

Village of Marathon
Expense and Revenue Summary

	<u>Four-Year Average</u>	<u>2011</u>	<u>Proposed¹</u>
Purchase Power Expense (NYPA hydro and incremental)	\$ 672,595	\$ 726,517	\$ 690,292
Distribution Expense (Village-owned facilities)	153,271	172,151	178,850
Depreciation Expense (On all capital facilities and equipment)	88,494	91,982	193,592
General and Administrative Expenses (Salaries, insurance, management services and Administrative expenses)	<u>207,533</u>	<u>222,948</u>	<u>252,000</u>
Total Operating Expenses	\$ 1,121,893	\$ 1,213,598	\$ 1,314,734
Net Rate of Return – (Four year average - 7.0%, 2011 – 8.0%, proposed - 7.3%) (includes debt service on current and planned debt, cash reserves and contingencies)	<u>98,761</u>	<u>148,613</u>	<u>145,293</u>
Miscellaneous Revenue Credit	0	0	(41,810)
Total Cost of Service	\$ 1,220,654	\$ 1,362,211	\$ 1,418,217
Revenue at Present Rates			<u>1,334,241</u>
Deficiency at Current Rates			83,976
Revenue at Proposed Rates			\$ 1,418,217
Increase % at Proposed Rates			6.3%

¹ Based on five years historical and projected data.

Village of Marathon
Comparison of Present and Proposed Annual Total Revenues

<u>Service Classification</u>	<u>Present Revenue</u>	<u>Proposed Revenue</u>	<u>% Increase</u>
Service Classification No. 1 Residential	\$ 758,214	\$ 805,935	6.3%
Service Classification No. 2 Small Commercial	87,749	93,272	6.3%
Service Classification No. 3 Large Commercial	470,542	500,158	6.3%
Service Classification No. 4 Security Lights	4,697	4,992	6.3%
Service Classification No. 5 Street Lights	13,039	13,859	6.3%
Total System Revenue	<u>\$ 1,334,240</u>	<u>\$ 1,418,217</u>	<u>6.3%</u>

Village of Marathon
Comparison of Former and Adopted Net Monthly rates

<u>Service Classification</u>	<u>Former¹ Rates</u>	<u>Adopted¹ Rates</u>	<u>Charge Type</u>
Service Classification No. 1			
Residential			
Customer Charge	\$5.00	\$6.00	(Monthly)
Energy Charge – Non-Winter (May-October)	\$0.05000	\$0.05896	(Per kWh)
Energy Charge – Winter (November-April) – First 1,000 kWh	\$0.05000	\$0.05896	(Per kWh)
Energy Charge – Winter (November-April) – Over 1,000 kWh	\$0.06910	\$0.07648	(Per kWh)
Service Classification No. 2			
Small Commercial			
Customer Charge	\$7.00	\$8.00	(Monthly)
Energy Charge – Non-Winter (May-October)	\$0.04940	\$0.05228	(Per kWh)
Energy Charge – Winter (November-April)	\$0.06660	\$0.07763	(Per kWh)
Service Classification No. 3			
Large Commercial			
Demand Charge	\$5.50	\$6.50	(Per KW)
Energy Charge – All Year	\$0.02760	\$0.03156	(Per kWh)
Service Classification No. 4			
Security Lights			
Facilities Charge	\$5.50	\$5.87	(Per Lamp)
Energy Charge – All Year	\$0.01190	\$0.01648	(Per kWh)
Service Classification No. 5			
Street Lights			
Facilities Charge	\$5.37	\$6.84	(Per Lamp)
Energy Charge – Non-Winter (May-October)	\$0.01190	\$0.00049	(Per kWh)

¹ Average annual purchased power adjustment (PPA) reflected in former and adopted rates.