,020	8,264,129	
Non-Rate	9,624,531	5,644,528	6,144,528	6,144,528	6,144,528	
Less Uncollectibles	(7,473,561)	(7,800,843)	(8,542,290)	(9,357,322)	(9,855,737)	
Total Revenues	108,941,214	113,711,956	124,519,949	136,400,564	143,665,906	
Operating Expenses						
PF -- Production Fuel	\$ 55,123,049	\$ 54,094,407	\$ 54,054,858	\$ 54,011,041	\$ 53,962,021	
P -- Personnel	26,966,348	27,775,338	28,608,599	29,466,857	30,350,862	
GA -- General and Administrative	8,406,928	8,809,136	9,223,410	9,650,112	10,089,616	
S -- Supplies	2,161,946	2,319,795	2,463,170	2,597,113	2,718,354	
M -- Maintenance	26,432,681	27,897,661	23,442,591	22,772,970	21,839,982	
OP -- Other Production	8,847,558	9,076,037	9,328,439	9,570,797	9,847,063	
Total Operating Expenses	127,938,511	129,972,374	127,121,067	128,068,890	128,807,898	
Non-Operating	5,109,230	5,174,785	5,278,150	5,384,407	5,493,594	
Capital Outlays	4,117,000	3,061,160	3,152,995	3,247,585	3,345,012	
Debt Service	-	3,163,194	3,163,194	3,163,194	3,163,194	
Total Cost of Service	137,164,741	141,371,514	138,715,406	139,864,076	140,809,699	
Net Revenues	(28,223,527)	(27,659,558)	(14,195,457)	(3,463,511)	2,856,208	

Scenario II -- Summary

This section presents the following summary schedules for **Scenario II – One Year Rate Plan**:

Table IV-5 -- summary Electric rate recommendations

Table IV-6 -- summary Water and Wastewater rate recommendations

Table IV-7 -- Impact of rate recommendations on average residential and commercial monthly charges

Table IV-8 -- Forecast revenues and cost of service under Scenario I

Details for the calculations for this scenario are presented in Appendix B.

Table IV-5

COMMONWEALTH UTILITIES CORPORATION 2025 05 09 Scenario II -- 1 Year Implement -- No WEC PROPOSED ELECTRIC RATE PLAN							
		Current	2026	2027	Effective 2028	2029	2030
POWER							
Residential							
Monthly Customer Chg		\$ 7.00	\$ 15.26	\$ 15.72	\$ 16.19	\$ 16.68	\$ 17.18
<u>Base Rates Per kWh:</u>							
- 350		0.0210	0.0458	0.0472	0.0486	0.0500	0.0515
351 1,200		0.0970	0.2115	0.2178	0.2243	0.2311	0.2380
1,201 Above		0.1580	0.3444	0.3548	0.3654	0.3764	0.3877
Commercial							
Monthly Customer Chg		10.00	21.80	22.45	23.13	23.82	24.54
Rates Per kWh:		0.1130	0.2463	0.2537	0.2613	0.2692	0.2773
Government							
Monthly Customer Chg		10.00	21.80	22.45	23.13	23.82	24.54
Rates Per kWh:		0.1240	0.2703	0.2784	0.2868	0.2954	0.3042
Streetlights							
Monthly Customer Chg		11.67	25.44	26.20	26.99	27.80	28.63
Rates Per kWh:		0.2500	0.5450	0.5614	0.5782	0.5955	0.6134
Municipal Pumping							
Monthly Customer Chg		9.06	19.75	20.34	20.95	21.58	22.23
Rates Per kWh:		0.1070	0.2333	0.2403	0.2475	0.2549	0.2625

Table IV-6

COMMONWEALTH UTILITIES CORPORATION 2025 05 09 Scenario II -- 1 Year Implement -- No WEC PROPOSED WATER AND WASTEWATER RATE PLAN						
	Current	2026	2027	Effective 2028	2029	2030
WATER						
Meter Service Charge						
Meter Size						
5/8 X 3/4"	\$ 10.86	\$ 22.81	\$ 23.49	\$ 24.19	\$ 24.92	\$ 25.67
1"	12.67	26.61	27.41	28.23	29.07	29.95
1 1/2"	19.91	41.81	43.07	44.36	45.69	47.06
2"	25.34	53.21	54.81	56.45	58.15	59.89
3"	63.35	133.04	137.03	141.14	145.37	149.73
4"	99.55	209.06	215.33	221.79	228.44	235.29
6"	135.75	285.08	293.63	302.44	311.51	320.85
8"	199.10	418.11	430.65	443.57	456.88	470.59
10"	280.55	589.16	606.83	625.03	643.79	663.10
12"	362.00	760.20	783.01	806.50	830.69	855.61
Residential, Commercial, PSS, and CHC Consumption Charges						
Volume Rate (per 1,000 Gal.)						
0 - 3,000	0.72	4.07	4.19	4.32	4.45	4.58
3,001 - 15,000	1.74	6.21	6.40	6.59	6.79	6.99
15,001 - 30,000	2.68	8.19	8.43	8.69	8.95	9.22
30,001 - 60,000	3.59	10.10	10.40	10.71	11.04	11.37
Over 60,000 Gallons	4.49	11.99	12.35	12.72	13.10	13.49
Multi-Family Consumption Charges						
Volume Rate (per 1,000 Gal.)	2.95	8.76	9.02	9.29	9.57	9.85
Government, CUC, and CPA Consumption Charges						
Volume Rate (per 1,000 Gal.)	54.30	116.59	120.09	123.69	127.40	131.22
Other Charges						
Water Electric Charge -- Forecast	3.72	-	-	-	-	-
Unmetered Residential and Government	54.00	113.40	116.80	120.31	123.92	127.63
Unmetered Commercial	275.40	578.34	595.69	613.56	631.97	650.93
WASTEWATER						
Residential and Multi Family Minimum and Consumption Charges						
Minimum Charge	\$ 9.69	\$ 21.80	\$ 22.46	\$ 23.13	\$ 23.82	\$ 24.54
Volume Rate (per 1,000 Gal.)						
0 - 6,000	1.00	4.18	4.31	4.43	4.57	4.70
Over 6,000 Gallons	3.13	8.97	9.24	9.52	9.80	10.10
Commercial, PSS, and CHC Minimum and Consumption Charges						
Minimum Charge	9.24	20.79	21.41	22.06	22.72	23.40
Volume Rate (per 1,000 Gal.)						
0 - 6,000	3.00	8.68	8.94	9.21	9.48	9.77
Over 6,000 Gallons	3.13	8.97	9.24	9.52	9.80	10.10
Government, CUC, and CPA Minimum and Consumption Charges						
Minimum Charge	-	-	-	-	-	-
Volume Rate (per 1,000 Gal.)	68.00	154.93	159.58	164.37	169.30	174.38
Other Charges						
Wastewater Electric Charge -- Forecast	-	-	-	-	-	-

Table IV-7

COMMONWEALTH UTILITIES CORPORATION						
IMPACT OF RATE PLAN ON MONTHLY CHARGES						
2025 05 09 Scenario II -- 1 Year Implement -- No WEC						
	Current	Effective				
		2026	2027	2028	2029	2030
Impact on Monthly Residential Charges						
Power -- 500 kWh						
Total	\$ 134.50	\$ 168.60	\$ 170.49	\$ 172.43	\$ 174.44	\$ 176.50
Water -- 5,000 Gallons						
Total	35.10	47.45	48.87	50.34	51.85	53.41
Wastewater -- 5,000 Gallons						
Total	14.69	42.70	43.98	45.30	46.66	48.06
Total -- All Utilities						
Total Charge	184.29	258.75	263.34	268.08	272.95	277.97
Increase -- \$		74.46	4.59	4.73	4.87	5.02
Increase -- %		40.4%	1.8%	1.8%	1.8%	1.8%
Average Annual Increase	10.2%					
Total -- Electric and Water						
Average Annual Increase	7.1%					
Impact on Monthly Commercial Charges						
Power -- 2,500 kWh						
FAC	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98
Usage Charge	292.50	637.65	656.78	676.48	696.78	717.68
Total	820.48	1,165.63	1,184.75	1,204.46	1,224.75	1,245.66
Water -- 20,000 Gallons						
Total	136.18	180.94	186.37	191.96	197.72	203.65
Wastewater -- 20,000 Gallons						
Total	71.06	198.49	204.44	210.57	216.89	223.40
Total						
Total Charge	1,027.72	1,545.05	1,575.56	1,606.99	1,639.36	1,672.70
Increase -- \$		517.33	30.51	31.43	32.37	33.34
Increase -- %		50.3%	2.0%	2.0%	2.0%	2.0%
Average Annual Increase	12.6%					
Total -- Electric and Water						
Average Annual Increase	10.3%					

Table IV-8

COMMONWEALTH UTILITIES CORPORATION COMBINED REVENUES AND COST OF SERVICE					
Scen:	2025 05 09 Scenario II -- 1 Year Implement -- No WEC				
	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030
Revenues					
Electric	\$ 110,834,295	\$ 112,825,212	\$ 114,526,924	\$ 116,270,846	\$ 118,055,952
Water	19,843,080	22,223,254	24,331,831	26,394,987	28,377,844
Wastewater	5,886,292	6,615,840	7,262,912	7,896,753	8,506,730
Non-Rate	9,624,531	5,644,528	6,144,528	6,144,528	6,144,528
Less Uncollectibles	(9,384,947)	(9,456,889)	(9,775,140)	(10,060,237)	(10,341,291)
Total Revenues	136,803,251	137,851,945	142,491,055	146,646,877	150,743,764
Operating Expenses					
PF -- Production Fuel	\$ 55,123,049	\$ 54,094,407	\$ 54,054,858	\$ 54,011,041	\$ 53,962,021
P -- Personnel	26,966,348	27,775,338	28,608,599	29,466,857	30,350,862
GA -- General and Administrative	8,406,928	8,809,136	9,223,410	9,650,112	10,089,616
S -- Supplies	2,161,946	2,319,795	2,463,170	2,597,113	2,718,354
M -- Maintenance	26,432,681	27,897,661	23,442,591	22,772,970	21,839,982
OP -- Other Production	8,847,558	10,342,075	10,285,332	10,214,466	10,126,041
Total Operating Expenses	127,938,511	131,238,412	128,077,961	128,712,559	129,086,877
Non-Operating	5,109,230	5,174,785	5,278,150	5,384,407	5,493,594
Capital Outlays	4,117,000	3,061,160	3,152,995	3,247,585	3,345,012
Debt Service	-	3,163,194	3,163,194	3,163,194	3,163,194
Total Cost of Service	137,164,741	142,637,551	139,672,300	140,507,745	141,088,677
Net Revenues	(361,490)	(4,785,606)	2,818,755	6,139,132	9,655,086

Scenario III -- Summary

This section presents the following summary schedules for **Scenario III – Five Year Rate Plan – Government Rate Elimination**.

Table IV-9 -- summary Electric rate recommendations (same as Scenario I)

Table IV-10 -- summary Water and Wastewater rate recommendations

Table IV-11 -- Impact of rate recommendations on average residential and commercial monthly charges

Table IV-12 -- Forecast revenues and cost of service under Scenario I

Table IV-9

COMMONWEALTH UTILITIES CORPORATION							
2025 05 09 Scenario III -- 5 Year Implementation; Phase Out Govt Rate							
PROPOSED ELECTRIC RATE PLAN							
	Current	2026	2027	Effective 2028	2029	2030	
POWER							
Residential							
Monthly Customer Chg	\$ 7.00	\$ 8.75	\$ 10.68	\$ 12.70	\$ 15.12	\$ 16.48	
<u>Base Rates Per kWh:</u>							
- 350	0.0210	0.0263	0.0320	0.0381	0.0454	0.0494	
351 1,200	0.0970	0.1213	0.1479	0.1760	0.2095	0.2283	
1,201 Above	0.1580	0.1975	0.2410	0.2867	0.3412	0.3719	
Commercial							
Monthly Customer Chg	10.00	12.50	15.25	18.15	21.60	23.54	
Rates Per kWh:	0.1130	0.1413	0.1723	0.2051	0.2440	0.2660	
Government							
Monthly Customer Chg	10.00	12.50	15.25	18.15	21.60	23.54	
Rates Per kWh:	0.1240	0.1550	0.1891	0.2250	0.2678	0.2919	
Streetlights							
Monthly Customer Chg	11.67	14.59	17.80	21.18	25.20	27.47	
Rates Per kWh:	0.2500	0.3125	0.3813	0.4537	0.5399	0.5885	
Municipal Pumping							
Monthly Customer Chg	9.06	11.33	13.82	16.44	19.57	21.33	
Rates Per kWh:	0.1070	0.1338	0.1632	0.1942	0.2311	0.2519	
Other Charges							
Fuel Adjustment Charge	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	

Table IV-10

COMMONWEALTH UTILITIES CORPORATION							
2025 05 09 Scenario III -- 5 Year Implementation; Phase Out Govt Rate							
PROPOSED WATER AND WASTEWATER RATE PLAN							
	Current	Effective					
		2026	2027	2028	2029	2030	
WATER							
Meter Service Charge							
Meter Size							
5/8 X 3/4"	\$ 10.86	\$ 20.09	\$ 25.11	\$ 30.14	\$ 33.75	\$ 35.44	
1"	12.67	23.44	29.30	35.16	39.38	41.35	
1 1/2"	19.91	36.83	46.04	55.25	61.88	64.97	
2"	25.34	46.88	58.60	70.32	78.76	82.69	
3"	63.35	117.20	146.50	175.80	196.89	206.74	
4"	99.55	184.17	230.21	276.25	309.40	324.87	
6"	135.75	251.14	313.92	376.71	421.91	443.01	
8"	199.10	368.34	460.42	552.50	618.80	649.74	
10"	280.55	519.02	648.77	778.53	871.95	915.55	
12"	362.00	669.70	837.13	1,004.55	1,125.10	1,181.35	
Residential, Commercial, PSS, and CHC Consumption Charges							
Volume Rate (per 1,000 Gal.)							
0 - 3,000	0.72	3.89	4.87	5.84	6.54	6.87	
3,001 - 15,000	1.74	5.78	7.22	8.67	9.71	10.19	
15,001 - 30,000	2.68	7.52	9.40	11.28	12.63	13.26	
30,001 - 60,000	3.59	9.20	11.50	13.80	15.46	16.23	
Over 60,000 Gallons	4.49	10.87	13.58	16.30	18.26	19.17	
Multi-Family Consumption Charges							
Volume Rate (per 1,000 Gal.)	2.95	8.02	10.02	12.03	13.47	14.14	
Government, CUC, and CPA Consumption Charges							
Volume Rate (per 1,000 Gal.)	54.30	40.00	30.00	20.00	10.00	6.87	
Other Charges							
Water Electric Charge -- Forecast	3.72	-	-	-	-	-	
Unmetered Residential and Government	54.00	99.90	124.88	149.85	167.83	176.22	
Unmetered Commercial	275.40	509.49	636.86	764.24	855.94	898.74	
WASTEWATER							
Residential and Multi Family Minimum and Consumption Charges							
Minimum Charge	\$ 9.69	\$ 15.50	\$ 19.38	\$ 23.26	\$ 26.74	\$ 28.08	
Volume Rate (per 1,000 Gal.)							
0 - 6,000	1.00	3.53	4.41	5.30	6.09	6.39	
Over 6,000 Gallons	3.13	6.94	8.67	10.41	11.97	12.57	
Commercial, PSS, and CHC Minimum and Consumption Charges							
Minimum Charge	9.24	14.78	18.48	22.18	25.50	26.78	
Volume Rate (per 1,000 Gal.)							
0 - 6,000	3.00	6.73	8.41	10.10	11.61	12.19	
Over 6,000 Gallons	3.13	6.94	8.67	10.41	11.97	12.57	
Government, CUC, and CPA Minimum and Consumption Charges							
Minimum Charge	-	-	-	-	-	-	
Volume Rate (per 1,000 Gal.)	68.00	50.00	35.00	20.00	10.00	12.19	
Other Charges							
Wastewater Electric Charge -- Forecast	-	-	-	-	-	-	

Table IV-11

COMMONWEALTH UTILITIES CORPORATION IMPACT OF RATE PLAN ON MONTHLY CHARGES 2025 05 09 Scenario III -- 5 Year Implementation; Phase Out Govt Rate						
	Current	Effective				
		2026	2027	2028	2029	2030
Impact on Monthly Residential Charges						
Power -- 500 kWh						
Total	134.50	141.72	149.67	158.04	168.01	173.62
Water -- 5,000 Gallons						
Total	35.10	43.33	54.16	64.99	72.79	76.43
Wastewater -- 5,000 Gallons						
Total	14.69	33.15	41.44	49.73	57.19	60.05
Total -- All Utilities						
Total Charge	184.29	218.20	245.27	272.76	297.98	310.10
Increase -- \$		33.91	27.07	27.49	25.22	12.12
Increase -- %		18.4%	12.4%	11.2%	9.2%	4.1%
Average Annual Increase	13.7%					
Total -- Electric and Water						
Average Annual Increase	9.5%					
Impact on Monthly Commercial Charges						
Power -- 2,500 kWh						
FAC	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98
Usage Charge	292.50	365.63	446.06	530.81	631.67	688.52
Total	820.48	893.60	974.04	1,058.79	1,159.64	1,216.49
Water -- 20,000 Gallons						
Total	136.18	165.49	206.87	248.24	278.03	291.93
Wastewater -- 20,000 Gallons						
Total	71.06	152.30	190.37	228.44	262.71	275.85
Total						
Total Charge	1,027.72	1,211.39	1,371.27	1,535.47	1,700.38	1,784.27
Increase -- \$		183.67	159.88	164.20	164.91	83.89
Increase -- %		17.9%	13.2%	12.0%	10.7%	4.9%
Average Annual Increase	14.7%					
Total -- Electric and Water						
Average Annual Increase	11.5%					

Table IV-12

COMMONWEALTH UTILITIES CORPORATION COMBINED REVENUES AND COST OF SERVICE					
Scen:	2025 05 09 Scenario III -- 5 Year Implementation; Phase Out Govt Rate				
	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030
Revenues					
Electric	\$ 88,019,001	\$ 93,478,574	\$ 100,987,916	\$ 109,837,687	\$ 115,177,124
Water	13,584,414	16,887,805	20,173,304	22,651,559	25,113,801
Wastewater	3,953,456	5,137,228	6,349,962	7,568,199	8,329,135
Non-Rate	9,624,531	5,644,528	6,144,528	6,144,528	6,144,528
Less Uncollectibles	(7,394,382)	(7,777,432)	(8,580,390)	(9,385,831)	(9,935,531)
Total Revenues	107,787,020	113,370,702	125,075,320	136,816,142	144,829,057
Operating Expenses					
PF -- Production Fuel	55,123,049	54,094,407	54,054,858	54,011,041	53,962,021
P -- Personnel	26,966,348	27,775,338	28,608,599	29,466,857	30,350,862
GA -- General and Administrative	8,406,928	8,809,136	9,223,410	9,650,112	10,089,616
S -- Supplies	2,161,946	2,319,795	2,463,170	2,597,113	2,718,354
M -- Maintenance	26,432,681	27,897,661	23,442,591	22,772,970	21,839,982
OP -- Other Production	8,847,558	9,076,037	9,328,439	9,570,797	9,847,063
Total Operating Expenses	127,938,511	129,972,374	127,121,067	128,068,890	128,807,898
Non-Operating	5,109,230	5,174,785	5,278,150	5,384,407	5,493,594
Capital Outlays	4,117,000	3,061,160	3,152,995	3,247,585	3,345,012
Debt Service	-	3,163,194	3,163,194	3,163,194	3,163,194
Total Cost of Service	137,164,741	141,371,514	138,715,406	139,864,076	140,809,699
Net Revenues	(29,377,721)	(28,000,811)	(13,640,086)	(3,047,934)	4,019,358

Scenario IV – Elimination of OPA and CDA Charges

During the course of this rate study development, CUC staff and the Board of Directors requested that an additional scenario be analyzed. This scenario gauges the impact of eliminating the annual OPA and CDA charges incurred by CUC and reimbursed to the central government.

The OPA, or Office of the Public Auditor charge, is a payment of approximately 1.0% of CUC's gross revenues to OPA. In test year FY 2026, this charge is approximately \$1,429,230 and is allocated to the power, water, wastewater and administration departments.

The DCA dividend payment is approximately \$1,080,000 and is allocated entirely to power.

Table IV-13 summarizes the impact on average customer monthly charges if these two expenses were eliminated from CUC's budget. This table represents a 5-year implementation of the rate plan (as in Scenario I) with the two charges eliminated. This lowers the average combined annual cost of service by approximately **\$2,509,230**. The following is notable:

- If the two charges were eliminated, the average annual increase for power, water and wastewater customers would be **7.7%**, instead of 9.2% as shown in Scenario I.
- The average annual increase for power and water customers only would be **5.0%**, instead of 6.0% as shown in Scenario I.
- The average residential power, water and wastewater bill would increase from \$184.29 to \$255.50 by 2030. Under Scenario I, the average monthly charge would increase to \$268.65. Therefore by 2030 the average monthly residential charge would be **\$13.15** less than it would be if the charges continue to be assessed.

Table IV-13

COMMONWEALTH UTILITIES CORPORATION IMPACT OF RATE PLAN ON MONTHLY CHARGES 2025 05 09 Scenario I -- 5 Year Implement; No OPA/CDA Charge						
	Current	Effective				
		2026	2027	2028	2029	2030
Impact on Monthly Residential Charges						
Power -- 500 kWh						
Total	\$ 134.50	\$ 139.70	\$ 145.49	\$ 153.08	\$ 162.10	\$ 167.18
Water -- 5,000 Gallons						
Total	35.10	36.25	37.75	39.89	42.55	44.73
Wastewater -- 5,000 Gallons						
Total	14.69	29.76	33.16	37.68	41.91	43.59
Total -- All Utilities						
Total Charge	184.29	205.70	216.40	230.65	246.56	255.50
Increase -- \$		21.42	10.70	14.24	15.91	8.94
Increase -- %		11.6%	5.2%	6.6%	6.9%	3.6%
Average Annual Increase	7.7%					
Total -- Electric and Water						
Average Annual Increase	5.0%					
Impact on Monthly Commercial Charges						
Power -- 2,500 kWh						
FAC	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98
Usage Charge	292.50	345.15	403.83	480.55	571.86	623.32
Total	820.48	873.13	931.80	1,008.53	1,099.83	1,151.30
Water -- 20,000 Gallons						
Total	136.18	139.00	144.40	152.32	162.24	170.38
Wastewater -- 20,000 Gallons						
Total	71.06	135.88	152.87	174.98	195.54	203.64
Total						
Total Charge	1,027.72	1,148.01	1,229.07	1,335.83	1,457.61	1,525.32
Increase -- \$		120.30	81.06	106.75	121.78	67.71
Increase -- %		11.7%	7.1%	8.7%	9.1%	4.6%
Average Annual Increase	9.7%					
Total -- Electric and Water						
Average Annual Increase	7.6%					

APPENDIX A

Commonwealth Utilities Corporation

Ten Year Rate Analysis and Pro Forma Fiscal Years 2026 - 2035



Utility System

Total
Electric
Water
Sewer

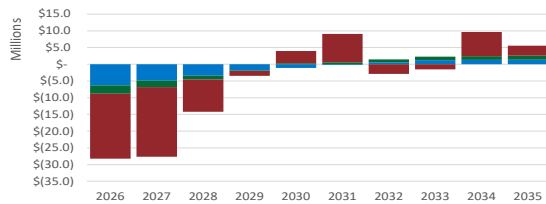
Dashboard

Cash Basis COS
GAAP Accounting

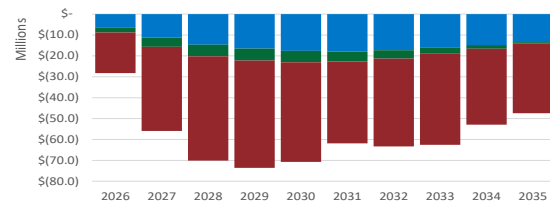
Years

10
5

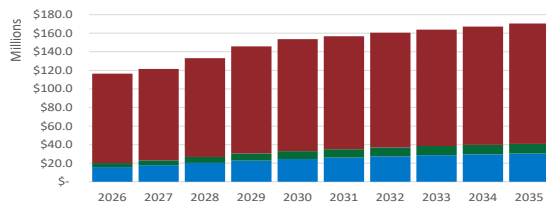
Net Revenues for Contingency



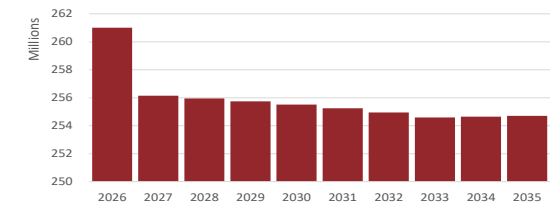
Cash Accumulation



Total Revenue



Total Consumption (kWh)



Water Sewer Electric

Cash Basis COS

Water Rate Adjustments

Meter Charge	45.00%	8.00%	7.00%	7.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Volume Charge	45.00%	8.00%	7.00%	7.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Sewer Rate Adjustments

Meter Charge	40.00%	15.00%	15.00%	15.00%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Volume Charge	40.00%	15.00%	15.00%	15.00%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Electric Rate Adjustments

Base Charge	25.00%	22.00%	19.00%	19.00%	9.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Volume Charge	25.00%	22.00%	19.00%	19.00%	9.00%	3.00%	3.00%	3.00%	3.00%	3.00%

**COMMONWEALTH UTILITIES CORPORATION
WATER/WASTEWATER COST OF SERVICE MODEL**

Current	Effective 2026	Effective 2027	Effective 2028	Effective 2029	Effective 2030	Effective 2031	Effective 2032	Effective 2033	Effective 2034	Effective 2035
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Power, Water and Wastewater Rate Plan -- 10 Year Summary**Scen: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC****POWER Charges****POWER FAC Charge**

FAC Non-Fuel Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FAC Fuel Charge	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119
FAC Total Charge	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119

POWER Base Charge**Residential**

Customer Charge	7.00	8.75	10.68	12.70	15.12	16.48	16.97	17.48	18.01	18.55	19.10
Base Rate per kWh - Existing Blocks											
- 350	0.0210	0.0263	0.0320	0.0381	0.0454	0.0494	0.0509	0.0524	0.0540	0.0556	0.0573
351 1,200	0.0970	0.1213	0.1479	0.1760	0.2095	0.2283	0.2352	0.2422	0.2495	0.2570	0.2647
1,201 Above	0.1580	0.1975	0.2410	0.2867	0.3412	0.3719	0.3831	0.3946	0.4064	0.4186	0.4312

Residential Prepaid

Customer Charge	7.00	8.75	10.68	12.70	15.12	16.48	16.97	17.48	18.01	18.55	19.10
Base Rate per kWh - Existing Blocks											
- 350	0.0210	0.0263	0.0320	0.0381	0.0454	0.0494	0.0509	0.0524	0.0540	0.0556	0.0573
351 1,200	0.0970	0.1213	0.1479	0.1760	0.2095	0.2283	0.2352	0.2422	0.2495	0.2570	0.2647
1,201 Above	0.1580	0.1975	0.2410	0.2867	0.3412	0.3719	0.3831	0.3946	0.4064	0.4186	0.4312

Commercial

Customer Charge	10.00	12.50	15.25	18.15	21.60	23.54	24.25	24.97	25.72	26.49	27.29
Base Rate per kWh - Existing Blocks											
- 350	0.1130	0.1413	0.1723	0.2051	0.2440	0.2660	0.2740	0.2822	0.2907	0.2994	0.3084
351 1,200	0.1130	0.1413	0.1723	0.2051	0.2440	0.2660	0.2740	0.2822	0.2907	0.2994	0.3084
1,201 Above	0.1130	0.1413	0.1723	0.2051	0.2440	0.2660	0.2740	0.2822	0.2907	0.2994	0.3084

Large Commercial

Customer Charge	10.00	12.50	15.25	18.15	21.60	23.54	24.25	24.97	25.72	26.49	27.29
Base Rate per kWh -- All Usage	0.1130	0.1413	0.1723	0.2051	0.2440	0.2660	0.2740	0.2822	0.2907	0.2994	0.3084

Government

Customer Charge	10.00	12.50	15.25	18.15	21.60	23.54	24.25	24.97	25.72	26.49	27.29
Base Rate per kWh -- All Usage	0.1240	0.1550	0.1891	0.2250	0.2678	0.2919	0.3006	0.3097	0.3190	0.3285	0.3384

Large Government

Customer Charge	10.00	12.50	15.25	18.15	21.60	23.54	24.25	24.97	25.72	26.49	27.29
Base Rate per kWh -- All Usage	0.1240	0.1550	0.1891	0.2250	0.2678	0.2919	0.3006	0.3097	0.3190	0.3285	0.3384

Streetlights

Customer Charge	11.67	14.59	17.80	21.18	25.20	27.47	28.29	29.14	30.02	30.92	31.85
Base Rate per kWh -- All Usage -- Estin	0.2500	0.3125	0.3813	0.4537	0.5399	0.5885	0.6061	0.6243	0.6430	0.6623	0.6822

CUC Municipal Pumping

Customer Charge	9.06	11.33	13.82	16.44	19.57	21.33	21.97	22.63	23.30	24.00	24.72
Base Rate per kWh -- All Usage	0.1070	0.1338	0.1632	0.1942	0.2311	0.2519	0.2594	0.2672	0.2752	0.2835	0.2920

**COMMONWEALTH UTILITIES CORPORATION
WATER/WASTEWATER COST OF SERVICE MODEL**

Current	Effective 2026	Effective 2027	Effective 2028	Effective 2029	Effective 2030	Effective 2031	Effective 2032	Effective 2033	Effective 2034	Effective 2035
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Power, Water and Wastewater Rate Plan -- 10 Year Summary**Scen: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC****WATER Rate and Charges****WATER Electric Charge**

Total per 1,000 Gallons	\$ 3.72	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Customer Service Charge

5/8"	\$ 10.86	\$ 15.75	\$ 17.01	\$ 18.20	\$ 19.47	\$ 20.06	\$ 20.66	\$ 21.28	\$ 21.91	\$ 22.57	\$ 23.25
1"	12.67	18.37	19.84	21.23	22.72	23.40	24.10	24.82	25.57	26.33	27.12
1 1/2"	19.91	28.87	31.18	33.36	35.70	36.77	37.87	39.01	40.18	41.38	42.62
2"	25.34	36.74	39.68	42.46	45.43	46.80	48.20	49.65	51.13	52.67	54.25
3"	63.35	91.86	99.21	106.15	113.58	116.99	120.50	124.11	127.84	131.67	135.62
4"	99.55	144.35	155.90	166.81	178.48	183.84	189.35	195.03	200.89	206.91	213.12
6"	135.75	196.84	212.58	227.47	243.39	250.69	258.21	265.96	273.94	282.15	290.62
8"	199.10	288.70	311.79	333.62	356.97	367.68	378.71	390.07	401.77	413.82	426.24
10"	280.55	406.80	439.34	470.10	503.00	518.09	533.63	549.64	566.13	583.12	600.61
12"	362.00	524.90	566.89	606.57	649.03	668.51	688.56	709.22	730.49	752.41	774.98

Volume Rate per 1,000 Gallons**Residential**

-	3,000	0.72	3.60	3.89	4.16	4.46	4.59	4.73	4.87	5.02	5.17	5.32
3,001	15,000	1.74	5.08	5.49	5.87	6.29	6.47	6.67	6.87	7.07	7.29	7.50
15,001	30,000	2.68	6.45	6.96	7.45	7.97	8.21	8.46	8.71	8.97	9.24	9.52
30,001	60,000	3.59	7.77	8.39	8.97	9.60	9.89	10.19	10.49	10.81	11.13	11.47
60,001	Above	4.49	9.07	9.80	10.48	11.22	11.55	11.90	12.26	12.62	13.00	13.39

Multi Family

-	3,000	2.95	6.84	7.38	7.90	8.45	8.71	8.97	9.24	9.52	9.80	10.10
3,001	15,000	2.95	6.84	7.38	7.90	8.45	8.71	8.97	9.24	9.52	9.80	10.10
15,001	30,000	2.95	6.84	7.38	7.90	8.45	8.71	8.97	9.24	9.52	9.80	10.10
30,001	60,000	2.95	6.84	7.38	7.90	8.45	8.71	8.97	9.24	9.52	9.80	10.10
60,001	Above	2.95	6.84	7.38	7.90	8.45	8.71	8.97	9.24	9.52	9.80	10.10

Commercial

-	3,000	0.72	3.60	3.89	4.16	4.46	4.59	4.73	4.87	5.02	5.17	5.32
3,001	15,000	1.74	5.08	5.49	5.87	6.29	6.47	6.67	6.87	7.07	7.29	7.50
15,001	30,000	2.68	6.45	6.96	7.45	7.97	8.21	8.46	8.71	8.97	9.24	9.52
30,001	60,000	3.59	7.77	8.39	8.97	9.60	9.89	10.19	10.49	10.81	11.13	11.47
60,001	Above	4.49	9.07	9.80	10.48	11.22	11.55	11.90	12.26	12.62	13.00	13.39

CUC

-	3,000	54.30	81.30	87.80	93.94	100.52	103.54	106.64	109.84	113.14	116.53	120.03
3,001	15,000	54.30	81.30	87.80	93.94	100.52	103.54	106.64	109.84	113.14	116.53	120.03
15,001	30,000	54.30	81.30	87.80	93.94	100.52	103.54	106.64	109.84	113.14	116.53	120.03
30,001	60,000	54.30	81.30	87.80	93.94	100.52	103.54	106.64	109.84	113.14	116.53	120.03
60,001	Above	54.30	81.30	87.80	93.94	100.52	103.54	106.64	109.84	113.14	116.53	120.03

COMMONWEALTH UTILITIES CORPORATION WATER/WASTEWATER COST OF SERVICE MODEL												
		Current	Effective 2026	Effective 2027	Effective 2028	Effective 2029	Effective 2030	Effective 2031	Effective 2032	Effective 2033	Effective 2034	Effective 2035
Power, Water and Wastewater Rate Plan -- 10 Year Summary												
Scen: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC												
<u>Government</u>												
-	3,000	54.30	81.30	87.80	93.94	100.52	103.54	106.64	109.84	113.14	116.53	120.03
3,001	15,000	54.30	81.30	87.80	93.94	100.52	103.54	106.64	109.84	113.14	116.53	120.03
15,001	30,000	54.30	81.30	87.80	93.94	100.52	103.54	106.64	109.84	113.14	116.53	120.03
30,001	60,000	54.30	81.30	87.80	93.94	100.52	103.54	106.64	109.84	113.14	116.53	120.03
60,001	Above	54.30	81.30	87.80	93.94	100.52	103.54	106.64	109.84	113.14	116.53	120.03
<u>PSS</u>												
-	3,000	0.72	3.60	3.89	4.16	4.46	4.59	4.73	4.87	5.02	5.17	5.32
3,001	15,000	1.74	5.08	5.49	5.87	6.29	6.47	6.67	6.87	7.07	7.29	7.50
15,001	30,000	2.68	6.45	6.96	7.45	7.97	8.21	8.46	8.71	8.97	9.24	9.52
30,001	60,000	3.59	7.77	8.39	8.97	9.60	9.89	10.19	10.49	10.81	11.13	11.47
60,001	Above	4.49	9.07	9.80	10.48	11.22	11.55	11.90	12.26	12.62	13.00	13.39
<u>CHC</u>												
-	3,000	0.72	3.60	3.89	4.16	4.46	4.59	4.73	4.87	5.02	5.17	5.32
3,001	15,000	1.74	5.08	5.49	5.87	6.29	6.47	6.67	6.87	7.07	7.29	7.50
15,001	30,000	2.68	6.45	6.96	7.45	7.97	8.21	8.46	8.71	8.97	9.24	9.52
30,001	60,000	3.59	7.77	8.39	8.97	9.60	9.89	10.19	10.49	10.81	11.13	11.47
60,001	Above	4.49	9.07	9.80	10.48	11.22	11.55	11.90	12.26	12.62	13.00	13.39
<u>CPA</u>												
-	3,000	54.30	81.30	87.80	93.94	100.52	103.54	106.64	109.84	113.14	116.53	120.03
3,001	15,000	54.30	81.30	87.80	93.94	100.52	103.54	106.64	109.84	113.14	116.53	120.03
15,001	30,000	54.30	81.30	87.80	93.94	100.52	103.54	106.64	109.84	113.14	116.53	120.03
30,001	60,000	54.30	81.30	87.80	93.94	100.52	103.54	106.64	109.84	113.14	116.53	120.03
60,001	Above	54.30	81.30	87.80	93.94	100.52	103.54	106.64	109.84	113.14	116.53	120.03
Other Charges												
<u>Water Service Fees Unmetered</u>												
	Resid/Gov	54.00	78.30	84.56	90.48	96.82	99.72	102.71	105.79	108.97	112.24	115.60
	Comm	275.40	399.33	431.28	461.47	493.77	508.58	523.84	539.55	555.74	572.41	589.59

**COMMONWEALTH UTILITIES CORPORATION
WATER/WASTEWATER COST OF SERVICE MODEL**

Current	Effective 2026	Effective 2027	Effective 2028	Effective 2029	Effective 2030	Effective 2031	Effective 2032	Effective 2033	Effective 2034	Effective 2035
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Power, Water and Wastewater Rate Plan -- 10 Year Summary**Scen: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC****2 WASTEWATER Rates and Charges****Wastewater Electric Charge**

Total per 1,000 Gallons	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Monthly Charges**Residential**

Minimum Charge	\$ 9.69	\$ 13.57	\$ 15.60	\$ 17.94	\$ 20.63	\$ 21.66	\$ 22.31	\$ 22.98	\$ 23.67	\$ 24.38	\$ 25.11
Usage Charge/ 1,000 gal 1-6,000 gal	1.00	3.33	3.83	4.40	5.06	5.32	5.48	5.64	5.81	5.99	6.16
Usage Charge/ 1,000 gal over 6,000 ga	3.13	6.31	7.26	8.35	9.60	10.08	10.38	10.69	11.01	11.34	11.69

Multi Family

Minimum Charge	9.69	13.57	15.60	17.94	20.63	21.66	22.31	22.98	23.67	24.38	25.11
Usage Charge/ 1,000 gal 1-6,000 gal	1.00	3.33	3.83	4.40	5.06	5.32	5.48	5.64	5.81	5.99	6.16
Usage Charge/ 1,000 gal over 6,000 ga	3.13	6.31	7.26	8.35	9.60	10.08	10.38	10.69	11.01	11.34	11.69

Commercial

Minimum Charge	9.24	12.94	14.88	17.11	19.67	20.66	21.28	21.92	22.57	23.25	23.95
Usage Charge/ 1,000 gal 1-6,000 gal	3.00	6.13	7.05	8.11	9.32	9.79	10.08	10.39	10.70	11.02	11.35
Usage Charge/ 1,000 gal over 6,000 ga	3.13	6.31	7.26	8.35	9.60	10.08	10.38	10.69	11.01	11.34	11.69

CUC

Minimum Charge	-	-	-	-	-	-	-	-	-	-	-
Usage Charge/ 1,000 gal 1-6,000 gal	68.00	97.13	111.70	128.45	147.72	155.11	159.76	164.55	169.49	174.58	179.81
Usage Charge/ 1,000 gal over 6,000 ga	68.00	97.13	111.70	128.45	147.72	155.11	159.76	164.55	169.49	174.58	179.81

Government

Minimum Charge	-	-	-	-	-	-	-	-	-	-	-
Usage Charge/ 1,000 gal 1-6,000 gal	68.00	97.13	111.70	128.45	147.72	155.11	159.76	164.55	169.49	174.58	179.81
Usage Charge/ 1,000 gal over 6,000 ga	68.00	97.13	111.70	128.45	147.72	155.11	159.76	164.55	169.49	174.58	179.81

PSS

Minimum Charge	9.24	12.94	14.88	17.11	19.67	20.66	21.28	21.92	22.57	23.25	23.95
Usage Charge/ 1,000 gal 1-6,000 gal	3.00	6.13	7.05	8.11	9.32	9.79	10.08	10.39	10.70	11.02	11.35
Usage Charge/ 1,000 gal over 6,000 ga	3.13	6.31	7.26	8.35	9.60	10.08	10.38	10.69	11.01	11.34	11.69

CHC

Minimum Charge	9.24	12.94	14.88	17.11	19.67	20.66	21.28	21.92	22.57	23.25	23.95
Usage Charge/ 1,000 gal 1-6,000 gal	3.00	6.13	7.05	8.11	9.32	9.79	10.08	10.39	10.70	11.02	11.35
Usage Charge/ 1,000 gal over 6,000 ga	3.13	6.31	7.26	8.35	9.60	10.08	10.38	10.69	11.01	11.34	11.69

CPA

Minimum Charge	-	-	-	-	-	-	-	-	-	-	-
Usage Charge/ 1,000 gal	68.00	97.13	112.00	129.00	148.00	155.40	160.06	164.86	169.81	174.90	180.15

COMMONWEALTH UTILITIES CORPORATION WATER/WASTEWATER COST OF SERVICE MODEL											
	Current	Effective 2026	Effective 2027	Effective 2028	Effective 2029	Effective 2030	Effective 2031	Effective 2032	Effective 2033	Effective 2034	Effective 2035
Power, Water and Wastewater Rate Plan -- 10 Year Summary											
Scen: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC											
Residential Monthly Charges -- POWER											
500 kWh											
Total	\$ 134.50	\$ 141.72	\$ 149.67	\$ 158.04	\$ 168.01	\$ 173.62	\$ 175.66	\$ 177.77	\$ 179.93	\$ 182.16	\$ 184.46
Dollar Inc		7.22	7.95	8.37	9.96	5.62	2.04	2.10	2.17	2.23	2.30
Percent Inc		5.4%	5.6%	5.6%	6.3%	3.3%	1.2%	1.2%	1.2%	1.2%	1.3%
1,000 kWh											
Total	288.59	307.94	329.23	351.65	378.34	393.38	398.85	404.48	410.28	416.25	422.40
Dollar Inc		19.35	21.29	22.43	26.69	15.04	5.47	5.63	5.80	5.97	6.15
Percent Inc		6.7%	6.9%	6.8%	7.6%	4.0%	1.4%	1.4%	1.4%	1.5%	1.5%
2,000 kWh											
Total	645.58	701.38	762.76	827.43	904.39	947.77	963.54	979.77	996.49	1,013.71	1,031.45
Dollar Inc		55.80	61.38	64.67	76.96	43.38	15.76	16.23	16.72	17.22	17.74
Percent Inc		8.6%	8.8%	8.5%	9.3%	4.8%	1.7%	1.7%	1.7%	1.7%	1.8%
Commercial Monthly Charges -- POWER											
2,500 kWh											
Total	\$ 820.48	\$ 893.60	\$ 974.04	\$ 1,058.79	\$ 1,159.64	\$ 1,216.49	\$ 1,237.15	\$ 1,258.43	\$ 1,280.34	\$ 1,302.91	\$ 1,326.16
Dollar Inc		73.13	80.44	84.75	100.85	56.85	20.66	21.28	21.91	22.57	23.25
Percent Inc		8.9%	9.0%	8.7%	9.5%	4.9%	1.7%	1.7%	1.7%	1.8%	1.8%
5,000 kWh											
Total	1,630.95	1,774.70	1,932.83	2,099.43	2,297.69	2,409.45	2,450.05	2,491.88	2,534.96	2,579.33	2,625.03
Dollar Inc		143.75	158.13	166.61	198.26	111.76	40.60	41.82	43.08	44.37	45.70
Percent Inc		8.8%	8.9%	8.6%	9.4%	4.9%	1.7%	1.7%	1.7%	1.8%	1.8%

COMMONWEALTH UTILITIES CORPORATION WATER/WASTEWATER COST OF SERVICE MODEL										
Current	Effective 2026	Effective 2027	Effective 2028	Effective 2029	Effective 2030	Effective 2031	Effective 2032	Effective 2033	Effective 2034	Effective 2035

Power, Water and Wastewater Rate Plan -- 10 Year Summary**Scen: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC****Residential Monthly Charges -- WATER****5,000 Gallons -- 3/4" Meter**

Total	\$ 35.10	\$ 36.73	\$ 39.66	\$ 42.44	\$ 45.41	\$ 46.77	\$ 48.18	\$ 49.62	\$ 51.11	\$ 52.64	\$ 54.22
Dollar Inc		1.62	2.94	2.78	2.97	1.36	1.40	1.45	1.49	1.53	1.58
Percent Inc		4.6%	8.0%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

10,000 Gallons -- 3/4" Meter

Total	62.40	62.14	67.11	71.81	76.84	79.14	81.51	83.96	86.48	89.07	91.75
Dollar Inc		(0.26)	4.97	4.70	5.03	2.31	2.37	2.45	2.52	2.59	2.67
Percent Inc		-0.4%	8.0%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

20,000 Gallons -- 3/4" Meter

Total	121.70	119.79	129.37	138.42	148.11	152.56	157.13	161.85	166.70	171.70	176.85
Dollar Inc		(1.92)	9.58	9.06	9.69	4.44	4.58	4.71	4.86	5.00	5.15
Percent Inc		-1.6%	8.0%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Commercial Monthly Charges -- WATER**20,000 Gallons -- 2" Meter**

Total	136.18	140.78	152.04	162.69	174.07	179.30	184.68	190.22	195.92	201.80	207.85
Dollar Inc		4.60	11.26	10.64	11.39	5.22	5.38	5.54	5.71	5.88	6.05
Percent Inc		3.4%	8.0%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

40,000 Gallons -- 2" Meter

Total	273.28	282.90	305.53	326.91	349.80	360.29	371.10	382.23	393.70	405.51	417.68
Dollar Inc		9.62	22.63	21.39	22.88	10.49	10.81	11.13	11.47	11.81	12.17
Percent Inc		3.5%	8.0%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

COMMONWEALTH UTILITIES CORPORATION WATER/WASTEWATER COST OF SERVICE MODEL											
Current	Effective 2026	Effective 2027	Effective 2028	Effective 2029	Effective 2030	Effective 2031	Effective 2032	Effective 2033	Effective 2034	Effective 2035	

Power, Water and Wastewater Rate Plan -- 10 Year Summary**Scen: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC****Residential Monthly Charges -- WASTEWATER****5,000 Gallons -- 3/4" Meter**

Total	\$	14.69	\$	30.22	\$	34.75	\$	39.96	\$	45.95	\$	48.25	\$	49.70	\$	51.19	\$	52.73	\$	54.31	\$	55.94
Dollar Inc				15.53		4.53		5.21		5.99		2.30		1.45		1.49		1.54		1.58		1.63
Percent Inc				105.7%		15.0%		15.0%		15.0%		5.0%		3.0%		3.0%		3.0%		3.0%		3.0%

10,000 Gallons -- 3/4" Meter

Total		28.21		58.79		67.61		77.76		89.42		93.89		96.71		99.61		102.60		105.67		108.84
Dollar Inc				30.58		8.82		10.14		11.66		4.47		2.82		2.90		2.99		3.08		3.17
Percent Inc				108.4%		15.0%		15.0%		15.0%		5.0%		3.0%		3.0%		3.0%		3.0%		3.0%

20,000 Gallons -- 3/4" Meter

Total		59.51		121.91		140.20		161.23		185.42		194.69		200.53		206.54		212.74		219.12		225.70
Dollar Inc				62.40		18.29		21.03		24.18		9.27		5.84		6.02		6.20		6.38		6.57
Percent Inc				104.9%		15.0%		15.0%		15.0%		5.0%		3.0%		3.0%		3.0%		3.0%		3.0%

Commercial Monthly Charges -- WASTEWATER**20,000 Gallons -- 2" Meter**

Total	\$	71.06	\$	138.08	\$	158.80	\$	182.62	\$	210.01	\$	220.51	\$	227.12	\$	233.94	\$	240.96	\$	248.18	\$	255.63
Dollar Inc				67.02		20.71		23.82		27.39		10.50		6.62		6.81		7.02		7.23		7.45
Percent Inc				94.3%		15.0%		15.0%		15.0%		5.0%		3.0%		3.0%		3.0%		3.0%		3.0%

40,000 Gallons -- 2" Meter

Total		133.66		264.32		303.97		349.57		402.00		422.10		434.77		447.81		461.24		475.08		489.33
Dollar Inc				130.66		39.65		45.60		52.44		20.10		12.66		13.04		13.43		13.84		14.25
Percent Inc				97.8%		15.0%		15.0%		15.0%		5.0%		3.0%		3.0%		3.0%		3.0%		3.0%

COMMONWEALTH UTILITIES CORPORATION IMPACT OF RATE PLAN ON MONTHLY CHARGES						
		Effective				
	Current	2026	2027	2028	2029	2030
Impact on Monthly Residential Charges						
Power -- 500 kWh						
FAC	\$ 105.60	\$ 105.60	\$ 105.60	\$ 105.60	\$ 105.60	\$ 105.60
Usage Charge	28.90	36.13	44.07	52.45	62.41	68.03
Total	134.50	141.72	149.67	158.04	168.01	173.62
Average Annual Increase	5.8%					
Water -- 5,000 Gallons						
WEC	18.60	-	-	-	-	-
Usage Charge	16.50	36.73	39.66	42.44	45.41	46.77
Total	35.10	36.73	39.66	42.44	45.41	46.77
Average Annual Increase	6.7%					
Wastewater -- 5,000 Gallons						
WEC	-	-	-	-	-	-
Usage Charge	14.69	30.22	34.75	39.96	45.95	48.25
Total	14.69	30.22	34.75	39.96	45.95	48.25
Average Annual Increase	45.7%					
Total						
Total Charge	184.29	208.66	224.08	240.44	259.37	268.65
Increase -- \$		24.38	15.42	16.36	18.93	9.28
Increase -- %		13.2%	7.4%	7.3%	7.9%	3.6%
Average Annual Increase	9.2%					
Impact on Monthly Commercial Charges						
Power -- 2,500 kWh						
FAC	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98
Usage Charge	292.50	365.63	446.06	530.81	631.67	688.52
Total	820.48	893.60	974.04	1,058.79	1,159.64	1,216.49
Average Annual Increase	9.7%					
Water -- 20,000 Gallons						
WEC	74.40	-	-	-	-	-
Usage Charge	61.78	140.78	152.04	162.69	174.07	179.30
Total	136.18	140.78	152.04	162.69	174.07	179.30
Average Annual Increase	6.3%					
Wastewater -- 20,000 Gallons						
WEC	-	-	-	-	-	-
Usage Charge	71.06	138.08	158.80	182.62	210.01	220.51
Total	71.06	138.08	158.80	182.62	210.01	220.51
Average Annual Increase	42.1%					
Total						
Total Charge	1,027.72	1,172.47	1,284.88	1,404.09	1,543.73	1,616.30
Increase -- \$		144.75	112.41	119.21	139.64	72.57
Increase -- %		14.1%	9.6%	9.3%	9.9%	4.7%
Average Annual Increase	11.5%					

**COMMONWEALTH UTILITIES CORPORATION
COMBINED UTILITIES COST OF SERVICE MODEL
COMBINED UTILITY SUMMARY**

2026 2027 2028 2029 2030 2031 2032 2033 2034 2035

Forecast Summary -- Combined Utilities**Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC****Total Revenues**

Beginning Cash Accumulation	\$	11,257,129	\$	(16,966,398)	\$	(44,625,956)	\$	(58,821,413)	\$	(62,284,924)	\$	(59,428,716)	\$	(50,606,145)	\$	(52,061,817)	\$	(51,323,325)	\$	(41,688,225)
Rate Revenues																				
Power -- FAC		55,123,049		54,094,407		54,054,858		54,011,041		53,962,021		53,906,499		53,842,576		53,767,313		53,778,990		53,790,666
Power -- Base		32,895,951		39,384,167		46,933,058		55,826,646		61,215,103		63,293,067		65,138,781		67,023,533		69,079,160		71,197,804
Water -- Base		14,751,603		17,340,388		19,736,451		22,253,652		23,935,863		25,508,650		26,913,608		28,062,838		28,915,030		29,793,096
Water Electric Charge		-		-		-		-		-		-		-		-		-		-
Wastewater -- Base		4,019,640		5,049,309		6,193,344		7,522,020		8,264,129		8,822,286		9,321,761		9,731,239		10,035,830		10,349,938
Wastewater Electric Charge		-		-		-		-		-		-		-		-		-		-
Sub-Total		51,667,195		61,773,864		72,862,853		85,602,317		93,415,094		97,624,003		101,374,150		104,817,610		108,030,020		111,340,838
Total Rate Revenues		106,790,244		115,868,271		126,917,712		139,613,358		147,377,116		151,530,502		155,216,726		158,584,923		161,809,009		165,131,505
Non-Rate Revenues																				
Power		8,179,350		4,872,046		5,372,046		5,372,046		5,372,046		4,472,046		4,472,046		4,472,046		4,472,046		4,472,046
Water		1,111,890		594,330		594,330		594,330		594,330		594,330		594,330		594,330		594,330		594,330
Wastewater		333,291		178,151		178,151		178,151		178,151		178,151		178,151		178,151		178,151		178,151
Total Non-Rate Revenues		9,624,531		5,644,528		6,144,528		6,144,528		6,144,528		5,244,528		5,244,528		5,244,528		5,244,528		5,244,528
Total Revenues		116,414,775		121,512,799		133,062,240		145,757,886		153,521,644		156,775,030		160,461,254		163,829,451		167,053,537		170,376,033
Less Uncollectibles		(7,473,561)		(7,800,843)		(8,542,290)		(9,357,322)		(9,855,737)		(10,064,597)		(10,301,244)		(10,517,475)		(10,724,454)		(10,937,750)
Net Revenues		108,941,214		113,711,956		124,519,949		136,400,564		143,665,906		146,710,433		150,160,010		153,311,976		156,329,084		159,438,282

Total Cost of Service**Operating Expenses**

Power -- Fuel	\$	55,123,049	\$	54,094,407	\$	54,054,858	\$	54,011,041	\$	53,962,021	\$	53,906,499	\$	53,842,576	\$	53,767,313	\$	53,778,990	\$	53,790,666
Power -- Non-Fuel		47,463,263		49,566,676		45,776,365		45,791,404		45,563,565		41,695,930		53,394,721		53,654,544		45,607,446		51,627,858
Water		19,391,795		20,117,213		20,857,048		21,593,348		22,357,906		22,943,795		23,379,867		23,774,300		24,435,029		25,115,639
Wastewater		5,960,403		6,194,079		6,432,796		6,673,097		6,924,406		7,127,348		7,290,304		7,444,691		7,653,978		7,869,570
Sub-Total		72,815,461		75,877,968		73,066,209		74,057,849		74,845,876		71,767,073		84,064,892		84,873,534		77,696,453		84,613,067
Total Operating Expenses		127,938,511		129,972,374		127,121,067		128,068,890		128,807,898		125,673,571		137,907,467		138,640,847		131,475,443		138,403,733
Net Revenues Available for Debt Service and Capital Outlays		(18,997,297)		(16,260,419)		(2,601,118)		8,331,674		14,858,009		21,036,861		12,252,542		14,671,129		24,853,641		21,034,549

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL COMBINED UTILITY SUMMARY									
2026	2027	2028	2029	2030	2031	2032	2033	2034	2035

Forecast Summary -- Combined Utilities**Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC**

Existing Debt Service										
Power	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-
Wastewater	-	-	-	-	-	-	-	-	-	-
Total Existing Debt Service	-	-	-	-	-	-	-	-	-	-
Forecast Debt Service										
Power	-	3,163,194	3,163,194	3,163,194	3,163,194	3,163,194	4,438,676	4,438,676	5,489,639	5,521,167
Water	-	-	-	-	-	-	-	-	-	-
Wastewater	-	-	-	-	-	-	-	-	-	-
Total Forecast Debt Service	-	3,163,194	3,163,194	3,163,194	3,163,194	3,163,194	4,438,676	4,438,676	5,489,639	5,521,167
Capital Outlays/Reserve										
Power	6,827,867	6,038,298	6,172,908	6,311,405	6,453,870	6,600,374	6,750,966	6,905,662	7,067,745	7,234,701
Water	1,774,025	1,560,612	1,604,214	1,649,090	1,695,269	1,742,781	1,791,648	1,841,887	1,894,258	1,948,202
Wastewater	624,338	637,036	654,023	671,497	689,468	707,942	726,924	746,413	766,900	788,003
Total Capital Outlays	9,226,230	8,235,945	8,431,145	8,631,992	8,838,607	9,051,096	9,269,539	9,493,962	9,728,902	9,970,906
Total Cash-Basis Cost of Service	137,164,741	141,371,514	138,715,406	139,864,076	140,809,699	137,887,861	151,615,682	152,573,485	146,693,983	153,895,807
Percent Increase										
Net Revenues for Contingency	(28,223,527)	(27,659,558)	(14,195,457)	(3,463,511)	2,856,208	8,822,571	(1,455,672)	738,492	9,635,100	5,542,475
Percent of Revenues	-24.2%	-22.8%	-10.7%	-2.4%	1.9%	5.6%	-0.9%	0.5%	5.8%	3.3%
Ending Cash Accumulation	(16,966,398)	(44,625,956)	(58,821,413)	(62,284,924)	(59,428,716)	(50,606,145)	(52,061,817)	(51,323,325)	(41,688,225)	(36,145,750)
<u>Financial Ratios</u>										
Debt Coverage	-	(5.14)	(0.82)	2.63	4.70	6.65	2.76	3.31	4.53	3.81
Cash Accum -- Days of Operating Expenses	(48)	(125)	(169)	(178)	(168)	(147)	(138)	(135)	(116)	(95)

COMMONWEALTH UTILITIES CORPORATION WATER/WASTEWATER COST OF SERVICE MODEL										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035

Revenue Summary**Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC****POWER Revenues -- Total**

P1	Residential	\$ 24,030,100	\$ 25,559,435	\$ 27,167,209	\$ 29,071,713	\$ 30,147,324	\$ 30,450,847	\$ 30,699,130	\$ 30,955,859	\$ 31,221,216	\$ 31,495,389
P2	Residential Prepaid	4,357,179	4,560,153	4,775,366	5,023,065	5,200,894	5,310,280	5,415,979	5,523,932	5,634,221	5,746,931
P3	Commercial	40,062,192	43,795,726	47,758,774	52,433,305	55,357,243	56,612,400	57,761,894	58,946,714	60,168,013	61,426,979
P4	Large Commercial	-	-	-	-	-	-	-	-	-	-
P5	Government	13,360,598	13,846,001	15,105,994	16,591,738	17,495,272	17,848,696	18,165,568	18,491,947	18,828,116	19,174,371
P6	Large Government	-	-	-	-	-	-	-	-	-	-
P7	Streetlights	1,837,372	2,079,351	2,335,164	2,636,811	2,820,254	2,892,009	2,956,343	3,022,606	3,090,858	3,161,158
P8	CUC Municipal Pumping	4,371,559	3,637,908	3,845,408	4,081,054	4,156,137	4,085,333	3,982,442	3,849,788	3,915,726	3,983,642
	Total Rate Revenue	88,019,001	93,478,574	100,987,916	109,837,687	115,177,124	117,199,565	118,981,357	120,790,846	122,858,150	124,988,470
	Non-Rate Revenue	8,179,350	4,872,046	5,372,046	5,372,046	5,372,046	4,472,046	4,472,046	4,472,046	4,472,046	4,472,046
	Total Revenue	96,198,351	98,350,620	106,359,962	115,209,733	120,549,171	121,671,612	123,453,404	125,262,892	127,330,196	129,460,517

POWER Revenues -- Additional

P1	Residential	1,529,335	1,607,774	1,904,504	1,075,611	303,523	248,283	256,729	265,357	274,173
P2	Residential Prepaid	202,974	215,213	247,699	177,830	109,386	105,699	107,952	110,289	112,711
P3	Commercial	3,733,534	3,963,049	4,674,531	2,923,937	1,255,157	1,149,495	1,184,820	1,221,298	1,258,966
P4	Large Commercial	-	-	-	-	-	-	-	-	-
P5	Government	485,404	1,259,993	1,485,744	903,533	353,424	316,872	326,378	336,170	346,255
P6	Large Government	-	-	-	-	-	-	-	-	-
P7	Streetlights	241,978	255,813	301,647	183,442	71,755	64,334	66,264	68,252	70,299
P8	CUC Municipal Pumping	(733,652)	207,501	235,646	75,083	(70,804)	(102,891)	(132,654)	65,938	67,916
	Total Rate Revenue	5,459,573	7,509,342	8,849,771	5,339,437	2,022,441	1,781,792	1,809,489	2,067,304	2,130,320
	Non-Rate Revenue	(3,307,304)	500,000	-	-	(900,000)	-	-	-	-
	Total Revenue	2,152,269	8,009,342	8,849,771	5,339,437	1,122,441	1,781,792	1,809,489	2,067,304	2,130,320

COMMONWEALTH UTILITIES CORPORATION
WATER/WASTEWATER COST OF SERVICE MODEL

2026 2027 2028 2029 2030 2031 2032 2033 2034 2035

Revenue Summary**Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC****WATER Revenues -- Total**

W.1 Residential	\$ 6,030,496	\$ 6,993,038	\$ 7,886,062	\$ 8,826,080	\$ 9,437,950	\$ 10,014,044	\$ 10,534,517	\$ 10,969,475	\$ 11,304,849	\$ 11,650,472
W.2 Multi Family	9,173	10,792	12,290	13,863	14,913	15,894	16,769	17,481	18,006	18,546
W.3 Commercial	2,600,322	3,070,447	3,505,817	3,963,310	4,272,069	4,560,632	4,818,124	5,028,173	5,183,036	5,342,666
W.4 CUC	311,381	369,591	423,358	479,753	518,012	553,606	585,153	610,572	628,889	647,756
W.5 Government	5,046,688	6,001,417	6,883,081	7,807,680	8,436,812	9,021,738	9,539,567	9,955,879	10,254,556	10,562,192
W.6 PSS	236,894	280,749	321,262	363,762	392,523	419,296	443,046	462,218	476,085	490,367
W.7 CHC	266,396	316,879	363,498	412,385	445,664	476,601	503,986	525,995	541,775	558,028
W.8 CPA	250,253	297,475	341,085	386,820	417,920	446,838	472,446	493,044	507,835	523,070
W.9 Other9	-	-	-	-	-	-	-	-	-	-
W.10 Other10	-	-	-	-	-	-	-	-	-	-
Total Rate Revenue	14,751,603	17,340,388	19,736,451	22,253,652	23,935,863	25,508,650	26,913,608	28,062,838	28,915,030	29,793,096
Non-Rate Revenue	1,111,890	594,330	594,330	594,330	594,330	594,330	594,330	594,330	594,330	594,330
Total Revenue	15,863,493	17,934,718	20,330,782	22,847,982	24,530,193	26,102,980	27,507,938	28,657,168	29,509,360	30,387,427

Water Revenues -- Additional

W.1 Residential	962,542	893,024	940,018	611,870	576,095	520,473	434,959	335,373	345,623
W.2 Multi Family	1,620	1,498	1,572	1,051	981	874	712	524	540
W.3 Commercial	470,125	435,370	457,493	308,759	288,563	257,492	210,049	154,863	159,629
W.4 CUC	58,210	53,767	56,395	38,259	35,594	31,547	25,419	18,317	18,867
W.5 Government	954,729	881,664	924,599	629,132	584,926	517,829	416,312	298,676	307,637
W.6 PSS	43,854	40,513	42,500	28,761	26,773	23,750	19,173	13,867	14,283
W.7 CHC	50,483	46,618	48,887	33,279	30,938	27,384	22,009	15,780	16,253
W.8 CPA	47,222	43,610	45,735	31,100	28,919	25,608	20,597	14,791	15,235
W.9 Other9	-	-	-	-	-	-	-	-	-
W.10 Other10	-	-	-	-	-	-	-	-	-
Total Rate Revenue	2,588,785	2,396,063	2,517,201	1,682,211	1,572,788	1,404,957	1,149,230	852,192	878,067
Non-Rate Revenue	(517,560)	-	-	-	-	-	-	-	-
Total Revenue	2,071,225	2,396,063	2,517,201	1,682,211	1,572,788	1,404,957	1,149,230	852,192	878,067

**COMMONWEALTH UTILITIES CORPORATION
WATER/WASTEWATER COST OF SERVICE MODEL**

2026 2027 2028 2029 2030 2031 2032 2033 2034 2035

Revenue Summary**Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC****WASTEWATER Revenues -- Total**

WW.1 Residential	\$	1,168,312	\$	1,447,283	\$	1,759,141	\$	2,121,723	\$	2,318,748	\$	2,466,210	\$	2,600,291	\$	2,713,419	\$	2,801,934	\$	2,893,316
WW.2 Multi Family		7,697		9,640		11,796		14,297		15,678		16,707		17,625		18,373		18,924		19,492
WW.5 Commercial		1,657,651		2,089,770		2,569,530		3,127,257		3,441,252		3,678,144		3,889,693		4,062,392		4,189,806		4,321,208
WW.6 CUC		11,656		14,772		18,219		22,222		24,488		26,192		27,701		28,912		29,780		30,673
WW.5 Government		678,580		860,009		1,060,713		1,293,749		1,425,650		1,524,897		1,612,715		1,683,245		1,733,742		1,785,754
WW.6 PSS		132,533		167,384		205,971		250,764		275,938		294,834		311,587		325,099		334,851		344,897
WW.7 CHC		245,129		310,395		382,610		466,453		513,826		549,448		580,985		606,339		624,529		643,265
WW.8 CPA		118,083		150,057		185,364		225,554		248,550		265,853		281,164		293,460		302,264		311,332
WW.9 Other9		-		-		-		-		-		-		-		-		-		-
WW.10 Other10		-		-		-		-		-		-		-		-		-		-
Total Rate Revenue		4,019,640		5,049,309		6,193,344		7,522,020		8,264,129		8,822,286		9,321,761		9,731,239		10,035,830		10,349,938
Non-Rate Revenue		333,291		178,151		178,151		178,151		178,151		178,151		178,151		178,151		178,151		178,151
Total Revenue		4,352,931		5,227,460		6,371,496		7,700,171		8,442,280		9,000,438		9,499,912		9,909,391		10,213,981		10,528,089

WASTEWATER Revenues -- Additional

WW.1 Residential		278,972		311,858		362,582		197,025		147,462		134,082		113,128		88,514		91,383
WW.2 Multi Family		1,943		2,156		2,501		1,380		1,030		918		748		551		568
WW.5 Commercial		432,118		479,761		557,727		313,995		236,893		211,548		172,699		127,414		131,403
WW.6 CUC		3,116		3,447		4,003		2,266		1,705		1,508		1,211		867		893
WW.5 Government		181,428		200,705		233,035		131,902		99,247		87,818		70,529		50,497		52,012
WW.6 PSS		34,852		38,587		44,793		25,174		18,895		16,754		13,511		9,753		10,046
WW.7 CHC		65,266		72,215		83,844		47,372		35,623		31,537		25,354		18,190		18,736
WW.8 CPA		31,974		35,307		40,190		22,996		17,303		15,310		12,296		8,804		9,068
WW.9 Other9		-		-		-		-		-		-		-		-		-
WW.10 Other10		-		-		-		-		-		-		-		-		-
Total Rate Revenue		1,029,669		1,144,035		1,328,675		742,109		558,157		499,475		409,478		304,591		314,108
Non-Rate Revenue		(155,139)		-		-		-		-		-		-		-		-
Total Revenue		874,530		1,144,035		1,328,675		742,109		558,157		499,475		409,478		304,591		314,108

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL REVENUE EXPENSE SUMMARY											
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Revenue and Expense Summary											
Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC											
1	TOTAL Revenues and Expenses -- CASH BASIS										
	Beginning Cash Accumulation	\$ 11,257,129	\$ (16,966,398)	\$ (44,625,956)	\$ (58,821,413)	\$ (62,284,924)	\$ (59,428,716)	\$ (50,606,145)	\$ (52,061,817)	\$ (51,323,325)	\$ (41,688,225)
	Rate Revenues										
	<u>Power Rate Revenue</u>										
P1	Residential	\$ 24,030,100	\$ 25,559,435	\$ 27,167,209	\$ 29,071,713	\$ 30,147,324	\$ 30,450,847	\$ 30,699,130	\$ 30,955,859	\$ 31,221,216	\$ 31,495,389
P2	Residential Prepaid	4,357,179	4,560,153	4,775,366	5,023,065	5,200,894	5,310,280	5,415,979	5,523,932	5,634,221	5,746,931
P3	Commercial	40,062,192	43,795,726	47,758,774	52,433,305	55,357,243	56,612,400	57,761,894	58,946,714	60,168,013	61,426,979
P4	Large Commercial	-	-	-	-	-	-	-	-	-	-
P5	Government	13,360,598	13,846,001	15,105,994	16,591,738	17,495,272	17,848,696	18,165,568	18,491,947	18,828,116	19,174,371
P6	Large Government	-	-	-	-	-	-	-	-	-	-
P7	Streetlights	1,837,372	2,079,351	2,335,164	2,636,811	2,820,254	2,892,009	2,956,343	3,022,606	3,090,858	3,161,158
P8	CUC Municipal Pumping	4,371,559	3,637,908	3,845,408	4,081,054	4,156,137	4,085,333	3,982,442	3,849,788	3,915,726	3,983,642
	Total	88,019,001	93,478,574	100,987,916	109,837,687	115,177,124	117,199,565	118,981,357	120,790,846	122,858,150	124,988,470
	<u>Water Rate Revenue</u>										
W.1	Residential	\$ 6,030,496	\$ 6,993,038	\$ 7,886,062	\$ 8,826,080	\$ 9,437,950	\$ 10,014,044	\$ 10,534,517	\$ 10,969,475	\$ 11,304,849	\$ 11,650,472
W.2	Multi Family	9,173	10,792	12,290	13,863	14,913	15,894	16,769	17,481	18,006	18,546
W.3	Commercial	2,600,322	3,070,447	3,505,817	3,963,310	4,272,069	4,560,632	4,818,124	5,028,173	5,183,036	5,342,666
W.4	CUC	311,381	369,591	423,358	479,753	518,012	553,606	585,153	610,572	628,889	647,756
W.5	Government	5,046,688	6,001,417	6,883,081	7,807,680	8,436,812	9,021,738	9,539,567	9,955,879	10,254,556	10,562,192
W.6	PSS	236,894	280,749	321,262	363,762	392,523	419,296	443,046	462,218	476,085	490,367
W.7	CHC	266,396	316,879	363,498	412,385	445,664	476,601	503,986	525,995	541,775	558,028
W.8	CPA	250,253	297,475	341,085	386,820	417,920	446,838	472,446	493,044	507,835	523,070
	Total	14,751,603	17,340,388	19,736,451	22,253,652	23,935,863	25,508,650	26,913,608	28,062,838	28,915,030	29,793,096
	<u>Wastewater Rate Revenue</u>										
WW.1	Residential	1,168,312	1,447,283	1,759,141	2,121,723	2,318,748	2,466,210	2,600,291	2,713,419	2,801,934	2,893,316
WW.2	Multi Family	7,697	9,640	11,796	14,297	15,678	16,707	17,625	18,373	18,924	19,492
WW.3	Commercial	1,657,651	2,089,770	2,569,530	3,127,257	3,441,252	3,678,144	3,889,693	4,062,392	4,189,806	4,321,208
WW.4	CUC	11,656	14,772	18,219	22,222	24,488	26,192	27,701	28,912	29,780	30,673
WW.5	Government	678,580	860,009	1,060,713	1,293,749	1,425,650	1,524,897	1,612,715	1,683,245	1,733,742	1,785,754
WW.6	PSS	132,533	167,384	205,971	250,764	275,938	294,834	311,587	325,099	334,851	344,897
WW.7	CHC	245,129	310,395	382,610	466,453	513,826	549,448	580,985	606,339	624,529	643,265
WW.8	CPA	118,083	150,057	185,364	225,554	248,550	265,853	281,164	293,460	302,264	311,332
	Total	4,019,640	5,049,309	6,193,344	7,522,020	8,264,129	8,822,286	9,321,761	9,731,239	10,035,830	10,349,938
	Non-Rate Revenues	9,624,531	5,644,528	6,144,528	6,144,528	6,144,528	5,244,528	5,244,528	5,244,528	5,244,528	5,244,528
	Total Revenues	116,414,775	121,512,799	133,062,240	145,757,886	153,521,644	156,775,030	160,461,254	163,829,451	167,053,537	170,376,033
	Less Uncollectibles	(7,473,561)	(7,800,843)	(8,542,290)	(9,357,322)	(9,855,737)	(10,064,597)	(10,301,244)	(10,517,475)	(10,724,454)	(10,937,750)
	Net Revenues	108,941,214	113,711,956	124,519,949	136,400,564	143,665,906	146,710,433	150,160,010	153,311,976	156,329,084	159,438,282

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL REVENUE EXPENSE SUMMARY										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenue and Expense Summary										
Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC										
Cost of Service										
O&M Code										
5000 PF -- Production Fuel	55,123,049	54,094,407	54,054,858	54,011,041	53,962,021	53,906,499	53,842,576	53,767,313	53,778,990	53,790,666
5100 P -- Personnel	26,966,348	27,775,338	28,608,599	29,466,857	30,350,862	31,261,388	32,199,230	33,165,207	34,160,163	35,184,968
5200 GA -- General and Administrative	8,406,928	8,809,136	9,223,410	9,650,112	10,089,616	10,542,304	11,008,573	11,488,830	11,983,495	12,493,000
5300 S -- Supplies	2,161,946	2,319,795	2,463,170	2,597,113	2,718,354	2,822,586	2,903,929	2,953,938	3,045,488	3,139,873
5400 M -- Maintenance	26,432,681	27,897,661	23,442,591	22,772,970	21,839,982	17,246,109	28,196,958	27,686,517	18,845,288	24,047,743
5500 OP -- Other Production	8,847,558	9,076,037	9,328,439	9,570,797	9,847,063	9,894,685	9,756,201	9,579,043	9,662,018	9,747,483
0 #N/A	-	-	-	-	-	-	-	-	-	-
0 #N/A	-	-	-	-	-	-	-	-	-	-
0 #N/A	-	-	-	-	-	-	-	-	-	-
0 #N/A	-	-	-	-	-	-	-	-	-	-
Total	127,938,511	129,972,374	127,121,067	128,068,890	128,807,898	125,673,571	137,907,467	138,640,847	131,475,443	138,403,733
Total Operating Expenses	127,938,511	129,972,374	127,121,067	128,068,890	128,807,898	125,673,571	137,907,467	138,640,847	131,475,443	138,403,733
Net Revenues for NO,CO and Debt Service	(18,997,297)	(16,260,419)	(2,601,118)	8,331,674	14,858,009	21,036,861	12,252,542	14,671,129	24,853,641	21,034,549
Capital Outlays/Replacement Reserve	4,117,000	3,061,160	3,152,995	3,247,585	3,345,012	3,445,363	3,548,723	3,655,185	3,764,841	3,877,786
Debt Service										
Debt Service -- Current	-	-	-	-	-	-	-	-	-	-
Debt Service -- Future	-	3,163,194	3,163,194	3,163,194	3,163,194	3,163,194	4,438,676	4,438,676	5,489,639	5,521,167
Total Debt Service	-	3,163,194	3,163,194	3,163,194	3,163,194	3,163,194	4,438,676	4,438,676	5,489,639	5,521,167
Net Revenues for Non-Operating	(23,114,297)	(22,484,773)	(8,917,307)	1,920,895	8,349,802	14,428,305	4,265,143	6,577,268	15,599,162	11,635,596
Non-Operating	5,109,230	5,174,785	5,278,150	5,384,407	5,493,594	5,605,734	5,720,815	5,838,777	5,964,061	6,093,120
Net Revenues Available for Capital Improvement	(28,223,527)	(27,659,558)	(14,195,457)	(3,463,511)	2,856,208	8,822,571	(1,455,672)	738,492	9,635,100	5,542,475
Total Cost of Service	137,164,741	141,371,514	138,715,406	139,864,076	140,809,699	137,887,861	151,615,682	152,573,485	146,693,983	153,895,807
Net Revenues	(28,223,527)	(27,659,558)	(14,195,457)	(3,463,511)	2,856,208	8,822,571	(1,455,672)	738,492	9,635,100	5,542,475
Percent of COS	-24.2%	-22.8%	-10.7%	-2.4%	1.9%	5.6%	-0.9%	0.5%	5.8%	3.3%
Ending Cash Accumulation	(16,966,398)	(44,625,956)	(58,821,413)	(62,284,924)	(59,428,716)	(50,606,145)	(52,061,817)	(51,323,325)	(41,688,225)	(36,145,750)
Revenue Adequacy Tests										
Total Operating + Debt Service + Transfers	127,938,511	133,135,568	130,284,261	131,232,084	131,971,092	128,836,765	142,346,143	143,079,523	136,965,081	143,924,901
Expenses Per Day	350,516	364,755	356,943	359,540	361,565	352,977	389,989	391,999	375,247	394,315
Days of Operating Expenses	(48)	(122)	(165)	(173)	(164)	(143)	(133)	(131)	(111)	(92)
Debt Coverage										
Excluding Cap Outlays, Non-Operating	-	(2.67)	1.88	5.59	7.81	9.83	5.08	5.67	6.48	5.79
All Inclusive	-	(7.74)	(3.49)	(0.09)	1.90	3.79	0.67	1.17	2.76	2.00

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL REVENUE EXPENSE SUMMARY											
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Revenue and Expense Summary											
Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC											
1 POWER Revenues and Expenses -- CASH BASIS											
Power Revenues											
Power Rate Revenue											
P1 Residential	\$ 24,030,100	\$ 25,559,435	\$ 27,167,209	\$ 29,071,713	\$ 30,147,324	\$ 30,450,847	\$ 30,699,130	\$ 30,955,859	\$ 31,221,216	\$ 31,495,389	
P2 Residential Prepaid	4,357,179	4,560,153	4,775,366	5,023,065	5,200,894	5,310,280	5,415,979	5,523,932	5,634,221	5,746,931	
P3 Commercial	40,062,192	43,795,726	47,758,774	52,433,305	55,357,243	56,612,400	57,761,894	58,946,714	60,168,013	61,426,979	
P4 Large Commercial	-	-	-	-	-	-	-	-	-	-	
P5 Government	13,360,598	13,846,001	15,105,994	16,591,738	17,495,272	17,848,696	18,165,568	18,491,947	18,828,116	19,174,371	
P6 Large Government	-	-	-	-	-	-	-	-	-	-	
P7 Streetlights	1,837,372	2,079,351	2,335,164	2,636,811	2,820,254	2,892,009	2,956,343	3,022,606	3,090,858	3,161,158	
P8 CUC Municipal Pumping	4,371,559	3,637,908	3,845,408	4,081,054	4,156,137	4,085,333	3,982,442	3,849,788	3,915,726	3,983,642	
Total	88,019,001	93,478,574	100,987,916	109,837,687	115,177,124	117,199,565	118,981,357	120,790,846	122,858,150	124,988,470	
Non-Rate Revenues	8,179,350	4,872,046	5,372,046	5,372,046	5,372,046	4,472,046	4,472,046	4,472,046	4,472,046	4,472,046	
Total Revenues	96,198,351	98,350,620	106,359,962	115,209,733	120,549,171	121,671,612	123,453,404	125,262,892	127,330,196	129,460,517	
Less Uncollectibles	(6,175,713)	(6,313,884)	(6,828,066)	(7,396,200)	(7,738,980)	(7,811,038)	(7,925,425)	(8,041,590)	(8,174,306)	(8,311,068)	
Net Revenues	90,022,638	92,036,736	99,531,897	107,813,533	112,810,190	113,860,573	115,527,978	117,221,302	119,155,890	121,149,449	
Power Cost of Service											
O&M Code											
5000 PF -- Production Fuel	55,123,049	54,094,407	54,054,858	54,011,041	53,962,021	53,906,499	53,842,576	53,767,313	53,778,990	53,790,666	
5100 P -- Personnel	16,872,604	17,378,782	17,900,145	18,437,150	18,990,264	19,559,972	20,146,771	20,751,174	21,373,710	22,014,921	
5200 GA -- General and Administrative	5,297,356	5,606,277	5,924,465	6,252,199	6,589,765	6,937,458	7,295,582	7,664,450	8,044,383	8,435,714	
5300 S -- Supplies	739,679	754,399	776,735	799,699	823,301	847,546	872,433	897,953	924,996	952,854	
5400 M -- Maintenance	20,049,495	21,322,980	16,670,669	15,797,890	14,655,650	9,846,247	20,575,101	19,836,003	10,759,259	15,719,134	
5500 OP -- Other Production	4,504,129	4,504,238	4,504,350	4,504,466	4,504,585	4,504,707	4,504,834	4,504,964	4,505,097	4,505,235	
0 #N/A	-	-	-	-	-	-	-	-	-	-	
0 #N/A	-	-	-	-	-	-	-	-	-	-	
0 #N/A	-	-	-	-	-	-	-	-	-	-	
0 #N/A	-	-	-	-	-	-	-	-	-	-	
Total	102,586,312	103,661,082	99,831,223	99,802,445	99,525,586	95,602,428	107,237,297	107,421,857	99,386,436	105,418,524	
Total Operating Expenses	102,586,312	103,661,082	99,831,223	99,802,445	99,525,586	95,602,428	107,237,297	107,421,857	99,386,436	105,418,524	
Net Revenues for NO, CO and Debt Service	(6,387,961)	(5,310,462)	6,528,739	15,407,288	21,023,585	26,069,183	16,216,107	17,841,036	27,943,761	24,041,992	
Capital Outlays/Replacement Reserve	2,705,000	1,864,300	1,920,229	1,977,836	2,037,171	2,098,286	2,161,235	2,226,072	2,292,854	2,361,639	
Debt Service											
Debt Service -- Current	-	-	-	-	-	-	-	-	-	-	
Debt Service -- Future	-	3,163,194	3,163,194	3,163,194	3,163,194	3,163,194	4,438,676	4,438,676	5,489,639	5,521,167	
Total Debt Service	-	3,163,194	3,163,194	3,163,194	3,163,194	3,163,194	4,438,676	4,438,676	5,489,639	5,521,167	
Net Revenues for Non-Operating	(9,092,961)	(10,337,956)	1,445,316	10,266,258	15,823,219	20,807,703	9,616,197	11,176,288	20,161,268	16,159,185	
Non-Operating	4,122,867	4,173,998	4,252,679	4,333,569	4,416,699	4,502,087	4,589,732	4,679,590	4,774,891	4,873,062	
Net Revenues Available for Capital Improvement	(13,215,828)	(14,511,954)	(2,807,363)	5,932,689	11,406,521	16,305,616	5,026,465	6,496,698	15,386,378	11,286,124	
Total Cost of Service	109,414,180	112,862,574	109,167,325	109,277,044	109,142,650	105,365,996	118,426,939	118,766,194	111,943,819	118,174,393	
Net Revenues	(19,391,542)	(20,825,838)	(9,635,428)	(1,463,511)	3,667,541	8,494,577	(2,898,960)	(1,544,892)	7,212,071	2,975,056	
Percent of COS	-20.2%	-21.2%	-9.1%	-1.3%	3.0%	7.0%	-2.3%	-1.2%	5.7%	2.3%	
Debt Coverage	-	(1.68)	2.06	4.87	6.65	8.24	3.65	4.02	5.09	4.35	

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL REVENUE EXPENSE SUMMARY											
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Revenue and Expense Summary											
Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC											
2	WATER Revenues and Expenses -- CASH BASIS										
Water Revenues											
Water Rate Revenue/Water Electric Charge Revenue											
W.1	Residential	\$ 6,030,496	\$ 6,993,038	\$ 7,886,062	\$ 8,826,080	\$ 9,437,950	\$ 10,014,044	\$ 10,534,517	\$ 10,969,475	\$ 11,304,849	\$ 11,650,472
W.2	Multi Family	9,173	10,792	12,290	13,863	14,913	15,894	16,769	17,481	18,006	18,546
W.3	Commercial	2,600,322	3,070,447	3,505,817	3,963,310	4,272,069	4,560,632	4,818,124	5,028,173	5,183,036	5,342,666
W.4	CUC	311,381	369,591	423,358	479,753	518,012	553,606	585,153	610,572	628,889	647,756
W.5	Government	5,046,688	6,001,417	6,883,081	7,807,680	8,436,812	9,021,738	9,539,567	9,955,879	10,254,556	10,562,192
W.6	PSS	236,894	280,749	321,262	363,762	392,523	419,296	443,046	462,218	476,085	490,367
W.7	CHC	266,396	316,879	363,498	412,385	445,664	476,601	503,986	525,995	541,775	558,028
W.8	CPA	250,253	297,475	341,085	386,820	417,920	446,838	472,446	493,044	507,835	523,070
W.9	Other9	-	-	-	-	-	-	-	-	-	-
W.10	Other10	-	-	-	-	-	-	-	-	-	-
	Sub-Total	14,751,603	17,340,388	19,736,451	22,253,652	23,935,863	25,508,650	26,913,608	28,062,838	28,915,030	29,793,096
	Non-Rate Revenues	1,111,890	594,330	594,330	594,330	594,330	594,330	594,330	594,330	594,330	594,330
	Total Revenues	15,863,493	17,934,718	20,330,782	22,847,982	24,530,193	26,102,980	27,507,938	28,657,168	29,509,360	30,387,427
	Less Uncollectibles	(1,018,400)	(1,151,368)	(1,305,190)	(1,466,788)	(1,574,782)	(1,675,751)	(1,765,946)	(1,839,724)	(1,894,433)	(1,950,803)
	Net Revenues	14,845,093	16,783,350	19,025,592	21,381,194	22,955,411	24,427,229	25,741,991	26,817,443	27,614,927	28,436,623
Water Cost of Service											
O&M Code											
5000	PF -- Production Fuel	-	-	-	-	-	-	-	-	-	-
5100	P -- Personnel	7,521,574	7,747,221	7,979,637	8,219,027	8,465,597	8,719,565	8,981,152	9,250,587	9,528,104	9,813,948
5200	GA -- General and Administrative	1,859,223	1,915,000	1,972,450	2,031,624	2,092,572	2,155,349	2,220,010	2,286,610	2,355,209	2,425,865
5300	S -- Supplies	1,049,104	1,149,700	1,232,762	1,306,490	1,368,204	1,414,416	1,440,433	1,439,617	1,484,789	1,531,375
5400	M -- Maintenance	5,562,565	5,729,442	5,901,326	6,078,365	6,260,716	6,448,538	6,641,994	6,841,254	7,046,491	7,257,886
5500	OP -- Other Production	3,399,329	3,575,849	3,770,873	3,957,842	4,170,816	4,205,927	4,096,278	3,956,232	4,020,436	4,086,566
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
	Total	19,391,795	20,117,213	20,857,048	21,593,348	22,357,906	22,943,795	23,379,867	23,774,300	24,435,029	25,115,639
	Total Operating Expenses	19,391,795	20,117,213	20,857,048	21,593,348	22,357,906	22,943,795	23,379,867	23,774,300	24,435,029	25,115,639
	Net Revenues for NO, CO and Debt Service	(4,546,702)	(3,333,862)	(1,831,456)	(212,153)	597,505	1,483,434	2,362,124	3,043,144	3,179,898	3,320,984
	Capital Outlays/Replacement Reserve	1,134,500	911,035	938,366	966,517	995,513	1,025,378	1,056,139	1,087,823	1,120,458	1,154,072
Debt Service											
	Debt Service -- Current	-	-	-	-	-	-	-	-	-	-
	Debt Service -- Future	-	-	-	-	-	-	-	-	-	-
	Total Debt Service	-	-	-	-	-	-	-	-	-	-
	Net Revenues for Non-Operating	(5,681,202)	(4,244,897)	(2,769,822)	(1,178,670)	(398,007)	458,056	1,305,985	1,955,320	2,059,440	2,166,913
	Non-Operating	639,525	649,577	665,848	682,573	699,757	717,403	735,509	754,063	773,799	794,130
	Net Revenues Available for Capital Improvement	(6,320,727)	(4,894,474)	(3,435,670)	(1,861,243)	(1,097,764)	(259,347)	570,476	1,201,257	1,285,640	1,372,783
	Total Cost of Service	21,165,820	21,677,824	22,461,262	23,242,437	24,053,175	24,686,576	25,171,515	25,616,187	26,329,286	27,063,841
	Net Revenues	(6,320,727)	(4,894,474)	(3,435,670)	(1,861,243)	(1,097,764)	(259,347)	570,476	1,201,257	1,285,640	1,372,783
	Percent of COS	-39.8%	-27.3%	-16.9%	-8.1%	-4.5%	-1.0%	2.1%	4.2%	4.4%	4.5%
	Debt Coverage	-	-	-	-	-	-	-	-	-	-

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL REVENUE EXPENSE SUMMARY											
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Revenue and Expense Summary											
Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC											
3	WASTEWATER Revenues and Expenses -- CASH BASIS										
Wastewater Revenues											
Wastewater Rate Revenue/Wastewater Electric Charge Revenue											
WW.1	Residential	\$ 1,168,312	\$ 1,447,283	\$ 1,759,141	\$ 2,121,723	\$ 2,318,748	\$ 2,466,210	\$ 2,600,291	\$ 2,713,419	\$ 2,801,934	\$ 2,893,316
WW.2	Multi Family	7,697	9,640	11,796	14,297	15,678	16,707	17,625	18,373	18,924	19,492
WW.3	Commercial	1,657,651	2,089,770	2,569,530	3,127,257	3,441,252	3,678,144	3,889,693	4,062,392	4,189,806	4,321,208
WW.4	CUC	11,656	14,772	18,219	22,222	24,488	26,192	27,701	28,912	29,780	30,673
WW.5	Government	678,580	860,009	1,060,713	1,293,749	1,425,650	1,524,897	1,612,715	1,683,245	1,733,742	1,785,754
WW.6	PSS	132,533	167,384	205,971	250,764	275,938	294,834	311,587	325,099	334,851	344,897
WW.7	CHC	245,129	310,395	382,610	466,453	513,826	549,448	580,985	606,339	624,529	643,265
WW.8	CPA	118,083	150,057	185,364	225,554	248,550	265,853	281,164	293,460	302,264	311,332
WW.9	Other9	-	-	-	-	-	-	-	-	-	-
WW.10	Other10	-	-	-	-	-	-	-	-	-	-
		4,019,640	5,049,309	6,193,344	7,522,020	8,264,129	8,822,286	9,321,761	9,731,239	10,035,830	10,349,938
	Non-Rate Revenues	333,291	178,151	178,151	178,151	178,151	178,151	178,151	178,151	178,151	178,151
	Total Revenues	4,352,931	5,227,460	6,371,496	7,700,171	8,442,280	9,000,438	9,499,912	9,909,391	10,213,981	10,528,089
	Less Uncollectibles	(279,448)	(335,591)	(409,035)	(494,333)	(541,975)	(577,807)	(609,873)	(636,160)	(655,714)	(675,879)
	Net Revenues	4,073,483	4,891,869	5,962,460	7,205,838	7,900,305	8,422,630	8,890,040	9,273,230	9,558,267	9,852,210
Wastewater Cost of Service											
O&M Code											
5000	PF -- Production Fuel	-	-	-	-	-	-	-	-	-	-
5100	P -- Personnel	2,572,171	2,649,336	2,728,816	2,810,680	2,895,001	2,981,851	3,071,306	3,163,445	3,258,349	3,356,099
5200	GA -- General and Administrative	1,250,348	1,287,859	1,326,494	1,366,289	1,407,278	1,449,496	1,492,981	1,537,771	1,583,904	1,631,421
5300	S -- Supplies	373,163	415,696	453,674	490,924	526,850	560,625	591,063	616,367	635,703	655,644
5400	M -- Maintenance	820,621	845,239	870,596	896,714	923,616	951,324	979,864	1,009,260	1,039,538	1,070,724
5500	OP -- Other Production	944,100	995,950	1,053,215	1,108,490	1,171,662	1,184,051	1,155,090	1,117,847	1,136,485	1,155,682
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
	Total	5,960,403	6,194,079	6,432,796	6,673,097	6,924,406	7,127,348	7,290,304	7,444,691	7,653,978	7,869,570
	Total Operating Expenses	5,960,403	6,194,079	6,432,796	6,673,097	6,924,406	7,127,348	7,290,304	7,444,691	7,653,978	7,869,570
	Net Revenues for NO, CO and Debt Service	(1,886,920)	(1,302,210)	(470,336)	532,740	975,899	1,295,283	1,599,736	1,828,540	1,904,289	1,982,640
	Capital Outlays/Replacement Reserve	277,500	285,825	294,400	303,232	312,329	321,699	331,350	341,290	351,529	362,075
Debt Service											
	Debt Service -- Current	-	-	-	-	-	-	-	-	-	-
	Debt Service -- Future	-	-	-	-	-	-	-	-	-	-
	Total Debt Service	-	-	-	-	-	-	-	-	-	-
	Net Revenues for Non-Operating	(2,164,420)	(1,588,035)	(764,735)	229,509	663,570	973,584	1,268,387	1,487,250	1,552,760	1,620,566
	Non-Operating	346,838	351,211	359,624	368,266	377,139	386,243	395,574	405,123	415,371	425,928
	Net Revenues Available for Capital Improvement	(2,511,258)	(1,939,246)	(1,124,359)	(138,757)	286,431	587,341	872,812	1,082,127	1,137,389	1,194,637
	Total Cost of Service	6,584,741	6,831,115	7,086,819	7,344,595	7,613,874	7,835,289	8,017,228	8,191,104	8,420,878	8,657,573
	Net Revenues	(2,511,258)	(1,939,246)	(1,124,359)	(138,757)	286,431	587,341	872,812	1,082,127	1,137,389	1,194,637
	Percent of COS	-57.7%	-37.1%	-17.6%	-1.8%	3.4%	6.5%	9.2%	10.9%	11.1%	11.3%
	Debt Coverage	-	-	-	-	-	-	-	-	-	-
	(excludes Debt, Cap Outlays, Non-Operating)										

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL REVENUES AND COS										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035

Revenue and Expense Summary
Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC

1 TOTAL Revenues and Expenses -- CASH BASIS

POWER Revenues and Cost of Service -- CASH BASIS

Power Rate Revenue

P1	Residential	\$ 24,030,100	\$ 25,559,435	\$ 27,167,209	\$ 29,071,713	\$ 30,147,324	\$ 30,450,847	\$ 30,699,130	\$ 30,955,859	\$ 31,221,216	\$ 31,495,389
P2	Residential Prepaid	4,357,179	4,560,153	4,775,366	5,023,065	5,200,894	5,310,280	5,415,979	5,523,932	5,634,221	5,746,931
P3	Commercial	40,062,192	43,795,726	47,758,774	52,433,305	55,357,243	56,612,400	57,761,894	58,946,714	60,168,013	61,426,979
P4	Large Commercial	-	-	-	-	-	-	-	-	-	-
P5	Government	13,360,598	13,846,001	15,105,994	16,591,738	17,495,272	17,848,696	18,165,568	18,491,947	18,828,116	19,174,371
P6	Large Government	-	-	-	-	-	-	-	-	-	-
P7	Streetlights	1,837,372	2,079,351	2,335,164	2,636,811	2,820,254	2,892,009	2,956,343	3,022,606	3,090,858	3,161,158
P8	CUC Municipal Pumping	4,371,559	3,637,908	3,845,408	4,081,054	4,156,137	4,085,333	3,982,442	3,849,788	3,915,726	3,983,642
0	Total	88,019,001	93,478,574	100,987,916	109,837,687	115,177,124	117,199,565	118,981,357	120,790,846	122,858,150	124,988,470

Power Cost of Service

P1	Residential	28,212,531	30,429,557	29,235,219	29,171,639	29,048,611	28,249,271	31,517,197	31,517,357	29,706,139	31,161,411
P2	Residential Prepaid	5,940,800	6,517,088	6,350,513	6,427,242	6,490,355	6,397,771	7,247,096	7,346,673	7,015,679	7,461,462
P3	Commercial	48,972,945	52,782,698	50,743,189	50,901,707	50,936,449	49,534,781	56,370,634	56,675,956	53,162,813	56,474,143
P4	Large Commercial	-	-	-	-	-	-	-	-	-	-
P5	Government	13,711,603	14,275,167	13,699,976	13,709,914	13,687,019	13,286,561	15,066,284	15,112,435	14,160,573	14,995,332
P6	Large Government	-	-	-	-	-	-	-	-	-	-
P7	Streetlights	963,009	1,051,958	1,010,340	1,009,364	1,006,082	977,159	1,100,922	1,102,378	1,036,378	1,091,962
P8	CUC Municipal Pumping	3,433,941	2,934,059	2,756,042	2,685,131	2,602,087	2,448,406	2,652,759	2,539,348	2,390,191	2,518,037
	Total	101,234,829	107,990,527	103,795,278	103,904,997	103,770,603	100,893,950	113,954,892	114,294,148	107,471,772	113,702,347

Revenues less Cost of Service

P1	Residential	(4,182,431)	(4,870,122)	(2,068,009)	(99,926)	1,098,713	2,201,577	(818,066)	(561,499)	1,515,077	333,978
P2	Residential Prepaid	(1,583,621)	(1,956,935)	(1,575,147)	(1,404,178)	(1,289,460)	(1,087,491)	(1,831,117)	(1,822,741)	(1,381,459)	(1,714,531)
P3	Commercial	(8,910,754)	(8,986,972)	(2,984,415)	1,531,598	4,420,793	7,077,618	1,391,260	2,270,758	7,005,200	4,952,836
P4	Large Commercial	-	-	-	-	-	-	-	-	-	-
P5	Government	(351,005)	(429,166)	1,406,018	2,881,825	3,808,253	4,562,134	3,099,284	3,379,511	4,667,544	4,179,040
P6	Large Government	-	-	-	-	-	-	-	-	-	-
P7	Streetlights	874,363	1,027,392	1,324,824	1,627,448	1,814,171	1,914,850	1,855,420	1,920,229	2,054,480	2,069,196
P8	CUC Municipal Pumping	937,619	703,849	1,089,366	1,395,923	1,554,051	1,636,927	1,329,683	1,310,440	1,525,535	1,465,605
	Total	(13,215,828)	(14,511,954)	(2,807,363)	5,932,689	11,406,521	16,305,616	5,026,465	6,496,698	15,386,378	11,286,124
	Less Uncollectibles	(6,175,713)	(6,313,884)	(6,828,066)	(7,396,200)	(7,738,980)	(7,811,038)	(7,925,425)	(8,041,590)	(8,174,306)	(8,311,068)
	Net Revenues	(19,391,542)	(20,825,838)	(9,635,428)	(1,463,511)	3,667,541	8,494,577	(2,898,960)	(1,544,892)	7,212,071	2,975,056

**COMMONWEALTH UTILITIES CORPORATION
COMBINED UTILITIES COST OF SERVICE MODEL
REVENUES AND COS**

2026 2027 2028 2029 2030 2031 2032 2033 2034 2035

Revenue and Expense Summary**Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC****WATER Revenues and Cost of Service -- CASH BASIS****Water Rate Revenue**

W.1 Residential	\$ 6,030,496	\$ 6,993,038	\$ 7,886,062	\$ 8,826,080	\$ 9,437,950	\$ 10,014,044	\$ 10,534,517	\$ 10,969,475	\$ 11,304,849	\$ 11,650,472
W.2 Multi Family	9,173	10,792	12,290	13,863	14,913	15,894	16,769	17,481	18,006	18,546
W.3 Commercial	2,600,322	3,070,447	3,505,817	3,963,310	4,272,069	4,560,632	4,818,124	5,028,173	5,183,036	5,342,666
W.4 CUC	311,381	369,591	423,358	479,753	518,012	553,606	585,153	610,572	628,889	647,756
W.5 Government	5,046,688	6,001,417	6,883,081	7,807,680	8,436,812	9,021,738	9,539,567	9,955,879	10,254,556	10,562,192
W.6 PSS	236,894	280,749	321,262	363,762	392,523	419,296	443,046	462,218	476,085	490,367
W.7 CHC	266,396	316,879	363,498	412,385	445,664	476,601	503,986	525,995	541,775	558,028
W.8 CPA	250,253	297,475	341,085	386,820	417,920	446,838	472,446	493,044	507,835	523,070
Total	14,751,603	17,340,388	19,736,451	22,253,652	23,935,863	25,508,650	26,913,608	28,062,838	28,915,030	29,793,096

Water Cost of Service

W.1 Residential	12,121,774	12,744,708	13,218,931	13,691,839	14,182,673	14,566,345	14,860,297	15,129,940	15,561,940	16,006,958
W.2 Multi Family	33,766	35,485	36,789	38,087	39,434	40,482	41,279	42,008	43,186	44,400
W.3 Commercial	4,140,936	4,354,522	4,517,387	4,679,870	4,848,550	4,980,660	5,082,146	5,175,367	5,324,183	5,477,510
W.4 CUC	60,691	63,778	66,118	68,448	70,865	72,743	74,172	75,477	77,590	79,766
W.5 Government	1,132,990	1,190,645	1,234,343	1,277,868	1,323,016	1,358,120	1,384,819	1,409,218	1,448,695	1,489,343
W.6 PSS	517,099	543,407	563,345	583,204	603,803	619,818	631,996	643,124	661,134	679,677
W.7 CHC	1,960,686	2,060,581	2,136,334	2,211,798	2,290,081	2,350,988	2,397,354	2,439,745	2,508,251	2,578,790
W.8 CPA	85,988	90,366	93,686	96,993	100,423	103,091	105,121	106,977	109,977	113,067
Total	20,053,930	21,083,494	21,866,932	22,648,107	23,458,845	24,092,246	24,577,185	25,021,856	25,734,956	26,469,511

Revenues less Cost of Service

W.1 Residential	(6,091,279)	(5,751,671)	(5,332,869)	(4,865,759)	(4,744,724)	(4,552,301)	(4,325,780)	(4,160,465)	(4,257,091)	(4,356,486)
W.2 Multi Family	(24,593)	(24,693)	(24,499)	(24,225)	(24,521)	(24,588)	(24,510)	(24,527)	(25,181)	(25,854)
W.3 Commercial	(1,540,614)	(1,284,075)	(1,011,569)	(716,559)	(576,481)	(420,028)	(264,022)	(147,194)	(141,146)	(134,844)
W.4 CUC	250,690	305,813	357,240	411,305	447,147	480,863	510,981	535,095	551,299	567,990
W.5 Government	3,913,698	4,810,772	5,648,738	6,529,811	7,113,796	7,663,618	8,154,748	8,546,661	8,805,860	9,072,849
W.6 PSS	(280,204)	(262,659)	(242,084)	(219,442)	(211,280)	(200,522)	(188,950)	(180,906)	(185,049)	(189,310)
W.7 CHC	(1,694,290)	(1,743,702)	(1,772,836)	(1,799,413)	(1,844,417)	(1,874,386)	(1,893,368)	(1,913,750)	(1,966,476)	(2,020,762)
W.8 CPA	164,266	207,109	247,399	289,827	317,497	343,748	367,325	386,067	397,858	410,003
Total	(5,302,327)	(3,743,106)	(2,130,480)	(77,018)	477,018	1,416,404	2,336,423	3,040,981	3,180,073	3,323,586
Less Uncollectibles	(1,018,400)	(1,151,368)	(1,305,190)	(1,466,788)	(1,574,782)	(1,675,751)	(1,765,946)	(1,839,724)	(1,894,433)	(1,950,803)
Net Revenues	(6,320,727)	(4,894,474)	(3,435,670)	(1,861,243)	(1,097,764)	(259,347)	570,476	1,201,257	1,285,640	1,372,783

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL REVENUES AND COS										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035

Revenue and Expense Summary**Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC****WASTEWATER Revenues and Cost of Service -- CASH BASIS****Wastewater Rate Revenue**

WW.1 Residential	1,168,312	1,447,283	1,759,141	2,121,723	2,318,748	2,466,210	2,600,291	2,713,419	2,801,934	2,893,316
WW.2 Multi Family	7,697	9,640	11,796	14,297	15,678	16,707	17,625	18,373	18,924	19,492
WW.3 Commercial	1,657,651	2,089,770	2,569,530	3,127,257	3,441,252	3,678,144	3,889,693	4,062,392	4,189,806	4,321,208
WW.4 CUC	11,656	14,772	18,219	22,222	24,488	26,192	27,701	28,912	29,780	30,673
WW.5 Government	678,580	860,009	1,060,713	1,293,749	1,425,650	1,524,897	1,612,715	1,683,245	1,733,742	1,785,754
WW.6 PSS	132,533	167,384	205,971	250,764	275,938	294,834	311,587	325,099	334,851	344,897
WW.7 CHC	245,129	310,395	382,610	466,453	513,826	549,448	580,985	606,339	624,529	643,265
WW.8 CPA	118,083	150,057	185,364	225,554	248,550	265,853	281,164	293,460	302,264	311,332
Total	4,019,640	5,049,309	6,193,344	7,522,020	8,264,129	8,822,286	9,321,761	9,731,239	10,035,830	10,349,938

Wastewater Cost of Service

WW.1 Residential	2,410,245	2,565,074	2,664,788	2,765,512	2,870,782	2,958,367	3,031,367	3,101,538	3,193,026	3,287,337
WW.2 Multi Family	14,894	15,828	16,412	16,999	17,611	18,107	18,508	18,888	19,399	19,924
WW.3 Commercial	3,014,831	3,209,102	3,332,349	3,456,505	3,586,194	3,692,298	3,778,946	3,861,548	3,971,366	4,084,465
WW.4 CUC	1,745	1,851	1,917	1,984	2,053	2,110	2,157	2,202	2,260	2,321
WW.5 Government	92,116	97,841	101,421	105,019	108,771	111,822	114,297	116,647	119,790	123,023
WW.6 PSS	244,647	260,169	269,866	279,608	289,771	297,982	304,581	310,829	319,258	327,929
WW.7 CHC	457,960	487,132	505,354	523,658	542,756	558,164	570,528	582,225	598,035	614,298
WW.8 CPA	15,014	15,967	16,562	17,160	17,783	18,287	18,692	19,076	19,593	20,125
Total	6,251,450	6,652,964	6,908,668	7,166,444	7,435,723	7,657,138	7,839,077	8,012,953	8,242,727	8,479,422

Revenues less Cost of Service

WW.1 Residential	(1,241,933)	(1,117,791)	(905,647)	(643,789)	(552,034)	(492,157)	(431,075)	(388,118)	(391,092)	(394,020)
WW.2 Multi Family	(7,197)	(6,188)	(4,616)	(2,702)	(1,933)	(1,400)	(883)	(515)	(474)	(432)
WW.3 Commercial	(1,357,180)	(1,119,332)	(762,818)	(329,247)	(144,943)	(14,154)	110,747	200,844	218,440	236,743
WW.4 CUC	9,911	12,921	16,302	20,238	22,434	24,082	25,544	26,711	27,519	28,352
WW.5 Government	586,465	762,168	959,292	1,188,730	1,316,879	1,413,075	1,498,418	1,566,598	1,613,952	1,662,732
WW.6 PSS	(112,114)	(92,785)	(63,895)	(28,843)	(13,833)	(3,148)	7,006	14,270	15,593	16,968
WW.7 CHC	(212,831)	(176,738)	(122,744)	(57,205)	(28,931)	(8,716)	10,457	24,114	26,494	28,968
WW.8 CPA	103,069	134,090	168,802	208,395	230,767	247,566	262,471	274,384	282,671	291,206
Total	(2,231,810)	(1,603,655)	(715,324)	355,576	828,406	1,165,148	1,482,685	1,718,287	1,793,103	1,870,516

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL POWER SUMMARY										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035

POWER Summary
Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC

Total Accounts

Total Accounts	17,452	17,537	17,622	17,707	17,792	17,877	17,962	18,047	18,132	18,217
New Accounts		85	85	85	85	85	85	85	85	85
Avg. Annual Growth Rate		0.49%	0.48%	0.48%	0.48%	0.48%	0.48%	0.47%	0.47%	0.47%

Annual Power kWh Consumption

P1	Residential	77,798,658	77,272,501	76,746,345	76,220,188	75,694,032	75,167,875	74,641,719	74,115,562	73,589,405	73,063,249
P2	Residential Prepaid	17,537,408	17,762,882	17,988,357	18,213,831	18,439,306	18,664,780	18,890,255	19,115,729	19,341,204	19,566,678
P3	Commercial	113,006,628	113,362,600	113,718,572	114,074,543	114,430,515	114,786,487	115,142,459	115,498,431	115,854,403	116,210,374
P4	Large Commercial	-	-	-	-	-	-	-	-	-	-
P5	Government	36,443,984	34,501,104	34,501,104	34,501,104	34,501,104	34,501,104	34,501,104	34,501,104	34,501,104	34,501,104
P6	Large Government	-	-	-	-	-	-	-	-	-	-
P7	Streetlights	3,539,689	3,539,689	3,539,689	3,539,689	3,539,689	3,539,689	3,539,689	3,539,689	3,539,689	3,539,689
P8	CUC Municipal Pumping	12,685,279	9,702,171	9,459,617	9,196,850	8,909,448	8,591,254	8,233,285	7,821,620	7,821,620	7,821,620
Total System		261,011,645	256,140,947	255,953,682	255,746,205	255,514,093	255,251,189	254,948,509	254,592,135	254,647,425	254,702,715
		261,011,645									

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL POWER SUMMARY										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
POWER Summary										
Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC										
Revenues and Expenses										
<u>FAC Revenues</u>										
P1 Residential	\$ 16,430,299	\$ 16,319,180	\$ 16,208,061	\$ 16,096,942	\$ 15,985,823	\$ 15,874,704	\$ 15,763,585	\$ 15,652,466	\$ 15,541,347	\$ 15,430,228
P2 Residential Prepaid	3,703,725	3,751,343	3,798,961	3,846,579	3,894,197	3,941,815	3,989,433	4,037,051	4,084,669	4,132,287
P3 Commercial	23,865,870	23,941,047	24,016,225	24,091,403	24,166,580	24,241,758	24,316,936	24,392,114	24,467,291	24,542,469
P4 Large Commercial	-	-	-	-	-	-	-	-	-	-
P5 Government	7,696,605	7,286,288	7,286,288	7,286,288	7,286,288	7,286,288	7,286,288	7,286,288	7,286,288	7,286,288
P6 Large Government	-	-	-	-	-	-	-	-	-	-
P7 Streetlights	747,547	747,547	747,547	747,547	747,547	747,547	747,547	747,547	747,547	747,547
P8 CUC Municipal Pumping	2,679,004	2,049,002	1,997,776	1,942,283	1,881,586	1,814,387	1,738,787	1,651,848	1,651,848	1,651,848
Total	55,123,049	54,094,407	54,054,858	54,011,041	53,962,021	53,906,499	53,842,576	53,767,313	53,778,990	53,790,666
<u>Power Rate Revenues (Includes CIP Surcharge)</u>										
P1 Residential	7,599,802	9,240,256	10,959,149	12,974,771	14,161,502	14,576,144	14,935,546	15,303,393	15,679,870	16,065,162
P2 Residential Prepaid	653,454	808,810	976,405	1,176,486	1,306,697	1,368,465	1,426,547	1,486,881	1,549,552	1,614,645
P3 Commercial	16,196,322	19,854,678	23,742,549	28,341,902	31,190,662	32,370,642	33,444,958	34,554,601	35,700,721	36,884,510
P4 Large Commercial	-	-	-	-	-	-	-	-	-	-
P5 Government	5,663,993	6,559,713	7,819,706	9,305,450	10,208,984	10,562,408	10,879,280	11,205,658	11,541,828	11,888,083
P6 Large Government	-	-	-	-	-	-	-	-	-	-
P7 Streetlights	1,089,826	1,331,804	1,587,617	1,889,265	2,072,707	2,144,462	2,208,796	2,275,059	2,343,311	2,413,611
P8 CUC Municipal Pumping	1,692,555	1,588,906	1,847,632	2,138,772	2,274,551	2,270,946	2,243,655	2,197,940	2,263,878	2,331,794
Total	32,895,951	39,384,167	46,933,058	55,826,646	61,215,103	63,293,067	65,138,781	67,023,533	69,079,160	71,197,804
Total FAC and Rate Revenues	88,019,001	93,478,574	100,987,916	109,837,687	115,177,124	117,199,565	118,981,357	120,790,846	122,858,150	124,988,470
Non-Rate Revenues	8,179,350	4,872,046	5,372,046	5,372,046	5,372,046	4,472,046	4,472,046	4,472,046	4,472,046	4,472,046
Total Revenues	96,198,351	98,350,620	106,359,962	115,209,733	120,549,171	121,671,612	123,453,404	125,262,892	127,330,196	129,460,517
Less Uncollectibles	(6,175,713)	(6,313,884)	(6,828,066)	(7,396,200)	(7,738,980)	(7,811,038)	(7,925,425)	(8,041,590)	(8,174,306)	(8,311,068)
Net Revenues	90,022,638	92,036,736	99,531,897	107,813,533	112,810,190	113,860,573	115,527,978	117,221,302	119,155,890	121,149,449
Power Cost of Service										
<u>O&M Code</u>										
5000 PF -- Production Fuel	\$ 55,123,049	\$ 54,094,407	\$ 54,054,858	\$ 54,011,041	\$ 53,962,021	\$ 53,906,499	\$ 53,842,576	\$ 53,767,313	\$ 53,778,990	\$ 53,790,666
5100 P -- Personnel	16,872,604	17,378,782	17,900,145	18,437,150	18,990,264	19,559,972	20,146,771	20,751,174	21,373,710	22,014,921
5200 GA -- General and Administrative	5,297,356	5,606,277	5,924,465	6,252,199	6,589,765	6,937,458	7,295,582	7,664,450	8,044,383	8,435,714
5300 S -- Supplies	739,679	754,399	776,735	799,699	823,301	847,546	872,433	897,953	924,996	952,854
5400 M -- Maintenance	20,049,495	21,322,980	16,670,669	15,797,890	14,655,650	9,846,247	20,575,101	19,836,003	10,759,259	15,719,134
5500 OP -- Other Production	4,504,129	4,504,238	4,504,350	4,504,466	4,504,585	4,504,707	4,504,834	4,504,964	4,505,097	4,505,235
0 #N/A	-	-	-	-	-	-	-	-	-	-
0 #N/A	-	-	-	-	-	-	-	-	-	-
Total	\$ 102,586,312	\$ 103,661,082	\$ 99,831,223	\$ 99,802,445	\$ 99,525,586	\$ 95,602,428	\$ 107,237,297	\$ 107,421,857	\$ 99,386,436	\$ 105,418,524
Total Operating Expenses	102,586,312	103,661,082	99,831,223	99,802,445	99,525,586	95,602,428	107,237,297	107,421,857	99,386,436	105,418,524
Net Revenues for NO,Capital Outlays and Debt Service	(6,387,961)	(5,310,462)	6,528,739	15,407,288	21,023,585	26,069,183	16,216,107	17,841,036	27,943,761	24,041,992
Capital Outlays	2,705,000	1,864,300	1,920,229	1,977,836	2,037,171	2,098,286	2,161,235	2,226,072	2,292,854	2,361,639

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL POWER SUMMARY										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035

POWER Summary
Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC

Debt Service

Debt Service -- Current	-	-	-	-	-	-	-	-	-	-
Debt Service -- Future	-	3,163,194	3,163,194	3,163,194	3,163,194	3,163,194	4,438,676	4,438,676	5,489,639	5,521,167
Total Debt Service	-	3,163,194	3,163,194	3,163,194	3,163,194	3,163,194	4,438,676	4,438,676	5,489,639	5,521,167

Net Revenues for Non-Operating (9,092,961) (10,337,956) 1,445,316 10,266,258 15,823,219 20,807,703 9,616,197 11,176,288 20,161,268 16,159,185

Total Non-Operating 4,122,867 4,173,998 4,252,679 4,333,569 4,416,699 4,502,087 4,589,732 4,679,590 4,774,891 4,873,062

Total Cost of Service -- CASH BASIS 109,414,180 112,862,574 109,167,325 109,277,044 109,142,650 105,365,996 118,426,939 118,766,194 111,943,819 118,174,393

Net Revenues	(19,391,542)	(20,825,838)	(9,635,428)	(1,463,511)	3,667,541	8,494,577	(2,898,960)	(1,544,892)	7,212,071	2,975,056
Percent of COS	-20.2%	-21.2%	-9.1%	-1.3%	3.0%	7.0%	-2.3%	-1.2%	5.7%	2.3%

Debt Coverage

Excludes Capital Outlays, Non-Operating	-	(1.68)	2.06	4.87	6.65	8.24	3.65	4.02	5.09	4.35
All Inclusive	-	(5.58)	(2.05)	0.54	2.16	3.69	0.35	0.65	2.31	1.54

**COMMONWEALTH UTILITIES CORPORATION
COMBINED UTILITIES COST OF SERVICE MODEL
WATER SUMMARY**

2026 2027 2028 2029 2030 2031 2032 2033 2034 2035

Water Summary**Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC****Total Accounts**

Total Accounts	10,566	10,572	10,578	10,584	10,590	10,596	10,602	10,608	10,614	10,620
New Accounts		6	6	6	6	6	6	6	6	6
Avg. Annual Growth Rate		0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%

Annual Water Consumption

W.1 Residential	836,836,559	922,708,630	990,120,312	1,050,680,250	1,103,253,154	1,146,301,073	1,177,644,316	1,194,002,090	1,194,666,680	1,195,331,270
W.2 Multi Family	1,175,700	1,295,688	1,389,625	1,473,845	1,546,770	1,606,261	1,649,286	1,671,276	1,671,276	1,671,276
W.3 Commercial	349,055,477	384,951,069	413,160,061	438,521,840	460,560,798	478,632,809	491,825,229	498,764,750	499,151,690	499,538,629
W.4 CUC	3,716,357	4,095,635	4,392,569	4,658,785	4,889,298	5,077,348	5,213,348	5,282,859	5,282,859	5,282,859
W.5 Government	61,492,069	67,767,724	72,680,884	77,085,786	80,899,926	84,011,462	86,261,769	87,411,926	87,411,926	87,411,926
W.6 PSS	31,282,126	34,474,665	36,974,078	39,214,931	41,155,253	42,738,148	43,882,919	44,468,025	44,468,025	44,468,025
W.7 CHC	39,067,420	43,054,497	46,175,948	48,974,490	51,397,707	53,374,542	54,804,218	55,534,940	55,534,940	55,534,940
W.8 CPA	3,035,722	3,345,537	3,588,088	3,805,548	3,993,843	4,147,453	4,258,545	4,315,326	4,315,326	4,315,326
W.9 Other9	-	-	-	-	-	-	-	-	-	-
W.10 Other10	-	-	-	-	-	-	-	-	-	-
Total System	1,325,661,431	1,461,693,443	1,568,481,565	1,664,415,475	1,747,696,749	1,815,889,094	1,865,539,629	1,891,451,193	1,892,502,722	1,893,554,251

**COMMONWEALTH UTILITIES CORPORATION
COMBINED UTILITIES COST OF SERVICE MODEL
WATER SUMMARY**

2026 2027 2028 2029 2030 2031 2032 2033 2034 2035

Water Summary**Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC****Revenues and Expenses****Water Revenues**Water Rate Revenue

W.1 Residential	\$ 6,030,496	\$ 6,993,038	\$ 7,886,062	\$ 8,826,090	\$ 9,437,950	\$ 10,014,044	\$ 10,534,517	\$ 10,969,475	\$ 11,304,849	\$ 11,650,472
W.2 Multi Family	9,173	10,792	12,290	13,863	14,913	15,894	16,769	17,481	18,006	18,546
W.3 Commercial	2,600,322	3,070,447	3,505,817	3,963,310	4,272,069	4,560,632	4,818,124	5,028,173	5,183,036	5,342,666
W.4 CUC	311,381	369,591	423,358	479,753	518,012	553,606	585,153	610,572	628,889	647,756
W.5 Government	5,046,688	6,001,417	6,883,081	7,807,680	8,436,812	9,021,738	9,539,567	9,955,879	10,254,556	10,562,192
W.6 PSS	236,894	280,749	321,262	363,762	392,523	419,296	443,046	462,218	476,085	490,367
W.7 CHC	266,396	316,879	363,498	412,385	445,664	476,601	503,986	525,995	541,775	558,028
W.8 CPA	250,253	297,475	341,085	386,820	417,920	446,838	472,446	493,044	507,835	523,070
W.9 Other9	-	-	-	-	-	-	-	-	-	-
W.10 Other10	-	-	-	-	-	-	-	-	-	-
	<u>14,751,603</u>	<u>17,340,388</u>	<u>19,736,451</u>	<u>22,253,652</u>	<u>23,935,863</u>	<u>25,508,650</u>	<u>26,913,608</u>	<u>28,062,838</u>	<u>28,915,030</u>	<u>29,793,096</u>

Water Electric Charge

W.1 Residential	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
W.2 Multi Family	-	-	-	-	-	-	-	-	-	-
W.3 Commercial	-	-	-	-	-	-	-	-	-	-
W.4 CUC	-	-	-	-	-	-	-	-	-	-
W.5 Government	-	-	-	-	-	-	-	-	-	-
W.6 PSS	-	-	-	-	-	-	-	-	-	-
W.7 CHC	-	-	-	-	-	-	-	-	-	-
W.8 CPA	-	-	-	-	-	-	-	-	-	-
W.9 Other9	-	-	-	-	-	-	-	-	-	-
W.10 Other10	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Total Rate Revenues**Non-Rate Revenues****Total Revenues****Less Uncollectibles****Net Revenues**

14,751,603	17,340,388	19,736,451	22,253,652	23,935,863	25,508,650	26,913,608	28,062,838	28,915,030	29,793,096
<u>1,111,890</u>	<u>594,330</u>	<u>594,330</u>	<u>594,330</u>	<u>594,330</u>	<u>594,330</u>	<u>594,330</u>	<u>594,330</u>	<u>594,330</u>	<u>594,330</u>
15,863,493	17,934,718	20,330,782	22,847,982	24,530,193	26,102,980	27,507,938	28,657,168	29,509,360	30,387,427
<u>(1,018,400)</u>	<u>(1,151,368)</u>	<u>(1,305,190)</u>	<u>(1,466,788)</u>	<u>(1,574,782)</u>	<u>(1,675,751)</u>	<u>(1,765,946)</u>	<u>(1,839,724)</u>	<u>(1,894,433)</u>	<u>(1,950,803)</u>
14,845,093	16,783,350	19,025,592	21,381,194	22,955,411	24,427,229	25,741,991	26,817,443	27,614,927	28,436,623

Water Cost of ServiceO&M Code

5000 PF -- Production Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5100 P -- Personnel	7,521,574	7,747,221	7,979,637	8,219,027	8,465,597	8,719,565	8,981,152	9,250,587	9,528,104	9,813,948
5200 GA -- General and Administrative	1,859,223	1,915,000	1,972,450	2,031,624	2,092,572	2,155,349	2,220,010	2,286,610	2,355,209	2,425,865
5300 S -- Supplies	1,049,104	1,149,700	1,232,762	1,306,490	1,368,204	1,414,416	1,440,433	1,439,617	1,484,789	1,531,375
5400 M -- Maintenance	5,562,565	5,729,442	5,901,326	6,078,365	6,260,716	6,448,538	6,641,994	6,841,254	7,046,491	7,257,886
5500 OP -- Other Production	3,399,329	3,575,849	3,770,873	3,957,842	4,170,816	4,205,927	4,096,278	3,956,232	4,020,436	4,086,566
0 #N/A	-	-	-	-	-	-	-	-	-	-
0 #N/A	-	-	-	-	-	-	-	-	-	-
0 #N/A	-	-	-	-	-	-	-	-	-	-
0 #N/A	-	-	-	-	-	-	-	-	-	-
Total	<u>19,391,795</u>	<u>20,117,213</u>	<u>20,857,048</u>	<u>21,593,348</u>	<u>22,357,906</u>	<u>22,943,795</u>	<u>23,379,867</u>	<u>23,774,300</u>	<u>24,435,029</u>	<u>25,115,639</u>

Total Operating Expenses**Net Revenues for NO, Capital Outlays and Debt Service****Capital Outlays**

19,391,795	20,117,213	20,857,048	21,593,348	22,357,906	22,943,795	23,379,867	23,774,300	24,435,029	25,115,639
(3,528,302)	(2,182,495)	(526,266)	1,254,635	2,172,287	3,159,185	4,128,071	4,882,868	5,074,331	5,271,788
1,134,500	911,035	938,366	966,517	995,513	1,025,378	1,056,139	1,087,823	1,120,458	1,154,072

**COMMONWEALTH UTILITIES CORPORATION
COMBINED UTILITIES COST OF SERVICE MODEL
WATER SUMMARY**

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water Summary										
Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC										
Debt Service										
Debt Service -- Current	-	-	-	-	-	-	-	-	-	-
Debt Service -- Future	-	-	-	-	-	-	-	-	-	-
Total Debt Service	-	-	-	-	-	-	-	-	-	-
Net Revenues for Non-Operating	(4,662,802)	(3,093,530)	(1,464,632)	288,118	1,176,775	2,133,807	3,071,932	3,795,045	3,953,873	4,117,716
Non-Operating	639,525	649,577	665,848	682,573	699,757	717,403	735,509	754,063	773,799	794,130
Total Cost of Service -- CASH BASIS	21,165,820	21,677,824	22,461,262	23,242,437	24,053,175	24,686,576	25,171,515	25,616,187	26,329,286	27,063,841
Net Revenues	(6,320,727)	(4,894,474)	(3,435,670)	(1,861,243)	(1,097,764)	(259,347)	570,476	1,201,257	1,285,640	1,372,783
Percent of COS	-39.8%	-27.3%	-16.9%	-8.1%	-4.5%	-1.0%	2.1%	4.2%	4.4%	4.5%
Debt Coverage										
Excludes Capital Outlays, Non-Operating	-	-	-	-	-	-	-	-	-	-
All Inclusive	-	-	-	-	-	-	-	-	-	-

**COMMONWEALTH UTILITIES CORPORATION
COMBINED UTILITIES COST OF SERVICE MODEL
WW SUMMARY**

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Wastewater Summary										
Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC										
Total Accounts										
Total Accounts	2,793	2,799	2,805	2,811	2,817	2,823	2,829	2,835	2,841	2,847
New Accounts		6	6	6	6	6	6	6	6	6
Avg. Annual Growth Rate		0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%
Annual Wastewater Billing Units										
WW.1 Residential	177,167,263	195,707,284	210,401,766	223,695,660	235,338,988	244,993,921	252,182,841	256,188,603	256,840,482	257,492,361
WW.2 Multi Family	1,175,700	1,295,688	1,389,625	1,473,845	1,546,770	1,606,261	1,649,286	1,671,276	1,671,276	1,671,276
WW.3 Commercial	244,364,267	269,629,875	289,538,027	307,471,837	323,094,704	335,951,071	345,395,910	350,459,274	350,923,458	351,387,643
WW.4 CUC	120,000	132,247	141,835	150,431	157,874	163,946	168,337	170,582	170,582	170,582
WW.5 Government	6,986,309	7,699,306	8,257,505	8,757,960	9,191,297	9,544,808	9,800,473	9,931,146	9,931,146	9,931,146
WW.6 PSS	20,221,606	22,285,349	23,901,036	25,349,584	26,603,860	27,627,086	28,367,097	28,745,325	28,745,325	28,745,325
WW.7 CHC	38,466,491	42,392,240	45,465,677	48,221,172	50,607,116	52,553,543	53,961,228	54,680,711	54,680,711	54,680,711
WW.8 CPA	1,240,533	1,367,137	1,466,255	1,555,119	1,632,065	1,694,836	1,740,234	1,763,437	1,763,437	1,763,437
WW.9 Other9	-	-	-	-	-	-	-	-	-	-
WW.10 Other10	-	-	-	-	-	-	-	-	-	-
Total System	489,742,168	540,509,125	580,561,726	616,675,609	648,172,674	674,135,472	693,265,405	703,610,353	704,726,416	705,842,480

**COMMONWEALTH UTILITIES CORPORATION
COMBINED UTILITIES COST OF SERVICE MODEL
WW SUMMARY**

2026 2027 2028 2029 2030 2031 2032 2033 2034 2035

Wastewater Summary**Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC****Revenues and Expenses -- CASH BASIS****Wastewater Revenues****Wastewater Rate Revenue**

WW.1	Residential	\$ 1,168,312	\$ 1,447,283	\$ 1,759,141	\$ 2,121,723	\$ 2,318,748	\$ 2,466,210	\$ 2,600,291	\$ 2,713,419	\$ 2,801,934	\$ 2,893,316
WW.2	Multi Family	7,697	9,640	11,796	14,297	15,678	16,707	17,625	18,373	18,924	19,492
WW.5	Commercial	1,657,651	2,089,770	2,569,530	3,127,257	3,441,252	3,678,144	3,889,693	4,062,392	4,189,806	4,321,208
WW.6	CUC	11,656	14,772	18,219	22,222	24,488	26,192	27,701	28,912	29,780	30,673
WW.5	Government	678,580	860,009	1,060,713	1,293,749	1,425,650	1,524,897	1,612,715	1,683,245	1,733,742	1,785,754
WW.6	PSS	132,533	167,384	205,971	250,764	275,938	294,834	311,587	325,099	334,851	344,897
WW.7	CHC	245,129	310,395	382,610	466,453	513,826	549,448	580,985	606,339	624,529	643,265
WW.8	CPA	118,083	150,057	185,364	225,554	248,550	265,853	281,164	293,460	302,264	311,332
WW.9	Other9	-	-	-	-	-	-	-	-	-	-
WW.10	Other10	-	-	-	-	-	-	-	-	-	-
	Sub-Total	4,019,640	5,049,309	6,193,344	7,522,020	8,264,129	8,822,286	9,321,761	9,731,239	10,035,830	10,349,938

Wastewater Electric Charge Revenue

WW.1	Residential	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WW.2	Multi Family	-	-	-	-	-	-	-	-	-	-
WW.5	Commercial	-	-	-	-	-	-	-	-	-	-
WW.6	CUC	-	-	-	-	-	-	-	-	-	-
WW.5	Government	-	-	-	-	-	-	-	-	-	-
WW.6	PSS	-	-	-	-	-	-	-	-	-	-
WW.7	CHC	-	-	-	-	-	-	-	-	-	-
WW.8	CPA	-	-	-	-	-	-	-	-	-	-
WW.9	Other9	-	-	-	-	-	-	-	-	-	-
WW.10	Other10	-	-	-	-	-	-	-	-	-	-
	Sub-Total	-	-	-	-	-	-	-	-	-	-

Total Rate Revenue	4,019,640	5,049,309	6,193,344	7,522,020	8,264,129	8,822,286	9,321,761	9,731,239	10,035,830	10,349,938
Non-Rate Revenues	333,291	178,151	178,151	178,151	178,151	178,151	178,151	178,151	178,151	178,151
Total Revenues	4,352,931	5,227,460	6,371,496	7,700,171	8,442,280	9,000,438	9,499,912	9,909,391	10,213,981	10,528,089
Less Uncollectibles	(279,448)	(335,591)	(409,035)	(494,333)	(541,975)	(577,807)	(609,873)	(636,160)	(655,714)	(675,879)
Net Revenues	4,073,483	4,891,869	5,962,460	7,205,838	7,900,305	8,422,630	8,890,040	9,273,230	9,558,267	9,852,210

O&M Code

5000	PF -- Production Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5100	P -- Personnel	2,572,171	2,649,336	2,728,816	2,810,680	2,895,001	2,981,851	3,071,306	3,163,445	3,258,349	3,356,099
5200	GA -- General and Administrative	1,250,348	1,287,859	1,326,494	1,366,289	1,407,278	1,449,496	1,492,981	1,537,771	1,583,904	1,631,421
5300	S -- Supplies	373,163	415,696	453,674	490,924	526,850	560,625	591,063	616,367	635,703	655,644
5400	M -- Maintenance	820,621	845,239	870,596	896,714	923,616	951,324	979,864	1,009,260	1,039,538	1,070,724
5500	OP -- Other Production	944,100	995,950	1,053,215	1,108,490	1,171,662	1,184,051	1,155,090	1,117,847	1,136,485	1,155,682
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
	Total	5,960,403	6,194,079	6,432,796	6,673,097	6,924,406	7,127,348	7,290,304	7,444,691	7,653,978	7,869,570

Total Operating Expenses	5,960,403	6,194,079	6,432,796	6,673,097	6,924,406	7,127,348	7,290,304	7,444,691	7,653,978	7,869,570
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Net Revenues for Non-Operating,Capital Outlays and Debt Service	(1,607,472)	(966,619)	(61,300)	1,027,074	1,517,874	1,873,090	2,209,609	2,464,700	2,560,003	2,658,519
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**COMMONWEALTH UTILITIES CORPORATION
COMBINED UTILITIES COST OF SERVICE MODEL
WW SUMMARY**

2026 2027 2028 2029 2030 2031 2032 2033 2034 2035

Wastewater Summary**Scenario: 2025 05 09 Scenario I -- 5 Year Implement -- No WEC**

Capital Outlays	277,500	285,825	294,400	303,232	312,329	321,699	331,350	341,290	351,529	362,075
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Debt Service

Debt Service -- Current	-	-	-	-	-	-	-	-	-	-
Debt Service -- Future	-	-	-	-	-	-	-	-	-	-
Total Debt Service	-	-	-	-	-	-	-	-	-	-

Net Revenues for Non-Operating	(1,884,972)	(1,252,444)	(355,700)	723,842	1,205,545	1,551,392	1,878,259	2,123,410	2,208,474	2,296,445
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Non-Operating	346,838	351,211	359,624	368,266	377,139	386,243	395,574	405,123	415,371	425,928
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Total Cost of Service -- CASH Basis	6,584,741	6,831,115	7,086,819	7,344,595	7,613,874	7,835,289	8,017,228	8,191,104	8,420,878	8,657,573
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Net Revenues	(2,511,258)	(1,939,246)	(1,124,359)	(138,757)	286,431	587,341	872,812	1,082,127	1,137,389	1,194,637
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Percent of COS	-57.7%	-37.1%	-17.6%	-1.8%	3.4%	6.5%	9.2%	10.9%	11.1%	11.3%
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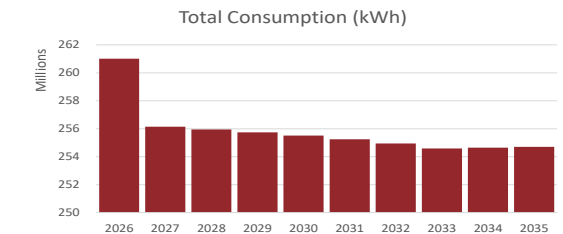
Debt Coverage

Excludes Debt, Cap Outlays, Non-Operating	-	-	-	-	-	-	-	-	-	-
All Inclusive	-	-	-	-	-	-	-	-	-	-

APPENDIX B

Ten Year Rate Analysis and Pro Forma Fiscal Years 2026 - 2035

[10]
5



Cash Basis COS

[illegible]

COMMONWEALTH UTILITIES CORPORATION WATER/WASTEWATER COST OF SERVICE MODEL											
Current	Effective 2026	Effective 2027	Effective 2028	Effective 2029	Effective 2030	Effective 2031	Effective 2032	Effective 2033	Effective 2034	Effective 2035	

Power, Water and Wastewater Rate Plan -- 10 Year Summary**Scen: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC****POWER Charges****POWER FAC Charge**

FAC Non-Fuel Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FAC Fuel Charge	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119
FAC Total Charge	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119	0.21119

POWER Base Charge**Residential**

Customer Charge	7.00	15.26	15.72	16.19	16.68	17.18	17.69	18.22	18.77	19.33	19.91
Base Rate per kWh - Existing Blocks											
- 350	0.0210	0.0458	0.0472	0.0486	0.0500	0.0515	0.0531	0.0547	0.0563	0.0580	0.0597
351 1,200	0.0970	0.2115	0.2178	0.2243	0.2311	0.2380	0.2451	0.2525	0.2601	0.2679	0.2759
1,201 Above	0.1580	0.3444	0.3548	0.3654	0.3764	0.3877	0.3993	0.4113	0.4236	0.4363	0.4494

Residential Prepaid

Customer Charge	7.00	15.26	15.72	16.19	16.68	17.18	17.69	18.22	18.77	19.33	19.91
Base Rate per kWh - Existing Blocks											
- 350	0.0210	0.0458	0.0472	0.0486	0.0500	0.0515	0.0531	0.0547	0.0563	0.0580	0.0597
351 1,200	0.0970	0.2115	0.2178	0.2243	0.2311	0.2380	0.2451	0.2525	0.2601	0.2679	0.2759
1,201 Above	0.1580	0.3444	0.3548	0.3654	0.3764	0.3877	0.3993	0.4113	0.4236	0.4363	0.4494

Commercial

Customer Charge	10.00	21.80	22.45	23.13	23.82	24.54	25.27	26.03	26.81	27.62	28.44
Base Rate per kWh - Existing Blocks											
- 350	0.1130	0.2463	0.2537	0.2613	0.2692	0.2773	0.2856	0.2941	0.3030	0.3121	0.3214
351 1,200	0.1130	0.2463	0.2537	0.2613	0.2692	0.2773	0.2856	0.2941	0.3030	0.3121	0.3214
1,201 Above	0.1130	0.2463	0.2537	0.2613	0.2692	0.2773	0.2856	0.2941	0.3030	0.3121	0.3214

Large Commercial

Customer Charge	10.00	21.80	22.45	23.13	23.82	24.54	25.27	26.03	26.81	27.62	28.44
Base Rate per kWh -- All Usage	0.1130	0.2463	0.2537	0.2613	0.2692	0.2773	0.2856	0.2941	0.3030	0.3121	0.3214

Government

Customer Charge	10.00	21.80	22.45	23.13	23.82	24.54	25.27	26.03	26.81	27.62	28.44
Base Rate per kWh -- All Usage	0.1240	0.2703	0.2784	0.2868	0.2954	0.3042	0.3134	0.3228	0.3325	0.3424	0.3527

Large Government

Customer Charge	10.00	21.80	22.45	23.13	23.82	24.54	25.27	26.03	26.81	27.62	28.44
Base Rate per kWh -- All Usage	0.1240	0.2703	0.2784	0.2868	0.2954	0.3042	0.3134	0.3228	0.3325	0.3424	0.3527

Streetlights

Customer Charge	11.67	25.44	26.20	26.99	27.80	28.63	29.49	30.38	31.29	32.23	33.19
Base Rate per kWh -- All Usage -- Estin	0.2500	0.5450	0.5614	0.5782	0.5955	0.6134	0.6318	0.6508	0.6703	0.6904	0.7111

CUC Municipal Pumping

Customer Charge	9.06	19.75	20.34	20.95	21.58	22.23	22.90	23.58	24.29	25.02	25.77
Base Rate per kWh -- All Usage	0.1070	0.2333	0.2403	0.2475	0.2549	0.2625	0.2704	0.2785	0.2869	0.2955	0.3044

**COMMONWEALTH UTILITIES CORPORATION
WATER/WASTEWATER COST OF SERVICE MODEL**

Current	Effective 2026	Effective 2027	Effective 2028	Effective 2029	Effective 2030	Effective 2031	Effective 2032	Effective 2033	Effective 2034	Effective 2035
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Power, Water and Wastewater Rate Plan -- 10 Year Summary**Scen: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC****WATER Rate and Charges****WATER Electric Charge**

Total per 1,000 Gallons	\$ 3.72	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Customer Service Charge

5/8"	\$ 10.86	\$ 22.81	\$ 23.49	\$ 24.19	\$ 24.92	\$ 25.67	\$ 26.44	\$ 27.23	\$ 28.05	\$ 28.89	\$ 29.76
1"	12.67	26.61	27.41	28.23	29.07	29.95	30.84	31.77	32.72	33.70	34.72
1 1/2"	19.91	41.81	43.07	44.36	45.69	47.06	48.47	49.92	51.42	52.96	54.55
2"	25.34	53.21	54.81	56.45	58.15	59.89	61.69	63.54	65.45	67.41	69.43
3"	63.35	133.04	137.03	141.14	145.37	149.73	154.22	158.85	163.62	168.52	173.58
4"	99.55	209.06	215.33	221.79	228.44	235.29	242.35	249.62	257.11	264.82	272.77
6"	135.75	285.08	293.63	302.44	311.51	320.85	330.48	340.39	350.61	361.12	371.96
8"	199.10	418.11	430.65	443.57	456.88	470.59	484.70	499.25	514.22	529.65	545.54
10"	280.55	589.16	606.83	625.03	643.79	663.10	682.99	703.48	724.59	746.32	768.71
12"	362.00	760.20	783.01	806.50	830.69	855.61	881.28	907.72	934.95	963.00	991.89

Volume Rate per 1,000 Gallons**Residential**

-	3,000	0.72	4.07	4.19	4.32	4.45	4.58	4.72	4.86	5.01	5.16	5.31
3,001	15,000	1.74	6.21	6.40	6.59	6.79	6.99	7.20	7.42	7.64	7.87	8.11
15,001	30,000	2.68	8.19	8.43	8.69	8.95	9.22	9.49	9.78	10.07	10.37	10.68
30,001	60,000	3.59	10.10	10.40	10.71	11.04	11.37	11.71	12.06	12.42	12.79	13.18
60,001	Above	4.49	11.99	12.35	12.72	13.10	13.49	13.90	14.32	14.74	15.19	15.64

Multi Family

-	3,000	2.95	8.76	9.02	9.29	9.57	9.85	10.15	10.45	10.77	11.09	11.42
3,001	15,000	2.95	8.76	9.02	9.29	9.57	9.85	10.15	10.45	10.77	11.09	11.42
15,001	30,000	2.95	8.76	9.02	9.29	9.57	9.85	10.15	10.45	10.77	11.09	11.42
30,001	60,000	2.95	8.76	9.02	9.29	9.57	9.85	10.15	10.45	10.77	11.09	11.42
60,001	Above	2.95	8.76	9.02	9.29	9.57	9.85	10.15	10.45	10.77	11.09	11.42

Commercial

-	3,000	0.72	4.07	4.19	4.32	4.45	4.58	4.72	4.86	5.01	5.16	5.31
3,001	15,000	1.74	6.21	6.40	6.59	6.79	6.99	7.20	7.42	7.64	7.87	8.11
15,001	30,000	2.68	8.19	8.43	8.69	8.95	9.22	9.49	9.78	10.07	10.37	10.68
30,001	60,000	3.59	10.10	10.40	10.71	11.04	11.37	11.71	12.06	12.42	12.79	13.18
60,001	Above	4.49	11.99	12.35	12.72	13.10	13.49	13.90	14.32	14.74	15.19	15.64

CUC

-	3,000	54.30	116.59	120.09	123.69	127.40	131.22	135.16	139.21	143.39	147.69	152.12
3,001	15,000	54.30	116.59	120.09	123.69	127.40	131.22	135.16	139.21	143.39	147.69	152.12
15,001	30,000	54.30	116.59	120.09	123.69	127.40	131.22	135.16	139.21	143.39	147.69	152.12
30,001	60,000	54.30	116.59	120.09	123.69	127.40	131.22	135.16	139.21	143.39	147.69	152.12
60,001	Above	54.30	116.59	120.09	123.69	127.40	131.22	135.16	139.21	143.39	147.69	152.12

COMMONWEALTH UTILITIES CORPORATION WATER/WASTEWATER COST OF SERVICE MODEL												
		Current	Effective 2026	Effective 2027	Effective 2028	Effective 2029	Effective 2030	Effective 2031	Effective 2032	Effective 2033	Effective 2034	Effective 2035
Power, Water and Wastewater Rate Plan -- 10 Year Summary												
Scen: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC												
<u>Government</u>												
-	3,000	54.30	116.59	120.09	123.69	127.40	131.22	135.16	139.21	143.39	147.69	152.12
3,001	15,000	54.30	116.59	120.09	123.69	127.40	131.22	135.16	139.21	143.39	147.69	152.12
15,001	30,000	54.30	116.59	120.09	123.69	127.40	131.22	135.16	139.21	143.39	147.69	152.12
30,001	60,000	54.30	116.59	120.09	123.69	127.40	131.22	135.16	139.21	143.39	147.69	152.12
60,001	Above	54.30	116.59	120.09	123.69	127.40	131.22	135.16	139.21	143.39	147.69	152.12
<u>PSS</u>												
-	3,000	0.72	4.07	4.19	4.32	4.45	4.58	4.72	4.86	5.01	5.16	5.31
3,001	15,000	1.74	6.21	6.40	6.59	6.79	6.99	7.20	7.42	7.64	7.87	8.11
15,001	30,000	2.68	8.19	8.43	8.69	8.95	9.22	9.49	9.78	10.07	10.37	10.68
30,001	60,000	3.59	10.10	10.40	10.71	11.04	11.37	11.71	12.06	12.42	12.79	13.18
60,001	Above	4.49	11.99	12.35	12.72	13.10	13.49	13.90	14.32	14.74	15.19	15.64
<u>CHC</u>												
-	3,000	0.72	4.07	4.19	4.32	4.45	4.58	4.72	4.86	5.01	5.16	5.31
3,001	15,000	1.74	6.21	6.40	6.59	6.79	6.99	7.20	7.42	7.64	7.87	8.11
15,001	30,000	2.68	8.19	8.43	8.69	8.95	9.22	9.49	9.78	10.07	10.37	10.68
30,001	60,000	3.59	10.10	10.40	10.71	11.04	11.37	11.71	12.06	12.42	12.79	13.18
60,001	Above	4.49	11.99	12.35	12.72	13.10	13.49	13.90	14.32	14.74	15.19	15.64
<u>CPA</u>												
-	3,000	54.30	116.59	120.09	123.69	127.40	131.22	135.16	139.21	143.39	147.69	152.12
3,001	15,000	54.30	116.59	120.09	123.69	127.40	131.22	135.16	139.21	143.39	147.69	152.12
15,001	30,000	54.30	116.59	120.09	123.69	127.40	131.22	135.16	139.21	143.39	147.69	152.12
30,001	60,000	54.30	116.59	120.09	123.69	127.40	131.22	135.16	139.21	143.39	147.69	152.12
60,001	Above	54.30	116.59	120.09	123.69	127.40	131.22	135.16	139.21	143.39	147.69	152.12
Other Charges												
<u>Water Service Fees Unmetered</u>												
Resid/Gov		54.00	113.40	116.80	120.31	123.92	127.63	131.46	135.41	139.47	143.65	147.96
Comm		275.40	578.34	595.69	613.56	631.97	650.93	670.45	690.57	711.29	732.62	754.60

COMMONWEALTH UTILITIES CORPORATION WATER/WASTEWATER COST OF SERVICE MODEL										
Current	Effective 2026	Effective 2027	Effective 2028	Effective 2029	Effective 2030	Effective 2031	Effective 2032	Effective 2033	Effective 2034	Effective 2035

Power, Water and Wastewater Rate Plan -- 10 Year Summary**Scen: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC****2 WASTEWATER Rates and Charges****Wastewater Electric Charge**

Total per 1,000 Gallons	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
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Monthly Charges**Residential**

Minimum Charge	\$	9.69	\$	21.80	\$	22.46	\$	23.13	\$	23.82	\$	24.54	\$	25.28	\$	26.03	\$	26.81	\$	27.62	\$	28.45
Usage Charge/ 1,000 gal 1-6,000 gal		1.00		4.18		4.31		4.43		4.57		4.70		4.85		4.99		5.14		5.30		5.45
Usage Charge/ 1,000 gal over 6,000 ga		3.13		8.97		9.24		9.52		9.80		10.10		10.40		10.71		11.04		11.37		11.71

Multi Family

Minimum Charge		9.69		21.80		22.46		23.13		23.82		24.54		25.28		26.03		26.81		27.62		28.45
Usage Charge/ 1,000 gal 1-6,000 gal		1.00		4.18		4.31		4.43		4.57		4.70		4.85		4.99		5.14		5.30		5.45
Usage Charge/ 1,000 gal over 6,000 ga		3.13		8.97		9.24		9.52		9.80		10.10		10.40		10.71		11.04		11.37		11.71

Commercial

Minimum Charge		9.24		20.79		21.41		22.06		22.72		23.40		24.10		24.82		25.57		26.34		27.13
Usage Charge/ 1,000 gal 1-6,000 gal		3.00		8.68		8.94		9.21		9.48		9.77		10.06		10.36		10.68		11.00		11.33
Usage Charge/ 1,000 gal over 6,000 ga		3.13		8.97		9.24		9.52		9.80		10.10		10.40		10.71		11.04		11.37		11.71

CUC

Minimum Charge		-		-		-		-		-		-		-		-		-		-		-
Usage Charge/ 1,000 gal 1-6,000 gal		68.00		154.93		159.58		164.37		169.30		174.38		179.61		184.99		190.54		196.26		202.15
Usage Charge/ 1,000 gal over 6,000 ga		68.00		154.93		159.58		164.37		169.30		174.38		179.61		184.99		190.54		196.26		202.15

Government

Minimum Charge		-		-		-		-		-		-		-		-		-		-		-
Usage Charge/ 1,000 gal 1-6,000 gal		68.00		154.93		159.58		164.37		169.30		174.38		179.61		184.99		190.54		196.26		202.15
Usage Charge/ 1,000 gal over 6,000 ga		68.00		154.93		159.58		164.37		169.30		174.38		179.61		184.99		190.54		196.26		202.15

PSS

Minimum Charge		9.24		20.79		21.41		22.06		22.72		23.40		24.10		24.82		25.57		26.34		27.13
Usage Charge/ 1,000 gal 1-6,000 gal		3.00		8.68		8.94		9.21		9.48		9.77		10.06		10.36		10.68		11.00		11.33
Usage Charge/ 1,000 gal over 6,000 ga		3.13		8.97		9.24		9.52		9.80		10.10		10.40		10.71		11.04		11.37		11.71

CHC

Minimum Charge		9.24		20.79		21.41		22.06		22.72		23.40		24.10		24.82		25.57		26.34		27.13
Usage Charge/ 1,000 gal 1-6,000 gal		3.00		8.68		8.94		9.21		9.48		9.77		10.06		10.36		10.68		11.00		11.33
Usage Charge/ 1,000 gal over 6,000 ga		3.13		8.97		9.24		9.52		9.80		10.10		10.40		10.71		11.04		11.37		11.71

CPA

Minimum Charge		-		-		-		-		-		-		-		-		-		-		-
Usage Charge/ 1,000 gal		68.00		154.93		160.00		165.00		170.00		175.10		180.35		185.76		191.34		197.08		202.99

COMMONWEALTH UTILITIES CORPORATION WATER/WASTEWATER COST OF SERVICE MODEL										
Current	Effective 2026	Effective 2027	Effective 2028	Effective 2029	Effective 2030	Effective 2031	Effective 2032	Effective 2033	Effective 2034	Effective 2035

Power, Water and Wastewater Rate Plan -- 10 Year Summary**Scen: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC****Residential Monthly Charges -- POWER**

500 kWh											
Total	\$ 134.50	\$ 168.60	\$ 170.49	\$ 172.43	\$ 174.44	\$ 176.50	\$ 178.63	\$ 180.82	\$ 183.08	\$ 185.40	\$ 187.80
Dollar Inc	34.10	1.89	1.95	2.01	2.07	2.13	2.19	2.26	2.32	2.39	
Percent Inc		25.4%	1.1%	1.1%	1.2%	1.2%	1.2%	1.2%	1.2%	1.3%	1.3%
1,000 kWh											
Total	288.59	379.92	384.98	390.20	395.57	401.10	406.80	412.66	418.71	424.93	431.35
Dollar Inc	91.33	5.06	5.21	5.37	5.53	5.70	5.87	6.04	6.23	6.41	
Percent Inc		31.6%	1.3%	1.4%	1.4%	1.4%	1.4%	1.4%	1.5%	1.5%	1.5%
2,000 kWh											
Total	645.58	908.96	923.55	938.59	954.07	970.03	986.45	1,003.38	1,020.81	1,038.76	1,057.25
Dollar Inc	263.38	14.60	15.04	15.49	15.95	16.43	16.92	17.43	17.95	18.49	
Percent Inc		40.8%	1.6%	1.6%	1.6%	1.7%	1.7%	1.7%	1.7%	1.8%	1.8%

Commercial Monthly Charges -- POWER

2,500 kWh											
Total	\$ 820.48	\$ 1,165.63	\$ 1,184.75	\$ 1,204.46	\$ 1,224.75	\$ 1,245.66	\$ 1,267.19	\$ 1,289.36	\$ 1,312.20	\$ 1,335.73	\$ 1,359.96
Dollar Inc	345.15	19.13	19.70	20.29	20.90	21.53	22.18	22.84	23.53	24.23	
Percent Inc		42.1%	1.6%	1.7%	1.7%	1.7%	1.7%	1.8%	1.8%	1.8%	1.8%
5,000 kWh											
Total	1,630.95	2,309.45	2,347.06	2,385.79	2,425.68	2,466.78	2,509.10	2,552.69	2,597.60	2,643.85	2,691.48
Dollar Inc	678.50	37.61	38.73	39.90	41.09	42.32	43.59	44.90	46.25	47.64	
Percent Inc		41.6%	1.6%	1.7%	1.7%	1.7%	1.7%	1.7%	1.8%	1.8%	1.8%

COMMONWEALTH UTILITIES CORPORATION WATER/WASTEWATER COST OF SERVICE MODEL										
Current	Effective 2026	Effective 2027	Effective 2028	Effective 2029	Effective 2030	Effective 2031	Effective 2032	Effective 2033	Effective 2034	Effective 2035

Power, Water and Wastewater Rate Plan -- 10 Year Summary**Scen: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC****Residential Monthly Charges -- WATER****5,000 Gallons -- 3/4" Meter**

Total	\$ 35.10	\$ 47.45	\$ 48.87	\$ 50.34	\$ 51.85	\$ 53.41	\$ 55.01	\$ 56.66	\$ 58.36	\$ 60.11	\$ 61.91
Dollar Inc		12.35	1.42	1.47	1.51	1.56	1.60	1.65	1.70	1.75	1.80
Percent Inc		35.2%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

10,000 Gallons -- 3/4" Meter

Total	62.40	78.52	80.88	83.30	85.80	88.37	91.03	93.76	96.57	99.47	102.45
Dollar Inc		16.12	2.36	2.43	2.50	2.57	2.65	2.73	2.81	2.90	2.98
Percent Inc		25.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

20,000 Gallons -- 3/4" Meter

Total	121.70	150.53	155.05	159.70	164.49	169.42	174.51	179.74	185.13	190.69	196.41
Dollar Inc		28.83	4.52	4.65	4.79	4.93	5.08	5.24	5.39	5.55	5.72
Percent Inc		23.7%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Commercial Monthly Charges -- WATER**20,000 Gallons -- 2" Meter**

Total	136.18	180.94	186.37	191.96	197.72	203.65	209.76	216.05	222.53	229.21	236.08
Dollar Inc		44.76	5.43	5.59	5.76	5.93	6.11	6.29	6.48	6.68	6.88
Percent Inc		32.9%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

40,000 Gallons -- 2" Meter

Total	273.28	363.81	374.72	385.96	397.54	409.47	421.75	434.41	447.44	460.86	474.69
Dollar Inc		90.53	10.91	11.24	11.58	11.93	12.28	12.65	13.03	13.42	13.83
Percent Inc		33.1%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

COMMONWEALTH UTILITIES CORPORATION WATER/WASTEWATER COST OF SERVICE MODEL										
Current	Effective 2026	Effective 2027	Effective 2028	Effective 2029	Effective 2030	Effective 2031	Effective 2032	Effective 2033	Effective 2034	Effective 2035

Power, Water and Wastewater Rate Plan -- 10 Year Summary**Scen: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC****Residential Monthly Charges -- WASTEWATER****5,000 Gallons -- 3/4" Meter**

Total	\$	14.69	\$	42.70	\$	43.98	\$	45.30	\$	46.66	\$	48.06	\$	49.50	\$	50.99	\$	52.52	\$	54.09	\$	55.72
Dollar Inc				28.01		1.28		1.32		1.36		1.40		1.44		1.49		1.53		1.58		1.62
Percent Inc				190.7%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%

10,000 Gallons -- 3/4" Meter

Total		28.21		82.77		85.26		87.81		90.45		93.16		95.96		98.83		101.80		104.85		108.00
Dollar Inc				54.56		2.48		2.56		2.63		2.71		2.79		2.88		2.97		3.05		3.15
Percent Inc				193.4%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%

20,000 Gallons -- 3/4" Meter

Total		59.51		172.50		177.67		183.00		188.49		194.15		199.97		205.97		212.15		218.51		225.07
Dollar Inc				112.99		5.17		5.33		5.49		5.65		5.82		6.00		6.18		6.36		6.56
Percent Inc				189.9%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%

Commercial Monthly Charges -- WASTEWATER**20,000 Gallons -- 2" Meter**

Total	\$	71.06	\$	198.49	\$	204.44	\$	210.57	\$	216.89	\$	223.40	\$	230.10	\$	237.00	\$	244.11	\$	251.43	\$	258.98
Dollar Inc				127.43		5.95		6.13		6.32		6.51		6.70		6.90		7.11		7.32		7.54
Percent Inc				179.3%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%

40,000 Gallons -- 2" Meter

Total		133.66		377.94		389.27		400.95		412.98		425.37		438.13		451.27		464.81		478.76		493.12
Dollar Inc				244.28		11.34		11.68		12.03		12.39		12.76		13.14		13.54		13.94		14.36
Percent Inc				182.8%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%

COMMONWEALTH UTILITIES CORPORATION IMPACT OF RATE PLAN ON MONTHLY CHARGES						
		Effective				
	Current	2026	2027	2028	2029	2030
Impact on Monthly Residential Charges						
Power -- 500 kWh						
FAC	\$ 105.60	\$ 105.60	\$ 105.60	\$ 105.60	\$ 105.60	\$ 105.60
Usage Charge	28.90	63.00	64.89	66.84	68.84	70.91
Total	134.50	168.60	170.49	172.43	174.44	176.50
Average Annual Increase	6.2%					
Water -- 5,000 Gallons						
WEC	18.60	-	-	-	-	-
Usage Charge	16.50	47.45	48.87	50.34	51.85	53.41
Total	35.10	47.45	48.87	50.34	51.85	53.41
Average Annual Increase	10.4%					
Wastewater -- 5,000 Gallons						
WEC	-	-	-	-	-	-
Usage Charge	14.69	42.70	43.98	45.30	46.66	48.06
Total	14.69	42.70	43.98	45.30	46.66	48.06
Average Annual Increase	45.4%					
Total						
Total Charge	184.29	258.75	263.34	268.08	272.95	277.97
Increase -- \$		74.46	4.59	4.73	4.87	5.02
Increase -- %		40.4%	1.8%	1.8%	1.8%	1.8%
Average Annual Increase	10.2%					
Impact on Monthly Commercial Charges						
Power -- 2,500 kWh						
FAC	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98	\$ 527.98
Usage Charge	292.50	637.65	656.78	676.48	696.78	717.68
Total	820.48	1,165.63	1,184.75	1,204.46	1,224.75	1,245.66
Average Annual Increase	10.4%					
Water -- 20,000 Gallons						
WEC	74.40	-	-	-	-	-
Usage Charge	61.78	180.94	186.37	191.96	197.72	203.65
Total	136.18	180.94	186.37	191.96	197.72	203.65
Average Annual Increase	9.9%					
Wastewater -- 20,000 Gallons						
WEC	-	-	-	-	-	-
Usage Charge	71.06	198.49	204.44	210.57	216.89	223.40
Total	71.06	198.49	204.44	210.57	216.89	223.40
Average Annual Increase	42.9%					
Total						
Total Charge	1,027.72	1,545.05	1,575.56	1,606.99	1,639.36	1,672.70
Increase -- \$		517.33	30.51	31.43	32.37	33.34
Increase -- %		50.3%	2.0%	2.0%	2.0%	2.0%
Average Annual Increase	12.6%					

**COMMONWEALTH UTILITIES CORPORATION
COMBINED UTILITIES COST OF SERVICE MODEL
COMBINED UTILITY SUMMARY**

2026 2027 2028 2029 2030 2031 2032 2033 2034 2035

Forecast Summary -- Combined Utilities**Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC****Total Revenues**

Beginning Cash Accumulation	\$	11,257,129	\$	10,895,639	\$	6,110,033	\$	8,928,788	\$	15,067,919	\$	24,723,006	\$	40,593,428	\$	46,507,961	\$	54,898,434	\$	72,418,146
Rate Revenues																				
Power -- FAC		55,123,049		54,094,407		54,054,858		54,011,041		53,962,021		53,906,499		53,842,576		53,767,313		53,778,990		53,790,666
Power -- Base		55,711,245		58,730,806		60,472,066		62,259,805		64,093,931		65,973,765		67,897,652		69,862,230		72,004,921		74,213,297
Water -- Base		19,843,080		22,223,254		24,331,831		26,394,987		28,377,844		30,232,393		31,890,071		33,247,695		34,256,789		35,296,505
Water Electric Charge		-		-		-		-		-		-		-		-		-		-
Wastewater -- Base		5,886,292		6,615,840		7,262,912		7,896,753		8,506,730		9,078,096		9,589,661		10,009,508		10,322,469		10,645,200
Wastewater Electric Charge		-		-		-		-		-		-		-		-		-		-
Sub-Total		81,440,617		87,569,900		92,066,809		96,551,545		100,978,505		105,284,254		109,377,384		113,119,433		116,584,179		120,155,002
Total Rate Revenues		136,563,667		141,664,306		146,121,667		150,562,586		154,940,526		159,190,752		163,219,960		166,886,746		170,363,169		173,945,669
Non-Rate Revenues																				
Power		8,179,350		4,872,046		5,372,046		5,372,046		5,372,046		4,472,046		4,472,046		4,472,046		4,472,046		4,472,046
Water		1,111,890		594,330		594,330		594,330		594,330		594,330		594,330		594,330		594,330		594,330
Wastewater		333,291		178,151		178,151		178,151		178,151		178,151		178,151		178,151		178,151		178,151
Total Non-Rate Revenues		9,624,531		5,644,528		6,144,528		6,144,528		6,144,528		5,244,528		5,244,528		5,244,528		5,244,528		5,244,528
Total Revenues		146,188,198		147,308,834		152,266,195		156,707,114		161,085,054		164,435,280		168,464,488		172,131,274		175,607,697		179,190,197
Less Uncollectibles		(9,384,947)		(9,456,889)		(9,775,140)		(10,060,237)		(10,341,291)		(10,556,368)		(10,815,034)		(11,050,433)		(11,273,611)		(11,503,599)
Net Revenues		136,803,251		137,851,945		142,491,055		146,646,877		150,743,764		153,878,913		157,649,455		161,080,841		164,334,086		167,686,597

Total Cost of Service**Operating Expenses**

Power -- Fuel	\$	55,123,049	\$	54,094,407	\$	54,054,858	\$	54,011,041	\$	53,962,021	\$	53,906,499	\$	53,842,576	\$	53,767,313	\$	53,778,990	\$	53,790,666
Power -- Non-Fuel		47,463,263		49,566,676		45,776,365		45,791,404		45,563,565		41,695,930		53,394,721		53,654,544		45,607,446		51,627,858
Water		19,391,795		21,100,968		21,600,392		22,093,218		22,574,483		23,037,404		23,472,351		23,864,899		24,528,346		25,211,756
Wastewater		5,960,403		6,476,361		6,646,346		6,816,896		6,986,807		7,154,368		7,317,060		7,470,975		7,681,051		7,897,455
Sub-Total		72,815,461		77,144,005		74,023,102		74,701,518		75,124,855		71,887,702		84,184,131		84,990,418		77,816,843		84,737,069
Total Operating Expenses		127,938,511		131,238,412		128,077,961		128,712,559		129,086,877		125,794,200		138,026,707		138,757,731		131,595,833		138,527,736
Net Revenues Available for Debt Service and Capital Outlays		8,864,740		6,613,533		14,413,094		17,934,317		21,656,887		28,084,712		19,622,748		22,323,110		32,738,253		29,158,862

**COMMONWEALTH UTILITIES CORPORATION
COMBINED UTILITIES COST OF SERVICE MODEL
COMBINED UTILITY SUMMARY**

2026 2027 2028 2029 2030 2031 2032 2033 2034 2035

Forecast Summary -- Combined Utilities**Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC**

Existing Debt Service

Power	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-
Wastewater	-	-	-	-	-	-	-	-	-	-
Total Existing Debt Service	-	-	-	-	-	-	-	-	-	-

Forecast Debt Service

Power	-	3,163,194	3,163,194	3,163,194	3,163,194	3,163,194	4,438,676	4,438,676	5,489,639	5,521,167
Water	-	-	-	-	-	-	-	-	-	-
Wastewater	-	-	-	-	-	-	-	-	-	-
Total Forecast Debt Service	-	3,163,194	3,163,194	3,163,194	3,163,194	3,163,194	4,438,676	4,438,676	5,489,639	5,521,167

Capital Outlays/Reserve

Power	6,827,867	6,038,298	6,172,908	6,311,405	6,453,870	6,600,374	6,750,966	6,905,662	7,067,745	7,234,701
Water	1,774,025	1,560,612	1,604,214	1,649,090	1,695,269	1,742,781	1,791,648	1,841,887	1,894,258	1,948,202
Wastewater	624,338	637,036	654,023	671,497	689,468	707,942	726,924	746,413	766,900	788,003
Total Capital Outlays	9,226,230	8,235,945	8,431,145	8,631,992	8,838,607	9,051,096	9,269,539	9,493,962	9,728,902	9,970,906

Total Cash-Basis Cost of Service

Percent Increase	137,164,741	142,637,551	139,672,300	140,507,745	141,088,677	138,008,491	151,734,921	152,690,369	146,814,374	154,019,809
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Net Revenues for Contingency

Percent of Revenues	(361,490)	(4,785,606)	2,818,755	6,139,132	9,655,086	15,870,422	5,914,533	8,390,473	17,519,712	13,666,788
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Ending Cash Accumulation

	10,895,639	6,110,033	8,928,788	15,067,919	24,723,006	40,593,428	46,507,961	54,898,434	72,418,146	86,084,934
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Financial Ratios**Debt Coverage**

Cash Accum -- Days of Operating Expenses	-	2.09	4.56	5.67	6.85	8.88	4.42	5.03	5.96	5.28
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COMMONWEALTH UTILITIES CORPORATION WATER/WASTEWATER COST OF SERVICE MODEL										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035

Revenue Summary**Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC****POWER Revenues -- Total**

P1	Residential	\$ 29,301,014	\$ 30,098,516	\$ 30,328,648	\$ 30,566,855	\$ 30,813,312	\$ 31,068,202	\$ 31,331,706	\$ 31,604,015	\$ 31,885,317	\$ 32,175,809
P2	Residential Prepaid	4,810,388	4,957,463	5,057,034	5,158,637	5,262,346	5,368,240	5,476,399	5,586,907	5,699,850	5,815,317
P3	Commercial	51,295,302	53,548,917	54,607,904	55,699,272	56,824,079	57,983,417	59,178,413	60,410,231	61,680,072	62,989,176
P4	Large Commercial	-	-	-	-	-	-	-	-	-	-
P5	Government	17,288,913	17,068,322	17,361,783	17,664,048	17,975,381	18,296,053	18,626,346	18,966,548	19,316,956	19,677,876
P6	Large Government	-	-	-	-	-	-	-	-	-	-
P7	Streetlights	2,593,231	2,733,571	2,793,152	2,854,520	2,917,729	2,982,835	3,049,893	3,118,964	3,190,106	3,263,383
P8	CUC Municipal Pumping	5,545,447	4,418,424	4,378,404	4,327,515	4,263,105	4,181,516	4,077,470	3,942,879	4,011,610	4,082,403
	Total Rate Revenue	110,834,295	112,825,212	114,526,924	116,270,846	118,055,952	119,880,263	121,740,228	123,629,543	125,783,911	128,003,963
	Non-Rate Revenue	8,179,350	4,872,046	5,372,046	5,372,046	5,372,046	4,472,046	4,472,046	4,472,046	4,472,046	4,472,046
	Total Revenue	119,013,645	117,697,259	119,898,971	121,642,892	123,427,999	124,352,310	126,212,274	128,101,590	130,255,957	132,476,010

POWER Revenues -- Additional

P1	Residential	797,502	230,133	238,207	246,458	254,889	263,505	272,308	281,303	290,491
P2	Residential Prepaid	147,075	99,571	101,603	103,709	105,894	108,159	110,508	112,943	115,468
P3	Commercial	2,253,614	1,058,987	1,091,368	1,124,807	1,159,338	1,194,996	1,231,818	1,269,841	1,309,104
P4	Large Commercial	-	-	-	-	-	-	-	-	-
P5	Government	(220,591)	293,461	302,265	311,333	320,673	330,293	340,202	350,408	360,920
P6	Large Government	-	-	-	-	-	-	-	-	-
P7	Streetlights	140,340	59,581	61,368	63,209	65,105	67,059	69,070	71,143	73,277
P8	CUC Municipal Pumping	(1,127,023)	(40,020)	(50,889)	(64,410)	(81,589)	(104,047)	(134,591)	68,731	70,793
	Total Rate Revenue	1,990,918	1,701,712	1,743,921	1,785,107	1,824,311	1,859,965	1,889,315	2,154,367	2,220,053
	Non-Rate Revenue	(3,307,304)	500,000	-	-	(900,000)	-	-	-	-
	Total Revenue	(1,316,386)	2,201,712	1,743,921	1,785,107	924,311	1,859,965	1,889,315	2,154,367	2,220,053

**COMMONWEALTH UTILITIES CORPORATION
WATER/WASTEWATER COST OF SERVICE MODEL**

2026 2027 2028 2029 2030 2031 2032 2033 2034 2035

Revenue Summary**Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC****WATER Revenues -- Total**

W.1 Residential	\$ 7,773,479	\$ 8,568,311	\$ 9,279,795	\$ 9,978,834	\$ 10,654,528	\$ 11,291,845	\$ 11,869,292	\$ 12,354,492	\$ 12,732,209	\$ 13,121,471
W.2 Multi Family	11,935	13,375	14,649	15,894	17,090	18,206	19,202	20,015	20,615	21,234
W.3 Commercial	3,365,413	3,785,964	4,158,293	4,522,684	4,872,898	5,200,337	5,492,717	5,731,544	5,908,071	6,090,030
W.4 CUC	446,700	505,648	557,545	608,187	656,682	701,799	741,786	774,007	797,227	821,144
W.5 Government	7,238,429	8,209,211	9,063,198	9,896,283	10,693,675	11,435,039	12,091,366	12,619,029	12,997,600	13,387,528
W.6 PSS	307,189	347,028	382,132	416,399	449,228	479,794	506,917	528,826	544,690	561,031
W.7 CHC	340,982	386,791	427,085	466,392	504,013	538,988	569,948	594,833	612,678	631,058
W.8 CPA	358,952	406,926	449,135	490,313	529,731	566,385	598,842	624,950	643,698	663,009
W.9 Other9	-	-	-	-	-	-	-	-	-	-
W.10 Other10	-	-	-	-	-	-	-	-	-	-
Total Rate Revenue	19,843,080	22,223,254	24,331,831	26,394,987	28,377,844	30,232,393	31,890,071	33,247,695	34,256,789	35,296,505
Non-Rate Revenue	1,111,890	594,330	594,330	594,330	594,330	594,330	594,330	594,330	594,330	594,330
Total Revenue	20,954,970	22,817,584	24,926,161	26,989,317	28,972,174	30,826,723	32,484,401	33,842,025	34,851,119	35,890,835

Water Revenues -- Additional

W.1 Residential	794,832	711,483	699,040	675,694	637,317	577,447	485,200	377,718	389,262
W.2 Multi Family	1,440	1,274	1,245	1,195	1,116	996	813	600	618
W.3 Commercial	420,551	372,329	364,391	350,214	327,439	292,380	238,827	176,526	181,959
W.4 CUC	58,948	51,897	50,643	48,494	45,117	39,987	32,221	23,220	23,917
W.5 Government	970,782	853,987	833,085	797,392	741,365	656,327	527,663	378,571	389,928
W.6 PSS	39,838	35,104	34,267	32,829	30,565	27,123	21,909	15,865	16,341
W.7 CHC	45,809	40,294	39,307	37,621	34,975	30,960	24,885	17,845	18,380
W.8 CPA	47,973	42,209	41,179	39,418	36,654	32,457	26,107	18,748	19,311
W.9 Other9	-	-	-	-	-	-	-	-	-
W.10 Other10	-	-	-	-	-	-	-	-	-
Total Rate Revenue	2,380,174	2,108,577	2,063,156	1,982,857	1,854,549	1,657,678	1,357,624	1,009,094	1,039,716
Non-Rate Revenue	(517,560)	-	-	-	-	-	-	-	-
Total Revenue	1,862,614	2,108,577	2,063,156	1,982,857	1,854,549	1,657,678	1,357,624	1,009,094	1,039,716

**COMMONWEALTH UTILITIES CORPORATION
WATER/WASTEWATER COST OF SERVICE MODEL**

2026 2027 2028 2029 2030 2031 2032 2033 2034 2035

Revenue Summary**Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC****WASTEWATER Revenues -- Total**

WW.1 Residential	\$	1,670,042	\$	1,847,072	\$	2,006,392	\$	2,163,544	\$	2,316,102	\$	2,460,708	\$	2,592,541	\$	2,704,324	\$	2,792,542	\$	2,883,618
WW.2 Multi Family		10,992		12,312		13,480		14,622		15,718		16,743		17,657		18,403		18,955		19,524
WW.5 Commercial		2,377,740		2,682,673		2,952,799		3,217,373		3,471,841		3,709,925		3,922,643		4,096,468		4,224,950		4,357,455
WW.6 CUC		18,592		21,104		23,313		25,467		27,529		29,446		31,141		32,503		33,479		34,483
WW.5 Government		1,082,389		1,228,639		1,357,247		1,482,689		1,602,733		1,714,308		1,813,034		1,892,324		1,949,093		2,007,566
WW.6 PSS		189,303		214,043		235,833		257,101		277,473		296,433		313,249		326,818		336,622		346,721
WW.7 CHC		348,883		395,630		436,754		476,873		515,274		550,978		582,589		608,006		626,247		645,034
WW.8 CPA		188,352		214,367		237,093		259,083		280,059		299,555		316,807		330,662		340,581		350,799
WW.9 Other9		-		-		-		-		-		-		-		-		-		-
WW.10 Other10		-		-		-		-		-		-		-		-		-		-
Total Rate Revenue		5,886,292		6,615,840		7,262,912		7,896,753		8,506,730		9,078,096		9,589,661		10,009,508		10,322,469		10,645,200
Non-Rate Revenue		333,291		178,151		178,151		178,151		178,151		178,151		178,151		178,151		178,151		178,151
Total Revenue		6,219,583		6,793,991		7,441,063		8,074,904		8,684,881		9,256,247		9,767,813		10,187,659		10,500,621		10,823,351

WASTEWATER Revenues -- Additional

WW.1 Residential		177,030		159,320		157,152		152,558		144,606		131,833		111,784		88,217		91,077
WW.2 Multi Family		1,320		1,168		1,142		1,096		1,024		914		746		552		569
WW.5 Commercial		304,933		270,126		264,574		254,469		238,084		212,718		173,824		128,483		132,505
WW.6 CUC		2,512		2,209		2,155		2,062		1,916		1,696		1,362		975		1,004
WW.5 Government		146,250		128,608		125,443		120,044		111,575		98,726		79,290		56,770		58,473
WW.6 PSS		24,739		21,791		21,268		20,371		18,960		16,816		13,569		9,805		10,099
WW.7 CHC		46,747		41,125		40,119		38,401		35,704		31,611		25,417		18,240		18,787
WW.8 CPA		26,015		22,726		21,989		20,976		19,496		17,251		13,855		9,920		10,217
WW.9 Other9		-		-		-		-		-		-		-		-		-
WW.10 Other10		-		-		-		-		-		-		-		-		-
Total Rate Revenue		729,547		647,072		633,841		609,977		571,366		511,565		419,847		312,961		322,731
Non-Rate Revenue		(155,139)		-		-		-		-		-		-		-		-
Total Revenue		574,408		647,072		633,841		609,977		571,366		511,565		419,847		312,961		322,731

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL REVENUE EXPENSE SUMMARY												
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035		
Revenue and Expense Summary												
Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC												
1	TOTAL Revenues and Expenses -- CASH BASIS											
Beginning Cash Accumulation		\$ 11,257,129	\$ 10,895,639	\$ 6,110,033	\$ 8,928,788	\$ 15,067,919	\$ 24,723,006	\$ 40,593,428	\$ 46,507,961	\$ 54,898,434	\$ 72,418,146	
Rate Revenues												
Power Rate Revenue												
P1	Residential	\$ 29,301,014	\$ 30,098,516	\$ 30,328,648	\$ 30,566,855	\$ 30,813,312	\$ 31,068,202	\$ 31,331,706	\$ 31,604,015	\$ 31,885,317	\$ 32,175,809	
P2	Residential Prepaid	4,810,388	4,957,463	5,057,034	5,158,637	5,262,346	5,368,240	5,476,399	5,586,907	5,699,850	5,815,317	
P3	Commercial	51,295,302	53,548,917	54,607,904	55,699,272	56,824,079	57,983,417	59,178,413	60,410,231	61,680,072	62,989,176	
P4	Large Commercial	-	-	-	-	-	-	-	-	-	-	
P5	Government	17,288,913	17,068,322	17,361,783	17,664,048	17,975,381	18,296,053	18,626,346	18,966,548	19,316,956	19,677,876	
P6	Large Government	-	-	-	-	-	-	-	-	-	-	
P7	Streetlights	2,593,231	2,733,571	2,793,152	2,854,520	2,917,729	2,982,835	3,049,893	3,118,964	3,190,106	3,263,383	
P8	CUC Municipal Pumping	5,545,447	4,418,424	4,378,404	4,327,515	4,263,105	4,181,516	4,077,470	3,942,879	4,011,610	4,082,403	
Total		110,834,295	112,825,212	114,526,924	116,270,846	118,055,952	119,880,263	121,740,228	123,629,543	125,783,911	128,003,963	
Water Rate Revenue												
W.1	Residential	\$ 7,773,479	\$ 8,568,311	\$ 9,279,795	\$ 9,978,834	\$ 10,654,528	\$ 11,291,845	\$ 11,869,292	\$ 12,354,492	\$ 12,732,209	\$ 13,121,471	
W.2	Multi Family	11,935	13,375	14,649	15,894	17,090	18,206	19,202	20,015	20,615	21,234	
W.3	Commercial	3,365,413	3,785,964	4,158,293	4,522,684	4,872,898	5,200,337	5,492,717	5,731,544	5,908,071	6,090,030	
W.4	CUC	446,700	505,648	557,545	608,187	656,682	701,799	741,786	774,007	797,227	821,144	
W.5	Government	7,238,429	8,209,211	9,063,198	9,896,283	10,693,675	11,435,039	12,091,366	12,619,029	12,997,600	13,387,528	
W.6	PSS	307,189	347,028	382,132	416,399	449,228	479,794	506,917	528,826	544,690	561,031	
W.7	CHC	340,982	386,791	427,085	466,392	504,013	538,988	569,948	594,833	612,678	631,058	
W.8	CPA	358,952	406,926	449,135	490,313	529,731	566,385	598,842	624,950	643,698	663,009	
Total		19,843,080	22,223,254	24,331,831	26,394,987	28,377,844	30,232,393	31,890,071	33,247,695	34,256,789	35,296,505	
Wastewater Rate Revenue												
WW.1	Residential	1,670,042	1,847,072	2,006,392	2,163,544	2,316,102	2,460,708	2,592,541	2,704,324	2,792,542	2,883,618	
WW.2	Multi Family	10,992	12,312	13,480	14,622	15,718	16,743	17,657	18,403	18,955	19,524	
WW.3	Commercial	2,377,740	2,682,673	2,952,799	3,217,373	3,471,841	3,709,925	3,922,643	4,096,468	4,224,950	4,357,455	
WW.4	CUC	18,592	21,104	23,313	25,467	27,529	29,446	31,141	32,503	33,479	34,483	
WW.5	Government	1,082,389	1,228,639	1,357,247	1,482,689	1,602,733	1,714,308	1,813,034	1,892,324	1,949,093	2,007,566	
WW.6	PSS	189,303	214,043	235,833	257,101	277,473	296,433	313,249	326,818	336,622	346,721	
WW.7	CHC	348,883	395,630	436,754	476,873	515,274	550,978	582,589	608,006	626,247	645,034	
WW.8	CPA	188,352	214,367	237,093	259,083	280,059	299,555	316,807	330,662	340,581	350,799	
Total		5,886,292	6,615,840	7,262,912	7,896,753	8,506,730	9,078,096	9,589,661	10,009,508	10,322,469	10,645,200	
Non-Rate Revenues		9,624,531	5,644,528	6,144,528	6,144,528	6,144,528	5,244,528	5,244,528	5,244,528	5,244,528	5,244,528	
Total Revenues		146,188,198	147,308,834	152,266,195	156,707,114	161,085,054	164,435,280	168,464,488	172,131,274	175,607,697	179,190,197	
Less Uncollectibles		(9,384,947)	(9,456,889)	(9,775,140)	(10,060,237)	(10,341,291)	(10,556,368)	(10,815,034)	(11,050,433)	(11,273,611)	(11,503,599)	
Net Revenues		136,803,251	137,851,945	142,491,055	146,646,877	150,743,764	153,878,913	157,649,455	161,080,841	164,334,086	167,686,597	

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL REVENUE EXPENSE SUMMARY										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenue and Expense Summary										
Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC										
Cost of Service										
O&M Code										
5000	PF -- Production Fuel	55,123,049	54,094,407	54,054,858	54,011,041	53,962,021	53,906,499	53,842,576	53,767,313	53,790,666
5100	P -- Personnel	26,966,348	27,775,338	28,608,599	29,466,857	30,350,862	31,261,388	32,199,230	33,165,207	35,184,968
5200	GA -- General and Administrative	8,406,928	8,809,136	9,223,410	9,650,112	10,089,616	10,542,304	11,008,573	11,488,830	12,493,000
5300	S -- Supplies	2,161,946	2,319,795	2,463,170	2,597,113	2,718,354	2,822,586	2,903,929	2,953,938	3,139,873
5400	M -- Maintenance	26,432,681	27,897,661	23,442,591	22,772,970	21,839,982	17,246,109	28,196,958	27,686,517	18,845,288
5500	OP -- Other Production	8,847,558	10,342,075	10,285,332	10,214,466	10,126,041	10,015,315	9,875,441	9,695,926	9,871,485
0	#N/A	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-
	Total	127,938,511	131,238,412	128,077,961	128,712,559	129,086,877	125,794,200	138,026,707	138,757,731	131,595,833
	Total Operating Expenses	127,938,511	131,238,412	128,077,961	128,712,559	129,086,877	125,794,200	138,026,707	138,757,731	131,595,833
	Net Revenues for NO,CO and Debt Service	8,864,740	6,613,533	14,413,094	17,934,317	21,656,887	28,084,712	19,622,748	22,323,110	29,158,862
	Capital Outlays/Replacement Reserve	4,117,000	3,061,160	3,152,995	3,247,585	3,345,012	3,445,363	3,548,723	3,655,185	3,877,786
Debt Service										
	Debt Service -- Current	-	-	-	-	-	-	-	-	-
	Debt Service -- Future	-	3,163,194	3,163,194	3,163,194	3,163,194	3,163,194	4,438,676	4,438,676	5,489,639
	Total Debt Service	-	3,163,194	3,163,194	3,163,194	3,163,194	3,163,194	4,438,676	4,438,676	5,489,639
	Net Revenues for Non-Operating	4,747,740	389,179	8,096,905	11,523,538	15,148,681	21,476,156	11,635,349	14,229,250	23,483,773
	Non-Operating	5,109,230	5,174,785	5,278,150	5,384,407	5,493,594	5,605,734	5,720,815	5,838,777	6,093,120
	Net Revenues Available for Capital Improvement	(361,490)	(4,785,606)	2,818,755	6,139,132	9,655,086	15,870,422	5,914,533	8,390,473	13,666,788
	Total Cost of Service	137,164,741	142,637,551	139,672,300	140,507,745	141,088,677	138,008,491	151,734,921	152,690,369	146,814,374
	Net Revenues	(361,490)	(4,785,606)	2,818,755	6,139,132	9,655,086	15,870,422	5,914,533	8,390,473	13,666,788
	Percent of COS	-0.2%	-3.2%	1.9%	3.9%	6.0%	9.7%	3.5%	4.9%	10.0%
	Ending Cash Accumulation	10,895,639	6,110,033	8,928,788	15,067,919	24,723,006	40,593,428	46,507,961	54,898,434	72,418,146
Revenue Adequacy Tests										
	Total Operating + Debt Service + Transfers	127,938,511	134,401,606	131,241,155	131,875,753	132,250,071	128,957,395	142,465,383	143,196,407	137,085,472
	Expenses Per Day	350,516	368,224	359,565	361,303	362,329	353,308	390,316	392,319	375,577
	Days of Operating Expenses	31	17	25	42	68	115	119	140	218
Debt Coverage										
	Excluding Cap Outlays, Non-Operating	-	5.08	7.65	8.85	10.12	12.22	6.86	7.52	8.02
	All Inclusive	-	(0.51)	1.89	2.94	4.05	6.02	2.33	2.89	4.19

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL REVENUE EXPENSE SUMMARY											
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Revenue and Expense Summary											
Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC											
1	POWER Revenues and Expenses -- CASH BASIS										
	Power Revenues										
	Power Rate Revenue										
P1	Residential	\$ 29,301,014	\$ 30,098,516	\$ 30,328,648	\$ 30,566,855	\$ 30,813,312	\$ 31,068,202	\$ 31,331,706	\$ 31,604,015	\$ 31,885,317	\$ 32,175,809
P2	Residential Prepaid	4,810,388	4,957,463	5,057,034	5,158,637	5,262,346	5,368,240	5,476,399	5,586,907	5,699,850	5,815,317
P3	Commercial	51,295,302	53,548,917	54,607,904	55,699,272	56,824,079	57,983,417	59,178,413	60,410,231	61,680,072	62,989,176
P4	Large Commercial	-	-	-	-	-	-	-	-	-	-
P5	Government	17,288,913	17,068,322	17,361,783	17,664,048	17,975,381	18,296,053	18,626,346	18,966,548	19,316,956	19,677,876
P6	Large Government	-	-	-	-	-	-	-	-	-	-
P7	Streetlights	2,593,231	2,733,571	2,793,152	2,854,520	2,917,729	2,982,835	3,049,893	3,118,964	3,190,106	3,263,383
P8	CUC Municipal Pumping	5,545,447	4,418,424	4,378,404	4,327,515	4,263,105	4,181,516	4,077,470	3,942,879	4,011,610	4,082,403
	Total	110,834,295	112,825,212	114,526,924	116,270,846	118,055,952	119,880,263	121,740,228	123,629,543	125,783,911	128,003,963
	Non-Rate Revenues	8,179,350	4,872,046	5,372,046	5,372,046	5,372,046	4,472,046	4,472,046	4,472,046	4,472,046	4,472,046
	Total Revenues	119,013,645	117,697,259	119,898,971	121,642,892	123,427,999	124,352,310	126,212,274	128,101,590	130,255,957	132,476,010
	Less Uncollectibles	(7,640,403)	(7,555,894)	(7,697,239)	(7,809,195)	(7,923,794)	(7,983,133)	(8,102,538)	(8,223,828)	(8,362,134)	(8,504,656)
	Net Revenues	111,373,242	110,141,365	112,201,732	113,833,698	115,504,205	116,369,177	118,109,736	119,877,762	121,893,823	123,971,354
Power Cost of Service											
	O&M Code										
5000	PF -- Production Fuel	55,123,049	54,094,407	54,054,858	54,011,041	53,962,021	53,906,499	53,842,576	53,767,313	53,778,990	53,790,666
5100	P -- Personnel	16,872,604	17,378,782	17,900,145	18,437,150	18,990,264	19,559,972	20,146,771	20,751,174	21,373,710	22,014,921
5200	GA -- General and Administrative	5,297,356	5,606,277	5,924,465	6,252,199	6,589,765	6,937,458	7,295,582	7,664,450	8,044,383	8,435,714
5300	S -- Supplies	739,679	754,399	776,735	799,699	823,301	847,546	872,433	897,953	924,996	952,854
5400	M -- Maintenance	20,049,495	21,322,980	16,670,669	15,797,890	14,655,650	9,846,247	20,575,101	19,836,003	10,759,259	15,719,134
5500	OP -- Other Production	4,504,129	4,504,238	4,504,350	4,504,466	4,504,585	4,504,707	4,504,834	4,504,964	4,505,097	4,505,235
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
	Total	102,586,312	103,661,082	99,831,223	99,802,445	99,525,586	95,602,428	107,237,297	107,421,857	99,386,436	105,418,524
	Total Operating Expenses	102,586,312	103,661,082	99,831,223	99,802,445	99,525,586	95,602,428	107,237,297	107,421,857	99,386,436	105,418,524
	Net Revenues for NO, CO and Debt Service	16,427,332	14,036,177	20,067,748	21,840,447	23,902,413	28,749,881	18,974,978	20,679,733	30,869,521	27,057,485
	Capital Outlays/Replacement Reserve	2,705,000	1,864,300	1,920,229	1,977,836	2,037,171	2,098,286	2,161,235	2,226,072	2,292,854	2,361,639
	Debt Service										
	Debt Service -- Current	-	-	-	-	-	-	-	-	-	-
	Debt Service -- Future	-	3,163,194	3,163,194	3,163,194	3,163,194	3,163,194	4,438,676	4,438,676	5,489,639	5,521,167
	Total Debt Service	-	3,163,194	3,163,194	3,163,194	3,163,194	3,163,194	4,438,676	4,438,676	5,489,639	5,521,167
	Net Revenues for Non-Operating	13,722,332	9,008,683	14,984,325	16,699,417	18,702,048	23,488,401	12,375,068	14,014,986	23,087,029	19,174,679
	Non-Operating	4,122,867	4,173,998	4,252,679	4,333,569	4,416,699	4,502,087	4,589,732	4,679,590	4,774,891	4,873,062
	Net Revenues Available for Capital Improvement	9,599,465	4,834,685	10,731,646	12,365,849	14,285,349	18,986,314	7,785,336	9,335,396	18,312,138	14,301,617
	Total Cost of Service	109,414,180	112,862,574	109,167,325	109,277,044	109,142,650	105,365,996	118,426,939	118,766,194	111,943,819	118,174,393
	Net Revenues	1,959,062	(2,721,209)	3,034,407	4,556,654	6,361,555	11,003,181	(317,203)	1,111,568	9,950,005	5,796,961
	Percent of COS	1.6%	-2.3%	2.5%	3.7%	5.2%	8.8%	-0.3%	0.9%	7.6%	4.4%
	Debt Coverage	-	4.44	6.34	6.90	7.56	9.09	4.27	4.66	5.62	4.90

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL REVENUE EXPENSE SUMMARY											
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Revenue and Expense Summary											
Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC											
2	WATER Revenues and Expenses -- CASH BASIS										
Water Revenues											
Water Rate Revenue/Water Electric Charge Revenue											
W.1	Residential	\$ 7,773,479	\$ 8,568,311	\$ 9,279,795	\$ 9,978,834	\$ 10,654,528	\$ 11,291,845	\$ 11,869,292	\$ 12,354,492	\$ 12,732,209	\$ 13,121,471
W.2	Multi Family	11,935	13,375	14,649	15,894	17,090	18,206	19,202	20,015	20,615	21,234
W.3	Commercial	3,365,413	3,785,964	4,158,293	4,522,684	4,872,898	5,200,337	5,492,717	5,731,544	5,908,071	6,090,030
W.4	CUC	446,700	505,648	557,545	608,187	656,682	701,799	741,786	774,007	797,227	821,144
W.5	Government	7,238,429	8,209,211	9,063,198	9,896,283	10,693,675	11,435,039	12,091,366	12,619,029	12,997,600	13,387,528
W.6	PSS	307,189	347,028	382,132	416,399	449,228	479,794	506,917	528,826	544,690	561,031
W.7	CHC	340,982	386,791	427,085	466,392	504,013	538,988	569,948	594,833	612,678	631,058
W.8	CPA	358,952	406,926	449,135	490,313	529,731	566,385	598,842	624,950	643,698	663,009
W.9	Other9	-	-	-	-	-	-	-	-	-	-
W.10	Other10	-	-	-	-	-	-	-	-	-	-
	Sub-Total	19,843,080	22,223,254	24,331,831	26,394,987	28,377,844	30,232,393	31,890,071	33,247,695	34,256,789	35,296,505
	Non-Rate Revenues	1,111,890	594,330	594,330	594,330	594,330	594,330	594,330	594,330	594,330	594,330
	Total Revenues	20,954,970	22,817,584	24,926,161	26,989,317	28,972,174	30,826,723	32,484,401	33,842,025	34,851,119	35,890,835
	Less Uncollectibles	(1,345,261)	(1,464,837)	(1,600,202)	(1,732,652)	(1,859,947)	(1,979,005)	(2,085,424)	(2,172,580)	(2,237,362)	(2,304,109)
	Net Revenues	19,609,709	21,352,748	23,325,959	25,256,665	27,112,227	28,847,718	30,398,977	31,669,445	32,613,757	33,586,726
Water Cost of Service											
O&M Code											
5000	PF -- Production Fuel	-	-	-	-	-	-	-	-	-	-
5100	P -- Personnel	7,521,574	7,747,221	7,979,637	8,219,027	8,465,597	8,719,565	8,981,152	9,250,587	9,528,104	9,813,948
5200	GA -- General and Administrative	1,859,223	1,915,000	1,972,450	2,031,624	2,092,572	2,155,349	2,220,010	2,286,610	2,355,209	2,425,865
5300	S -- Supplies	1,049,104	1,149,700	1,232,762	1,306,490	1,368,204	1,414,416	1,440,433	1,439,617	1,484,789	1,531,375
5400	M -- Maintenance	5,562,565	5,729,442	5,901,326	6,078,365	6,260,716	6,448,538	6,641,994	6,841,254	7,046,491	7,257,886
5500	OP -- Other Production	3,399,329	4,559,605	4,514,216	4,457,712	4,387,394	4,299,536	4,188,762	4,046,831	4,113,753	4,182,683
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
	Total	19,391,795	21,100,968	21,600,392	22,093,218	22,574,483	23,037,404	23,472,351	23,864,899	24,528,346	25,211,756
	Total Operating Expenses	19,391,795	21,100,968	21,600,392	22,093,218	22,574,483	23,037,404	23,472,351	23,864,899	24,528,346	25,211,756
	Net Revenues for NO, CO and Debt Service	217,914	251,779	1,725,567	3,163,447	4,537,744	5,810,314	6,926,626	7,804,546	8,085,411	8,374,970
	Capital Outlays/Replacement Reserve	1,134,500	911,035	938,366	966,517	995,513	1,025,378	1,056,139	1,087,823	1,120,458	1,154,072
Debt Service											
	Debt Service -- Current	-	-	-	-	-	-	-	-	-	-
	Debt Service -- Future	-	-	-	-	-	-	-	-	-	-
	Total Debt Service	-	-	-	-	-	-	-	-	-	-
	Net Revenues for Non-Operating	(916,586)	(659,256)	787,201	2,196,930	3,542,231	4,784,936	5,870,487	6,716,722	6,964,953	7,220,898
	Non-Operating	639,525	649,577	665,848	682,573	699,757	717,403	735,509	754,063	773,799	794,130
	Net Revenues Available for Capital Improvement	(1,556,111)	(1,308,832)	121,353	1,514,357	2,842,474	4,067,534	5,134,978	5,962,659	6,191,153	6,426,768
	Total Cost of Service	21,165,820	22,661,580	23,204,605	23,742,308	24,269,753	24,780,185	25,263,999	25,706,786	26,422,604	27,159,958
	Net Revenues	(1,556,111)	(1,308,832)	121,353	1,514,357	2,842,474	4,067,534	5,134,978	5,962,659	6,191,153	6,426,768
	Percent of COS	-7.4%	-5.7%	0.5%	5.6%	9.8%	13.2%	15.8%	17.6%	17.8%	17.9%
	Debt Coverage	-	-	-	-	-	-	-	-	-	-

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL REVENUE EXPENSE SUMMARY											
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Revenue and Expense Summary											
Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC											
3	WASTEWATER Revenues and Expenses -- CASH BASIS										
Wastewater Revenues											
Wastewater Rate Revenue/Wastewater Electric Charge Revenue											
WW.1	Residential	\$ 1,670,042	\$ 1,847,072	\$ 2,006,392	\$ 2,163,544	\$ 2,316,102	\$ 2,460,708	\$ 2,592,541	\$ 2,704,324	\$ 2,792,542	\$ 2,883,618
WW.2	Multi Family	10,992	12,312	13,480	14,622	15,718	16,743	17,657	18,403	18,955	19,524
WW.3	Commercial	2,377,740	2,682,673	2,952,799	3,217,373	3,471,841	3,709,925	3,922,643	4,096,468	4,224,950	4,357,455
WW.4	CUC	18,592	21,104	23,313	25,467	27,529	29,446	31,141	32,503	33,479	34,483
WW.5	Government	1,082,389	1,228,639	1,357,247	1,482,689	1,602,733	1,714,308	1,813,034	1,892,324	1,949,093	2,007,566
WW.6	PSS	189,303	214,043	235,833	257,101	277,473	296,433	313,249	326,818	336,622	346,721
WW.7	CHC	348,883	395,630	436,754	476,873	515,274	550,978	582,589	608,006	626,247	645,034
WW.8	CPA	188,352	214,367	237,093	259,083	280,059	299,555	316,807	330,662	340,581	350,799
WW.9	Other9	-	-	-	-	-	-	-	-	-	-
WW.10	Other10	-	-	-	-	-	-	-	-	-	-
		5,886,292	6,615,840	7,262,912	7,896,753	8,506,730	9,078,096	9,589,661	10,009,508	10,322,469	10,645,200
	Non-Rate Revenues	333,291	178,151	178,151	178,151	178,151	178,151	178,151	178,151	178,151	178,151
	Total Revenues	6,219,583	6,793,991	7,441,063	8,074,904	8,684,881	9,256,247	9,767,813	10,187,659	10,500,621	10,823,351
	Less Uncollectibles	(399,283)	(436,159)	(477,699)	(518,390)	(557,549)	(594,230)	(627,071)	(654,024)	(674,116)	(694,834)
	Net Revenues	5,820,300	6,357,832	6,963,364	7,556,514	8,127,332	8,662,018	9,140,741	9,533,635	9,826,505	10,128,517
Wastewater Cost of Service											
O&M Code											
5000	PF -- Production Fuel	-	-	-	-	-	-	-	-	-	-
5100	P -- Personnel	2,572,171	2,649,336	2,728,816	2,810,680	2,895,001	2,981,851	3,071,306	3,163,445	3,258,349	3,356,099
5200	GA -- General and Administrative	1,250,348	1,287,859	1,326,494	1,366,289	1,407,278	1,449,496	1,492,981	1,537,771	1,583,904	1,631,421
5300	S -- Supplies	373,163	415,696	453,674	490,924	526,850	560,625	591,063	616,367	635,703	655,644
5400	M -- Maintenance	820,621	845,239	870,596	896,714	923,616	951,324	979,864	1,009,260	1,039,538	1,070,724
5500	OP -- Other Production	944,100	1,278,232	1,266,766	1,252,288	1,234,063	1,211,072	1,181,845	1,144,132	1,163,558	1,183,568
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
	Total	5,960,403	6,476,361	6,646,346	6,816,896	6,986,807	7,154,368	7,317,060	7,470,975	7,681,051	7,897,455
	Total Operating Expenses	5,960,403	6,476,361	6,646,346	6,816,896	6,986,807	7,154,368	7,317,060	7,470,975	7,681,051	7,897,455
	Net Revenues for NO, CO and Debt Service	(140,103)	(118,529)	317,018	739,618	1,140,525	1,507,649	1,823,682	2,062,660	2,145,454	2,231,062
	Capital Outlays/Replacement Reserve	277,500	285,825	294,400	303,232	312,329	321,699	331,350	341,290	351,529	362,075
Debt Service											
	Debt Service -- Current	-	-	-	-	-	-	-	-	-	-
	Debt Service -- Future	-	-	-	-	-	-	-	-	-	-
	Total Debt Service	-	-	-	-	-	-	-	-	-	-
	Net Revenues for Non-Operating	(417,603)	(404,354)	22,618	436,386	828,196	1,185,951	1,492,332	1,721,370	1,793,925	1,868,987
	Non-Operating	346,838	351,211	359,624	368,266	377,139	386,243	395,574	405,123	415,371	425,928
	Net Revenues Available for Capital Improvement	(764,441)	(755,565)	(337,006)	68,120	451,057	799,708	1,096,758	1,316,247	1,378,554	1,443,059
	Total Cost of Service	6,584,741	7,113,397	7,300,369	7,488,393	7,676,275	7,862,310	8,043,984	8,217,388	8,447,951	8,685,458
	Net Revenues	(764,441)	(755,565)	(337,006)	68,120	451,057	799,708	1,096,758	1,316,247	1,378,554	1,443,059
	Percent of COS	-12.3%	-11.1%	-4.5%	0.8%	5.2%	8.6%	11.2%	12.9%	13.1%	13.3%
	Debt Coverage	-	-	-	-	-	-	-	-	-	-
	(excludes Debt, Cap Outlays, Non-Operating)										

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL REVENUES AND COS										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035

Revenue and Expense Summary**Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC****1 TOTAL Revenues and Expenses -- CASH BASIS****POWER Revenues and Cost of Service -- CASH BASIS****Power Rate Revenue**

P1	Residential	\$ 29,301,014	\$ 30,098,516	\$ 30,328,648	\$ 30,566,855	\$ 30,813,312	\$ 31,068,202	\$ 31,331,706	\$ 31,604,015	\$ 31,885,317	\$ 32,175,809
P2	Residential Prepaid	4,810,388	4,957,463	5,057,034	5,158,637	5,262,346	5,368,240	5,476,399	5,586,907	5,699,850	5,815,317
P3	Commercial	51,295,302	53,548,917	54,607,904	55,699,272	56,824,079	57,983,417	59,178,413	60,410,231	61,680,072	62,989,176
P4	Large Commercial	-	-	-	-	-	-	-	-	-	-
P5	Government	17,288,913	17,068,322	17,361,783	17,664,048	17,975,381	18,296,053	18,626,346	18,966,548	19,316,956	19,677,876
P6	Large Government	-	-	-	-	-	-	-	-	-	-
P7	Streetlights	2,593,231	2,733,571	2,793,152	2,854,520	2,917,729	2,982,835	3,049,893	3,118,964	3,190,106	3,263,383
P8	CUC Municipal Pumping	5,545,447	4,418,424	4,378,404	4,327,515	4,263,105	4,181,516	4,077,470	3,942,879	4,011,610	4,082,403
0	Total	110,834,295	112,825,212	114,526,924	116,270,846	118,055,952	119,880,263	121,740,228	123,629,543	125,783,911	128,003,963

Power Cost of Service

P1	Residential	28,212,531	30,429,557	29,235,219	29,171,639	29,048,611	28,249,271	31,517,197	31,517,357	29,706,139	31,161,411
P2	Residential Prepaid	5,940,800	6,517,088	6,350,513	6,427,242	6,490,355	6,397,771	7,247,096	7,346,673	7,015,679	7,461,462
P3	Commercial	48,972,945	52,782,698	50,743,189	50,901,707	50,936,449	49,534,781	56,370,634	56,675,956	53,162,813	56,474,143
P4	Large Commercial	-	-	-	-	-	-	-	-	-	-
P5	Government	13,711,603	14,275,167	13,699,976	13,709,914	13,687,019	13,286,561	15,066,284	15,112,435	14,160,573	14,995,332
P6	Large Government	-	-	-	-	-	-	-	-	-	-
P7	Streetlights	963,009	1,051,958	1,010,340	1,009,364	1,006,082	977,159	1,100,922	1,102,378	1,036,378	1,091,962
P8	CUC Municipal Pumping	3,433,941	2,934,059	2,756,042	2,685,131	2,602,087	2,448,406	2,652,759	2,539,348	2,390,191	2,518,037
	Total	101,234,829	107,990,527	103,795,278	103,904,997	103,770,603	100,893,950	113,954,892	114,294,148	107,471,772	113,702,347

Revenues less Cost of Service

P1	Residential	1,088,482	(331,042)	1,093,430	1,395,216	1,764,701	2,818,931	(185,490)	86,657	2,179,178	1,014,397
P2	Residential Prepaid	(1,130,412)	(1,559,624)	(1,293,479)	(1,268,606)	(1,228,009)	(1,029,532)	(1,770,697)	(1,759,766)	(1,315,829)	(1,646,145)
P3	Commercial	2,322,357	766,219	3,864,715	4,797,564	5,887,630	8,448,636	2,807,779	3,734,275	8,517,259	6,515,033
P4	Large Commercial	-	-	-	-	-	-	-	-	-	-
P5	Government	3,577,310	2,793,155	3,661,807	3,954,134	4,288,361	5,009,492	3,560,063	3,854,113	5,156,383	4,682,544
P6	Large Government	-	-	-	-	-	-	-	-	-	-
P7	Streetlights	1,630,222	1,681,613	1,782,812	1,845,156	1,911,647	2,005,676	1,948,971	2,016,586	2,153,728	2,171,421
P8	CUC Municipal Pumping	2,111,506	1,484,365	1,622,362	1,642,383	1,661,019	1,733,110	1,424,711	1,403,531	1,621,419	1,564,366
	Total	9,599,465	4,834,685	10,731,646	12,365,849	14,285,349	18,986,314	7,785,336	9,335,396	18,312,138	14,301,617
	Less Uncollectibles	(7,640,403)	(7,555,894)	(7,697,239)	(7,809,195)	(7,923,794)	(7,983,133)	(8,102,538)	(8,223,828)	(8,362,134)	(8,504,656)
	Net Revenues	1,959,062	(2,721,209)	3,034,407	4,556,654	6,361,555	11,003,181	(317,203)	1,111,568	9,950,005	5,796,961

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL REVENUES AND COS										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035

Revenue and Expense Summary
Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC

WATER Revenues and Cost of Service -- CASH BASIS

Water Rate Revenue

W.1 Residential	\$ 7,773,479	\$ 8,568,311	\$ 9,279,795	\$ 9,978,834	\$ 10,654,528	\$ 11,291,845	\$ 11,869,292	\$ 12,354,492	\$ 12,732,209	\$ 13,121,471
W.2 Multi Family	11,935	13,375	14,649	15,894	17,090	18,206	19,202	20,015	20,615	21,234
W.3 Commercial	3,365,413	3,785,964	4,158,293	4,522,684	4,872,898	5,200,337	5,492,717	5,731,544	5,908,071	6,090,030
W.4 CUC	446,700	505,648	557,545	608,187	656,682	701,799	741,786	774,007	797,227	821,144
W.5 Government	7,238,429	8,209,211	9,063,198	9,896,283	10,693,675	11,435,039	12,091,366	12,619,029	12,997,600	13,387,528
W.6 PSS	307,189	347,028	382,132	416,399	449,228	479,794	506,917	528,826	544,690	561,031
W.7 CHC	340,982	386,791	427,085	466,392	504,013	538,988	569,948	594,833	612,678	631,058
W.8 CPA	358,952	406,926	449,135	490,313	529,731	566,385	598,842	624,950	643,698	663,009
Total	19,843,080	22,223,254	24,331,831	26,394,987	28,377,844	30,232,393	31,890,071	33,247,695	34,256,789	35,296,505

Water Cost of Service

W.1 Residential	12,121,774	13,339,376	13,668,294	13,994,034	14,313,611	14,622,941	14,916,216	15,184,723	15,618,369	16,065,083
W.2 Multi Family	33,766	37,141	38,039	38,928	39,798	40,639	41,435	42,160	43,343	44,561
W.3 Commercial	4,140,936	4,557,704	4,670,950	4,783,160	4,893,313	5,000,012	5,101,270	5,194,106	5,343,489	5,497,400
W.4 CUC	60,691	66,754	68,365	69,958	71,519	73,026	74,451	75,751	77,872	80,055
W.5 Government	1,132,990	1,246,201	1,276,303	1,306,072	1,335,230	1,363,396	1,390,030	1,414,320	1,453,949	1,494,751
W.6 PSS	517,099	568,763	582,496	596,076	609,378	622,226	634,374	645,453	663,531	682,145
W.7 CHC	1,960,686	2,156,728	2,208,956	2,260,615	2,311,223	2,360,122	2,406,376	2,448,579	2,517,346	2,588,154
W.8 CPA	85,988	94,583	96,871	99,133	101,350	103,491	105,517	107,364	110,376	113,478
Total	20,053,930	22,067,250	22,610,275	23,147,978	23,675,423	24,185,855	24,669,669	25,112,456	25,828,274	26,565,628

Revenues less Cost of Service

W.1 Residential	(4,348,295)	(4,771,065)	(4,388,500)	(4,015,200)	(3,659,083)	(3,331,097)	(3,046,924)	(2,830,231)	(2,886,159)	(2,943,612)
W.2 Multi Family	(21,831)	(23,766)	(23,390)	(23,034)	(22,709)	(22,433)	(22,232)	(22,145)	(22,727)	(23,327)
W.3 Commercial	(775,523)	(771,740)	(512,658)	(260,476)	(20,415)	200,325	391,447	537,438	564,582	592,630
W.4 CUC	386,009	438,894	489,180	538,229	585,163	628,773	667,335	698,256	719,355	741,089
W.5 Government	6,105,439	6,963,010	7,786,895	8,590,211	9,358,444	10,071,643	10,701,336	11,204,709	11,543,651	11,892,777
W.6 PSS	(209,909)	(221,735)	(200,364)	(179,677)	(160,149)	(142,432)	(127,458)	(116,627)	(118,841)	(121,114)
W.7 CHC	(1,619,705)	(1,769,937)	(1,781,871)	(1,794,223)	(1,807,210)	(1,821,134)	(1,836,428)	(1,853,746)	(1,904,668)	(1,957,096)
W.8 CPA	272,964	312,343	352,264	391,180	428,381	462,894	493,326	517,585	533,322	549,531
Total	(210,850)	156,004	1,721,556	3,247,010	4,702,421	6,046,538	7,220,402	8,135,239	8,428,515	8,730,877
Less Uncollectibles	(1,345,261)	(1,464,837)	(1,600,202)	(1,732,652)	(1,859,947)	(1,979,005)	(2,085,424)	(2,172,580)	(2,237,362)	(2,304,109)
Net Revenues	(1,556,111)	(1,308,832)	121,353	1,514,357	2,842,474	4,067,534	5,134,978	5,962,659	6,191,153	6,426,768

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL REVENUES AND COS										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035

Revenue and Expense Summary**Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC****WASTEWATER Revenues and Cost of Service -- CASH BASIS****Wastewater Rate Revenue**

WW.1 Residential	1,670,042	1,847,072	2,006,392	2,163,544	2,316,102	2,460,708	2,592,541	2,704,324	2,792,542	2,883,618
WW.2 Multi Family	10,992	12,312	13,480	14,622	15,718	16,743	17,657	18,403	18,955	19,524
WW.3 Commercial	2,377,740	2,682,673	2,952,799	3,217,373	3,471,841	3,709,925	3,922,643	4,096,468	4,224,950	4,357,455
WW.4 CUC	18,592	21,104	23,313	25,467	27,529	29,446	31,141	32,503	33,479	34,483
WW.5 Government	1,082,389	1,228,639	1,357,247	1,482,689	1,602,733	1,714,308	1,813,034	1,892,324	1,949,093	2,007,566
WW.6 PSS	189,303	214,043	235,833	257,101	277,473	296,433	313,249	326,818	336,622	346,721
WW.7 CHC	348,883	395,630	436,754	476,873	515,274	550,978	582,589	608,006	626,247	645,034
WW.8 CPA	188,352	214,367	237,093	259,083	280,059	299,555	316,807	330,662	340,581	350,799
Total	5,886,292	6,615,840	7,262,912	7,896,753	8,506,730	9,078,096	9,589,661	10,009,508	10,322,469	10,645,200

Wastewater Cost of Service

WW.1 Residential	2,410,245	2,670,477	2,744,594	2,819,298	2,894,142	2,968,491	3,041,401	3,111,404	3,203,197	3,297,822
WW.2 Multi Family	14,894	16,502	16,921	17,341	17,759	18,171	18,572	18,950	19,463	19,990
WW.3 Commercial	3,014,831	3,347,673	3,437,154	3,527,061	3,616,804	3,705,550	3,792,064	3,874,432	3,984,633	4,098,126
WW.4 CUC	1,745	1,924	1,973	2,021	2,070	2,117	2,164	2,208	2,267	2,328
WW.5 Government	92,116	101,925	104,505	107,093	109,669	112,211	114,681	117,023	120,177	123,421
WW.6 PSS	244,647	271,519	278,440	285,372	292,269	299,062	305,649	311,876	320,335	329,037
WW.7 CHC	457,960	508,563	521,543	534,543	547,473	560,203	572,545	584,203	600,069	616,389
WW.8 CPA	15,014	16,663	17,088	17,513	17,937	18,353	18,758	19,140	19,659	20,193
Total	6,251,450	6,935,246	7,122,218	7,310,242	7,498,123	7,684,159	7,865,832	8,039,237	8,269,800	8,507,307

Revenues less Cost of Service

WW.1 Residential	(740,203)	(823,405)	(738,202)	(655,754)	(578,041)	(507,783)	(448,860)	(407,080)	(410,655)	(414,204)
WW.2 Multi Family	(3,902)	(4,190)	(3,441)	(2,719)	(2,041)	(1,429)	(915)	(547)	(508)	(466)
WW.3 Commercial	(637,091)	(664,999)	(484,356)	(309,688)	(144,963)	4,376	130,580	222,036	240,317	259,329
WW.4 CUC	16,847	19,179	21,340	23,446	25,460	27,328	28,977	30,295	31,211	32,155
WW.5 Government	990,273	1,126,714	1,252,741	1,375,597	1,493,064	1,602,097	1,698,353	1,775,300	1,828,916	1,884,145
WW.6 PSS	(55,344)	(57,476)	(42,606)	(28,271)	(14,796)	(2,628)	7,600	14,942	16,287	17,684
WW.7 CHC	(109,077)	(112,933)	(84,788)	(57,669)	(32,198)	(9,225)	10,045	23,803	26,178	28,645
WW.8 CPA	173,338	197,704	220,005	241,569	262,122	281,202	298,049	311,522	320,922	330,606
Total	(365,158)	(319,406)	140,694	586,511	1,008,607	1,393,938	1,723,829	1,970,271	2,052,669	2,137,893
Less Uncollectibles	(399,283)	(436,159)	(477,699)	(518,390)	(557,549)	(594,230)	(627,071)	(654,024)	(674,116)	(694,834)
Net Revenues	(764,441)	(755,565)	(337,006)	68,120	451,057	799,708	1,096,758	1,316,247	1,378,554	1,443,059

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL POWER SUMMARY										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035

POWER Summary
Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC

Total Accounts

Total Accounts	17,452	17,537	17,622	17,707	17,792	17,877	17,962	18,047	18,132	18,217
New Accounts		85	85	85	85	85	85	85	85	85
Avg. Annual Growth Rate		0.49%	0.48%	0.48%	0.48%	0.48%	0.48%	0.47%	0.47%	0.47%

Annual Power kWh Consumption

P1	Residential	77,798,658	77,272,501	76,746,345	76,220,188	75,694,032	75,167,875	74,641,719	74,115,562	73,589,405	73,063,249
P2	Residential Prepaid	17,537,408	17,762,882	17,988,357	18,213,831	18,439,306	18,664,780	18,890,255	19,115,729	19,341,204	19,566,678
P3	Commercial	113,006,628	113,362,600	113,718,572	114,074,543	114,430,515	114,786,487	115,142,459	115,498,431	115,854,403	116,210,374
P4	Large Commercial	-	-	-	-	-	-	-	-	-	-
P5	Government	36,443,984	34,501,104	34,501,104	34,501,104	34,501,104	34,501,104	34,501,104	34,501,104	34,501,104	34,501,104
P6	Large Government	-	-	-	-	-	-	-	-	-	-
P7	Streetlights	3,539,689	3,539,689	3,539,689	3,539,689	3,539,689	3,539,689	3,539,689	3,539,689	3,539,689	3,539,689
P8	CUC Municipal Pumping	12,685,279	9,702,171	9,459,617	9,196,850	8,909,448	8,591,254	8,233,285	7,821,620	7,821,620	7,821,620
Total System		261,011,645	256,140,947	255,953,682	255,746,205	255,514,093	255,251,189	254,948,509	254,592,135	254,647,425	254,702,715
		261,011,645									

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL POWER SUMMARY											
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
POWER Summary											
Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC											
Revenues and Expenses											
<u>FAC Revenues</u>											
P1	Residential	\$ 16,430,299	\$ 16,319,180	\$ 16,208,061	\$ 16,096,942	\$ 15,985,823	\$ 15,874,704	\$ 15,763,585	\$ 15,652,466	\$ 15,541,347	\$ 15,430,228
P2	Residential Prepaid	3,703,725	3,751,343	3,798,961	3,846,579	3,894,197	3,941,815	3,989,433	4,037,051	4,084,669	4,132,287
P3	Commercial	23,865,870	23,941,047	24,016,225	24,091,403	24,166,580	24,241,758	24,316,936	24,392,114	24,467,291	24,542,469
P4	Large Commercial	-	-	-	-	-	-	-	-	-	-
P5	Government	7,696,605	7,286,288	7,286,288	7,286,288	7,286,288	7,286,288	7,286,288	7,286,288	7,286,288	7,286,288
P6	Large Government	-	-	-	-	-	-	-	-	-	-
P7	Streetlights	747,547	747,547	747,547	747,547	747,547	747,547	747,547	747,547	747,547	747,547
P8	CUC Municipal Pumping	2,679,004	2,049,002	1,997,776	1,942,283	1,881,586	1,814,387	1,738,787	1,651,848	1,651,848	1,651,848
	Total	55,123,049	54,094,407	54,054,858	54,011,041	53,962,021	53,906,499	53,842,576	53,767,313	53,778,990	53,790,666
<u>Power Rate Revenues (Includes CIP Surcharge)</u>											
P1	Residential	12,870,715	13,779,336	14,120,588	14,469,913	14,827,490	15,193,498	15,568,122	15,951,549	16,343,971	16,745,581
P2	Residential Prepaid	1,106,663	1,206,120	1,258,073	1,312,058	1,368,149	1,426,425	1,486,966	1,549,856	1,615,181	1,683,031
P3	Commercial	27,429,433	29,607,869	30,591,678	31,607,869	32,657,499	33,741,659	34,861,477	36,018,117	37,212,780	38,446,707
P4	Large Commercial	-	-	-	-	-	-	-	-	-	-
P5	Government	9,592,308	9,782,034	10,075,495	10,377,760	10,689,092	11,009,765	11,340,058	11,680,260	12,030,668	12,391,588
P6	Large Government	-	-	-	-	-	-	-	-	-	-
P7	Streetlights	1,845,684	1,986,024	2,045,605	2,106,973	2,170,182	2,235,288	2,302,346	2,371,417	2,442,559	2,515,836
P8	CUC Municipal Pumping	2,866,443	2,369,423	2,380,627	2,385,232	2,381,519	2,367,129	2,338,682	2,291,031	2,359,762	2,430,555
	Total	55,711,245	58,730,806	60,472,066	62,259,805	64,093,931	65,973,765	67,897,652	69,862,230	72,004,921	74,213,297
	Total FAC and Rate Revenues	110,834,295	112,825,212	114,526,924	116,270,846	118,055,952	119,880,263	121,740,228	123,629,543	125,783,911	128,003,963
	Non-Rate Revenues	8,179,350	4,872,046	5,372,046	5,372,046	5,372,046	4,472,046	4,472,046	4,472,046	4,472,046	4,472,046
	Total Revenues	119,013,645	117,697,259	119,898,971	121,642,892	123,427,999	124,352,310	126,212,274	128,101,590	130,255,957	132,476,010
	Less Uncollectibles	(7,640,403)	(7,555,894)	(7,697,239)	(7,809,195)	(7,923,794)	(7,983,133)	(8,102,538)	(8,223,828)	(8,362,134)	(8,504,656)
	Net Revenues	111,373,242	110,141,365	112,201,732	113,833,698	115,504,205	116,369,177	118,109,736	119,877,762	121,893,823	123,971,354
Power Cost of Service											
<u>O&M Code</u>											
5000	PF -- Production Fuel	\$ 55,123,049	\$ 54,094,407	\$ 54,054,858	\$ 54,011,041	\$ 53,962,021	\$ 53,906,499	\$ 53,842,576	\$ 53,767,313	\$ 53,778,990	\$ 53,790,666
5100	P -- Personnel	16,872,604	17,378,782	17,900,145	18,437,150	18,990,264	19,559,972	20,146,771	20,751,174	21,373,710	22,014,921
5200	GA -- General and Administrative	5,297,356	5,606,277	5,924,465	6,252,199	6,589,765	6,937,458	7,295,582	7,664,450	8,044,383	8,435,714
5300	S -- Supplies	739,679	754,399	776,735	799,699	823,301	847,546	872,433	897,953	924,996	952,854
5400	M -- Maintenance	20,049,495	21,322,980	16,670,669	15,797,890	14,655,650	9,846,247	20,575,101	19,836,003	10,759,259	15,719,134
5500	OP -- Other Production	4,504,129	4,504,238	4,504,350	4,504,466	4,504,585	4,504,707	4,504,834	4,504,964	4,505,097	4,505,235
0	#N/A	-	-	-	-	-	-	-	-	-	-
0	#N/A	-	-	-	-	-	-	-	-	-	-
	Total	\$ 102,586,312	\$ 103,661,082	\$ 99,831,223	\$ 99,802,445	\$ 99,525,586	\$ 95,602,428	\$ 107,237,297	\$ 107,421,857	\$ 99,386,436	\$ 105,418,524
	Total Operating Expenses	102,586,312	103,661,082	99,831,223	99,802,445	99,525,586	95,602,428	107,237,297	107,421,857	99,386,436	105,418,524
	Net Revenues for NO,Capital Outlays and Debt Service	16,427,332	14,036,177	20,067,748	21,840,447	23,902,413	28,749,881	18,974,978	20,679,733	30,869,521	27,057,485
	Capital Outlays	2,705,000	1,864,300	1,920,229	1,977,836	2,037,171	2,098,286	2,161,235	2,226,072	2,292,854	2,361,639

COMMONWEALTH UTILITIES CORPORATION COMBINED UTILITIES COST OF SERVICE MODEL POWER SUMMARY										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035

POWER Summary
Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC

Debt Service

Debt Service -- Current	-	-	-	-	-	-	-	-	-	-
Debt Service -- Future	-	3,163,194	3,163,194	3,163,194	3,163,194	3,163,194	4,438,676	4,438,676	5,489,639	5,521,167
Total Debt Service	-	3,163,194	3,163,194	3,163,194	3,163,194	3,163,194	4,438,676	4,438,676	5,489,639	5,521,167

Net Revenues for Non-Operating 13,722,332 9,008,683 14,984,325 16,699,417 18,702,048 23,488,401 12,375,068 14,014,986 23,087,029 19,174,679

Total Non-Operating 4,122,867 4,173,998 4,252,679 4,333,569 4,416,699 4,502,087 4,589,732 4,679,590 4,774,891 4,873,062

Total Cost of Service -- CASH BASIS 109,414,180 112,862,574 109,167,325 109,277,044 109,142,650 105,365,996 118,426,939 118,766,194 111,943,819 118,174,393

Net Revenues	1,959,062	(2,721,209)	3,034,407	4,556,654	6,361,555	11,003,181	(317,203)	1,111,568	9,950,005	5,796,961
Percent of COS	1.6%	-2.3%	2.5%	3.7%	5.2%	8.8%	-0.3%	0.9%	7.6%	4.4%

Debt Coverage

Excludes Capital Outlays, Non-Operating	-	4.44	6.34	6.90	7.56	9.09	4.27	4.66	5.62	4.90
All Inclusive	-	0.14	1.96	2.44	3.01	4.48	0.93	1.25	2.81	2.05

**COMMONWEALTH UTILITIES CORPORATION
COMBINED UTILITIES COST OF SERVICE MODEL
WATER SUMMARY**

2026 2027 2028 2029 2030 2031 2032 2033 2034 2035

Water Summary**Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC****Total Accounts**

Total Accounts	10,566	10,572	10,578	10,584	10,590	10,596	10,602	10,608	10,614	10,620
New Accounts		6	6	6	6	6	6	6	6	6
Avg. Annual Growth Rate		0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%

Annual Water Consumption

W.1 Residential	836,836,559	922,708,630	990,120,312	1,050,680,250	1,103,253,154	1,146,301,073	1,177,644,316	1,194,002,090	1,194,666,680	1,195,331,270
W.2 Multi Family	1,175,700	1,295,688	1,389,625	1,473,845	1,546,770	1,606,261	1,649,286	1,671,276	1,671,276	1,671,276
W.3 Commercial	349,055,477	384,951,069	413,160,061	438,521,840	460,560,798	478,632,809	491,825,229	498,764,750	499,151,690	499,538,629
W.4 CUC	3,716,357	4,095,635	4,392,569	4,658,785	4,889,298	5,077,348	5,213,348	5,282,859	5,282,859	5,282,859
W.5 Government	61,492,069	67,767,724	72,680,884	77,085,786	80,899,926	84,011,462	86,261,769	87,411,926	87,411,926	87,411,926
W.6 PSS	31,282,126	34,474,665	36,974,078	39,214,931	41,155,253	42,738,148	43,882,919	44,468,025	44,468,025	44,468,025
W.7 CHC	39,067,420	43,054,497	46,175,948	48,974,490	51,397,707	53,374,542	54,804,218	55,534,940	55,534,940	55,534,940
W.8 CPA	3,035,722	3,345,537	3,588,088	3,805,548	3,993,843	4,147,453	4,258,545	4,315,326	4,315,326	4,315,326
W.9 Other9	-	-	-	-	-	-	-	-	-	-
W.10 Other10	-	-	-	-	-	-	-	-	-	-
Total System	1,325,661,431	1,461,693,443	1,568,481,565	1,664,415,475	1,747,696,749	1,815,889,094	1,865,539,629	1,891,451,193	1,892,502,722	1,893,554,251

**COMMONWEALTH UTILITIES CORPORATION
COMBINED UTILITIES COST OF SERVICE MODEL
WATER SUMMARY**

2026 2027 2028 2029 2030 2031 2032 2033 2034 2035

Water Summary**Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC****Revenues and Expenses****Water Revenues****Water Rate Revenue**

W.1 Residential	\$ 7,773,479	\$ 8,568,311	\$ 9,279,795	\$ 9,978,834	\$ 10,654,528	\$ 11,291,845	\$ 11,869,292	\$ 12,354,492	\$ 12,732,209	\$ 13,121,471
W.2 Multi Family	11,935	13,375	14,649	15,894	17,090	18,206	19,202	20,015	20,615	21,234
W.3 Commercial	3,365,413	3,785,964	4,158,293	4,522,684	4,872,898	5,200,337	5,492,717	5,731,544	5,908,071	6,090,030
W.4 CUC	446,700	505,648	557,545	608,187	656,682	701,799	741,786	774,007	797,227	821,144
W.5 Government	7,238,429	8,209,211	9,063,198	9,896,283	10,693,675	11,435,039	12,091,366	12,619,029	12,997,600	13,387,528
W.6 PSS	307,189	347,028	382,132	416,399	449,228	479,794	506,917	528,826	544,690	561,031
W.7 CHC	340,982	386,791	427,085	466,392	504,013	538,988	569,948	594,833	612,678	631,058
W.8 CPA	358,952	406,926	449,135	490,313	529,731	566,385	598,842	624,950	643,698	663,009
W.9 Other9	-	-	-	-	-	-	-	-	-	-
W.10 Other10	-	-	-	-	-	-	-	-	-	-
	<u>19,843,080</u>	<u>22,223,254</u>	<u>24,331,831</u>	<u>26,394,987</u>	<u>28,377,844</u>	<u>30,232,393</u>	<u>31,890,071</u>	<u>33,247,695</u>	<u>34,256,789</u>	<u>35,296,505</u>

Water Electric Charge

W.1 Residential	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
W.2 Multi Family	-	-	-	-	-	-	-	-	-	-
W.3 Commercial	-	-	-	-	-	-	-	-	-	-
W.4 CUC	-	-	-	-	-	-	-	-	-	-
W.5 Government	-	-	-	-	-	-	-	-	-	-
W.6 PSS	-	-	-	-	-	-	-	-	-	-
W.7 CHC	-	-	-	-	-	-	-	-	-	-
W.8 CPA	-	-	-	-	-	-	-	-	-	-
W.9 Other9	-	-	-	-	-	-	-	-	-	-
W.10 Other10	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Total Rate Revenues	19,843,080	22,223,254	24,331,831	26,394,987	28,377,844	30,232,393	31,890,071	33,247,695	34,256,789	35,296,505
Non-Rate Revenues	<u>1,111,890</u>	<u>594,330</u>	<u>594,330</u>	<u>594,330</u>	<u>594,330</u>	<u>594,330</u>	<u>594,330</u>	<u>594,330</u>	<u>594,330</u>	<u>594,330</u>
Total Revenues	20,954,970	22,817,584	24,926,161	26,989,317	28,972,174	30,826,723	32,484,401	33,842,025	34,851,119	35,890,835
Less Uncollectibles	<u>(1,345,261)</u>	<u>(1,464,837)</u>	<u>(1,600,202)</u>	<u>(1,732,652)</u>	<u>(1,859,947)</u>	<u>(1,979,005)</u>	<u>(2,085,424)</u>	<u>(2,172,580)</u>	<u>(2,237,362)</u>	<u>(2,304,109)</u>
Net Revenues	19,609,709	21,352,748	23,325,959	25,256,665	27,112,227	28,847,718	30,398,977	31,669,445	32,613,757	33,586,726

Water Cost of Service**O&M Code**

5000 PF -- Production Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5100 P -- Personnel	7,521,574	7,747,221	7,979,637	8,219,027	8,465,597	8,719,565	8,981,152	9,250,587	9,528,104	9,813,948
5200 GA -- General and Administrative	1,859,223	1,915,000	1,972,450	2,031,624	2,092,572	2,155,349	2,220,010	2,286,610	2,355,209	2,425,865
5300 S -- Supplies	1,049,104	1,149,700	1,232,762	1,306,490	1,368,204	1,414,416	1,440,433	1,439,617	1,484,789	1,531,375
5400 M -- Maintenance	5,562,565	5,729,442	5,901,326	6,078,365	6,260,716	6,448,538	6,641,994	6,841,254	7,046,491	7,257,886
5500 OP -- Other Production	3,399,329	4,559,605	4,514,216	4,457,712	4,387,394	4,299,536	4,188,762	4,046,831	4,113,753	4,182,683
0 #N/A	-	-	-	-	-	-	-	-	-	-
0 #N/A	-	-	-	-	-	-	-	-	-	-
0 #N/A	-	-	-	-	-	-	-	-	-	-
0 #N/A	-	-	-	-	-	-	-	-	-	-
Total	<u>19,391,795</u>	<u>21,100,968</u>	<u>21,600,392</u>	<u>22,093,218</u>	<u>22,574,483</u>	<u>23,037,404</u>	<u>23,472,351</u>	<u>23,864,899</u>	<u>24,528,346</u>	<u>25,211,756</u>

Total Operating Expenses	19,391,795	21,100,968	21,600,392	22,093,218	22,574,483	23,037,404	23,472,351	23,864,899	24,528,346	25,211,756
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Net Revenues for NO,Capital Outlays and Debt Service	1,563,175	1,716,616	3,325,770	4,896,099	6,397,691	7,789,319	9,012,050	9,977,126	10,322,773	10,679,079
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Capital Outlays	1,134,500	911,035	938,366	966,517	995,513	1,025,378	1,056,139	1,087,823	1,120,458	1,154,072
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**COMMONWEALTH UTILITIES CORPORATION
COMBINED UTILITIES COST OF SERVICE MODEL
WATER SUMMARY**

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water Summary										
Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC										
Debt Service										
Debt Service -- Current	-	-	-	-	-	-	-	-	-	-
Debt Service -- Future	-	-	-	-	-	-	-	-	-	-
Total Debt Service	-	-	-	-	-	-	-	-	-	-
Net Revenues for Non-Operating	428,675	805,581	2,387,404	3,929,582	5,402,178	6,763,941	7,955,911	8,889,303	9,202,315	9,525,007
Non-Operating	639,525	649,577	665,848	682,573	699,757	717,403	735,509	754,063	773,799	794,130
Total Cost of Service -- CASH BASIS	21,165,820	22,661,580	23,204,605	23,742,308	24,269,753	24,780,185	25,263,999	25,706,786	26,422,604	27,159,958
Net Revenues	(1,556,111)	(1,308,832)	121,353	1,514,357	2,842,474	4,067,534	5,134,978	5,962,659	6,191,153	6,426,768
Percent of COS	-7.4%	-5.7%	0.5%	5.6%	9.8%	13.2%	15.8%	17.6%	17.8%	17.9%
Debt Coverage										
Excludes Capital Outlays, Non-Operating	-	-	-	-	-	-	-	-	-	-
All Inclusive	-	-	-	-	-	-	-	-	-	-

**COMMONWEALTH UTILITIES CORPORATION
COMBINED UTILITIES COST OF SERVICE MODEL
WW SUMMARY**

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Wastewater Summary										
Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC										
Total Accounts										
Total Accounts	2,793	2,799	2,805	2,811	2,817	2,823	2,829	2,835	2,841	2,847
New Accounts		6	6	6	6	6	6	6	6	6
Avg. Annual Growth Rate		0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%
Annual Wastewater Billing Units										
WW.1 Residential	177,167,263	195,707,284	210,401,766	223,695,660	235,338,988	244,993,921	252,182,841	256,188,603	256,840,482	257,492,361
WW.2 Multi Family	1,175,700	1,295,688	1,389,625	1,473,845	1,546,770	1,606,261	1,649,286	1,671,276	1,671,276	1,671,276
WW.3 Commercial	244,364,267	269,629,875	289,538,027	307,471,837	323,094,704	335,951,071	345,395,910	350,459,274	350,923,458	351,387,643
WW.4 CUC	120,000	132,247	141,835	150,431	157,874	163,946	168,337	170,582	170,582	170,582
WW.5 Government	6,986,309	7,699,306	8,257,505	8,757,960	9,191,297	9,544,808	9,800,473	9,931,146	9,931,146	9,931,146
WW.6 PSS	20,221,606	22,285,349	23,901,036	25,349,584	26,603,860	27,627,086	28,367,097	28,745,325	28,745,325	28,745,325
WW.7 CHC	38,466,491	42,392,240	45,465,677	48,221,172	50,607,116	52,553,543	53,961,228	54,680,711	54,680,711	54,680,711
WW.8 CPA	1,240,533	1,367,137	1,466,255	1,555,119	1,632,065	1,694,836	1,740,234	1,763,437	1,763,437	1,763,437
WW.9 Other9	-	-	-	-	-	-	-	-	-	-
WW.10 Other10	-	-	-	-	-	-	-	-	-	-
Total System	489,742,168	540,509,125	580,561,726	616,675,609	648,172,674	674,135,472	693,265,405	703,610,353	704,726,416	705,842,480

**COMMONWEALTH UTILITIES CORPORATION
COMBINED UTILITIES COST OF SERVICE MODEL
WW SUMMARY**

2026 2027 2028 2029 2030 2031 2032 2033 2034 2035

Wastewater Summary**Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC****Revenues and Expenses -- CASH BASIS****Wastewater Revenues****Wastewater Rate Revenue**

WW.1	Residential	\$	1,670,042	\$	1,847,072	\$	2,006,392	\$	2,163,544	\$	2,316,102	\$	2,460,708	\$	2,592,541	\$	2,704,324	\$	2,792,542	\$	2,883,618
WW.2	Multi Family		10,992		12,312		13,480		14,622		15,718		16,743		17,657		18,403		18,955		19,524
WW.5	Commercial		2,377,740		2,682,673		2,952,799		3,217,373		3,471,841		3,709,925		3,922,643		4,096,468		4,224,950		4,357,455
WW.6	CUC		18,592		21,104		23,313		25,467		27,529		29,446		31,141		32,503		33,479		34,483
WW.5	Government		1,082,389		1,228,639		1,357,247		1,482,689		1,602,733		1,714,308		1,813,034		1,892,324		1,949,093		2,007,566
WW.6	PSS		189,303		214,043		235,833		257,101		277,473		296,433		313,249		326,818		336,622		346,721
WW.7	CHC		348,883		395,630		436,754		476,873		515,274		550,978		582,589		608,006		626,247		645,034
WW.8	CPA		188,352		214,367		237,093		259,083		280,059		299,555		316,807		330,662		340,581		350,799
WW.9	Other9		-		-		-		-		-		-		-		-		-		-
WW.10	Other10		-		-		-		-		-		-		-		-		-		-
	Sub-Total		5,886,292		6,615,840		7,262,912		7,896,753		8,506,730		9,078,096		9,589,661		10,009,508		10,322,469		10,645,200

Wastewater Electric Charge Revenue

WW.1	Residential	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
WW.2	Multi Family		-		-		-		-		-		-		-		-		-		-
WW.5	Commercial		-		-		-		-		-		-		-		-		-		-
WW.6	CUC		-		-		-		-		-		-		-		-		-		-
WW.5	Government		-		-		-		-		-		-		-		-		-		-
WW.6	PSS		-		-		-		-		-		-		-		-		-		-
WW.7	CHC		-		-		-		-		-		-		-		-		-		-
WW.8	CPA		-		-		-		-		-		-		-		-		-		-
WW.9	Other9		-		-		-		-		-		-		-		-		-		-
WW.10	Other10		-		-		-		-		-		-		-		-		-		-
	Sub-Total		-		-		-		-		-		-		-		-		-		-

Total Rate Revenue			5,886,292		6,615,840		7,262,912		7,896,753		8,506,730		9,078,096		9,589,661		10,009,508		10,322,469		10,645,200
Non-Rate Revenues			333,291		178,151		178,151		178,151		178,151		178,151		178,151		178,151		178,151		178,151
Total Revenues			6,219,583		6,793,991		7,441,063		8,074,904		8,684,881		9,256,247		9,767,813		10,187,659		10,500,621		10,823,351
Less Uncollectibles			(399,283)		(436,159)		(477,699)		(518,390)		(557,549)		(594,230)		(627,071)		(654,024)		(674,116)		(694,834)
Net Revenues			5,820,300		6,357,832		6,963,364		7,556,514		8,127,332		8,662,018		9,140,741		9,533,635		9,826,505		10,128,517

O&M Code

5000	PF -- Production Fuel	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
5100	P -- Personnel		2,572,171		2,649,336		2,728,816		2,810,680		2,895,001		2,981,851		3,071,306		3,163,445		3,258,349		3,356,099
5200	GA -- General and Administrative		1,250,348		1,287,859		1,326,494		1,366,289		1,407,278		1,449,496		1,492,981		1,537,771		1,583,904		1,631,421
5300	S -- Supplies		373,163		415,696		453,674		490,924		526,850		560,625		591,063		616,367		635,703		655,644
5400	M -- Maintenance		820,621		845,239		870,596		896,714		923,616		951,324		979,864		1,009,260		1,039,538		1,070,724
5500	OP -- Other Production		944,100		1,278,232		1,266,766		1,252,288		1,234,063		1,211,072		1,181,845		1,144,132		1,163,558		1,183,568
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
0	#N/A		-		-		-		-		-		-		-		-		-		-
	Total		5,960,403		6,476,361		6,646,346		6,816,896		6,986,807		7,154,368		7,317,060		7,470,975		7,681,051		7,897,455

Total Operating Expenses			5,960,403		6,476,361		6,646,346		6,816,896		6,986,807		7,154,368		7,317,060		7,470,975		7,681,051		7,897,455
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Net Revenues for Non-Operating, Capital Outlays and Debt Service			259,180		317,630		794,717		1,258,008		1,698,074		2,101,879		2,450,753		2,716,684		2,819,569		2,925,896
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**COMMONWEALTH UTILITIES CORPORATION
COMBINED UTILITIES COST OF SERVICE MODEL
WW SUMMARY**

2026 2027 2028 2029 2030 2031 2032 2033 2034 2035

Wastewater Summary**Scenario: 2025 05 09 Scenario II -- 1 Year Implement -- No WEC**

Capital Outlays	277,500	285,825	294,400	303,232	312,329	321,699	331,350	341,290	351,529	362,075
Debt Service										
Debt Service -- Current	-	-	-	-	-	-	-	-	-	-
Debt Service -- Future	-	-	-	-	-	-	-	-	-	-
Total Debt Service	-	-	-	-	-	-	-	-	-	-
Net Revenues for Non-Operating	(18,320)	31,805	500,317	954,776	1,385,746	1,780,181	2,119,404	2,375,394	2,468,041	2,563,822
Non-Operating	346,838	351,211	359,624	368,266	377,139	386,243	395,574	405,123	415,371	425,928
Total Cost of Service -- CASH Basis	6,584,741	7,113,397	7,300,369	7,488,393	7,676,275	7,862,310	8,043,984	8,217,388	8,447,951	8,685,458
Net Revenues	(764,441)	(755,565)	(337,006)	68,120	451,057	799,708	1,096,758	1,316,247	1,378,554	1,443,059
Percent of COS	-12.3%	-11.1%	-4.5%	0.8%	5.2%	8.6%	11.2%	12.9%	13.1%	13.3%
Debt Coverage										
Excludes Debt, Cap Outlays, Non-Operating	-	-	-	-	-	-	-	-	-	-
All Inclusive	-	-	-	-	-	-	-	-	-	-