

READING MUNICIPAL LIGHT DEPARTMENT

To: RMLD Board, Citizens' Advisory Board

Date: June 29, 2010

From: Vinnie Cameron

Subject: FY 2011 Cost of Service Study

Attached is the FY 2011 Cost of Service Study (FY11 COSS) performed by the Reading Municipal Light Department (RMLD). The RMLD performed this study internally using the FY11 Operating and Capital Budget approved by the RMLD Board of Commissioners and the Citizens' Advisory Board (CAB).

During the FY11 budget discussion, the RMLD believed that a 5.2% increase in Base Rates was necessary for the RMLD to meet its revenue requirements during FY11. Adjustments to the revenue requirements and an increase in kWh sales during the last of quarter of FY10 resulted in a Base Rate increase of 2.78%

The results of the FY11 COSS show that only the Residential A-Rate, Residential Hot Water Rate, and the Commercial C-Rate require Base Rate increases. As in the 2008 COSS, the RMLD recommends increasing the Base Rates of the above mentioned rate classes and keep the remainder of the rate classes at their present levels. The Base Rate increases are recommended for the Residential A-Rate (3.65%), Residential Hot Water Rate (3.96%), and the Commercial C-Rate (4.27%).

In addition, the RMLD recommends the FY10 average Purchased Power Adjustment (PPA) of \$.0072/kWh be rolled into the Base Rate energy charges. The RMLD also recommends the FY11 PPA be re-adjusted to average \$.00073/kWh, which will recover additional power supply costs above the FY10 level. In doing so, all rate classes will see a Base Rate increase whether it is from the FY11 COSS, or the PPA being rolled into the Base Energy Rates, or both.

The FY11 COSS was based on a revenue requirement of \$45,892,928, which is derived from the FY11 Operating Budget with adjustments for one time expenditures and known and measureable differences in the budget since its approval.

The FY11 COSS also include a Rate of Return of \$2.5 million, which represents approximately 3.79% of the Net Plant. (The RMLD is allowed to earn up to 8% of its Net Plant.)

Table 4 and Exhibit 1 in the attached report shows the rate increases for each rate class by either Base Rate Increase or the PPA being rolled into the Base Energy Rates.

# READING MUNICIPAL LIGHT DEPARTMENT

## 2011 COST OF SERVICE STUDY

June 29, 2010

### 1.0 EXECUTIVE SUMMARY

The Reading Municipal Light Department (RMLD) has performed the Fiscal Year 2011 Cost of Service Study (FY11 COSS) to address increases in the RMLD's Operation and Maintenance Expenses and decreasing sales over the last two years. The combination of these two impacts to the RMLD's financial operation has created the need for a Base Rate increase.

The RMLD's FY11 Operations and Maintenance Expense minus the Fuel Expense, and Miscellaneous Revenues and Expenses are projected to be \$45,250,297, which is an increase of 3.1% as compared to the FY10 expenses of \$43,882,744, as shown in Table 1.

Table 1

#### Operations, Maintenance (minus Fuel Expense)

	<u>FY10</u>	<u>FY11</u>
Power Supply	\$19,687,248	\$19,032,105
Transmission	\$7,524,890	\$8,679,469
Oper. & Maint.	\$10,811,091	\$11,751,723
Depreciation	\$3,366,058	\$3,500,000
Town Payments	\$1,253,746	\$1,320,000
Misc. Ded.	<u>\$1,239,711</u>	<u>\$967,000</u>
Total	\$43,882,744	\$45,250,297

The increase in the FY11 expenses is \$1,367,553 over the FY10 projected (ten months actual and two months projected) expenses. The FY11 Power Supply and Transmission expenses increase \$499,436, which are recovered through the PPA. The remaining cost increases in FY11 of \$868,117 need to be recovered through increases in the Base Rates.

The reason for the increase in transmission expense is due to transmission construction activity throughout New England. The transmission construction costs are passed onto all load serving entities in the New England Power Pool. The transmission construction activity is expected to go on for a few more years; therefore the PPA is expected to increase.

The FY11 COSS was developed based on the RMLD's fully allocated FY11 Operating Budget and \$2 million of Return on Net Plant. The COSS methodology uses the Twelve Coincident Peak Demand (12CP) method. A 12CP methodology uses the average of the monthly coincident peak demand in each customer class to allocate demand related costs. This is done to equitably allocate costs to customers so that seasonal usage patterns are taken into consideration in the cost allocation process. The 12CP COSS methodology was used in the last COSS performed by Virchow & Krause in 2008. In addition to the 12CP allocator, there are several other allocators used to assign costs to their correct functions and rate classes. Fuel cost is not included in this study since it is passed through to the customer.

Table 2 shows the FY11 Operating Budget and the items that were approved by the RMLD Board of Commissioners. The FY11 Revenue Requirement approved by the RMLD Board is \$84,522,091 (\$83,555,091-\$1,270,000+\$2,237,000). After taking out the Purchased Power - Fuel Expense (\$39,271,794) the Total Base Expense is \$45,250,297.

For the purposes of the COSS the Base Expenses are adjusted for the following items.

- Hazardous Materials Expense is non-recurring and will be recovered through a Hazardous Waste Charge.
- Energy Efficiency Expenses are recovered through the Energy Conservation Charge.
- Return on Net Plant is not included in the Operating Budget.
- Depreciation expense decreased based on revised gross plant in FY11.

TABLE 2

## FISCAL YEAR 2011 OPERATING BUDGET

	Draft 1 Operating Budget		Budget Comm. Approved Operating Budget	
<b><u>OPERATING REVENUE</u></b>				
SALES OF ELEC. - BASE	45,890,283	(341,000)	45,549,283	
SALES OF ELEC. - FUEL	39,271,794		39,271,794	
FORFEITED DISCOUNTS	876,838	(6,479)	870,359	
ENERGY CONSERVATION	533,228		533,228	
PURCHASED POWER ADJSUTMENT	259,071		259,071	
HAZ AMT CHARGE		300,000	300,000	
	<u>86,831,214</u>	(47,479)	<u>86,783,735</u>	
<b><u>OPERATING EXPENSES</u></b>				
PURCHASED POWER - BASE	27,711,574		27,711,574	
PURCHASED POWER - FUEL	39,271,794		39,271,794	
OPERATION EXPENSE	8,720,671	(135,545)	8,585,126	
MAINTENANCE EXPENSE	2,541,597	625,000	3,166,597	
DEPRECIATION EXPENSE	3,500,000		3,500,000	
TOWN PAYMENTS	1,320,000		1,320,000	
TOTAL OPERATING EXPENSES	<u>83,065,636</u>	489,455	<u>83,555,091</u>	Approved
TOTAL OPERATING INCOME	3,765,578	(536,934)	3,228,644	
<b><u>NON-OPERATING REVENUES</u></b>				
MDSE AND JOBBING	120,000		120,000	
INTEREST INCOME	450,000		450,000	
MMWEC REFUND AND ADV. IN AID	700,000		700,000	
TOTAL NON-OPERATING REVENUES	<u>1,270,000</u>	-	<u>1,270,000</u>	Approved
<b><u>NON-OPERATING EXPENSES</u></b>				
CUSTOMER DEPOSIT INTEREST EXP	12,000		12,000	
BOND INTEREST EXP				
AMORTIZATION OF DEBT EXP				
PORJECTED RATE REFUND	2,225,000		2,225,000	
TOTAL NON-OPERATING EXPENSES	<u>2,237,000</u>	-	<u>2,237,000</u>	Approved
NET INCOME	2,798,578	(536,934)	2,261,644	

- Forfeited discounts are a credit to expenses.
- MMWEC Flush of Funds was estimated at \$700,000, however the actual came in at \$384,497, with the result being a \$315,503 adjustment.

The adjustments to the FY11 Operating Budget are shown below.

Approved O&M Budget	\$45,250,297
Hazardous Material Expense	(\$600,000)
Energy Efficiency Expense	(\$643,730)
Demolition of Station	(\$25,000)
Return on Net Plant	\$2,500,000
Depreciation	(\$33,783)
Forfeited Discounts	(\$870,359)
MMWEC Flush of Funds	\$315,503
	<hr/> <hr/>
Revenue Requirement	\$45,892,928

The result of the adjustments shows that the Revenue Requirement for FY11 COSS is \$45,892,928.

Table 3 shows the proposed Cost of Service for FY11 for each customer class, which totals \$45,892,928. The Forecast Revenues at Current Rates for FY11 is \$44,618,035 and is discussed later in the report. The expected shortfall is \$1,274,893 or 2.86%. The Effective Rate Changes are either positive or negative depending on rate class. The RMLD recommends increasing the Residential A-Rate, Residential A-Rate Water Heater, and the Commercial C Rate, since the FY11 COSS indicates that these customer classes should have their rates increased. The RMLD also recommends keeping the remainder of the customer classes at their present rate levels. In doing so, the over-recovery in the remaining rate

**Reading Municipal Light Department**  
*Electric Cost of Service/Unbundling Study*  
 Forecasted Test Year Ending June 30th, 2011  
 Comparison of Current Revenue to Cost of Service

**TABLE 3**

Return on Ratebase 3.79%

Customer Class	Cost of Service FY2011	Forecasted Revenues at Current Rates - FY2011	% Over/(Under) Cost of Service	\$ Difference to Cost of Service	Effective Rate Change	Rate Change?	Reallocated			
							Reallocate \$ Based on KWh	Revenue Requirement	Reallocated Effective Rate Change	
RESIDENTIAL A-RATE	\$ 19,245,231	\$ 18,094,669	-6.4%	\$ (1,150,562)	6.4% yes		237,638,230	\$ 16,779,544	3.65%	
RESIDENTIAL A-RATE WATER HEATER	470,563	438,000	-7.4%	(32,563)	7.4% yes		7,407,034	456,048	3.96%	
RESIDENTIAL TOU	113,918	116,382	2.1%	2,464	-1.0% no		1,808,521	116,382	0.00%	
COMMERCIAL	13,755,540	12,812,841	-7.4%	(942,699)	8.6% yes		189,161,753	13,384,811	4.27%	
INDUSTRIAL TOU	10,939,672	11,412,028	4.1%	472,357	-4.1% no		224,822,454	11,412,028	0.00%	
STREETLIGHTS	246,083	557,890	55.9%	311,807	-55.9% no		3,747,728	557,890	0.00%	
COOP-RESALE	235,428	268,089	12.2%	32,661	-11.2% no		3,798,265	268,089	0.00%	
SCHOOL	886,493	918,136	3.4%	31,643	-3.2% no		14,652,336	918,136	0.00%	
<b>Total</b>	<b>\$ 45,892,928</b>	<b>\$ 44,618,035</b>	<b>-2.86%</b>	<b>\$ (1,274,893)</b>			<b>663,056,320</b>	<b>\$ 850,931</b>	<b>\$ 45,892,928</b>	<b>2.78%</b>

classes, \$850,931, would be used to lower the amount of the rate increase to 2.78%, as shown in the last column of Table 3. The RMLD recommends increasing the Residential A - Rate 3.65%, the Residential A - Rate Water Heating Rate 3.96%, and the Commercial C - Rate 4.27%.

In addition to the proposed rate increase, the Purchased Power Adjustment (PPA) is being readjusted to \$.00073/kWh and the FY10 PPA of \$.0072/kWh be rolled into the Base Rates in all the rate classes. The readjusted PPA is expected to recover the additional power supply expenses in FY11 of \$499,436.

Table 4 shows the average monthly bills for each customer class for both the Existing Rate and the Proposed Rate. The Overall Increase shows the total increase between the Existing Rate and the Proposed Rate. The Overall Increase also includes a rate increase, a PPA increase, or both. In the case of the Residential A-Rate the Overall Increase was 2.601%, and is comprised of the Rate Increase of 2.105% and the PPA Increase of .496%. Since the Base Rates make up approximately 50% to 60% of the total electric bill the overall rate increases are less than what is shown on Table 3. The Residential Time of Use Rate is expected to have an Overall Increase of .608%, which is solely attributable to the PPA increase. The rates that remain at their former levels only experience a PPA increase.

Exhibits 1A through 1G show the detail of the figures on Table 4 for each rate class.

## 2.0 DATA COLLECTION

The revenue requirement of \$45,892,928 for FY11 is based on the FY11 Capital and Operating budget and includes Base Power Supply Expense, Operating and Maintenance Expense, Depreciation Expense, and the Town Payments, Non-operating Expense, Non-operating Revenues, and Return on Net Plant.

Table 5 shows the Bill Frequency used in the FY11 COSS and includes the amount of customers and energy and demand projected to be billed in FY11. The total kWh for FY11 is

TABLE 4

Rate Class	Existing Rate	Proposed Rate	Overall Increase	Rate Increase	PPA Increase
Residential A-Rate	\$99.49	\$102.08	2.601%	2.105%	0.496%
Residential A-Rate Water Heating	\$116.59	\$119.63	2.607%	1.942%	0.665%
Residential Time of Use Rate	\$108.21	\$108.86	0.608%	0.000%	0.608%
Commercial C-Rate	\$905.12	\$929.88	2.736%	2.205%	0.531%
Industrial Time of Use Rate	\$51,567.86	\$51,876.01	0.598%	0.000%	0.598%
School Rate	\$3,724.24	\$3,744.32	0.539%	0.000%	0.539%
Coop Resale Rate	\$252.76	\$254.08	0.521%	0.000%	0.521%





forecast to be 683,056,320 and is approximately the same as the expected total sales for FY10 684 million kWh. It should be noted that the kWh sales in FY09 were 696 million kWh, which shows a decreasing trend in sales over the last two fiscal years due to the economy and energy conservation. The RMLD believes the economic impact on the RMLD's sales has leveled off; however, the RMLD will continue its efforts in the energy conservation area.

The demand for the Commercial and Industrial classes is expected to be 1,210,558 kW for FY11, which is also very similar to the expected billed demand for FY10.

### **2.1 Residential Customer Class**

Residential electric sales are from Table 5 of the Bill Frequency report. The coincident and non-coincident peak demand was calculated using demand and customer data on feeders 3W7 (North Street, Haverhill, and Marblehead Streets, and lateral streets in North Reading) and 3W14 (Park and Elm Streets and lateral streets in North Reading). These two feeders are largely residential load with the commercial load removed from the total load in order to reflect residential demand. The monthly coincident and non-coincident peak demands were determined using the monthly peak demand days on each feeder and the number of customers on the feeders. This data was used to develop the coincident and non-coincident demand allocators.

The coincident and non-coincident peak demand for the Residential Time of Use class and the Water Heating class were based on the data collected from the feeders mentioned above with adjustments to the load factors to account for more efficient peak demand usage.

### **2.2 Commercial C-Rate**

The energy and demand for the Commercial C-Rate was taken from the Bill Frequency for FY11. The coincident and non-coincident load factors for this customer class were based on the load factors similar to that which were used in the 2008 Cost of Service Study.

### **2.3 Industrial Time of Use Rate**

The energy and demand for the Industrial Time of Use Rate was taken from the Bill Frequency for FY11. The coincident and non-coincident peak demands for these customers were calculated using hourly load data for twenty-six of the forty customers in this rate class. These twenty-six customers have TOU metering that also stores hourly load data.

### **2.4 School Rate**

The energy and demand data for this rate class is taken from the FY11 Bill Frequency. The coincident and non-coincident peak demands for the schools were calculated using hourly load data to formulate the monthly load factors for this rate class.

### **2.5 Coop/Resale Rate**

Commercial monthly demand was developed using load factors based on monthly energy and demand billing.

## **3.0 METHODOLOGY**

Initially, costs in the FY11 COSS were functionalized in order to properly assign the allocators used to define the cost responsibility in each rate class. In doing so, each expense item included in the total revenue requirement is assigned an allocator. The allocators used in the FY11 COSS are based on energy sales, monthly peak demand, number of customers, street lights, meters, forfeited discounts, net plant, and rate of return.

Exhibit 2 shows the number of customers, annual energy, revenue, load factors, and non-coincident and coincident peak demands, calculated for each customer class based on the data collection discussed above. The information in Exhibit 2 was used to develop many of the allocators used in the FY11 COSS.

Table 6 is a list and description of the allocators used in the FY11 COSS. Table 7 shows the allocators used in the COSS along with the information used to develop many of the

Table 6

Description of Allocators

A&G Expense - Blended allocator based on CP-12 (60%), Energy (25%), Cust-Sec (15%).

Billing.wgt - Number of customers adjusted by the time it takes to bill each customer in the class (weightings used in study: Residential: 1, Commercial/Schools: 3, Industrial: 10).

CP-12 - Average of customer peaks with system peaks during each month of the year. (Used to allocate demand related purchase power expenses).

Customer - Total number of customers in each class.

Cust.Sec - Weighted average number of customers served at the secondary voltage level.

Cust.Wgt - Number of customers in each class adjusted by a weighting factor to compensate for the additional time and expense to serve each customer class.

Direct.SL - Costs allocated directly to street light class.

Forfeited.Disc - 3 year average of forfeited discounts taken by customer class.

Meter.rd.wgt - Number of customers adjusted for the time it takes to read each type of meter (weightings used in study: Residential:1, Commercial/Schools: 3, Industrial: 10).

Meter.rd - Number of customers adjusted for the time it takes to read each type of meter.

Meters.wgt - Number of customers adjusted for the cost to purchase meters and associated equipment.

NBV - Net Book Value blended allocator based on net plant values.

NCP-Input - Peak of each customer class, adjusted for system losses.

NCP-Sec - Peak of each customer class, adjusted for losses occurring in the secondary distribution system.

ROR - Rate of Return blended allocator based on class associated assets and allowable rate of return on investment.

TABLE 7

Reading Municipal Light Department  
 Electric Cost of Service/Unbundling Study  
 Forecasted Test Year Ending June 30th, 2011  
 Allocators

	1	2	3	4	5	6	7	8	Total
	RESIDENTIAL A-RATE	RESIDENTIAL A-HEATER	RESIDENTIAL A-TOU	Commercial	INDUSTRIAL TOU	Streetslights	COOP-RESALE	SCHOOL	Total
Number of Customers	291,492	8,064	1,572	36,000	480	3,747,728	240	480	338,328
Energy at Meter	237,638,230	7,407,034	1,809,521	189,181,753	224,822,454	609,041	3,798,265	14,652,336	683,056,320
Revenue	\$ 16,891,598	\$ 477,057	\$ 107,953	\$ 11,156,462	\$ 10,124,618	\$ 93,499	\$ 244,899	\$ 851,922	\$ 40,463,551
Load Factor	35.02%	41.94%	36.67%	35.64%	65.55%	93.49%	38.52%	36.15%	36.15%
Demand kW				632,429	400,877			51,976	1,085,281
Group Coincidence Factor	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
System Coincidence Factor	83.33%	60.90%	62.50%	83.33%	94.31%	0.00%	83.33%	72.92%	83.33%
Individual NCP	77,471	2,016	563	60,595	39,150	458	1,126	4,627	186,006
NCP at Meter for Group	79,020	2,056	574	61,907	39,933	467	1,148	4,220	189,726
NCP at Primary for Group	80,699	2,100	586	63,120	40,781	477	1,173	4,820	193,758
NCP at Input for Group	64,559	1,228	352	50,496	36,922		938	3,374	157,869
Coincidence Peak at Input Voltage	247,559,823	7,715,660	1,883,876	197,064,326	234,190,056	3,903,883	3,966,526	15,262,850	711,517,000
kWh at Input Voltage	36.48%	41.94%	37.12%	37.12%	68.29%	93.49%	38.52%	36.15%	36.15%
LF at Peak Input	43.77%	71.74%	61.11%	44.55%	72.41%	0.00%	48.15%	51.64%	43.77%
Customer Weighting Factor	1	1	1	3	10	1	1	3	1
Weighted # of Customers	291,492	8,064	1,572	108,000	4,800	-	240	1,440	415,608
Cost to Install Meter	100	100	100	300	1,000	0	1	300	1,901
Total Meter Installation Cost	\$ 2,429,100	\$ 67,200	\$ 13,100	\$ 900,000	\$ 40,000	\$ -	\$ 20	\$ 12,000	\$ 3,461,420
CP-12	36.18%	0.82%	0.21%	31.85%	28.22%	0.16%	0.59%	2.16%	100.00%
Energy Res	95%	3%	1%	0%	0%	0%	2%	0%	0%
NCP-Input	80,699	2,100	586	63,120	40,781	477	1,173	4,820	193,756
	41.65%	1.08%	0.30%	32.56%	21.05%	0.25%	0.61%	2.49%	100.00%
Cust-Wgt	291,492	8,064	1,572	108,000	4,800	0.00%	0.06%	1,440	415,608
	70.14%	1.94%	0.38%	25.99%	1.15%	0.00%	0.06%	0.35%	100.00%
ROR	\$ 784,984	\$ 21,339	\$ 4,591	\$ 374,866	\$ 114,951	\$ 19,197	\$ 3,390	\$ 14,891	\$ 1,338,210
	58.66%	1.59%	0.34%	28.01%	8.59%	1.43%	0.25%	1.11%	100.00%
Meters-Wgt	291,492	8,064	1,572	108,000	4,800	0.00%	0.00%	1,440	415,608
	70.18%	1.94%	0.38%	26.00%	1.16%	0.00%	0.00%	0.35%	100.00%
Direct.SL	0%	0%	0%	0%	0%	100%	0%	0%	100.00%
NBV	\$ 35,512,354	\$ 965,367	\$ 207,703	\$ 16,958,757	\$ 5,200,332	\$ 868,464	\$ 153,374	\$ 673,671	\$ 60,540,023
	58.66%	1.59%	0.34%	28.01%	8.59%	1.43%	0.25%	1.11%	100.00%
Forfeited.Disc	\$ 1,287,652	\$ 36,366	\$ 8,229	\$ 918,744	\$ 216,206	\$ 2,319	\$ 6,886	\$ 363	\$ 415,608
	51.99%	1.47%	0.33%	37.09%	8.73%	0.09%	0.28%	0.01%	100.00%
Meter.rd.wgt	291,492	8,064	1,572	108,000	4,800	0.00%	0.06%	1,440	415,608
	70.14%	1.94%	0.38%	25.99%	1.15%	0.00%	0.06%	0.35%	100.00%
Billing.wgt	291,492	8,064	1,572	108,000	4,800	0.00%	0.06%	1,440	415,608
	70.14%	1.94%	0.38%	25.99%	1.15%	0.00%	0.06%	0.35%	100.00%
A&G Expense	\$ 3,501,300.84	\$ 89,936.08	\$ 21,408.43	\$ 2,550,364.97	\$ 2,167,213.99	\$ 20,162.49	\$ 43,110.36	\$ 161,080.64	\$ 11,583,857.37
	40.93%	1.05%	0.25%	29.81%	25.33%	0.24%	0.50%	1.88%	100.00%

allocators. As stated earlier the allocators were developed using the information from Exhibit 2.

#### **4.0 PLANT IN SERVICE**

Exhibit 3 shows the Forecasted Ratebase, which includes Gross and Net Plant and Depreciation Expenses for FY10 through FY11. The Capital Additions for FY10 are based on ten months of actual data and two months forecast data. The retirements are estimated to be approximately \$1 million, which is based on recent historical trends. The Net and Gross Plant is also sub-allocated to demand and energy related functions. These sub-allocations result in splitting the depreciation expenses into either demand or energy costs.

The Gross Plant in Service for FY11 is projected to be \$121,268,618, which is shown on Page 2 of Exhibit 3. The FY11 Net Plant is expected to be \$66,910,490 and the Depreciation Expenses of \$3,466,217, which are shown on Page 4 of Exhibit 3. These balances are based on present Gross and Net Plant for FY10 and increases in plant according to the FY11 Capital Budget. The projection of Net Plant and Depreciation Expense include 2% depreciation in FY10 and 3% depreciation in FY11.

#### **5.0 OPERATION AND MAINTENANCE EXPENSES**

Exhibit 4 shows the Operation and Maintenance Expenses for FY11, which includes the Power Production Expense, Transmission Expense, Distribution Operation Expense, Customer Account Expense, Administrative and General Expense, Depreciation Expense, and Other Expenses and Revenues. There are sub-allocations for the Distribution Operation and Maintenance Expense and the Depreciation Expense. The Forecast FY11 Total Revenue Requirement is \$43,392,928 as shown on page 4 of Exhibit 4 and does not include the Rate of Return (ROR) of \$2,500,000.

#### **6.0 REVENUE REQUIREMENT ALLOCATION**

Exhibit 5 shows the FY11 Allocated Total Revenue Requirement, which includes the allocated costs of Operation and Maintenance Expense for FY11. The Total Revenue

Requirement for FY11 is forecast to be \$45,892,928 and includes the \$2,500,000 Rate of Return, which is 3.79% of Net Plant. The RMLD is allowed to earn 8% of its Net Plant. The allocators used to determine the Cost of Service for each line item are shown in Column 4. The Total Revenue Requirement for each rate class is shown at the bottom of Exhibit 5, page 6 and is also on Table 3.

## **7.0 REVENUE PROOF**

Exhibit 6 shows the Revenue Proof for FY11 at the current rates and at the Potential New Rate. The Current Rates calculation includes the RMLD's electric rates presently in effect, the PPA of \$.0072/kWh, and the energy and demand usage in Table 5 – Bill Frequency. Each customer class has a Forecast Class Total, which is the calculated revenue for FY11 without the base rate increase. The Forecast Class Total at Current Rates is \$44,618,035 and is shown at the bottom of Page 4 of Exhibit 6.

The Potential New Rate for each customer class represents the rates from the Current Rates plus the Reallocated Effective Rate Change suggested in Table 3 for the Residential A-Rate (3.65%), Residential A-Rate Water Heating (3.96%), and the Commercial C-Rate (4.27%). Also included in the energy rates for all classes is the average FY10 PPA of \$.0072 being rolled into the Energy Charge. At the bottom of Exhibit 6 the Forecast Class Total is \$45,741,164 with the Reallocated Revenue Req. Class Total being \$45,892,928, which is a minimal difference of \$124,863 or .33% due to rounding.

## **8.0 RECOMMENDED NEW RATES**

The changes in the electric rates recommended by the RMLD are shown below. In addition to these rates there will also be a Fuel Charge, an Energy Conservation Charge, a Hazardous Materials charge, Purchased Power Adjustment (PPA), and a 10% Prompt Payment Discount.

The Fuel Charge is charged to each rate class and represents the average monthly cost of fuel from the RMLD's power suppliers. The cost of fuel was not included in the FY11 COSS and the fuel expenses are directly passed through to each customer.

The Energy Conservation Charge is the same as was introduced in the last rate increase in 2008 and recovers the Energy Conservation Expense. The Energy Conservation Expense was not included in the COSS. The Energy Conservation Charge in FY10 was \$.0005/kWh for the residential customers and \$.001/kWh for the commercial customers.

The Hazardous Materials (HAZMAT) Charge is intended to recover the cost of the soil remediation at the Gaw Sub Station due to the Poly Chlorinated Biphenyls (PCB) contamination and will be charged to each customer on a kWh basis and which will fluctuate from time to time. The RMLD estimates that it may recover \$300,000 of HAZMAT cost during FY11. The RMLD believes that the remediation costs may reach \$2,000,000. The HAZMAT Charge will only be used to recover hazardous material charges and will be adjusted to \$.00/kWh when there are no outstanding Hazardous Material costs.

As stated earlier the PPA is a component of the bill that is adjusted monthly to recover fluctuations in power supply costs during the year.

The Prompt Payment Discount is 10% and is applied to the non-fuel expenses on a customer's electric bill. The customer will receive the Prompt Payment Discount if the bill is paid within the seventeen day discount period.

The recommended rates discussed below are taken from Exhibit 6.

### **8.1 Residential A Rate**

The typical residential customer in the RMLD service territory uses approximately 9,200 kWh annually.



### Residential - A Rate

Customer Charge	\$3.47/Month
Energy Charge	\$.0836/kWh

Under the recommended rates a typical residential customer, using an average of 750 kWh per month, would pay \$102.08 under the new rates as compared to \$99.49 under the existing rates, as shown on Table 4 and Exhibit 1A. The overall increase is 2.601% of which 2.105% is due to the rate increase and .496% due to the readjusted PPA.

### 8.2 Residential Hot Water Rate

Under this rate the residential water heaters are automatically shut-off peak 2 PM to 4 PM each day through the use of special meters and time clocks. This is not a mandatory rate.

### Residential Water Heating

(100 kW through 433 kWh)

Customer Charge	\$3.48
<100 kWh	\$.0807
100 - 433 kWh	\$.0366
>433 kWh	\$.0807

It is estimated that water heating usage averages 333 kWh per month. According to Table 4 and Exhibit 1B the Water Heating Rate will cost the average customer \$119.63, which is an overall increase of 2.607% as compared to the existing rate of \$116.59. The increase in this rate is due to the rate increase of 1.942% and .665% from the readjusted PPA.

### 8.3 Residential Time of Use Rate

The Residential Time of Use (RTOU) Rate gives the customer the choice of moving a portion of their energy usage from the On-Peak to the Off-Peak period and take advantage of an overall lower kWh rate.

### Residential Time of Use Rate

Customer Charge	\$5.51/month
On-Peak Energy Charge	\$.0826/kWh
Off-Peak Energy Charge	\$.0614/kWh
TOU Water Heater Rate	\$.0350/kWh

The On-Peak period is defined as the hours between 10 AM and 8 PM Monday through Friday except for major holidays. The Off-Peak period is defined as the hours between 8 PM and 10 AM Monday through Friday and all hours Saturday, Sunday and holidays.

The average customer on this rate uses approximately 1,000 kWh a month based on usage patterns. The average monthly bill under the recommended rate is projected to be \$108.86, which is an increase of .608% over the existing rate of \$108.21, which is due to the readjusted PPA.

#### 8.4 Commercial C-Rate

The Commercial Rate C-Rate was developed based on the cost of service for all the existing commercial customers except for the Industrial Time of Use Customers and the Schools in Reading, Wilmington, North Reading, and Lynnfield.

### Commercial C -Rate

Customer Charge	\$5.97/Month
Demand Charge	\$6.25/kW-Month
Energy Charge	\$.0519/kWh

Based on an average monthly usage of 25 kW and 7,300 kWh (40% load factor) the monthly energy cost is estimated to be \$905.12 under the existing rate and \$929.88 under the recommended rate, which is approximately 2.736% higher than the existing rate with the rate increase being 2.205% and the PPA increase being .531%.

### 8.5 Industrial Time of Use Rate

The Industrial Time of Use (ITOU) Rate is presently being billed to twenty-six of the RMLD's larger customers. Due to the structure of this rate and the metering used to bill it, a customer must remain on this rate for a minimum of one year. It is not economically beneficial for a customer to be on this rate unless it has an annual load factor of at least 55% and uses 60% or more of its electricity usage Off-Peak.

The On-Peak period is defined as 10 AM to 8 PM during week days excluding holidays with the Off-Peak period being the remaining hours.

#### Industrial Time of Use Rate

Customer Charge	\$27.54/Month
Demand Charge	\$7.90/kW-Month
On-Peak Energy Charge	\$.0484/kWh
Off-Peak Energy Charge	\$.0362/kWh

Based on an average monthly usage of 914 kW and 462,864 kWh (68% load factor) an average electric bill will be \$51,567.86 under the existing rates and \$51,876.01 under the recommended rate or an increase of .598% due to the readjusted PPA.

Customers electing to be billed under this rate will be required to have electronic metering installed at their facility with the capability to record fifteen minute demand data that can be retrieved in order to determine the amount of load that was used at any given time.

### 8.6 Schools

The School Rate was developed in 2008 and reflects usage in the school in the RMLD's service territory. The usage patterns for the schools are very similar because they all exhibit winter peaks and reduced summer usage due to school vacation.

### School Rate

Customer Charge	\$5.51/Month
Demand Charge	\$5.76/kW-Month
Energy Charge	\$.0483/kWh

The School Rate is lower than the Commercial C-Rate and the Industrial Time of Use Rate because the school usage, both demand and energy, is lower during the summer months, when the RMLD experiences its peak demand usage.

An average school uses 108 kW and 30,406 kWh on an average monthly basis. The average monthly bill under the recommended rate is projected to be \$3,744.32 or an increase of .539% over the existing rate of \$3,724.24, due to the readjusted PPA.

### 8.7 Coop/Resale

The Coop/Resale Rate is charged to neighboring utilities for power resale at the franchise boundary. There are customers adjacent to the RMLD's service territory, which are served by the Department because of the system configuration. These sales are classified under the Coop/Resale category.

### Coop/Resale Rate

Customer Charge	\$3.20/Month
Energy Charge	\$.0766/kWh

The average monthly cost under the existing rates is \$252.76 and is expected to increase, due to the readjusted PPA, .521% to \$254.08 under the recommended rates.

### 8.8 Streetlights

The Street Lights rates have been increased by the PPA and will have no other adjustments made to them.

# EXHIBIT 1

EXHIBIT 1A

RESIDENTIAL A RATE - RATE COMPARISON

EXISTING RATE		PROPOSED RATE
CUSTOMER CHARGE	\$3.35	\$3.35
KWH CONSUMPTION	750	750
PURCHASED POWER ADJUSTMENT	\$0.0072	\$0.0072
TOTAL BASE CHARGES	\$63.88	\$63.88
FUEL CHARGE ADJUSTMENT	\$0.0600	\$0.0600
NYPA CREDIT	\$0.0040	-\$0.0040
10% PROMPT PAYMENT DISCOUNT	10%	10%
AVERAGE COST	\$0.1327	0.1361
		=====
		\$3.47
		\$62.74
		\$0.55
		=====
		\$66.76
		\$45.00
		-\$3.00
		-\$6.68
		=====
		\$102.08

	%	\$
OVERALL INCREASE	2.601%	\$2.59
PPA INCREASE	0.496%	\$0.49
RATE INCREASE	2.105%	\$2.09



EXHIBIT 1C

RESIDENTIAL TIME OF USE RATE - RATE COMPARISON

EXISTING RATE		PROPOSED RATE	
CUSTOMER CHARGE	\$5.51	\$5.51	\$5.51
KWH CONSUMPTION	1000		1000
ON PEAK	289	\$21.79	\$0.0826
OFF PEAK	378	\$20.47	\$0.0614
WATER HEATER	333	\$9.26	\$0.0350
PURCHASED POWER ADJUSTMENT	\$0.0072	\$7.20	\$0.0007
TOTAL BASE CHARGES	\$64.23		\$64.96
FUEL CHARGE ADJUSTMENT	\$0.0600	\$60.00	\$0.0600
NYPA CREDIT	\$0.0040	-\$4.00	\$0.0040
10% PROMPT PAYMENT DISCOUNT	10%	-\$12.02	10%
AVERAGE COST	\$0.1082	\$108.21	\$0.1089
			\$108.86

  

	%	\$
OVERALL INCREASE	0.608%	\$0.66
PPA INCREASE	0.608%	\$0.66
RATE INCREASE	0.000%	\$0.00





### EXHIBIT 1E

#### INDUSTRIAL TIME OF USE RATE - RATE COMPARISON

EXISTING RATE	PROPOSED RATE
CUSTOMER CHARGE	CUSTOMER CHARGE
\$27.54	\$27.54
CONSUMPTION	KWH CONSUMPTION
917	917
\$7,9000	\$7,9000
\$7,245.47	\$7,245.47
\$0.0412	\$0.0484
\$0.0290	\$0.0362
151,240	151,240
317,140	317,140
PURCHASED POWER ADJUSTMENT	PURCHASED POWER ADJUSTMENT
\$0.0072	\$0.0007
\$3,372.34	\$342.39
TOTAL BASE CHARGES	TOTAL BASE CHARGES
\$26,072.28	\$26,414.67
FUEL CHARGE ADJUSTMENT	FUEL CHARGE ADJUSTMENT
\$0.0600	\$0.0600
10% PROMPT PAYMENT DISCOUNT	10% PROMPT PAYMENT DISCOUNT
10%	10%
-\$2,607.23	-\$2,641.47
AVERAGE COST	AVERAGE COST
\$0.1101	\$0.1108
468,380	\$
629.54	0.598%
	\$308.15
	0.598%
	\$308.15
	0.000%
	\$0.00

**EXHIBIT 1F**

**SCHOOL RATE - RATE COMPARISON**

	EXISTING RATE		PROPOSED RATE	
CUSTOMER CHARGE	\$5.51	\$5.51	\$5.51	\$5.51
CONSUMPTION				
DEMAND (kW)	108,2828	\$5.7600	108,28275	\$5.7600
ON PEAK (kWh)	30,526	\$0.0411	30,526	\$0.0483
PURCHASED POWER ADJUSTMENT	\$0.0072	\$219.79	\$0.0007	\$22.31
TOTAL BASE CHARGES	\$2,103.00		\$2,125.31	
FUEL CHARGE ADJUSTMENT	\$0.0600	\$1,831.54	\$0.0600	\$1,831.54
10% PROMPT PAYMENT DISCOUNT	10%	-\$210.30	10%	-\$212.53
AVERAGE COST	\$0.1220	\$3,724.24	\$0.1227	\$3,744.32

	%	\$
OVERALL INCREASE	0.539%	\$20.08
PPA INCREASE	0.539%	\$20.08
RATE INCREASE	0.000%	\$0.00

EXHIBIT 1G

COOP RESALE RATE - RATE COMPARISON

	EXISTING RATE		PROPOSED RATE
CUSTOMER CHARGE	\$3.20	CUSTOMER CHARGE	\$3.20
KWH CONSUMPTION	2000 \$0.0694	KWH CONSUMPTION	2000 \$0.0766
PURCHASED POWER ADJUSTMENT	\$0.0072	PURCHASED POWER ADJUSTMENT	\$0.0007
TOTAL BASE CHARGES	\$156.40	TOTAL BASE CHARGES	\$157.86
FUEL CHARGE ADJUSTMENT	\$0.0600	FUEL CHARGE ADJUSTMENT	\$0.0600
NYPA CREDIT	\$0.0040	NYPA CREDIT	-\$8.00
10% PROMPT PAYMENT DISCOUNT	10%	10% PROMPT PAYMENT DISCOUNT	10%
AVERAGE COST	\$0.12638	AVERAGE COST	0.1270

	%	\$
OVERALL INCREASE	0.521%	\$1.32
PPA INCREASE	0.521%	\$1.32
RATE INCREASE	0.000%	\$0.00

## **EXHIBIT 2**

EXHIBIT 2

Reading Municipal Light Department  
 Electric Cost of Service/Unbundling Study  
 Forecasted Test Year Ending June 30th, 2011  
 Reconciliation of Load Data

	Total	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
<b>RESIDENTIAL RATE</b>													
Number of Customers	291,492	24,291	24,291	24,291	24,291	24,291	24,291	24,291	24,291	24,291	24,291	24,291	24,291
Energy at Meters	\$ 297,639,238	\$ 20,727,068	\$ 22,893,768	\$ 17,751,180	\$ 17,257,512	\$ 18,007,841	\$ 18,007,841	\$ 17,605,359	\$ 18,231,960	\$ 16,365,601	\$ 18,231,960	\$ 16,365,601	\$ 19,510,188
Revenue	\$ 16,991,598	\$ 1,496,230	\$ 1,532,748	\$ 1,639,220	\$ 1,299,840	\$ 1,299,840	\$ 1,299,840	\$ 1,299,840	\$ 1,479,751	\$ 1,299,840	\$ 1,479,751	\$ 1,299,840	\$ 1,493,308
Load Factor	35.02%	42.70%	42.70%	62.28%	64.36%	56.17%	46.57%	54.85%	78.86%	71.11%	59.35%	46.51%	62.76%
Demand kW	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Group Coincidence Factor	83.33%	80%	70%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
System Coincidence Factor	77.47%	65.237	77.471	51,053	42,674	51,975	56,064	39,639	33,278	33,278	44,985	47,282	43,179
Individual NCP	77,471	65,237	77,471	51,053	42,674	51,975	56,064	39,639	33,278	33,278	44,985	47,282	43,179
NCP at Primary for Group	79,020	68,542	79,020	52,074	37,812	43,528	53,015	33,943	28,412	28,412	33,943	45,478	43,035
NCP at Input for Group	80,689	67,955	80,689	52,074	38,615	44,452	54,141	34,684	29,149	29,149	34,684	46,282	44,824
Coincidence Peak at Input Voltage	64,559	54,364	64,559	37,226	27,030	35,562	46,020	27,731	23,510	23,510	27,731	39,947	35,979
kWh at Input Voltage	247,539,823	21,590,696	23,847,674	18,490,813	17,976,575	18,756,169	24,693,603	18,398,916	19,512,460	17,047,501	19,512,460	17,047,501	20,323,113
LF Group	36.48%	45.34%	45.34%	63.99%	68.33%	57.71%	58.23%	75.49%	82.22%	75.49%	82.22%	75.49%	84.46%
LF at Peak Input	43.77%	54.40%	54.40%	87.76%	93.71%	69.25%	55.84%	60.65%	90.59%	80.65%	90.59%	80.65%	77.36%
<b>RESIDENTIAL WATER HEATER</b>													
Number of Customers	8,064	672	672	672	672	672	672	672	672	672	672	672	672
Energy at Meters	\$ 7,407,034	\$ 592,763	\$ 662,537	\$ 622,523	\$ 541,246	\$ 554,221	\$ 593,571	\$ 821,476	\$ 729,927	\$ 605,830	\$ 638,358	\$ 523,112	\$ 531,468
Revenue	\$ 477,057	\$ 38,423	\$ 43,068	\$ 44,177	\$ 40,404	\$ 34,993	\$ 35,857	\$ 47,595	\$ 40,010	\$ 40,010	\$ 47,595	\$ 38,353	\$ 32,679
Load Factor	41.94%	47.01%	44.17%	55.22%	57.31%	52.08%	56.15%	60.64%	57.26%	57.26%	60.64%	54.53%	58.74%
Demand kW	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Group Coincidence Factor	60.90%	60%	55%	50%	50%	50%	50%	55%	60%	55%	55%	50%	50%
System Coincidence Factor	2,016	1,695	2,016	1,568	1,269	1,269	1,422	1,625	1,422	1,625	1,422	1,422	1,249
Individual NCP	1,228	1,059	1,228	873	661	661	814	814	661	661	814	661	651
Coincidence Peak at Input Voltage	7,715,660	617,461	690,143	607,800	573,314	558,822	607,800	631,073	583,856	583,856	631,073	544,908	553,613
kWh at Input Voltage	41,94%	47.92%	45.02%	54.46%	58.41%	51.37%	57.23%	60.64%	57.23%	57.23%	60.64%	54.53%	58.27%
LF Group	71.74%	79.86%	81.85%	108.93%	116.81%	73.36%	95.38%	96.47%	93.04%	106.15%	97.78%	118.75%	116.53%
LF at Peak Input													
<b>RESIDENTIAL TOU</b>													
Number of Customers	1,572	131	131	131	131	131	131	131	131	131	131	131	131
Energy at Meters	\$ 1,808,521	\$ 152,521	\$ 176,414	\$ 139,484	\$ 142,984	\$ 162,211	\$ 142,984	\$ 144,417	\$ 144,376	\$ 144,376	\$ 149,211	\$ 130,404	\$ 163,864
Revenue	\$ 107,953	\$ 9,591	\$ 11,538	\$ 8,600	\$ 8,298	\$ 10,095	\$ 9,002	\$ 8,847	\$ 7,813	\$ 7,813	\$ 8,847	\$ 7,506	\$ 8,035
Load Factor	36.67%	47.01%	44.17%	55.22%	57.31%	52.08%	56.15%	60.64%	57.26%	57.26%	60.64%	54.53%	58.08%
Demand kW	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Group Coincidence Factor	62.50%	60%	60%	50%	50%	50%	50%	55%	60%	55%	55%	50%	50%
System Coincidence Factor	563	436	563	444	327	348	388	388	327	327	388	268	362
Individual NCP	352	273	352	277	170	170	214	251	194	194	214	186	254
Coincidence Peak at Input Voltage	1,893,876	158,876	192,729	183,765	145,308	146,342	168,076	147,309	150,394	150,394	155,470	135,838	160,275
kWh at Input Voltage	38.20%	49.91%	46.89%	56.20%	60.84%	53.51%	58.61%	58.15%	56.02%	56.02%	58.15%	56.02%	62.36%
LF Group	61.11%	79.86%	75.03%	90.77%	116.81%	102.75%	95.38%	97.75%	106.15%	106.15%	97.78%	98.78%	83.24%
LF at Peak Input													
<b>Commercial</b>													
Number of Customers	36,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Energy at Meters	\$ 189,181,753	\$ 16,706,978	\$ 17,131,511	\$ 17,955,207	\$ 14,866,176	\$ 14,219,545	\$ 14,219,545	\$ 16,792,881	\$ 14,114,190	\$ 14,519,563	\$ 15,177,799	\$ 16,505,800	\$ 851,460
Revenue	\$ 11,956,462	\$ 970,345	\$ 1,008,101	\$ 1,045,458	\$ 898,106	\$ 867,852	\$ 867,852	\$ 989,488	\$ 890,314	\$ 899,542	\$ 984,529	\$ 884,529	\$ 40,000
Load Factor	35.64%	38.00%	38.00%	42.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Demand kW	632,429	59,101	60,595	57,460	49,660	47,101	47,101	50,995	47,428	47,428	48,770	51,001	55,463
Group Coincidence Factor	90%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
System Coincidence Factor	83.33%	80%	80%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
Individual NCP	50,496	59,101	60,595	57,460	49,660	47,101	47,101	50,995	47,428	47,428	48,770	51,001	55,463
Coincidence Peak at Input Voltage	197,093,326	17,405,165	18,703,241	15,487,563	14,812,130	14,708,791	17,764,661	17,492,584	14,702,281	15,118,597	15,810,207	17,183,542	40,442
kWh at Input Voltage	31.12%	40.34%	40.34%	44.59%	42.47%	42.47%	42.47%	42.47%	42.47%	42.47%	42.47%	42.47%	42.47%
LF Group	44.55%	55.33%	55.33%	71.34%	67.95%	67.95%	74.12%	67.95%	58.24%	58.24%	67.95%	58.24%	58.24%
LF at Peak Input													

EXHIBIT 2

Reading Municipal Light Department  
 Electric Cost of Service/Unbundling Study  
 Presented Total Year Ending June 30th, 2011  
 Reconciliation of Load Data

	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
<b>INDUSTRIAL TOU</b>												
Number of Customers	480	40	40	40	40	40	40	40	40	40	40	40
Energy at Meter	224,822,454	20,052,404	21,744,944	18,438,721	17,797,151	16,939,525	17,007,604	16,710,504	17,781,359	18,574,253	20,973,889	20,973,889
Revenue	\$ 10,124,618	\$ 926,532	\$ 978,410	\$ 847,925	\$ 807,734	\$ 785,034	\$ 784,487	\$ 784,487	\$ 781,305	\$ 851,551	\$ 862,216	\$ 862,216
Load Factor	65.55%	74.00%	71.00%	83.00%	75.00%	70.00%	74.00%	82.00%	63.00%	68.00%	70.00%	70.00%
Demand kW	400,877	36,354	34,893	32,187	31,053	31,451	30,414	30,257	39,150	30,675	33,532	33,532
Group Coincidence Factor	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
System Coincidence Factor	94.31%	98%	95%	95%	90%	85%	85%	85%	85%	85%	85%	85%
NCP at Input for Group	36,354	34,893	34,893	34,984	32,187	31,053	31,451	30,414	30,257	39,150	30,675	33,532
Coincidence Peak at Input Voltage	36,354	34,893	34,893	34,984	32,187	31,053	31,451	30,414	30,257	39,150	30,675	33,532
kWh at Input Voltage	234,180,056	20,987,821	22,659,383	19,207,001	18,538,689	17,684,922	17,760,007	18,538,689	19,322,264	20,116,816	21,847,800	21,847,800
LF Group	83.23%	74.00%	73.00%	73.00%	73.00%	73.00%	73.00%	73.00%	73.00%	73.00%	73.00%	73.00%
LF at Peak Input	72.41%	81.72%	88.86%	76.00%	84.16%	87.86%	87.15%	89.01%	73.20%	87.31%	87.43%	87.43%
<b>Streetside</b>												
Number of Customers												
Energy at Meter	3,747,728	309,232	307,903	307,781	308,385	308,709	307,467	307,530	308,313	310,095	354,751	309,751
Revenue	\$ 609,041	\$ 50,880	\$ 50,760	\$ 50,760	\$ 50,813	\$ 50,858	\$ 50,703	\$ 50,710	\$ 50,695	\$ 50,710	\$ 50,685	\$ 50,685
Load Factor	53.49%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%
Demand kW	477	0	0	0	446	446	430	477	432	432	0	0
Group Coincidence Factor	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
System Coincidence Factor	0.00%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
NCP at Input for Group	477	0	0	0	446	446	430	477	432	432	0	0
Coincidence Peak at Input Voltage	477	0	0	0	446	446	430	477	432	432	0	0
kWh at Input Voltage	3,903,883	322,117	320,732	320,638	320,605	321,572	320,278	320,343	321,159	323,016	369,532	322,657
<b>COOP-RESALE</b>												
Number of Customers	240	20	20	20	20	20	20	20	20	20	20	20
Energy at Meter	3,798,265	318,804	369,895	400,086	252,179	271,518	266,369	387,408	345,196	308,552	281,246	321,361
Revenue	\$ 244,889	\$ 20,973	\$ 24,324	\$ 26,304	\$ 16,604	\$ 17,872	\$ 17,534	\$ 25,473	\$ 22,704	\$ 18,710	\$ 16,562	\$ 17,860
Load Factor	38.52%	42.70%	44.17%	55.22%	52.08%	56.15%	56.20%	60.64%	57.28%	54.53%	56.74%	59.08%
Demand kW	1,173	1,045	1,173	1,048	618	684	965	882	754	731	670	787
Group Coincidence Factor	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
System Coincidence Factor	83.33%	80%	80%	70%	80%	85%	90%	90%	80%	75%	70%	80%
NCP at Input for Group	1,173	1,045	1,173	1,048	618	684	965	882	754	731	670	787
Coincidence Peak at Input Voltage	938	836	938	734	431	503	868	794	603	503	503	630
kWh at Input Voltage	3,956,526	332,088	385,207	416,756	282,688	292,831	277,468	403,550	359,579	321,408	292,965	334,751
LF Group	38.52%	43.52%	45.02%	54.46%	58.41%	51.37%	57.29%	55.82%	58.38%	53.78%	59.87%	58.27%
LF at Peak Input	48.15%	54.40%	56.27%	77.81%	83.44%	64.21%	63.65%	62.03%	72.98%	76.83%	79.82%	72.83%
<b>SCHOOL</b>												
Number of Customers	480	40	40	40	40	40	40	40	40	40	40	40
Energy at Meter	14,652,326	877,460	1,101,917	1,233,958	1,269,682	1,289,855	1,408,655	1,475,460	1,244,830	1,311,314	1,181,758	1,260,682
Revenue	\$ 854,826	\$ 65,841	\$ 65,841	\$ 73,749	\$ 73,892	\$ 74,487	\$ 79,835	\$ 82,935	\$ 73,924	\$ 78,914	\$ 68,163	\$ 73,924
Load Factor	52.95%	52.95%	52.95%	47.7%	46.08%	49.76%	49.76%	46.24%	49.82%	43.82%	46.43%	42.80%
Demand kW	51,976	4,007	4,145	4,447	4,346	4,447	4,581	4,555	4,338	4,359	4,627	4,627
Group Coincidence Factor	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
System Coincidence Factor	72.92%	50%	55%	50%	50%	50%	50%	50%	50%	50%	50%	50%
NCP at Input for Group	4,820	4,174	4,318	4,599	4,527	4,632	4,772	4,745	4,515	4,541	4,820	4,820
Coincidence Peak at Input Voltage	3,374	2,087	2,159	2,259	2,316	2,386	2,372	2,307	2,259	2,378	2,374	2,374
kWh at Input Voltage	15,262,850	1,031,470	1,147,814	1,274,800	1,342,394	1,343,605	1,467,556	1,537,324	1,293,561	1,365,983	1,230,959	1,313,419
LF Group	35.15%	33.85%	36.42%	37.97%	40.62%	39.73%	42.13%	44.39%	38.40%	41.41%	37.14%	37.33%
LF at Peak Input	51.64%	67.70%	72.83%	75.94%	81.24%	79.47%	84.26%	88.77%	76.80%	82.82%	82.82%	82.82%

# EXHIBIT 3



EXHIBIT 3

**Reading Municipal Light Department**  
*Electric Cost of Service/Unbundling Study*  
 Forecasted Test Year Ending June 30th, 2011  
 Forecasted Ratebase

Account	Plant Cost Year End FY09	Capital Additions FY10	Retirements FY10	Depreciation Expense FY10	Suballocate FY10	Forecast Plant Cost Year End FY10	Capital Additions 2011	Retirements 2011	Depreciation Expense 2011	Suballocate Capital Additions 2011	Forecasted YE 2011
<b>Plant in Service Section</b>											
<b>Transmission Plant</b>											
Land & Land Rights	\$ 25,015	\$ -	\$ -	\$ -	\$ -	\$ 25,015	\$ -	\$ -	\$ -	\$ -	\$ 25,015
[Reserved]	1,584,213	-	-	-	-	1,584,213	232,298	-	-	-	1,816,511
Structures & Improvements	5,948,824	-	-	-	(5,948,824)	3,569,294	639,824	-	-	-	639,824
Station Equip.	-	-	-	-	2,379,530	2,379,530	-	-	-	-	2,379,530
Customer	86,169	-	-	-	(86,169)	56,010	-	-	-	-	56,010
Towers & Fixtures	-	-	-	-	30,159	30,159	-	-	-	-	30,159
Customer	105,937	-	-	-	(105,937)	68,859	-	-	-	-	68,859
Poles & Fixtures	-	-	-	-	37,078	37,078	-	-	-	-	37,078
Overhead Conductors and Devices	84,890	-	-	-	(84,890)	55,179	-	-	-	-	55,179
Demand	-	-	-	-	29,712	29,712	-	-	-	-	29,712
Customer	44,049	-	-	-	(44,049)	28,632	-	-	-	-	28,632
Underground Conduit	-	-	-	-	15,417	15,417	-	-	-	-	15,417
Demand	-	-	-	-	(38,469)	25,005	-	-	-	-	25,005
Customer	38,469	-	-	-	13,464	13,464	-	-	-	-	13,464
Underground Conductors and Devices	-	-	-	-	-	-	-	-	-	-	-
Demand	-	-	-	-	-	-	-	-	-	-	-
Customer	-	-	-	-	-	-	-	-	-	-	-
Roads and Trails	-	-	-	-	-	-	-	-	-	-	-
<b>Total Transmission Plant</b>	<b>\$ 7,917,567</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,917,567</b>	<b>\$ 872,122</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,789,689</b>
<b>Distribution Plant</b>											
Land & Land Rights	\$ 843,454	\$ -	\$ -	\$ -	\$ -	\$ 843,454	\$ -	\$ -	\$ -	\$ -	\$ 843,454
Structures & Improvements	4,585,578	-	-	-	-	4,585,578	394,765	(380,076)	-	(14,689)	4,585,578
Station Equip.	8,259,482	1,319,615	(333,127)	-	(9,245,970)	6,472,179	-	-	-	10,282	6,482,461
Demand	-	-	-	-	2,773,791	2,773,791	-	-	-	4,407	2,778,198
Customer	33,722	-	-	-	-	33,722	-	-	-	-	33,722
Storage Bat. Equip.	19,811,267	1,520,176	(185,269)	-	(21,146,174)	6,343,852	250,276	(211,836)	-	(38,440)	6,355,384
Poles & Towers	-	-	-	-	14,802,322	14,802,322	-	-	-	26,908	14,829,230
Demand	-	-	-	-	(15,680,255)	4,698,076	1,808,542	(201,749)	-	(1,606,793)	5,180,114
Customer	15,220,681	616,401	(176,827)	-	10,962,178	10,962,178	-	-	-	482,038	12,086,934
Overhead Conductors	-	-	-	-	(7,283,765)	2,185,129	-	-	-	21,284	2,178,744
Demand	-	-	-	-	2,185,129	2,185,129	-	-	-	(6,385)	2,178,744
Customer	7,233,737	68,683	(18,655)	-	5,098,635	5,098,635	-	-	-	(14,899)	5,083,736
Underground Conduit	-	-	-	-	(7,593,472)	2,278,042	406,070	(65,568)	-	(340,502)	2,380,192
Demand	-	-	-	-	2,278,042	2,278,042	-	-	-	102,150	2,380,192
Customer	7,352,568	298,374	(57,469)	-	5,315,431	5,315,431	-	-	-	236,351	5,553,782

EXHIBIT 3

**Reading Municipal Light Department**  
*Electric Cost of Service/Unbundling Study*  
 Forecasted Test Year Ending June 30th, 2011  
 Forecasted Ratebase

Account	Plant Cost Year End FY09	Capital		Depreciation Expense FY10	Suballocate FY10	Forecast Plant Cost Year End		Retirements		Suballocate FY10	Capital		Depreciation Expense 2011	Suballocate Capital		Forecasted YE 2011
		FY10	Additions			FY10	FY10	2011	2011		Additions 2011	2011				
Line Transformers	8,941,723	64,935	(60,692)	(8,945,966)	2,683,790	190,167	(69,246)	(120,921)	2,720,066						2,720,066	
Demand Customer Services	5,115,283	101,202	(22,103)	(5,194,382)	6,262,176	255,400	(25,219)	(230,181)	6,346,821						6,346,821	
Demand Customer Services	4,238,267		(26,109)	1,558,315	3,636,067	765,876	(29,789)	161,127	1,627,369						1,627,369	
Meters		25,916		4,212,158	25,916				3,797,194						3,797,194	
Inst. Cust. Premises		22,735	(6,169)	2,417,284	25,916	40,012	(7,039)		4,948,245						4,948,245	
Leased Property on Customers' Premises	2,400,719								25,916						25,916	
Street Lights & Signal System																
Street Lights & Signal System Overhead																
Street Lights & Signal System Underground																
Install Security Lights																
<b>Total Distribution Plant</b>	<b>\$ 84,036,480</b>	<b>\$ 4,038,037</b>	<b>\$ (886,420)</b>	<b>\$ (8,945,966)</b>	<b>\$ (0)</b>	<b>\$ 87,188,096</b>	<b>\$ (1,011,807)</b>	<b>\$ (0)</b>	<b>\$ 84,111,108</b>	<b>\$ (0)</b>	<b>\$ 90,287,398</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ 90,287,398</b>	
<b>Total Plant Before General Plant</b>	<b>\$ 91,954,047</b>	<b>\$ 4,038,037</b>	<b>\$ (886,420)</b>	<b>\$ (8,945,966)</b>	<b>\$ (0)</b>	<b>\$ 95,105,663</b>	<b>\$ (1,011,807)</b>	<b>\$ (0)</b>	<b>\$ 94,983,230</b>	<b>\$ (0)</b>	<b>\$ 99,077,087</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ 99,077,087</b>	
<b>General Plant</b>																
Land & Land Rights	\$ 397,372					\$ 397,372									\$ 397,372	
Structures and Improvements	7,342,456	8,302	(21,280)			7,329,480	(24,279)								7,338,376	
Structures & Improvements (new)																
Office Furniture & Equipment	6,487,719	26,969	(17,931)			6,496,757	(20,458)								6,476,299	
Computer (hardware, software, labor)																
Transportation Equip.	3,790,624	409,712	(76,108)			4,124,228	(86,835)								150,176	
Stores Equip.	105,377					105,377									4,476,393	
Tools, Shop & Garage	505,779					505,779									105,377	
Laboratory Equipment	338,051					338,051									505,779	
Power Operated Equipment															338,051	
Communication Equipment	2,273,664	16,980				2,290,644									2,290,644	
Misc. Equipment	113,064					113,064									113,064	
Training Equipment																
<b>Total General Plant</b>	<b>\$ 21,354,108</b>	<b>\$ 461,963</b>	<b>\$ (115,319)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ 21,700,752</b>	<b>\$ (131,571)</b>	<b>\$ (0)</b>	<b>\$ 21,569,181</b>	<b>\$ (0)</b>	<b>\$ 22,191,532</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ 22,191,532</b>	
<b>Total Plant In Service</b>	<b>\$ 113,308,155</b>	<b>\$ 4,500,000</b>	<b>\$ (1,001,740)</b>	<b>\$ (8,945,966)</b>	<b>\$ (0)</b>	<b>\$ 116,806,415</b>	<b>\$ (1,143,378)</b>	<b>\$ (0)</b>	<b>\$ 115,663,037</b>	<b>\$ (0)</b>	<b>\$ 121,268,618</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ 121,268,618</b>	

**Accumulated Depreciation Section**

<b>Transmission Plant</b>																
Land & Land Rights																
[Reserved]																
Structures & Improvements	714,546			31,684		746,230							47,526		793,757	
Station Equip.	1,203,117			118,976		1,322,093							107,079		900,335	
Demand Customer				793,256		793,256							71,386		600,223	
				528,837		528,837										

EXHIBIT 3

Reading Municipal Light Department  
 Electric Cost of Service/Unbundling Study  
 Forecasted Test Year Ending June 30th, 2011  
 Forecasted Ratebase

Account	Plant Cost Year End FY09	Capital Additions FY10	Retirements FY10	Depreciation Expense FY10	Suballocate FY10	Forecast Plant Cost Year End FY10	Capital Additions 2011	Retirements 2011	Depreciation Expense 2011	Suballocate Capital Additions 2011	Forecasted YE 2011
Towers & Fixtures	86,168	-	-	1,723	(87,891)	57,129	-	-	1,680	-	58,810
Demand	-	-	-	-	30,762	30,762	-	-	905	-	31,667
Customer	-	-	-	-	(108,056)	-	-	-	-	-	-
Poles & Fixtures	105,937	-	-	2,119	70,236	70,236	-	-	2,066	-	72,302
Demand	-	-	-	-	37,820	37,820	-	-	1,112	-	38,932
Customer	-	-	-	-	(61,550)	-	-	-	-	-	-
Overhead Conductors and Devices	59,852	-	-	1,698	40,007	40,007	-	-	1,655	-	41,663
Demand	-	-	-	-	21,542	21,542	-	-	891	-	22,434
Customer	-	-	-	-	(91,068)	-	-	-	-	-	-
Underground Conduit	90,187	-	-	881	59,194	59,194	-	-	859	-	60,053
Demand	-	-	-	-	31,874	31,874	-	-	463	-	32,336
Customer	-	-	-	-	(31,531)	-	-	-	-	-	-
Underground Conductors and Devices	30,762	-	-	769	20,495	20,495	-	-	750	-	21,246
Demand	-	-	-	-	11,036	11,036	-	-	404	-	11,440
Customer	-	-	-	-	-	-	-	-	-	-	-
Roads and Trails	-	-	-	-	-	-	-	-	-	-	-
<b>Total Transmission Plant</b>	<b>\$ 2,290,569</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 157,851</b>	<b>\$ (0)</b>	<b>\$ 2,448,420</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 236,777</b>	<b>\$ -</b>	<b>\$ 2,685,197</b>
<b>Distribution Plant</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,830,018</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 137,567</b>	<b>\$ -</b>	<b>\$ 1,967,585</b>
Land & Land Rights	1,738,306	-	-	91,712	(4,617,666)	3,232,366	-	-	194,165	-	3,426,531
Structures & Improvements	4,452,476	-	-	165,190	1,385,300	1,385,300	-	-	83,214	-	1,468,513
Station Equip.	-	-	-	-	17,870	17,870	-	-	1,012	-	18,882
Demand	-	-	-	-	(6,368,323)	-	-	-	-	-	-
Customer	-	-	-	-	1,910,497	1,910,497	-	-	190,316	-	2,100,813
Storage Bat. Equip.	17,196	-	-	-	4,457,826	4,457,826	-	-	444,070	-	4,901,896
Poles & Towers	5,972,098	-	-	396,225	2,376,110	2,376,110	-	-	140,942	-	2,517,052
Demand	-	-	-	-	712,833	712,833	-	-	328,865	-	1,041,698
Customer	-	-	-	-	1,663,277	1,663,277	-	-	81,077	-	1,744,355
Overhead Conductors	2,071,696	-	-	304,414	1,099,113	1,099,113	-	-	65,554	-	1,164,667
Demand	-	-	-	-	(3,663,711)	-	-	-	-	-	-
Customer	-	-	-	-	1,099,113	1,099,113	-	-	152,959	-	1,252,072
Underground Conduit	3,519,036	-	-	144,675	2,564,598	2,564,598	-	-	68,341	-	2,632,939
Demand	-	-	-	-	(3,765,435)	-	-	-	-	-	-
Customer	-	-	-	-	1,129,631	1,129,631	-	-	159,463	-	1,289,094
Undg Conductors	3,618,384	-	-	147,051	2,635,805	2,635,805	-	-	80,514	-	2,716,319
Demand	-	-	-	-	(4,221,312)	-	-	-	-	-	-
Customer	-	-	-	-	2,954,919	2,954,919	-	-	187,865	-	3,142,784
Line Transformers	4,042,478	-	-	178,834	1,266,394	1,266,394	-	-	46,749	-	1,313,143
Demand	-	-	-	-	(2,961,947)	-	-	-	-	-	-
Customer	-	-	-	-	888,584	888,584	-	-	109,082	-	997,666
Services	2,859,641	-	-	102,306	2,073,363	2,073,363	-	-	126,365	-	2,200,342
Demand	-	-	-	-	84,765	84,765	-	-	777	-	85,542
Customer	-	-	-	-	-	-	-	-	-	-	-
Meters	1,792,212	-	-	84,765	1,876,977	1,876,977	-	-	777	-	1,877,754
Inst. Cust. Premises	-	-	-	-	-	-	-	-	-	-	-
Leased Property on Customers' Premises	-	-	-	-	-	-	-	-	-	-	-
Street Lights & Signal System	1,514,144	-	-	48,014	1,562,158	1,562,158	-	-	72,519	-	1,634,677
Street Lights & Signal System Overhead	-	-	-	-	-	-	-	-	-	-	-
Street Lights & Signal System Underground	-	-	-	-	-	-	-	-	-	-	-

EXHIBIT 3

**Reading Municipal Light Department**  
*Electric Cost of Service/Unbundling Study*  
 Forecasted Test Year Ending June 30th, 2011  
 Forecasted Ratebase

Account	Plant Cost Year End FY09	Capital		Retirements FY10	Depreciation Expense FY10	Suballocate FY10	Forecast Plant Cost Year End FY10	Capital		Retirements 2011	Depreciation Expense 2011	Suballocate Capital Additions 2011	Forecasted YE 2011
		Additions FY10	Retirements FY10					Additions 2011	Retirements 2011				
<b>Install Security Lights</b>													
<b>Total Distribution Plant</b>	\$ 31,597,667	\$ -	\$ -	\$ -	\$ 1,663,861	\$ (0)	\$ 33,261,528	\$ -	\$ -	\$ -	\$ 2,590,339	\$ -	\$ 35,851,867
<b>Total Plant Before General Plant</b>	\$ 33,886,236	\$ -	\$ -	\$ -	\$ 1,821,712	\$ (0)	\$ 35,709,948	\$ -	\$ -	\$ -	\$ 2,827,116	\$ -	\$ 38,537,063
<b>General Plant</b>													
Land & Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Structures and Improvements	4,061,982	-	-	-	146,849	-	4,208,831	-	-	-	219,884	-	4,428,716
Structures & Improvements (new)	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Furniture & Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer (hardware, software, labor)	5,712,896	-	-	-	129,754	-	5,842,650	-	-	-	194,903	-	6,037,553
Transportation Equip.	2,968,838	-	-	-	75,812	-	3,044,650	-	-	-	123,727	-	3,168,377
Stores Equip.	64,608	-	-	-	2,108	-	66,716	-	-	-	3,161	-	69,877
Tools, Shop & Garage	478,352	-	-	-	10,116	-	488,468	-	-	-	15,173	-	503,641
Laboratory Equipment	256,313	-	-	-	6,761	-	263,074	-	-	-	10,142	-	273,216
Power Operated Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Communication Equipment	1,111,401	-	-	-	45,473	-	1,156,874	-	-	-	68,719	-	1,225,594
Misc. Equipment	108,439	-	-	-	2,261	-	110,700	-	-	-	3,392	-	114,092
Training Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total General Plant</b>	\$ 14,762,829	\$ -	\$ -	\$ -	\$ 419,135	\$ -	\$ 15,181,964	\$ -	\$ -	\$ -	\$ 639,101	\$ -	\$ 15,821,065
<b>Total Accumulated Depreciation</b>	\$ 48,651,065	\$ -	\$ -	\$ -	\$ 2,240,846	\$ (0)	\$ 50,891,911	\$ -	\$ -	\$ -	\$ 3,466,217	\$ -	\$ 54,358,128

**Working Capital Section**

Working Capital Purchased Power and Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Working Capital Other Op. and Maint. Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Materials and Supplies (Inventories)	-	-	-	-	-	-	-	-	-	-	-	-	-
Unused	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Working Capital</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Rate Base</b>	\$ 64,657,090	\$ 4,500,000	\$ (1,001,740)	\$ 2,240,846	\$ (0)	\$ 65,914,504	\$ (1,143,378)	\$ 5,605,581	\$ (3,466,217)	\$ 66,910,490			

# EXHIBIT 4

EXHIBIT 4

Reading Municipal Light Department  
 Electric Cost of Service/Unbundling Study  
 Forecasted Operation and Maintenance Expenses  
 Forecasted Year Ending June 30th, 2011

Account	Budgeted Expenses FY11	Adjustments				Forecast FY11
		Suballocate	Suballocate	Adj 1	Suballocate Adj 1	
<b>Operation and Maintenance Expenses</b>						
<b>Power Production Expenses</b>						
<b>Other Power Supply Expenses</b>						
Purchased Power	\$ 27,711,574	\$ -	\$ -	\$ -	\$ -	\$ 27,711,574
System Control and Load Dispatching	-	-	-	-	-	-
PASNY Costs	-	-	-	-	-	-
Unused	-	-	-	-	-	-
<b>Total Other Power Supply Expenses</b>	<b>\$ 27,711,574</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,711,574</b>
<b>Total Power Production Expenses</b>	<b>\$ 27,711,574</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,711,574</b>
<b>Transmission Expenses</b>						
<b>Transmission Maintenance Expenses</b>						
Maintenance Supervision and Engineering	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000
Maintenance of Structures	-	-	-	-	-	-
Maintenance of Station Equipment	-	-	-	-	-	-
Demand	-	-	-	-	-	-
Customer	-	-	-	-	-	-
Maintenance of Overhead Lines	-	-	-	-	-	-
Demand	-	-	-	-	-	-
Customer	-	-	-	-	-	-
Maintenance of Underground Lines	-	-	-	-	-	-
Demand	-	-	-	-	-	-
Customer	-	-	-	-	-	-
Maintenance of Misc. Transmission Plant	-	-	-	-	-	-
Unused	-	-	-	-	-	-
<b>Total Transmission Maintenance Expenses</b>	<b>\$ 3,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,000</b>
<b>Total Transmission Expenses</b>	<b>\$ 3,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,000</b>
<b>Distribution Expenses</b>						
<b>Distribution Operation Expenses</b>						
Operation Supervision and Engineering	441,931	\$ -	\$ -	\$ -	\$ -	\$ 441,931
Load Dispatching	619,609	-	-	-	-	619,609
Station Expenses	426,490	(426,490)	-	-	-	-
Demand	-	298,543	-	-	-	298,543
Customer	-	127,947	-	-	-	127,947
Overhead Line Expenses	-	-	-	-	-	-
Demand	-	-	-	-	-	-
Customer	-	-	-	-	-	-
Underground Line Expenses	-	-	-	-	-	-
Demand	-	-	-	-	-	-
Customer	-	-	-	-	-	-
Street Lighting and Signal System Expenses	67,892	-	-	-	-	67,892
Meter Expenses	483,082	-	-	-	-	483,082
Customer Installation Expenses	-	-	-	-	-	-
Misc. Distribution Expenses	347,115	-	-	-	-	347,115
Rents	-	-	-	-	-	-
Unused	-	-	-	-	-	-
<b>Total Distribution Operation Expenses</b>	<b>\$ 2,386,119</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,386,119</b>

EXHIBIT 4

Reading Municipal Light Department  
 Electric Cost of Service/Unbundling Study  
 Forecasted Operation and Maintenance Expenses  
 Forecasted Year Ending June 30th, 2011

Account	Budgeted Expenses FY11	Adjustments				Forecast FY11
		Suballocate	Suballocate	Adj 1	Suballocate Adj 1	
<b>Distribution Maintenance Expenses</b>						
Maintenance Supervision and Engineering	\$ 187,456	\$ -	\$ -	\$ -	\$ -	\$ 187,456
Maintenance of Structures	-	-	-	-	-	-
Maintenance of Station Equipment	-	-	-	-	-	-
Demand	-	-	-	-	-	-
Customer	-	-	-	-	-	-
Maintenance of Overhead Lines	1,211,643	(1,211,643)	-	-	-	-
Demand	-	363,493	-	-	-	363,493
Customer	-	848,150	-	-	-	848,150
Maintenance of Underground Lines	190,362	(190,362)	-	-	-	-
Demand	-	57,109	-	-	-	57,109
Customer	-	133,253	-	-	-	133,253
Maintenance of Line Transformers	93,500	(93,500)	-	-	-	-
Demand	-	65,450	-	-	-	65,450
Customer	-	28,050	-	-	-	28,050
Maintenance of Street Lighting and Signal System	8,909	-	-	-	-	8,909
Maintenance of Meters	3,875	-	-	-	-	3,875
Maintenance of Misc. Distribution Plant	-	-	-	-	-	-
Maintenance of Rental Lights	-	-	-	-	-	-
<b>Total Distribution Maintenance Expenses</b>	<b>\$ 1,695,745</b>	<b>\$ (0)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,695,745</b>
<b>Total Distribution Expenses</b>	<b>\$ 4,081,864</b>	<b>\$ (0)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,081,864</b>
<b>Total Expenses Before Administration</b>	<b>\$ 31,796,438</b>	<b>\$ (0)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31,796,438</b>
<b>Customer Accounts Expenses</b>						
Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Meter Reading Expenses	64,512	-	-	-	-	64,512
Customer Records & Collection Expenses	1,398,088	-	-	-	-	1,398,088
Uncollectible Accounts	180,000	-	-	-	-	180,000
Misc. Customer Accounts Expenses	-	-	-	-	-	-
Unused	-	-	-	-	-	-
<b>Total Customer Accounts Expenses</b>	<b>\$ 1,642,600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,642,600</b>
<b>Customer Service and Information Expenses</b>						
Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Assistance Expenses	-	-	-	-	-	-
Informational and Instructional Advertising Expenses	-	-	-	-	-	-
Misc. Customer Service and Informational Expenses	-	-	-	-	-	-
Unused	-	-	-	-	-	-
Unused	-	-	-	-	-	-
<b>Total Customer Service and Information Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Sales Expenses</b>						
Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demonstrating and Selling Expenses	-	-	-	-	-	-
Advertising Expenses	-	-	-	-	-	-
Miscellaneous Sales Expenses	494,776	-	-	-	-	494,776
Unused	-	-	-	-	-	-
<b>Total Sales Expenses</b>	<b>\$ 494,776</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 494,776</b>
<b>Administrative and General Expenses</b>						
Administrative and General Salaries	\$ 776,849	\$ -	\$ -	\$ -	\$ -	\$ 776,849
Office Supplies and Expenses	278,100	-	-	-	-	278,100
Utility Office Salary Elec. Share	-	-	-	-	-	-
Outside Services Employed	293,500	-	-	-	-	293,500
Property Insurance	478,900	-	-	-	-	478,900
Injuries and Damages	64,805	-	-	-	-	64,805
Employee Pensions and Benefits	1,188,607	-	-	-	-	1,188,607
Energy conservation Residential	-	-	-	-	-	-
Energy conservation Non-Residential	-	-	-	-	-	-
Duplicate Charges--Cr.	-	-	-	-	-	-
Miscellaneous Advertising Expense	-	-	-	-	-	-
Miscellaneous General Expenses	212,303	-	-	-	-	212,303
Interest	-	-	-	-	-	-
Rents	212,000	-	-	-	-	212,000
Maintenance of General Plant	755,689	-	-	-	-	755,689
Insurance General	-	-	-	-	-	-
<b>Total Administrative and General Expenses</b>	<b>\$ 4,260,753</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,260,753</b>

EXHIBIT 4

Reading Municipal Light Department  
 Electric Cost of Service/Unbundling Study  
 Forecasted Operation and Maintenance Expenses  
 Forecasted Year Ending June 30th, 2011

Account	Budgeted Expenses FY11	Adjustments				Forecast FY11
		Suballocate	Suballocate	Adj 1	Suballocate Adj 1	
<b>Total Administration Expenses</b>	\$ 6,398,129	\$ -	\$ -	\$ -	\$ -	\$ 6,398,129
<b>Total O&amp;M Expenses</b>	\$ 38,194,567	\$ (0)	\$ -	\$ -	\$ -	\$ 38,194,567
<b>Depreciation Expenses</b>						
<b>Transmission Plant</b>						
Land & Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Structures & Improvements	47,526	-	-	-	-	47,526
Station Equip.	178,465	(178,465)	-	-	-	-
Demand		107,079	-	-	-	107,079
Customer		71,386	-	-	-	71,386
Towers & Fixtures	2,585	(2,585)	-	-	-	-
Demand		1,680	-	-	-	1,680
Customer		905	-	-	-	905
Poles & Fixtures	3,178	(3,178)	-	-	-	-
Demand		2,066	-	-	-	2,066
Customer		1,112	-	-	-	1,112
Overhead Conductors and Devices	2,547	(2,547)	-	-	-	-
Demand		1,655	-	-	-	1,655
Customer		891	-	-	-	891
Underground Conduit	1,321	(1,321)	-	-	-	-
Demand		859	-	-	-	859
Customer		463	-	-	-	463
Underground Conductors and Devices	1,154	(1,154)	-	-	-	-
Demand		750	-	-	-	750
Customer		404	-	-	-	404
Roads and Trails	-	-	-	-	-	-
<b>Total Transmission Plant</b>	\$ 236,777	\$ -	\$ -	\$ -	\$ -	\$ 236,777
<b>Distribution Plant</b>						
Land & Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Structures & Improvements	137,567	-	-	-	-	137,567
Station Equip.	277,379	(277,379)	-	-	-	-
Demand		194,165	-	-	-	194,165
Customer		83,214	-	-	-	83,214
Storage Bat. Equip.	1,012	-	-	-	-	1,012
Poles & Towers	634,385	(634,385)	-	-	-	-
Demand		190,316	-	-	-	190,316
Customer		444,070	-	-	-	444,070
Overhead Conductors	469,808	(469,808)	-	-	-	-
Demand		140,942	-	-	-	140,942
Customer		328,865	-	-	-	328,865
Underground Conduit	218,513	(218,513)	-	-	-	-
Demand		65,554	-	-	-	65,554
Customer		152,959	-	-	-	152,959
Undg Conductors	227,804	(227,804)	-	-	-	-
Demand		68,341	-	-	-	68,341
Customer		159,463	-	-	-	159,463
Line Transformers	268,379	(268,379)	-	-	-	-
Demand		187,865	-	-	-	187,865
Customer		80,514	-	-	-	80,514
Services	155,831	(155,831)	-	-	-	-
Demand		46,749	-	-	-	46,749
Customer		109,082	-	-	-	109,082
Meters	126,365	-	-	-	-	126,365
Inst. Cust. Premises	777	-	-	-	-	777
Leased Property on Customers' Premises	-	-	-	-	-	-
Street Lights & Signal System	72,519	-	-	-	-	72,519
Street Lights & Signal System Overhead	-	-	-	-	-	-
Street Lights & Signal System Underground	-	-	-	-	-	-
Install Security Lights	-	-	-	-	-	-
<b>Total Distribution Plant</b>	\$ 2,590,339	\$ (0)	\$ -	\$ -	\$ -	\$ 2,590,339
<b>Total Plant Before General Plant</b>	\$ 2,827,116	\$ (0)	\$ -	\$ -	\$ -	\$ 2,827,116



EXHIBIT 4

Reading Municipal Light Department  
 Electric Cost of Service/Unbundling Study  
 Forecasted Operation and Maintenance Expenses  
 Forecasted Year Ending June 30th, 2011

Account	Budgeted Expenses FY11	Adjustments				Forecast FY11
		Suballocate	Suballocate	Adj 1	Suballocate Adj 1	
<b>General Plant</b>						
Land & Land Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Structures and Improvements	219,884	-	-	-	-	219,884
Structures & Improvements (new)	-	-	-	-	-	-
Office Furniture & Equipment	194,903	-	-	-	-	194,903
Computer (hardware, software, labor)	-	-	-	-	-	-
Transportation Equip.	123,727	-	-	-	-	123,727
Stores Equip.	3,161	-	-	-	-	3,161
Tools, Shop & Garage	15,173	-	-	-	-	15,173
Laboratory Equipment	10,142	-	-	-	-	10,142
Power Operated Equipment	-	-	-	-	-	-
Communication Equipment	68,719	-	-	-	-	68,719
Misc. Equipment	3,392	-	-	-	-	3,392
Training Equipment	-	-	-	-	-	-
<b>Total General Plant</b>	<b>\$ 639,101</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 639,101</b>
<b>Total Depreciation</b>	<b>\$ 3,466,217</b>	<b>\$ (0)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,466,217</b>
<b>Other</b>						
Customer Deposit Interest Expense	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ 12,000
Bond Interest Expense	-	-	-	-	-	-
Amortization Expense	-	-	-	-	-	-
Other Deductions (incl. ROI)	2,225,000	-	-	-	-	2,225,000
Town Payments	1,320,000	-	-	-	-	1,320,000
Purchased Power Adjustment	-	-	-	-	-	-
Debt Retirement	-	-	-	-	-	-
Not Used	-	-	-	-	-	-
Not Used	-	-	-	-	-	-
<b>Total Other</b>	<b>\$ 3,557,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,557,000</b>
<b>Total Expense</b>	<b>\$ 44,578,683</b>					
<b>Less: Other Revenues</b>						
Forfeited Discounts	\$ (870,359)	\$ -	\$ -	\$ -	\$ -	\$ (870,359)
P.I.L.O.T Customer	-	-	-	-	-	-
Fuel Reimbursements	-	-	-	-	-	-
Generating Credits	-	-	-	-	-	-
Transmission Wheeling	-	-	-	-	-	-
Rent	-	-	-	-	-	-
MMWEC Refund	(384,497)	-	-	-	-	(384,497)
Other Electric Revenues	(120,000)	-	-	-	-	(120,000)
Interest Income	(450,000)	-	-	-	-	(450,000)
<b>Total Other Revenues</b>	<b>\$ (1,824,856)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,824,856)</b>
<b>Total Revenue Requirement (Excluding ROR)</b>	<b>\$ 43,392,928</b>	<b>\$ (0)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 43,392,928</b>

# EXHIBIT 5

EXHIBIT 5

Reading Municipal Light Department  
 Electric Cost of Service/Unbundling Study  
 Forecasted Test Year Ending June 30th, 2011  
 Classification and Allocation of Revenue Requirements

Account	Year End 2011	Reallocated Year End 2011	Allocator	RESIDENTIAL							
				RESIDENTIAL A-RATE	RESIDENTIAL WATER HEATER	RESIDENTIAL TOU	Commercial	INDUSTRIAL TOU	Streetlights	COOP-RESALE	SCHOOL
<b>Operation and Maintenance Expenses</b>											
<b>Power Production Expenses</b>											
Other Power Supply Expenses	\$ 27,711,574	\$ 27,711,574	CP-12								
Purchased Power Unused			CP-12								
Total Other Power Supply Expenses	\$ 27,711,574	\$ 27,711,574		\$ 10,027,393	\$ 225,943	\$ 58,808	\$ 8,771,113	\$ 7,820,287	\$ 45,505	\$ 164,545	\$ 597,981
Total Power Production Expenses	\$ 27,711,574	\$ 27,711,574		\$ 10,027,393	\$ 225,943	\$ 58,808	\$ 8,771,113	\$ 7,820,287	\$ 45,505	\$ 164,545	\$ 597,981
<b>Transmission Maintenance Expenses</b>											
Maintenance Supervision and Engineering	\$ 3,000	\$ 3,000	NCP-Input	1,249	33	9	977	631	7	18	75
Maintenance of Structures			NCP-Input								
Maintenance of Station Equipment			NCP-Input								
Demand			NCP-Input								
Customer			Cust-wgt								
Maintenance of Overhead Lines			NCP-Input								
Demand			NCP-Input								
Customer			Cust-wgt								
Maintenance of Underground Lines			NCP-Input								
Demand			NCP-Input								
Customer			Cust-wgt								
Maintenance of Misc. Transmission Plant			NCP-Input								
Unused			NCP-Input								
Total Transmission Maintenance Expenses	\$ 3,000	\$ 3,000		\$ 1,249	\$ 33	\$ 9	\$ 977	\$ 631	\$ 7	\$ 18	\$ 75
Total Transmission Expenses	\$ 3,000	\$ 3,000		\$ 1,249	\$ 33	\$ 9	\$ 977	\$ 631	\$ 7	\$ 18	\$ 75
<b>Distribution Expenses</b>											
<b>Distribution Operation Expenses</b>											
Operation Supervision and Engineering	\$ 441,931	\$ 441,931	NCP-Input	184,063	4,790	1,338	143,968	93,017	1,087	2,674	10,993
Load Dispatching	619,609	619,609	NCP-Input	258,066	6,716	1,876	201,851	130,414	1,524	3,750	15,413
Station Expenses			N/A								
Demand	298,543	298,543	NCP-Input	124,342	3,236	904	97,257	62,837	735	1,807	7,426
Customer	127,947	127,947	Cust-wgt	89,737	2,483	484	33,248	1,478		74	443
Overhead Line Expenses			N/A								
Demand			NCP-Input								
Customer			Cust-wgt								
Underground Line Expenses			NCP-Input								
Demand			NCP-Input								
Customer			Cust-wgt								
Street Lighting and Signal System Expenses	67,892	67,892	Direct.l						67,892		
Meter Expenses	483,082	483,082	Meters-Wgt	339,010	9,379	1,828	125,606	5,582		3	1,675
Customer Installation Expenses			NCP-Input								
Misc. Distribution Expenses	347,115	347,115	NCP-Input	144,573	3,762	1,051	113,080	73,060	854	2,101	8,635

EXHIBIT 5

**Reading Municipal Light Department**  
*Electric Cost of Service/Unbundling Study*  
 Forecasted Test Year Ending June 30th, 2011  
 Classification and Allocation of Revenue Requirements

Account	Year End 2011	Reallocated Year End 2011	Allocator	RESIDENTIAL				INDUSTRIAL TOU	Streetlights	COOP- RESALE	SCHOOL
				RESIDENTIAL A- RATE	A-RATE WATER HEATER	RESIDENTIAL TOU	Commercial				
Rentals Unused				\$ 1,139,791	\$ 30,366	\$ 7,480	\$ 715,010	\$ 366,387	\$ 72,092	\$ 10,408	\$ 44,586
<b>Total Distribution Operation Expenses</b>	<b>\$ 2,386,119</b>	<b>\$ 2,386,119</b>									
Distribution Maintenance Expenses											
Maintenance Supervision and Engineering	\$ 187,456	\$ 187,456	NCP-Input	\$ 78,075	\$ 2,032	\$ 567	\$ 61,068	\$ 39,455	\$ 461	\$ 1,134	\$ 4,663
Maintenance of Structures	-	-	NCP-Input	-	-	-	-	-	-	-	-
Maintenance of Station Equipment	-	-	N/A	-	-	-	-	-	-	-	-
Demand	-	-	NCP-Input	-	-	-	-	-	-	-	-
Customer	-	-	Cust-wgt	-	-	-	-	-	-	-	-
Maintenance of Overhead Lines	-	-	N/A	-	-	-	-	-	-	-	-
Demand	363,493	363,493	NCP-Input	151,394	3,940	1,100	118,416	76,507	894	2,200	9,042
Customer	848,150	848,150	Cust-wgt	594,861	16,457	3,208	220,400	9,796	-	490	2,939
Maintenance of Underground Lines	-	-	N/A	-	-	-	-	-	-	-	-
Demand	57,109	57,109	NCP-Input	23,786	619	173	18,604	12,020	141	346	1,421
Customer	133,253	133,253	Cust-wgt	93,459	2,586	504	34,627	1,539	77	77	462
Maintenance of Line Transformers	-	-	N/A	-	-	-	-	-	-	-	-
Demand	65,450	65,450	NCP-Input	27,260	709	198	21,322	13,776	161	396	1,628
Customer	28,050	28,050	Cust-wgt	19,673	544	106	7,289	324	-	16	97
Maintenance of Street Lighting and Signal System	8,909	8,909	Direct.sl	-	-	-	-	-	8,909	-	-
Maintenance of Meters	3,875	3,875	Meters-Wgt	2,719	75	15	1,008	45	-	0	13
Maintenance of Misc. Distribution Plant	-	-	NCP-Input	-	-	-	-	-	-	-	-
Maintenance of Rental Lights	-	-	Rental-Lgt	-	-	-	-	-	-	-	-
<b>Total Distribution Maintenance Expenses</b>	<b>\$ 1,695,745</b>	<b>\$ 1,695,745</b>		<b>\$ 991,227</b>	<b>\$ 26,962</b>	<b>\$ 5,871</b>	<b>\$ 482,734</b>	<b>\$ 153,461</b>	<b>\$ 10,566</b>	<b>\$ 4,659</b>	<b>\$ 20,265</b>
<b>Total Distribution Expenses</b>	<b>\$ 4,081,864</b>	<b>\$ 4,081,864</b>		<b>\$ 2,131,018</b>	<b>\$ 57,327</b>	<b>\$ 13,351</b>	<b>\$ 1,197,744</b>	<b>\$ 519,848</b>	<b>\$ 82,658</b>	<b>\$ 15,066</b>	<b>\$ 64,850</b>
<b>Total Expenses Before Administration</b>	<b>\$ 31,796,438</b>	<b>\$ 31,796,438</b>		<b>\$ 12,159,660</b>	<b>\$ 283,302</b>	<b>\$ 72,168</b>	<b>\$ 9,969,835</b>	<b>\$ 8,340,766</b>	<b>\$ 128,170</b>	<b>\$ 179,629</b>	<b>\$ 662,906</b>

EXHIBIT 5

Reading Municipal Light Department  
 Electric Cost of Service/Unbundling Study  
 Forecasted Test Year Ending June 30th, 2011  
 Classification and Allocation of Revenue Requirements

Account	Year End 2011	Reallocated Year End 2011	Allocator	RESIDENTIAL				Commercial	INDUSTRIAL	Streetlights	COOP-	
				RESIDENTIAL A-RATE	RESIDENTIAL WATER	RESIDENTIAL HEATER	RESIDENTIAL TOU				RESALE	SCHOOL
<b>Customer Accounts Expenses</b>												
Supervision	\$ 64,512	\$ 64,512	Meter.rd.wgt	-	-	-	-	-	-	-	-	-
Meter Reading Expenses	1,398,088	1,398,088	Meter.rd.wgt	45,246	1,252	244	16,764	745	-	-	37	224
Customer Records & Collection Expenses	180,000	180,000	Customer billing.wgt	1,204,545	33,323	6,496	148,764	1,984	-	-	992	1,984
Uncollectible Accounts	-	-	Customer billing.wgt	126,245	3,493	681	46,775	2,079	-	-	104	624
Misc. Customer Accounts Expenses	-	-	Customer billing.wgt	-	-	-	-	-	-	-	-	-
Unused	-	-	N/A	-	-	-	-	-	-	-	-	-
<b>Total Customer Accounts Expenses</b>	<b>\$ 1,642,600</b>	<b>\$ 1,642,600</b>		<b>\$ 1,376,037</b>	<b>\$ 38,067</b>	<b>\$ 7,421</b>	<b>\$ 212,303</b>	<b>\$ 4,807</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,133</b>	<b>\$ 2,831</b>
<b>Sales Expenses</b>												
Supervision	\$ -	\$ -	N/A	-	-	-	-	-	-	-	-	-
Demonstrating and Selling Expenses	-	-	N/A	-	-	-	-	-	-	-	-	-
Advertising Expenses	-	-	N/A	-	-	-	-	-	-	-	-	-
Miscellaneous Sales Expenses	494,776	494,776	A&G Expense	202,507	5,202	1,238	147,507	125,346	1,166	2,493	-	9,317
Unused	-	-	N/A	-	-	-	-	-	-	-	-	-
<b>Total Sales Expenses</b>	<b>\$ 494,776</b>	<b>\$ 494,776</b>		<b>\$ 202,507</b>	<b>\$ 5,202</b>	<b>\$ 1,238</b>	<b>\$ 147,507</b>	<b>\$ 125,346</b>	<b>\$ 1,166</b>	<b>\$ 2,493</b>	<b>\$ -</b>	<b>\$ 9,317</b>
<b>Administrative and General Expenses</b>												
Administrative and General Salaries	\$ 776,849	\$ 776,849	A&G Expense	317,956	8,167	1,944	231,601	196,807	1,831	3,915	-	14,628
Office Supplies and Expenses	278,100	278,100	A&G Expense	113,823	2,924	696	82,910	70,454	655	1,401	-	5,237
Utility Office Salary Elec. Share	293,500	293,500	A&G Expense	-	3,086	735	87,501	74,355	692	1,479	-	5,527
Outside Services Employed	478,900	478,900	A&G Expense	120,127	5,035	1,198	142,774	121,324	1,129	2,413	-	9,018
Property Insurance	64,805	64,805	A&G Expense	196,009	26,524	162	19,320	16,418	153	327	-	1,220
Injuries and Damages	1,188,607	1,188,607	A&G Expense	486,485	12,496	2,975	354,358	301,121	2,801	5,990	-	22,381
Employee Pensions and Benefits	-	-	Energy Res	-	-	-	-	-	-	-	-	-
Energy conservation Residential	-	-	Energy Non-Res	-	-	-	-	-	-	-	-	-
Energy conservation Non-Residential	-	-	A&G Expense	-	-	-	-	-	-	-	-	-
Duplicate Charges-Cr.	-	-	A&G Expense	-	-	-	-	-	-	-	-	-
Miscellaneous Advertising Expense	212,303	212,303	A&G Expense	86,893	2,232	531	63,294	53,785	500	1,070	-	3,998
Miscellaneous General Expenses	-	-	A&G Expense	-	-	-	-	-	-	-	-	-
Interest	212,000	212,000	A&G Expense	86,769	2,229	531	63,203	53,708	500	1,068	-	3,992
Rents	755,669	755,669	A&G Expense	309,296	7,945	1,891	225,293	191,446	1,781	3,808	-	14,229
Maintenance of General Plant	-	-	A&G Expense	-	-	-	-	-	-	-	-	-
Insurance General	-	-	A&G Expense	-	-	-	-	-	-	-	-	-
<b>Total Administrative and General Expenses</b>	<b>\$ 4,260,753</b>	<b>\$ 4,260,753</b>		<b>\$ 1,743,882</b>	<b>\$ 44,795</b>	<b>\$ 10,653</b>	<b>\$ 1,270,252</b>	<b>\$ 1,079,418</b>	<b>\$ 10,042</b>	<b>\$ 21,472</b>	<b>\$ -</b>	<b>\$ 80,229</b>
<b>Total Administration Expenses</b>	<b>\$ 6,398,129</b>	<b>\$ 6,398,129</b>		<b>\$ 3,322,426</b>	<b>\$ 88,064</b>	<b>\$ 19,322</b>	<b>\$ 1,630,063</b>	<b>\$ 1,209,571</b>	<b>\$ 11,208</b>	<b>\$ 25,098</b>	<b>\$ -</b>	<b>\$ 92,376</b>
<b>Total O&amp;M Expenses</b>	<b>\$ 38,194,567</b>	<b>\$ 38,194,567</b>		<b>\$ 15,482,086</b>	<b>\$ 371,367</b>	<b>\$ 91,490</b>	<b>\$ 11,599,897</b>	<b>\$ 9,550,338</b>	<b>\$ 139,379</b>	<b>\$ 204,727</b>	<b>\$ -</b>	<b>\$ 755,282</b>
<b>Depreciation Expenses</b>												
Transmission Plant	\$ -	\$ -	NCP-Input	-	-	-	-	-	-	-	-	-
Land & Land Rights	-	-	NCP-Input	-	-	-	-	-	-	-	-	-
Structures & Improvements	47,526	47,526	NCP-Input	19,795	515	144	15,483	10,003	117	288	-	1,182
Station Equip.	-	-	N/A	-	-	-	-	-	-	-	-	-
Demand	107,079	107,079	NCP-Input	44,598	1,161	324	34,883	22,538	263	648	-	2,664
Customer	71,386	71,386	Cust-wgt	50,067	1,385	270	18,550	824	-	41	-	247

EXHIBIT 5

Reading Municipal Light Department  
 Electric Cost of Service/Unbundling Study  
 Forecasted Test Year Ending June 30th, 2011  
 Classification and Allocation of Revenue Requirements

Account	Year End		Reallocated Year End 2011	Allocator	RESIDENTIAL A- RATE	RESIDENTIAL		Commercial	INDUSTRIAL TOU	Streetlights	COOP- RESALE		SCHOOL
	2011	2011				WATER HEATER	TOU				RESALE	RESALE	
Towers & Fixtures													
Demand	1,680	-	-	N/A	-	18	-	-	-	-	-	-	-
Customer	905	1,680	1,680	NCP-Input	700	18	5	547	354	4	10	42	
Poles & Fixtures													
Demand	2,066	-	-	N/A	-	-	3	235	10	-	1	3	
Customer	1,112	2,066	2,066	NCP-Input	860	22	6	673	435	5	13	51	
Overhead Conductors and Devices													
Demand	1,655	-	-	N/A	-	22	4	289	13	-	1	4	
Customer	891	1,655	1,655	NCP-Input	689	18	5	539	348	4	10	41	
Underground Conduit													
Demand	859	-	-	N/A	-	17	3	232	10	-	1	3	
Customer	463	859	859	NCP-Input	358	9	3	280	181	2	5	21	
Underground Conductors and Devices													
Demand	750	-	-	N/A	-	324	2	120	5	-	0	2	
Customer	404	750	750	NCP-Input	312	8	2	244	188	2	5	19	
Roads and Trails													
Demand	-	-	-	N/A	-	8	2	105	5	-	0	1	
Customer	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Transmission Plant</b>	<b>\$ 236,777</b>	<b>\$ 236,777</b>	<b>\$ 236,777</b>		<b>\$ 120,028</b>	<b>\$ 3,210</b>	<b>\$ 773</b>	<b>\$ 72,181</b>	<b>\$ 34,885</b>	<b>\$ 398</b>	<b>\$ 1,021</b>	<b>\$ 4,281</b>	

EXHIBIT 5

Reading Municipal Light Department  
 Electric Cost of Service/Unbundling Study  
 Forecasted Test Year Ending June 30th, 2011  
 Classification and Allocation of Revenue Requirements

Account	Year End		Year End 2011	Reallocated	Allocator	RESIDENTIAL A-RATE		RESIDENTIAL WATER HEATER	RESIDENTIAL TOU	Commercial	INDUSTRIAL TOU	Streetlights	COOP-RESALE		SCHOOL
	2011					RESIDENTIAL A-RATE	RESIDENTIAL WATER HEATER						RESALE		
<b>Distribution Plant</b>															
Land & Land Rights															
Structures & Improvements															
Station Equip.															
Demand															
Customer															
Storage Bat. Equip.															
Poles & Towers															
Demand															
Customer															
Overhead Conductors															
Demand															
Customer															
Underground Conduit															
Demand															
Customer															
Undg Conductors															
Demand															
Customer															
Line Transformers															
Demand															
Customer															
Services															
Demand															
Customer															
Meters															
Inst. Cust. Premises															
Leased Property on Customers' Premises															
Street Lights & Signal System															
Street Lights & Signal System Overhead															
Street Lights & Signal System Underground															
Install Security Lights															
<b>Total Distribution Plant</b>	<b>\$ 2,590,339</b>	<b>\$ 2,590,339</b>	<b>\$ 2,590,339</b>	<b>\$ 2,590,339</b>		<b>\$ 1,471,608</b>	<b>\$ 40,006</b>	<b>\$ 8,743</b>	<b>\$ 234,530</b>	<b>\$ 722,406</b>	<b>\$ 234,530</b>	<b>\$ 75,061</b>	<b>\$ 7,038</b>	<b>\$ 30,848</b>	
<b>Total Plant Before General Plant</b>	<b>\$ 2,827,116</b>	<b>\$ 2,827,116</b>	<b>\$ 2,827,116</b>	<b>\$ 2,827,116</b>		<b>\$ 1,591,636</b>	<b>\$ 43,216</b>	<b>\$ 9,517</b>	<b>\$ 269,515</b>	<b>\$ 794,687</b>	<b>\$ 269,515</b>	<b>\$ 75,458</b>	<b>\$ 8,059</b>	<b>\$ 35,128</b>	
<b>General Plant</b>															
Land & Land Rights															
Structures and Improvements															
Structures & Improvements (new)															
Office Furniture & Equipment															
Computer (hardware, software, labor)															
Transportation Equip.															
Stores Equip.															
Tools, Shop & Garage															
Laboratory Equipment															
Power Operated Equipment															
Communication Equipment															
Misc. Equipment															
Training Equipment															

EXHIBIT 5

Reading Municipal Light Department  
 Electric Cost of Service/Unbundling Study  
 Forecasted Test Year Ending June 30th, 2011  
 Classification and Allocation of Revenue Requirements

Account	Year End 2011	Reallocated Year End 2011	Allocator	RESIDENTIAL A-RATE							
				RESIDENTIAL A-RATE	WATER HEATER	RESIDENTIAL TOU	Commercial	INDUSTRIAL TOU	Streetlights	COOP-RESALE	SCHOOL
Total General Plant	\$ 639,101	\$ 639,101		\$ 261,578	\$ 6,719	\$ 1,599	\$ 190,634	\$ 161,910	\$ 1,506	\$ 3,221	\$ 12,034
Total Depreciation	\$ 3,466,217	\$ 3,466,217		\$ 1,853,214	\$ 49,935	\$ 11,116	\$ 985,121	\$ 431,425	\$ 76,965	\$ 11,280	\$ 47,162
Other											
Customer Deposit Interest Expense	\$ 12,000	\$ 12,000	A&G Expense	\$ 4,911	\$ 126	\$ 30	\$ 3,578	\$ 3,040	\$ 28	\$ 60	\$ 226
Bond Interest Expense	-	-	A&G Expense	-	-	-	-	-	-	-	-
Amortization Expense	-	-	A&G Expense	-	-	-	-	-	-	-	-
Other Deductions (Incl. ROI)	2,225,000	2,225,000	A&G Expense	910,669	23,392	5,568	663,336	563,681	5,244	11,213	41,896
Town Payments	1,320,000	1,320,000	A&G Expense	540,262	13,878	3,303	393,530	334,408	3,111	6,652	24,855
Purchased Power Adjustment	-	-	A&G Expense	-	-	-	-	-	-	-	-
Debt Retirement	-	-	N/A	-	-	-	-	-	-	-	-
Not Used	-	-	N/A	-	-	-	-	-	-	-	-
Not Used	-	-	N/A	-	-	-	-	-	-	-	-
Total Other	\$ 3,557,000	\$ 3,557,000		\$ 1,455,843	\$ 37,396	\$ 8,902	\$ 1,060,443	\$ 901,129	\$ 8,384	\$ 17,925	\$ 66,977
Less: Other Revenues											
Forfeited Discounts	(870,359)	(870,359)	Forfeited Disc	\$ (452,493)	\$ (12,779)	\$ (2,892)	\$ (322,855)	\$ (75,977)	\$ (815)	\$ (2,420)	\$ (128)
P.I.L.O.T. Customer	-	-	NBV	-	-	-	-	-	-	-	-
Fuel Reimbursements	-	-	CP-12	-	-	-	-	-	-	-	-
Generating Credits	-	-	CP-12	-	-	-	-	-	-	-	-
Transmission Wheeling	-	-	NBV	-	-	-	-	-	-	-	-
Rent	-	-	NBV	-	-	-	-	-	-	-	-
MMWEC Refund	(384,497)	(384,497)	NBV	(225,543)	(6,131)	(1,319)	(107,707)	(33,028)	(5,516)	(974)	(4,279)
Other Electric Revenues	(120,000)	(120,000)	NBV	(70,391)	(1,914)	(412)	(33,615)	(10,308)	(1,721)	(304)	(1,335)
Interest Income	(450,000)	(450,000)	NBV	(263,967)	(7,176)	(1,544)	(126,056)	(38,655)	(6,459)	(1,140)	(5,007)
Total Other Revenues	\$ (1,824,856)	\$ (1,824,856)		\$ (1,012,395)	\$ (28,000)	\$ (6,167)	\$ (590,233)	\$ (157,967)	\$ (14,507)	\$ (4,838)	\$ (10,749)
Total Revenue Requirement	\$ 43,392,928	\$ 43,392,928		\$ 17,778,748	\$ 430,698	\$ 105,341	\$ 13,055,228	\$ 10,724,924	\$ 210,220	\$ 229,095	\$ 858,673
Return on Ratebase	\$ 2,500,000	\$ 2,500,000	ROR	\$ 1,466,483	\$ 39,865	\$ 8,577	\$ 700,312	\$ 214,748	\$ 35,863	\$ 6,334	\$ 27,819
Total Revenue Requirement	\$ 45,892,928	\$ 45,892,928		\$ 19,245,231	\$ 470,563	\$ 113,918	\$ 13,755,540	\$ 10,939,672	\$ 246,083	\$ 235,428	\$ 886,493



# EXHIBIT 6

EXHIBIT 6

Reading Municipal Light Department  
 Electric Cost of Service/Unbundling Study  
 Forecasted Test Year Ending June 30th, 2011  
 Revenue Proof

RESIDENTIAL A-RATE

Forecasted Revenues at Current Rates		Potential New Rate	
Year Ending 6/30/11	Test Year Rate	Calculated Year Ending 6/30/11 Revenue	Rate (\$)
0.00%			
Customer:			
Total Customers	291,492	\$ 976,498	\$ 3.47
Customer Charge	291,492		291,492
Energy:			
Total Energy	237,638,230	17,468,786	0.08365
Adjustments:			
PPA	237,638,230	1,884,709	\$ 0.00073
Energy Audit			
Passy Credit	237,638,230	(224,806)	0.00095
Discounts		(2,010,519)	10%
	Forecast Class Total	\$ 18,094,669	
	Revenue Req. Class Total	\$ 19,245,231	
	Change in Rate Required (%)	6.36%	
			Forecast Class Total \$ 18,755,674
			Reallocated Revenue Req. Class Total \$ 18,779,544
			Difference (\$) 23,870

RESIDENTIAL A-RATE WATER HEATER

Forecasted Revenues at Current Rates		Potential New Rate	
Year Ending 6/30/11	Test Year Rate	Calculated Year Ending 6/30/11 Revenue	Rate (\$)
0.00%			
Customer:			
Total Customers	8,064	\$ 27,014	\$ 3.48
Customer Charge	8,064		8,064
Energy:			
Total Energy	7,407,034	75,269	0.036624
100-433 kWh	2,685,312	332,645	0.080723
<100 / >433 kWh	4,721,722		
Adjustments:			
PPA	7,407,034	58,745	\$ 0.00073
Energy Audit	7,407,034		
Passy Credit	7,407,034	(7,007)	0.000946
Discounts	7,407,034	(48,667)	10%
	Forecast Class Total	\$ 438,000	
	Revenue Req. Class Total	\$ 470,563	
	Change in Rate Required (%)	7.43%	
			Forecast Class Total \$ 455,391
			Reallocated Revenue Req. Class Total \$ 456,048
			Difference (\$) 657

EXHIBIT 6

Reading Municipal Light Department  
 Electric Cost of Service/Unbundling Study  
 Forecasted Test Year Ending June 30th, 2011  
 Revenue Proof

	Forecasted Revenues at Current Rates			Potential New Rate		
	Year Ending 6/30/11 Units	Test Year Rate	Calculated Year Ending 6/30/11 Revenue	Rate (\$)	Test Year Units	Estimated Revenue
Customer:						
Total Customers	1,572	5.51	8,662	5.51	1,572	8,662
Customer Charge	1,572	5.51	8,662	5.51	1,572	8,662
Energy:						
Total Energy	1,808,521	0.07541	40,878	0.0826	1,808,521	44,781
On-Peak Energy	542,083	0.05415	65,624	0.0614	542,083	74,350
Off-Peak Energy	1,211,902	0.02780	1,516	0.0350	1,211,902	1,909
TOU Water Heater	54,536				54,536	
Adjustments:						
PPA	1,808,521	0.0079	14,343	0.00073	1,808,521	1,322
Energy Audit	1,808,521				1,808,521	
Pasny Credit	1,808,521	0.00095	(1,711)	0.00095	1,808,521	(1,711)
Discounts	1,808,521	10%	(12,931)	10%	1,808,521	(12,931)
	Forecast Class Total		\$ 116,382		Forecast Class Total	\$ 116,382
	Revenue Req. Class Total		\$ 113,918		Revenue Req. Class Total	\$ 116,382
	Change in Rate Required (%)		-2.12%		Reallocated Revenue Req. Class Total	\$ 116,382
					Difference (\$)	-

	Forecasted Revenues at Current Rates			Potential New Rate		
	Year Ending 6/30/11 Units	Test Year Rate	Calculated Year Ending 6/30/11 Revenue	Rate (\$)	Test Year Units	Estimated Revenue
Customer:						
Total Customers	36,180	5.73	207,311	5.97	36,180	216,170
Demand:						
Total Demand	189,181,753	5.99	4,302,924	6.25	189,181,753	4,486,800
Firm Demand Charge	718,351				718,351	
Energy:						
Total Energy	189,181,753	0.04260	8,059,143	0.0519	189,181,753	9,823,848
Adjustments:Energy Conservation Charge	189,181,753					
PPA	189,181,753	0.0079	1,500,400	0.00073	189,181,753	138,292
Discounts	1	10%	(1,256,938)	10%	1	(1,466,511)
	Forecast Class Total		\$ 12,812,841		Forecast Class Total	\$ 13,198,539
	Revenue Req. Class Total		\$ 13,755,540		Revenue Req. Class Total	\$ 13,384,811
	Change in Rate Required (%)		7.36%		Reallocated Revenue Req. Class Total	\$ 186,212
					Difference (\$)	-

EXHIBIT 6

**Reading Municipal Light Department**  
*Electric Cost of Service/Unbundling Study*  
 Forecasted Test Year Ending June 30th, 2011  
 Revenue Proof

	Forecasted Revenues at Current Rates			Potential New Rate		
	Year Ending 6/30/11 Units	Test Year Rate	Calculated Year Ending 6/30/11 Revenue	Rate (\$)	Test Year Units	Estimated Revenue
<b>INDUSTRIAL TOU</b>						
Customer:						
Total Customers	516		\$ -	\$ 516	516	\$ -
Customer Charge	516	27.54	\$ 14,211	27.54	516	\$ 14,211
Demand:						
Total Demand	440,231	7.90	\$ 3,477,827	7.90	440,231	\$ 3,477,827
Energy:						
Total Energy	224,822,454				224,822,454	
On-Peak Energy	72,595,208	0.04115	\$ 2,987,293	0.04835	72,595,208	\$ 3,509,978
Off-Peak Energy	152,227,246	0.02902	\$ 4,417,635	0.03622	152,227,246	\$ 5,513,671
Energy Conservation Charge	224,822,454					
PPA	224,822,454	0.0079	\$ 1,783,067	0.00073	224,822,454	\$ 164,345
Discounts	1	10%	\$ (1,268,003)	10%		\$ (1,268,003)
	Forecast Class Total		\$ 11,412,028		Forecast Class Total	\$ 11,412,028
	Revenue Req. Class Total		\$ 10,939,672		Revenue Req. Class Total	\$ 11,412,028
	Change in Rate Required (%)		-4.14%		Difference (\$)	

	Forecasted Revenues at Current Rates			Potential New Rate		
	Year Ending 6/30/11 Units	Test Year Rate	Calculated Year Ending 6/30/11 Revenue	Rate (\$)	Test Year Units	Estimated Revenue
<b>Streetslights</b>						
Customer:						
Total Customers	-		\$ -	\$ -	-	\$ -
Demand:						
Total Demand	-				-	
Energy:						
Total Energy	3,747,728				3,747,728	
Public Street Lights	2,903,360	0.18	\$ 522,605	0.1872	2,903,360	\$ 543,509
Private Street Lights	844,368	0.08	\$ 67,549	0.0872	844,368	\$ 73,629
PPA	3,747,728	0.0079	\$ 29,723	0.00073	3,747,728	\$ 2,740
Energy Conservation Charge	3,747,728					
Discounts		0.1000	\$ (61,988)	10%		\$ (61,988)
	Forecast Class Total		\$ 557,890		Forecast Class Total	\$ 619,877
	Revenue Req. Class Total		\$ 246,083		Revenue Req. Class Total	\$ 557,890
	Change in Rate Required (%)		-55.89%		Difference (\$)	(61,988)

EXHIBIT 6

**Reading Municipal Light Department**  
*Electric Cost of Service/Unbundling Study*  
 Forecasted Test Year Ending June 30th, 2011  
 Revenue Proof

**COOP-RESALE**

	Forecasted Revenues at Current Rates		Potential New Rate			
	Year Ending 6/30/11 Units	Test Year Rate	Calculated Year Ending 6/30/11 Revenue	Rate (\$)	Test Year Units	Estimated Revenue
Customer:						
Total Customers	252	3.20	806		252	806
Customer Charge	252	3.20	806		252	806
Energy:						
Total Energy	3,798,265	0.0694	263,600		3,798,265	290,947
Adjustments:						
Energy Audit	3,798,265	0.0079	30,124		3,798,265	2,777
PPA	3,798,265	10%	(26,441)		3,798,265	(29,453)
Discounts	1	10%			10%	
	Forecast Class Total		\$ 268,089		Forecast Class Total	\$ 265,077
	Revenue Req. Class Total		\$ 235,428		Revenue Req. Class Total	\$ 268,089
	Change in Rate Required (%)		-12.18%		Difference (\$)	3,012

**SCHOOL**

	Forecasted Revenues at Current Rates		Potential New Rate			
	Year Ending 6/30/11 Units	Test Year Rate	Calculated Year Ending 6/30/11 Revenue	Rate (\$)	Test Year Units	Estimated Revenue
Customer:						
Total Customers	480	5.51	2,645		480	2,645
Demand:						
Total Demand	51,976	5.76	299,380.15		51,976	299,380
Firm Demand Charge	51,976	5.76	299,380.15		51,976	299,380
Energy:						
Total Energy	14,652,336	0.0411	601,918		14,652,336	707,415
Adjustments:						
PPA	14,652,336	0.0079	116,207.67		14,652,336	10,711
Discounts	1	10%	(102,015)		10%	(102,015)
	Forecast Class Total		\$ 918,136		Forecast Class Total	\$ 918,136
	Revenue Req. Class Total		\$ 886,493		Revenue Req. Class Total	\$ 918,136
	Change in Rate Required (%)		-3.45%		Difference (\$)	-

Forecast Class Total at Current Rates \$ 44,618,035 Forecast Class Total at New Rates \$ 45,741,164  
 Reallocated Revenue Req. Class Total \$ 45,892,928