

FILED
December 7, 2017
Data Center
Missouri Public
Service Commission

Exhibit No.:
Issue(s):

204
Employee Salaries and Benefits
Pre-Acquisition Engineering Fees
AFUDC
Outside Services – Management Consultant Fees
Auditing Expense
Tax Preparation Expense
Bank Fees
Rate Base
Revenue Requirement
Commission Order WO-2016-0045

Witness/Type of Exhibit:

Roth/Direct

Sponsoring Party:

Public Counsel

Case No.:

WR-2017-0259

DIRECT TESTIMONY

OF

KERI ROTH

Submitted on Behalf of the Office of the Public Counsel

**INDIAN HILLS UTILITY
OPERATING COMPANY, INC.**

CASE NO. WR-2017-0259

CPC Exhibit No. 201
Date 11-27-17 Reporter XF
File No. WR-2017-0259

**

Denotes Confidential Information
that has been redacted

**

October 13, 2017

Public

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

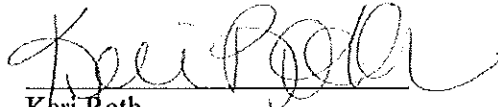
In the Matter of the Application)
Of a Rate Increase)
For Indian Hills Utility)
Operating Company, Inc.) Case No. WR-2017-0259

AFFIDAVIT OF KERI ROTH

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Keri Roth, of lawful age and being first duly sworn, deposes and states:


1. My name is Keri Roth. I am a Public Utility Accountant III for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my direct testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.


Keri Roth
Public Utility Accountant III

Subscribed and sworn to me this 13th day of October 2017.



JERENA BUCKMAN
My Commission Expires
August 23, 2021
Cole County
Commission #13754037


Jerene A. Buckman
Notary Public

My Commission expires August 23, 2021.

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DIRECT TESTIMONY
OF
KERI ROTH
INDIAN HILLS UTILITY OPERATING COMPANY, INC.
CASE NO. WR-2017-0259

I. INTRODUCTION

Q. Please state your name and business address.

A. Keri Roth, P.O. Box 2230, Jefferson City, Missouri 65102-2230.

Q. By whom are you employed and in what capacity?

A. I am employed by the Missouri Office of the Public Counsel ("OPC") as a Public Utility Accountant III.

Q. On whose behalf are you testifying?

A. I am testifying on behalf of the OPC.

Q. What is the nature of your duties at the OPC?

A. My duties include performing audits and examinations of the books and records of public utilities operating within the state of Missouri. I specialize in the area of auditing water and sewer utility companies, but I have performed audits in electric and gas cases as well. I have performed audits or accounting analysis in acquisition cases, complaint cases, and rate cases.

Q. Please describe your educational background.

A. I graduated in May 2011 from Lincoln University in Jefferson City with a Bachelor of Science Degree in Accounting.

Q. Have you received specialized training related to public utility accounting?

1 A. Yes. In addition to being employed by the OPC since September 2012, I have also attended
2 the NARUC Utility Rate School held by Michigan State University.

3 **Q. Have you previously filed testimony before the Missouri Public Service Commission**
4 **(“Commission” or “PSC”)?**

5 A. Yes. Please refer to Schedule KNR-1, attached to this testimony, for a listing of cases in
6 which I have submitted testimony.

7 **Q. Please list the witnesses testifying on behalf of OPC in the current case and the issues**
8 **each witness will be addressing in direct testimony.**

9 A. The following list of witnesses will provide direct testimony regarding revenue requirement
10 and rate design issues on behalf of OPC in the current case:

11 Michael P. Gorman – Capital structure and cost of capital

12 Geoff Marke – Rate design

13 Greg R. Meyer – Intra-company transfers and corporate structure

14 John A. Robinett – Capitalization of leak repairs and initial service fee for electric

15 **Q. What is the purpose of your direct testimony?**

16 A. The purpose of my direct testimony is to sponsor and present OPC’s position regarding Indian
17 Hills Utility Operating Company, Inc.’s (“Indian Hills” or “Company”) salaries and employee
18 benefits, pre-acquisition engineering fees, allowance for funds used during construction
19 (“AFUDC”), outside services - management consulting fees, auditing expense, tax
20 preparation expense, rate base, revenue requirement, and the *Order Approving Transfer of*
21 *Assets and Issuance of Certificate of Convenience and Necessity* (“Order”) in the Indian Hills
22 acquisition case numbered WO-2016-0045.

1 **Q. Please provide an overview of Indian Hills and the services they provide.**

2 A. Central States Water Resources, Inc. ("CSWR"), formed on January 27, 2014, is the managing
3 affiliate of First Round CSWR, LLC ("First Round"), which employs six individuals who
4 allocate a portion of their time to Indian Hills and three other regulated subsidiaries: Hillcrest
5 Utility Operating Company, Inc. ("Hillcrest"), Raccoon Creek Utility Operating Company,
6 Inc. ("Raccoon Creek"), and Elm Hills Utility Operating Company, Inc. ("Elm Hills"). First
7 Round wholly owns Hillcrest Utility Holding Company, Inc., Raccoon Creek Utility Holding
8 Company, Inc., Indian Hills Utility Holding Company, Inc., and Elm Hills Utility Holding
9 Company, Inc. Each holding company wholly owns its own operating company mentioned
10 previously.

11 Indian Hills has one water system located near Cuba, Missouri. The water system serves
12 approximately 715 water customers in and around the Indian Hills subdivision, which is a
13 residential and lake recreation area. The Indian Hills subdivision serves several full-time
14 customers and seasonal customers.

15 As a frame of reference, Hillcrest has one water system and one sewer system located in and
16 around Cape Girardeau. The water system serves 242 water customers and the sewer system
17 serves 240 sewer customers. Most of these customers overlap save for two that do not use
18 the sewer system.

19 Raccoon Creek has three sewer systems: W.P.C. Sewer Company ("WPC"), West 16th Street
20 Sewer Company ("West 16th") that are both located in Sedalia as well as Village Water and
21 Sewer Company, Inc. ("Villages") located in Knob Noster. In total, Raccoon Creek serves
22 approximately 521 sewer customers.

23 Further, Elm Hills has one water system and two sewer systems. The water system, located
24 in Pettis County near Sedalia, Missouri, provides service to approximately 120 customers.
25 One sewer system is located in the same area and serves approximately 115 customers. The

1 second sewer system is located in Johnson County near Warrensburg, Missouri, and provides
2 service to approximately 180 customers.

3 **II. EMPLOYEE SALARIES**

4 **Q. What are the job duties of each employee at First Round?**

5 **A. As described in the Company response to OPC Data Request 1120:**

6 Mr. Josiah Cox – Lead and direct overall company strategy and
7 direction, contact for financial regulatory compliance (PSC, OPC) and
8 environmental regulatory compliance (MDNR, Attorney General),
9 and director of all financing activities including debt and equity raises.

10 Mr. Todd Thomas – Responsible for utility acquisitions; construction
11 and engineering management, third party contractor
12 acquisition/contract negotiation/management, contact for financial
13 regulatory compliance (PSC, OPC) and environmental regulatory
14 compliance (MDNR, Attorney General).

15 Mr. Phil Macias -- Establish and maintain a companywide financial
16 accounting system, directly responsible for utility audits and annual
17 accounting audits; interface directly with utility financial regulators to
18 help CSWR manage customer rate increases.

19 Ms. Yolanda Rousseau -- Maintain utility NARUC accounting system,
20 help create and maintain a long-term companywide financial
21 operations program both at the utility and corporate level.

22 Daniel Janowiak – Maintain on-going AP/AR records. Assist Senior
23 Accountant and CFO in ongoing financial accounting and reporting.

24 Brenda Eaves – Establish and direct overall company office
25 operations, direct final customer late pay and disconnect programs,
26 interface with customer service contractors.

27 **Q. What yearly salaries are paid to First Round's employees?**

28 **A. The yearly salaries are shown in the chart below:**

Employee	Position Title	Salary Amount
Josiah Cox	President	** **
Todd Thomas	Vice President	** **
Phil Macias	Chief Financial Officer	** **
Yolanda Rousseau	Senior Accountant	** **
Daniel Janowiak	Accountant	** **
Brenda Eaves	Manager Customer Service	** **
Source: Staff Data Request 16		

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Q. What percentage of First Round employee salaries is Staff allocating to Indian Hills?

A. Based on the *Auditing Department Recommendation Memorandum* attached as *Attachment A* to the *Partial Disposition Agreement and Request for Evidentiary Hearing* filed by Staff and Indian Hills on September 1, 2017, OPC believes that Staff is using an allocation factor of 16.61% to allocate a portion of First Round salaries to Indian Hills.

Q. Does OPC support Staff's allocation factor in the current case?

A. Yes. The allocation factor is based upon First Round employee hours spent at Indian Hills during the test year period.

Q. How has Staff determined employee wage amounts?

A. Based on the *Auditing Department Recommendation Memorandum* attached as *Attachment A* to the *Partial Disposition Agreement and Request for Evidentiary Hearing* filed by Staff and Indian Hills on September 1, 2017, Staff has used MERIC payroll rates in the St. Louis Region for each employee, which is geographically relevant to what we are analyzing here.

Q. How has OPC determined employee wage amounts?

A. OPC has used MERIC mean payroll rates updated with 2016 information in the St. Louis Region for each employee.

1 **Q. What position titles in MERIC is OPC using to calculate the portion of salaries rate**
2 **payers will be responsible for?**

3 **A. Please see the table below for the list of position titles Staff is using to calculate salaries:**

Employee	Position Title
Josiah Cox	General and Operations Manager
Todd Thomas	Construction Manager
Phil Macias	Financial Manager
Yolanda Rousseau	Accounting and Auditors
Daniel Janowiak	Bookkeeping, Accounting and Auditing Clerks
Brenda Eaves	1. Bill and Account Collectors 2. Customer Service Representative 3. Bookkeeping, Accounting and Auditing Clerks 4. Office and Administrative Support Workers, All Other

4
5 **Q. Do small water and sewer companies operating in Missouri have employees with the**
6 **title of President or Chief Executive?**

7 **A. No. The top manager of a small water and sewer company in Missouri is usually classified**
8 **as a general manager and, with that, comes a different level of compensation.**

9 **Q. The Commission *Report and Order* in the Hillcrest rate case numbered WR-2016-0064**
10 **states, “Since Hillcrest is part of a group of commonly-owned regulated utilities and has**
11 **plans to acquire additional utilities, it is appropriate to assign employee titles similar to**
12 **larger utilities rather than single utility companies.” According to 4 CSR 240-3.050, is**
13 **Indian Hills considered a small utility?**

14 **A. Yes. 4 CSR 240.3050 – Small Utility Rate Case Procedure states:**

15 (1) Notwithstanding the provisions of any other commission rule
16 to the contrary, a gas utility serving ten thousand (10,000) or fewer
17 customers, a water or sewer utility serving (8,000) or fewer
18 customers, or a steam heat utility servings fewer than one hundred
19 (100 customers shall be considered a small utility under this rule.
20

1 Emphasis added by OPC.

2 This regulation does not specify the customer count to qualify as a medium-sized utility or as
3 a large utility. Indian Hills only has approximately 715 customers. When you combine the
4 customer count from Hillcrest, Raccoon Creek, and Elm Hills with Indian Hills, the total
5 customer count is approximately 2,133 customers. Comparing these numbers to the
6 regulation cited above, the affiliated systems are 6,000 customers short of what is needed to
7 qualify as something other than a small utility. Whether the company would be a medium or
8 a large utility if it had more than 8,000 customers is a legal question that goes beyond the
9 scope of this testimony. Consequently, rate payers should not be responsible for reimbursing
10 salary expenses for Mr. Cox using a job title generally found in a larger utility company as
11 stated by the Commission. Indian Hills, or its combined affiliates, are considered small water
12 and sewer companies under statute 4 CSR 240-3.050.

13 As a further point, this case is proceeding under the rules for a small system.

14 **Q. Does First Round have plans to acquire additional utility companies in the future?**

15 A. Yes. For example, Mr. Cox has stated that he would like to do a \$50 million securities offering
16 when he gets large enough, and he stated “so the idea is as I aggregate more systems, we prove
17 that the regulatory environment is stable...[w]e get to a big enough size, we get different
18 financing than this, so different terms, as we get bigger.”¹ That day has not come, and Mr.
19 Cox has not gotten any different financing as he had hoped. If the acquisitions are approved
20 in the future as begins to “aggregate more systems,” and if the total customer count of all
21 systems reaches 8,000 customers or more, OPC will consider reviewing the position title of
22 Mr. Cox. But that day has not come.

¹ WR-2017-0064, In the Matter of the Water Rate Increase Request of Hillcrest Utility Operating Co Inc., Transcript
– Volume 2 (Evidentiary Hearing 5-19-16), Pages 115-117.

1 Q. Will the Commission's determination of job titles have an effect on other issues, like the
2 dollar amount for employee benefits?

3 A. Yes. The Commission's decision on employee job titles will affect life insurance, short-term
4 disability, long-term disability, accidental death and dismemberment, and 401k benefits.

5 Q. Will payroll taxes also be affected by the outcome of position titles used to determine
6 appropriate salary levels in which rate payers are responsible for?

7 A. Yes. Payroll taxes could also change depending on the Commission's decision.

8 **III. PRE-ACQUISITION ENGINEERING FEES**

9 Q. What are pre-acquisition engineering fees in the context of this case?

10 A. These are engineering fees incurred prior to Indian Hills purchasing the system. The
11 engineering fees are a result of analysis performed on the system to determine the state of the
12 system and what improvements will be necessary to bring the water system into compliance.

13 Q. Does OPC agree with the methodology to include the engineering fees in rate base even
14 though the fees were incurred prior to taking ownership?

15 A. Yes. Since the water system was ultimately purchased by Indian Hills, OPC believes it is
16 acceptable to include the engineering fees in rate base.

17 **IV. AFUDC**

18 Q. What is AFUDC?

19 A. As stated in the NARUC Uniform System of Accounts ("USOA"),

20 Allowance for funds used during construction includes the net cost for
21 the period of construction of borrowed funds used for construction

1 purposes and a reasonable rate on others funds when so used. No
2 allowance for funds used during construction shall be included in these
3 accounts upon expenditures for construction projects which have been
4 abandoned.

5 **Q. What long-term debt rate is OPC applying to construction costs to calculate AFUDC?**

6 A. OPC recommends applying a long-term debt rate of 6.75%. OPC's cost of debt rate is further
7 discussed in the testimony of OPC witness Mr. Michael P. Gorman.

8 **Q. What long-term debt rate is Staff and Indian Hills applying to construction costs to
9 calculated AFUDC?**

10 A. As shown in the *Auditing Department Recommendation Memorandum* attached as
11 *Attachment A* to the *Partial Disposition Agreement and Request for Evidentiary Hearing* filed
12 by Staff and Indian Hills on September 1, 2017, Staff and Indian Hills are applying a long-
13 term debt rate of 14.00%.

14 **Q. Will the long-term debt rate applied to calculate AFUDC be affected by the
15 Commission's decision regarding the cost of debt issue described in OPC witness Mr.
16 Gorman's testimony?**

17 A. Yes. The rate that Mr. Gorman is sponsoring will affect the calculation of AFUDC allowance.

18 **V. OUTSIDE SERVICES – MANAGEMENT CONSULTANT FEES**

19 **Q. Has Indian Hills retained the services of an independent contractor for consulting work
20 regarding the water system?**

21 A. Yes. In response to OPC data request 2, Ms. Lois Stanley, the previous owner/operator of the
22 water system has been retained as a consultant to provide information regarding locations of

1 water system elements that have not been documented elsewhere. The Company's response
2 also states that Ms. Stanley has been helpful clarifying connection points.

3 **Q. Has OPC included a dollar amount associated with the contract between Indian Hills**
4 **and Ms. Stanley in Indian Hills' cost of service calculation?**

5 A. No.

6 **Q. Please explain.**

7 A. OPC has not included any dollars associated with Ms. Stanley's consultant work, because
8 Indian Hills informed OPC that Indian Hills does not keep any logs, timesheets, or detailed
9 invoices for Ms. Stanley detailing any consultant services she has provided. Without this
10 information, OPC is unable to verify if the contract amount agreed to each year is appropriate
11 for the amount of time Ms. Stanley has spent consulting with Indian Hills.

12 Also, in case no. WO-2016-0045, in the Staff Memorandum on page 2, Staff indicates that
13 "the current owner of IHU wishes to exit the utility business, and does not have the ability or
14 desire to invest adequate money or time to keep this water system in good condition..."
15 (Emphasis added by OPC). Without any sort of documentation detailing the services provided
16 by Ms. Stanley and the comments made in Staff's Memorandum in case no. WO-2016-0045,
17 OPC is unable to determine if payment made to Ms. Stanley is appropriate for services
18 received.

19 **VI. AUDITING EXPENSE**

20 **Q. Has OPC included third party auditing expense in Indian Hills' cost of service?**

21 A. No. OPC has not included auditing expense for any third-party audits performed on Indian
22 Hills' financial statements. However, OPC has allocated a portion of auditing expense for
23 First Round to Indian Hills' cost of service.

1 **Q. Did Indian Hills provide documentation showing auditing expense incurred for Indian**
2 **Hills?**

3 A. Yes. The invoice provided was dated March 28, 2017, which is within the test year period of
4 the current rate case; however, the invoice was paid outside of the test year.

5 **Q. Why is OPC not including the invoice in Indian Hills' cost of service?**

6 A. OPC and Staff requested copies of the audit performed on Indian Hills' financial statements;
7 however, the Company has indicated the audit has not been completed. As of the date this
8 testimony is written, OPC has not received copies of the audited financials. Additionally, the
9 invoice was paid outside of the test year, and there was no update period during this case.

10 **VII. TAX PREPARATION EXPENSE**

11 **Q. Has OPC included tax preparation expense in Indian Hills' cost of service?**

12 A. OPC has allocated a portion of tax preparation expense for First Round to Indian Hills' cost
13 of service. OPC has not included tax preparation expense for Indian Hills tax returns.

14 **Q. Did Indian Hills provide documentation showing tax preparation expense incurred for**
15 **Indian Hills?**

16 A. No. OPC has not been provided any invoices showing tax preparation for Indian Hills during
17 the test year. Consequently, these costs, if any, are unsubstantiated.

18 **VIII. BANK FEES**

19 **Q. Does OPC have concerns related to bank fees incurred by Indian Hills?**

20 A. Yes. Please see OPC witness Mr. Meyer's direct testimony addressing bank fees. OPC is not
21 aware of any analysis performed by Indian Hills to determine if the bank fees related to
22 account analysis is more economical than utilizing existing personnel employed by First

1 Round. Additionally, Mr. Meyer explains that records from the Missouri Secretary of State
2 show that David, Robert, and Paul Glarner are on the Board of Directors at one of the banks
3 used by Indian Hills. This raises a risk of self-dealing. Therefore, OPC recommends that the
4 Commission not include recovery of these bank fees because of the affiliate relationship and
5 because of the existing personnel at First Round.

6 **IX. RATE BASE**

7 **Q. What is the issue with rate base?**

8 A. Rate base will be affected by the Commission's decision regarding the capitalization of leak
9 repairs discussed in OPC witness, Mr. John Robinett's direct testimony.

10 **X. REVENUE REQUIREMENT**

11 **Q. What is OPC's proposed revenue requirement in this case?**

12 A. Based upon OPC's review of Indian Hills' books and records, OPC is proposing a revenue
13 requirement of \$432,110, as shown in Schedule KNR-2.

14 **XI. COMMISSION ORDER IN INDIAN HILLS ACQUISITION CASE**
15 **NUMBERED WO-2016-0045**

16 **Q. Did you review the cost of debt and loan agreement as part of your audit?**

17 A. Yes. As a part of my audit, I reviewed these issues including the Commission's Order in WO-
18 2016-0045. However, Mr. Gorman and Mr. Meyer are the witnesses sponsoring OPC's cost
19 of debt.

20 **Q. In addition to the testimony of Mr. Gorman and Mr. Meyer, what did your audit reveal**
21 **about the Company's compliance with the Commission's Order?**

1 A. After reviewing the Order, EFIS, and responses to data requests, my opinion is that Indian
2 Hills failed to comply with various provisions of the Commission's Order. Specifically, my
3 audit showed missing substantiating evidence to prove timely compliance with Paragraphs
4 18, 20, 21, and 22.

5 Q. With regard to Paragraph 18 of the Order in WO-2016-0045, please describe OPC's
6 concern of Indian Hills' failure to comply.

7 A. Paragraph 18 states, "Within 10 days after the issuance of any financing authorized by the
8 order, Indian Hills Utility Operating Company, Inc. shall file a report including the amount of
9 financing issued, date of issuance, stated return required, maturity date, redemption schedules
10 or special terms, if any, use of proceeds, estimated expenses and the final executed financing
11 agreement." OPC was unable to find this report in EFIS in case number WO-2016-0045,
12 therefore OPC believes Indian Hills did not comply.

13 Q. With regard to Paragraph 20 of the Order in WO-2016-0045, please describe OPC's
14 concern of Indian Hills' failure to comply.

15 A. Paragraph 20 states, "Indian Hills Utility Operating Company, Inc. shall file with the Missouri
16 Public Service Commission all documentation required pursuant to the terms of the financing
17 agreement. In the event that Indian Hills Utility Operating Company, Inc. is in violation of
18 Service Commission all documentation required pursuant to the terms of the financing its plan
19 to cure such violation. If such violation is waived, then Indian Hills Utility Operating
20 Company, Inc. shall indicate why the violation is waived and how long the waiver shall be
21 effective." After further discovery, OPC learned that Indian Hills was not making timely loan
22 payments. It was revealed by the Company that terms of repayment had been renegotiated to
23 begin after new rates went into effect. OPC believes this information should have been filed
24 in EFIS to comply with the Commission Order.

1 **Q. With regard to Paragraph 21 of the Order in WO-2016-0045, please describe OPC's**
2 **concern of Indian Hills' failure to comply.**

3 A. Paragraph 21 states, "The proceeds from the proposed financing shall be used only for the
4 acquisition of I.H. Utilities, Inc.'s water utility assets, and the proposed tangible improvement
5 to the water system that can be booked to plant in service for purposes of ratemaking." Please
6 refer to OPC witness Mr. Meyer's direct testimony for details regarding intra-company
7 transfers. OPC is unable to prove that all funds have been utilized as ordered in case WO-
8 2016-0045.

9 **Q. With regard to Paragraph 22 of the Order in WO-2016-0045, please describe OPC's**
10 **concern of Indian Hills' failure to comply.**

11 A. Paragraph 22 states, "Indian Hills Utility Operating Company, Inc. shall notify the
12 Commission immediately if there are any changes to the current investment structure of
13 investors in Indian Hills Utility Operating Company, Inc. or its affiliate investors. This notice
14 shall include all documents executed to complete such investment structure or ownership
15 changes." Although individual investors have not changed, OPC witness Mr. Meyer
16 describes in his testimony various journal entries of equity infusions. OPC believes this
17 affects the investment structure of investors.

18 **Q. Why are my findings relevant to this case?**

19 A. These findings relate specifically to Indian Hills' and Mr. Cox's credibility with this
20 Commission.

21 **Q. Does this conclude your direct testimony?**

22 A. Yes.

**CASE PARTICIPATION
OF
KERI ROTH**

<u>Company Name</u>	<u>Case No.</u>
Empire District Electric Company	ER-2012-0345
Emerald Pointe Utility Company	SR-2013-0016
Lake Region Water & Sewer Company	WR-2013-0461
Summit Natural Gas of Missouri, Inc.	GR-2014-0086
Hickory Hills Water & Sewer Company, Inc.	WR-2014-0167/SR-2014-0166
Empire District Electric Company	ER-2014-0351
Laclede Gas Company	GO-2015-0178
Missouri Gas Energy	GO-2015-0179
Missouri American Water Company	WR-2015-0301
Empire District Electric Company	ER-2016-0023
Hillcrest Utility Operating Company, Inc.	WR-2016-0064
Raccoon Creek Utility Operating Company, Inc.	SR-2016-0202
Moore Bend Water Utility, LLC	WC-2016-0252
Terre Du Lac Utilities Corporation	WR-2017-0110

Indian Hills Utility Operating Company, Inc.
 Informal Rate Case
 Case Numbers WR-2017-0259
 Test Year Ending 3/31/2017
 Rate Design Schedule - Water

Line Number	Description	OPC Annualized
Rev-1	ANNUALIZED REVENUES	
Rev-2	Annualized Rate Revenues	\$92,555
Rev-3	Miscellaneous Revenues	\$4,736
Rev-4	TOTAL ANNUALIZED REVENUES	<u>\$97,291</u>
1	OPERATIONS EXPENSES	
3	Electricity - Pumping Treatment	\$17,261
4	Chemicals	\$5,381
5	Operation Labor & Expense	\$90,426
6	TOTAL OPERATIONS EXPENSE	<u>\$113,068</u>
7	MAINTENANCE EXPENSES	
8	Maintenance - Source of Supply	\$0
9	Maintenance - Wells & Springs	\$0
10	Maintenance - Structures & Improvements	\$5,071
11	Maintenance - Power Production Equipment	\$0
12	Transmission & Distribution Lines Expense	\$0
13	Meter Expenses	\$0
14	Maintenance - Distribution & Reservoir Standpipes	\$0
15	Maintenance - Transmission & Dist Mains	\$127
16	TOTAL MAINTENANCE EXPENSE	<u>\$5,198</u>
17	CUSTOMER ACCOUNT EXPENSE	
18	Customer Billing	\$17,961
19	Bank Fees	\$0
20	Customer Service & Information Expenses	\$0
21	TOTAL CUSTOMER ACCOUNT EXPENSE	<u>\$17,961</u>
22	ADMINISTRATIVE & GENERAL EXPENSES	
23	Administrative & General Salaries - CSWR	\$45,751
24	Office Supplies & Other Expense - CSWR	\$46
25	Travel Expense - CSWR	\$1,204
26	Communication Expense	\$2,790
27	Communication Expense - CSWR	\$1,016
28	Office Supplies Expense	\$39
29	Office Supplies Expense - CSWR	\$794
30	Outside Services - Bank Fees	\$149
31	Outside Services - Legal Fees	\$193
32	Outside Services - Legal Fees - CSWR	\$30
33	Outside Services - Auditor/Acct - CSWR	\$2,242
34	Outside Services - Manage Consult	\$0
35	Outside Services - Manage Consult - CSWR	\$0
36	Outside Services - Payroll Fees - CSWR	\$269
37	Outside Services - IT Expense	\$1,240
38	Outside Services - IT Expense - CSWR	\$960
39	Insurance - Environmental	\$0
40	Insurance - Environmental - CSWR	\$9,756
41	Insurance - Worker's Comp - CSWR	\$240
42	Insurance - Commercial - CSWR	\$7,372
43	Insurance - Keyman's - CSWR	\$0
44	Insurance - Group Health	\$21,243
45	Employee Benefits - 401K	\$851
46	Insurance - AD&D, Life, & Dental	\$972
47	Miscellaneous General Expense	\$0
48	Miscellaneous General Expense - CSWR	\$1
49	Rent Expense - CSWR	\$14,443
50	TOTAL ADMINISTRATIVE & GENERAL	<u>\$111,601</u>
51	OTHER OPERATING EXPENSES	
52	Regulatory Expense - DNR	\$830
53	Regulatory Expense - DNR - CSWR	\$0
54	Regulatory Expense - PSC	\$1,025
55	Regulatory Expense - PSC - CSWR	\$0
56	Regulatory Expense - Business License	\$74
57	Depreciation	\$92,949
58	CIAC Depreciation	(\$360)
59	TOTAL OTHER OPERATING EXPENSES	<u>\$94,518</u>
60	TAXES OTHER THAN INCOME	
61	Payroll Taxes - CSWR	\$5,287
62	Personal Property Taxes	\$4,859
63	Personal Property Taxes - CSWR	\$97
64	TOTAL TAXES OTHER THAN INCOME	<u>\$10,243</u>
65	TOTAL OPERATING EXPENSES	<u>\$352,589</u>
66	Interest Expense	\$60,525
67	Return on Equity	\$83,749
68	Income Taxes	\$32,538
69	TOTAL INTEREST RETURN & TAXES	<u>\$176,812</u>
70	TOTAL COST OF SERVICE	<u>\$529,401</u>
71	INCREMENTAL INCREASE IN RATE REVENUES	<u>\$432,110</u>
72	PERCENTAGE OF INCREASE	444.140%
73	REQUESTED INCREASE IN REVENUES	\$750,280

Indian Hills Utility Operating Company, Inc.
Informal Rate Case
Case Numbers WR-2017-0259
Test Year Ending 3/31/2017
Rate Base & Required Return on Investment Schedule - Water

Line Number	Rate Base Description	Dollar Amount	
1	Plant In Service	\$1,860,424	From Plant Schedule
2	Less Accumulated Depreciation	<u>\$63,241</u>	From Reserve Sch
3	Net Plant In Service	\$1,797,183	
4	Other Rate Base Items:		
	Materials & Supplies	\$3,221	
	Prepayment (Workers Comp)	\$152	
	Contributions in Aid of Construction	(\$8,729)	
	CIAC Depreciation	\$1,506	
5	Total Rate Base	<u>\$1,793,333</u>	
6	Total Weighted Rate of Return Including Income Tax	<u>9.86%</u>	From PreTax Return Schedule
7	Required Return & Income Tax	<u><u>\$176,812</u></u>	

Indian Hills Utility Operating Company, Inc.
Informal Rate Case
Case Numbers WR-2017-0259
Test Year Ending 3/31/2017
Rate of Return Including Income Tax - Water

	A	B	Formulas
1 State Income Tax Rate	6.25%	5.55%	(1-(B2 x .5)) x A1
2 Federal Income Tax Rate	23.75%	<u>22.43%</u>	(1-B1) x A2
3 Composite Effective Income Tax Rate		27.98%	B1 + B2
4 Equity Tax Factor		1.3885	1 / (1-B3)
5 Recommended Weighted Rate of Return on Equity - Common and Preferred		<u>4.67%</u>	From Cap. Struct.
6 Weighted Rate of Return on Equity Inc. Income Tax		6.48%	B4 x B5
7 Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term		<u>3.38%</u>	From Cap. Struct.
8 Total Weighted Rate of Return Inc. Income Tax		<u>9.86%</u>	B6 + B7 To Rate Base Sch.
9 If Sub-Chapter S Corporation, Enter Y:	N		
10 Equity Income Required & Preliminary Federal Tax		\$109,835	

Net Income Range		Tax Rate	Amount in Range	Tax on Range
Start	End			
\$ -	\$ 50,000	15.00%	\$50,000	\$7,500
\$ 50,001	\$ 75,000	25.00%	\$25,000	\$6,250
\$ 75,001	\$ 100,000	34.00%	\$25,000	\$8,500
\$ 100,001	\$ 335,000	39.00%	\$9,835	\$3,836
\$ 335,001	\$ 9,999,999,999	34.00%	\$0	\$0
			<u>\$109,835</u>	<u>\$26,086</u>
			Consolidated Tax Rate:	
			Average Tax Rate:	0.2375

Indian Hills Utility Operating Company, Inc.
Informal Rate Case
Case Numbers WR-2017-0259
Test Year Ending 3/31/2017
Capital Structure Schedule - Water

Line Number	Description	Dollar Amount	Is Preferred Stock Tax Deductible?		Weighted Cost of Capital
			Percentage of Total Capital Structure	Embedded Cost of Capital	
1	Common Stock	\$896,667	50.00%	9.34%	4.670%
2	Other Security - Non-Tax Deductible	\$0	0.00%	0.00%	0.000%
3	Preferred Stock	\$0	0.00%	0.00%	0.000%
4	Long-Term Debt	\$896,667	50.00%	6.75%	3.375%
5	Short-Term Debt	\$0	0.00%	0.00%	0.000%
6	Other Security - Tax Deductible	\$0	0.00%	0.00%	0.000%
7	TOTAL CAPITALIZATION	<u>\$1,793,334</u>	<u>100.00%</u>		<u>8.045%</u>

To PreTax Return Rate Schedule

Indian Hills Utility Operating Company, Inc.
Informal Rate Case
Case Numbers WR-2017-0259
Test Year Ending 3/31/2017
Plant In Service - Water

Line Number	Account #	Plant Account Description	Total Plant	Adjustment Number	Adjustments	Jurisdictional Allocation	Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$22,922		\$0	100.00%	\$22,922
3		TOTAL INTANGIBLE PLANT	<u>\$22,922</u>		<u>\$0</u>		<u>\$22,922</u>
4		SOURCE OF SUPPLY PLANT					
5	310.000	Land & Land Rights	\$1,500		\$0	100.00%	\$1,500
6	311.000	Structures & Improvements	\$24,307		\$0	100.00%	\$24,307
7	314.000	Wells & Springs	\$203,060		\$0	100.00%	\$203,060
8		TOTAL SOURCE OF SUPPLY PLANT	<u>\$228,867</u>		<u>\$0</u>		<u>\$228,867</u>
9		PUMPING PLANT					
10	321.000	Structures & Improvements	\$0		\$0	100.00%	\$0
11	325.000	Electric Pumping Equipment	\$511,994		\$0	100.00%	\$511,994
12		TOTAL PUMPING EQUIPMENT	<u>\$511,994</u>		<u>\$0</u>		<u>\$511,994</u>
13		WATER TREATMENT PLANT					
14	332.000	Water Treatment Equipment	\$104,361		\$0	100.00%	\$104,361
15		TOTAL WATER TREATMENT PLANT	<u>\$104,361</u>		<u>\$0</u>		<u>\$104,361</u>
16		TRANSMISSION & DISTRIBUTION PLANT					
17	342.000	Distribution Reservoirs & Standpipes	\$265,855		\$0	100.00%	\$265,855
18	343.000	Transmission & Distribution Mains	\$320,014		\$0	100.00%	\$320,014
19	345.000	Services	\$29,870		\$0	100.00%	\$29,870
20	346.000	Meters	\$130,400		\$0	100.00%	\$130,400
21	347.000	Meter Installations	\$219,976		\$0	100.00%	\$219,976
22		TOTAL TRANS. & DISTRIBUTION PLANT	<u>\$966,115</u>		<u>\$0</u>		<u>\$966,115</u>
23		GENERAL PLANT					
24	391.000	Office Furniture & Equipment	\$942		\$0	100.00%	\$942
25	394.000	Tools, Shop, & Garage Equipment	\$352		\$0	100.00%	\$352
26	395.000	Laboratory Equipment	\$540		\$0	100.00%	\$540
27	396.000	Power Operated Equipment	\$24,122		\$0	100.00%	\$24,122
28	398.000	Miscellaneous Equipment	\$209		\$0	100.00%	\$209
29		TOTAL GENERAL PLANT	<u>\$26,165</u>		<u>\$0</u>		<u>\$26,165</u>
30		TOTAL PLANT IN SERVICE	<u><u>\$1,860,424</u></u>		<u><u>\$0</u></u>		<u><u>\$1,860,424</u></u>

Indian Hills Utility Operating Company, Inc.
Informal Rate Case
Case Numbers WR-2017-0259
Test Year Ending 3/31/2017
Schedule of Adjustments for Plant in Service - Water

Plant Adjustment Number	Plant in Service Adjustment Description	Account Number	Adjustment Amount	Total Adjustment
P-1				\$0
	Description		\$0	
	Description		\$0	
TOTAL PLANT ADJUSTMENTS				\$0

Indian Hills Utility Operating Company, Inc.
Informal Rate Case
Case Numbers WR-2017-0259
Test Year Ending 3/31/2017
Depreciation Expense

Line Number	Account Number	Plant Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
1		INTANGIBLE PLANT			
2	301.000	Organization	\$22,922	0.0000%	\$0
3		TOTAL INTANGIBLE PLANT	<u>\$22,922</u>		<u>\$0</u>
4		SOURCE OF SUPPLY PLANT			
5	310.000	Land & Land Rights	\$1,500	0.0000%	\$0
6	311.000	Structures & Improvements	\$24,307	2.5000%	\$608
7	314.000	Wells & Springs	\$203,060	2.0000%	\$4,061
8		TOTAL SOURCE OF SUPPLY PLANT	<u>\$228,867</u>		<u>\$4,669</u>
9		PUMPING PLANT			
10	325.000	Electric Pumping Equipment	\$511,994	10.0000%	\$51,199
11		TOTAL PUMPING EQUIPMENT	<u>\$511,994</u>		<u>\$51,199</u>
12		WATER TREATMENT PLANT			
13	332.000	Water Treatment Equipment	\$104,361	2.9000%	\$3,026
14		TOTAL WATER TREATMENT PLANT	<u>\$104,361</u>		<u>\$3,026</u>
15		TRANSMISSION & DISTRIBUTION PLANT			
16	342.000	Distribution Reservoirs & Standpipes	\$265,855	2.5000%	\$6,646
17	343.000	Transmission & Distribution Mains	\$320,014	2.0000%	\$6,400
18	345.000	Services	\$29,870	2.5000%	\$747
19	346.000	Meters	\$130,400	10.0000%	\$13,040
20	347.000	Meter Installations	\$219,976	2.5000%	\$5,499
21		TOTAL TRANS. & DISTRIBUTION PLANT	<u>\$966,115</u>		<u>\$32,333</u>
22		GENERAL PLANT			
23	391.000	Office Furniture & Equipment	\$942	5.0000%	\$47
24	394.000	Tools, Shop, & Garage Equipment	\$352	5.0000%	\$18
25	395.000	Laboratory Equipment	\$540	5.0000%	\$27
26	396.000	Power Operated Equipment	\$24,122	6.7000%	\$1,616
27	398.000	Miscellaneous Equipment	\$209	6.7000%	\$14
28		TOTAL GENERAL PLANT	<u>\$26,165</u>		<u>\$1,722</u>
29		TOTAL PLANT DEPRECIATION EXPENSE	<u><u>\$1,860,424</u></u>		<u><u>\$92,949</u></u>

Indian Hills Utility Operating Company, Inc.
 Informal Rate Case
 Case Numbers WR-2017-0259
 Test Year Ending 3/31/2017
 Depreciation Reserve

Line Number	Account Number	Plant Description	Total Reserve	Adjustment Number	Adjustments	Jurisdictional Allocation	Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$0		\$0	100.0000%	\$0
3		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
4		SOURCE OF SUPPLY PLANT					
5	310.000	Land & Land Rights	\$0		\$0	100.0000%	\$0
6	311.000	Structures & Improvements	(\$751)		\$0	100.0000%	(\$751)
7	314.000	Wells & Springs	\$4,314		\$0	100.0000%	\$4,314
8		TOTAL SOURCE OF SUPPLY PLANT	\$3,563		\$0		\$3,563
9		PUMPING PLANT					
10	321.000	Structures & Improvements	(\$6,357)		\$0	100.0000%	(\$6,357)
11	325.000	Electric Pumping Equipment	\$52,820		\$0	100.0000%	\$52,820
12		TOTAL PUMPING EQUIPMENT	\$46,463		\$0		\$46,463
13		WATER TREATMENT PLANT					
14	332.000	Water Treatment Equipment	(\$11,590)		\$0	100.0000%	(\$11,590)
15		TOTAL WATER TREATMENT PLANT	(\$11,590)		\$0		(\$11,590)
16		TRANSMISSION & DISTRIBUTION PLANT					
17	342.000	Distribution Reservoirs & Standpipes	(\$3,117)		\$0	100.0000%	(\$3,117)
18	343.000	Transmission & Distribution Mains	\$14,029		\$0	100.0000%	\$14,029
19	345.000	Services	\$560		\$0	100.0000%	\$560
20	346.000	Meters	(\$9,231)		\$0	100.0000%	(\$9,231)
21	347.000	Meter Installations	\$3,986		\$0	100.0000%	\$3,986
22		TOTAL TRANS. & DISTRIBUTION PLANT	\$6,227		\$0		\$6,227
23		GENERAL PLANT					
24	391.000	Office Furniture & Equipment	\$572		\$0	100.0000%	\$572
25	394.000	Tools, Shop, & Garage Equipment	\$207		\$0	100.0000%	\$207
26	395.000	Laboratory Equipment	\$20		\$0		
27	396.000	Power Operated Equipment	\$19,254		\$0	100.0000%	\$19,254
28	398.000	Miscellaneous Equipment	(\$1,455)		\$0	100.0000%	(\$1,455)
29		TOTAL GENERAL PLANT	\$18,578		\$0		\$18,578
30		TOTAL DEPRECIATION RESERVE	\$63,261		\$0		\$63,241

Indian Hills Utility Operating Company, Inc.
Informal Rate Case
Case Numbers WR-2017-0259
Test Year Ending 3/31/2017
Adjustments to Depreciation Reserve

Reserve Adjustment Number	Accumulated Depreciation Reserve Adjustments Description	Account Number	Adjustment Amount	Total Adjustment Amount
R-1				\$0
	Description		\$0	
	Description		\$0	
TOTAL RESERVE ADJUSTMENTS				\$0

Indian Hills Utility Operating Company, Inc.
Informal Rate Case
Case Numbers WR-2017-0259
Test Year Ending 3/31/2017
Revenue Schedule - Water

Line Number	Account Number	Revenue Description	Company/ Test Year Amount	Adjustment Number	Jurisdictional Adjustments	Jurisdictional Allocation	Adjusted Jurisdictional
ANNUALIZED REVENUES							
Rev-1		Annualized Rate Revenues	\$85,872	Rev-1	\$6,683	100.00%	\$92,555
Rev-2		Miscellaneous Revenues	\$4,415	Rev-2	\$321	100.00%	\$4,736
TOTAL ANNUALIZED REVENUES			\$90,287		\$7,004		\$97,291

Indian Hills Utility Operating Company, Inc.
Informal Rate Case
Case Numbers WR-2017-0259
Test Year Ending 3/31/2017
Revenue Adjustment Schedule - Water

Revenue Adjustment Number	Adjustment Description	Account Number	Adjustment Amount	Total Adjustment Amount
Rev-1	Annualized Rate Revenues			\$6,683
	Normalize rate revenues		\$6,813	
	To further adjust revenues		-\$130	
Rev-2	Miscellaneous Revenues			\$321
	Normalize miscellaneous revenues		\$0	
	To further adjust miscellaneous revenues		\$321	
TOTAL REVENUES ADJUSTMENTS				\$7,004

Indian Hills Utility Operating Company, Inc.
 Informal Rate Case
 Case Numbers WR-2017-0259
 Test Year Ending 3/31/2017
 Rate Revenue Feeder Schedule - Water

Line Number	Description	Residential		Commerical		Hydrant		Total	
		Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
1	<u>Customer Charge Revenues:</u>								
2	Customer Number	708		5		3		716	
3	Bills Per Year	12		12		12			
4	Customer Bills Per Year	8,496		60		36		8,592	
5	Current Customer Charge	\$10.81		\$10.81		\$5.40			
6	Annualized Customer Charge Revenues		\$91,842		\$649		\$194		\$92,685
7	<u>Commodity Charge Revenues:</u>								
8	Total Gallons Sold	0		0		0		0	
9	Less: Base Gallons Included in Customer Charge	0		0		0		0	
10	Commodity Gallons	0		0		0		0	
11	Block 1, Commodity Gallons per Block	0		0		0			
12	Block 1, Number of Commodity Gallons per Unit	1,000		1,000		1,000			
13	Block 1, Commodity Billing Units	0		0		0			
14	Block 1, Existing Commodity Charge	\$0.00		\$0.00		\$0.00			
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0		\$0		\$0
16	TOTAL ANNUALIZED WATER RATE REVENUES		\$91,842		\$649		\$194		\$92,685

Indian Hills Utility Operating Company, Inc.
Informal Rate Case
Case Numbers WR-2017-0259
Test Year Ending 3/31/2017
Miscellaneous Revenues Feeder - Water

Line Number	Description	Amount
1	Late Fees	\$3,090
2	Reconnect/Disconnect Fees	\$1,325
3	WiFi Midwest Inc. Contract	\$0
4	Big River Broadband Contract	\$0
5	Returned Check Fees	\$0
6	Refunds	\$0
7	Miscellaneous Other Revenues	\$0
8	Miscellaneous Service Revenue	\$0
9	TOTAL MISCELLANEOUS REVENUES	\$4,415

Indian Hills Utility Operating Company, Inc.
Informal Rate Case
Case Numbers WR-2017-0259
Test Year Ending 3/31/2017
Expense Schedule - Water

Line Number	Account Number	Expense Description	Company/		Jurisdictional Allocation	Adjusted Jurisdictional
			Test Year Amount	Adjustment Number Adjustments		
1		OPERATIONS EXPENSES				
2	625.000	Electricity - Pumping Treatment	\$14,263		\$2,993	100.00% \$17,261
3	641.000	Chemicals	\$4,036		\$1,345	100.00% \$5,381
4	642.000	Operation Labor & Expense	\$94,920		(\$4,494)	100.00% \$90,426
5		TOTAL OPERATIONS EXPENSE	\$113,224		(\$156)	\$113,068
6		MAINTENANCE EXPENSES				
7	611.000	Maintenance - Source of Supply	\$80,723		(\$80,723)	100.00% \$0
8	614.000	Maintenance - Wells & Springs	\$763		(\$763)	100.00% \$0
9	631.000	Maintenance - Structures & Improvements	\$5,373		(\$302)	100.00% \$5,071
10	632.000	Maintenance - Power Production Equipment	\$7,457		(\$7,457)	100.00% \$0
11	662.000	Transmission & Distribution Lines Expense	\$10,575		(\$10,575)	100.00% \$0
12	663.000	Meter Expenses	(\$650)		\$650	100.00% \$0
13	672.000	Maintenance - Distribution & Reservoir Stans	\$503		(\$503)	100.00% \$0
14	673.000	Maintenance - Transmission & Dist Mains	\$127		\$0	100.00% \$127
15		TOTAL MAINTENANCE EXPENSE	\$104,871		(\$99,673)	\$5,198
16		CUSTOMER ACCOUNT EXPENSE				
17	903.100	Customer Billing	\$13,229		(\$368)	100.00% \$17,961
18	903.200	Bank Fees	\$6,285		(\$6,285)	100.00% \$0
19	907.000	Customer Service & Information Expenses	\$80		(\$80)	100.00% \$0
20		TOTAL CUSTOMER ACCOUNT EXPENSE	\$24,694		(\$6,733)	\$17,961
21		ADMINISTRATIVE & GENERAL EXPENSES				
22	920.000	Administrative & General Salaries - CSWR	\$319,349		(\$274,098)	100.00% \$45,751
23	921.000	Office Supplies & Other Expense - CSWR	\$318		(\$272)	100.00% \$46
24	921.110	Travel Expense - CSWR	\$17,173		(\$15,969)	100.00% \$1,204
25	921.500	Communication Expense	\$2,790		\$0	100.00% \$2,790
26	921.500	Communication Expense - CSWR	\$8,596		(\$7,580)	100.00% \$1,016
27	921.800	Office Supplies Expense	\$39		\$0	100.00% \$39
28	921.800	Office Supplies Expense - CSWR	\$4,479		(\$3,685)	100.00% \$794
29	923.100	Outside Services - Bank Fees	\$169		(\$20)	100.00% \$149
30	923.400	Outside Services - Legal Fees	\$1,978		(\$1,785)	100.00% \$193
31	923.400	Outside Services - Legal Fees - CSWR	\$65,670		(\$65,640)	100.00% \$30
32	923.500	Outside Services - Auditor/Acct - CSWR	\$38,234		(\$35,992)	100.00% \$2,242
33	923.600	Outside Services - Manage Consult	\$6,000		(\$6,000)	100.00% \$0
34	923.600	Outside Services - Manage Consult - CSWR	\$1,305		(\$1,305)	100.00% \$0
35	923.800	Outside Services - Payroll Fees - CSWR	\$2,061		(\$1,792)	100.00% \$269
36	923.900	Outside Services - IT Expense	\$1,240		\$0	100.00% \$1,240
37	923.900	Outside Services - IT Expense - CSWR	\$13,948		(\$12,988)	100.00% \$960
38	924.200	Insurance - Environmental	\$4,452		(\$4,452)	100.00% \$0
39	924.200	Insurance - Environmental - CSWR	\$57,411		(\$47,655)	100.00% \$9,756
40	924.300	Insurance - Worker's Comp - CSWR	\$1,336		(\$1,096)	100.00% \$240
41	924.400	Insurance - Commercial - CSWR	\$49,805		(\$42,433)	100.00% \$7,372
42	926.100	Insurance - Keyman's - CSWR	\$5,155		(\$3,155)	100.00% \$2,000
43	926.200	Insurance - Group Health	\$66,990		(\$45,747)	100.00% \$21,243
44	926.300	Employee Benefits - 401K	\$60,951		(\$60,100)	100.00% \$851
45	926.400	Insurance - AD&D, Life, & Dental	\$6,206		(\$5,234)	100.00% \$972
46	930.200	Miscellaneous General Expense	(\$1)		\$1	100.00% \$0
47	930.200	Miscellaneous General Expense - CSWR	\$570		(\$569)	100.00% \$1
48	931.000	Rent Expense - CSWR	\$94,197		(\$79,754)	100.00% \$14,443
49		TOTAL ADMINISTRATIVE & GENERAL	\$828,921		(\$717,320)	\$111,601
50		OTHER OPERATING EXPENSES				
51	928.100	Regulatory Expense - DNR	\$2,910		(\$2,080)	100.00% \$830
52	928.100	Regulatory Expense - DNR - CSWR	\$2,225		(\$2,225)	100.00% \$0
53	928.200	Regulatory Expense - PSC	\$1,025		\$0	100.00% \$1,025
54	928.200	Regulatory Expense - PSC - CSWR	\$326		(\$326)	100.00% \$0
55	928.400	Regulatory Expense - Business License	\$459		(\$385)	100.00% \$74
56		Depreciation	\$50,271		\$42,678	100.00% \$92,949
57		CIAC Depreciation	(\$230)		(\$130)	100.00% (\$360)
58		TOTAL OTHER OPERATING EXPENSES	\$56,986		\$37,532	\$94,518
59		TAXES OTHER THAN INCOME				
60	408.120	Payroll Taxes - CSWR	\$53,023		(\$47,736)	100.00% \$5,287
61	408.160	Personal Property Taxes	\$4,859		\$0	100.00% \$4,859
62	408.160	Personal Property Taxes - CSWR	\$585		(\$488)	100.00% \$97
63		TOTAL TAXES OTHER THAN INCOME	\$58,467		(\$48,224)	\$10,243
64		TOTAL OPERATING EXPENSES	\$1,187,163		(\$834,574)	\$352,589

