

Exhibit MAB-1

PHILADELPHIA WATER DEPARTMENT
Personal Services
Actual vs. Budgeted Positions at June 30

<u>Year</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual- Budget</u>
2000	1,858	2,008	(150)
2001	1,864	2,029	(165)
2002	1,851	2,043	(192)
2003	1,809	2,055	(246)
2004	1,796	2,043	(247)

Source: PA-MAB-24

TABLE 11
PROJECTED REVENUE AND REVENUE REQUIREMENTS
(in thousands of dollars)

Line No.	Description	Fiscal Year Ending June 30,						
		2008	2009	2010	2011	2012	2013	2014
OPERATING REVENUE								
1	Water Service - Existing Rates	173,041	172,644	170,768	168,815	166,863	164,984	163,117
2	Wastewater Service - Existing Rates	299,070	300,181	298,591	296,731	292,820	291,019	289,232
3	Total Service Revenue - Existing Rates	472,111	472,825	469,359	465,546	459,683	456,003	452,349
Additional Service Revenue Required								
	Year	Percent Increase	Months Effective					
4	FY 2009	6.40%	12	30,261	30,039	29,795	29,420	29,184
5	FY 2010	6.40%	12		31,961	31,702	31,303	31,052
6	FY 2011	6.40%	12			33,731	33,306	33,039
7	FY 2012	6.40%	12				35,438	35,154
8	FY 2013	13.10%	12					76,561
9	FY 2014	4.40%	12					28,851
10	Total Additional Service Revenue Required	0	30,261	62,000	95,228	129,467	204,990	232,198
11	Total Water & Wastewater Service Revenue	472,111	503,086	531,359	560,774	589,150	660,993	684,547
12	Transfer From/(To) Rate Stabilization Fund	35,420	23,590	33,610	25,825	18,890	(440)	(235)
Other Income (a)								
13	Other Operating Revenue (b)	19,475	19,378	19,286	19,194	19,102	19,013	18,926
14	Construction Fund Interest Income	2,329	3,554	4,738	2,702	4,553	5,474	4,114
15	Debt Reserve Fund Interest Income	0	0	0	0	0	0	0
16	Operating Fund Interest Income	1,188	1,075	604	625	754	808	821
17	Rate Stabilization Interest Income	3,381	2,785	2,207	1,607	1,448	1,214	1,223
18	Total Revenues	533,904	553,468	591,804	610,727	633,897	687,062	709,396
OPERATING EXPENSES								
19	Water & Wastewater Operations	272,294	291,266	302,625	319,465	340,359	358,604	377,976
20	Direct Interdepartmental Charges	52,991	55,857	57,470	59,563	62,184	64,476	66,868
21	Total Operating Expenses	325,285	347,123	360,095	379,028	402,543	423,080	444,844
22	NET REVENUES AFTER OPERATIONS	208,619	206,345	231,709	231,699	231,354	263,982	264,552
DEBT SERVICE								
Senior Debt Service								
Revenue Bonds								
23	Outstanding Bonds (c)	173,460	171,565	171,560	171,550	171,261	174,374	174,851
24	Pennvest Parity Bonds	384	384	384	384	384	384	384
25	Projected Future Bonds (d)	0	0	21,142	21,142	21,142	45,224	45,224
26	Total Senior Debt Service	173,844	171,949	193,086	193,076	192,787	219,982	220,459
27	TOTAL SENIOR DEBT SERVICE COVERAGE (L22/L26)	1.20 x	1.20 x	1.20 x	1.20 x	1.20 x	1.20 x	1.20 x
Subordinate Debt Service								
28	Outstanding General Obligation Bonds	0	0	0	0	0	0	0
29	Pennvest Subordinate Bonds	1,227	1,227	1,227	1,227	1,227	1,227	1,227
30	Total Subordinate Debt Service	1,227	1,227	1,227	1,227	1,227	1,227	1,227
31	Total Debt Service on Bonds	175,071	173,176	194,313	194,303	194,014	221,209	221,686
32	CAPITAL ACCOUNT DEPOSIT	17,788	18,179	18,570	18,961	19,352	19,743	20,134
33	TOTAL COVERAGE (L22/(L31+L32))	1.08 x	1.07 x	1.08 x	1.08 x	1.08 x	1.09 x	1.09 x
RESIDUAL FUND								
34	Beginning of Year Balance	11,341	12,101	11,091	7,917	5,352	3,340	5,370
Plus:								
35	End of Year Revenue Fund Balance	15,760	14,990	18,826	18,435	17,988	23,030	22,732
36	Deposit for Transfer to City General Fund (e)	2,355	2,568	2,782	2,782	3,790	4,096	4,254
Less:								
37	Transfer to Construction Fund	15,000	16,000	22,000	21,000	20,000	21,000	20,000
38	Transfer to City General Fund	2,355	2,568	2,782	2,782	3,790	4,096	4,254
39	End of Year Balance	12,101	11,091	7,917	5,352	3,340	5,370	8,102
RATE STABILIZATION FUND								
40	Beginning of Year Balance	185,069	149,649	126,059	92,449	66,624	47,734	48,174
41	Deposit From/(To) Revenue Fund	(35,420)	(23,590)	(33,610)	(25,825)	(18,890)	440	235
42	End of Year Balance	149,649	126,059	92,449	66,624	47,734	48,174	48,409

(a) Includes other operating and nonoperating income, including interest income on funds and accounts transferable to the Revenue Fund.

(b) Includes Residual Fund interest and interest earnings on Debt Service Reserve substitution funds deposited in the Special Water Infrastructure Account.

(c) Assumes a variable rate of 4.00% over the life of the Variable Rate Series 1997B Bonds.

(d) Assumes term of 30 years, level annual principal and interest payments, 5.00% interest for FY 2009 and 5.5% interest for FY 2012 & FY 2014.

(e) Transfer of interest earnings from the Bond Reserve Account must first go to the Residual Fund as shown in Line 36 to satisfy the requirements for the Transfer to the City General Fund, with the balance (if any) included in Line 15 going to the Revenue Fund.

TABLE 11
PROJECTED REVENUE AND REVENUE REQUIREMENTS
RATES EFFECTIVE FEBRUARY 1, 2005 - FINAL
(in thousands of dollars)

Line No.	Description	Fiscal Year Ending June 30,					
		2005	2006	2007	2008	2009	2010
OPERATING REVENUE							
1	Water Service - Existing Rates	140,792	140,227	140,323	139,514	138,449	137,575
2	Wastewater Service - Existing Rates	254,791	254,193	253,812	253,248	251,997	250,673
3	Total Service Revenue - Existing Rates	395,583	394,420	394,135	392,762	390,446	388,248
Additional Service Revenue Required							
	Year	Percent Increase	Months Effective				
4	FY 2005	8.42%	5	13,880	33,215	33,191	33,075
5	FY 2006	3.18%	11		12,463	13,586	13,539
6	FY 2007	3.18%	12			14,018	13,970
7	FY 2008	3.18%	12				14,414
8	FY 2009	10.80%	12				50,220
9	FY 2010	6.00%	12				30,739
10	Total Additional Service Revenue Required			13,880	45,678	60,795	74,998
11	Total Water & Wastewater Service Revenue			409,463	440,098	454,930	467,760
12	Transfer From/(To) Rate Stabilization Fund			29,455	13,545	24,872	47,190
	Other Income (a)						
13	Other Operating Revenue			21,568	22,160	12,497	12,451
14	Construction Fund Interest Income			1,708	4,003	2,331	6,188
15	Debt Reserve Fund Interest Income			0	325	325	954
16	Operating Fund Interest Income			1,373	1,358	1,395	1,400
17	Rate Stabilization Interest Income			2,300	1,866	1,478	750
18	Total Revenues			465,867	483,355	497,828	536,693
OPERATING EXPENSES							
19	Water & Wastewater Operations			221,806	228,069	233,811	243,438
20	Direct Interdepartmental Charges			55,468	56,292	57,466	59,628
21	Total Operating Expenses			277,274	284,361	291,277	303,066
22	NET REVENUES AFTER OPERATIONS			188,593	198,994	206,551	233,627
DEBT SERVICE							
Senior Debt Service							
Revenue Bonds							
23	Outstanding Bonds (b)			156,776	157,337	157,340	157,350
24	Pennvest Parity Bonds			384	384	384	384
25	Projected Future Bonds (c)			0	8,106	14,401	36,954
26	Total Senior Debt Service			157,160	165,827	172,125	194,688
27	TOTAL SENIOR DEBT SERVICE COVERAGE (L22/L26)			1.20 x	1.20 x	1.20 x	1.20 x
Subordinate Debt Service							
28	Outstanding General Obligation Bonds			0	0	0	0
29	Pennvest Subordinate Bonds			1,227	1,227	1,227	1,227
30	Total Subordinate Debt Service			1,227	1,227	1,227	1,227
31	Total Debt Service on Bonds			158,387	167,054	173,352	195,915
32	CAPITAL ACCOUNT DEPOSIT			16,708	17,068	17,428	17,788
33	TOTAL COVERAGE (L22/(L31+L32))			1.07 x	1.08 x	1.08 x	1.09 x
RESIDUAL FUND							
34	Beginning of Year Balance			10,997	3,508	2,381	1,652
35	Interest Income			13	0	0	0
Plus:							
36	End of Year Revenue Fund Balance			13,498	14,872	15,771	19,924
37	Deposit for Transfer to City General Fund (d)			4,876	4,994	4,994	4,994
Less:							
38	Transfer to Construction Fund			21,000	16,000	16,500	20,000
39	Transfer to City General Fund			4,876	4,994	4,994	4,994
40	End of Year Balance			3,508	2,381	1,652	1,576
RATE STABILIZATION FUND							
41	Beginning of Year Balance			128,596	99,141	85,596	60,724
42	Deposit From/(To) Revenue Fund			(29,455)	(13,545)	(24,872)	(47,190)
43	End of Year Balance			99,141	85,596	60,724	13,534

(a) Includes other operating and nonoperating income, including interest income on funds and accounts transferable to the Revenue Fund.

(b) Assumes a variable rate of 4.00% over the life of the Variable Rate Series 1997B Bonds.

(c) Assumes 5.50% interest, term of 30 years, with level annual principal and interest payments.

(d) Transfer of interest earnings from the Bond Reserve Account must first go to the Residual Fund as shown in Line 37 to satisfy the requirements for the Transfer to the City General Fund, with the balance included in Line 15 going to the Revenue Fund.

TABLE 11
PROJECTED REVENUE AND REVENUE REQUIREMENTS
(in thousands of dollars)

Line No.	Description	Fiscal Year Ending June 30,					
		2004	2005	2006	2007	2008	2009
OPERATING REVENUE							
1	Water Service - Existing Rates	140,472	141,067	140,491	139,620	138,746	137,876
2	Wastewater Service - Existing Rates	252,383	253,957	252,965	251,648	250,242	248,991
3	Total Service Revenue - Existing Rates	392,855	395,024	393,456	391,268	388,988	386,867
Additional Service Revenue Required							
	Year	Percent Increase	Months Effective				
4	FY 2004	0.0%	12	0	0	0	0
5	FY 2005	7.4%	12		29,232	29,116	28,954
6	FY 2006	7.4%	12			31,270	31,096
7	FY 2007	7.4%	12				33,398
8	FY 2008	7.4%	12				35,660
9	FY 2009	5.0%	12				25,737
10	Total Additional Service Revenue Required			0	29,232	60,386	93,448
11	Total Water & Wastewater Service Revenue			392,855	424,256	453,842	484,716
12	Transfer From/(To) Rate Stabilization Fund			48,170	44,410	35,810	15,280
Other Income (a)							
13	Other Operating Revenue			13,044	13,593	13,543	13,492
14	Construction Fund Interest Income			2,994	5,353	3,705	1,995
15	Debt Reserve Fund Interest Income			225	661	661	663
16	Operating Fund Interest Income			1,360	1,365	1,393	1,417
17	Rate Stabilization Interest Income			2,665	1,730	920	404
18	Total Revenues			461,313	491,368	509,874	517,967
OPERATING EXPENSES							
19	Water & Wastewater Operations			213,716	229,105	245,925	252,950
20	Direct Interdepartmental Charges			54,369	52,997	54,012	55,059
21	Total Operating Expenses			268,085	282,102	299,937	308,009
22	NET REVENUES AFTER OPERATIONS			193,228	209,266	209,937	209,958
DEBT SERVICE							
Senior Debt Service							
Revenue Bonds							
23	Outstanding Bonds (b)			157,743	156,776	157,337	157,340
24	Pennvest Parity Bonds			384	384	384	384
25	Projected Future Bonds (c)			2,867	17,201	17,201	17,201
26	Total Senior Debt Service			160,994	174,361	174,922	174,925
27	TOTAL SENIOR DEBT SERVICE COVERAGE (L22/L26)			1.20 x	1.20 x	1.20 x	1.20 x
Subordinate Debt Service							
28	Outstanding General Obligation Bonds			0	0	0	0
29	Pennvest Subordinate Bonds			1,227	1,227	1,227	1,227
30	Total Subordinate Debt Service			1,227	1,227	1,227	1,227
31	Total Debt Service on Bonds			162,221	175,588	176,149	176,152
32	CAPITAL ACCOUNT DEPOSIT			16,348	16,708	17,068	17,428
33	TOTAL COVERAGE (L22/(L31+L32))			1.08 x	1.08 x	1.08 x	1.08 x
RESIDUAL FUND							
34	Beginning of Year Balance			16,088	4,825	4,796	4,515
35	Interest Income			78	0	0	0
Plus:							
36	End of Year Revenue Fund Balance			14,659	16,970	16,719	16,362
37	Deposit for Transfer to City General Fund (d)			4,994	4,994	4,994	4,994
Less:							
38	Transfer to Construction Fund			26,000	17,000	17,000	17,000
39	Transfer to City General Fund			4,994	4,994	4,994	4,994
40	End of Year Balance			4,825	4,796	4,515	3,877
RATE STABILIZATION FUND							
41	Beginning of Year Balance			156,016	107,846	63,436	27,626
42	Deposit From/(To) Revenue Fund			(48,170)	(44,410)	(35,810)	(15,280)
43	End of Year Balance			107,846	63,436	27,626	12,346

(a) Includes other operating and nonoperating income, including interest income on funds and accounts transferrable to the Revenue Fund.

(b) Assumes a variable rate of 4.00% over the life of the Variable Rate Series 1997B Bonds.

(c) Assumes 5.50% interest, term of 30 years, with level annual principal and interest payments.

(d) Transfer of interest earnings from the Bond Reserve Account must first go to the Residual Fund as shown in Line 37 to satisfy the requirements for the transfer to the City General Fund, with the balance included in Line 15 going to the Revenue Fund.