

VIRGINIA-AMERICAN WATER COMPANY  
WORKSHEET FOR CALCULATING THE REQUESTED  
ACTIVATION FEE -- 2004 GENERAL RATE FILING

*Estimated Frequency Based on Data Shown  
on Exhibit RLF-1 from the System  
National Call Center (May 2003 through  
December 2003 -- 8 months--annualized)*

District	Service Code *	Count May-Dec 03	Annualized	Proposed Activation Fee	Estimated Annual Rev.
Alexandria	ON	3,062	4,593	\$30.00	\$139,185.00
	ONSET	31	47		
		<u>3,093</u>	<u>4,640</u>		
Hopewell	ON	1,336	2,004	\$30.00	61,830.00
	ONSET	38	57		
		<u>1,374</u>	<u>2,061</u>		
Prince William	ON	2,551	3,827	\$30.00	130,815.00
	ONSET	356	534		
		<u>2,907</u>	<u>4,361</u>		
Total Company			<u>11,062</u>		<u>\$331,830.00</u>

\* Description of Code:  
ON -- Turn on Water  
ONSET--Set Meter/Turn On

Calculation of Cost of Service for Activation:

NCC expenses to be recovered through the Customer Activation Charge:

	Actual 8-Month Total VAWC Service Order worked @ Call Center	Actual 8-Months ON/ONSET	Percent ON/ ONSET to Total
Alexandria	11,490	3,093	
Hopewell	5,253	1,374	
Prince William	10,285	2,907	
Total VAWC	<u>27,028</u>	<u>7,374</u>	27.28%
Rate Filing Cost for Alton			<u>\$485,520</u>
NCC Amount to be recovered from the Activation Fee			<u>\$132,450</u>

Company expenses to be recovered through the Customer Activation Charge:

<b>Outside Field Service Employees</b>				
One @ \$19.94/hour (eff. 2/1/04)	=	\$41,635	27.28%	\$11,358.03
Three @ \$19.77/hour (eff. 2/1/04)		\$123,839	27.28%	33,783.28
One @ \$19.30/hour	=	\$40,298	27.28%	10,993.29
<b>Four Inside Field Service Clerks</b>				
@ \$19.29/hour	•	\$161,110	27.28%	<u>43,950.81</u>
Total Labor				<u>\$100,085.41</u>
Overhead				140%
				<u>\$140,119.57</u>
Transportation	(Shown Below)			<u>56,250 *</u>
Total Cost of Service to be Recovered				<u>\$328,820</u>
ROUNDED				<u>11,062</u>
				<u>\$29.73</u>
				<u>\$30.00</u>

\* Estimate driven 30,000 per year x 5 vehicles = 150,000 x \$0.375 per mile allowed by IRS (2004) = \$56,250