

RAINTREE PLANTATION

DRAFT PRICING PROPOSAL (subject to due diligence)

Monthly sewer bill	\$	37.00	per home	(20-yr Fixed Rate)
Water	\$	5.80	per kgal	
JCPSD Admin Charge	\$	0.50	per kgal	
	\$	6.30	per kgal	(20-yr Fixed Rate)
Tap-on Fee - EMC	\$	1,500.00	per new home connection	
Tap-on Fee - capital reserve fund	\$	1,000.00	per new home connection	

Estimated monthly household water and sewer charge : \$ 68.50 (average of 5,000 gal per home per month)

PROFORMA P&L Estimate

	Year 1
Revenue	
Water	\$ 257,418
Sewer	\$ 302,364
Total	\$ 559,782
EMC O&M Costs (including Billing)	(360,032)
Depreciation expense	(90,000)
JCPSD Water Surcharge	(20,430)
EMC Overhead	(22,391)
Operating Profit	\$ 66,928
	12.0%
Cash flow from operations	\$ 156,928
Initial capital investment	\$ 1,800,000
Estimated interest rate, 20-year	6.00%

Missouri Public
Service Commission

JAN 22 2007

FILED³

Central
Exhibit No. 4
Date 12-13-06 Case No. 50-2607-0071
Reporter PK
72

RAINTREE PLANTATION, INC

US\$		Reported 2005	+/-	Adjusted 2006
Costs	Adjust			
Labor + Benefits	30%	(76,990)	(23,097)	(100,086)
Vehicle/Mileage	3%	(14,728)	(442)	(15,170)
Maintenance and Repair - SE	10%	(28,695)	(2,870)	(31,565)
Maintenance and Repair - W	10%	(9,938)	(994)	(10,932)
Sludge	3%	(27,521)	(826)	(28,347)
Utilities	3%	(27,220)	(817)	(28,037)
Inflow and Infiltration	3%	(3,657)	-	(3,657)
Telephones	3%	(3,869)	(116)	(3,985)
Admin/Legal/Office		(23,233)	-	(23,233)
Consulting		(3,248)	3,248	-
Licenses/Permits		(3,090)	-	(3,090)
Meter readers		(6,890)	-	(6,890)
Taxes		(11,665)	-	(11,665)
Engineering - Legal		(45,608)	45,608	-
Bad Debt		(1,541)	-	(1,541)
Laboratory	3%	(3,348)	(100)	(3,448)
Bank Charges		(909)	-	(909)
Interest Expense		(16,048)	-	(16,048)
New construction costs		(5,715)	-	(5,715)
Depreciation expense		-	-	-
Miscellaneous	3%	(20,532)	(616)	(21,148)
Insurance - Staff	3%	(26,526)	(796)	(27,322)
Insurance - Other	3%	(7,570)	(227)	(7,797)
		(368,540)	17,956	(350,584)

RAINTREE PLANTATION

	Units	Construction		Water Consumption (gal/month)			
		Start	Finish	Max	Min	Most Likely	Modeled Usage
PHASE I	681	Jun-06	Jun-06	8,000	4,000	5,000	5,000
PHASE II	50	Jan-07	Dec-07	8,000	4,000	5,000	5,000
PHASE III	75	Jan-08	Dec-08	8,000	4,000	5,000	5,000
PHASE IV	75	Jan-09	Dec-09	8,000	4,000	5,000	5,000
PHASE V	75	Jan-10	Dec-10	8,000	4,000	5,000	5,000
PHASE VI	75	Jan-11	Dec-11	8,000	4,000	5,000	5,000
PHASE VII	75	Jan-12	Dec-12	8,000	4,000	5,000	5,000
PHASE VIII	75	Jan-13	Dec-13	8,000	4,000	5,000	5,000
PHASE IX	75	Jan-14	Dec-14	8,000	4,000	5,000	5,000
PHASE X	75	Jan-15	Dec-15	8,000	4,000	5,000	5,000

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
UNITS ON LINE										
PHASE I	681.0	681.0	681.0	681.0	681.0	681.0	681.0	681.0	681.0	681.0
PHASE II	-	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
PHASE III	-	-	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
PHASE IV	-	-	-	75.0	75.0	75.0	75.0	75.0	75.0	75.0
PHASE V	-	-	-	-	75.0	75.0	75.0	75.0	75.0	75.0
PHASE VI	-	-	-	-	-	75.0	75.0	75.0	75.0	75.0
PHASE VII	-	-	-	-	-	-	75.0	75.0	75.0	75.0
PHASE VIII	-	-	-	-	-	-	-	75.0	75.0	75.0
PHASE IX	-	-	-	-	-	-	-	-	75.0	75.0
PHASE X	-	-	-	-	-	-	-	-	-	75.0
	681.0	731.0	806.0	881.0	956.0	1,031.0	1,106.0	1,181.0	1,256.0	1,331.0

WATER CONSUMPTION (MGD)	0.06	0.12	0.13	0.14	0.16	0.17	0.18	0.19	0.21	0.22
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TOTAL COST per HOUSEHOLD

Water	\$ 31.50	\$ 31.50	\$ 31.50	\$ 31.50	\$ 31.50	\$ 63.00	\$ 31.50	\$ 31.50	\$ 31.50	\$ 31.50
Sewer	\$ 37.00	\$ 37.00	\$ 37.00	\$ 37.00	\$ 37.00	\$ 37.00	\$ 37.00	\$ 37.00	\$ 37.00	\$ 37.00
	\$ 68.50	\$ 68.50	\$ 68.50	\$ 68.50	\$ 68.50	\$ 100.00	\$ 68.50	\$ 68.50	\$ 68.50	\$ 68.50

JCPSD CAPITAL/MAINTENANCE FUND

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Opening Balance	\$ -	\$ 10,215	\$ 82,145	\$ 181,325	\$ 282,755	\$ 386,435	\$ 492,365	\$ 600,545	\$ 710,975	\$ 823,655
Water rate surcharge (\$0.50/kgal)	\$ 10,215	\$ 21,930	\$ 24,180	\$ 26,430	\$ 28,680	\$ 30,930	\$ 33,180	\$ 35,430	\$ 37,680	\$ 39,930
Tap-on Fee	\$ -	\$ 50,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Closing Balance	\$ 10,215	\$ 82,145	\$ 181,325	\$ 282,755	\$ 386,435	\$ 492,365	\$ 600,545	\$ 710,975	\$ 823,655	\$ 938,585

2006 adjusted for partial year