

COMPARISON OF DEPRECIATION AND AFUDC
USING THE MARDEN TREATMENT PLANT EXAMPLE

	Column 1 Treatment w/Dep. Recovery	Column 2 Treatment w/o Dep. Recovery	Column 3 Treatment w/AFUDC	Column 4 Without Oversizing
Original Cost of Oversizing	\$530,000	\$530,000	\$530,000	
Cost if Oversizing Had Not Been Done				\$1,500,000
Depreciation Recorded	\$87,500			
AFUDC FROM 11/96 - 4/2000			\$199,173	
Rate Base Requested	\$442,500	\$530,000	\$729,173	\$1,500,000
Return Requested 9.15%	\$40,489	\$48,495	\$66,719	\$137,250
Depreciation Requested	\$25,000	\$25,000	\$34,395	\$70,755
Income Taxes	\$7,909	\$9,472	\$13,032	\$26,809
Property Taxes	\$0	\$0	\$0	\$0
Total Revenue Requirement	\$73,397	\$82,967	\$114,146	\$234,814
Cost of Money Forgone	\$183,603	\$199,173	\$0	\$0

Exhibit 8
W. Linam, Company