

Undine Newco
Projected Cost Allocation

	Total YR 1 FORECAST	Port Lavaca YR 1 FORECAST
GPD Committed	6,000,000	4,000,000
% of Total		66.67%
Projected Expenses		
Purchased Power	\$ 112,080	\$ 74,724
Chemicals	241,800	161,208
Contract Management Fees	910,965	607,340
Repairs & Maintenance	180,240	120,166
Testing	32,340	21,561
Insurance	92,073	61,385
Permitting and Other Regulatory	360	240
Telephone/Mission Units Monitoring	1,550	1,033
Property & Franchise Taxes	60,828	40,554
Other Operating Expenses	9,550	6,367
Administrative and General	363,608	242,417
Depreciation and amortization	92,073	61,385
Interest Expense - Debt	360	240
Income Taxes	99,815	50,050
Total Utility Operating Expenses	<u>\$ 2,197,641</u>	<u>\$ 1,448,671</u>
Margin		11.5%
Revenue Requirement		\$ 1,636,916
Net Income		<u>\$ 188,245</u>
Margin		11.5%