

Attachment: Pro Forma Adjustments
 Utility: Muhlenberg County Water District #3

(A) Normalized Revenues - Water Sales: This adjustment reflects the results of Commission Staff's billing analysis and the current tariffed rate.

	Customers	Gallons	Revenue
Normalized Revenue Water Sales	2,148	215,935,200	910,826
Annual Report Totals	2,151	213,605,000	865,141
Difference	(3)	2,330,200	45,685

(B) Salaries & Wages: This adjustment reflects the increase in Salaries & Wages using the 2011 wages to the hours worked during the 2010 test period.

Employee	Payment Method	Wage Rates		2010	Pro Forma
		Regular	Overtime	Overtime	Salaries
Thurmond	Anderson	Salary	\$ -	0.00	\$ 6,000
Donald	Garrett	Salary	\$ -	0.00	6,000
Robert	Woodburn	Salary	\$ -	0.00	6,000
Chester	Lear	Hourly	\$ 21.20	56.00	44,690
Sandra	Gary	Hourly	\$ 16.01	21.65	33,876
Carlos	Hudson	Hourly	\$ 15.12	224.33	36,679
Frank	Green	Hourly	\$ 15.12	36.67	13,271
Ben	Tooley	Hourly	\$ 15.12	139.84	34,718
Cindy	Garr	Hourly	\$ 15.12	0.00	31,450
Mary	Stogner	Hourly	\$ 7.75	0.00	16,120
				478.49	\$ 228,803

Pro Forma Salaries & Wages - Employees	\$ 228,803
Reported Salaries & Wages - Employees	196,825
	\$ 31,978

(C) Purchased Water: This adjustment reflects the reduction in water expense due to exceeding 15% line loss.

<u>Unaccounted for Water Loss Percentage</u>	
Water Produced/Purchased	268,346,000
Water Sales - Staff's Billing Analysis	215,935,200
Water Treatment Plant	0
System Flushing	760,000
Fire Department	60,000
Other	0
Total Water Sold and Used	216,755,200
Unaccounted for Water Loss - Gallons	51,590,800
Percentage of Unaccounted for Water Loss	19.225%
Percentage Water Loss in Excess of 15 Percent	4.225%

<u>Determination of Pro Forma Purchased Water</u>	
Pro Forma Water Sales	215,935,200
Add: System Flushing, Fire Department, and Other	820,000
Subtotal	216,755,200