

## Attachment 1 - Alternative

IOWA AMERICAN WATER COMPANY  
CALCULATION OF CUSTOMER COSTS PER 5/8-INCH METER PER MONTH  
PER FINAL DECISION AND ORDER

	<u>Functional Cost</u>	<u>Customer Cost Per 5/8-Inch Meter Per Month</u>
(1) Cost Related to Meters (net of Public and Private Fire)	\$ 1,612,570	
(2) Meter Equivalents X 12	942,552	
(3) Cost per Bill - Meter related		\$ 1.71
(4) Cost Related to Services	\$ 780,667	
(5) Service Equivalents X 12	787,716	
(6) Cost per Bill - Services related		0.99
(7) Cost Related to Billing and Collecting	\$ 5,920,280	
(8) Number of Customers X 12	743,052	
(9) Cost per Bill - Billing and Collecting		7.97
(10) Cost Related to Public Fire	\$ 4,771,272	
(11) 50% of Public Fire Costs to Customer Charge	2,385,636	
(12) Meter Equivalents X 12	942,552	
(13) Cost per Bill - Public Fire		2.53
(14) Cost Related to Private Fire (25% of Private Fire Costs)	\$ 294,171	
(15) 50% of Private Fire Costs to Customer Charge	147,085	
(16) Meter Equivalents X 12	942,552	
(17) Cost per Bill - Private Fire		0.16
(18) Total Customer Costs (3)+(6)+(9)+(13)+(17)		<u>\$ 13.36</u>