

Exhibit No.:
Issues: *Acquisitions and
Cost of Service*
Witness: *Paul R. Harrison*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Rebuttal Testimony*
Case No.: *WA-2012-0066*
Date Testimony Prepared: *May 11, 2012*

**MISSOURI PUBLIC SERVICE COMMISSION
UTILITY SERVICES DEPARTMENT**

**REBUTTAL TESTIMONY
OF
PAUL R. HARRISON**

**MISSOURI-AMERICAN WATER COMPANY
CASE NO. WA-2012-0066**

*Jefferson City, Missouri
May 2012*

**TABLE OF CONTENTS OF
REBUTTAL TESTIMONY OF
PAUL R. HARRISON
MISSOURI-AMERICAN WATER COMPANY
CASE NO. WA 2012-0066**

Executive Summary 2

Missouri-American Water Company’s Acquisition 3

Saddlebrooke’s Cost of Service 7

AGP’s Recommended Conditions for Approval 8

1 Q. Have you testified before this Commission in other rate case proceedings?

2 A. Yes. Please see Schedule PRH-1 attached to this Testimony.

3 **EXECUTIVE SUMMARY**

4 Q. In summary, what does your Rebuttal testimony cover?

5 A. In this Rebuttal Testimony, I will address the Staff's position concerning the
6 following areas:

7 The first issue I address concerns whether the Staff's estimated net book value or the
8 purchase price of the acquired properties should be included in MAWC's rate base if MAWC
9 were to acquire Saddlebrooke's water and sewer systems. Both Staff and MAWC have
10 proposed to use the estimated net book value of the acquired Saddlebrooke properties as of
11 December 31, 2011 in establishing rates for this property. In Public Counsel's
12 Recommendation they state "... MAWC should earn a return-on and a return of their
13 investment (i.e. purchase price) rather than the net book value of the plant."

14 The second issue concerns Staff's methodology in proposing Saddlebrooke's Cost of
15 Service. Currently, Saddlebrooke is a non-regulated water and sewer company that is being
16 acquired by MAWC and, as such, many of the normal records that are used by Staff in the
17 development of a cost of service are not available or do not exist at this time. Staff used
18 actual costs to develop its proposed Cost of Service when the data was available, but had to
19 rely on estimates of some of the expense and capital items when there were no source
20 documents available. Such estimates are based on Staff's reasonable approximation of plant
21 in service by using the information that was available, documentation of the developer's
22 activities, and estimates of the cost of existing plant.

1 Finally, I will be addressing AGP witness Donald E. Johnstone's Direct Testimony
2 concerning his recommended conditions on approving the acquisition of Saddlebrooke's
3 water and sewer properties and his concerns with Staff's proposed Cost of Service
4 for Saddlebrooke.

5 **MISSOURI-AMERICAN WATER COMPANY'S ACQUISITION**

6 Q. What properties is MAWC requesting to acquire in its Certificate of
7 Convenience and Necessity (CCN) Application for this case?

8 A. MAWC has requested a CCN to purchase Saddlebrooke, which is a non-
9 regulated water and sewer company, located near Branson, Missouri. Saddlebrooke has
10 approximately 81 water and 81 sewer customers.

11 Q. Who currently owns and operates the Saddlebrooke water and sewer systems?

12 A. Clyde Lorange, the developer of Saddlebrooke Village, currently owns
13 Saddlebrooke. White River Valley Environmental Services maintains and operates the
14 system.

15 Q. When was the Saddlebrooke water and sewer system built?

16 A. The initial construction of Saddlebrooke began during calendar year 2004 and
17 ended in calendar year 2006.

18 Q. Is Staff recommending use of the estimated net book value or the purchase
19 price to value rate base for the Saddlebrooke properties?

20 A. Staff is recommending use of an estimated net book value of \$445,628 for rate
21 base valuation in this case.

22 Q. What is the estimated net book value of Saddlebrooke?

1 A. Staff calculated the total plant for Saddlebrooke's water and sewer properties
2 to be \$2,121,872 and \$2,256,588, respectively. Staff witness James A. Merciel of the Water
3 and Sewer Unit will provide supporting testimony on the estimated net plant.

4 Q. What sources did Staff use to value the rate base for Saddlebrooke in this case?

5 A. Staff reviewed MAWC's *Application*, supporting documents, and other
6 available information during its investigation. Staff was unable to obtain complete records
7 regarding the cost of the original construction of the utility systems from the developer or any
8 affiliated entity because the records no longer exist. Despite the unavailability of these
9 records, Staff was able to determine a reasonable approximation of plant in service by using
10 the information that was available, documentation of the developer's activities, its experience
11 and estimates of the cost of existing plant.

12 Q. Did Staff make any adjustments to its estimated plant values?

13 A. Yes. First, Staff made an adjustment to transfer the cost of water distribution
14 mains and collection sewers from plant in service accounts to the Contributions in Aid of
15 Construction (CIAC) account. Typically, relating to the construction of water distribution
16 mains and collection sewers in a subdivision, the developer of the subdivision pays for these
17 items. Staff believes this should also apply in this case and the water distribution mains and
18 collection sewers should be considered as CIAC.

19 Second, Staff made a capacity adjustment to remove \$178,758 from plant in service.
20 Staff witness Merciel will provide supporting testimony on this capacity adjustment.

21 Finally, Staff adjusted plant in service to include \$31,000, that upon acquisition, are
22 intended to correct safety, security, construction and operating deficiencies of both systems.

1 Staff witness Merciel of the Water and Sewer Unit will provide supporting testimony on the
2 additional plant.

3 Q. Does Public Counsel agree with Staff's inclusion of the \$31,000 for
4 improvements in safety, security and operating deficiencies for this case?

5 A. No. In Public Counsel's Recommendation, one of the primary concerns
6 expressed regarding Staff's proposed inclusion of these costs in Saddlebrooke's Cost of
7 Service was that the associated plant is not currently in-service and is not currently "used and
8 useful."

9 Unlike in a rate case, in a CCN case valuation of numerous cost of service items,
10 including plant, reserve, revenues and expenses are based upon an engineering feasibility
11 study spread out over a five year period or more into the future. Staff attempts to include as
12 much actual plant in service, revenues and expense information as is available when it makes
13 its Recommendation to the Commission in a CCN case; however, this data is normally not
14 available. It is important for utilities to begin lawful operation upon the approval of a CCN
15 application. Staff will perform a review of these estimated amounts the next time MAWC
16 files a company-wide rate case.

17 Q. Is Public Counsel recommending the use of estimated net book value or
18 purchase price for purposes of establishing Saddlebrooke's rate base in this case?

19 A. It is my understanding from reviewing Public Counsel's Recommendation in
20 this case that they propose the use of the purchase price to value rate base.

21 Q. Could you explain the difference between the two different methods
22 (net book value verses purchase price) that was used to value the plant for Saddlebrooke
23 in this proceeding?

1 A. Yes. Normally, if the purchase price is used instead of net book value to value
2 the plant assets, an “acquisition premium” or an “acquisition discount” adjustment is used in
3 valuing rate base.

4 Q. What is an acquisition premium or discount?

5 A. An acquisition premium occurs when the purchase price is greater than net
6 book value of the assets. An acquisition discount means that the purchase price is less than
7 net book value of the assets.

8 Q. What is Staff’s position on inclusion of acquisition premiums or acquisition
9 discounts in utility rate base?

10 A. Staff has taken a consistent position over a very long period of time to value
11 acquired assets in rate base at net original cost to the initial owner of the assets, and has
12 consistently opposed efforts to recognize either acquisition premiums or acquisition discounts
13 in utility rate base.

14 Q. Did Staff include an acquisition premium or discount adjustment in rate base
15 for the acquired properties in this case?

16 A. No.

17 Q. Is Staff opposed to Public Counsel’s proposal to recognize an acquisition
18 discount for this case?

19 A. Yes. Staff’s position is appropriate because using the net original cost, (to the
20 original owner) for valuation of plant in service in rate base provides the most objective value
21 for cost based regulation and does not penalize or benefit the purchasing company in any
22 single case. The use of acquisition premiums or discounts leads to assets being either

1 over-or-under-valued in rate base when determining a utilities cost of service to provide
2 service to ratepayers.

3 **SADDLEBROOKE'S COST OF SERVICE**

4 Q. How did Staff determine the Cost of Service for the Saddlebrooke properties in
5 this case?

6 A Staff reviewed MAWC's *Application*, supporting documents, and other
7 available information during its investigation. Staff was unable to obtain complete records for
8 the recent operation and maintenance expenses from the developer or its affiliated companies
9 because the records no longer exist. Despite the unavailability of these records, Staff was able
10 to determine a reasonable approximation of rate base, revenues and expenses by using the
11 information that was available, documentation of the developer's activities, and estimates of
12 the cost of existing plant.

13 Q. How was the revenue requirement for this case determined?

14 A. Staff conducted a review of all cost of service components (capital structure
15 and rate of return, rate base, revenues, depreciation expense, and operating expenses) which
16 comprise Saddlebrooke's revenue requirement. This audit was in response to MAWC's
17 Application to acquire Saddlebrooke.

18 Staff's recommended revenue requirement for Saddlebrooke's combined water
19 and sewer service at the midpoint of its return on equity (ROE) range of 9.45 percent
20 is approximately \$109,841. The weighted cost of capital for this case is the same that
21 was developed in the last MAWC rate case, No. WR-2011-0337. Please see the
22 Staff Accounting Schedules that are attached and incorporated herein as Schedule PRH-2 and

1 PRH-3 to this testimony for a more detailed breakout of Saddlebrooke's water and sewer
2 proposed Cost of Service.

3 **AGP'S RECOMMENDED CONDITIONS FOR APPROVAL**

4 Q. On page 8 and page 9 of Mr. Johnstone's Direct Testimony, he raises several
5 concerns or proposed conditions that he believes are needed in this case to avoid a detriment
6 to existing MAWC customers, would you respond to these concerns?

7 A. Yes. My response is included after listing each of the concerns Mr. Johnstone
8 raises in his Direct Testimony.

9 His first concern is that "Saddlebrooke's rates should be set at the cost of service."
10 (Johnstone Direct page 8, Lines 5-11). Response: Staff has conducted an audit of all costs
11 associated with Saddlebrooke's water and sewer service and the rates were developed in this
12 case based upon Saddlebrooke's cost of providing service to its ratepayers.

13 His second concern is "if there is to be an excess capacity adjustment, then a process
14 should be defined for resolving the excess capacity over time." (Johnston Direct Page 8,
15 Lines 12-16). Response: Staff made a capacity adjustment in this case to transfer a portion of
16 the costs currently booked to plant accounts to Saddlebrooke's Plant Held for Future Use
17 account. As new customers are added to the system, then these assets can be included into
18 rate base. The reason for this adjustment is that there are not currently enough customers to
19 fully utilize the water and sewer systems.

20 His third concern is "It is his understanding that MAWC and Staff will be supporting a
21 rate base valuation that exceeds the price to be paid by MAWC for the assets." (Johnstone
22 Direct page 8, Lines 17-20). Response: Staff has used estimated net book value to value rate
23 base for this case and Staff is opposed to using either an acquisition discount or premium to

1 value the amount of rate base that is included in this case. Staff's position on this concern is
2 discussed above in this testimony, and Staff's use of net book value is consistent with Staff's
3 treatment of rate base in other certificate cases.

4 His fourth concern regards MAWC's corporate overheads (Johnstone Direct Page 8,
5 Line 26 through Page 9, Line 5), wherein he states, "An appropriate level should be included
6 in the cost of service used to design the rates." Response: Staff and Company have included
7 an amount of incremental corporate costs in Saddlebrooke's cost of service which is based
8 upon the expected level of additional costs to be charged to Saddlebrooke as a result of the
9 acquisition.

10 His last concern regards Saddlebrooke's return on rate base and taxes. In his
11 testimony on Page 9, Lines 6-8, Mr. Johnstone states that "the return and income taxes that
12 flow from it should be even with return and taxes for existing customers." Staff has included
13 the same weighted cost of capital in the current case as the one that was included in the
14 MAWC most recent rate case, Case No. WR-2011-0337. Staff has also included the
15 appropriate amount of taxes in this current case which is based upon the Internal Revenue
16 Service and Missouri State tax code.

17 In conclusion, most if not all of AGP's concerns were appropriately addressed in
18 Staff's original filed Recommendation for this CCN case on January 6, 2012.

19 Q. Does this conclude your Rebuttal Testimony?

20 A. Yes, it does.


BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri-American Water)
Company for a Certificate of Convenience and) Case No. WA-2012-0066
Necessity Authorizing it to Install, Own,)
Acquire, Construct, Operate, Control, Manage) Case No. SA-2012-0067
and Maintain Water and Sewer Systems in)
Christian and Taney Counties, Missouri)

AFFIDAVIT OF PAUL R. HARRISON

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

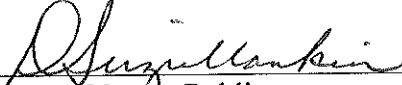
Paul R. Harrison, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Rebuttal Testimony in question and answer form, consisting of 9 pages to be presented in the above case; that the answers in the foregoing Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.



Paul R. Harrison

Subscribed and sworn to before me this 10th day of May, 2012.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 08, 2012
Commission Number: 08412071



Notary Public

Education, Background and Case Participation

Paul R. Harrison

I am a Utility Regulatory Auditor IV with the Missouri Public Service Commission (PSC or Commission). I have performed duties as a Utility Regulatory Auditor within the Auditing Unit at the Commission since January 18, 2000. I have also been responsible for the supervision of other Auditing Unit employees in rate cases and other regulatory proceedings before the Commission.

I graduated from Park College, Kansas City, Missouri, where I earned Bachelor of Science degrees in both Accounting and Management with Magna Cum Laude honors in July 1995. I earned an Associate degree in Missile Technology from the Community College of the Air Force in June 1990. I attended and received a certificate of completion of an 86-hour H&R Block income tax training course in July 1996 and begin my own tax practice during the same year. Each year, I receive Continuing Professional Education (CPE) through the Accounting CPE Network (ACPEN) concerning current accounting and auditing updates.

Prior to coming to work at the Commission, I was the manager for Tool Warehouse Inc. for four and one-half years. As the manager, I managed; supervised, coordinated and scheduled daily activities of personnel assigned to the Tool Warehouse. In addition, I created and maintained corporate monthly budgets; performed monthly inventory and generated inventory loss reports to corporate headquarters. I was responsible for the daily sales volume, performed break-even sales analysis and maintained all merchandise, (\$2.5 million), for the tool warehouse in accordance with Tool Warehouse policy and procedures.

Prior to being the manager of the Tool Warehouse Inc, I was in the United States Air Force (USAF) for twenty-three years. During my career in the USAF, I was assigned many

different duty positions with various levels of responsibility. I retired from active duty on May 1, 1994 as Superintendent of the 321st Strategic Missile Wing Missile Mechanical Flight. In that capacity, I supervised 95 missile maintenance technicians and managed assets valued in excess of \$50 million.

My duties at the Commission include performing audits of the books and records of regulated public utilities under the jurisdiction of the MoPSC, in conjunction with other Commission Staff (Staff) members. In this capacity, I am required to prepare testimony and serve as a Staff expert witness on rate cases concerning the ratemaking philosophy and methodology of issues that I am assigned. I have also participated in and supervised the work on a number of informal rate proceedings. As a senior auditor and the Lead Auditor on a number of cases, I have participated in the supervision and instruction of new accountants and auditors within the Utility Services Department.

I acquired general knowledge of these topics through my experience and analyses in prior rate cases before this Commission. I acquired knowledge of these topics through review of Staff work papers from prior rate cases brought before this Commission. I reviewed prior Commission decisions with regard to these areas. I reviewed the Company's testimony, annual reports, work papers and responses to Staff's data requests addressing these topics. In addition, my college coursework included accounting and auditing classes. Since commencing employment with the Commission, I have attended various in house training seminars and National Association of Regulatory Utility Commission (NARUC) training conferences. I have participated in approximately thirty formal rate case proceedings.

The Schedule below lists the rate cases and issues in which I filed testimony, the issues that I have been assigned; and the small informal rate cases that I have completed.

CASE PROCEEDING/PARTICIPATION

PAUL R. HARRISON

COMPANY	CASE NO.	TESTIMONY/ISSUES
SUMMARY OF FORMAL CASES		
Missouri American Water Company	WR-2011-0337 SR-2011-0338	<p align="center">February 2012</p> <p>Surrebuttal Testimony-Unamortized Balance of the Security AAO; Roark Sewer Plant Operating Expenses and MAWC's Acquisitions.</p> <p>Lead Auditor</p>
Missouri American Water Company	WR-2011-0337 SR-2011-0338	<p align="center">January 2012</p> <p>Rebuttal Testimony-Pension Tracker Mechanism and Acquisitions of Loma Linda, Aqua Missouri and Roark Water & Sewer.</p> <p>Lead Auditor</p>
Missouri American Water Company	WR-2011-0337 SR-2011-0338	<p align="center">November 2011</p> <p>Cost of Service Report- Pensions & OPEBS; Amortization of Regulatory Assets; Acquisitions; Plant in Service; Depreciation Reserve, Depreciation Expense, CIAC Amortization; Other Rate Base Items; Net Negative Salvage; Current & Deferred Income Taxes; ADIT; and Accounting Schedules.</p> <p>Lead Auditor</p>
Missouri American Water Company	WR-2011-0336	<p align="center">August 2011</p> <p>Infrastructure System Replacement Surcharge (ISRS)-2011</p>
The Empire District Electric Company	ER-2011-0004	<p align="center">February 2011</p> <p>Surrebuttal Testimony-Infrastructure Remediation Costs; FAS 123 Accumulated Deferred Income Taxes</p>
The Empire District Electric Company	ER-2011-0004	<p align="center">February 2011</p> <p>Cost of Service Report-Current & Deferred Income Taxes; ADIT; and Infrastructure & Tree Trimming Expense</p>
KCPL-GMO MPS & L&P Electric	ER-2010-0356	<p align="center">January 2011</p> <p>Surrebuttal Testimony- Advanced Coal Credits ITC; KC Earnings Tax</p> <p>True-Up - Pensions & OPEBS; Current Income & Deferred Taxes</p> <p>Litigated- Advanced Coal Credit ITC</p>

COMPANY	CASE NO.	TESTIMONY/ISSUES
Kansas City Power & Light (KCPL)	ER-2010-0355	<p align="center">January 2011</p> <p>Surrebuttal Testimony- Advanced Coal Credits ITC; KC Earnings</p> <p>True-Up - Pensions & OPEBS; Current Income & Deferred Taxes</p> <p>Litigated- Advanced Coal Credit ITC</p>
Kansas City Power & Light (KCPL)	ER-2010-0355	<p align="center">December 2010</p> <p>Rebuttal Testimony- Regulatory Plan Amortization Impact on Income Taxes</p>
KCPL-GMO MPS & L&P Electric	ER-2010-0356	<p align="center">November 2010</p> <p>Cost of Service Report- Pensions & OPEBS; Current & Deferred Income Taxes; Advanced Coal Credits ITC; KC Earnings Tax and Regulatory Plan Amortization Impact on Income Taxes</p>
Kansas City Power & Light (KCPL)	ER-2010-0355	<p align="center">November 2010</p> <p>Cost of Service Report- Pensions & OPEBS; Current & Deferred Income Taxes; Advanced Coal Credits ITC; KC Earnings Tax and Regulatory Plan Amortization Impact on Income Taxes</p>
The Empire District Electric Company	ER-2010-0130	<p align="center">April 2010</p> <p>Surrebuttal Testimony – Bad Debt Expense; Infrastructure Rule Expense; State Income Tax Flow Through Prior to 1994 – Tax Timing Differences</p> <p>Lead Auditor</p>
The Empire District Electric Company	ER-2010-0130	<p align="center">April 2010</p> <p>Rebuttal Testimony – State Income Tax Flow-Through Prior to 1994 – Tax Timing Differences</p> <p>Lead Auditor</p>
The Empire District Electric Company	ER-2010-0130	<p align="center">February 2010</p> <p>Cost of Service Report- Allocations; Pensions & OPEBS; DSM Program; Amortization Rate Base & Expense; Revenues; Bad Debt; Banking Fees; Infrastructure & Tree Trimming Expense; Employee Benefits; Lease Expense; O&M Expenses New Plant; Carrying Cost New Plant; Current & Deferred Income Taxes.</p> <p>Lead Auditor</p>
The Empire District Gas Company	GR-2009-0434	<p align="center">October 2009</p> <p>Cost of Service Report- Allocations/Rents; Right-of-Way Clearing; AAO-MGP Costs; Franchise Fees; Reconciliation; Current & Deferred Income Taxes.</p>

COMPANY	CASE NO.	TESTIMONY/ISSUES
		Lead Auditor
Kansas City Power & Light (KCPL)	ER-2009-0089	<p align="center">April 2009</p> <p>Surrebuttal- Non-Talent Assessment Severance Costs</p> <p>True-Up - Pensions & OPEBS; Current & Deferred Income Taxes</p>
KCPL-GMO MPS & L&P Electric	ER-2009-0090	<p align="center">April 2009</p> <p>Surrebuttal-Cost of Removal-Income Taxes, Regulatory Asset Amortization.</p> <p>True-Up - Pensions & OPEBS; Income & Deferred Taxes</p> <p>Lead Auditor</p>
Kansas City Power & Light (KCPL)	ER-2009-0089	<p align="center">March 2009</p> <p>Cost of Service Report- Pensions & OPEBS; Non-Talent Assessment Severance Costs; Officer Expenses; Meals & Entertainment Expense; Employee Relocation Expense; Lobbying Expense; Lease Expenses; Non-Operating Cost Adjustment; Current & Deferred Income Taxes</p>
KCPL-GMO MPS & L&P Electric	ER-2009-0090	<p align="center">March 2009</p> <p>Cost of Service Report- Pensions & OPEBS; Miscellaneous Adjustments; SJLP Merger Transition Costs; Employee Relocation Expense; Lease Expenses; Current & Deferred Income Taxes</p> <p>Lead Auditor</p>
KCPL-GMO L&P Steam	HR-2009-0092	<p align="center">March 2009</p> <p>Cost of Service Report- Pensions & OPEBS; Miscellaneous Adjustments; Current & Deferred Income Taxes</p> <p>Lead Auditor</p>
Missouri American Water Company	WR-2008-0311	<p align="center">October 2008</p> <p>Surrebuttal- Belleville Lab Allocations; Compensation for Services MAWC Provided to AWR</p> <p>Litigated- Corporate Allocations</p> <p>True-Up - Corporate Allocations; Income & Deferred Taxes</p> <p>Lead Auditor</p>
		August 2008

COMPANY	CASE NO.	TESTIMONY/ISSUES
Missouri American Water Company	WR-2008-0311	Cost of Service Report- Case Reconciliation; Corporate Allocations & Expenses; Belleville Lab Allocations; Compensation for Services MAWC Provided to AWR; Current & Deferred Income Taxes Lead Auditor
Laclede Gas Company		Separate Docket Investigation of Affiliated Transactions, Corporate Allocations & Appropriate Time Charges Between Laclede's Regulated & Unregulated Subsidiaries
Missouri Gas Utility	GR-2008-0060	February 2008 Cost of Service Report- Revenue Requirement Run (EMS) Merger & Acquisition Costs (Start-Up Costs); Corporate Allocations; Current & Deferred Income Taxes Lead Auditor
Missouri Gas Energy	GU-2007-0480	July 2008 Rebuttal- AAO Manufactured Gas Plant Litigated- Manufactured Gas Plant Lead Auditor
Missouri Gas Energy	GU-2007-0480	September 2007 Memorandum – AAO Manufactured Gas Plant Lead Auditor
Laclede Gas Company	GR-2007-0208	May 2007 Direct – Affiliated Operations; HVAC & Home Sale Inspection; Injuries & Damages; Insurance; 401 (k) Expenses; Pensions & OPEBS; Non-Qualified Pension Plan Expenses; Current & Deferred Income Taxes True-UP – Current & Deferred Income Taxes
Missouri Gas Energy	GR-2006-0422	November 2006 Rebuttal- Environmental Response Fund, Manufactured Gas Plant Litigated- Manufactured Gas Plant
		October 2006 Direct– Revenues; Purchased Gas Adjustments; Bad Debt Expense; ECWR AAO Bad Debt: Rent; Pensions & OPEBS; Income Taxes; Franchise Taxes; Manufactured

COMPANY	CASE NO.	TESTIMONY/ISSUES
Missouri Gas Energy	GR-2006-0422	Gas Plant, and Case Reconciliation Litigated- Emergency Cold Weather Rule True-Up - Revenues; Bad Debt Expense; Pensions & OPEBS; Income Taxes
The Empire Electric Company	ER-2006-0315	July 2006 Rebuttal- Storm Damage Tracker
The Empire Electric Company	ER-2006-0315	June 2006 Direct- Tree Trimming Expense and Construction Over-Run Costs
Missouri Pipeline & Missouri Gas Company LLC	GC-2006-0378	November 2006 Plant in Service, Depreciation Reserve, Depreciation Expense, Transactions & Acquisition Costs and Current & Deferred Income Taxes
New Florence Telephone	TC-2006-0184	October 2006 Plant in Service; Depreciation Reserve; Depreciation Expense; Plant Overage; and Materials & Supplies
Cass County Telephone	TC-2005-0357	July 2006 Plant in Service; Depreciation Reserve; Depreciation Expense; Plant Overage; Plant Held for Future Use and Missouri Universal Service Fund
Cass County Telephone & New Florence Telephone Fraud Investigation Case	TO-2005-0237	May 2006 Fraud Investigation case involving Cass County Telephone and New Florence Telephone
Missouri Gas Energy	GR-2004-0209	June 2004 Surrebuttal - Revenues and Bad Debt Expense True-Up - Revenues; Bad Debt Expense; Current & Deferred Income Taxes
Missouri Gas Energy	GR-2004-0209	May 2004 Rebuttal - Revenues; Bad Debt Expense; and Manufactured Gas Plant Litigated- Manufactured Gas Plant
Missouri Gas Energy	GR-2004-0209	April 2004 Direct – Revenues; Purchased Gas Adjustments; Bad Debt Expense; Medical Expense; Rents; Incentive

COMPANY	CASE NO.	TESTIMONY/ISSUES
		Compensation and Current & Deferred Income Taxes
Union Electric Company d/b/a AmerenUE (Gas)	GR-2003-0517	<p align="center">October 2003</p> Direct – Corporate Allocations; UEC Missouri Gas Allocations; CILCORP Allocations; Rent Expense; Maintenance of General Plant Expense; Lease Agreements; and Employee Relocation Expense
Union Electric Company d/b/a AmerenUE (Electric)	EC-2002-1	<p align="center">June 2002</p> Surrebuttal - Coal Inventory; Venice Power Plant Fire; Tree Trimming Expense; and Automated Meter Reading Service
Laclede Gas Company	GR-2002-356	<p align="center">June 2002</p> Direct - Payroll; Payroll Taxes; 401k Pension Plan; Health Care Expenses; Pension Plan Trustee Fees; Incentive Compensation and Clearing Account: True- Up – Payroll; Payroll Taxes; and Clearing Accounts
Union Electric Company d/b/a AmerenUE (2 nd period, 3 rd EARP) (Electric)	EC-2002-1025	<p align="center">April 2002</p> Direct - Revenue Requirement Run; Plant in Service; Depreciation Reserve; Other Rate Base items; Venice Power Plant Fire expenditures; Tree Trimming Expense; and Coal Inventory
2 nd Complaint Case, Union Electric Company d/b/a AmerenUE (Electric) New Test Year ordered by the Commission.	EC-2002-1	<p align="center">March 2002</p> Direct - Materials and Supplies; Prepayments; Fuel Inventory; Customer Advances for Construction; Customer Deposits; Plant in Service; Depreciation Reserve; Venice Power Plant Fire Expenditures; Tree-Trimming Expense; Automated Meter Reading Expense; Customer Deposit Interest Expense; Year 2000 Computer Modification Expense; Regulatory Advisor’s Consulting Fees; and Property Taxes Deposition – April 11, 2002

COMPANY	CASE NO.	TESTIMONY/ISSUES
1 st Complaint Case, Union Electric Company d/b/a AmerenUE (Electric)	EC-2002-1	<p align="center">July 2001</p> <p>Direct - Materials and Supplies; Prepayments; Fuel Inventory; Customer Advances for Construction; Customer Deposits; Plant in Service; Depreciation Reserve; Power Plant Maintenance Expense; Tree-Trimming Expense; Automated Meter Reading Expense; Customer Deposit Interest Expense; Year 2000 Computer Modification Expense; Computer Software Expense; Regulatory Advisor's Consulting Fees; Board of Directors Advisor's Fees and Property Taxes.</p> <p>Deposition – November 27 2001</p>
Union Electric Company d/b/a AmerenUE (2 nd period, 2 nd EARP) (Electric)	EC-2001-431	<p align="center">February 2001</p> <p>Coal Inventory</p>
Union Electric Company d/b/a AmerenUE (Gas)	GR-2000-512	<p align="center">August 2000</p> <p>Direct - Cash Working Capital; Advertising Expense; Missouri PSC Assessment; Dues and Donations; Automated Meter Reading Expenses; Computer System Software Expenses (CSS); Computer System Software Expenses (Y2K); Computer System Software Expenses (EMPRV); Generation Strategy Project Expenses; Regulatory Advisor's Consulting fees and Board of Directors Advisor's fees.</p>
SUMMARY OF INFORMAL CASES		
Missouri American Water Company's Acquisition of Saddlebrooke	GA-2012-0066	<p align="center">IN Progress</p> <p>Rebuttal Testimony- Acquisition Adjustment; Cost of Service to included Rate Base; Revenues & Expenses</p>
Summit Natural Gas of Missouri, Inc.	GA-2012-0285	<p align="center">January 2012</p> <p>Staff Recommendation - Summit Natural Gas of Missouri, Inc. Certificate of Convenience & Necessarily Concerning review of Feasibility Study and Development of Expenses & Revenues.</p>
Missouri American Water Company	WA-2012-0066	<p align="center">IN Progress</p> <p>Staff Recommendation - Saddlebrooke Acquisition & Certificate of Convenience & Necessarily Concerning review of MAWC Application and Development of Cost of Service; Rate Base; Revenues & Expenses.</p>

COMPANY	CASE NO.	TESTIMONY/ISSUES
Missouri American Water Company & Roark Water Acquisition Case	WO-2011-0213 SO-2011-0214	<p align="center">March 2011</p> Memorandum-- Plant in Service; Depreciation Reserve; Other Rate Base Items including CIAC & CIAC Amortization Lead Auditor
Tri-State Water Company	WR-2011-0037	<p align="center">March 2011</p> Cost of Service; Rate Case Expense; Medical; Insurance; Communications Expense; Transportation Expense; Office Expense; Miscellaneous maintenance expenses; Rate Base and Current & Deferred Income Taxes Lead Auditor
Raytown Water Company	WR-2010-0304	<p align="center">February 2011</p> Cost of Service; Affiliated Transactions; Tank Painting; Hydrant Maintenance; City Permit Fees; EIERA Insurance Costs; I&D & Workers Comp; CIAC; Board of Directors Fees; DNR Fees; Education Expense; Software & IT Expenses; Office Expense & Lease Equipment; Franchise Taxes; Current & Deferred Income Taxes Lead Auditor
Noel Water Company	WR-2009-0395	<p align="center">August 2009</p> Cost of Service; All Revenues & Expenses related to Noel Water Company; Plant in Service; Depreciation Reserve & other Rate Base Items. Lead Auditor
Tri-State Water Company	WR-2009-0058	<p align="center">May 2008</p> Cost of Service; Payroll; rent expense; miscellaneous maintenance expenses; Rate Base and Current & Deferred Income Taxes. Lead Auditor
Big Island Water & Sewer	WA-2006-0480 SA-2006-0482	<p align="center">January 2007</p> Direct - Certificate of Necessitate Application Case: Cost of Service; All Revenues & Expenses related to Big Island Water & Sewer; Plant in Service; Depreciation Reserve & other Rate Base Items. Lead Auditor

COMPANY	CASE NO.	TESTIMONY/ISSUES
Aqua Missouri Water and Sewer	QS-2005-0008 QW-2005-009 QS-2005-0010 QW-2005-0011	<p align="center">October 2006</p> All Revenues & Expenses related to Aqua MO Water & Sewer; Plant in Service; Depreciation Reserve & other Rate Base Items. Lead Auditor
Lake Region Water and Sewer Certificate Case	WA-2005-0463	<p align="center">October 2006</p> Certificate of Necessitate Application Case Lead Auditor
Tri-State Utility Inc.	WA-2006-0241	<p align="center">May 2006</p> Certificate of Necessitate Application Case Lead Auditor
Osage Water Company Environmental Utilities Missouri American Water	WO-2005-0086	<p align="center">February 2005</p> Rate Base; Cost of Service; Income Statement Items; Pre-Post Sale of OWC, Sale of EU Assets to MAWC
North Suburban Water & Sewer	WF-2005-0164	<p align="center">December 2004</p> Sale of All Stocks of Lake Region Water & Sewer to North Suburban Water & Sewer, Value of Rate Base Assets, Acquisition Premium Lead Auditor
Mill Creek Sewer	SR-2005-0116	<p align="center">December 2004</p> Cost of Service; All Revenues & Expenses related to Mill Creek Sewer; Plant in Service; Depreciation Reserve & other Rate Base Items. Lead Auditor
Roark Water and Sewer	WR-2005-0153 SR-2005-0154	<p align="center">September 2004</p> Cost of Service; All Revenues & Expenses related to Roark Water & Sewer; Plant in Service; Depreciation Reserve & other Rate Base Items. Lead Auditor
Osage Water Company	WT-2003-0583 SR-2003-0584	<p align="center">December 2003</p> Cost of Service; All Revenues & Expenses related to Osage Water; Plant in Service; Depreciation Reserve & other Rate Base Items

COMPANY	CASE NO.	TESTIMONY/ISSUES
SUMMARY OF NON-CASE RELATED AUDITS		
January 2006 – Environmental Utilities and Osage Water Company Audit Concerning Provision of Service to Eagle Woods Subdivision and Disconnect Notice		
November 2004 - Internal Audit of Public Service Commission (PSC) Fixed Assets, Physical Inventory Control Process and Location of Assets		

Exhibit No.:
Issue: Accounting Schedules
Witness: MO PSC Auditors
Sponsoring Party: MO PSC Staf
No: WA-2012-0066
Date Prepared: 5/11/2012



MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES

STAFF ACCOUNTING SCHEDULES

SADDLEBROOKE WATER

NO. WA-2012-0066

Jefferson City, Missouri

May-12

Schedule PRH-2

Saddlebrooke Water
Small Company Cost of Service
Tracking Number WA-2012-0066
12-Month 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
Rev-1	ANNUALIZED REVENUES					
Rev-2	Annualized Rate Revenues		(1) \$62,567			
Rev-3	Miscellaneous Revenues		(1) \$0			
Rev-4	TOTAL ANNUALIZED REVENUES		<u>\$62,567</u>			
1	OPERATIONS EXPENSES					
2	Operation Labor & Expenses	601.000	\$6,075	\$2,025	\$4,050	33.33%
3	Salaries/Wages - Admin & General - 96 USOA	601.200	\$0	\$0	\$0	0.00%
4	Salaries/Wages - Off. & Directors - 96 USOA	603.000	\$0	\$0	\$0	0.00%
5	Employee Pension and Benefits - 96 USOA	604.000	\$0	\$0	\$0	0.00%
6	Purchased Power - 96 USOA	615.000	\$0	\$0	\$0	0.00%
7	Chemicals - 96 USOA	618.000	\$0	\$0	\$0	0.00%
8	Materials & Supplies (small tools) - 96 USOA	620.000	\$0	\$0	\$0	0.00%
9	Water Testing Expense - 96 USOA	619.000	\$5,832	\$0	\$5,832	0.00%
10	Purchased Water	602.000	\$0	\$0	\$0	0.00%
11	Fuel or Power Purchased	623.000	\$14,350	\$0	\$14,350	0.00%
12	Chemicals	641.000	\$900	\$0	\$900	0.00%
13	Misc. Expense - Water Testing	643.000	\$0	\$0	\$0	0.00%
14	Storage Facilities Expenses	661.000	\$0	\$0	\$0	0.00%
15	Meter Expenses	663.000	\$0	\$0	\$0	0.00%
16	Customer Installations Expenses	664.000	\$0	\$0	\$0	0.00%
17	Misc. Expenses	665.000	\$0	\$0	\$0	0.00%
18	TOTAL OPERATIONS EXPENSE		<u>\$27,157</u>	<u>\$2,025</u>	<u>\$25,132</u>	
19	MAINTENANCE EXPENSES					
20	Maintenance Pumping Plant - 96 USOA	625.000	\$0	\$0	\$0	0.00%
21	Maint. Super Engine (Trans & Distr) - 96 USOA	672.100	\$0	\$0	\$0	0.00%
22	Maint. of Services (Trans. & Distr) - 96 USOA	672.200	\$0	\$0	\$0	0.00%
23	Maint. of Meters (Trans. & Distr) - 96 USOA	672.300	\$0	\$0	\$0	0.00%
24	Other Trans. & Distr Expenses - 96 USOA	672.900	\$0	\$0	\$0	0.00%
25	Maintenance of General Plant - 96 USOA	675.500	\$0	\$0	\$0	0.00%
26	Maintenance of Structures & Improvements	671.000	\$0	\$0	\$0	0.00%
27	Maintenance of Distribution Reservoirs	672.000	\$0	\$0	\$0	0.00%
28	Maintenance of Trans. & Distribution Mains	673.000	\$0	\$0	\$0	0.00%
29	Maintenance of Fire Mains	674.000	\$0	\$0	\$0	0.00%
30	Maintenance of Services	675.000	\$0	\$0	\$0	0.00%
31	Maintenance of Meters	676.000	\$0	\$0	\$0	0.00%
32	Maintenance of Hydrants	677.000	\$0	\$0	\$0	0.00%
33	Maintenance of Misc. Plant	678.000	\$0	\$0	\$0	0.00%
34	TOTAL MAINTENANCE EXPENSE		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
35	CUSTOMER ACCOUNT EXPENSE					
36	Meter Read	902.000	\$0	\$0	\$0	0.00%
37	Customer Records & Collections	903.000	\$0	\$0	\$0	0.00%
38	Postage	903.100	\$0	\$0	\$0	0.00%
39	Uncollectible Accounts	904.000	\$0	\$0	\$0	0.00%
40	Misc. Customer Accounts Expenses	905.000	\$0	\$0	\$0	0.00%
41	TOTAL CUSTOMER ACCOUNT EXPENSE		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
42	ADMINISTRATIVE & GENERAL EXPENSES					
43	Contractual Services (Engineer) - 96 USOA	631.000	\$0	\$0	\$0	0.00%
44	Contractual Services (Accounting) - 96 USOA	632.000	\$0	\$0	\$0	0.00%
45	Contractual Services (Legal) - 96 USOA	633.000	\$0	\$0	\$0	0.00%
46	Contractual Services (Mgmt Fees) - 96 USOA	634.000	\$0	\$0	\$0	0.00%
47	Contractual Services (Other) - 96 USOA	636.000	\$0	\$0	\$0	0.00%
48	Rental of Building (Real Prop.) - 96 USOA	641.000	\$0	\$0	\$0	0.00%
49	Transportation Expenses - 96 USOA	650.000	\$0	\$0	\$0	0.00%
50	Insurance - Vehicle - 96 USOA	656.000	\$0	\$0	\$0	0.00%
51	Insurance General Liability - 96 USOA	657.000	\$0	\$0	\$0	0.00%
52	Insurance (Workman's Comp) - 96 USOA	658.000	\$0	\$0	\$0	0.00%

Saddlebrooke Water
Small Company Cost of Service
Tracking Number WA-2012-0066
12-Month 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
53	Insurance - Life	659.100	\$0	\$0	\$0	0.00%
54	Insurance - Property - 96 USOA	659.200	\$0	\$0	\$0	0.00%
55	Bad Debt Expense - 96 USOA	670.000	\$0	\$0	\$0	0.00%
56	Misc. Expenses - Other Rents - 96 USOA	675.100	\$0	\$0	\$0	0.00%
57	Misc. Expense Uniforms 96- USOA	675.300	\$0	\$0	\$0	0.00%
58	Misc. Travel Expenses - 96 USOA	675.600	\$0	\$0	\$0	0.00%
59	Misc. Expense - Sales Tax Short/Long	675.625	\$0	\$0	\$0	0.00%
60	Misc. Expense - Payroll Taxes	675.650	\$0	\$0	\$0	0.00%
61	Misc. Expenses Other - 96 USOA	675.950	\$0	\$0	\$0	0.00%
62	Misc. Expense Telephone - 96 USOA	930.100	\$0	\$0	\$0	0.00%
63	Misc. Expense Penalties - 96 USOA	930.200	\$0	\$0	\$0	0.00%
64	Misc. Expense Office Utilities - 96 USOA	930.300	\$0	\$0	\$0	0.00%
65	Misc. Expense - Sec. of State Fees - 96 USOA	930.500	\$0	\$0	\$0	0.00%
66	Misc. Expense - Other A&G - 96 USOA	930.900	\$0	\$0	\$0	0.00%
67	Misc. General Expense - 96 USOA	930.950	\$0	\$0	\$0	0.00%
68	Administration & General Salary - Officers & Directors	920.000	\$0	\$0	\$0	0.00%
69	Corporate Allocations	920.100	\$1,620	\$810	\$810	50.00%
70	Office Supplies and Other Expenses	921.000	\$0	\$0	\$0	0.00%
71	Office Utilities	921.100	\$0	\$0	\$0	0.00%
72	Outside Services - Accounting	923.000	\$0	\$0	\$0	0.00%
73	Outside Service - Engineering	923.100	\$0	\$0	\$0	0.00%
74	Outside Services - Legal	923.200	\$0	\$0	\$0	0.00%
75	Outside Service - Other	923.300	\$0	\$0	\$0	0.00%
76	Insurance - General Liability	924.000	\$0	\$0	\$0	0.00%
77	Insurance - Property	924.100	\$0	\$0	\$0	0.00%
78	Insurance - Vehicle	924.200	\$0	\$0	\$0	0.00%
79	Insurance (Workman's Comp)	925.000	\$0	\$0	\$0	0.00%
80	Life Insurance Expense	925.100	\$0	\$0	\$0	0.00%
81	Employee Medical, Dental & Vision	926.000	\$0	\$0	\$0	0.00%
82	Regulatory Commission Expenses	928.000	\$352	\$117	\$235	33.33%
83	Regulatory Commission Expenses - DNR Fees	928.100	\$0	\$0	\$0	0.00%
84	Rate Case Expense	928.200	\$0	\$0	\$0	0.00%
85	Advertising Expense	930.100	\$0	\$0	\$0	0.00%
86	Misc. General Expenses	930.200	\$648	\$333	\$315	51.38%
87	Misc. Lunch & Meals	930.400	\$0	\$0	\$0	0.00%
88	Officer & Director Travel Expenses	930.500	\$0	\$0	\$0	0.00%
89	Telephone Expense	930.600	\$0	\$0	\$0	0.00%
90	Dues & Subscriptions	930.560	\$0	\$0	\$0	0.00%
91	Rents	931.000	\$0	\$0	\$0	0.00%
92	Rents - Equipment	931.100	\$0	\$0	\$0	0.00%
93	Transportation Expenses	933.000	\$0	\$0	\$0	0.00%
94	TOTAL ADMINISTRATIVE AND GENERAL		\$2,620	\$1,260	\$1,360	
95	OTHER OPERATING EXPENSES					
96	Interest on Customer Deposits	431.100	\$0	\$0	\$0	0.00%
97	Depreciation - CIAC Offset	251.000	\$0	\$0	\$0	0.00%
98	Corporate Registration		\$0	\$0	\$0	0.00%
99	Other Operating Expense		\$0	\$0	\$0	0.00%
100	Amortization Expense		\$0	\$0	\$0	0.00%
101	CIAC Depreciation Offset		\$0	\$0	\$0	0.00%
102	Depreciation		\$6,205	\$2,068	\$4,137	33.33%
103	TOTAL OTHER OPERATING EXPENSES		\$6,205	\$2,068	\$4,137	
104	TAXES OTHER THAN INCOME					
105	Misc. Expense (Other Taxes) - 96 USOA	675.675	\$0	\$0	\$0	0.00%
106	Misc. Expense (Property Tax) - 96 USOA	930.600	\$0	\$0	\$0	0.00%
107	Payroll Taxes	408.000	\$0	\$0	\$0	0.00%
108	Property Taxes	408.100	\$3,644	\$1,215	\$2,429	33.33%
109	Other Taxes	408.200	\$0	\$0	\$0	0.00%
110	TOTAL TAXES OTHER THAN INCOME		\$3,644	\$1,215	\$2,429	
111	TOTAL OPERATING EXPENSES		\$39,626	\$6,568	\$33,058	

Saddlebrooke Water
 Small Company Cost of Service
 Tracking Number WA-2012-0066
 12-Month 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
112	Interest Expense		(3) \$9,322	\$3,107	\$6,215	33.33%
113	Return on Equity		(3) \$10,896	\$3,632	\$7,264	33.33%
114	Income Taxes		(3) \$2,713	\$904	\$1,809	33.33%
115	TOTAL INTEREST RETURN & TAXES		<u>\$22,931</u>	<u>\$7,643</u>	<u>\$15,288</u>	
116	TOTAL COST OF SERVICE		\$62,557	\$14,211	\$48,346	
117	Less: Miscellaneous Revenues		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	0.00%
118	COST TO RECOVER IN RATES		<u>\$62,557</u>	<u>\$14,211</u>	<u>\$48,346</u>	
119	INCREMENTAL INCREASE IN RATE REVENUES		<u><u>-\$10</u></u>			
120	PERCENTAGE OF INCREASE		<u><u>-0.02%</u></u>			
121	REQUESTED INCREASE IN REVENUES		\$0			

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

Saddlebrooke Water
Small Company Cost of Service
Tracking Number WA-2012-0066
12-Month 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	\$312,026	From Plant Schedule
2	Less Accumulated Depreciation Reserve	\$45,366	From Depreciation Reserve Schedule
3	Net Plant In Service	\$266,660	
4	Other Rate Base Items:	\$0	
	CIAC Depreciation Offset	\$0	
	Contribution in Aid of Construction	\$0	
5	Total Rate Base	\$266,660	
6	Total Weighted Rate of Return Including Income Tax	8.60%	From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	<u>\$22,931</u>	

Saddlebrooke Water
 Small Company Cost of Service
 Tracking Number WA-2012-0066
 12-Month 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	15.00% (1) & (2)	<u>14.13%</u>	(1 - B1) x A2
3	Composite Effective Income Tax Rate		19.94%	B1 + B2
4	Equity Tax Factor		1.2490	1 / (1-B3)
5	Recommended Weighted Rate of Return on Equity - Common and Preferred		<u>4.09%</u>	From Capital Structure Schedule
6	Weighted Rate of Return on Equity Including Income Tax		5.10%	B4 x B5
7	Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term		<u>3.50%</u>	From Capital Structure Schedule
8	Total Weighted Rate of Return Including Income Tax		<u><u>8.60%</u></u>	B6+B7

To Rate Base Schedule

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

Equity Income Required \$12,819
 & Preliminary Federal Tax

Tax Rate Table

Net Income Range				
Start	End	Tax Rate	Amount in Range	Tax on Range
\$0	\$50,000	15.00%	\$12,819	\$1,923
\$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>\$12,819</u>	<u>\$1,923</u>
			Consolidated Tax Rate:	
			Average Tax Rate:	0.15

Saddlebrooke Water
Small Company Cost of Service
Tracking Number WA-2012-0066
12-Month 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	\$4,127,725	42.95%	9.45%	4.059%
2	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%
3	Preferred Stock	\$27,818	0.29%	9.21%	0.027%
4	Long Term Debt	\$5,455,031	56.76%	6.16%	3.496%
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>\$9,610,574</u>	<u>100.00%</u>		<u>7.582%</u>

To PreTax Return Rate Schedule

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

Saddlebrooke Water
Small Company Cost of Service
Tracking Number WA-2012-0066
12-Month 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	\$0			100.00%	\$0
3	302.000	Franchises and Consents	\$0			100.00%	\$0
4	303.000	Misc. Intangible Plant	\$0			100.00%	\$0
5		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
6		SOURCE OF SUPPLY PLANT					
7	310.000	Land & Land Rights	\$20,000			100.00%	\$20,000
8	311.000	Structures & Improvements	\$15,000			100.00%	\$15,000
9	311.000	Structures & Improvements 2 FENCE	\$11,500			100.00%	\$11,500
10	312.000	Collection & Impounding Reservoirs	\$0			100.00%	\$0
11	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
12	314.000	Wells & Springs	\$101,872			100.00%	\$101,872
13	316.000	Supply Mains	\$0			100.00%	\$0
14	317.000	Other Water Source Plant	\$0			100.00%	\$0
15		TOTAL SOURCE OF SUPPLY PLANT	\$148,372		\$0		\$148,372
16		PUMPING PLANT					
17	321.000	Structures & Improvements - PP	\$0			100.00%	\$0
18	325.000	Electric Pumping Equipment	\$10,000	P-18	-\$7,540	100.00%	\$2,460
19	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
20	327.000	Hydraulic Pumping Equipment	\$0			100.00%	\$0
21	328.000	Other Pumping Equipment	\$5,500			100.00%	\$5,500
22		TOTAL PUMPING PLANT	\$15,500		-\$7,540		\$7,960
23		WATER TREATMENT PLANT					
24	330.000	Land & Land Rights-WTP	\$0			100.00%	\$0
25	331.000	Structures & Improvements - WTP	\$0			100.00%	\$0
26	332.000	Water Treatment Equipment	\$0			100.00%	\$0
27		TOTAL WATER TREATMENT PLANT	\$0		\$0		\$0
28		TRANSMISSION & DISTRIBUTION PLANT					
29	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
30	341.000	Structures & Improvements - T&D	\$0			100.00%	\$0
31	342.000	Distribution Reservoirs & Standpipes	\$320,000	P-31	-\$174,306	100.00%	\$145,694
32	343.000	Transmission and Distribution Mains	\$1,645,000	P-32	-\$1,645,000	100.00%	\$0
33	344.000	Fire Mains	\$0			100.00%	\$0
34	345.000	Services	\$0			100.00%	\$0
35	346.000	Meters- Bronze Chamber	\$0			100.00%	\$0
36	346.000	Meters- Plastic Chamber	\$10,000			100.00%	\$10,000
37	347.000	Meter Installations- Bronze	\$0			100.00%	\$0
38	347.000	Meter Installations- Plastic	\$0			100.00%	\$0
39	348.000	Hydrants	\$0			100.00%	\$0
40	349.000	Other Transmission and Distribution Plant	\$0			100.00%	\$0
41		TOTAL TRANS. & DISTRIBUTION PLANT	\$1,975,000		-\$1,819,306		\$155,694
42		GENERAL PLANT					
43	389.000	Land & Land Rights-GP	\$0			100.00%	\$0
44	390.000	Structures & Improvements - GP	\$0			100.00%	\$0
45	391.000	Office Furniture & Equipment	\$0			100.00%	\$0
46		Office Computer Equipment	\$0			100.00%	\$0
47	392.000	Transportation Equipment - GP	\$0			100.00%	\$0
48	393.000	Stores Equipment	\$0			100.00%	\$0
49	394.000	Tools, Shop and Garage Equip	\$0			100.00%	\$0
50	395.000	Laboratory Equipment	\$0			100.00%	\$0
51	396.000	Power-Operated Equip	\$0			100.00%	\$0
52	397.000	Communication Equipment	\$0			100.00%	\$0

Saddlebrooke Water
Small Company Cost of Service
Tracking Number WA-2012-0066
12-Month 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
53	398.000	Misc. Equipment	\$0			100.00%	\$0
54	399.000	Other Tangible Property	\$0			100.00%	\$0
55		TOTAL GENERAL PLANT	\$0		\$0		\$0
56		TOTAL PLANT IN SERVICE	<u>\$2,138,872</u>		<u>-\$1,826,846</u>		<u>\$312,026</u>

To Rate Base & Depreciation Schedules

Saddlebrooke Water
Small Company Cost of Service
Tracking Number WA-2012-0066
12-Month 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-18	Electric Pumping Equipment	325.000		-\$7,540
	Adjustment to disallow 75.4% of pumping equipment (Merciel)		-\$7,540	
P-31	Distribution Reservoirs & Standpipes	342.000		-\$174,306
	Adjustment to disallow 85.11% of \$204,800 of distribution reservoir and standpipes (Merciel)		-\$174,306	
P-32	Transmission and Distribution Mains	343.000		-\$1,645,000
	Adjustment to disallow Mains as investment (Merciel)		-\$1,645,000	
Total Plant Adjustments				<u><u>-\$1,826,846</u></u>

Saddlebrooke Water
Small Company Cost of Service
Tracking Number WA-2012-0066
12-Month 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	\$0	0.00%	\$0
3	302.000	Franchises and Consents	\$0	0.00%	\$0
4	303.000	Misc. Intangible Plant	\$0	0.00%	\$0
5		TOTAL INTANGIBLE PLANT	<u>\$0</u>		<u>\$0</u>
6		SOURCE OF SUPPLY PLANT			
7	310.000	Land & Land Rights	\$20,000	0.00%	\$0
8	311.000	Structures & Improvements	\$15,000	2.36%	\$354
9	311.000	Structures & Improvements 2 FENCE	\$11,500	2.36%	\$271
10	312.000	Collection & Impounding Reservoirs	\$0	0.00%	\$0
11	313.000	Lake, River & Other Intakes	\$0	0.00%	\$0
12	314.000	Wells & Springs	\$101,872	1.82%	\$1,854
13	316.000	Supply Mains	\$0	0.00%	\$0
14	317.000	Other Water Source Plant	\$0	0.00%	\$0
15		TOTAL SOURCE OF SUPPLY PLANT	<u>\$148,372</u>		<u>\$2,479</u>
16		PUMPING PLANT			
17	321.000	Structures & Improvements - PP	\$0	1.80%	\$0
18	325.000	Electric Pumping Equipment	\$2,460	2.62%	\$64
19	326.000	Diesel Pumping Equipment	\$0	0.00%	\$0
20	327.000	Hydraulic Pumping Equipment	\$0	0.00%	\$0
21	328.000	Other Pumping Equipment	\$5,500	2.62%	\$144
22		TOTAL PUMPING PLANT	<u>\$7,960</u>		<u>\$208</u>
23		WATER TREATMENT PLANT			
24	330.000	Land & Land Rights-WTP	\$0	0.00%	\$0
25	331.000	Structures & Improvements - WTP	\$0	0.00%	\$0
26	332.000	Water Treatment Equipment	\$0	0.00%	\$0
27		TOTAL WATER TREATMENT PLANT	<u>\$0</u>		<u>\$0</u>
28		TRANSMISSION & DISTRIBUTION PLANT			
29	340.000	Land & Land Rights-T&D	\$0	0.00%	\$0
30	341.000	Structures & Improvements - T&D	\$0	0.00%	\$0
31	342.000	Distribution Reservoirs & Standpipes	\$145,694	2.25%	\$3,278
32	343.000	Transmission and Distribution Mains	\$0	1.39%	\$0
33	344.000	Fire Mains	\$0	1.56%	\$0
34	345.000	Services	\$0	2.92%	\$0
35	346.000	Meters- Bronze Chamber	\$0	0.00%	\$0
36	346.000	Meters- Plastic Chamber	\$10,000	2.40%	\$240
37	347.000	Meter Installations- Bronze	\$0	2.40%	\$0
38	347.000	Meter Installations- Plastic	\$0	2.40%	\$0
39	348.000	Hydrants	\$0	2.00%	\$0
40	349.000	Other Transmission and Distribution Plant	\$0	0.00%	\$0
41		TOTAL TRANS. & DISTRIBUTION PLANT	<u>\$155,694</u>		<u>\$3,518</u>

Saddlebrooke Water
Small Company Cost of Service
Tracking Number WA-2012-0066
12-Month 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
42		GENERAL PLANT			
43	389.000	Land & Land Rights-GP	\$0	0.00%	\$0
44	390.000	Structures & Improvements - GP	\$0	0.00%	\$0
45	391.000	Office Furniture & Equipment	\$0	0.00%	\$0
46		Office Computer Equipment	\$0	0.00%	\$0
47	392.000	Transportation Equipment - GP	\$0	0.00%	\$0
48	393.000	Stores Equipment	\$0	0.00%	\$0
49	394.000	Tools, Shop and Garage Equip	\$0	0.00%	\$0
50	395.000	Laboratory Equipment	\$0	0.00%	\$0
51	396.000	Power-Operated Equip	\$0	0.00%	\$0
52	397.000	Communication Equipment	\$0	0.00%	\$0
53	398.000	Misc. Equipment	\$0	0.00%	\$0
54	399.000	Other Tangible Property	\$0	0.00%	\$0
55		TOTAL GENERAL PLANT	<u>\$0</u>		<u>\$0</u>
56		Total Depreciation	<u><u>\$312,026</u></u>		<u><u>\$6,205</u></u>

Saddlebrooke Water
Small Company Cost of Service
Tracking Number WA-2012-0066
12-Month 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 and Consents	\$0			100.00%	\$0
4	303.000	Misc. Intangible Plant	\$0			100.00%	\$0
5		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
6		SOURCE OF SUPPLY PLANT					
7	310.000	Land & Land Rights	\$0			100.00%	\$0
8	311.000	Structures & Improvements	\$2,832			100.00%	\$2,832
9	311.000	Structures & Improvements 2 FENCE	\$0			100.00%	\$0
10	312.000	Collection & Impounding Reservoirs	\$0			100.00%	\$0
11	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
12	314.000	Wells & Springs	\$14,833			100.00%	\$14,833
13	316.000	Supply Mains	\$0			100.00%	\$0
14	317.000	Other Water Source Plant	\$0			100.00%	\$0
15		TOTAL SOURCE OF SUPPLY PLANT	\$17,665		\$0		\$17,665
16		PUMPING PLANT					
17	321.000	Structures & Improvements - PP	\$0			100.00%	\$0
18	325.000	Electric Pumping Equipment	\$2,096	R-18	-\$1,580	100.00%	\$516
19	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
20	327.000	Hydraulic Pumping Equipment	\$0			100.00%	\$0
21	328.000	Other Pumping Equipment	\$0			100.00%	\$0
22		TOTAL PUMPING PLANT	\$2,096		-\$1,580		\$516
23		WATER TREATMENT PLANT					
24	330.000	Land & Land Rights-WTP	\$0			100.00%	\$0
25	331.000	Structures & Improvements - WTP	\$0			100.00%	\$0
26	332.000	Water Treatment Equipment	\$0			100.00%	\$0
27		TOTAL WATER TREATMENT PLANT	\$0		\$0		\$0
28		TRANSMISSION & DISTRIBUTION PLANT					
29	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
30	341.000	Structures & Improvements - T&D	\$0			100.00%	\$0
31	342.000	Distribution Reservoirs & Standpipes	\$57,600	R-31	-\$31,375	100.00%	\$26,225
32	343.000	Transmission and Distribution Mains	\$0			100.00%	\$0
33	344.000	Fire Mains	\$0			100.00%	\$0
34	345.000	Services	\$0			100.00%	\$0
35	346.000	Meters- Bronze Chamber	\$0			100.00%	\$0
36	346.000	Meters- Plastic Chamber	\$960			100.00%	\$960
37	347.000	Meter Installations- Bronze	\$0			100.00%	\$0
38	347.000	Meter Installations- Plastic	\$0			100.00%	\$0
39	348.000	Hydrants	\$0			100.00%	\$0
40	349.000	Other Transmission and Distribution Plant	\$0			100.00%	\$0
41		TOTAL TRANS. & DISTRIBUTION PLANT	\$58,560		-\$31,375		\$27,185
42		GENERAL PLANT					
43	389.000	Land & Land Rights-GP	\$0			100.00%	\$0
44	390.000	Structures & Improvements - GP	\$0			100.00%	\$0
45	391.000	Office Furniture & Equipment	\$0			100.00%	\$0
46		Office Computer Equipment	\$0			100.00%	\$0
47	392.000	Transportation Equipment - GP	\$0			100.00%	\$0
48	393.000	Stores Equipment	\$0			100.00%	\$0
49	394.000	Tools, Shop and Garage Equip	\$0			100.00%	\$0
50	395.000	Laboratory Equipment	\$0			100.00%	\$0
51	396.000	Power-Operated Equip	\$0			100.00%	\$0
52	397.000	Communication Equipment	\$0			100.00%	\$0

Saddlebrooke Water
Small Company Cost of Service
Tracking Number WA-2012-0066
12-Month 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
53	398.000	Misc. Equipment	\$0			100.00%	\$0
54	399.000	Other Tangible Property	\$0			100.00%	\$0
55		TOTAL GENERAL PLANT	\$0		\$0		\$0
56		TOTAL DEPRECIATION RESERVE	\$78,321		-\$32,955		\$45,366

To Rate Base Schedule

Saddlebrooke Water
 Small Company Cost of Service
 Tracking Number WA-2012-0066
 12-Month Ending 12/31/2012

Schedule of Adjustments for Accumulated Depreciation Reserve - Water

<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-18	Electric Pumping Equipment	325.000		-\$1,580
	Adjust to remove 75.4% of \$2,096 (Merciel)		-\$1,580	
R-31	Distribution Reservoirs & Standpipes	342.000		-\$31,375
	Adjust to remove 54.47% of \$57,600 (Merciel)		-\$31,375	
Total Reserve Adjustments				<u><u>-\$32,955</u></u>

Saddlebrooke Water
Small Company Cost of Service
Tracking Number WA-2012-0066
12-Month Ending 12/31/2012
Expense Schedule - Water

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	601.000	Operation Labor & Expenses	\$6,075			100.00%	\$6,075
3	601.200	Salaries/Wages - Admin & General - 96 USOA	\$0			100.00%	\$0
4	603.000	Salaries/Wages - Off. & Directors - 96 USOA	\$0			100.00%	\$0
5	604.000	Employee Pension and Benefits - 96 USOA	\$0			100.00%	\$0
6	615.000	Purchased Power - 96 USOA	\$0			100.00%	\$0
7	618.000	Chemicals - 96 USOA	\$0			100.00%	\$0
8	620.000	Materials & Supplies (small tools) - 96 USOA	\$0			100.00%	\$0
9	619.000	Water Testing Expense - 96 USOA	\$5,832			100.00%	\$5,832
10	602.000	Purchased Water	\$0			100.00%	\$0
11	623.000	Fuel or Power Purchased	\$14,350			100.00%	\$14,350
12	641.000	Chemicals	\$900			100.00%	\$900
13	643.000	Misc. Expense - Water Testing	\$0			100.00%	\$0
14	661.000	Storage Facilities Expenses	\$0			100.00%	\$0
15	663.000	Meter Expenses	\$0			100.00%	\$0
16	664.000	Customer Installations Expenses	\$0			100.00%	\$0
17	665.000	Misc. Expenses	\$0			100.00%	\$0
18		TOTAL OPERATIONS EXPENSE	<u>\$27,157</u>		<u>\$0</u>		<u>\$27,157</u>
19		MAINTENANCE EXPENSES					
20	625.000	Maintenance Pumping Plant - 96 USOA	\$0			100.00%	\$0
21	672.100	Maint. Super Engine (Trans & Distr) - 96 USOA	\$0			100.00%	\$0
22	672.200	Maint. of Services (Trans. & Distr) - 96 USOA	\$0			100.00%	\$0
23	672.300	Maint. of Meters (Trans. & Distr) - 96 USOA	\$0			100.00%	\$0
24	672.900	Other Trans. & Distr Expenses - 96 USOA	\$0			100.00%	\$0
25	675.500	Maintenance of General Plant - 96 USOA	\$0			100.00%	\$0
26	671.000	Maintenance of Structures & Improvements	\$0			100.00%	\$0
27	672.000	Maintenance of Distribution Reservoirs	\$0			100.00%	\$0
28	673.000	Maintenance of Trans. & Distribution Mains	\$0			100.00%	\$0
29	674.000	Maintenance of Fire Mains	\$0			100.00%	\$0
30	675.000	Maintenance of Services	\$0			100.00%	\$0
31	676.000	Maintenance of Meters	\$0			100.00%	\$0
32	677.000	Maintenance of Hydrants	\$0			100.00%	\$0
33	678.000	Maintenance of Misc. Plant	\$0			100.00%	\$0
34		TOTAL MAINTENANCE EXPENSE	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
35		CUSTOMER ACCOUNT EXPENSE					
36	902.000	Meter Read	\$0			100.00%	\$0
37	903.000	Customer Records & Collections	\$0			100.00%	\$0
38	903.100	Postage	\$0			100.00%	\$0
39	904.000	Uncollectible Accounts	\$0			100.00%	\$0
40	905.000	Misc. Customer Accounts Expenses	\$0			100.00%	\$0
41		TOTAL CUSTOMER ACCOUNT EXPENSE	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
42		ADMINISTRATIVE & GENERAL EXPENSES					
43	631.000	Contractual Services (Engineer) - 96 USOA	\$0			100.00%	\$0
44	632.000	Contractual Services (Accounting) - 96 USOA	\$0			100.00%	\$0
45	633.000	Contractual Services (Legal) - 96 USOA	\$0			100.00%	\$0
46	634.000	Contractual Services (Mgmt Fees) - 96 USOA	\$0			100.00%	\$0
47	636.000	Contractual Services (Other) - 96 USOA	\$0			100.00%	\$0
48	641.000	Rental of Building (Real Prop.) - 96 USOA	\$0			100.00%	\$0
49	650.000	Transportation Expenses - 96 USOA	\$0			100.00%	\$0
50	656.000	Insurance - Vehicle - 96 USOA	\$0			100.00%	\$0
51	657.000	Insurance General Liability - 96 USOA	\$0			100.00%	\$0
52	658.000	Insurance (Workman's Comp) - 96 USOA	\$0			100.00%	\$0
53	659.100	Insurance - Life	\$0			100.00%	\$0
54	659.200	Insurance - Property - 96 USOA	\$0			100.00%	\$0
55	670.000	Bad Debt Expense - 96 USOA	\$0			100.00%	\$0
56	675.100	Misc. Expenses - Other Rents - 96 USOA	\$0			100.00%	\$0
57	675.300	Misc. Expense Uniforms 96- USOA	\$0			100.00%	\$0
58	675.600	Misc. Travel Expenses - 96 USOA	\$0			100.00%	\$0

Saddlebrooke Water
Small Company Cost of Service
Tracking Number WA-2012-0066
12-Month Ending 12/31/2012
Expense Schedule - Water

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
59	675.625	Misc. Expense - Sales Tax Short/Long	\$0			100.00%	\$0
60	675.650	Misc. Expense - Payroll Taxes	\$0			100.00%	\$0
61	675.950	Misc. Expenses Other - 96 USOA	\$0			100.00%	\$0
62	930.100	Misc. Expense Telephone - 96 USOA	\$0			100.00%	\$0
63	930.200	Misc. Expense Penalties - 96 USOA	\$0			100.00%	\$0
64	930.300	Misc. Expense Office Utilities - 96 USOA	\$0			100.00%	\$0
65	930.500	Misc. Expense - Sec. of State Fees - 96 USOA	\$0			100.00%	\$0
66	930.900	Misc. Expense - Other A&G - 96 USOA	\$0			100.00%	\$0
67	930.950	Misc. General Expense - 96 USOA	\$0			100.00%	\$0
68	920.000	Administration & General Salary - Officers & Directors	\$0			100.00%	\$0
69	920.100	Corporate Allocations	\$1,620			100.00%	\$1,620
70	921.000	Office Supplies and Other Expenses	\$0			100.00%	\$0
71	921.100	Office Utilities	\$0			100.00%	\$0
72	923.000	Outside Services - Accounting	\$0			100.00%	\$0
73	923.100	Outside Service - Engineering	\$0			100.00%	\$0
74	923.200	Outside Services - Legal	\$0			100.00%	\$0
75	923.300	Outside Service - Other	\$0			100.00%	\$0
76	924.000	Insurance - General Liability	\$0			100.00%	\$0
77	924.100	Insurance - Property	\$0			100.00%	\$0
78	924.200	Insurance - Vehicle	\$0			100.00%	\$0
79	925.000	Insurance (Workman's Comp)	\$0			100.00%	\$0
80	925.100	Life Insurance Expense	\$0			100.00%	\$0
81	926.000	Employee Medical, Dental & Vision	\$0			100.00%	\$0
82	928.000	Regulatory Commission Expenses	\$352			100.00%	\$352
83	928.100	Regulatory Commission Expenses - DNR Fees	\$0			100.00%	\$0
84	928.200	Rate Case Expense	\$0			100.00%	\$0
85	930.100	Advertising Expense	\$0			100.00%	\$0
86	930.200	Misc. General Expenses	\$648			100.00%	\$648
87	930.400	Misc. Lunch & Meals	\$0			100.00%	\$0
88	930.500	Officer & Director Travel Expenses	\$0			100.00%	\$0
89	930.600	Telephone Expense	\$0			100.00%	\$0
90	930.560	Dues & Subscriptions	\$0			100.00%	\$0
91	931.000	Rents	\$0			100.00%	\$0
92	931.100	Rents - Equipment	\$0			100.00%	\$0
93	933.000	Transportation Expenses	\$0			100.00%	\$0
94		TOTAL ADMINISTRATIVE AND GENERAL	\$2,620			\$0	\$2,620
95		OTHER OPERATING EXPENSES					
96	431.100	Interest on Customer Deposits	\$0			100.00%	\$0
97	251.000	Depreciation - CIAC Offset	\$0			100.00%	\$0
98		Corporate Registration	\$0			100.00%	\$0
99		Other Operating Expense	\$0			100.00%	\$0
100		Amortization Expense	\$0			100.00%	\$0
101		CIAC Depreciation Offset	\$0			100.00%	\$0
102		Depreciation	\$6,205	W-102	\$0	100.00%	\$6,205
103		TOTAL OTHER OPERATING EXPENSES	\$6,205		\$0		\$6,205
104		TAXES OTHER THAN INCOME					
105	675.675	Misc. Expense (Other Taxes) - 96 USOA	\$0			100.00%	\$0
106	930.600	Misc. Expense (Property Tax) - 96 USOA	\$0			100.00%	\$0
107	408.000	Payroll Taxes	\$0			100.00%	\$0
108	408.100	Property Taxes	\$3,644			100.00%	\$3,644
109	408.200	Other Taxes	\$0			100.00%	\$0
110		TOTAL TAXES OTHER THAN INCOME	\$3,644		\$0		\$3,644
111		TOTAL OPERATING EXPENSES	\$39,626		\$0		\$39,626

Saddlebrooke Water
Small Company Cost of Service
Tracking Number WA-2012-0066
12-Month 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-102	Depreciation			\$0
	1. To Annualize Depreciation		\$0	
	2. To Eliminate Depreciation on CIAC		\$0	
Total Expense Adjustments				\$0

Saddlebrooke Water
Small Company Cost of Service
Tracking Number WA-2012-0066
12-Month Ending 12/31/2012
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	\$0	Rev-2	\$62,567	100.00%	\$62,567
Rev-3		Miscellaneous Revenues	\$0	Rev-3	\$0	100.00%	\$0
Rev-4		TOTAL ANNUALIZED REVENUES	\$0		\$62,567		\$62,567

Saddlebrooke Water
Small Company Cost of Service
Tracking Number WA-2012-0066
12-Month Ending 12/31/2012
Revenue Adjustment Schedule - Water

<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			\$62,567
	1. To Annualize Rate Revenues		\$62,567	
Rev-3	Miscellaneous Revenues			\$0
	1. To Annualize Miscellaneous Revenues		\$0	
Total Revenue Adjustments				\$62,567

Saddlebrooke Water
 Small Company Cost of Service
 Tracking Number WA-2012-0066
 12-Month Ending 12/31/2012
 Rate Revenue Feeder Schedule - Water

Line Number	A Description	Residential 5/8"		Total	
		B Amount	C Amount	D Amount	E Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	81		81	
3	Bills Per Year	12			
4	Customer Bills Per year	972		972	
5	Current Customer Charge	<u>\$14.62</u>			
6	Annualized Customer Charge Revenues		\$14,211		\$14,211
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		0	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	17,713,000			
12	Block 1, Number of Commodity Gallons per Unit	<u>1,000</u>			
13	Block 1, Commodity Billing Units	17,713.00			
14	Block 1, Existing Commodity Charge	<u>\$2.73</u>			
15	Block 1, Annualized Commodity Charge Rev.		\$48,356		\$48,356
16	Summer, Commodity Gallons per Block	0			
17	Summer, Number of Commodity Gallons per Unit	<u>1,000</u>			
18	Summer, Commodity Billing Units	0.00			
19	Summer, Existing Commodity Charge	<u>\$0.00</u>			
20	Summer, Annualized Commodity Charge Rev.		\$0		\$0
21	Total Annualized Water Rate Revenues		<u>\$62,567</u>		<u>\$62,567</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.

Saddlebrooke Water
Small Company Cost of Service
Tracking Number WA-2012-0066
12-Month Ending 12/31/2012
Miscellaneous Revenues Feeder - Water

Line Number	<u>A</u> Description	<u>B</u> Amount
13	Total Miscellaneous Revenues	<u><u>\$0</u></u>

Exhibit No.:
Issue: Accounting Schedules
Witness: MO PSC Auditors
Sponsoring Party: MO PSC Staff
No: SA-2012-0067
Date Prepared: 5/11/2012



MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES

STAFF ACCOUNTING SCHEDULES

SADDLEBROOKE SEWER

NO. SA-2012-0067

Jefferson City, Missouri

May-12

Saddlebrooke Sewer
Small Company Cost of Service
Tracking Number SA-2012-0067
12-Month Ending 12/31/2011
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) \$47,280			
Rev-3	Miscellaneous Revenues		(1) \$0			
Rev-4	TOTAL ANNUALIZED REVENUES		\$47,280			
1	OPERATIONS EXPENSES		(2)			
2	Operation Labor & Expenses	601.000	\$6,075	\$2,025	\$4,050	33.33%
3	Salaries/Wages - Admin & General - 96 USOA	601.200	\$0	\$0	\$0	0.00%
4	Salaries/Wages - Off. & Directors - 96 USOA	603.000	\$0	\$0	\$0	0.00%
5	Employee Pension and Benefits - 96 USOA	604.000	\$0	\$0	\$0	0.00%
6	Purchased Power - 96 USOA	615.000	\$0	\$0	\$0	0.00%
7	Chemicals - 96 USOA	618.000	\$0	\$0	\$0	0.00%
8	Materials & Supplies (small tools) - 96 USOA	620.000	\$0	\$0	\$0	0.00%
9	Water Testing Expense - 96 USOA	619.000	\$0	\$0	\$0	0.00%
10	Purchased Water	602.000	\$0	\$0	\$0	0.00%
11	Fuel or Power Purchased	623.000	\$2,484	\$0	\$2,484	0.00%
12	Chemicals	641.000	\$0	\$0	\$0	0.00%
13	Misc. Equipment - Mtce Water Testing	652.000	\$5,832	\$0	\$5,832	0.00%
14	Storage Facilities Expenses	661.000	\$0	\$0	\$0	0.00%
15	Meter Expenses	663.000	\$0	\$0	\$0	0.00%
16	Customer Installations Expenses	664.000	\$0	\$0	\$0	0.00%
17	Misc. Expenses	665.000	\$0	\$0	\$0	0.00%
18	TOTAL OPERATIONS EXPENSE		\$14,391	\$2,025	\$12,366	
19	MAINTENANCE EXPENSES					
20	Maintenance Pumping Plant - 96 USOA	625.000	\$0	\$0	\$0	0.00%
21	Maint. Super Engine (Trans & Distr) - 96 USOA	672.100	\$0	\$0	\$0	0.00%
22	Maint. of Services (Trans. & Distr) - 96 USOA	672.200	\$0	\$0	\$0	0.00%
23	Maint. of Meters (Trans. & Distr) - 96 USOA	672.300	\$0	\$0	\$0	0.00%
24	Other Trans. & Distr Expenses - 96 USOA	672.900	\$0	\$0	\$0	0.00%
25	Maintenance of General Plant - 96 USOA	675.500	\$0	\$0	\$0	0.00%
26	Maintenance of Structures & Improvements	671.000	\$0	\$0	\$0	0.00%
27	Maintenance of Distribution Reservoirs	672.000	\$0	\$0	\$0	0.00%
28	Maintenance of Trans. & Distribution Mains	673.000	\$0	\$0	\$0	0.00%
29	Maintenance of Fire Mains	674.000	\$0	\$0	\$0	0.00%
30	Maintenance of Services	675.000	\$0	\$0	\$0	0.00%
31	Maintenance of Meters	676.000	\$0	\$0	\$0	0.00%
32	Maintenance of Hydrants	677.000	\$0	\$0	\$0	0.00%
33	Maintenance of Misc. Plant	678.000	\$0	\$0	\$0	0.00%
34	TOTAL MAINTENANCE EXPENSE		\$0	\$0	\$0	
35	CUSTOMER ACCOUNT EXPENSE					
36	Meter Read	902.000	\$0	\$0	\$0	0.00%
37	Customer Records & Collections	903.000	\$0	\$0	\$0	0.00%
38	Postage	903.100	\$0	\$0	\$0	0.00%
39	Uncollectible Accounts	904.000	\$0	\$0	\$0	0.00%
40	Misc. Customer Accounts Expenses	905.000	\$0	\$0	\$0	0.00%
41	TOTAL CUSTOMER ACCOUNT EXPENSE		\$0	\$0	\$0	
42	ADMINISTRATIVE & GENERAL EXPENSES					
43	Contractual Services (Engineer) - 96 USOA	631.000	\$0	\$0	\$0	0.00%
44	Contractual Services (Accounting) - 96 USOA	632.000	\$0	\$0	\$0	0.00%
45	Contractual Services (Legal) - 96 USOA	633.000	\$0	\$0	\$0	0.00%
46	Contractual Services (Mgmt Fees) - 96 USOA	634.000	\$0	\$0	\$0	0.00%
47	Contractual Services (Other) - 96 USOA	636.000	\$0	\$0	\$0	0.00%
48	Rental of Building (Real Prop.) - 96 USOA	641.000	\$0	\$0	\$0	0.00%
49	Transportation Expenses - 96 USOA	650.000	\$0	\$0	\$0	0.00%
50	Insurance - Vehicle - 96 USOA	656.000	\$0	\$0	\$0	0.00%
51	Insurance General Liability - 96 USOA	657.000	\$0	\$0	\$0	0.00%
52	Insurance (Workman's Comp) - 96 USOA	658.000	\$0	\$0	\$0	0.00%

Saddlebrooke Sewer
Small Company Cost of Service
Tracking Number SA-2012-0067
12-Month Ending 12/31/2011
Rate Design Schedule - Sewer

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
53	Insurance - Life	659.100	\$0	\$0	\$0	0.00%
54	Insurance - Property - 96 USOA	659.200	\$0	\$0	\$0	0.00%
55	Bad Debt Expense - 96 USOA	670.000	\$0	\$0	\$0	0.00%
56	Misc. Expenses - Other Rents - 96 USOA	675.100	\$0	\$0	\$0	0.00%
57	Misc. Expense Uniforms 96- USOA	675.300	\$0	\$0	\$0	0.00%
58	Misc. Travel Expenses - 96 USOA	675.600	\$0	\$0	\$0	0.00%
59	Misc. Expense - Sales Tax Short/Long	675.625	\$0	\$0	\$0	0.00%
60	Misc. Expense - Payroll Taxes	675.650	\$0	\$0	\$0	0.00%
61	Misc. Expenses Other - 96 USOA	675.950	\$0	\$0	\$0	0.00%
62	Misc. Expense Telephone - 96 USOA	930.100	\$0	\$0	\$0	0.00%
63	Misc. Expense Penalties - 96 USOA	930.200	\$0	\$0	\$0	0.00%
64	Misc. Expense Office Utilities - 96 USOA	930.300	\$0	\$0	\$0	0.00%
65	Misc. Expense - Sec. of State Fees - 96 USOA	930.500	\$0	\$0	\$0	0.00%
66	Misc. Expense - Other A&G - 96 USOA	930.900	\$0	\$0	\$0	0.00%
67	Misc. General Expense - 96 USOA	930.950	\$0	\$0	\$0	0.00%
68	Administration & General Salary - Officers & Directors	920.000	\$0	\$0	\$0	0.00%
69	Corporate Allocations	920.100	\$0	\$0	\$0	0.00%
70	Office Supplies and Other Expenses	921.000	\$0	\$0	\$0	0.00%
71	Office Utilities	921.100	\$0	\$0	\$0	0.00%
72	Admin. Expenses Transferred - Corporate	922.000	\$1,620	\$810	\$810	50.00%
73	Outside Service - Engineering	923.100	\$0	\$0	\$0	0.00%
74	Outside Services - Legal	923.200	\$0	\$0	\$0	0.00%
75	Outside Service - Other	923.300	\$0	\$0	\$0	0.00%
76	Insurance - General Liability	924.000	\$0	\$0	\$0	0.00%
77	Insurance - Property	924.100	\$0	\$0	\$0	0.00%
78	Insurance - Vehicle	924.200	\$0	\$0	\$0	0.00%
79	Insurance (Workman's Comp)	925.000	\$0	\$0	\$0	0.00%
80	Life Insurance Expense	925.100	\$0	\$0	\$0	0.00%
81	Employee Medical, Dental & Vision	926.000	\$0	\$0	\$0	0.00%
82	Regulatory Commission Expenses	928.000	\$5,031	\$1,677	\$3,354	33.33%
83	Regulatory Commission Expenses - DNR Fees	928.100	\$0	\$0	\$0	0.00%
84	Rate Case Expense	928.200	\$0	\$0	\$0	0.00%
85	Advertising Expense	930.100	\$0	\$0	\$0	0.00%
86	Misc. General Expenses	930.200	\$0	\$0	\$0	0.00%
87	Misc. Lunch & Meals	930.400	\$0	\$0	\$0	0.00%
88	Officer & Director Travel Expenses	930.500	\$0	\$0	\$0	0.00%
89	Telephone Expense	930.600	\$0	\$0	\$0	0.00%
90	Dues & Subscriptions	930.560	\$0	\$0	\$0	0.00%
91	Rents	931.000	\$0	\$0	\$0	0.00%
92	Maint. Of General Plant - AGE	932.000	\$648	\$333	\$315	51.38%
93	Transportation Expenses	933.000	\$0	\$0	\$0	0.00%
94	TOTAL ADMINISTRATIVE AND GENERAL		\$7,299	\$2,820	\$4,479	
95	OTHER OPERATING EXPENSES					
96	Interest on Customer Deposits	431.100	\$0	\$0	\$0	0.00%
97	Depreciation - CIAC Offset	251.000	\$0	\$0	\$0	0.00%
98	Corporate Registration		\$0	\$0	\$0	0.00%
99	Other Operating Expense		\$0	\$0	\$0	0.00%
100	Amortization Expense		\$0	\$0	\$0	0.00%
101	CIAC Depreciation Offset		\$0	\$0	\$0	0.00%
102	Depreciation		\$7,127	\$2,375	\$4,752	33.33%
103	TOTAL OTHER OPERATING EXPENSES		\$7,127	\$2,375	\$4,752	
104	TAXES OTHER THAN INCOME					
105	Misc. Expense (Other Taxes) - 96 USOA	675.675	\$0	\$0	\$0	0.00%
106	Misc. Expense (Property Tax) - 96 USOA	930.600	\$0	\$0	\$0	0.00%
107	Payroll Taxes	408.000	\$0	\$0	\$0	0.00%
108	Property Taxes	408.100	\$3,076	\$1,025	\$2,051	33.33%
109	Current Income Taxes	409.000	\$0	\$0	\$0	0.00%
110	TOTAL TAXES OTHER THAN INCOME		\$3,076	\$1,025	\$2,051	
111	TOTAL OPERATING EXPENSES		\$31,893	\$8,245	\$23,648	

Saddlebrooke Sewer
 Small Company Cost of Service
 Tracking Number SA-2012-0067
 12-Month Ending 12/31/2011
 Rate Design Schedule - Sewer

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
112	Interest Expense		(3) \$6,257	\$2,085	\$4,172	33.33%
113	Return on Equity		(3) \$7,313	\$2,437	\$4,876	33.33%
114	Income Taxes		(3) \$1,821	\$607	\$1,214	33.33%
115	TOTAL INTEREST RETURN & TAXES		<u>\$15,391</u>	<u>\$5,129</u>	<u>\$10,262</u>	
116	TOTAL COST OF SERVICE		\$47,284	\$13,374	\$33,910	
117	Less: Miscellaneous Revenues		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	0.00%
118	COST TO RECOVER IN RATES		<u>\$47,284</u>	<u>\$13,374</u>	<u>\$33,910</u>	
119	INCREMENTAL INCREASE IN RATE REVENUES		<u>\$4</u>			
120	PERCENTAGE OF INCREASE		<u>0.01%</u>			
121	REQUESTED INCREASE IN REVENUES		\$0			

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

Saddlebrooke Sewer
Small Company Cost of Service
Tracking Number SA-2012-0067
12-Month Ending 12/31/2011
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	\$233,383	From Plant Schedule
2	Less Accumulated Depreciation Reserve	\$54,417	From Depreciation Reserve Schedule
3	Net Plant In Service	\$178,966	
4	Other Rate Base Items:	\$0	
	CIAC Depreciation Offset	\$0	
	Contribution in Aid of Construction	\$0	
5	Total Rate Base	\$178,966	
6	Total Weighted Rate of Return Including Income Tax	8.60%	From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	<u>\$15,390</u>	

Saddlebrooke Sewer
 Small Company Cost of Service
 Tracking Number SA-2012-0067
 12-Month Ending 12/31/2011
 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	15.00%	(1) & (2)	<u>14.13%</u>	(1 - B1) x A2
3	Composite Effective Income Tax Rate			19.94%	B1 + B2
4	Equity Tax Factor			1.2490	1 / (1-B3)
5	Recommended Weighted Rate of Return on Equity - Common and Preferred			<u>4.09%</u>	From Capital Structure Schedule
6	Weighted Rate of Return on Equity Including Income Tax			5.10%	B4 x B5
7	Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term			<u>3.50%</u>	From Capital Structure Schedule
8	Total Weighted Rate of Return Including Income Tax			<u><u>8.60%</u></u>	B6+B7

To Rate Base Schedule

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

Equity Income Required **\$8,604**
 & Preliminary Federal Tax

Tax Rate Table

Net Income Range				
Start	End	Tax Rate	Amount in Range	Tax on Range
\$0	\$50,000	15.00%	\$8,604	\$1,291
\$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>\$8,604</u>	<u>\$1,291</u>
			Consolidated Tax Rate:	
			Average Tax Rate:	0.15

Saddlebrooke Sewer
Small Company Cost of Service
Tracking Number SA-2012-0067
12-Month Ending 12/31/2011
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	\$4,127,725	42.95%	9.45%	4.059%
2	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%
3	Preferred Stock	\$27,818	0.29%	9.21%	0.027%
4	Long Term Debt	\$5,455,031	56.76%	6.16%	3.496%
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>\$9,610,574</u>	<u>100.00%</u>		<u>7.582%</u>

To PreTax Return Rate Schedule

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

Saddlebrooke Sewer
Small Company Cost of Service
Tracking Number SA-2012-0067
12-Month Ending 12/31/2011
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	\$0			100.00%	\$0
3	302.000	Franchises and Consents	\$0			100.00%	\$0
4	303.000	Misc. Intangible Plant	\$0			100.00%	\$0
5		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
6		SOURCE OF SUPPLY PLANT					
7	350.000	Land & Land Rights	\$30,000			100.00%	\$30,000
8	351.000	Structures & Improvements	\$0			100.00%	\$0
9	351.100	Structures & Improvements 2 FENCE	\$0			100.00%	\$0
10	352.000	Collection Mains - Forced - CP	\$0			100.00%	\$0
11	352.100	Collection Mains - Gravity - CP	\$1,855,000	P-11	-\$1,855,000	100.00%	\$0
12	353.000	Service to other Customers	\$0			100.00%	\$0
13	356.000	Other Collection Plant	\$0			100.00%	\$0
14		TOTAL SOURCE OF SUPPLY PLANT	\$1,885,000		-\$1,855,000		\$30,000
15		PUMPING PLANT					
16	360.000	Land and Land Rights - SPP	\$0			100.00%	\$0
17	361.000	Structures and Improvements - SPP	\$0			100.00%	\$0
18	362.000	Receiving Wells - SPP	\$0			100.00%	\$0
19	363.000	Electric Pumping Equipment - SPP	\$0			100.00%	\$0
20	364.000	Diesel Pumping Equipment - SPP	\$0			100.00%	\$0
21		TOTAL PUMPING PLANT	\$0		\$0		\$0
22		WATER TREATMENT PLANT					
23	370.000	Land & Land Rights-WTP	\$0			100.00%	\$0
24	371.000	Structures & Improvements - WTP	\$15,000			100.00%	\$15,000
25	371.100	Water Treatment Equipment	\$9,000			100.00%	\$9,000
26	372.000	Treatment & Disposal Equipment - TDP	\$185,493	P-26	-\$97,516	100.00%	\$87,977
27	372.100	Treatment & Disposal Units Electrical Components	\$10,000			100.00%	\$10,000
28	373.000	Plant Sewers - TDP	\$161,095	P-28	-\$84,689	100.00%	\$76,406
29	374.000	Outfall Sewer Lines - TDP - sampling well	\$5,000			100.00%	\$5,000
30		TOTAL WATER TREATMENT PLANT	\$385,588		-\$182,205		\$203,383
31		TRANSMISSION & DISTRIBUTION PLANT					
32	342.000	Distribution Reservoirs & Standpipes	\$0			100.00%	\$0
33	343.000	Transmission and Distribution Mains	\$0			100.00%	\$0
34		TOTAL TRANS. & DISTRIBUTION PLANT	\$0		\$0		\$0
35		GENERAL PLANT					
36	389.000	Land & Land Rights-GP	\$0			100.00%	\$0
37	390.000	Structures & Improvements - GP	\$0			100.00%	\$0
38	391.000	Office Furniture & Equipment	\$0			100.00%	\$0
39		Office Computer Equipment	\$0			100.00%	\$0
40	392.000	Transportation Equipment - GP	\$0			100.00%	\$0
41	393.000	Stores Equipment	\$0			100.00%	\$0
42	394.000	Tools, Shop and Garage Equip	\$0			100.00%	\$0
43	395.000	Laboratory Equipment	\$0			100.00%	\$0
44	396.000	Power-Operated Equip	\$0			100.00%	\$0
45	397.000	Communication Equipment	\$0			100.00%	\$0
46	398.000	Misc. Equipment	\$0			100.00%	\$0
47	399.000	Other Tangible Property	\$0			100.00%	\$0
48		TOTAL GENERAL PLANT	\$0		\$0		\$0
49		TOTAL PLANT IN SERVICE	\$2,270,588		-\$2,037,205		\$233,383

Saddlebrooke Sewer
Small Company Cost of Service
Tracking Number SA-2012-0067
12-Month Ending 12/31/2011
Plant In Service - Sewer

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	
Line Number	Account # (Optional)	Plant Account Description	Total Plant	Adjustment Number	Adjustments	Jurisdictional Allocation	Adjusted Jurisdictional
To Rate Base & Depreciation Schedules							

Saddlebrooke Sewer
 Small Company Cost of Service
 Tracking Number SA-2012-0067
 12-Month Ending 12/31/2011

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
P-11	Collection Mains - Gravity - CP	352.100		-\$1,855,000
	Adjusment to disallow mains for investment (Merciel)		-\$1,855,000	
P-26	Treatment & Disposal Equipment - TDP	372.000		-\$97,516
	Adjustment to disallow 52.57% of plant components (Merciel)		-\$97,516	
P-28	Plant Sewers - TDP	373.000		-\$84,689
	Adjustment to disallow 52.57% of drain field (Merciel)		-\$84,689	
Total Plant Adjustments				<u><u>-\$2,037,205</u></u>

Saddlebrooke Sewer
Small Company Cost of Service
Tracking Number SA-2012-0067
12-Month Ending 12/31/2011
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	\$0	0.00%	\$0
3	302.000	Franchises and Consents	\$0	0.00%	\$0
4	303.000	Misc. Intangible Plant	\$0	0.00%	\$0
5		TOTAL INTANGIBLE PLANT	<u>\$0</u>		<u>\$0</u>
6		SOURCE OF SUPPLY PLANT			
7	350.000	Land & Land Rights	\$30,000	0.00%	\$0
8	351.000	Structures & Improvements	\$0	3.00%	\$0
9	351.100	Structures & Improvements 2 FENCE	\$0	2.00%	\$0
10	352.000	Collection Mains - Forced - CP	\$0	2.00%	\$0
11	352.100	Collection Mains - Gravity - CP	\$0	2.00%	\$0
12	353.000	Service to other Customers	\$0	2.00%	\$0
13	356.000	Other Collection Plant	\$0	2.00%	\$0
14		TOTAL SOURCE OF SUPPLY PLANT	<u>\$30,000</u>		<u>\$0</u>
15		PUMPING PLANT			
16	360.000	Land and Land Rights - SPP	\$0	0.00%	\$0
17	361.000	Structures and Improvements - SPP	\$0	0.00%	\$0
18	362.000	Receiving Wells - SPP	\$0	0.00%	\$0
19	363.000	Electric Pumping Equipment - SPP	\$0	0.00%	\$0
20	364.000	Diesel Pumping Equipment - SPP	\$0	0.00%	\$0
21		TOTAL PUMPING PLANT	<u>\$0</u>		<u>\$0</u>
22		WATER TREATMENT PLANT			
23	370.000	Land & Land Rights-WTP	\$0	0.00%	\$0
24	371.000	Structures & Improvements - WTP	\$15,000	2.50%	\$375
25	371.100	Water Treatment Equipment	\$9,000	2.50%	\$225
26	372.000	Treatment & Disposal Equipment - TDP	\$87,977	5.00%	\$4,399
27	372.100	Treatment & Disposal Units Electrical Components	\$10,000	5.00%	\$500
28	373.000	Plant Sewers - TDP	\$76,406	2.00%	\$1,528
29	374.000	Outfall Sewer Lines - TDP - sampling well	\$5,000	2.00%	\$100
30		TOTAL WATER TREATMENT PLANT	<u>\$203,383</u>		<u>\$7,127</u>
31		TRANSMISSION & DISTRIBUTION PLANT			
32	342.000	Distribution Reservoirs & Standpipes	\$0	0.00%	\$0
33	343.000	Transmission and Distribution Mains	\$0	0.00%	\$0
34		TOTAL TRANS. & DISTRIBUTION PLANT	<u>\$0</u>		<u>\$0</u>
35		GENERAL PLANT			
36	389.000	Land & Land Rights-GP	\$0	0.00%	\$0
37	390.000	Structures & Improvements - GP	\$0	2.50%	\$0
38	391.000	Office Furniture & Equipment	\$0	0.00%	\$0
39		Office Computer Equipment	\$0	5.00%	\$0

Saddlebrooke Sewer
Small Company Cost of Service
Tracking Number SA-2012-0067
12-Month Ending 12/31/2011
Depreciation Expense - Sewer

Line Number	<u>A</u> Account Number	<u>B</u> Plant Account Description	<u>C</u> Adjusted Jurisdictional	<u>D</u> Depreciation Rate	<u>E</u> Depreciation Expense
40	392.000	Transportation Equipment - GP	\$0	0.00%	\$0
41	393.000	Stores Equipment	\$0	4.00%	\$0
42	394.000	Tools, Shop and Garage Equip	\$0	5.00%	\$0
43	395.000	Laboratory Equipment	\$0	0.00%	\$0
44	396.000	Power-Operated Equip	\$0	0.00%	\$0
45	397.000	Communication Equipment	\$0	0.00%	\$0
46	398.000	Misc. Equipment	\$0	0.00%	\$0
47	399.000	Other Tangible Property	\$0	0.00%	\$0
48		TOTAL GENERAL PLANT	<u>\$0</u>		<u>\$0</u>
49		Total Depreciation	<u><u>\$233,383</u></u>		<u><u>\$7,127</u></u>

Saddlebrooke Sewer
Small Company Cost of Service
Tracking Number SA-2012-0067
12-Month Ending 12/31/2011
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 and Consents	\$0			100.00%	\$0
4	303.000	Misc. Intangible Plant	\$0			100.00%	\$0
5		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
6		SOURCE OF SUPPLY PLANT					
7	350.000	Land & Land Rights	\$0			100.00%	\$0
8	351.000	Structures & Improvements	\$0			100.00%	\$0
9	351.100	Structures & Improvements 2 FENCE	\$0			100.00%	\$0
10	352.000	Collection Mains - Forced - CP	\$0			100.00%	\$0
11	352.100	Collection Mains - Gravity - CP	\$0			100.00%	\$0
12	353.000	Service to other Customers	\$0			100.00%	\$0
13	356.000	Other Collection Plant	\$0			100.00%	\$0
14		TOTAL SOURCE OF SUPPLY PLANT	\$0		\$0		\$0
15		PUMPING PLANT					
16	360.000	Land and Land Rights - SPP	\$0			100.00%	\$0
17	361.000	Structures and Improvements - SPP	\$0			100.00%	\$0
18	362.000	Receiving Wells - SPP	\$0			100.00%	\$0
19	363.000	Electric Pumping Equipment - SPP	\$0			100.00%	\$0
20	364.000	Diesel Pumping Equipment - SPP	\$0			100.00%	\$0
21		TOTAL PUMPING PLANT	\$0		\$0		\$0
22		WATER TREATMENT PLANT					
23	370.000	Land & Land Rights-WTP	\$0			100.00%	\$0
24	371.000	Structures & Improvements - WTP	\$3,000			100.00%	\$3,000
25	371.100	Water Treatment Equipment	\$0			100.00%	\$0
26	372.000	Treatment & Disposal Equipment - TDP	\$74,197	R-26	-\$39,005	100.00%	\$35,192
27	372.100	Treatment & Disposal Units Electrical Components	\$4,000			100.00%	\$4,000
28	373.000	Plant Sewers - TDP	\$25,775	R-28	-\$13,550	100.00%	\$12,225
29	374.000	Outfall Sewer Lines - TDP - sampling well	\$0			100.00%	\$0
30		TOTAL WATER TREATMENT PLANT	\$106,972		-\$52,555		\$54,417
31		TRANSMISSION & DISTRIBUTION PLANT					
32	342.000	Distribution Reservoirs & Standpipes	\$0			100.00%	\$0
33	343.000	Transmission and Distribution Mains	\$0			100.00%	\$0
34		TOTAL TRANS. & DISTRIBUTION PLANT	\$0		\$0		\$0
35		GENERAL PLANT					
36	389.000	Land & Land Rights-GP	\$0			100.00%	\$0
37	390.000	Structures & Improvements - GP	\$0			100.00%	\$0
38	391.000	Office Furniture & Equipment	\$0			100.00%	\$0
39		Office Computer Equipment	\$0			100.00%	\$0
40	392.000	Transportation Equipment - GP	\$0			100.00%	\$0
41	393.000	Stores Equipment	\$0			100.00%	\$0
42	394.000	Tools, Shop and Garage Equip	\$0			100.00%	\$0
43	395.000	Laboratory Equipment	\$0			100.00%	\$0
44	396.000	Power-Operated Equip	\$0			100.00%	\$0
45	397.000	Communication Equipment	\$0			100.00%	\$0
46	398.000	Misc. Equipment	\$0			100.00%	\$0
47	399.000	Other Tangible Property	\$0			100.00%	\$0
48		TOTAL GENERAL PLANT	\$0		\$0		\$0
49		TOTAL DEPRECIATION RESERVE	\$106,972		-\$52,555		\$54,417

Saddlebrooke Sewer
Small Company Cost of Service
Tracking Number SA-2012-0067
12-Month Ending 12/31/2011
Accumulated Depreciation Reserve - Sewer

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	
Line Number	Account Number	Depreciation Reserve Description	Total Reserve	Adjustment Number	Adjustments	Jurisdictional Allocation To Rate Base Schedule	Adjusted Jurisdictional

Saddlebrooke Sewer
Small Company Cost of Service
Tracking Number SA-2012-0067
12-Month Ending 12/31/2011

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-26	Treatment & Disposal Equipment - TDP	372.000		-\$39,005
	Adjustment to remove 52.57% of \$74,197 (Merciel)		-\$39,005	
R-28	Plant Sewers - TDP	373.000		-\$13,550
	Adjustment to remove 52.57% of \$25,775 (Merciel)		-\$13,550	
Total Reserve Adjustments				<u><u>-\$52,555</u></u>

Saddlebrooke Sewer
Small Company Cost of Service
Tracking Number SA-2012-0067
12-Month Ending 12/31/2011
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	601.000	Operation Labor & Expenses	\$6,075			100.00%	\$6,075
3	601.200	Salaries/Wages - Admin & General - 96 USOA	\$0			100.00%	\$0
4	603.000	Salaries/Wages - Off. & Directors - 96 USOA	\$0			100.00%	\$0
5	604.000	Employee Pension and Benefits - 96 USOA	\$0			100.00%	\$0
6	615.000	Purchased Power - 96 USOA	\$0			100.00%	\$0
7	618.000	Chemicals - 96 USOA	\$0			100.00%	\$0
8	620.000	Materials & Supplies (small tools) - 96 USOA	\$0			100.00%	\$0
9	619.000	Water Testing Expense - 96 USOA	\$0			100.00%	\$0
10	602.000	Purchased Water	\$0			100.00%	\$0
11	623.000	Fuel or Power Purchased	\$2,484			100.00%	\$2,484
12	641.000	Chemicals	\$0			100.00%	\$0
13	652.000	Misc. Equipment - Mtce Water Testing	\$5,832			100.00%	\$5,832
14	661.000	Storage Facilities Expenses	\$0			100.00%	\$0
15	663.000	Meter Expenses	\$0			100.00%	\$0
16	664.000	Customer Installations Expenses	\$0			100.00%	\$0
17	665.000	Misc. Expenses	\$0			100.00%	\$0
18		TOTAL OPERATIONS EXPENSE	\$14,391		\$0		\$14,391
19		MAINTENANCE EXPENSES					
20	625.000	Maintenance Pumping Plant - 96 USOA	\$0			100.00%	\$0
21	672.100	Maint. Super Engine (Trans & Distr) - 96 USOA	\$0			100.00%	\$0
22	672.200	Maint. of Services (Trans. & Distr) - 96 USOA	\$0			100.00%	\$0
23	672.300	Maint. of Meters (Trans. & Distr) - 96 USOA	\$0			100.00%	\$0
24	672.900	Other Trans. & Distr Expenses - 96 USOA	\$0			100.00%	\$0
25	675.500	Maintenance of General Plant - 96 USOA	\$0			100.00%	\$0
26	671.000	Maintenance of Structures & Improvements	\$0			100.00%	\$0
27	672.000	Maintenance of Distribution Reservoirs	\$0			100.00%	\$0
28	673.000	Maintenance of Trans. & Distribution Mains	\$0			100.00%	\$0
29	674.000	Maintenance of Fire Mains	\$0			100.00%	\$0
30	675.000	Maintenance of Services	\$0			100.00%	\$0
31	676.000	Maintenance of Meters	\$0			100.00%	\$0
32	677.000	Maintenance of Hydrants	\$0			100.00%	\$0
33	678.000	Maintenance of Misc. Plant	\$0			100.00%	\$0
34		TOTAL MAINTENANCE EXPENSE	\$0		\$0		\$0
35		CUSTOMER ACCOUNT EXPENSE					
36	902.000	Meter Read	\$0			100.00%	\$0
37	903.000	Customer Records & Collections	\$0			100.00%	\$0
38	903.100	Postage	\$0			100.00%	\$0
39	904.000	Uncollectible Accounts	\$0			100.00%	\$0
40	905.000	Misc. Customer Accounts Expenses	\$0			100.00%	\$0
41		TOTAL CUSTOMER ACCOUNT EXPENSE	\$0		\$0		\$0
42		ADMINISTRATIVE & GENERAL EXPENSES					
43	631.000	Contractual Services (Engineer) - 96 USOA	\$0			100.00%	\$0
44	632.000	Contractual Services (Accounting) - 96 USOA	\$0			100.00%	\$0
45	633.000	Contractual Services (Legal) - 96 USOA	\$0			100.00%	\$0
46	634.000	Contractual Services (Mgmt Fees) - 96 USOA	\$0			100.00%	\$0
47	636.000	Contractual Services (Other) - 96 USOA	\$0			100.00%	\$0
48	641.000	Rental of Building (Real Prop.) - 96 USOA	\$0			100.00%	\$0
49	650.000	Transportation Expenses - 96 USOA	\$0			100.00%	\$0
50	656.000	Insurance - Vehicle - 96 USOA	\$0			100.00%	\$0
51	657.000	Insurance General Liability - 96 USOA	\$0			100.00%	\$0
52	658.000	Insurance (Workman's Comp) - 96 USOA	\$0			100.00%	\$0
53	659.100	Insurance - Life	\$0			100.00%	\$0
54	659.200	Insurance - Property - 96 USOA	\$0			100.00%	\$0
55	670.000	Bad Debt Expense - 96 USOA	\$0			100.00%	\$0
56	675.100	Misc. Expenses - Other Rents - 96 USOA	\$0			100.00%	\$0
57	675.300	Misc. Expense Uniforms 96- USOA	\$0			100.00%	\$0
58	675.600	Misc. Travel Expenses - 96 USOA	\$0			100.00%	\$0

Saddlebrooke Sewer
Small Company Cost of Service
Tracking Number SA-2012-0067
12-Month Ending 12/31/2011
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
59	675.625	Misc. Expense - Sales Tax Short/Long	\$0			100.00%	\$0
60	675.650	Misc. Expense - Payroll Taxes	\$0			100.00%	\$0
61	675.950	Misc. Expenses Other - 96 USOA	\$0			100.00%	\$0
62	930.100	Misc. Expense Telephone - 96 USOA	\$0			100.00%	\$0
63	930.200	Misc. Expense Penalties - 96 USOA	\$0			100.00%	\$0
64	930.300	Misc. Expense Office Utilities - 96 USOA	\$0			100.00%	\$0
65	930.500	Misc. Expense - Sec. of State Fees - 96 USOA	\$0			100.00%	\$0
66	930.900	Misc. Expense - Other A&G - 96 USOA	\$0			100.00%	\$0
67	930.950	Misc. General Expense - 96 USOA	\$0			100.00%	\$0
68	920.000	Administration & General Salary - Officers & Directors	\$0			100.00%	\$0
69	920.100	Corporate Allocations	\$0			100.00%	\$0
70	921.000	Office Supplies and Other Expenses	\$0			100.00%	\$0
71	921.100	Office Utilities	\$0			100.00%	\$0
72	922.000	Admin. Expenses Transferred - Corporate Allocations	\$1,620			100.00%	\$1,620
73	923.100	Outside Service - Engineering	\$0			100.00%	\$0
74	923.200	Outside Services - Legal	\$0			100.00%	\$0
75	923.300	Outside Service - Other	\$0			100.00%	\$0
76	924.000	Insurance - General Liability	\$0			100.00%	\$0
77	924.100	Insurance - Property	\$0			100.00%	\$0
78	924.200	Insurance - Vehicle	\$0			100.00%	\$0
79	925.000	Insurance (Workman's Comp)	\$0			100.00%	\$0
80	925.100	Life Insurance Expense	\$0			100.00%	\$0
81	926.000	Employee Medical, Dental & Vision	\$0			100.00%	\$0
82	928.000	Regulatory Commission Expenses	\$5,031			100.00%	\$5,031
83	928.100	Regulatory Commission Expenses - DNR Fees	\$0			100.00%	\$0
84	928.200	Rate Case Expense	\$0			100.00%	\$0
85	930.100	Advertising Expense	\$0			100.00%	\$0
86	930.200	Misc. General Expenses	\$0			100.00%	\$0
87	930.400	Misc. Lunch & Meals	\$0			100.00%	\$0
88	930.500	Officer & Director Travel Expenses	\$0			100.00%	\$0
89	930.600	Telephone Expense	\$0			100.00%	\$0
90	930.560	Dues & Subscriptions	\$0			100.00%	\$0
91	931.000	Rents	\$0			100.00%	\$0
92	932.000	Maint. Of General Plant - AGE	\$648			100.00%	\$648
93	933.000	Transportation Expenses	\$0			100.00%	\$0
94		TOTAL ADMINISTRATIVE AND GENERAL	\$7,299		\$0		\$7,299
95		OTHER OPERATING EXPENSES					
96	431.100	Interest on Customer Deposits	\$0			100.00%	\$0
97	251.000	Depreciation - CIAC Offset	\$0			100.00%	\$0
98		Corporate Registration	\$0			100.00%	\$0
99		Other Operating Expense	\$0			100.00%	\$0
100		Amortization Expense	\$0			100.00%	\$0
101		CIAC Depreciation Offset	\$0			100.00%	\$0
102		Depreciation	\$0	W-102	\$7,127	100.00%	\$7,127
103		TOTAL OTHER OPERATING EXPENSES	\$0		\$7,127		\$7,127
104		TAXES OTHER THAN INCOME					
105	675.675	Misc. Expense (Other Taxes) - 96 USOA	\$0			100.00%	\$0
106	930.600	Misc. Expense (Property Tax) - 96 USOA	\$0			100.00%	\$0
107	408.000	Payroll Taxes	\$0			100.00%	\$0
108	408.100	Property Taxes	\$3,076			100.00%	\$3,076
109	409.000	Current Income Taxes	\$0			100.00%	\$0
110		TOTAL TAXES OTHER THAN INCOME	\$3,076		\$0		\$3,076
111		TOTAL OPERATING EXPENSES	\$24,766		\$7,127		\$31,893

Saddlebrooke Sewer
Small Company Cost of Service
Tracking Number SA-2012-0067
12-Month Ending 12/31/2011
Expense Adjustment Schedule - Sewer

<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-102	Depreciation			\$7,127
	1. To Annualize Depreciation		\$7,127	
	2. To Eliminate Depreciation on CIAC		\$0	
Total Expense Adjustments				\$7,127

Saddlebrooke Sewer
Small Company Cost of Service
Tracking Number SA-2012-0067
12-Month Ending 12/31/2011
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	\$0	Rev-2	\$47,280	100.00%	\$47,280
Rev-3		Miscellaneous Revenues	\$0	Rev-3	\$0	100.00%	\$0
Rev-4		TOTAL ANNUALIZED REVENUES	\$0		\$47,280		\$47,280

Saddlebrooke Sewer
Small Company Cost of Service
Tracking Number SA-2012-0067
12-Month Ending 12/31/2011
Revenue Adjustment Schedule - Sewer

<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			\$47,280
	1. To Annualize Rate Revenues		\$47,280	
Rev-3	Miscellaneous Revenues			\$0
	1. To Annualize Miscellaneous Revenues		\$0	
Total Revenue Adjustments				\$47,280

Saddlebrooke Sewer
Small Company Cost of Service
Tracking Number SA-2012-0067
12-Month Ending 12/31/2011
Rate Revenue Feeder Schedule - Sewer

Line Number	A Description	Residential 5/8"		Total	
		B Amount	C Amount	D Amount	E Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	81		81	
3	Bills Per Year	12			
4	Customer Bills Per year	972		972	
5	Current Customer Charge	<u>\$13.74</u>			
6	Annualized Customer Charge Revenues		\$13,355		\$13,355
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	7,391,250		7,391,250	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		0	
10	Commodity Gallons	7,391,250		7,391,250	
11	Block 1, Commodity Gallons per Block	7,391,000			
12	Block 1, Number of Commodity Gallons per Unit	<u>1,000</u>			
13	Block 1, Commodity Billing Units	7,391.00			
14	Block 1, Existing Commodity Charge	<u>\$4.59</u>			
15	Block 1, Annualized Commodity Charge Rev.		\$33,925		\$33,925
16	Summer, Commodity Gallons per Block	0			
17	Summer, Number of Commodity Gallons per Unit	<u>1,000</u>			
18	Summer, Commodity Billing Units	0.00			
19	Summer, Existing Commodity Charge	<u>\$0.00</u>			
20	Summer, Annualized Commodity Charge Rev.		\$0		\$0
21	Total Annualized Water Rate Revenues		<u>\$47,280</u>		<u>\$47,280</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.

Saddlebrooke Sewer
Small Company Cost of Service
Tracking Number SA-2012-0067
12-Month Ending 12/31/2011

Miscellaneous Revenues Feeder - Sewer

Line Number	<u>A</u> Description	<u>B</u> Amount
13	Total Miscellaneous Revenues	<u><u>\$0</u></u>