

Exhibit No.:
Issue: Accounting Schedules
Witness: MO PSC Auditors
Sponsoring Party: MO PSC Staff
Case No: SR-2013-0459
Date Prepared: February 3, 2014 (REVISED)



MISSOURI PUBLIC SERVICE COMMISSION
UTILITY SERVICES DEPARTMENT
HORSESHOE BEND SEWER
STAFF ACCOUNTING SCHEDULES

LAKE REGION WATER AND SEWER COMPANY
CASE NO. SR-2013-0459

Jefferson City, Missouri

REVISED February 2014

Lake Region Water and Sewer Company
Horseshoe Bend Sewer
SR-2013-0459 - Revised 2/3/14
Test Year Ending 06/30/2013
Rate Design Schedule - Sewer

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
Rev-1	ANNUALIZED REVENUES					
Rev-2	Annualized Rate Revenues		(1) \$445,135			
Rev-3	Miscellaneous Revenues		(1) \$1,560			
Rev-4	TOTAL ANNUALIZED REVENUES		<u>\$446,695</u>			
1	OPERATIONS EXPENSES		(2)			
2	Purchased Wastewater Maintenance	710.100	\$0	\$0	\$0	0.00%
3	Sludge Removal	711.100	\$22,805	\$0	\$22,805	0.00%
4	Power for Treatment Plants - Other	715.000	\$0	\$0	\$0	0.00%
5	Power for Treatment Plants - HB Only	715.100	\$9,009	\$0	\$9,009	0.00%
6	Power for Liftstations - HB	716.100	\$20,439	\$0	\$20,439	0.00%
7	Chemicals	718.100	\$19,124	\$0	\$19,124	0.00%
8	Effluent Testing Expenses - HB	719.100	\$9,962	\$0	\$9,962	0.00%
9	Sewer Operating Expense	721.100	\$6,771	\$0	\$6,771	0.00%
10	PWSD#4 Labor	737.100	\$82,732	\$0	\$82,732	0.00%
11	TOTAL OPERATIONS EXPENSE		<u>\$170,842</u>	\$0	\$170,842	
12	MAINTENANCE EXPENSES					
13	Sewer Supplies	720.100	\$5,949	\$0	\$5,949	0.00%
14	Tools and Shop Supplies	722.100	\$899	\$0	\$899	0.00%
15	Contractual Services - Other	730.000	\$0	\$0	\$0	0.00%
16	Equipment Rental - Other	742.000	\$6,025	\$0	\$6,025	0.00%
17	Equipment Maintenance	745.900	\$3,507	\$0	\$3,507	0.00%
18	Outside Services Employed	923.000	\$0	\$0	\$0	0.00%
19	TOTAL MAINTENANCE EXPENSE		<u>\$16,380</u>	\$0	\$16,380	
20	CUSTOMER ACCOUNT EXPENSE					
21	Billing Expenses	921.500	\$721	\$0	\$721	0.00%
22	Bad Debt Expense	950.000	\$838	\$0	\$838	0.00%
23	TOTAL CUSTOMER ACCOUNT EXPENSE		<u>\$1,559</u>	\$0	\$1,559	
24	ADMINISTRATIVE & GENERAL EXPENSES					
25	Accounting Fees	732.100	\$6,582	\$0	\$6,582	0.00%
26	Contracted Legal Fees	733.100	\$1,544	\$0	\$1,544	0.00%
27	General Liability - Sewer	757.100	\$1,801	\$0	\$1,801	0.00%
28	Office Supplies	921.000	\$752	\$0	\$752	0.00%
29	Management Fees	922.000	\$11,406	\$0	\$11,406	0.00%
30	Telephone	925.000	\$897	\$0	\$897	0.00%
31	Travel and Entertainment - Other	927.000	\$133	\$0	\$133	0.00%
32	Travel and Entertainment - Lodging	927.100	\$0	\$0	\$0	0.00%
33	Transportation - Airline/Car	927.200	\$0	\$0	\$0	0.00%
34	Transportation Expense	933.000	\$20,689	\$0	\$20,689	0.00%
35	Customer Refunds	940.000	\$15	\$0	\$15	0.00%
36	Building Rental	941.000	\$5,040	\$0	\$5,040	0.00%
37	Other Misc. Expense	975.000	\$848	\$0	\$848	0.00%
38	Rate Case Expense	981.000	\$1,396	\$0	\$1,396	0.00%
39	TOTAL ADMINISTRATIVE AND GENERAL		<u>\$51,103</u>	\$0	\$51,103	
40	OTHER OPERATING EXPENSES					
41	PSC Assessment	767.250	\$47,053	\$0	\$47,053	0.00%
42	Licenses and Permits	779.100	\$8,750	\$0	\$8,750	0.00%
43	Discounts Taken	929.000	-\$23	\$0	-\$23	0.00%
44	Loss on Disposition of Assets	930.000	-\$513	\$0	-\$513	0.00%
45	CIAC Amortization Expense		-\$2,715	\$0	-\$2,715	0.00%
46	Depreciation		\$88,392	\$0	\$88,392	0.00%
47	TOTAL OTHER OPERATING EXPENSES		<u>\$140,944</u>	\$0	\$140,944	
48	TAXES OTHER THAN INCOME					
49	Real Estate Taxes	967.200	\$770	\$0	\$770	0.00%
50	TOTAL TAXES OTHER THAN INCOME		<u>\$770</u>	\$0	\$770	
51	TOTAL OPERATING EXPENSES		<u>\$381,598</u>	\$0	\$381,598	

Lake Region Water and Sewer Company
 Horseshoe Bend Sewer
 SR-2013-0459 - Revised 2/3/14
 Test Year Ending 06/30/2013
 Rate Design Schedule - Sewer

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
52	Interest Expense		(3) \$48,263	\$0	\$48,263	0.00%
53	Return on Equity		(3) \$44,698	\$0	\$44,698	0.00%
54	Income Taxes		(3) \$11,485	\$0	\$11,485	0.00%
55	TOTAL INTEREST RETURN & TAXES		<u>\$104,446</u>	\$0	\$104,446	
56	TOTAL COST OF SERVICE		\$486,044	\$0	\$486,044	
57	Less: Miscellaneous Revenues		<u>\$1,560</u>	\$0	\$1,560	0.00%
58	COST TO RECOVER IN RATES		<u>\$484,484</u>	\$0	\$484,484	
59	INCREMENTAL INCREASE IN RATE REVENUES		<u>\$39,349</u>			
60	PERCENTAGE OF INCREASE		<u>8.81%</u>			
61	REQUESTED INCREASE IN REVENUES		\$142,892			

- (1) From Revenue Schedule
- (2) From Expense Schedule
- (3) From PreTax Rate of Return Schedule, Rate Base & Return Schedule

Lake Region Water and Sewer Company
Horseshoe Bend Sewer
SR-2013-0459 - Revised 2/3/14
Test Year Ending 06/30/2013
Rate Base Required Return on Investment Schedule - Sewer

Line Number	<u>A</u> Rate Base Description	<u>B</u> Dollar Amount
1	Plant In Service	\$2,124,711 From Plant Schedule
2	Less Accumulated Depreciation Reserve	<u>\$798,104</u> From Depreciation Reserve Schedule
3	Net Plant In Service	\$1,326,607
4	Other Rate Base Items:	\$0
	Deferred Taxes	-\$19,672
	Material and Supplies	\$6,152
	Contribution of Aid of Construction	-\$121,989
	CIAC Depreciation	\$95,908
5	Total Rate Base	<u>\$1,287,006</u>
6	Total Weighted Rate of Return Including Income Tax	<u>8.12%</u> From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	<u><u>\$104,445</u></u>

Lake Region Water and Sewer Company
Horseshoe Bend Sewer
SR-2013-0459 - Revised 2/3/14
Test Year Ending 06/30/2013
Rate of Return Including Income Tax - Sewer

		A		B	formulas
1	State Income Tax Rate Statutory / Effective	6.25%	(2)	5.79%	(1 - (B2 x .5)) x A1
2	Federal Income Tax Rate Statutory / Effective	15.55%	(1) & (2)	<u>14.65%</u>	(1 - B1) x A2
3	Composite Effective Income Tax Rate			20.44%	B1 + B2
4	Equity Tax Factor			1.2569	1 / (1-B3)
5	Recommended Weighted Rate of Return on Equity - Common and Preferred			<u>3.47%</u>	From Capital Structure Schedule
6	Weighted Rate of Return on Equity Including Income Tax			4.37%	B4 x B5
7	Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term			<u>3.75%</u>	From Capital Structure Schedule
8	Total Weighted Rate of Return Including Income Tax			<u><u>8.12%</u></u>	B6+B7

To Rate Base Schedule

(1) If Sub-Chapter S Corporation, Enter Y: N

Equity Income Required **\$52,931**
& Preliminary Federal Tax

Tax Rate Table

Net Income Range				
Start	End	Tax Rate	Amount in Range	Tax on Range
\$0	\$50,000	15.00%	\$50,000	\$7,500
\$50,001	\$75,000	25.00%	\$2,931	\$733
\$75,001	\$100,000	34.00%	\$0	\$0
\$100,001	\$335,000	39.00%	\$0	\$0
\$335,001	\$9,999,999,999	34.00%	\$0	\$0
			<u>\$52,931</u>	<u>\$8,233</u>
			Consolidated Tax Rate:	
			Average Tax Rate:	0.1555

Lake Region Water and Sewer Company
 Horseshoe Bend Sewer
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 Test Year Ending 06/30/2013
 Capital Structure Schedule - Sewer

Line Number	A Description	B Dollar Amount	C Percentage of Total Capital Structure	D Embedded Cost of Capital	E Weighted Cost of Capital
1	Common Stock	\$658,892	25.00%	13.89%	3.473%
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	\$1,976,675	75.00%	5.00%	3.750%
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><u>\$2,635,567</u></u>	<u><u>100.00%</u></u>		<u><u>7.223%</u></u>

To PreTax Return Rate Schedule

Lake Region Water and Sewer Company
Horseshoe Bend Sewer
SR-2013-0459 - Revised 2/3/14
Test Year Ending 06/30/2013
Plant In Service - Sewer

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$22,970			27.77%	\$6,379
3		TOTAL INTANGIBLE PLANT	\$22,970		\$0		\$6,379
4		SOURCE OF SUPPLY PLANT					
5	350.000	Land & Land Rights	\$5,985			27.77%	\$1,662
6	351.000	Structures & Improvements	\$4,650			100.00%	\$4,650
7		TOTAL SOURCE OF SUPPLY PLANT	\$10,635		\$0		\$6,312
8		COLLECTION PLANT					
9	352.110	Collection Sewers - Force - HB	\$349,949	P-9	\$59,774	100.00%	\$409,723
10	352.210	Collection Sewers - Gravity - HB	\$164,187	P-10	\$207,341	100.00%	\$371,528
11	353.100	Services to Customers HB	\$80,963			100.00%	\$80,963
12	354.100	Flow Measuring Devices HB	\$30,747	P-12	-\$5,993	100.00%	\$24,754
13		TOTAL COLLECTION PLANT	\$625,846		\$261,122		\$886,968
14		PUMPING PLANT					
15	362.100	Receiving Wells and Pump Pits HB	\$10,861	P-15	\$76,866	100.00%	\$87,727
16	363.100	Pumping Equipment HB	\$497,402	P-16	-\$312,466	100.00%	\$184,936
17		TOTAL PUMPING PLANT	\$508,263		-\$235,600		\$272,663
18		TREATMENT & DISPOSAL PLANT					
19	372.100	Treatment and Disposal Equipment (Lodge, RC, Char, Bhawk) - HB	\$1,188,597	P-19	-\$318,344	100.00%	\$870,253
20	372.110	Grandview Treatment Plant - HB	\$40,932			100.00%	\$40,932
21	372.120	Palisades Point Treatment Plant - HB	\$7,437			100.00%	\$7,437
22	372.130	Maywood Condo Treatment Plant - HB	\$1,378	P-22	\$812	100.00%	\$2,190
23		TOTAL TREATMENT & DISPOSAL PLANT	\$1,238,344		-\$317,532		\$920,812
24		GENERAL PLANT					
25	391.000	Office Furniture & Equipment	\$11,172			15.89%	\$1,775
26	391.100	Office Electronic Equipment	\$14,917			15.89%	\$2,370
27	392.000	Transportation Equipment - GP	\$10,579			27.77%	\$2,938
28	392.100	Transportation Equipment - Pump Truck	\$36,520			27.77%	\$10,142
29	392.200	Transportation Equipment - Sierra Truck	\$19,703			15.89%	\$3,131
30	394.000	Tools, Shop and Garage Equipment	\$6,727			15.89%	\$1,069
31	395.000	Laboratory Equipment	\$1,284			27.77%	\$357
32	396.000	Power Operated Equipment - Company Owned	\$11,523			27.77%	\$3,200
33	397.000	Communication Equipment	\$6,596			100.00%	\$6,596
34		TOTAL GENERAL PLANT	\$119,021		\$0		\$31,577
35		TOTAL PLANT IN SERVICE	\$2,525,079		-\$292,010		\$2,124,711

To Rate Base & Depreciation Schedules

Lake Region Water and Sewer Company
 Horseshoe Bend Sewer
 SR-2013-0459 - Revised 2/3/14
 Test Year Ending 06/30/2013
 Schedule of Adjustments for Plant in Service - Sewer

A Plant Adjustment Number	B Plant In Service Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
P-9	Collection Sewers - Force - HB	352.110		\$59,774
	1 - Reclass from "Plant Sewers" account. A. Rice		\$59,774	
P-10	Collection Sewers - Gravity - HB	352.210		\$207,341
	1 - Reclass \$207,341 from "Plant Sewers" account. A. Rice		\$207,341	
P-12	Flow Measuring Devices HB	354.100		-\$5,993
	1 - Transfer plant to Shawnee Bend Sewer, improperly booked to Horseshoe Bend Sewer, Staff last case. A. Rice		-\$5,993	
P-15	Receiving Wells and Pump Pits HB	362.100		\$76,866
	1 - Transfer (reclass) plant from Acct. 363.10 HB Pumping Equip. A. Rice		\$5,471	
	2 - Transfer (reclass) plant from Acct. 363.10 HB Pumping Equip. A. Rice		\$949	
	3 - Transfer (reclass) plant of CC Cove project from Acct. 363.10 HB Pumping Equip. A. Rice		\$53,659	
	4 - Transfer (reclass) plant from Acct. 372.10 HB Treatment & Disposal Equip. A. Rice		\$167	
	5 - Transfer from Acct. 363.10 Pumping Equip., portion of Duck Head plant from previous case. A. Rice		\$16,620	
P-16	Pumping Equipment HB	363.100		-\$312,466
	1 - Transfer (reclass) plant from Acct. 362.10. A. Rice		-\$5,471	

Lake Region Water and Sewer Company
 Horseshoe Bend Sewer
 SR-2013-0459 - Revised 2/3/14
 Test Year Ending 06/30/2013
 Schedule of Adjustments for Plant in Service - Sewer

<u>A</u> Plant Adjustment Number	<u>B</u> Plant In Service Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
	2 - Transfer (reclass) plant to Acct. 362.10. A. Rice		-\$949	
	3 - Transfer (reclass) of CC Cove project to Acct. 362.10. A. Rice		-\$53,659	
	4 - Transfer to Receiving Wells Acct. 362.10 - Duck Head plant from previous case. A. Rice		-\$16,620	
	5 - Transfer (reclass) to Acct. 363.20 SB Pumping Equip. from HB. A. Rice		-\$240,000	
	6 - Transfer (reclass) from HB Acct. 372.10. A. Rice		\$54	
	7 - Transfer from SB Receiving Wells Acct. 362.20. A. Rice		\$2,383	
	8 - Transfer to HB Acct. 372.10 - Charleston Blower. A. Rice		-\$2,677	
	9 - Plant not included in previous case true-up. A. Rice		\$2,374	
	10 - Capitalize pumps and controls from previous case. A. Rice		\$2,099	
P-19	Treatment and Disposal Equipment (Lodge, RC, Char, Bhawk) - HB	372.100		-\$318,344
	1 - Reclass "Plant Sewers" from previous case to adjustments P-9 and P-10 above. A. Rice		-\$267,115	
	2 - Transfer \$38,535 of improperly recorded SB Force Mains as HB "Plant Sewers". A. Rice		-\$38,535	
	3 - Transfer (reclass) to HB Acct. 363.10, Pumping Equip. A. Rice		-\$54	
	4 - Transfer (reclass) plant to Acct. 362.10 HB Receiving Wells. A. Rice		-\$167	

Lake Region Water and Sewer Company
 Horseshoe Bend Sewer
 SR-2013-0459 - Revised 2/3/14
 Test Year Ending 06/30/2013
 Schedule of Adjustments for Plant in Service - Sewer

<u>A</u> Plant Adjustment Number	<u>B</u> Plant In Service Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
	5 - Transfer from HB Acct. 363.10 - Charleston Blower. A. Rice		\$2,677	
	6 - Reverse Company 12/31/2000 entry of \$15,150 of "Plant Sewers" est. cost for the Villages recorded as HB "Plant Sewer" rather than SB Gravity associated with the SBDC law suit. A. Rice		-\$15,150	
P-22	Maywood Condo Treatment Plant - HB	372.130		\$812
	1 - Payne and Jones additional fees. A. Rice		\$812	
Total Plant Adjustments				<u><u>-\$292,010</u></u>

Lake Region Water and Sewer Company
Horseshoe Bend Sewer
SR-2013-0459 - Revised 2/3/14
Test Year Ending 06/30/2013
Depreciation Expense - Sewer

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
1		INTANGIBLE PLANT			
2	301.000	Organization	\$6,379	0.00%	\$0
3		TOTAL INTANGIBLE PLANT	<u>\$6,379</u>		<u>\$0</u>
4		SOURCE OF SUPPLY PLANT			
5	350.000	Land & Land Rights	\$1,662	0.00%	\$0
6	351.000	Structures & Improvements	\$4,650	4.00%	\$186
7		TOTAL SOURCE OF SUPPLY PLANT	<u>\$6,312</u>		<u>\$186</u>
8		COLLECTION PLANT			
9	352.110	Collection Sewers - Force - HB	\$409,723	2.00%	\$8,194
10	352.210	Collection Sewers - Gravity - HB	\$371,528	2.00%	\$7,431
11	353.100	Services to Customers HB	\$80,963	2.00%	\$1,619
12	354.100	Flow Measuring Devices HB	\$24,754	3.30%	\$817
13		TOTAL COLLECTION PLANT	<u>\$886,968</u>		<u>\$18,061</u>
14		PUMPING PLANT			
15	362.100	Receiving Wells and Pump Pits HB	\$87,727	4.00%	\$3,509
16	363.100	Pumping Equipment HB	\$184,936	10.00%	\$18,494
17		TOTAL PUMPING PLANT	<u>\$272,663</u>		<u>\$22,003</u>
18		TREATMENT & DISPOSAL PLANT			
19	372.100	Treatment and Disposal Equipment (Lodge, RC, Char, Bhawk) - HB	\$870,253	5.00%	\$43,513
20	372.110	Grandview Treatment Plant - HB	\$40,932	5.00%	\$2,047
21	372.120	Palisades Point Treatment Plant - HB	\$7,437	5.00%	\$372
22	372.130	Maywood Condo Treatment Plant - HB	\$2,190	5.00%	\$110
23		TOTAL TREATMENT & DISPOSAL PLANT	<u>\$920,812</u>		<u>\$46,042</u>
24		GENERAL PLANT			
25	391.000	Office Furniture & Equipment	\$1,775	5.00%	\$89
26	391.100	Office Electronic Equipment	\$2,370	14.30%	\$339
27	392.000	Transportation Equipment - GP	\$2,938	0.00%	\$0
28	392.100	Transportation Equipment - Pump Truck	\$10,142	5.30%	\$538
29	392.200	Transportation Equipment - Sierra Truck	\$3,131	13.00%	\$407
30	394.000	Tools, Shop and Garage Equipment	\$1,069	5.00%	\$53
31	395.000	Laboratory Equipment	\$357	5.00%	\$18
32	396.000	Power Operated Equipment - Company Owned	\$3,200	6.70%	\$214
33	397.000	Communication Equipment	\$6,596	6.70%	\$442
34		TOTAL GENERAL PLANT	<u>\$31,577</u>		<u>\$2,100</u>
35		Total Depreciation	<u><u>\$2,124,711</u></u>		<u><u>\$88,392</u></u>

Lake Region Water and Sewer Company
Horseshoe Bend Sewer
SR-2013-0459 - Revised 2/3/14
Test Year Ending 06/30/2013
Accumulated Depreciation Reserve - Sewer

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$0			100.00%	\$0
3		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
4		SOURCE OF SUPPLY PLANT					
5	350.000	Land & Land Rights	\$0			100.00%	\$0
6	351.000	Structures & Improvements	\$1,263			100.00%	\$1,263
7		TOTAL SOURCE OF SUPPLY PLANT	\$1,263		\$0		\$1,263
8		COLLECTION PLANT					
9	352.110	Collection Sewers - Force - HB	\$31,071	R-9	\$14,794	100.00%	\$45,865
10	352.210	Collection Sewers - Gravity - HB	\$46,628	R-10	\$51,317	100.00%	\$97,945
11	353.100	Services to Customers HB	\$11,550			100.00%	\$11,550
12	354.100	Flow Measuring Devices HB	\$2,950	R-12	-\$2,373	100.00%	\$577
13		TOTAL COLLECTION PLANT	\$92,199		\$63,738		\$155,937
14		PUMPING PLANT					
15	362.100	Receiving Wells and Pump Pits HB	\$1,561	R-15	\$18,624	100.00%	\$20,185
16	363.100	Pumping Equipment HB	\$376,733	R-16	-\$318,995	100.00%	\$57,738
17		TOTAL PUMPING PLANT	\$378,294		-\$300,371		\$77,923
18		TREATMENT & DISPOSAL PLANT					
19	372.100	Treatment and Disposal Equipment (Lodge, RC, Char, Bhawk) - HB	\$610,983	R-19	-\$74,015	100.00%	\$536,968
20	372.110	Grandview Treatment Plant - HB	\$1,842			100.00%	\$1,842
21	372.120	Palisades Point Treatment Plant - HB	\$527			100.00%	\$527
22	372.130	Maywood Condo Treatment Plant - HB	\$62			100.00%	\$62
23		TOTAL TREATMENT & DISPOSAL PLANT	\$613,414		-\$74,015		\$539,399
24		GENERAL PLANT					
25	391.000	Office Furniture & Equipment	\$7,453			15.89%	\$1,184
26	391.100	Office Electronic Equipment	\$6,894			15.89%	\$1,095
27	392.000	Transportation Equipment - GP	\$30,006			27.77%	\$8,333
28	392.100	Transportation Equipment - Pump Truck	\$26,076			27.77%	\$7,241
29	392.200	Transportation Equipment - Sierra Truck	\$10,664			15.89%	\$1,695
30	394.000	Tools, Shop and Garage Equipment	\$4,336			15.89%	\$689
31	395.000	Laboratory Equipment	\$886			27.77%	\$246
32	396.000	Power Operated Equipment - Company Owned	\$6,580			27.77%	\$1,827
33	397.000	Communication Equipment	\$1,271			100.00%	\$1,271
34		TOTAL GENERAL PLANT	\$94,166		\$0		\$23,582
35		TOTAL DEPRECIATION RESERVE	\$1,179,336		-\$310,648		\$798,104

To Rate Base Schedule

Lake Region Water and Sewer Company
Horseshoe Bend Sewer
SR-2013-0459 - Revised 2/3/14
Test Year Ending 06/30/2013
Schedule of Adjustments for Accumulated Depreciation Reserve - Sewer

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
R-9	Collection Sewers - Force - HB	352.110		\$14,794
	1 - Reclass from Plant Sewers. A. Rice		\$14,794	
R-10	Collection Sewers - Gravity - HB	352.210		\$51,317
	1 - Reclass from Plant Sewers. A. Rice		\$51,317	
R-12	Flow Measuring Devices HB	354.100		-\$2,373
	1 - Transfer plant improperly booked to Horseshoe Bend Sewer. A. Rice		-\$2,373	
R-15	Receiving Wells and Pump Pits HB	362.100		\$18,624
	1 - Transfer (reclass) plant from Acct. 363.10 HB Pumping Equip. A. Rice		\$7,932	
	2 - Transfer (reclass) plant from Acct. 363.10 HB Pumping Equip. A. Rice		\$699	
	3 - Transfer (reclass) plant in CC Cove Project from Acct. 363.10 HB Pumping Equip. A. Rice		\$29,513	
	4 - Transfer (reclass) plant from Acct. 372.10 Treatment and Disposal Equipment. A. Rice		\$78	
	5 - Transfer from Pumping Equip. Acct. 363.10, portion of Duck Head plant from previous case. A. Rice		\$5,402	
	6 - Transfer of depreciation reserves between Receiving Wells and Pumping Equipment Acct. 363.10 is prudent action to correct for past description accruals having been distorted due to recording of plant in improper accounts. A. Rice		-\$25,000	

Lake Region Water and Sewer Company
 Horseshoe Bend Sewer
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 Schedule of Adjustments for Accumulated Depreciation Reserve - Sewer

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
R-16	Pumping Equipment HB	363.100		-\$318,995
	1 - Transfer (reclass) plant to Acct. 372.10. A. Rice		\$26	
	2 - Transfer (reclass) plant to Acct. 362.10. A. Rice		-\$699	
	3 - Transfer (reclass) of CC Cove project to Acct. 362.10. A. Rice		-\$29,513	
	4 - Transfer to Receiving Wells Acct. 362.10 - Duck Head plant from previous case. A. Rice		-\$5,402	
	5 - Transfer (reclass) to Acct. 363.20 SB Receiving Wells from HB. A. Rice		\$1,262	
	6 - Transfer to HB Acct. 372.10 - Charleston Blower. A. Rice		-\$1,737	
	7 - Transfer (reclass) to Acct. 363.20 SB from HB. A. Rice		-\$300,000	
	8 - Transfer (reclass) plant to Acct. 362.10. A. Rice		-\$7,932	
	9 - Transfer of depreciation reserves between Receiving Wells 362.10 and Pumping Equipment HB is prudent action to correct for past description accruals having been distorted due to recording of plant in improper accounts. A. Rice		\$25,000	
R-19	Treatment and Disposal Equipment (Lodge, RC,	372.100		-\$74,015
	1 - Reclass Plant Sewers from previous case. (Horseshoe Bend adjustment No. R-9 \$14,794; R-10 \$51,317; and Shawnee Bend Sewer adjustment No. R-9 \$9,537) A. Rice		-\$75,648	
	2 - Transfer (reclass) plant to Acct. 363.10. A. Rice		-\$26	

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Schedule of Adjustments for Accumulated Depreciation Reserve - Sewer

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
	3 - Transfer (reclass) plant to Acct. 362.10. A. Rice		-\$78	
	4 - Transfer to HB Acct. 363.10 - Charleston Blower. A. Rice		\$1,737	
Total Reserve Adjustments				<u><u>-\$310,648</u></u>

Lake Region Water and Sewer Company
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 Revenue Schedule - Sewer

A	B	C	D	E	F	G	
Line Number	Account Number (Optional)	Revenue Description	Company/ Test Year Amount	Adjustment Number	Jurisdictional Adjustments	Jurisdictional Allocation	Adjusted Jurisdictional
Rev-1		ANNUALIZED REVENUES					
Rev-2		Annualized Rate Revenues	\$435,417	Rev-2	\$9,718	100.00%	\$445,135
Rev-3		Miscellaneous Revenues	\$1,560	Rev-3	\$0	100.00%	\$1,560
Rev-4		TOTAL ANNUALIZED REVENUES	\$436,977		\$9,718		\$446,695

Lake Region Water and Sewer Company
 Horseshoe Bend Sewer
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 Test Year Ending 06/30/2013
 Revenue Adjustment Schedule - Sewer

<u>A</u> Revenue Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
Rev-2	Annualized Rate Revenues			\$9,718
	1. To Annualize Rate Revenues		\$9,718	
	2. Description		\$0	
	3. Description		\$0	
Rev-3	Miscellaneous Revenues			\$0
	1. To Annualize Miscellaneous Revenues		\$0	
	2. Description		\$0	
Total Revenue Adjustments				\$9,718

Lake Region Water and Sewer Company
Horseshoe Bend Sewer
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Revenue Summary Schedule - Sewer

Line Number	A Description	Residential Sewer		Commercial Sewer	
		B Amount	C Amount	D Amount	E Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	225		18	
3	Bills Per Year	12		12	
4	Customer Bills Per year	2,700		216	
5	Current Customer Charge	<u>\$29.39</u>		<u>\$29.39</u>	
6	Annualized Customer Charge Revenues		\$79,353		\$6,348
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	0		68,333,521	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		68,333,521	
11	Block 1, Commodity Gallons per Block	0		68,333,521	
12	Block 1, Number of Commodity Gallons per Unit	<u>0</u>		<u>1,000</u>	
13	Block 1, Commodity Billing Units	0.00		68,333.52	
14	Block 1, Existing Commodity Charge	<u>\$0.00</u>		<u>\$5.26</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$359,434
16	Total Annualized Sewer Rate Revenues		<u><u>\$79,353</u></u>		<u><u>\$365,782</u></u>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units.

Lake Region Water and Sewer Company
 Horseshoe Bend Sewer
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 Test Year Ending 06/30/2013
 Revenue Summary Schedule - Sewer

Line Number	A Description	Total	
		F Amount	G Amount
1	<u>Customer Charge Revenues:</u>		
2	Customer Number	243	
3	Bills Per Year		
4	Customer Bills Per year	2,916	
5	Current Customer Charge		
6	Annualized Customer Charge Revenues		\$85,701
7	<u>Commodity Charge Revenues:</u>		
8	Total Gallons Sold	68,333,521	
9	Less: Base Gallons Included In Customer Charge	0	
10	Commodity Gallons	68,333,521	
11	Block 1, Commodity Gallons per Block		
12	Block 1, Number of Commodity Gallons per Unit		
13	Block 1, Commodity Billing Units		
14	Block 1, Existing Commodity Charge		
15	Block 1, Annualized Commodity Charge Rev.		\$359,434
16	Total Annualized Sewer Rate Revenues		<u>\$445,135</u>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units.

Lake Region Water and Sewer Company
Horseshoe Bend Sewer
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Miscellaneous Revenues Feeder - Sewer

Line Number	<u>A</u> Description	<u>B</u> Amount
1	To annualize late fees	<u>\$1,560</u>
2	Total Miscellaneous Revenues	<u><u>\$1,560</u></u>

Lake Region Water and Sewer Company
Horseshoe Bend Sewer
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Expense Schedule - Sewer

Line Number	A Account Number (Optional)	B Expense Description	C Company/ Test Year Amount	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		OPERATIONS EXPENSES					
2	710.100	Purchased Wastewater Maintenance	\$8	S-2	-\$8	100.00%	\$0
3	711.100	Sludge Removal	\$23,190	S-3	-\$385	100.00%	\$22,805
4	715.000	Power for Treatment Plants - Other	\$155	S-4	-\$155	100.00%	\$0
5	715.100	Power for Treatment Plants - HB Only	\$7,890	S-5	\$1,119	100.00%	\$9,009
6	716.100	Power for Liftstations - HB	\$18,993	S-6	\$1,446	100.00%	\$20,439
7	718.100	Chemicals	\$19,124			100.00%	\$19,124
8	719.100	Effluent Testing Expenses - HB	\$8,961	S-8	\$1,001	100.00%	\$9,962
9	721.100	Sewer Operating Expense	\$6,314	S-9	\$457	100.00%	\$6,771
10	737.100	PWSD#4 Labor	\$126,259	S-10	-\$43,527	100.00%	\$82,732
11		TOTAL OPERATIONS EXPENSE	\$210,894		-\$40,052		\$170,842
12		MAINTENANCE EXPENSES					
13	720.100	Sewer Supplies	\$6,792	S-13	-\$843	100.00%	\$5,949
14	722.100	Tools and Shop Supplies	\$549	S-14	\$350	100.00%	\$899
15	730.000	Contractual Services - Other	\$9,750	S-15	-\$9,750	33.63%	\$0
16	742.000	Equipment Rental - Other	\$13,647	S-16	\$2,133	38.18%	\$6,025
17	745.900	Equipment Maintenance	\$3,170	S-17	\$337	100.00%	\$3,507
18	923.000	Outside Services Employed	\$1,407			0.00%	\$0
19		TOTAL MAINTENANCE EXPENSE	\$35,315		-\$7,773		\$16,380
20		CUSTOMER ACCOUNT EXPENSE					
21	921.500	Billing Expenses	\$4,889	S-21	-\$352	15.90%	\$721
22	950.000	Bad Debt Expense	\$2,205	S-22	-\$396	46.35%	\$838
23		TOTAL CUSTOMER ACCOUNT EXPENSE	\$7,094		-\$748		\$1,559
24		ADMINISTRATIVE & GENERAL EXPENSES					
25	732.100	Accounting Fees	\$6,771	S-25	-\$189	100.00%	\$6,582
26	733.100	Contracted Legal Fees	\$4,312	S-26	-\$2,768	100.00%	\$1,544
27	757.100	General Liability - Sewer	\$4,414	S-27	-\$2,613	100.00%	\$1,801
28	921.000	Office Supplies	\$12,969	S-28	-\$8,237	15.90%	\$752
29	922.000	Management Fees	\$211,000	S-29	-\$181,125	38.18%	\$11,406
30	925.000	Telephone	\$3,694	S-30	-\$1,759	46.35%	\$897
31	927.000	Travel and Entertainment - Other	\$17,516	S-31	-\$17,229	46.35%	\$133
32	927.100	Travel and Entertainment - Lodging	\$85	S-32	-\$85	46.35%	\$0
33	927.200	Transportation - Airline/Car	\$227	S-33	-\$227	46.35%	\$0
34	933.000	Transportation Expense	\$46,778	S-34	-\$2,142	46.35%	\$20,689
35	940.000	Customer Refunds	\$96			15.90%	\$15
36	941.000	Building Rental	\$13,200			38.18%	\$5,040
37	975.000	Other Misc. Expense	\$4,516	S-37	-\$2,687	46.35%	\$848
38	981.000	Rate Case Expense	\$322	S-38	\$1,074	100.00%	\$1,396
39		TOTAL ADMINISTRATIVE AND GENERAL	\$325,900		-\$217,987		\$51,103
40		OTHER OPERATING EXPENSES					
41	767.250	PSC Assessment	\$35,641	S-41	\$11,412	100.00%	\$47,053
42	779.100	Licenses and Permits	\$10,179	S-42	-\$1,429	100.00%	\$8,750
43	929.000	Discounts Taken	-\$49			46.35%	-\$23
44	930.000	Loss on Disposition of Assets	-\$2,520			20.35%	-\$513
45		CIAC Amortization Expense	\$0	S-45	-\$2,715	100.00%	-\$2,715
46		Depreciation	\$0	S-46	\$88,392	100.00%	\$88,392
47		TOTAL OTHER OPERATING EXPENSES	\$43,251		\$95,660		\$140,944
48		TAXES OTHER THAN INCOME					
49	967.200	Real Estate Taxes	\$4,025	S-49	-\$239	20.35%	\$770
50		TOTAL TAXES OTHER THAN INCOME	\$4,025		-\$239		\$770
51		TOTAL OPERATING EXPENSES	\$626,479		-\$171,139		\$381,598

Lake Region Water and Sewer Company
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 Expense Adjustment Schedule - Sewer

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
S-2	Purchased Wastewater Maintenance	710.100		-\$8
	1 - To adjust sewer maintenance to a normalized level. E. Carle		-\$8	
S-3	Sludge Removal	711.100		-\$385
	1 - Settlement between Staff and OPC		-\$385	
S-4	Power for Treatment Plants - Other	715.000		-\$155
	1 - To remove amount booked to incorrect account. A. Sarver		-\$126	
	2 - To remove Ozark Shores expenses. A. Sarver		-\$29	
S-5	Power for Treatment Plants - HB Only	715.100		\$1,119
	1 - To annualize power to reflect rate increase. A. Sarver		\$1,321	
	2 - To add amount booked to incorrect account. A. Sarver		\$149	
	3 - To remove Ozark Shores expenses. A. Sarver		-\$211	
	4 - To remove Camden County PSWD #4 expense. A. Sarver		-\$140	
S-6	Power for Liftstations - HB	716.100		\$1,446
	1 - To annualize power to reflect rate increase. A. Sarver		\$1,446	
S-8	Effluent Testing Expenses - HB	719.100		\$1,001
	1 - To add amounts booked to incorrect accounts. A. Sarver		\$1,001	
S-9	Sewer Operating Expense	721.100		\$457

Lake Region Water and Sewer Company
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 Expense Adjustment Schedule - Sewer

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
	1 - To normalize sewer operating expense. K. Bolin		\$110	
	2 - To annualize water used in operating treatment plant. K. Bolin		\$347	
S-10	PWSD#4 Labor	737.100		-\$43,527
	1 - To annualize payroll, employee benefits, payroll taxes, and workers' compensation. K. Foster		-\$43,527	
S-13	Sewer Supplies	720.100		-\$843
	1 - To remove items no necessary to provide safe and adequate service. A. Sarver		-\$22	
	2 - To remove amounts booked to incorrect account. A. Sarver		-\$821	
S-14	Tools and Shop Supplies	722.100		\$350
	1 - To add amounts booked to incorrect account. A. Sarver		\$350	
S-15	Contractual Services - Other	730.000		-\$9,750
	1 - To remove expenses associated with plant projects that were not completed. K. Bolin		-\$9,750	
S-16	Equipment Rental - Other	742.000		\$2,133
	1 - To adjust equipment rental expense to reflect Staff's annualized rental expense. E. Carle		\$2,133	
S-17	Equipment Maintenance	745.900		\$337
	1 - To normalize equipment maintenance. K. Bolin		\$337	
S-21	Billing Expenses	921.500		-\$352

Lake Region Water and Sewer Company
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 Expense Adjustment Schedule - Sewer

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
	1 - To annualize billing expense based on current postal rates. K. Foster		-\$352	
S-22	Bad Debt Expense	950.000		-\$396
	1 - To adjust bad debt expense to a normalized level. E. Carle		-\$396	
S-25	Accounting Fees	732.100		-\$189
	1 - To reallocate accounting fees according to the revenue allocation factor. K. Foster		-\$189	
S-26	Contracted Legal Fees	733.100		-\$2,768
	1 - To remove legal fees for Maywood Estates, Corporate stock transfer, and 2012 Finance Authority. K. Foster		-\$3,669	
	2 - To annualize legal fees for 2012 Finance Authority to a three-year average. K. Foster		\$901	
S-27	General Liability - Sewer	757.100		-\$2,613
	1 - To annualize insurance to reflect allocation based on plant. A. Sarver		-\$2,613	
S-28	Office Supplies	921.000		-\$8,237
	1 - To remove amount booked to incorrect account. A. Sarver		-\$2,350	
	2 - To remove non-recurring expenses. A. Sarver		-\$250	
	3 - To remove account analysis charge. A. Sarver		-\$3,132	
	4 - To remove expenses not necessary to provide safe and adequate service. A. Sarver		-\$2,255	
	5 - To remove expenses already accounted for in payroll. A. Sarver		-\$250	

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 Expense Adjustment Schedule - Sewer

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
S-29	Management Fees	922.000		-\$181,125
	1 - To replace executive management fees in test year with costs for executive oversight. K. Foster		-\$181,125	
S-30	Telephone	925.000		-\$1,759
	1 - To annualize cell phone for a two-year average. A. Sarver		-\$81	
	2 - To annualize wireless service to reflect allocation based on payroll. A. Sarver		-\$484	
	3 - To remove disallowed expense. A. Sarver		-\$225	
	4 - To remove wireless service no longer activated. A. Sarver		-\$969	
S-31	Travel and Entertainment - Other	927.000		-\$17,229
	1 - To remove expenses covered by executive oversight adjustment to account 922.00 and other miscellaneous expenses. K. Foster		-\$17,229	
S-32	Travel and Entertainment - Lodging	927.100		-\$85
	1 - To remove expenses covered by executive oversight adjustment to account 922.00. K. Foster		-\$85	
S-33	Transportation - Airline/Car	927.200		-\$227
	1 - To remove expenses covered by executive oversight adjustment to account 922.00. K. Foster		-\$227	
S-34	Transportation Expense	933.000		-\$2,142

Lake Region Water and Sewer Company
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Expense Adjustment Schedule - Sewer

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
	1 - To adjust out misapplied expenses and expenses related to the Shawnee Bend Development Lawsuit, and to adjust expenses related to the 2012 Finance Authority to a three-year average. K. Foster		-\$2,142	
S-37	Other Misc. Expense	975.000		-\$2,687
	1 - To adjust Misc. Expense to a normalized level. E. Carle		-\$3,501	
	2 - To annualize bank service charge. A. Sarver		\$814	
S-38	Rate Case Expense	981.000		\$1,074
	1 - To normalize rate case expense over a three year period. E. Carle		\$1,074	
S-41	PSC Assessment	767.250		\$11,412
	1 - To adjust PSC/OPC Assessment to the 2014 assessment level. E. Carle		\$11,412	
S-42	Licenses and Permits	779.100		-\$1,429
	1 - To correct amount booked to incorrect account A. Sarver		-\$750	
	2 - To remove non-recurring expenses. A. Sarver		-\$679	
S-45	CIAC Amortization Expense			-\$2,715
	1 - Update Amortized CIAC based on new allocation factors. A. Sarver		-\$2,715	
S-46	Depreciation			\$88,392
	1. To Annualize Depreciation		\$88,392	
S-49	Real Estate Taxes	967.200		-\$239

Lake Region Water and Sewer Company
 Horseshoe Bend Sewer
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 Expense Adjustment Schedule - Sewer

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
	1 - To annualize taxes to reflect allocation based on Company's plant. A. Sarver		-\$239	
Total Expense Adjustments				<u><u>-\$171,139</u></u>