**Section 285.5305 Schedule E-6: Embedded Cost of Service Studies – Water and Sewer**

a) Each water and sewer utility may submit an embedded cost-of-service study for each rate increase application based on costs for the proposed test year. Each cost-of-service study submitted must include (at a minimum) the information listed in subsections (b), (c) and (d). If a cost-of-service study is not submitted, the utility must provide the necessary data in subsections (b), (c) and (d) to enable Staff to perform a cost-of-service study.

b) Schedule E-6: A full set of cost-of-service results that presents the functionalization, classification and allocation of all jurisdictional costs on the utility system. Present all non-jurisdictional costs separately from jurisdictional costs in the study.

1) All costs broken down in detail to allow a full cost-of-service study to be performed in accordance with the Uniform System of Accounts (83 Ill. Adm. Code 605 and 650). The breakdown of expenses by Uniform System of Accounts shall also include the following additional transmission and distribution expenses: Mains, Meters, Services, Meter Installations, Hydrants, and Distribution Reservoirs and Standpipes. Additionally, customer accounts expense shall include meter reading in its breakdown of expenses.

2) A listing of all externally generated allocation factors in the study.

3) A full narrative description of the allocation methodology used in the cost-of-service study that explains in detail:

A) The derivation of all externally generated allocators; and

B) The basis for all direct assignments of costs in the study.

c) Work papers supporting Schedule E-6 shall include all materials relied on in developing the cost-of-service study. This shall include, but not be limited to, the following:

1) All work papers relied on to develop the cost-of-service study in spreadsheet format, when applicable;

2) The following data on load factors used in the cost-of-service study:

A) A listing of all load factors used in the study by rate class and/or customer class; and

B) All studies and analyses relied on to develop these load factors.

3) All studies and/or analyses relied on by the utility to develop cost-of-service study results.

4) The amount of plant in service, contributions in aid of construction, and customer advances for:

A) Mains larger than eight inches in diameter; and

B) Mains eight inches and smaller in diameter.

d) Customer usage structured as follows for the utility's rate groups:

1) For water utilities:

A) Number of customers by meter size for each customer class; and

B) Water usage for each customer class by rate block (1,000 gallon or 100 cubic foot).

2) For sewer utilities:

A) For flat rate customers, the number of billing units by rate;

B) For customers billed on water usage:

i) Number of customers by meter size for each customer class; and

ii) Water usage for each customer class by rate block (1,000 gallon or 100 cubic foot).

(Source: Amended at 38 Ill. Reg. 7598, effective March 20, 2014)