

AUDITING UNIT RECOMMENDATION MEMORANDUM

FROM: Paul R. Harrison
Auditing Unit Staff

TO: James Busch
Water and Sewer Unit, Manager

CC: Sarah Kliethermes
Staff Counsel's Office
Kim Bolin

SUBJECT: Auditing Unit's Findings and Recommendation for Interim Rates
Rogue Creek Utilities, Inc.
Case No. WR-2013-0436 and SR-2013-0435

DATE: April 15, 2013

Rogue Creek Utilities, Inc. ("Rogue Creek" or "Company") filed a rate increase request with the Missouri Public Service Commission ("Commission") on March 27, 2013. On that date, the Company also filed a request to implement interim rates pending resolution of its request of the small utility rate case procedures, and a special surcharge.¹ Rogue Creek currently serves approximately 100 water customers and 94 sewer customers in Washington County, Missouri. Rogue Creek's current water and sewer rates became effective on November 11, 2002

The Company's initial tariff filing consists of \$35,695 request in additional revenues for a special surcharge and \$35,175 in additional revenues for an interim rate increase. The total revenue increase requested for implementation in the first set of tariffs for both water and sewer is \$70,870.

Staff Recommendations for Interim Rates and Special Surcharge for Rogue Creek Utilities, Inc.

The Commission Staff ("Staff") recommends implementation of emergency rates including both (1) interim, subject to refund, rates, and (2) an 11 month, subject to refund, surcharge for both water and sewer rates.

¹ Rogue Creek's requested increase in permanent rates is \$40,425 in the Company's annual water system operating revenues and an increase of \$48,565 in its annual sewer system operating revenues, and, if approved, would result in an increase over current revenues of approximately 254% for water service and 278% for sewer service. The total increase requested by Rogue Creek for its water and sewer service is \$70,870, excluding income taxes, depreciation and rate of return requirement.

The surcharge is needed in order to perform system maintenance and improvements to the water and sewer systems in the amount of \$8,085 (many of which are related to compliance with requirements of the Missouri Department of Natural Resources) and to reduce Rogue Creek's accounts payable balances related to water and sewer vendor services (including amounts to a DNR required certified operator discussed below) which the Company has not been able to pay to date in the amount of \$21,260. The interim rates are required to address Rogue Creek's financial condition, which is such that there is a danger to its continued provision of safe and adequate service, as well as to begin to mitigate the operational concerns discussed in the Water and Sewer Unit Report.

Staff performed an earnings investigation of Rogue Creek in April, 2012, in conjunction with assisting the utility in completing its Commission 2011 Annual Report. During that review, Staff determined that there was insufficient cash flow for Rogue Creek at that time from customer rates to recover its cost of service. This review was conducted prior to the Circuit Court of Cole County appointing Johansen Consulting Services as the receiver for Rogue Creek on June 2012. Rogue Creek's current rates that are in effect for both water and sewer do not include the court ordered receiver fees for Johansen Consulting Service, the contracted certified operator fees and any additional net increase in costs incurred to provide service to its customers since the Company's last rate case which was effective in November, 2002.

Staff has become aware since this Company filed for a rate increase that Environmental Management Services, who is the contract operator for Rogue Creek, sent Johansen Consulting Services (the receiver) a letter on March 4, 2013 suspending its services for non-payment effective April 1, 2013. In the letter, Environmental Management Services stated in order for services to be reinstated the full amount of \$4,848.95 must be paid and future payments must be paid by the 15th of each month.

Additionally, Staff is aware of an Emergency Declaration that was sent to Johansen Consulting Services from Missouri Department of Natural Resources (MDNR) on March 29, 2013 concerning Sanitary Sewer Overflow into Lake Fourwinds. In that notice it stated that "Cleanup actions may include soliciting assistance from non-departmental entities with the expertise in this area and who have previously established agreements with the Department. Pursuant to Section 260.545, RSMo, any person providing assistance on behalf of the Department will not be held liable in any civil action for damages as a result of that person's acts or omissions in rendering such assistance. Also, under the authority of Chapter 260 and the Missouri Clean Water Law, Chapter 644, RSMo, the Department has the authority and responsibility to address this situation and recover its costs in doing so. You will receive future correspondence from the department regarding cost recovery."

Staff has determined that Rogue Creek is currently in a financial emergency situation due to its current inability to perform necessary maintenance and other activities mandated by the MDNR, its inability to keep current on payments to vendors for necessary services, its inability to provide funding for court-ordered receiver fees and costs, and its inability to provide funding for its certified operator, meter reader and miscellaneous maintenance expenses.

Based upon Staff's examination of Rogue Creek's books and records, the correspondence mentioned above and discussions with the Receiver, Staff recommends emergency rate schedules, including a surcharge, be established for Rogue Creek. These schedules should include (1) interim, subject to refund, rates, pending Staff's completion of the small utility rate case procedures, and (2) an 11 month surcharge, to be collected subject to refund. Staff has determined that an interim rate increase for both water and sewer is necessary due to the shortfall in Rogue Creek's current rate revenues compared to its necessary and prudent cash outlays associated with providing safe and adequate service for its customers. Staff's interim rate revenue requirement calculation is based upon current revenues collected as compared to Rogue Creek's current monthly expenditures, and excludes depreciation expense, income tax expense, and rate of return requirements. Staff's analysis shows that the Company is receiving approximately \$1,834 each month less in revenues than what they are paying out. A typical small informal rate case normally takes from six to ten months to complete. Assuming ten months will be necessary to complete this case; Staff recommends that Rogue Creek be granted a rate increase on an interim basis equal to an additional \$1,834 per month for ten months to allow the Company to fund its maintenance and operation activities until this case is complete. Any additional costs necessary to provide safe and adequate service to the customers of Rogue Creek will be included in the rates when the audit is complete for the small informal rate case.

Staff has also determined that an 11 month surcharge for certain items is appropriate, to take effect on an emergency basis. Rogue Creek owes approximately \$21,260 in back payments for services provided by Environmental Management Services (contract operator fees), Brad Mashek (maintenance service calls), Floyd Medley (meter reader and miscellaneous maintenance repairs) and Johansen Consulting (court ordered receiver fees). Staff recommends that these back payments be included in Rogue Creek's rates for water and sewer, subject to refund, as a surcharge for a period of 11 months in order to allow Rogue Creek to qualify for a bank loan and pay off these outstanding accounts.

In addition, Staff's Water and Sewer Unit have inspected Rogue Creek's system and have identified several water and sewer improvements and/or maintenance expenses that need to be addressed and included in the Company's requested surcharge to ensure safe and adequate service for Rogue Creek's customers. Staff is recommending that the following items be included in the surcharge for Rogue Creek:

WATER

• Inspection of water tanks	\$2,685
• Replacement of ten water meters	\$ 900
• Well – new pressure switch	\$1,000
Total	\$4,585
Back-payments for water	\$10,450
Total with back-payments	\$15,035

SEWER

• Sewer main dig-up / repair – Watercrest Road (blockage)	\$1,500
• Manhole dig-up plus main/lateral cleaning – Rogue Creek Rd	\$1,500
• Repair of sludge return pump	\$ 500
Total	\$3,500
Back-payments for sewer	\$10,810
Total with back-payments	\$14,310
Total Water & Sewer with back-payments	\$29,345

The combined water and sewer surcharge, taking into account the accounts payable and system improvements/maintenance items discussed above, is approximately \$2,668 per month. Staff recommends that this surcharge begin on the same date as interim rates are put into effect for Rogue Creek.

Exhibit No.:
Issue: Accounting Schedules
Witness: MO PSC Auditors
Sponsoring Party: MO PSC Staff
Case No: SR-2013-0435
Date Prepared: April 15, 201132



MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

STAFF ACCOUNTING SCHEDULES

ROGUE CREEK SEWER

CASE NO. SR-2013-0435

Jefferson City, Missouri

April 2013

Rogue Creek Sewer
Interim Rate Case
SR-2013-0435
Test Year Ending 12-31-2012
Rate Design Schedule - Sewer

A	B	C	D	E	F	
Line Number	Description	Account Number (Optional)	Staff Annualized	Customer Charge	Commodity	Percentage Rate
Rev-1	ANNUALIZED REVENUES					
Rev-2	Annualized Rate Revenues	(1)	\$17,439			
Rev-3	Miscellaneous Revenues	(1)	\$335			
Rev-4	TOTAL ANNUALIZED REVENUES		<u>\$17,774</u>			
1	OPERATIONS EXPENSES	(2)				
2	Receivership Fee (base charge)		\$7,200	\$0	\$7,200	0.00%
3	Certified Contract Operator		\$7,200	\$0	\$7,200	0.00%
4	Electricity - STP + Lift Stations		\$3,845	\$0	\$3,845	0.00%
5	Chemicals		\$180	\$0	\$180	0.00%
6	Sludge Removal		\$1,650	\$0	\$1,650	0.00%
7	Effluent Testing Expense		\$0	\$0	\$0	0.00%
8	Deferred System Maintenance Items		\$3,500	\$0	\$3,500	0.00%
9	TOTAL OPERATIONS EXPENSE		<u>\$23,575</u>	\$0	\$23,575	
10	MAINTENANCE EXPENSES					
11	Outside Services - Monthly Base Floyd - Misc. Maint.		\$600	\$0	\$600	0.00%
12	Outside Services - Misc. Repairs, Fix Leaks & Fix DNR Deficiencies		\$0	\$0	\$0	0.00%
13	System Repairs and Maintenance		\$0	\$0	\$0	0.00%
14	Supplies Expense		\$0	\$0	\$0	0.00%
15	TOTAL MAINTENANCE EXPENSE		<u>\$600</u>	\$0	\$600	
16	CUSTOMER ACCOUNT EXPENSE					
17	Accounting Fees		\$0	\$0	\$0	0.00%
18	Billing & Collections (meter reading)		\$0	\$0	\$0	0.00%
19	Office Supplies - billing postcards		\$270	\$0	\$270	0.00%
20	Postage Expense & PO Box Rental		\$300	\$0	\$300	0.00%
21	Uncollectible Accounts (1.5%)		\$0	\$0	\$0	0.00%
22	TOTAL CUSTOMER ACCOUNT EXPENSE		<u>\$570</u>	\$0	\$570	
23	ADMINISTRATIVE & GENERAL EXPENSES					
24	Administration & General Salaries		\$0	\$0	\$0	0.00%
25	Telephone & Internet		\$0	\$0	\$0	0.00%
26	Office Utilities		\$0	\$0	\$0	0.00%
27	Vehicle Expense		\$0	\$0	\$0	0.00%
28	Vehicle Insurance		\$0	\$0	\$0	0.00%
29	Medical Insurance		\$0	\$0	\$0	0.00%
30	Property & Liability Insurance		\$0	\$0	\$0	0.00%
31	Rent		\$0	\$0	\$0	0.00%
32	Dale J. Trips to System		\$3,210	\$0	\$3,210	0.00%
33	Past-Due Accounts Payable		\$10,810	\$0	\$10,810	0.00%
34	TOTAL ADMINISTRATIVE AND GENERAL		<u>\$14,020</u>	\$0	\$14,020	
35	OTHER OPERATING EXPENSES					
36	MO DNR Fees		\$150	\$0	\$150	0.00%
37	PSC Assessment		\$1,181	\$0	\$1,181	0.00%
38	Corporate Registration		\$0	\$0	\$0	0.00%
39	CIAC Depreciation Offset		-\$4,440	\$0	-\$4,440	0.00%
40	To remove depreciation expense		-\$2,386	\$0	-\$2,386	0.00%
41	Depreciation		\$6,826	\$0	\$6,826	0.00%
42	TOTAL OTHER OPERATING EXPENSES		<u>\$1,331</u>	\$0	\$1,331	
43	TAXES OTHER THAN INCOME					
44	Real & Personal Property Taxes		\$0	\$0	\$0	0.00%
45	Payroll Taxes		\$0	\$0	\$0	0.00%
46	TOTAL TAXES OTHER THAN INCOME		<u>\$0</u>	\$0	\$0	
47	TOTAL OPERATING EXPENSES		<u>\$40,096</u>	\$0	\$40,096	
48	Interest Expense	(3)	\$0	\$0	\$0	0.00%

Rogue Creek Sewer
Interim Rate Case
SR-2013-0435
Test Year Ending 12-31-2012
Rate Design Schedule - Sewer

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
49	Return on Equity		(3) \$3,278	\$0	\$3,278	0.00%
50	Income Taxes		(3) \$816	\$0	\$816	0.00%
51	TOTAL INTEREST RETURN & TAXES		<u>\$4,094</u>	<u>\$0</u>	<u>\$4,094</u>	
52	TOTAL COST OF SERVICE		\$44,190	\$0	\$44,190	
53	Less: Miscellaneous Revenues		<u>\$335</u>	<u>\$0</u>	<u>\$335</u>	0.00%
54	COST TO RECOVER IN RATES		<u>\$43,855</u>	<u>\$0</u>	<u>\$43,855</u>	
55	INCREMENTAL INCREASE IN RATE REVENUES		<u><u>\$26,416</u></u>			
56	PERCENTAGE OF INCREASE		<u><u>148.62%</u></u>			
57	REQUESTED INCREASE IN REVENUES		\$22,322			

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

Rogue Creek Sewer
Interim Rate Case
SR-2013-0435
Test Year Ending 12-31-2012
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	\$197,978 From Plant Schedule
2	Less Accumulated Depreciation Reserve	<u>\$151,624</u> From Depreciation Reserve Schedule
3	Net Plant In Service	\$46,354
4	Other Rate Base Items:	\$0
	Contribution of Aid of Construction	-\$128,837
	CIAC Depreciation	\$115,260
	Materials & Supplies	\$0
5	Total Rate Base	<u>\$32,777</u>
6	Total Weighted Rate of Return Including Income Tax	<u>12.49%</u> From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	<u><u>\$4,093</u></u>

Rogue Creek Sewer
Interim Rate Case
SR-2013-0435
Test Year Ending 12-31-2012
Rate of Return Including Income Tax - Sewer

	A		B	formulas
1	State Income Tax Rate Statutory / Effective	6.25% (2)	5.81%	(1 - (B2 x .5)) x A1
2	Federal Income Tax Rate Statutory / Effective	14.99% (1) & (2)	14.12%	(1 - B1) x A2
3	Composite Effective Income Tax Rate		19.93%	B1 + B2
4	Equity Tax Factor		1.2489	1 / (1-B3)
5	Recommended Weighted Rate of Return on Equity - Common and Preferred		10.00%	From Capital Structure Schedule
6	Weighted Rate of Return on Equity Including Income Tax		12.49%	B4 x B5
7	Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term		0.00%	From Capital Structure Schedule
8	Total Weighted Rate of Return Including Income Tax		12.49%	B6+B7

To Rate Base Schedule

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

Equity Income Required \$3,856
& Preliminary Federal Tax

Tax Rate Table

Net Income Range				
Start	End	Tax Rate	Amount in Range	Tax on Range
\$0	\$50,000	15.00%	\$3,856	\$578
\$50,001	\$75,000	25.00%	\$0	\$0
\$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
			\$3,856	\$578
			Consolidated Tax Rate:	
			Average Tax Rate: 0.1499	

Rogue Creek Sewer
Interim Rate Case
SR-2013-0435
Test Year Ending 12-31-2012
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	\$87,895	100.00%	10.00%	10.000%
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	\$0	0.00%	0.00%	0.000%
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>\$87,895</u>	<u>100.00%</u>		<u>10.000%</u>

To PreTax Return Rate Schedule

Rogue Creek Sewer
Interim Rate Case
SR-2013-0435
Test Year Ending 12-31-2012
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	\$135			100.00%	\$135
3	302.000	Franchises	\$1,127			100.00%	\$1,127
4	303.000	Miscellaneous Intangible Plant	\$0			100.00%	\$0
5		TOTAL INTANGIBLE PLANT	\$1,262		\$0		\$1,262
6		SOURCE OF SUPPLY PLANT					
7	310.000	Land & Land Rights	\$0			100.00%	\$0
8	311.000	Structures & Improvements	\$2,532			100.00%	\$2,532
9		TOTAL SOURCE OF SUPPLY PLANT	\$2,532		\$0		\$2,532
10		COLLECTION PLANT					
11	352.100	Collection Sewers - Force	\$12,827			100.00%	\$12,827
12	352.200	Collection Sewers - Gravity	\$105,094			100.00%	\$105,094
13	353.000	Other Collection Plant Facilities	\$0			100.00%	\$0
14	354.000	Services to Customers	\$18,120			100.00%	\$18,120
15	355.000	Flow Measuring Devices	\$0			100.00%	\$0
16		TOTAL COLLECTION PLANT	\$136,041		\$0		\$136,041
17		PUMPING PLANT					
18	362.000	Receiving Wells and Pump Pits	\$1,804			100.00%	\$1,804
19	363.000	Pumping Equipment (Elec., Diesel, other)	\$24,068			100.00%	\$24,068
20		TOTAL PUMPING PLANT	\$25,872		\$0		\$25,872
21		TREATMENT & DISPOSAL PLANT					
22	372.000	Oxidation Lagoon	\$0			100.00%	\$0
23	373.000	Treatment and Disposal Equipment	\$31,190			100.00%	\$31,190
24	374.000	Plant Sewers	\$0			100.00%	\$0
25	375.000	Outfall Sewer Lines	\$0			100.00%	\$0
26	376.000	Other Treatment & Disposal Plant Equip.	\$0			100.00%	\$0
27		TOTAL TREATMENT & DISPOSAL PLANT	\$31,190		\$0		\$31,190
28		GENERAL PLANT					
29	391.000	Office Furniture & Equipment	\$467			100.00%	\$467
30	391.100	Office Computer Equipment	\$371			100.00%	\$371
31	392.000	Transportation Equipment	\$228			100.00%	\$228
32	394.000	Tools Shop & Garage Equipment.	\$15			100.00%	\$15
33		TOTAL GENERAL PLANT	\$1,081		\$0		\$1,081
34		TOTAL PLANT IN SERVICE	\$197,978		\$0		\$197,978

To Rate Base & Depreciation Schedules

Rogue Creek Sewer
Interim Rate Case
SR-2013-0435
Test Year Ending 12-31-2012
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
Total Plant Adjustments				\$0

Rogue Creek Sewer
Interim Rate Case
SR-2013-0435
Test Year Ending 12-31-2012
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	\$135	0.00%	\$0
3	302.000	Franchises	\$1,127	0.00%	\$0
4	303.000	Miscellaneous Intangible Plant	\$0	0.00%	\$0
5		TOTAL INTANGIBLE PLANT	<u>\$1,262</u>		<u>\$0</u>
6		SOURCE OF SUPPLY PLANT			
7	310.000	Land & Land Rights	\$0	0.00%	\$0
8	311.000	Structures & Improvements	\$2,532	3.00%	\$76
9		TOTAL SOURCE OF SUPPLY PLANT	<u>\$2,532</u>		<u>\$76</u>
10		COLLECTION PLANT			
11	352.100	Collection Sewers - Force	\$12,827	2.00%	\$257
12	352.200	Collection Sewers - Gravity	\$105,094	2.00%	\$2,102
13	353.000	Other Collection Plant Facilities	\$0	0.00%	\$0
14	354.000	Services to Customers	\$18,120	2.00%	\$362
15	355.000	Flow Measuring Devices	\$0	0.00%	\$0
16		TOTAL COLLECTION PLANT	<u>\$136,041</u>		<u>\$2,721</u>
17		PUMPING PLANT			
18	362.000	Receiving Wells and Pump Pits	\$1,804	5.00%	\$90
19	363.000	Pumping Equipment (Elec., Diesel, other)	\$24,068	10.00%	\$2,407
20		TOTAL PUMPING PLANT	<u>\$25,872</u>		<u>\$2,497</u>
21		TREATMENT & DISPOSAL PLANT			
22	372.000	Oxidation Lagoon	\$0	0.00%	\$0
23	373.000	Treatment and Disposal Equipment	\$31,190	4.50%	\$1,404
24	374.000	Plant Sewers	\$0	0.00%	\$0
25	375.000	Outfall Sewer Lines	\$0	0.00%	\$0
26	376.000	Other Treatment & Disposal Plant Equip.	\$0	0.00%	\$0
27		TOTAL TREATMENT & DISPOSAL PLANT	<u>\$31,190</u>		<u>\$1,404</u>
28		GENERAL PLANT			
29	391.000	Office Furniture & Equipment	\$467	5.00%	\$23
30	391.100	Office Computer Equipment	\$371	20.00%	\$74
31	392.000	Transportation Equipment	\$228	13.00%	\$30
32	394.000	Tools Shop & Garage Equipment.	\$15	5.00%	\$1
33		TOTAL GENERAL PLANT	<u>\$1,081</u>		<u>\$128</u>
34		Total Depreciation	<u>\$197,978</u>		<u>\$6,826</u>

Rogue Creek Sewer
Interim Rate Case
SR-2013-0435
Test Year Ending 12-31-2012
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	302.000	Franchises	\$0			100.00%	\$0
4	303.000	Miscellaneous Intangible Plant	\$0			100.00%	\$0
5		TOTAL INTANGIBLE PLANT	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
6		SOURCE OF SUPPLY PLANT					
7	310.000	Land & Land Rights	\$0			100.00%	\$0
8	311.000	Structures & Improvements	\$574			100.00%	\$574
9		TOTAL SOURCE OF SUPPLY PLANT	<u>\$574</u>		<u>\$0</u>		<u>\$574</u>
10		COLLECTION PLANT					
11	352.100	Collection Sewers - Force	\$8,777			100.00%	\$8,777
12	352.200	Collection Sewers - Gravity	\$65,375			100.00%	\$65,375
13	353.000	Other Collection Plant Facilities	\$0			100.00%	\$0
14	354.000	Services to Customers	\$10,101			100.00%	\$10,101
15	355.000	Flow Measuring Devices	\$0			100.00%	\$0
16		TOTAL COLLECTION PLANT	<u>\$84,253</u>		<u>\$0</u>		<u>\$84,253</u>
17		PUMPING PLANT					
18	362.000	Receiving Wells and Pump Pits	\$3,583			100.00%	\$3,583
19	363.000	Pumping Equipment (Elec., Diesel, other)	\$27,613			100.00%	\$27,613
20		TOTAL PUMPING PLANT	<u>\$31,196</u>		<u>\$0</u>		<u>\$31,196</u>
21		TREATMENT & DISPOSAL PLANT					
22	372.000	Oxidation Lagoon	\$0			100.00%	\$0
23	373.000	Treatment and Disposal Equipment	\$34,705			100.00%	\$34,705
24	374.000	Plant Sewers	\$0			100.00%	\$0
25	375.000	Outfall Sewer Lines	\$0			100.00%	\$0
26	376.000	Other Treatment & Disposal Plant Equip.	\$0			100.00%	\$0
27		TOTAL TREATMENT & DISPOSAL PLANT	<u>\$34,705</u>		<u>\$0</u>		<u>\$34,705</u>
28		GENERAL PLANT					
29	391.000	Office Furniture & Equipment	\$350			100.00%	\$350
30	391.100	Office Computer Equipment	\$353			100.00%	\$353
31	392.000	Transportation Equipment	\$191			100.00%	\$191
32	394.000	Tools Shop & Garage Equipment.	\$2			100.00%	\$2
33		TOTAL GENERAL PLANT	<u>\$896</u>		<u>\$0</u>		<u>\$896</u>
34		TOTAL DEPRECIATION RESERVE	<u>\$151,624</u>		<u>\$0</u>		<u>\$151,624</u>

To Rate Base Schedule

Rogue Creek Sewer
Interim Rate Case
SR-2013-0435
Test Year Ending 12-31-2012
Schedule of Adjustments for Accumulated Depreciation Reserve - Sewer

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Reserve Adjustment Number	Accumulated Depreciation Reserve Adjustments Description	Account Number	Adjustment Amount	Total Adjustment Amount
Total Reserve Adjustments				\$0

Rogue Creek Sewer
Interim Rate Case
SR-2013-0435
Test Year Ending 12-31-2012
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	\$18,181	Rev-2	-\$742	100.00%	\$17,439
Rev-3		Miscellaneous Revenues	\$335	Rev-3	\$0	100.00%	\$335
Rev-4		TOTAL ANNUALIZED REVENUES	\$18,516		-\$742		\$17,774

Rogue Creek Sewer
Interim Rate Case
SR-2013-0435
Test Year Ending 12-31-2012
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			-\$742
	1. To Annualize Rate Revenues		-\$742	
Rev-3	Miscellaneous Revenues			\$0
	1. To Annualize Miscellaneous Revenues		\$0	
Total Revenue Adjustments				-\$742

Rogue Creek Sewer
Interim Rate Case
SR-2013-0435
Test Year Ending 12-31-2012
Revenue Summary Schedule - Sewer

Line Number	A Description	Residential 5/8"		Commercial 2"	
		B Amount	C Amount	D Amount	E Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	94		0	
3	Bills Per Year	12		0	
4	Customer Bills Per year	1,128		0	
5	Current Customer Charge	<u>\$15.46</u>		<u>\$0.00</u>	
6	Annualized Customer Charge Revenues		\$17,439		\$0
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>0</u>		<u>0</u>	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	<u>\$0.00</u>		<u>\$0.00</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	Total Annualized Sewer Rate Revenues		<u>\$17,439</u>		<u>\$0</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).

Rogue Creek Sewer
Interim Rate Case
SR-2013-0435
Test Year Ending 12-31-2012
Revenue Summary Schedule - Sewer

Line Number	A Description	Total	
		F Amount	G Amount
1	<u>Customer Charge Revenues:</u>		
2	Customer Number	94	
3	Bills Per Year		
4	Customer Bills Per year	1,128	
5	Current Customer Charge		
6	Annualized Customer Charge Revenues		\$17,439
7	<u>Commodity Charge Revenues:</u>		
8	Total Gallons Sold	0	
9	Less: Base Gallons Included In Customer Charge	0	
10	Commodity Gallons	0	
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.		\$0
16	Total Annualized Sewer Rate Revenues		\$17,439

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.

**Rogue Creek Sewer
Interim Rate Case
SR-2013-0435
Test Year Ending 12-31-2012
Miscellaneous Revenues Feeder - Sewer**

Line Number	<u>A</u> Description	<u>B</u> Amount
1	Late Payment Fee	\$165
2	Reconnect Fee	\$135
3	Other Revenues	\$35
4	Total Miscellaneous Revenues	<u>\$335</u>

Rogue Creek Sewer
Interim Rate Case
SR-2013-0435
Test Year Ending 12-31-2012
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		Receivership Fee (base charge)	\$7,200			100.00%	\$7,200
3		Certified Contract Operator	\$7,200			100.00%	\$7,200
4		Electricity - STP + Lift Stations	\$3,845			100.00%	\$3,845
5		Chemicals	\$180			100.00%	\$180
6		Sludge Removal	\$1,650			100.00%	\$1,650
7		Effluent Testing Expense	\$0			100.00%	\$0
8		Deferred System Maintenance Items	\$3,500			100.00%	\$3,500
9		TOTAL OPERATIONS EXPENSE	<u>\$23,575</u>		<u>\$0</u>		<u>\$23,575</u>
10		MAINTENANCE EXPENSES					
11		Outside Services - Monthly Base Floyd - Misc. Maint.	\$600			100.00%	\$600
12		Outside Services - Misc. Repairs, Fix Leaks & Fix DNR Deficiencies	\$0			100.00%	\$0
13		System Repairs and Maintenance	\$0			100.00%	\$0
14		Supplies Expense	\$0			100.00%	\$0
15		TOTAL MAINTENANCE EXPENSE	<u>\$600</u>		<u>\$0</u>		<u>\$600</u>
16		CUSTOMER ACCOUNT EXPENSE					
17		Accounting Fees	\$0			100.00%	\$0
18		Billing & Collections (meter reading)	\$0			100.00%	\$0
19		Office Supplies - billing postcards	\$270			100.00%	\$270
20		Postage Expense & PO Box Rental	\$300	S-20	\$0	100.00%	\$300
21		Uncollectible Accounts (1.5%)	\$0			100.00%	\$0
22		TOTAL CUSTOMER ACCOUNT EXPENSE	<u>\$570</u>		<u>\$0</u>		<u>\$570</u>
23		ADMINISTRATIVE & GENERAL EXPENSES					
24		Administration & General Salaries	\$0			100.00%	\$0
25		Telephone & Internet	\$0			100.00%	\$0
26		Office Utilities	\$0			100.00%	\$0
27		Vehicle Expense	\$0			100.00%	\$0
28		Vehicle Insurance	\$0			100.00%	\$0
29		Medical Insurance	\$0			100.00%	\$0
30		Property & Liability Insurance	\$0			100.00%	\$0
31		Rent	\$0			100.00%	\$0
32		Dale J. Trips to System	\$3,210			100.00%	\$3,210
33		Past-Due Accounts Payable	\$10,810			100.00%	\$10,810
34		TOTAL ADMINISTRATIVE AND GENERAL	<u>\$14,020</u>		<u>\$0</u>		<u>\$14,020</u>
35		OTHER OPERATING EXPENSES					
36		MO DNR Fees	\$150			100.00%	\$150
37		PSC Assessment	\$1,181			100.00%	\$1,181
38		Corporate Registration	\$0			100.00%	\$0
39		CIAC Depreciation Offset	-\$4,440			100.00%	-\$4,440
40		To remove depreciation expense	-\$2,386			100.00%	-\$2,386
41		Depreciation	\$6,826	S-41	\$0	100.00%	\$6,826
42		TOTAL OTHER OPERATING EXPENSES	<u>\$1,331</u>		<u>\$0</u>		<u>\$1,331</u>
43		TAXES OTHER THAN INCOME					
44		Real & Personal Property Taxes	\$0			100.00%	\$0
45		Payroll Taxes	\$0			100.00%	\$0
46		TOTAL TAXES OTHER THAN INCOME	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
47		TOTAL OPERATING EXPENSES	<u>\$40,096</u>		<u>\$0</u>		<u>\$40,096</u>

Rogue Creek Sewer
Interim Rate Case
SR-2013-0435
Test Year Ending 12-31-2012
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-20	Postage Expense & PO Box Rental			\$0
	Description		\$0	
S-41	Depreciation			\$0
	1. To Annualize Depreciation		\$0	
Total Expense Adjustments				\$0

Exhibit No.:
Issue: Accounting Schedules
Witness: MO PSC Auditors
Sponsoring Party: MO PSC Staff
Case No: WR-2013-0436
Date Prepared: April 15, 2013



MISSOURI PUBLIC SERVICE COMMISSION
UTILITY SERVICES DIVISION
STAFF ACCOUNTING SCHEDULES

ROGUE CREEK WATER
CASE NO. WR-2013-0436

Jefferson City, Missouri

Apr-13

Rogue Creek Water
Interim Rate Case
WR-2013-0436
Test Year Ending 12-31-2012
Rate Design Schedule - Water

A	B	C	D	E	F	
Line Number	Description	Account Number (Optional)	Staff Annualized	Customer Charge	Commodity	Percentage Rate
Rev-1	ANNUALIZED REVENUES					
Rev-2	Annualized Rate Revenues	(1)	\$15,927			
Rev-3	Miscellaneous Revenues	(1)	\$335			
Rev-4	TOTAL ANNUALIZED REVENUES		<u>\$16,262</u>			
1	OPERATIONS EXPENSES	(2)				
2	Receivership Fee (base charge)		\$7,200	\$0	\$7,200	0.00%
3	Certified Contract Operator		\$7,200	\$0	\$7,200	0.00%
4	Electricity - Well		\$1,730	\$0	\$1,730	0.00%
5	Chemicals (Salt for Softening)		\$5,220	\$0	\$5,220	0.00%
6	TOTAL OPERATIONS EXPENSE		<u>\$21,350</u>	\$0	\$21,350	
7	MAINTENANCE EXPENSES					
8	Outside Services - Monthly Base Floyd - Misc. Maint.		\$600	\$0	\$600	0.00%
9	Outside Services - Misc. Repairs, Fix Leaks & Fix DNR Deficiencies		\$0	\$0	\$0	0.00%
10	Misc. Supplies		\$0	\$0	\$0	0.00%
11	System Maintenance		\$0	\$0	\$0	0.00%
12	Deferred System Maintenance Items		\$4,585	\$0	\$4,585	0.00%
13	TOTAL MAINTENANCE EXPENSE		<u>\$5,185</u>	\$0	\$5,185	
14	CUSTOMER ACCOUNT EXPENSE					
15	Accounting Fees		\$0	\$0	\$0	0.00%
16	Billing & Collections - meter reading-Floyd		\$720	\$0	\$720	0.00%
17	Office Supplies - billing postcards		\$270	\$0	\$270	0.00%
18	Postage & P.O. Box Rental		\$300	\$0	\$300	0.00%
19	Uncollectible Accounts (1.5%)		\$0	\$0	\$0	0.00%
20	TOTAL CUSTOMER ACCOUNT EXPENSE		<u>\$1,290</u>	\$0	\$1,290	
21	ADMINISTRATIVE & GENERAL EXPENSES					
22	Administration & General Salary		\$0	\$0	\$0	0.00%
23	Office Utilities		\$0	\$0	\$0	0.00%
24	Telephone & Internet		\$0	\$0	\$0	0.00%
25	Vehicle Insurance		\$0	\$0	\$0	0.00%
26	Vehicle Expense		\$0	\$0	\$0	0.00%
27	Medical Insurance		\$0	\$0	\$0	0.00%
28	Property & Liability Insurance		\$0	\$0	\$0	0.00%
29	Building Rent		\$0	\$0	\$0	0.00%
30	Dale J. Trips to System		\$3,210	\$0	\$3,210	0.00%
31	Past-Due Accounts Payable		\$10,450	\$0	\$10,450	0.00%
32	TOTAL ADMINISTRATIVE AND GENERAL		<u>\$13,660</u>	\$0	\$13,660	
33	OTHER OPERATING EXPENSES					
34	MO DNR Fees		\$0	\$0	\$0	0.00%
35	PSC Assessment		\$140	\$0	\$140	0.00%
36	Corporate Registration		\$0	\$0	\$0	0.00%
37	CIAC Depreciation Offset		-\$2,645	\$0	-\$2,645	0.00%
38	To remove Depreciation Expense		-\$1,670	\$0	-\$1,670	0.00%
39	Depreciation		\$4,315	\$0	\$4,315	0.00%
40	TOTAL OTHER OPERATING EXPENSES		<u>\$140</u>	\$0	\$140	
41	TAXES OTHER THAN INCOME					
42	Real & Personal Property Taxes		\$0	\$0	\$0	0.00%
43	Payroll Taxes		\$0	\$0	\$0	0.00%
44	TOTAL TAXES OTHER THAN INCOME		<u>\$0</u>	\$0	\$0	
45	TOTAL OPERATING EXPENSES		<u>\$41,625</u>	\$0	\$41,625	
46	Interest Expense	(3)	\$0	\$0	\$0	0.00%
47	Return on Equity	(3)	\$2,311	\$0	\$2,311	0.00%

Rogue Creek Water
Interim Rate Case
WR-2013-0436
Test Year Ending 12-31-2012
Rate Design Schedule - Water

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
48	Income Taxes	(3)	\$576	\$0	\$576	0.00%
49	TOTAL INTEREST RETURN & TAXES		<u>\$2,887</u>	\$0	<u>\$2,887</u>	
50	TOTAL COST OF SERVICE		\$44,512	\$0	\$44,512	
51	Less: Miscellaneous Revenues		<u>\$335</u>	\$0	<u>\$335</u>	0.00%
52	COST TO RECOVER IN RATES		<u>\$44,177</u>	\$0	<u>\$44,177</u>	
53	INCREMENTAL INCREASE IN RATE REVENUES		<u>\$28,250</u>			
54	PERCENTAGE OF INCREASE		<u>173.72%</u>			
55	REQUESTED INCREASE IN REVENUES		\$25,363			

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

Rogue Creek Water
Interim Rate Case
WR-2013-0436
Test Year Ending 12-31-2012
Rate Base Required Return on Investment Schedule - Water

Line Number	<u>A</u> Rate Base Description	<u>B</u> Dollar Amount	
1	Plant In Service	\$112,356	From Plant Schedule
2	Less Accumulated Depreciation Reserve	\$82,541	From Depreciation Reserve Schedule
3	Net Plant In Service	\$29,815	
4	Other Rate Base Items:	\$0	
	Contribution in Aid of Construction	-\$68,870	
	CIAC Depreciation	\$59,865	
	Materials & Supplies	\$2,299	
5	Total Rate Base	\$23,109	
6	Total Weighted Rate of Return Including Income Tax	12.49%	From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	\$2,887	

Rogue Creek Water
Interim Rate Case
WR-2013-0436
Test Year Ending 12-31-2012
Rate of Return Including Income Tax - Water

	A		B	formulas
1	State Income Tax Rate Statutory / Effective	6.25% (2)	5.81%	(1 - (B2 x .5)) x A1
2	Federal Income Tax Rate Statutory / Effective	15.01% (1) & (2)	<u>14.14%</u>	(1 - B1) x A2
3	Composite Effective Income Tax Rate		19.95%	B1 + B2
4	Equity Tax Factor		1.2492	1 / (1-B3)
5	Recommended Weighted Rate of Return on Equity - Common and Preferred		<u>10.00%</u>	From Capital Structure Schedule
6	Weighted Rate of Return on Equity Including Income Tax		12.49%	B4 x B5
7	Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term		<u>0.00%</u>	From Capital Structure Schedule
8	Total Weighted Rate of Return Including Income Tax		<u><u>12.49%</u></u>	B6+B7

To Rate Base Schedule

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

Equity Income Required \$2,719
& Preliminary Federal Tax

Tax Rate Table

Net Income Range				
Start	End	Tax Rate	Amount in Range	Tax on Range
\$0	\$50,000	15.00%	\$2,719	\$408
\$50,001	\$75,000	25.00%	\$0	\$0
\$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>\$2,719</u>	<u>\$408</u>
			Consolidated Tax Rate:	
			Average Tax Rate: 0.1501	

Rogue Creek Water
Interim Rate Case
WR-2013-0436
Test Year Ending 12-31-2012
Capital Structure Schedule - Water

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	\$87,921	100.00%	10.00%	10.000%
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	\$0	0.00%	0.00%	0.000%
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>\$87,921</u>	<u>100.00%</u>		<u>10.000%</u>

To PreTax Return Rate Schedule

Note: column C: is 6 positions with 4 that are displayed (if not totaled correctly, due to rounding)

Rogue Creek Water
Interim Rate Case
WR-2013-0436
Test Year Ending 12-31-2012
Plant In Service - Water

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	\$135			100.00%	\$135
3	302.000	Franchises	\$1,017			100.00%	\$1,017
4		TOTAL INTANGIBLE PLANT	\$1,152		\$0		\$1,152
5		SOURCE OF SUPPLY PLANT					
6	310.000	Land & Land Rights - SSP	\$0			100.00%	\$0
7	311.000	Structures & Improvements - SSP	\$0			100.00%	\$0
8	312.000	Collection & Impounding Reservoirs	\$0			100.00%	\$0
9	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
10	314.000	Infiltration Galleries & Tunnels 1	\$977			100.00%	\$977
11	315.000	Infiltration Galleries & Tunnels	\$0			100.00%	\$0
12	316.000	Supply Mains	\$1,259			100.00%	\$1,259
13		TOTAL SOURCE OF SUPPLY PLANT	\$2,236		\$0		\$2,236
14		PUMPING PLANT					
15	321.000	Structures & Improvements - PP	\$2,656			100.00%	\$2,656
16	325.000	Electric Pumping Equipment	\$0			100.00%	\$0
17	325.100	Submersible Electric Pumping	\$10,405			100.00%	\$10,405
18	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
19	328.000	Other Pumping Equipment	\$0			100.00%	\$0
20		TOTAL PUMPING PLANT	\$13,061		\$0		\$13,061
21		WATER TREATMENT PLANT					
22	330.000	Land & Land Rights-WTP	\$0			100.00%	\$0
23	331.000	Structures & Improvements - WTP	\$0			100.00%	\$0
24	332.000	Water Treatment Equipment	\$6,724			100.00%	\$6,724
25		TOTAL WATER TREATMENT PLANT	\$6,724		\$0		\$6,724
26		TRANSMISSION & DISTRIBUTION PLANT					
27	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
28	341.000	Structures & Improvements - T&D	\$0			100.00%	\$0
29	342.000	Distribution Reservoirs & Standpipes	\$8,113			100.00%	\$8,113
30	344.000	Fire Mains	\$0			100.00%	\$0
31	345.000	Services	\$12,319			100.00%	\$12,319
32	343.000	Transmission & Distribution Mains	\$53,175			100.00%	\$53,175
33	346.000	Meters- Bronze Chamber	\$0			100.00%	\$0
34	346.000	Meters- Plastic Chamber	\$10,739			100.00%	\$10,739
35	347.000	Meter Installations- Bronze	\$0			100.00%	\$0
36	347.000	Meter Installations- Plastic	\$96			100.00%	\$96
37	348.000	Other Transmission & Distribution Plant	\$0			100.00%	\$0
38	349.000	Hydrants	\$0	P-38	\$0	100.00%	\$0
39		TOTAL TRANS. & DISTRIBUTION PLANT	\$84,442		\$0		\$84,442
40		GENERAL PLANT					
41	370.000	Land & Land Rights-GP	\$0			100.00%	\$0
42	371.000	Structures & Improvements - GP	\$2,436			100.00%	\$2,436
43	372.000	Office Furniture & Equipment	\$0			100.00%	\$0
44	372.100	Office Computer Equipment	\$371			100.00%	\$371
45	373.000	Transportation Equipment - GP	\$228			100.00%	\$228
46	379.000	Other General Equipment	\$0			100.00%	\$0
47	394.000	Tools, Shop & Garage Equip.	\$1,239			100.00%	\$1,239
48	397.000	Communication Equipment	\$467			100.00%	\$467
49		TOTAL GENERAL PLANT	\$4,741		\$0		\$4,741
50		TOTAL PLANT IN SERVICE	\$112,356		\$0		\$112,356

Rogue Creek Water
Interim Rate Case
WR-2013-0436
Test Year Ending 12-31-2012
Plant In Service - Water

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> Jurisdictional Allocation	<u>G</u> Adjusted Jurisdictional
To Rate Base & Depreciation Schedules							

Rogue Creek Water
Interim Rate Case
WR-2013-0436
Test Year Ending 12-31-2012
Schedule of Adjustments for Plant in Service - Water

<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
P-38	Hydrants	349.000		\$0
	Description		\$0	
Total Plant Adjustments				\$0

Rogue Creek Water
Interim Rate Case
WR-2013-0436
Test Year Ending 12-31-2012
Depreciation Expense - Water

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	\$135	0.00%	\$0
3	302.000	Franchises	<u>\$1,017</u>	0.00%	<u>\$0</u>
4		TOTAL INTANGIBLE PLANT	<u>\$1,152</u>		<u>\$0</u>
5		SOURCE OF SUPPLY PLANT			
6	310.000	Land & Land Rights - SSP	\$0	0.00%	\$0
7	311.000	Structures & Improvements - SSP	\$0	0.00%	\$0
8	312.000	Collection & Impounding Reservoirs	\$0	0.00%	\$0
9	313.000	Lake, River & Other Intakes	\$0	0.00%	\$0
10	314.000	Infiltration Galleries & Tunnels 1	\$977	2.00%	\$20
11	315.000	Infiltration Galleries & Tunnels	\$0	0.00%	\$0
12	316.000	Supply Mains	<u>\$1,259</u>	2.00%	<u>\$25</u>
13		TOTAL SOURCE OF SUPPLY PLANT	<u>\$2,236</u>		<u>\$45</u>
14		PUMPING PLANT			
15	321.000	Structures & Improvements - PP	\$2,656	2.50%	\$66
16	325.000	Electric Pumping Equipment	\$0	0.00%	\$0
17	325.100	Submersible Electric Pumping	\$10,405	10.00%	\$1,041
18	326.000	Diesel Pumping Equipment	\$0	0.00%	\$0
19	328.000	Other Pumping Equipment	<u>\$0</u>	0.00%	<u>\$0</u>
20		TOTAL PUMPING PLANT	<u>\$13,061</u>		<u>\$1,107</u>
21		WATER TREATMENT PLANT			
22	330.000	Land & Land Rights-WTP	\$0	0.00%	\$0
23	331.000	Structures & Improvements - WTP	\$0	0.00%	\$0
24	332.000	Water Treatment Equipment	<u>\$6,724</u>	2.90%	<u>\$195</u>
25		TOTAL WATER TREATMENT PLANT	<u>\$6,724</u>		<u>\$195</u>
26		TRANSMISSION & DISTRIBUTION PLANT			
27	340.000	Land & Land Rights-T&D	\$0	0.00%	\$0
28	341.000	Structures & Improvements - T&D	\$0	0.00%	\$0
29	342.000	Distribution Reservoirs & Standpipes	\$8,113	2.50%	\$203
30	344.000	Fire Mains	\$0	0.00%	\$0
31	345.000	Services	\$12,319	2.90%	\$357
32	343.000	Transmission & Distribution Mains	\$53,175	2.00%	\$1,064
33	346.000	Meters- Bronze Chamber	\$0	0.00%	\$0
34	346.000	Meters- Plastic Chamber	\$10,739	10.00%	\$1,074
35	347.000	Meter Installations- Bronze	\$0	0.00%	\$0
36	347.000	Meter Installations- Plastic	\$96	2.50%	\$2
37	348.000	Other Transmission & Distribution Plant	\$0	0.00%	\$0
38	349.000	Hydrants	<u>\$0</u>	0.00%	<u>\$0</u>
39		TOTAL TRANS. & DISTRIBUTION PLANT	<u>\$84,442</u>		<u>\$2,700</u>

Rogue Creek Water
Interim Rate Case
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Test Year Ending 12-31-2012
Depreciation Expense - Water

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
40		GENERAL PLANT			
41	370.000	Land & Land Rights-GP	\$0	0.00%	\$0
42	371.000	Structures & Improvements - GP	\$2,436	2.90%	\$71
43	372.000	Office Furniture & Equipment	\$0	0.00%	\$0
44	372.100	Office Computer Equipment	\$371	20.00%	\$74
45	373.000	Transportation Equipment - GP	\$228	13.00%	\$30
46	379.000	Other General Equipment	\$0	0.00%	\$0
47	394.000	Tools, Shop & Garage Equip.	\$1,239	5.00%	\$62
48	397.000	Communication Equipment	\$467	6.70%	\$31
49		TOTAL GENERAL PLANT	\$4,741		\$268
50		Total Depreciation	\$112,356		\$4,315

Rogue Creek Water
Interim Rate Case
WR-2013-0436
Test Year Ending 12-31-2012
Accumulated Depreciation Reserve - Water

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	302.000	Franchises	\$0			100.00%	\$0
4		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
5		SOURCE OF SUPPLY PLANT					
6	310.000	Land & Land Rights - SSP	\$0			100.00%	\$0
7	311.000	Structures & Improvements - SSP	\$0			100.00%	\$0
8	312.000	Collection & Impounding Reservoirs	\$0			100.00%	\$0
9	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
10	314.000	Infiltration Galleries & Tunnels 1	\$1,125			100.00%	\$1,125
11	315.000	Infiltration Galleries & Tunnels	\$0			100.00%	\$0
12	316.000	Supply Mains	\$50			100.00%	\$50
13		TOTAL SOURCE OF SUPPLY PLANT	\$1,175		\$0		\$1,175
14		PUMPING PLANT					
15	321.000	Structures & Improvements - PP	\$977			100.00%	\$977
16	325.000	Electric Pumping Equipment	\$0			100.00%	\$0
17	325.100	Submersible Electric Pumping	\$14,625			100.00%	\$14,625
18	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
19	328.000	Other Pumping Equipment	\$0			100.00%	\$0
20		TOTAL PUMPING PLANT	\$15,602		\$0		\$15,602
21		WATER TREATMENT PLANT					
22	330.000	Land & Land Rights-WTP	\$0			100.00%	\$0
23	331.000	Structures & Improvements - WTP	\$0			100.00%	\$0
24	332.000	Water Treatment Equipment	\$2,161			100.00%	\$2,161
25		TOTAL WATER TREATMENT PLANT	\$2,161		\$0		\$2,161
26		TRANSMISSION & DISTRIBUTION PLANT					
27	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
28	341.000	Structures & Improvements - T&D	\$0			100.00%	\$0
29	342.000	Distribution Reservoirs & Standpipes	\$4,426			100.00%	\$4,426
30	344.000	Fire Mains	\$0			100.00%	\$0
31	345.000	Services	\$8,205			100.00%	\$8,205
32	343.000	Transmission & Distribution Mains	\$34,808			100.00%	\$34,808
33	346.000	Meters- Bronze Chamber	\$0			100.00%	\$0
34	346.000	Meters- Plastic Chamber	\$13,267			100.00%	\$13,267
35	347.000	Meter Installations- Bronze	\$0			100.00%	\$0
36	347.000	Meter Installations- Plastic	\$5			100.00%	\$5
37	348.000	Other Transmission & Distribution Plant	\$0			100.00%	\$0
38	349.000	Hydrants	\$0			100.00%	\$0
39		TOTAL TRANS. & DISTRIBUTION PLANT	\$60,711		\$0		\$60,711
40		GENERAL PLANT					
41	370.000	Land & Land Rights-GP	\$0			100.00%	\$0
42	371.000	Structures & Improvements - GP	\$760			100.00%	\$760
43	372.000	Office Furniture & Equipment	\$0			100.00%	\$0
44	372.100	Office Computer Equipment	\$550			100.00%	\$550
45	373.000	Transportation Equipment - GP	\$420			100.00%	\$420
46	379.000	Other General Equipment	\$0			100.00%	\$0
47	394.000	Tools, Shop & Garage Equip.	\$732			100.00%	\$732
48	397.000	Communication Equipment	\$430			100.00%	\$430
49		TOTAL GENERAL PLANT	\$2,892		\$0		\$2,892
50		TOTAL DEPRECIATION RESERVE	\$82,541		\$0		\$82,541

Rogue Creek Water
Interim Rate Case
WR-2013-0436
Test Year Ending 12-31-2012
Accumulated Depreciation Reserve - Water

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> Jurisdictional Allocation To Rate Base Schedule	<u>G</u> Adjusted Jurisdictional
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Rogue Creek Water
Interim Rate Case
WR-2013-0436
Test Year Ending 12-31-2012
Schedule of Adjustments for Accumulated Depreciation Reserve - Water

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Reserve Adjustment Number	Accumulated Depreciation Reserve Adjustments Description	Account Number	Adjustment Amount	Total Adjustment Amount
Total Reserve Adjustments				\$0

Rogue Creek Water
Interim Rate Case
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Revenue Schedule - Water

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	\$15,677	Rev-2	\$250	100.00%	\$15,927
Rev-3		Miscellaneous Revenues	\$335	Rev-3	\$0	100.00%	\$335
Rev-4		TOTAL ANNUALIZED REVENUES	\$16,012		\$250		\$16,262

Rogue Creek Water
Interim Rate Case
WR-2013-0436
Test Year Ending 12-31-2012
Revenue Adjustment Schedule - Water

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Revenue Adj Number	Adjustment Description	Account Number	Adjustment Amount	Total Adjustment
Rev-2	Annualized Rate Revenues			\$250
	1. To Annualize Rate Revenues		\$250	
Rev-3	Miscellaneous Revenues			\$0
	1. To Annualize Miscellaneous Revenues		\$0	
Total Revenue Adjustments				\$250

Rogue Creek Water
Interim Rate Case
WR-2013-0436
Test Year Ending 12-31-2012
Rate Revenue Feeder Schedule - Water

Line Number	A Description	Residential 3/4"		Commercial 2"	
		B Amount	C Amount	D Amount	E Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	100		0	
3	Bills Per Year	12		0	
4	Customer Bills Per year	1,200		0	
5	Current Customer Charge	<u>\$11.51</u>		<u>\$0.00</u>	
6	Annualized Customer Charge Revenues		\$13,812		\$0
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	2,977,220		0	
9	Less: Base Gallons Included In Customer Charge	<u>1,200,000</u>		<u>0</u>	
10	Commodity Gallons	1,777,220		0	
11	Block 1, Commodity Gallons per Block	1,777,220		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>1,000</u>		<u>0</u>	
13	Block 1, Commodity Billing Units	1,777.22		0.00	
14	Block 1, Existing Commodity Charge	<u>\$1.19</u>		<u>\$0.00</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$2,115		\$0
16	Total Annualized Water Rate Revenues		<u>\$15,927</u>		<u>\$0</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.

Rogue Creek Water
Interim Rate Case
WR-2013-0436
Test Year Ending 12-31-2012
Rate Revenue Feeder Schedule - Water

Line Number	A Description	Total	
		F Amount	G Amount
1	<u>Customer Charge Revenues:</u>		
2	Customer Number	100	
3	Bills Per Year		
4	Customer Bills Per year	1,200	
5	Current Customer Charge		
6	Annualized Customer Charge Revenues		\$13,812
7	<u>Commodity Charge Revenues:</u>		
8	Total Gallons Sold	2,977,220	
9	Less: Base Gallons Included In Customer Charge	1,200,000	
10	Commodity Gallons	1,777,220	
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.		\$2,115
16	Total Annualized Water Rate Revenues		\$15,927

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.

**Rogue Creek Water
Interim Rate Case
WR-2013-0436
Test Year Ending 12-31-2012
Miscellaneous Revenues Feeder - Water**

Line Number	<u>A</u> Description	<u>B</u> Amount
1	Late Payment Fees	\$165
2	Reconnect Fees	\$135
3	Other Revenues	\$35
4	Total Miscellaneous Revenues	<u>\$335</u>

Rogue Creek Water
Interim Rate Case
WR-2013-0436
Test Year Ending 12-31-2012
Expense Schedule - Water

A	B	C	D	E	F	G	
Line Number	Account Number (Optional)	Expense Description	Company/ Test Year Amount	Adjustment Number	Adjustments	Jurisdictional Allocation	Adjusted Jurisdictional
1		OPERATIONS EXPENSES					
2		Receivership Fee (base charge)	\$7,200			100.00%	\$7,200
3		Certified Contract Operator	\$7,200			100.00%	\$7,200
4		Electricity - Well	\$1,730			100.00%	\$1,730
5		Chemicals (Salt for Softening)	\$5,220			100.00%	\$5,220
6		TOTAL OPERATIONS EXPENSE	<u>\$21,350</u>		<u>\$0</u>		<u>\$21,350</u>
7		MAINTENANCE EXPENSES					
8		Outside Services - Monthly Base Floyd - Misc. Maint.	\$600			100.00%	\$600
9		Outside Services - Misc. Repairs, Fix Leaks & Fix DNR Deficiencies	\$0			100.00%	\$0
10		Misc. Supplies	\$0			100.00%	\$0
11		System Maintenance	\$0			100.00%	\$0
12		Deferred System Maintenance Items	\$4,585			100.00%	\$4,585
13		TOTAL MAINTENANCE EXPENSE	<u>\$5,185</u>		<u>\$0</u>		<u>\$5,185</u>
14		CUSTOMER ACCOUNT EXPENSE					
15		Accounting Fees	\$0			100.00%	\$0
16		Billing & Collections - meter reading-Floyd	\$720			100.00%	\$720
17		Office Supplies - billing postcards	\$270			100.00%	\$270
18		Postage & P.O. Box Rental	\$300			100.00%	\$300
19		Uncollectible Accounts (1.5%)	\$0			100.00%	\$0
20		TOTAL CUSTOMER ACCOUNT EXPENSE	<u>\$1,290</u>		<u>\$0</u>		<u>\$1,290</u>
21		ADMINISTRATIVE & GENERAL EXPENSES					
22		Administration & General Salary	\$0			100.00%	\$0
23		Office Utilities	\$0			100.00%	\$0
24		Telephone & Internet	\$0			100.00%	\$0
25		Vehicle Insurance	\$0			100.00%	\$0
26		Vehicle Expense	\$0			100.00%	\$0
27		Medical Insurance	\$0			100.00%	\$0
28		Property & Liability Insurance	\$0			100.00%	\$0
29		Building Rent	\$0			100.00%	\$0
30		Dale J. Trips to System	\$3,210			100.00%	\$3,210
31		Past-Due Accounts Payable	\$10,450			100.00%	\$10,450
32		TOTAL ADMINISTRATIVE AND GENERAL	<u>\$13,660</u>		<u>\$0</u>		<u>\$13,660</u>
33		OTHER OPERATING EXPENSES					
34		MO DNR Fees	\$0			100.00%	\$0
35		PSC Assessment	\$140			100.00%	\$140
36		Corporate Registration	\$0			100.00%	\$0
37		CIAC Depreciation Offset	-\$2,645			100.00%	-\$2,645
38		To remove Depreciation Expense	-\$1,670			100.00%	-\$1,670
39		Depreciation	\$4,315	W-39	\$0	100.00%	\$4,315
40		TOTAL OTHER OPERATING EXPENSES	<u>\$140</u>		<u>\$0</u>		<u>\$140</u>
41		TAXES OTHER THAN INCOME					
42		Real & Personal Property Taxes	\$0			100.00%	\$0
43		Payroll Taxes	\$0			100.00%	\$0
44		TOTAL TAXES OTHER THAN INCOME	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
45		TOTAL OPERATING EXPENSES	<u>\$41,625</u>		<u>\$0</u>		<u>\$41,625</u>

Rogue Creek Water
Interim Rate Case
WR-2013-0436
Test Year Ending 12-31-2012
Expense Adjustment Schedule - Water

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Expense Adj Number	Adjustment Description	Account Number	Adjustment Amount	Total Adjustment
W-39	Depreciation			\$0
	1. To Annualize Depreciation		\$0	
Total Expense Adjustments				\$0

