

Central Jefferson County Utilities - WATER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Ending December 31, 2005  
**EXPENSE SCHEDULE**

Line Number	A Description	B Account Number (Optional)	C Company/ Test Year Amount	D Staff Annualized	E Difference (1)	F Adjustment Number
1	<b>OPERATIONS EXPENSES</b>					
2	Management/Staff Salary (1)		\$24,120	\$19,100	(\$5,020)	W-1
3	Operators Salary (1)		\$12,240	\$14,480	\$2,240	W-2
4	Payroll Taxes		\$3,796	\$3,573	(\$223)	W-3
5	Health Insurance Benefits		\$12,791	\$5,077	(\$7,714)	W-4
6	Electricity-(Pumping)		\$15,124	\$13,160	(\$1,964)	W-5
7	Total Operations Expense		\$68,071	\$55,390	(\$12,681)	
8	<b>MAINTENANCE EXPENSES</b>					
9	Contract Labor (1)		\$10,313	\$10,696	\$383	W-6
10	Materials & Supplies		\$0	\$59	\$59	W-7
11	System Maintenance		\$9,939	\$10,053	\$114	W-8
12	Trash Removal		\$607	\$607	\$0	
13	Testing Fees		\$288	\$491	\$203	W-9
14	Permits		\$0	\$36	\$36	W-10
15	Total Maintenance Expense		\$21,146	\$21,941	\$795	
16	<b>ADMINISTRATIVE &amp; GENERAL EXPENSES</b>					
17	Professional Services- Accounting		\$838	\$838	\$0	
18	Professional Services- Surveying		\$600	\$0	(\$600)	W-11
19	Professional Services- Legal		\$2,890	\$0	(\$2,890)	W-12
20	Office Rent		\$1,035	\$1,035	\$0	
21	Office Utilities- Electricity, Gas, Water		\$150	\$150	\$0	
22	Telephone & Internet		\$1,941	\$1,000	(\$941)	W-13
23	Postage		\$1,249	\$1,578	\$329	W-14
24	Office Supplies		\$188	\$188	\$0	
25	Transportation Expense		\$2,400	\$2,400	\$0	W-15
26	Computer Time		\$540	\$0	(\$540)	W-16
27	Bonuses		\$500	\$0	(\$500)	W-17
28	Billing Exp		\$648	\$648	\$0	
29	Insurance- General & Comp		\$3,785	\$3,785	\$0	
30	Bank Service Charges		\$313	\$0	(\$313)	W-18
31	Other Misc. Expenses		\$20,332	\$93	(\$20,239)	W-19
32	Total Administrative and General		\$37,408	\$11,714	(\$25,694)	
33	<b>OTHER OPERATING EXPENSES</b>					
34	Taxes Other Than Income					
35	Property		\$4,965	\$4,965	\$0	
36	PSC Assessment		\$614	\$500	(\$114)	W-20
37	Depreciation		\$0	\$5,911	\$5,911	W-21
38	TOTAL EXPENSES BEFORE INCOME TAX		\$132,205	\$100,423	(\$31,782)	

**FILED<sup>3</sup>**  
JAN 22 2007  
Missouri Public  
Service Commission

OPC Exhibit No. 25  
Date 1/20/07 Case No. SO-2007-0071  
Reporter PC

Central Jefferson County Utilities - WATER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Ending December 31, 2005  
Expense Adjustment Schedule

<u>A</u> Expense Adjustment Number	<u>B</u> Subset Adjustment	<u>C</u> Adjustment Description	<u>D</u> Account Number	<u>E</u> Adjustment Subtotal (2)	<u>F</u> Total Adjustment Amount
W-1 (1)		Management/Staff Salary (1)			-\$5,020
	A	Manager Company Amount		\$0	
		Staff Amount		\$6,500	
	B	Support Staff Company Amount		\$24,120	
		Staff Amount		\$12,600	
		Total		-\$5,020	
W-2 (1)		Operators Salary/Contract Services			\$2,240
	A	Operator Salary Company Amount		\$12,000	
		Staff Amount		\$14,000	
	B	Monitoring (S. Clark) Company Amount		\$240	
		Staff Amount		\$480	
		Total		\$2,240	
W-3		Payroll Taxes			-\$223
	A	To reflect adjustments in payroll Company Amount		\$3,796	
		Staff Amount		\$3,573	
		Total		-\$223	
W-4		Health Insurance Benefits			-\$7,714
		To reflect new policy contract amounts related to employee coverage		-\$1,216	
		Removal of Officers		-\$6,498	
		Total		-\$7,714	
W-5		Electricity-(Pumping) Annualization		-\$1,964	-\$1,964
		Total		-\$1,964	

W-6 (1)		Contract Labor (1)		\$383
	A	Manual Labor		
		Company Amount (Russ)	\$3,309	
		Company Amount (Debra)	\$270	
		Staff Amount (Russ)	\$4,576	
		Staff Amount (Debra)	\$0	
			<u>\$997</u>	
	B	Meter Readers		
		Company Amount (Roger B)	\$6,045	
		Company Amount (Debra)	\$689	
		Staff Amount (Roger B)	\$6,120	
		Staff Amount (Debra)	\$0	
			<u>-\$614</u>	
		Total Adjustment	\$383	
W-7		Materials and Supplies Expense		\$59
		Difference of reclassifying items	\$59	
		Total	<u>\$59</u>	
W-8		System Maintenance		\$114
		Booked to WA materials and Supplies Expense	-\$21	
		Booked to Water Plant	-\$3,130	
		Booked to Sewer Repairs	-\$180	
		Booked to Extraordinary/Other people's responsibility	-\$226	
		Water repairs booked as Sewer Repairs	\$3,672	
		Total	<u>\$114</u>	
W-9		Testing Fees		\$203
		To annualize testing fees	\$203	
		Total	<u>\$203</u>	
W-10		Permits		\$36
		To allocate amount for license	\$36	
		Total	<u>\$36</u>	
W-11		Professional Services- Surveying		-\$600
		Removal of fees assoc with sale	-\$600	
		Total	<u>-\$600</u>	
W-12		Professional Services-Legal		-\$2,890
		Removal of fees assoc with sale	-\$2,890	
		Total	<u>-\$2,890</u>	
W-13		Telephone & Internet		-\$941
		Normalization of phone line charges	-\$941	
		Total	<u>-\$941</u>	
W-14		Postage		\$329
		To adjust for increase in costs assoc with billing	\$329	
		Total	<u>\$329</u>	

W-15	Transportation Expense Expense related to truck (fuel, maint, license, etc)	-891	\$0
	<b>Total</b>	<b>-891</b>	
W-16	Computer Time To eliminate computer charges	-540	-\$540
	<b>Total</b>	<b>-540</b>	
W-17	Bonuses To eliminate year end bonuses	-500	-\$500
	<b>Total</b>	<b>-500</b>	
W-18	Bank Service Charges To remove bank service charges	-313	-\$313
	<b>Total</b>	<b>-313</b>	
W-19	Other Misc. Expenses To remove amount assoc. with tower loan (RB) To remove sales tax (flow thru item, agent) To remove billing corrections To remove ret'd checks (reimbursable item) To annualize ret'd check fees To remove help-wanted ads	-16,048 -1,762 -116 -832 13 -1492.88	-20,239
	<b>Total</b>	<b>-20,239</b>	
W-20	PSC Assessment To adjust for new assessment	-114	-\$114
	<b>Total</b>	<b>-114</b>	
W-21	Depreciation To record most recent calculations (Co did not exp.) Note: this amount differs from depreciation sheet due to removal of meter depreciation (\$26)	5,911	\$5,911
	<b>Total</b>	<b>5,911</b>	
	<b>Total Expense Adjustments</b>		<b><u>-31,782</u></b>

Central Jefferson County Utilities - WATER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Ending December 31, 2005  
**REVENUE SUMMARY SCHEDULE**

**ANNUALIZED & NORMALIZED REVENUES**

Line Number	A Description	Residential		Residential		Commercial		Condo		Total	
		B Amount	C Amount	B Amount	C Amount	D Amount	E Amount	F Amount	G Amount	H Amount	I Amount
1	<u>Customer Charge Revenues:</u>										
2	Customer Number	662		5		4		3		674	
3	Customer Bills Per year	12		12		12		12		48	
4	Existing Monthly Customer Charge Tariff	<u>\$3.45</u>		<u>\$8.50</u>		<u>\$28.00</u>		<u>\$3.45</u>			
5	Annualized Customer Charge Revenues		\$27,407		\$510		\$1,344		\$124		\$29,385
6	<u>Commodity Charge Revenues:</u>										
7	Total Gallons Sold	4,138,067		30,279		188,562		78,318		4,435,226	
8	Less: Base Gallons Included In Customer Charge	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>	
9	Commodity Gallons	4,138,067		30,279		188,562		78,318		4,435,226	
10	Existing Commodity Charge / 1,000 gallons	<u>\$1.81</u>		<u>\$1.81</u>		<u>\$1.81</u>		<u>\$1.81</u>			
11	Annualized Commodity Charge Revenues		<u>\$89,879</u>		<u>\$658</u>		<u>\$4,096</u>		<u>\$1,701</u>		<u>\$96,333</u>
12	Total Annualized Water Rate Revenues		\$117,286		\$1,168		\$5,440		\$1,825		\$125,718
13	Miscellaneous Revenues		\$0		\$0		\$0		\$0		\$1,340
14	Reconnection Fees										\$120
15	Late Payment Fees										\$3,168
14	Total Annualized Water Service Revenues		<u>\$117,286</u>		<u>\$1,168</u>		<u>\$5,440</u>		<u>\$1,825</u>		<u>\$130,346</u>

Central Jefferson County Utilities - WATER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Ending December 31, 2005  
**RATE DESIGN SCHEDULE**

**Rate Making Income Statement - Water**

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D	E
	Annualized Revenues	(1)	\$130,346		
1	<b>OPERATIONS EXPENSES</b>	(2)		<b>Customer Charge</b>	<b>Commodity</b>
2	Management/Staff Salary (1)		\$19,100		
3	Operators Salary (1)		\$14,480		
4	Payroll Taxes		\$3,573		
5	Health Insurance Benefits		\$5,077		
6	Electricity-(Pumping)		\$13,160		
7	<b>Total Operations Expense</b>		<b>\$55,390</b>		
8	<b>MAINTENANCE EXPENSES</b>				
9	Contract Labor (1)		\$10,696		
10	Materials & Supplies		\$59		
11	System Maintenance		\$10,053		
12	Trash Removal		\$607		
13	Testing Fees		\$491		
14	Permits		\$36		
15	<b>Total Maintenance Expense</b>		<b>\$21,941</b>		
16	<b>ADMINISTRATIVE &amp; GENERAL EXPENSES</b>				
17	Professional Services- Accounting		\$838		
18	Professional Services- Surveying		\$0		
19	Professional Services- Legal		\$0		
20	Office Rent		\$1,035		
21	Office Utilities- Electricity, Gas, Water		\$150		
22	Telephone & Internet		\$1,000		
23	Postage		\$1,578		
24	Office Supplies		\$188		
25	Transportation Expense		\$2,400		
26	Computer Time		\$0		
27	Bonuses		\$0		
28	Billing Exp		\$648		
29	Insurance- General & Comp		\$3,785		
30	Bank Service Charges		\$0		
31	Other Misc. Expenses		\$93		
32	<b>Total Administrative and General</b>		<b>\$11,714</b>		
33	<b>OTHER OPERATING EXPENSES</b>				
34	Taxes Other Than Income				
35	Property		\$4,965		
36	PSC Assessment		\$500		
37	Depreciation		\$5,911		
38	<b>TOTAL EXPENSES BEFORE INCOME TAX</b>		<b>\$100,423</b>		
39	Return on Investment & Current Income Taxes	(3)	13,028		
40	<b>TOTAL COST OF SERVICE</b>		<b>113,451</b>	<b>\$0</b>	<b>\$0</b>
41	Less: Miscellaneous Revenues	(4)	4,628	4,628	
42	<b>COST TO RECOVER IN RATES</b>		<b>108,823</b>	<b>-4,628</b>	<b>0</b>
43	<b>INCREMENTAL INCREASE IN RATE REVENUES</b>		<b>-16,895</b>	<b>-12.96%</b>	
44	<b>REQUESTED INCREASE IN REVENUES</b>		<b>\$0</b>		

**Central Jefferson County Utilities - WATER**  
**Sewer Connection Fee Case**  
**Tracking Number QS-2006-0003**  
**Test Year Ending December 31, 2005**  
**Rate of Return Including Income Tax**

		<u>A</u>		<u>B</u>
1	State Income Tax Rate Statutory / Effective	6.25%	(2)	<u>5.61%</u>
2	Federal Income Tax Rate Statutory / Effective	21.76%	(1) & (2)	<u>20.53%</u>
3	Composite Effective Income Tax Rate			26.14%
4	Equity Tax Factor			1.3540
5	Recommended Weighted Rate of Return on Equity - Common and Preferred			<u>1.70%</u>
6	Weighted Rate of Return on Equity Including Income Tax			2.30%
7	Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term			<u>6.43%</u>
8	Total Weighted Rate of Return Including Income Tax			<u><u>8.73%</u></u>

Central Jefferson County Utilities - WATER  
 Sewer Connection Fee Case  
 Tracking Number QS-2006-0003  
 Test Year Ending December 31, 2005  
**RATE BASE, RETURN on INVESTMENT  
 and INCOME TAX SCHEDULE**

Line Number	<u>A</u> Rate Base Description	<u>B</u> Dollar Amount
1	Plant In Service	\$182,457
2	Less Accumulated Depreciation Reserve	<u>\$33,503</u>
3	Net Plant In Service	\$148,954
4	Other Rate Base Items:	<u>\$277</u>
5	Total Rate Base	\$149,231
6	Total Weighted Rate of Return Including Income Tax	<u>8.73%</u>
7	Required Return & Income Tax	<u>\$13,028</u>



Central Jefferson County Utilities - WATER  
 Sewer Connection Fee Case  
 Tracking Number QS-2006-0003  
 Test Year Ending December 31, 2005  
 Capital Structure Schedule

Line Number	<u>A</u> Description	<u>B</u> Dollar Amount	<u>C</u> Percentage of Total Capital Structure	<u>D</u> Embedded Cost of Capital	<u>E</u> Weighted Cost of Capital
1	Common Stock	\$18,861	14.67%	11.56%	1.696%
2	Preferred Stock	\$0	0.00%	0.00%	0.000%
3	Long Term Debt	\$109,686	85.33%	7.54%	6.434%
4	Short Term Debt	<u>\$0</u>	<u>0.00%</u>	0.00%	<u>0.000%</u>
5	TOTAL CAPITALIZATION	<u><u>\$128,547</u></u>	<u><u>100.00%</u></u>		<u><u>8.1298%</u></u>

Central Jefferson County Utilities - WATE  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Updated to January 31, 2006  
Plant In Service

Line Number	<u>A</u> Account # (Optional)	<u>B</u> Plant Account Description	<u>C</u> Total Plant	<u>D</u> Adjustment Number	<u>E</u> Adjustments	<u>F</u> As Adjusted Plant
1		<b>SOURCE OF SUPPLY PLANT</b>				
2	311	Structures & Improvements	\$2,063			\$2,063
3	314	Wells and Springs	\$9,305			\$9,305
4		<b>Total Source of Supply Plant</b>	<u>\$11,368</u>		<u>\$0</u>	<u>\$11,368</u>
5		<b>PUMPING PLANT</b>				
6	325	Electric Pumping Equipment	\$27,470	P-1	-\$14,474	\$12,996
7		<b>Total Pumping Plant</b>	<u>\$27,470</u>		<u>-\$14,474</u>	<u>\$12,996</u>
8		<b>TRANSMISSION &amp; DISTRIBUTION PLANT</b>				
9	342	Distribution Reservoirs & Standpipes	\$142,027			\$142,027
10	346	Meters	\$260			\$260
11	348	Hydrants	\$3,431			\$3,431
12		<b>Total Trans. &amp; Distribution Plant</b>	<u>\$145,718</u>		<u>\$0</u>	<u>\$145,718</u>
13		<b>GENERAL PLANT</b>				
14	390	Structures & Improvements	\$5,956			\$5,956
15	391.1	Office Computer Equipment	\$1,900			\$1,900
16	392	Transportation Equipment	\$0			\$0
17	394	Tools, Shop and Garage Equipment	\$509			\$509
18	395	Laboratory Equipment	\$4,010			\$4,010
19		<b>Total General Plant</b>	<u>\$12,375</u>		<u>\$0</u>	<u>\$12,375</u>
20		<b>TOTAL PLANT IN SERVICE</b>	<u><u>\$196,931</u></u>		<u><u>-\$14,474</u></u>	<u><u>\$182,457</u></u>

**Black font – Text already programmed**

**Green font – Text entered by user or comes from last case**

**Orange font – Comes from previously entered text (can be overridden)**

**Purple font - Data comes from another schedule**

**Red font – Data entered by user**

**Blue font – Calculated by program (can be overridden)**

Central Jefferson County Utilities - WATER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Updated to January 31, 2006  
Schedule of Adjustments for  
Plant In Service

<u>A</u> Plant Adjustment Number	<u>B</u> Plant In Service Adjustments Description	<u>C</u> Adjustment Subtotal	<u>D</u> Total Adjustment Amount
P-1	To remove retired plant	-14474	-14474

Total Plant Adjustments

-14,474

To Plant Schedule

**Black font – Text already programmed**

**Green font – Text entered by user or comes from last case**

**Orange font – Comes from previously entered text (can be overridden)**

**Purple font - Data comes from another schedule**

**Red font – Data entered by user**

**Blue font – Calculated by program (can be overridden)**

Central Jefferson County Utilities - WATER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Updated to January 31, 2006  
Schedule of Adjustments for  
Accumulated Depreciation Reserve

A  
Reserve  
Adjustment  
Number  
R-1

B  
Accumulated Depreciation Reserve  
Adjustments Description

To remove retired plant

<u>C</u> Adjustment Subtotal	<u>D</u> Total Adjustment Amount
-14474	(\$14,474)

Total Reserve Adjustments

(\$14,474)

To Reserve Schedule

Central Jefferson County Utilities - WATER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Updated to January 31, 2006  
Depreciation Expense

Line Number	<u>A</u> Account Number	<u>B</u> Plant Account Description	<u>C</u> Adjusted Plant	<u>D</u> Depreciation Rate	<u>E</u> Depreciation Expense
1		SOURCE OF SUPPLY PLANT			
2	311	Structures & Improvements	\$2,063	2.5000%	\$52
3	314	Wells and Springs	\$9,305	2.0000%	\$186
4		Total Source of Supply Plant	<u>\$11,368</u>		<u>\$238</u>
5		PUMPING PLANT			
6	325	Electric Pumping Equipment	\$12,996	10.0000%	\$1,300
7		Total Pumping Plant	<u>\$12,996</u>		<u>\$1,300</u>
8		TRANSMISSION & DISTRIBUTION PLANT			
9	342	Distribution Reservoirs & Standpipes	\$142,027	2.5000%	\$3,551
10	346	Meters	\$260	0.0000%	\$0
11	348	Hydrants	\$3,431	2.0000%	\$69
12		Total Trans. & Distribution Plant	<u>\$145,718</u>		<u>\$3,619</u>
13		GENERAL PLANT			
14	390	Structures & Improvements	\$5,956	2.5000%	\$149
15	391.1	Office Computer Equipment	\$1,900	20.0000%	\$380
16	392	Transportation Equipment	\$0	13.0000%	\$0
17	394	Tools, Shop and Garage Equipment	\$509	5.0000%	\$25
18	395	Laboratory Equipment	\$4,010	5.0000%	\$201
19		Total General Plant	<u>\$12,375</u>		<u>\$755</u>
20		Total Depreciation	<u><u>\$182,457</u></u>		<u><u>\$5,911</u></u>

Central Jefferson County Utilities - WATER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Updated to January 31, 2006  
Accumulated Depreciation Reserve

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjustment Number	E Adjustments	F As Adjusted Reserve
1		<b>SOURCE OF SUPPLY PLANT</b>				
2	311	Structures & Improvements	\$56			\$56
3	314	Wells and Springs	\$207			\$207
4		Total Source of Supply Plant	<u>\$263</u>		<u>\$0</u>	<u>\$263</u>
5		<b>PUMPING PLANT</b>				
6	325	Electric Pumping Equipment	\$15,022	R-1	-\$14,474	\$548
7		Total Pumping Plant	<u>\$15,022</u>		<u>-\$14,474</u>	<u>\$548</u>
8		<b>TRANSMISSION &amp; DISTRIBUTION PLANT</b>				
9	342	Distribution Reservoirs & Standpipes	\$28,403			\$28,403
10	346	Meters	\$306			\$306
11	348	Hydrants	\$119			\$119
12		Total Trans. & Distribution Plant	<u>\$28,827</u>		<u>\$0</u>	<u>\$28,827</u>
13		<b>GENERAL PLANT</b>				
14	390	Structures & Improvements	\$1,526			\$1,526
15	391.1	Office Computer Equipment	\$706			\$706
16	392	Transportation Equipment	\$0		\$0	\$0
17	394	Tools, Shop and Garage Equipment	\$30			\$30
18	395	Laboratory Equipment	\$1,604			\$1,604
19		Total General Plant	<u>\$3,865</u>		<u>\$0</u>	<u>\$3,865</u>
20		<b>TOTAL DEPRECIATION RESERVE</b>	<u><u>\$47,977</u></u>		<u><u>-\$14,474</u></u>	<u><u>\$33,503</u></u>

Central Jefferson County Utilities - SEWER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Ending December 31, 2005  
**EXPENSE SCHEDULE**

Line Number	A Description	B Account Number (Optional)	C Company/ Test Year Amount	D Staff Annualized	E Difference (1)	F Adjustment Number
1	<b>OPERATIONS EXPENSES</b>					
2	Management/Staff Salary (1)		\$16,080	\$14,900	(\$1,180)	S-1
3	Operators Salary (1)		\$18,360	\$21,720	\$3,360	S-2
4	Payroll Taxes		\$3,643	\$3,787	\$144	S-3
5	Health Insurance Benefits		\$13,736	\$5,077	(\$8,659)	S-4
6	Electricity		\$12,096	\$13,658	\$1,562	S-5
7	Total Operations Expense		\$63,915	\$59,141	(\$4,773)	
8	<b>MAINTENANCE EXPENSES</b>					
9	Contract Labor (1)		\$5,369	\$9,724	\$4,355	S-6
10	Materials & Supplies		\$0	\$201	\$201	S-7
11	System Maintenance		\$30,275	\$6,020	(\$24,254)	S-8
12	Trash Removal		\$607	\$607	\$0	
13	Sludge Removal		\$27,322	\$30,000	\$2,679	S-9
14	Testing Fees		\$883	\$847	(\$37)	S-10
15	Permits		\$3,090	\$3,054	(\$36)	S-11
16	Total Maintenance Expense		\$67,545	\$60,453	(\$7,093)	
17	<b>ADMINISTRATIVE &amp; GENERAL EXPENSES</b>					
18	Professional Services- Accounting		\$838	\$838	\$0	
19	Professional Services- Surveying		\$1,900	\$0	(\$1,900)	S-12
20	Professional Services- Engineering		\$43,108	\$0	(\$43,108)	S-13
21	Professional Services- Legal		\$12,864	\$0	(\$12,864)	S-14
22	Office Rent		\$1,035	\$1,035	\$0	
23	Office Utilities- Electricity, Gas, Water		\$150	\$150	\$0	
24	Telephone & Pagers		\$1,941	\$1,000	(\$941)	S-15
25	Postage		\$1,249	\$1,578	\$329	S-16
26	Office Supplies		\$188	\$188	\$0	
27	Transportation Expense		\$3,600	\$3,600	\$0	S-17
28	Computer Time		\$540	\$0	(\$540)	S-18
29	Bonuses		\$500	\$0	(\$500)	S-19
30	Billing expense		\$648	\$648	\$0	
31	Insurance- General & Comp		\$3,785	\$3,785	\$0	
32	Bank Service Charges		\$313	\$0	(\$313)	S-20
33	Other Misc. Expenses		\$2,797	\$93	(\$2,704)	S-21
34	Total Administrative and General		\$75,454	\$12,914	(\$62,540)	
35	<b>OTHER OPERATING EXPENSES</b>					
36	Taxes Other Than Income					
37	Property		\$4,938	\$4,938	\$0	
38	PSC Assessment		\$15,329	\$16,920	\$1,590	S-22
39	Depreciation		\$0	\$12,590	\$12,590	S-23
40	<b>TOTAL EXPENSES BEFORE INCOME TAX</b>		\$227,182	\$156,956	(\$70,226)	

Central Jefferson County Utilities - SEWER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Ending December 31, 2005  
Expense Adjustment Schedule

<u>A</u> Expense Adjustment Number	<u>B</u> Subset Adjustment	<u>C</u> Adjustment Description	<u>D</u> Account Number	<u>E</u> Adjustment Subtotal (2)	<u>F</u> Total Adjustment Amount
S-1 (1)		Management/Staff Salary (1)			-\$1,180
	A	Manager Company Amount		\$0	
		Staff Amount		<u>\$6,500</u>	
	B	Support Staff Company Amount		\$16,080	
		Staff Amount		<u>\$8,400</u>	
		Total		<u>-\$1,180</u>	
S-2 (1)		Operators Salary/Contract Services			\$3,360
	A	Operator Salary/Contract Services Company Amount		\$18,000	
		Staff Amount		<u>\$21,000</u>	
	B	Monitoring (S. Clark) Company Amount		\$360	
		Staff Amount		<u>\$720</u>	
		Total		<u>\$3,360</u>	
S-3		Payroll Taxes To reflect adjustments in payroll		-\$144	\$144
		Total		<u>-\$144</u>	
S-4		Health Insurance Benefits To reflect new policy contract amounts related to employee coverage Removal of Officers		\$2,160 -\$6,499	-\$8,659
		Total		<u>-\$4,339</u>	
S-5		Electricity Annualization		\$1,562	\$1,562
		Total		<u>\$1,562</u>	
S-6		Contract Labor (1)			\$4,355
	A	Manual Labor To remove contract labor		-\$406	
		To increase contract labor due to customer increase and tariff		<u>\$4,761</u>	
		Total		<u>\$4,355</u>	
S-7		Materials & Supplies Difference of reclassifying items		\$201	\$201
		Total		<u>\$201</u>	
S-8		System Maintenance			-\$24,254



	Booked to Water Repairs	- \$3,672	
	Booked to Wat. Materials and Supplies Expense	- \$38	
	Booked to Water Plant	- \$174	
	Booked to Sewer Materials and Supplies Expense	- \$201	
	Booked to Sewer Rate Base (other than plant)	- \$2,647	
	Booked to Sewer Plant	- \$14,388	
	Booked to Extraordinary or Others' Responsibility	- \$3,715	
	Sewer Repairs booked as WA Maintenance	\$180	
	Sewer Repairs booked as Other misc. Items	\$400	
	<b>Total</b>	<b>- \$24,254</b>	
S-9	Sludge Removal		\$2,679
	To annualize removal costs	\$2,479	
	<b>Total</b>	<b>\$2,479</b>	
S-10	Testing Fees		- \$37
	To annualize testing fees	- \$37	
	<b>Total</b>	<b>- \$37</b>	
S-11	Permits		- \$36
	To allocate amount for license	- \$36	
	<b>Total</b>	<b>- \$36</b>	
S-12	Professional Services- Surveying		- \$1,900
	Removal of fees assoc with new plant	- \$1,000	
	Removal of fees assoc with sale	- \$900	
	<b>Total</b>	<b>- \$1,900</b>	
S-13	Professional Services- Engineering		- \$43,108
	Removal of fees assoc with new plant	- \$43,108	
	<b>Total</b>	<b>- \$43,108</b>	
S-14	Professional Services- Legal		- \$12,864
	Removal of fees assoc with expansion	- \$1,249	
	Removal of fees assoc with violations	- \$5,804	
	Removal of fees assoc with sale	- \$2,890	
	Removal of fees assoc with rate case	- \$2,920	
	<b>Total</b>	<b>- \$12,864</b>	
S-15	Telephone & Pagers		- \$941
	Normalization of phone line charges	- \$941	
	<b>Total</b>	<b>- \$941</b>	
S-16	Postage		\$329
	To adjust for increase in costs assoc with billing	\$329	
	<b>Total</b>	<b>\$329</b>	
S-17	Transportation Expense		\$0
	Expense related to truck (fuel, maint, license, etc)	\$0	
	<b>Total</b>	<b>\$0</b>	
S-18	Computer Time		- \$540
	To eliminate computer charges	- \$540	
	<b>Total</b>	<b>- \$540</b>	

S-19	Bonuses		
	To eliminate year end bonuses	-\$500	-\$500
	Total	-\$500	
S-20	Bank Service Charges		-\$313
	To eliminate bank fees	-\$313	
	Total	-\$313	
S-21	Other Misc. Expenses		-\$2,704
	To remove billing corrections	-\$116	
	To remove ret'd checks (reimbursable item)	-\$832	
	To annualize ret'd check fees	\$13	
	To remove expenses related to grand jury	-\$275	
	To remove help-wanted ads	-1492.88	
	Total	-\$2,704	
S-22	PSC Assessment		\$1,590
	To adjust for new assessment	\$1,590	
	Total	\$1,590	
S-23	Depreciation		\$12,590
	To record most recent calculations (Co did not exp.)	\$12,590	
	Total	\$12,590	
	Total Expense Adjustments		<u><u>-\$70,226</u></u>

Central Jefferson County Utilities - SEWER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Ending December 31, 2005  
**REVENUE SUMMARY SCHEDULE**

**ANNUALIZED & NORMALIZED REVENUES**

Line Number	A Description	Residential		Comercial 1		Commercial 2		Condo 1		Condo 2		Total	
		B Amount	C Amount	B Amount	C Amount	D Amount	E Amount	F Amount	G Amount	F Amount	G Amount	H Amount	I Amount
1	<u>Customer Charge Revenues:</u>												
2	Customer Number	664		5		2		2		1		672	
3	Customer Bills Per year	12		12		12		12		12		60	
4	Existing Monthly Customer Charge Tariff	<u>\$25.72</u>		<u>\$25.72</u>				<u>\$123.42</u>		<u>\$143.99</u>			
5	Annualized Customer Charge Revenues		\$204,937		\$1,543		\$0		\$2,962		\$1,728		\$211,170
6	<u>Commodity Charge Revenues:</u>												
7	Total Usage	-		27,487		121,471		-		-		148,958	
8	Less: Base Gallons Included In Customer Charge	<u>-</u>		<u>35,000</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>	
9	Commodity Gallons	-		-		121,471		-		-		148,958	
10	Existing Usage Charge	<u>\$0.00</u>		<u>\$3.67</u>		<u>\$3.67</u>		<u>\$0.00</u>		<u>\$0.00</u>			
11	Annualized Commodity Charge Revenues		\$0		\$0		\$5,350		\$0		\$0		\$5,350
12	Total Annualized Sewer Rate Revenues		\$204,937		\$1,543		\$5,350		\$2,962		\$1,728		\$216,520
13	Miscellaneous Revenues		\$0		\$0		\$0		\$0		\$0		\$3,160
14	Late Fee Revenues	\$ -		\$ -		\$ -		\$ -		\$ -			\$3,168
14	Total Annualized Sewer Service Revenues	<u>\$204,937</u>		<u>\$1,543</u>		<u>\$5,350</u>		<u>\$2,962</u>		<u>\$1,728</u>		<u>\$222,848</u>	

Central Jefferson County Utilities - SEWER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Ending December 31, 2005  
**RATE DESIGN SCHEDULE**

**Rate Making Income Statement - Sewer**

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D	E
	Annualized Revenues	(1)	\$222,348		
1	OPERATIONS EXPENSES	(2)		Customer Charge	Commodity
2	Management/Staff Salary (1)		\$14,900		
4	Operators Salary (1)		\$21,720		
5	Payroll Taxes		\$3,787		
6	Health Insurance Benefits		\$5,077		
7	Electricity-( Pumping)		\$13,658		
8	Total Operations Expense		\$59,141		
9	MAINTENANCE EXPENSES				
10	Contract Labor (1)		\$9,724		
11	Materials & Supplies		\$201		
12	System Maintenance		\$6,020		
	Trash Removal		\$807		
13	Sludge Removal		\$30,000		
14	Testing Fees		\$847		
15	Permits		\$3,054		
16	Total Maintenance Expense		\$50,453		
17	ADMINISTRATIVE & GENERAL EXPENSES				
18	Professional Services- Accounting		\$838		
19	Professional Services- Surveying		\$0		
20	Professional Services- Engineering		\$0		
21	Professional Services- Legal		\$0		
22	Office Rent		\$1,035		
23	Office Utilities- Electricity, Gas, Water		\$150		
24	Telephone & Pagers		\$1,000		
25	Postage		\$1,578		
26	Office Supplies		\$188		
27	Transportation Expense		\$3,600		
28	Computer Time		\$0		
29	Bonuses		\$0		
30	Billing expense		\$648		
31	Insurance- General & Comp		\$3,785		
32	Bank Service Charges		\$0		
33	Other Misc. Expenses		\$93		
34	Total Administrative and General		\$12,914		
32	OTHER OPERATING EXPENSES				
33	Taxes Other Than Income				
34	Property		\$4,938		
35	PSC Assessment		\$16,920		
36	Depreciation		\$12,590		
37	TOTAL EXPENSES BEFORE INCOME TAX		\$156,956		
38	Return on Investment & Current Income Taxes	(3)	\$14,371		
39	TOTAL COST OF SERVICE		\$171,327	\$0	\$0
40	Less: Miscellaneous Revenues	(4)	\$6,328	6,328	
41	COST TO RECOVER IN RATES		\$164,999	-6,328	0
42	INCREMENTAL INCREASE IN RATE REVENUES		(\$51,521)	-23.12%	
43	REQUESTED INCREASE IN REVENUES		\$0		

Central Jefferson County Utilities - SEWER  
 Sewer Connection Fee Case  
 Tracking Number QS-2006-0003  
 Test Year Ending December 31, 2005  
**Rate of Return Including Income Tax**

		<u>A</u>		<u>B</u>
1	State Income Tax Rate Statutory / Effective	6.25%	(2)	5.61%
2	Federal Income Tax Rate Statutory / Effective	21.76%	(1) & (2)	20.53%
3	Composite Effective Income Tax Rate			26.14%
4	Equity Tax Factor			1.3540
5	Recommended Weighted Rate of Return on Equity - Common and Preferred			<u>1.70%</u>
6	Weighted Rate of Return on Equity Including Income Tax			2.30%
7	Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term			<u>6.43%</u>
8	Total Weighted Rate of Return Including Income Tax			<u><u>8.73%</u></u>

Central Jefferson County Utilities - SEWER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Ending December 31, 2005  
**RATE BASE, RETURN on INVESTMENT  
and INCOME TAX SCHEDULE**

<b>Line Number</b>	<b><u>A</u> Rate Base Description</b>	<b><u>B</u> Dollar Amount</b>
1	Plant In Service	\$237,601
2	Less Accumulated Depreciation Reserve	<u>\$84,862</u>
3	Net Plant In Service	\$152,739
4	Other Rate Base Items:	<u>\$11,872</u>
5	Total Rate Base	\$164,611
6	Total Weighted Rate of Return Including Income Tax	<u>8.73%</u>
7	Required Return & Income Tax	<u>\$14,371</u>

Central Jefferson County Utilities - SEWER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Ending December 31, 2005  
Capital Structure Schedule

Line Number	<u>A</u> Description	<u>B</u> Dollar Amount	<u>C</u> Percentage of Total Capital Structure	<u>D</u> Embedded Cost of Capital	<u>E</u> Weighted Cost of Capital
1	Common Stock	\$18,861	14.67%	11.56%	1.696%
2	Preferred Stock	\$0	0.00%	0.00%	0.000%
3	Long Term Debt	\$109,686	85.33%	7.54%	6.434%
4	Short Term Debt	<u>\$0</u>	<u>0.00%</u>	0.00%	<u>0.000%</u>
5	TOTAL CAPITALIZATION	<u><u>\$128,547</u></u>	<u><u>100.00%</u></u>		<u><u>8.1298%</u></u>

Central Jefferson County Utilities - SEWE  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Updated to January 31, 2006  
Plant In Service

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjustment Number	E Adjustments	F As Adjusted Plant
1		<b>LAND AND STRUCTURES</b>				
2	311	Structures and Improvements	6315			\$6,315
3		Total Land and Structures	<u>\$6,315</u>		<u>\$0</u>	<u>\$6,315</u>
4		<b>COLLECTION PLANT</b>				
5	355	Flow Measuring Devices	4277			\$4,277
6		Total Collection Plant	<u>\$4,277</u>		<u>\$0</u>	<u>\$4,277</u>
7		<b>PUMPING PLANT</b>				
8	363	Pumping Equipment	\$29,991	P-1	-\$17,450	\$12,541
9		Total Pumping Plant	<u>\$29,991</u>		<u>-\$17,450</u>	<u>\$12,541</u>
10		<b>TREATMENT &amp; DISPOSAL PLANT</b>				
11	373	Treatment and Disposal Facilities	\$205,462			\$205,462
12		Total Treatment & Disposal Plant	<u>\$205,462</u>		<u>\$0</u>	<u>\$205,462</u>
13		<b>GENERAL PLANT</b>				
14	391.1	Office Computer Equipment	\$2,089			\$2,089
15	392	Transportation Equipment	\$0			\$0
16	393	Other General Equipment*	\$6,917			\$6,917
17		Total General Plant	<u>\$9,006</u>		<u>\$0</u>	<u>\$9,006</u>
18		<b>TOTAL PLANT IN SERVICE</b>	<u><u>\$255,051</u></u>		<u><u>-\$17,450</u></u>	<u><u>\$237,601</u></u>

To Rate Base & Depreciation Schedules

\*This amount includes the following items that are required, but have not yet been purchased

Gas Detector	2,000.00
Tripod & Harness	2,300.00



**Black font – Text already programmed**

**Green font – Text entered by user or comes from last case**

**Orange font – Comes from previously entered text (can be overridden)**

**Purple font - Data comes from another schedule**

**Red font – Data entered by user**

**Blue font – Calculated by program (can be overridden)**

Central Jefferson County Utilities - SEWER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Updated to January 31, 2006  
Schedule of Adjustments for  
Plant In Service

<u>A</u> Plant Adjustment Number	<u>B</u> Plant In Service Adjustments Description	<u>C</u> Adjustment Subtotal	<u>D</u> Total Adjustment Amount
P-1	To remove retired plant	(\$17,450)	(\$17,450)

Total Plant Adjustments

(\$17,450)

To Plant Schedule

Central Jefferson County Utilities - SEWER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Updated to January 31, 2006  
Accumulated Depreciation Reserve

Line Number	<u>A</u> Account Number	<u>B</u> Depreciation Reserve Description	<u>C</u> Total Reserve	<u>D</u> Adjustment Number	<u>E</u> Adjustments	<u>F</u> As Adjusted Reserve
1		<b>LAND AND STRUCTURES</b>				
2	311	Structures and Improvements	\$1,591			\$1,591
3		Total Land and Structures	<u>\$1,591</u>		<u>\$0</u>	<u>\$1,591</u>
4		<b>COLLECTION PLANT</b>				
5	355	Flow Measuring Devices	\$5			\$5
6		Total Collection Plant	<u>\$5</u>		<u>\$0</u>	<u>\$5</u>
7		<b>PUMPING PLANT</b>				
8	363	Pumping Equipment	\$19,663	R-1	-\$17,450	\$2,213
9		Total Pumping Plant	<u>\$19,663</u>		<u>-\$17,450</u>	<u>\$2,213</u>
10		<b>TREATMENT &amp; DISPOSAL PLANT</b>				
11	373	Treatment and Disposal Facilities	\$80,182			\$80,182
12		Total Treatment & Disposal Plant	<u>\$80,182</u>		<u>\$0</u>	<u>\$80,182</u>
13		<b>GENERAL PLANT</b>				
14	391.1	Office Computer Equipment	\$748			\$748
15	392	Transportation Equipment	\$0			\$0
16	393	Other General Equipment*	\$123			\$123
17		Total General Plant	<u>\$871</u>		<u>\$0</u>	<u>\$871</u>
18		<b>TOTAL DEPRECIATION RESERVE</b>	<u><u>\$102,312</u></u>		<u><u>-\$17,450</u></u>	<u><u>\$84,862</u></u>

Central Jefferson County Utilities - SEWER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Updated to January 31, 2006  
**Schedule of Adjustments for  
Accumulated Depreciation Reserve**

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Adjustment Subtotal	<u>D</u> Total Adjustment Amount
R-1	To remove retired plant	(\$17,450)	(\$17,450)
Total Reserve Adjustments			<u>(\$17,450)</u>
		To Reserve Schedule	

Central Jefferson County Utilities - SEWER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Updated to January 31, 2006  
Depreciation Expense

Line Number	<u>A</u> Account Number	<u>B</u> Plant Account Description	<u>C</u> Adjusted Plant	<u>D</u> Depreciation Rate	<u>E</u> Depreciation Expense
1		LAND AND STRUCTURES			
2	311	Structures and Improvements	6315	2.5000%	\$158
3		Total Land and Structures	<u>\$6,315</u>		<u>\$158</u>
4		COLLECTION PLANT			
5	355	Flow Measuring Devices	4277	3.3000%	\$141
6		Total Collection Plant	<u>\$4,277</u>		<u>\$141</u>
7		PUMPING PLANT			
8	363	Pumping Equipment	\$12,541	10.0000%	\$1,254
9		Total Pumping Plant	<u>\$12,541</u>		<u>\$1,254</u>
10		TREATMENT & DISPOSAL PLANT			
11	373	Treatment and Disposal Facilities	\$205,462	5.0000%	\$10,273
12		Total Treatment & Disposal Plant	<u>\$205,462</u>		<u>\$10,273</u>
13		GENERAL PLANT			
14	391.1	Office Computer Equipment	\$2,089	20.0000%	\$418
15	392	Transportation Equipment	\$0	13.0000%	\$0
16	393	Other General Equipment*	\$6,917	5.0000%	\$346
17		Total General Plant	<u>\$9,006</u>		<u>\$764</u>
18		TOTAL PLANT IN SERVICE	<u><u>\$237,601</u></u>		<u><u>\$12,590</u></u>