

**EXHIBIT G  
ILLUSTRATION – DETERMINATION & ALLOCATION  
EXCESS CAPITAL I& I COMPENSATION**

**Situation:** When an entity delivers flows, due to inflow/ infiltration (I&I), in excess of its reserved constructed capacity, that entity is required to pay compensation for the use of plant capacity the use of which is reserved to others. Such compensation is calculated on a calendar year basis.

**Illustration:**

Assume, for 2010, the following:

Formula Plant Capital Value - \$19,500,000

	Connected Capacity EQR's	Reserved Constructed Capacity EQR's	Reserved Flows Capacity MGD
Buffalo Mtn.	2,160	2,285	0.754
Dillon	1,750	2,100	0.693
Dillon Valley	455	1,183	0.390
Mesa Cortina	236	258	0.085
Silverthorne	3,100	4,174	1.378
<b>Total</b>		<b>10,000</b>	<b>3.300</b>

Actual Maximum Daily Rate Flows during the 2010 calendar year were: (Note: maximum daily rate taken as the average of three consecutive days, being the highest for that year).

	Example Peak 3 day Flows (Avg. Day) MGD
Buffalo Mtn.	0.780
Dillon	0.270
Dillon Valley	0.610
Mesa Cortina	0.150
Silverthorne	1.120

**Step 1 – Determine Excess Capital EQR's Used**

	Actual Q	-	Reserved Q	÷	580 gpd/EQR = Excess EQR
Buffalo Mtn.	.780		0.754		45
Dillon	.270		0.693		0
Dillon Valley	.610		0.390		379
Mesa Cortina	.150		0.085		112
Silverthorne	1.120		1.377		0
<b>Total</b>					<b>536</b>

## Step 2 – Determine EQR’s Available for Use

	Constructed EQR	- Connected/Used EQR	= Available EQR's
Dillon	2,100	1,750	350
Silverthorne	4,174	3,100 (conn)	1,074
Silverthorne	4,174	3,394 (used)	780
<b>Total</b>			<b>1,130</b>

## Step 3 – Determine Compensation payable to JSA

Unit Cost/ EQR = 19,500,000 X .025/ 10,000 = \$48.75/ yr.

	Excess Capital EQR	Compensation
Buffalo Mtn.	45	2,193.75
Dillon Valley	379	18,476.25
Mesa Cortina	112	5,460.00
<b>Total</b>		<b>\$26,130</b>

## Step 4 – Determine JSA Distributions to Entities with rights to use unused capacity

Dillon = \$26,130 X 350/1,130 = \$8,093

Silverthorne = \$26,130 X 780/1,130 = \$18,037

Note: If Excess EQR’s used (Step 1) greater than EQR’s available (Step 2), than remainder of compensation paid in to be left in Capital Replacement Fund.

