

# **EXHIBIT TEG-5**

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**Exhibit TEG-5  
Marina Coast Water District  
Cost Comparison - First Full Year of Operation  
Regional Project with Cal-Am Project**

Year	2013 Regional	2017 Cal-Am***
Annual capital costs*	\$15,978,000	\$11,445,587
Plant operating costs	12,711,000	9,690,000
Allowance for uncollectibles	0	410,173
Income taxes	0	3,825,891
Ad valorem taxes	0	1,352,895
Franchise fees	0	820,345
Depreciation expense	**	5,081,839
Surcharge expense	0	<u>8,390,530</u>
Total annual costs	\$28,689,000	\$41,017,260
Total less surcharge	n/a	\$32,626,730

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\* - Annual costs for the regional project is the annual debt service to repay the long-term financing, includes interest and principal payments.

Annual capital costs for Cal-Am's project is return on rate base (i.e., net operating revenue) and includes interest payments and net income to shareholders

\*\* - Regional project replacement expenses funded from capital reserves

\*\*\* - Source:

Direct Testimony of David P. Stephenson, Phase 2 Issues, Attachment E, North Marina Project

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