

Exhibit No.:
Issues: Class Cost of
Service
Witness: James M. Russo
Sponsoring Party: MO PSC Staff
Type of Exhibit: Direct Testimony
Case No: WR-2006-0425
Date Testimony Prepared: December 11, 2006

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

DIRECT TESTIMONY

OF

JAMES M. RUSSO

ALGONQUIN WATER RESOURCES OF MISSOURI, LLC

CASE NO. WR-2006-0425 AND SR-2006-0426

(Consolidated)

**Jefferson City, Missouri
December 2006**

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI


In the Matter of the tariff filing of)
Algonquin Water Resources of Missouri,)
LLC to implement a general rate increase)
for water and sewer service provided to)
customers in its Missouri service areas.)

Case No. WR-2006-0425

AFFIDAVIT OF JAMES M. RUSSO

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

James M. Russo, of lawful age, on his oath states: that he has participated in the preparation of the following Direct Testimony in question and answer form, consisting of 7 pages of Direct Testimony to be presented in the above case, that the answers in the following Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.



James M. Russo

Subscribed and sworn to before me this 8th day of December, 2006.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086



Notary Public

My commission expires 9-21-10

TABLE OF CONTENTS

DIRECT TESTIMONY

OF

JAMES M. RUSSO

ALGONQUIN WATER RESOURCES OF MISSOURI, LLC

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(Consolidated)

BACKGROUND OF WITNESS	1
EXECUTIVE SUMMARY	2
CLASS COST OF SERVICE.....	3
RATE DESIGN	5

DIRECT TESTIMONY

OF

JAMES M. RUSSO

ALGONQUIN WATER RESOURCES OF MISSOURI, LLC

CASE NO. WR-2006-0425 AND SR-2006-0426

(Consolidated)

Q. Please state your name and business address.

A. James M. Russo, P.O. Box 360, Jefferson City, Missouri 65102.

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

A. I am the Rate and Tariff Examination Supervisor in the Water and Sewer Department with the Missouri Public Service Commission (Commission).

BACKGROUND OF WITNESS

Q. Please describe your educational background and other qualifications.

A. I graduated from California State University-Fresno, Fresno, California, and received a Bachelor of Science degree in Accounting. Prior to my employment with the Commission, local elected officials in county government employed me in various capacities. I was the assistant treasurer-tax collector for San Joaquin and El Dorado Counties in California. My responsibilities included all financial dealings of the counties and all accounting activities of the agency. In addition, I was the supervising accountant auditor in El Dorado County for two years. My division was responsible for internal audits of all county agencies, special districts, and franchise/lease agreements.

Q. What has been the nature of your duties with the Commission?

CLASS COST OF SERVICE

Q. What customer classes are used in Staff's CCOS study?

A. The customer classes used in this study are as follows:

Residential and Commercial-Water and Sewer operations
Wholesale Service-Water operation only

Q. Are these the same as the Company's current tariff designations?

A. No. The Company's current water and sewer tariffs have one customer class for residential and commercial customers that determine the monthly customer charge by meter size and the commodity charge based on usage per 1,000 gallons. I am not changing that customer class. However, the Company has proposed, and Staff agrees, that a separate customer class should be developed for the irrigation water being used by the golf course in the Company's Holiday Hills service area. I am proposing the creation of the Wholesale Service Class to allow the Company to charge for customers using large volumes of water, such as the golf course.

Q. What is the purpose of Staff's CCOS study?

A. The purpose of Staff's CCOS study is to determine, and provide the Commission with, a measure of relative class cost responsibility for Algonquin's overall revenue requirement. For individual items of cost, class cost responsibility can be either directly assigned or allocated to customer classes using reasonable methods for determining the class responsibility for that item of cost. The results are then summarized so that they can be compared to revenues being collected on current rates.

Q. What type of allocation method did you use?

A. I allocated each certificated area's total costs using the "base-extra capacity" method. This method involves allocating the various cost components based on data

Direct Testimony of
James M. Russo

1 pertaining to operating costs, operating revenues, system capacity, customer usage and
2 customer numbers. The results of these allocations show the relative cost levels that should
3 be recovered from each customer class. Rates are then designed to recover the costs that are
4 allocated to each class.

5 Q. Please describe the base-extra capacity allocation method that you used.

6 A. In the base-extra capacity method, costs are generally separated into four
7 primary cost components: base costs, extra capacity costs, customer costs and direct fire
8 protection costs. However, my allocation method did not allocate costs to direct fire
9 protection.

10 Q. How did you develop the CCOS amounts?

11 A. Allocation of each cost is accomplished by applying allocation factors. These
12 allocation factors are applied to the annualized and normalized expenses, plant, rate base, and
13 return on investment to determine the total costs to be recovered in each certificated area.

14 Q. What are the results of your CCOS study?

15 A. The results of my study are presented in terms of class revenue requirements
16 before any increase or decrease in Algonquin's revenue requirement. The results are attached
17 to my Direct Testimony as Schedule 2 – Water Operations and Schedule 3 – Sewer
18 Operations.

19 Q. Please generally describe the worksheets that are contained in Schedule 2 and
20 Schedule 3.

21 A. Schedule 2 includes the following worksheets for each of the Company's three
22 service areas in which it provides water service: rate making income statement; annualized
23 revenues at current rates; development of proposed rates; annualized revenues at proposed

1 rates; and residential customer bill comparison. Schedule 3 includes the same worksheets as
2 noted above for each of the Company's two service areas in which it provides sewer service.

3 Q. How did you compare the CCOS study results to current revenues?

4 A. Revenue requirement is a major component in this case, and the Commission
5 must have a recommendation about class revenue requirements that it can apply to any
6 increase or decrease in revenue requirement that it ultimately approves. In order to make
7 such a recommendation, I have factored the Staff's CCOS to be equal to the revenue level
8 collected from current rates. The same factor was applied to the allocated costs for each class
9 (i.e., each class' costs were increased or decreased by an equal percentage). When subtracting
10 the results from current revenues, a revenue deficiency (-) or revenue surplus (+) for each
11 class is reflected.

12 Q. What is the impact of your CCOS study on the various customer classes?

13 A. The CCOS study shows that revenues should be collected differently than is
14 occurring under current rates.

15 **RATE DESIGN**

16 Q. Does the rate design method you are proposing differ from the method through
17 which the Company's current rates were designed and/or the method proposed by the
18 Company in its direct testimony?

19 A. Yes it does. I am proposing that the Company's rates be designed on the costs
20 separately attributable to each of the Company's certificated service areas, and that these
21 "district-specific rates" be based on the results of my CCOS study as previously discussed.
22 Comparatively, the Company's current rates are set on a uniform basis, with no distinction
23 between the Company's service areas. Also, the rates that the Company proposed would

1 continue the existing rate design by simply increasing the current rates by a percentage equal
2 to the Company's proposed increases in its annualized operating revenues, with the lone
3 exception to this approach being the creation of the proposed irrigation rate for the Holiday
4 Hills service area.

5 A specific example of a difference between my rate design and the design of
6 the Company's current rates is that I developed my proposed customer charges using meter
7 costs, service costs, and billing and collection costs, pursuant to the "base-extra capacity"
8 method of cost allocation.

9 Q. Are the customer class allocation methods you used, and the results of those
10 methods, different than the methods upon which the Company's current rates were
11 established?

12 A. Generally speaking, the class cost allocation method I used is not different
13 than the allocation method used in the previous cases in which the Company's current rates
14 were established.

15 Q. How did you develop the customer rates for each of the Company's
16 certificated service areas?

17 A. I developed rates to recover the CCOS allocated to each class in each of the
18 service areas. The rates generally consist of a fixed monthly customer charge and a usage
19 (commodity) charge, which are generally based upon the number of customers in the class
20 and the usage characteristics of those customers.

21 Q. Are you proposing a different monthly customer charge for the residential and
22 commercial customer classes?

Direct Testimony of
James M. Russo

1 A. No. I am not proposing a different monthly customer charge for the
2 residential and commercial customer classes. Presently, the service provided by the
3 Company to these customers is essentially the same, and there is thus no reason for different
4 customer charges.

5 Q. How did you calculate the commodity rates from your CCOS study?

6 A. To determine the commodity rates from the CCOS study, I subtracted the
7 dollars collected from the customer charges from each class' revenue requirement and divided
8 the remaining class revenue requirement by the total class billed water volumes.

9 Q. Does this conclude your direct testimony?

10 A. Yes it does.

RATE CASE PROCEEDING PARTICIPATION

JAMES M. RUSSO

<u>COMPANY</u>	<u>CASE NO.</u>
Union Electric Company	GR-97-393
Gascony Water Company	WA-97-510
St. Joseph Light and Power Company	EC-98-573
St. Joseph Light and Power Company	HR-99-245
St. Joseph Light and Power Company	GR-99-246
St. Joseph Light and Power Company	ER-99-247
UtiliCorp United Inc./St. Joseph Light and Power Company	EM-2000-292
UtiliCorp United Inc./Empire District Electric Company	EM-2000-369
Osage Water Company	WR-2000-557
Osage Water Company	SR-2000-556
Missouri Gas Energy	GR-2001-292
Southern Missouri Gas Company, L.P.	GR-2001-0388
Environmental Utilities	WA-2002-65
Laclede Gas Company	GR-2002-356
Laclede Gas Company	GA-2002-429
Missouri Gas Energy	GT-2003-0033
Aquila Networks L & P	GT-2003-0038
Southern Missouri Gas Company, L.P.	GT-2003-0031
Atmos Energy Corporation	GT-2003-0037
Fidelity Natural Gas, Inc.	GT-2003-0036
Laclede Gas Company	GT-2003-0032
Union Electric Company	GT-2003-0034
Union Electric Company	GR-2003-0517
Missouri Gas Energy	GT-2004-0049
Aquila Inc.	GR-2004-0072
Missouri Gas Energy	GC-2004-0216
Missouri Gas Energy	GC-2004-0305

ALGONQUIN WATER RESOURCES OF MISSOURI

Holiday Hills Rate Making Income Statement-Water

Operating Revenues at Current Rates		Customer Charge	Commodity	Irrigation **
Tariffed Rate Revenues *	\$ 253,161	\$ 27,468	\$ 128,550	\$ 97,142
Other Operating Revenues *	\$ -	\$ -	\$ -	\$ -
Total Operating Revenues	\$ 253,161	\$ 27,468	\$ 128,550	\$ 97,142

* See "Revenues - Current Rates" for Details

** Revenues @ Company's Proposed Rate

Cost of Service		Customer Charge	Commodity	Irrigation
Item	Amount			
Purchased Power	\$ 40,882	\$ -	\$ 18,129	\$ 22,753
Water Treatment Expense-Chemicals	\$ 1,631	\$ -	\$ 1,631	\$ -
Water Treatment -Testing/Laboratory Fees	\$ -	\$ -	\$ -	\$ -
Maintenance Expense-Meters	\$ 519	\$ 519	\$ -	\$ -
Maintenance Expense-Water Line	\$ -	\$ -	\$ -	\$ -
Maintenance Expense-Water System	\$ 2,918	\$ -	\$ 2,918	\$ -
Maintenance Expense-Building & Grounds	\$ 1,333	\$ 665	\$ 665	\$ 3
Professional Fees	\$ 2,747	\$ 2,741	\$ -	\$ 6
Corporate Management Fee	\$ 3,386	\$ 1,690	\$ 1,689	\$ 7
Payroll Expense-Contract Labor	\$ 22,810	\$ -	\$ 22,761	\$ 49
Permit Fees	\$ -	\$ -	\$ -	\$ -
Customer Relations	\$ -	\$ -	\$ -	\$ -
Administration & General - Salaries	\$ 77,610	\$ 38,722	\$ 38,722	\$ 167
Employee Benefits-Medical Insurance	\$ 2,616	\$ 1,305	\$ 1,305	\$ 6
Office Supplies	\$ 1,829	\$ 1,825	\$ 0	\$ 4
Telephone	\$ 2,157	\$ -	\$ 2,152	\$ 5
Dues & Donations	\$ 239	\$ 238	\$ 0	\$ 1
Regulatory Commission Expense	\$ 206	\$ 206	\$ -	\$ -
Bad Debt Expense	\$ (7)	\$ (7)	\$ -	\$ -
Miscellaneous Expense-Business Meals	\$ 150	\$ 113	\$ 38	\$ -
Miscellaneous Expense-Travel	\$ 1,099	\$ 823	\$ 274	\$ 2
Miscellaneous Expense-Freight	\$ 469	\$ 234	\$ 234	\$ 1
Miscellaneous Expense-Advertising	\$ 190	\$ 190	\$ -	\$ -
Miscellaneous Expense-Bank Charges	\$ 120	\$ 120	\$ -	\$ -
Miscellaneous Expense-Rental Expense	\$ 3,932	\$ 1,962	\$ 1,962	\$ 8
Miscellaneous Expense-Postage	\$ 931	\$ 929	\$ -	\$ 2
Miscellaneous Expense-Office Furniture & Equip.	\$ 863	\$ 431	\$ 431	\$ 2
Sub-Total Operating Expenses	\$ 168,630	\$ 52,704	\$ 92,911	\$ 23,015
Property Taxes	\$ 5,144	\$ 806	\$ 2,780	\$ 1,558
MO Franchise Taxes	\$ -	\$ -	\$ -	\$ -
Employer FICA Taxes	\$ 2,465	\$ 1,230	\$ 1,230	\$ 5
Federal Unemployment Taxes	\$ 50	\$ 25	\$ 25	\$ -
State Unemployment Taxes	\$ 866	\$ 432	\$ 432	\$ 2
State & Federal Income Taxes	\$ 8,283	\$ 4,133	\$ 4,133	\$ 18
Sub-Total Taxes	\$ 16,808	\$ 6,626	\$ 8,600	\$ 1,583
Depreciation Expense	\$ 49,792	\$ 1,469	\$ 41,238	\$ 7,085
Amortization of CIAC Expense	\$ (18,476)	\$ -	\$ (18,476)	\$ -
Sub-Total Depreciation/Amortization	\$ 31,316	\$ 1,469	\$ 22,762	\$ 7,085
Return on Rate Base	\$ 20,618	\$ 3,231	\$ 11,144	\$ 6,243
Total Cost of Service	\$ 237,372	\$ 64,030	\$ 135,416	\$ 37,926

Overall Revenue Increase Needed	\$ (15,789)	\$ 36,562	\$ 6,866	\$ (59,216)
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ALGONQUIN WATER RESOURCES OF MISSOURI

Holiday Hills Revenue Annualizations at Current Rates-Water

Annualized Customer Counts and Customer Charge Revenues

Retail Metered Customers

Meter Size	Residential	Commercial	Total Meters	Rate *	Annual Revenue
5/8"- 3/4"	349	37	386	\$ 3.00	\$ 13,896
1"	0	15	15	\$ 5.00	\$ 900
1 1/2"	0	0	0	\$ 10.00	\$ -
2"	42	19	61	\$ 16.00	\$ 11,712
2 1/2"	0	0	0	\$ 24.00	\$ -
3"	0	1	1	\$ 30.00	\$ 360
4"	0	1	1	\$ 50.00	\$ 600
Wholesale	0	1	1	\$ -	\$ -
Total	391	74	465		\$ 27,468

*monthly customer charge

Annualized Commodity Sales - Volumes and Revenues

sales shown in M gallons

Meter Size	Residential	Commercial	Total Sales	Rate	Annual Revenue
5/8"- 3/4"	9,825.4	5,959.6	15,785.0	\$ 3.02	\$ 47,671
1"	-	6,071.0	6,071.0	\$ 3.02	\$ 18,334
1 1/2"	-	-	-	\$ 3.02	\$ -
2"	18,296.7	594.1	18,890.8	\$ 3.02	\$ 57,050
2 1/2"	-	-	-	\$ 3.02	\$ -
3"	-	203.8	203.8	\$ 3.02	\$ 615
4"	-	1,615.7	1,615.7	\$ 3.02	\$ 4,879
Wholesale	-	77,713.8	77,713.8	\$ 1.25	\$ 97,142
Total	28,122.2	92,158.0	84,815.9		\$ 225,693

Total Operating Revenues

Customer Charge Revenue	\$ 27,468
Commodity Revenues	\$ 225,693
Total Operating Revenues	\$ 253,161

ALGONQUIN WATER RESOURCES OF MISSOURI

Holiday Hills Development of Tariffed Rates-Water

Customer Charge

Revenues Generated by Current Tariffed Rates	\$ 27,468
Staff COS Overall Revenue Increase	\$ 36,562
Percentage Increase Needed	133.107%

Commodity Charge

Revenues Generated by Current Tariffed Rates	\$ 128,550
Staff COS Overall Revenue Increase	\$ 6,866
Percentage Increase Needed	5.341%

Irrigation Charge

Revenues Generated by Proposed Company Tariffed Rates	\$ 97,142
Staff COS Overall Revenue Increase	\$ (59,216)
Percentage Increase Needed	-60.958%

Metered Customer Rates

Meter Size	Current Customer Charge	Proposed Customer Charge	Current Commodity Rate	Proposed Commodity Rate
5/8"- 3/4"	\$ 3.00	\$ 6.99	\$ 3.020	\$ 3.18
1"	\$ 5.00	\$ 11.66	\$ 3.020	\$ 3.18
1 1/2"	\$ 10.00	\$ 23.31	\$ 3.020	\$ 3.18
2"	\$ 16.00	\$ 37.30	\$ 3.020	\$ 3.18
2 1/2"	\$ 24.00	\$ 55.95	\$ 3.020	\$ 3.18
3"	\$ 30.00	\$ 69.93	\$ 3.020	\$ 3.18
4"	\$ 50.00	\$ 116.55	\$ 3.020	\$ 3.18
Wholesale*	\$ -	\$ -	\$ 1.250	\$ 0.49

*Current Commodity Rate is Proposed Rate by Company

ALGONQUIN WATER RESOURCES OF MISSOURI

Holiday Hills Revenue Annualizations at Proposed Rates-Water

Annualized Customer Counts and Customer Charge Revenues

Retail Metered Customers

Meter Size	Residential	Commercial	Total Meters	Rate *	Annual Revenue
5/8" - 3/4"	349	37	386	\$ 6.99	\$ 32,393
1"	0	15	15	\$ 11.66	\$ 2,098
1 1/2"	0	0	0	\$ 23.31	\$ -
2"	42	19	61	\$ 37.30	\$ 27,301
2 1/2"	0	0	0	\$ 55.95	\$ -
3"	0	1	1	\$ 69.93	\$ 839
4"	0	1	1	\$ 116.55	\$ 1,399
Irrigation	0	1	1	\$ -	\$ -
Total	391	74	465		\$ 64,030

*monthly customer charge

Annualized Commodity Sales - Volumes and Revenues

sales shown in Mgalions

Meter Size	Residential	Commercial	Total Sales	Rate	Annual Revenue
5/8" - 3/4"	9,825.4	5,959.6	15,785.0	\$ 3.18	\$ 50,217
1"	-	6,071.0	6,071.0	\$ 3.18	\$ 19,314
1 1/2"	-	-	-	\$ 3.18	\$ -
2"	18,296.7	594.1	18,890.8	\$ 3.18	\$ 60,097
2 1/2"	-	-	-	\$ 3.18	\$ -
3"	-	203.8	203.8	\$ 3.18	\$ 648
4"	-	1,615.7	1,615.7	\$ 3.18	\$ 5,140
Wholesale	-	77,713.8	77,713.8	\$ 0.49	\$ 37,926
Total	28,122.2	92,158.0	120,280.2		\$ 173,343

Total Operating Revenues

Customer Charge Revenue	\$ 64,030
Commodity Revenues	\$ 173,343
Total Revenues at Proposed Rates	\$ 237,372

Revenue Check - Proposed Rates vs. Current Rates

Total Revenues at Proposed Rates	\$ 237,372
Total Revenues at Current Rates	\$ 253,161
Increase In Revenues at Proposed Rates	\$ (15,788)
Staff COS Increase in Operating Revenues	\$ (15,789)

ALGONQUIN WATER RESOURCES OF MISSOURI

Holiday Hills Residential Customer Bill Comparison-Water

Rates for 5/8" Meter			
Current Base Customer Charge	Proposed Base Customer Charge	Current Usage Rate	Proposed Usage Rate
\$3.00	\$6.99	\$3.020	\$3.181

current service charge is monthly charge

MONTHLY BILL COMPARISON

Current Rates

Customer Charge	\$	3.00
Usage Charge	\$	18.12
Total Bill	\$	21.12

Proposed Rates

Customer Charge	\$	6.99
Usage Charge	\$	19.09
Total Bill	\$	26.08

INCREASES

Customer Charge

\$ Increase	\$3.99
% Increase	133.11%

Usage Charge

\$ Increase	\$0.97
% Increase	5.34%

Total Bill

\$ Increase	\$4.96
% Increase	23.49%

ALGONQUIN WATER RESOURCES OF MISSOURI

Ozark Mountain Rate Making Income Statement-Water

Operating Revenues at Current Rates		Customer Charge	Commodity
Tariffed Rate Revenues *	\$ 38,453	\$ 9,852	\$ 28,601
Other Operating Revenues *	\$ -	\$ -	\$ -
Total Operating Revenues	\$ 38,453	\$ 9,852	\$ 28,601

* See "Revenues - Current Rates" for Details

Cost of Service		Customer Charge	Commodity
Item	Amount		
Purchased Power	\$ 3,157	\$ -	\$ 3,157
Water Treatment Expense-Chemicals	\$ 506	\$ -	\$ 506
Water Treatment -Testing/Laboratory Fees	\$ 200	\$ -	\$ 200
Maintenance Expense-Meters	\$ 925	\$ 925	\$ -
Maintenance Expense-Water Line	\$ 6,483	\$ -	\$ 6,483
Maintenance Expense-Water System	\$ 977	\$ -	\$ 977
Maintenance Expense-Building & Grounds	\$ 96	\$ 48	\$ 48
Professional Fees	\$ 901	\$ 901	\$ -
Corporate Management Fee	\$ 7,267	\$ 3,634	\$ 3,634
Payroll Expense-Contract Labor	\$ 8,136	\$ 1,627	\$ 6,509
Permit Fees	\$ -	\$ -	\$ -
Customer Relations	\$ 6,494	\$ 6,494	\$ -
Administration & General - Salaries	\$ 36,237	\$ 18,119	\$ 18,119
Employee Benefits-Medical Insurance	\$ -	\$ -	\$ -
Office Supplies	\$ 281	\$ 281	\$ -
Telephone	\$ 1,346	\$ 1,211	\$ 135
Dues & Donations	\$ 61	\$ 61	\$ -
Regulatory Commission Expense	\$ 131	\$ 66	\$ 66
Bad Debt Expense	\$ -	\$ -	\$ -
Miscellaneous Expense-Business Meals	\$ -	\$ -	\$ -
Miscellaneous Expense-Travel	\$ 165	\$ 124	\$ 41
Miscellaneous Expense-Freight	\$ 136	\$ 68	\$ 68
Miscellaneous Expense-Advertising	\$ 63	\$ 63	\$ -
Miscellaneous Expense-Bank Charges	\$ 18	\$ 18	\$ -
Miscellaneous Expense-Rental Expense	\$ 2,098	\$ 1,049	\$ 1,049
Miscellaneous Expense-Postage	\$ 497	\$ 497	\$ -
Miscellaneous Expense-Office Furniture & Equip.	\$ 58	\$ 58	\$ -
Sub-Total Operating Expenses	\$ 76,233	\$ 35,242	\$ 40,991
Property Taxes	\$ 749	\$ 262	\$ 487
MO Franchise Taxes	\$ -	\$ -	\$ -
Employer FICA Taxes	\$ -	\$ -	\$ -
Federal Unemployment Taxes	\$ -	\$ -	\$ -
State Unemployment Taxes	\$ -	\$ -	\$ -
State & Federal Income Taxes	\$ 1,288	\$ 451	\$ 837
Sub-Total Taxes	\$ 2,037	\$ 713	\$ 1,324
Depreciation Expense	\$ 8,827	\$ 814	\$ 8,013
Amortization of CIAC Expense	\$ (2,993)	\$ -	\$ (2,993)
Sub-Total Depreciation/Amortization	\$ 5,834	\$ 814	\$ 5,020
Return on Rate Base	\$ 4,712	\$ 1,790	\$ 2,922
Total Cost of Service	\$ 88,816	\$ 38,559	\$ 50,257
Overall Revenue Increase Needed	\$ 50,363	\$ 28,707	\$ 21,656

ALGONQUIN WATER RESOURCES OF MISSOURI

Ozark Mountain Revenue Annualizations at Current Rates-Water

Annualized Customer Counts and Customer Charge Revenues

Retail Metered Customers

Meter Size	Residential	Commercial	Total Meters	Rate *	Annual Revenue
5/8"-3/4"	218	22	240	\$ 3.00	\$ 8,640
1"	0	1	1	\$ 5.00	\$ 60
1 1/2"	0	0	0	\$ 10.00	\$ -
2"	3	3	6	\$ 16.00	\$ 1,152
2 1/2"	0	0	0	\$ 24.00	\$ -
3"	0	0	0	\$ 30.00	\$ -
4"	0	0	0	\$ 50.00	\$ -
Total	221	26	247		\$ 9,852

*monthly customer charge

Annualized Commodity Sales - Volumes and Revenues

sales shown in Mgallons

Meter Size	Residential	Commercial	Total Sales	Rate	Annual Revenue
5/8"-3/4"	5,246.5	1,846.8	7,093.3	\$ 3.02	\$ 21,422
1"	-	179.1	179.1	\$ 3.02	\$ 541
1 1/2"	-	-	-	\$ 3.02	\$ -
2"	8.4	2,189.7	2,198.0	\$ 3.02	\$ 6,638
2 1/2"	-	-	-	\$ 3.02	\$ -
3"	-	-	-	\$ 3.02	\$ -
4"	-	-	-	\$ 3.02	\$ -
Total	5,254.9	4,215.5	9,470.4		\$ 28,601

Total Operating Revenues

Customer Charge Revenue	\$ 9,852
Commodity Revenues	\$ 28,601
Total Operating Revenues	\$ 38,453

ALGONQUIN WATER RESOURCES OF MISSOURI

Ozark Mountain Development of Tariffed Rates-Water

Customer Charge

Revenues Generated by Current Tariffed Rates	\$ 9,852
Staff COS Overall Revenue Increase	\$ 28,707
Percentage Increase Needed	291.386%

Commodity Charge

Revenues Generated by Current Tariffed Rates	\$ 28,601
Staff COS Overall Revenue Increase	\$ 21,656
Percentage Increase Needed	75.718%

Metered Customer Rates

Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
5/8"-3/4"	\$ 3.00	\$ 11.74	\$ 3.02	\$ 5.307
1"	\$ 5.00	\$ 19.57	\$ 3.02	\$ 5.307
1 1/2"	\$ 10.00	\$ 39.14	\$ 3.02	\$ 5.307
2"	\$ 16.00	\$ 62.62	\$ 3.02	\$ 5.307
2 1/2"	\$ 24.00	\$ 93.93	\$ 3.02	\$ 5.307
3"	\$ 30.00	\$ 117.42	\$ 3.02	\$ 5.307
4"	\$ 50.00	\$ 195.69	\$ 3.02	\$ 5.307

ALGONQUIN WATER RESOURCES OF MISSOURI

Ozark Mountain Revenue Annualizations at Proposed Rates-Water

Annualized Customer Counts and Customer Charge Revenues

Retail Metered Customers

Meter Size	Residential	Commercial	Total Meters	Rate *	Annual Revenue
5/8"-3/4"	218	22	240	\$ 11.74	\$ 33,816
1"	0	1	1	\$ 19.57	\$ 235
1 1/2"	0	0	0	\$ 39.14	\$ -
2"	3	3	6	\$ 62.62	\$ 4,509
2 1/2"	0	0	0	\$ 93.93	\$ -
3"	0	0	0	\$ 117.42	\$ -
4"	0	0	0	\$ 195.69	\$ -
Total	221	26	247		\$ 38,559

*monthly customer charge

Annualized Commodity Sales - Volumes and Revenues

sales shown in M gallons

Meter Size	Residential	Commercial	Total Sales	Rate	Annual Revenue
5/8"-3/4"	5,247	1,847	7,093.3	\$ 5.307	\$ 37,642
1"	0	179	179.1	\$ 5.307	\$ 950
1 1/2"	0	0	-	\$ 5.307	\$ -
2"	8	2,190	2,198.0	\$ 5.307	\$ 11,664
2 1/2"	0	0	-	\$ 5.307	\$ -
3"	0	0	-	\$ 5.307	\$ -
4"	0	0	-	\$ 5.307	\$ -
Total	5,254.9	4,215.5	9,470.4		\$ 50,257

Total Operating Revenues

Customer Charge Revenue	\$ 38,559
Commodity Revenues	\$ 50,257
Total Revenues at Proposed Rates	\$ 88,816

Revenue Check - Proposed Rates vs. Current Rates

Total Revenues at Proposed Rates	\$ 88,816
Total Revenues at Current Rates	\$ 38,453
Increase In Revenues at Proposed Rates	\$ 50,363
Staff COS Increase in Operating Revenues	\$ 50,363

ALGONQUIN WATER RESOURCES OF MISSOURI

Mark Mountain Residential Customer Bill Comparison-Water

Rates for 5/8" Meter			
Current Base Customer Charge	Proposed Base Customer Charge	Current Usage Rate	Proposed Usage Rate
\$3.00	\$11.74	\$3.020	\$5.307

current service charge is monthly charge

MONTHLY BILL COMPARISON

Current Rates

Customer Charge	\$ 3.00
Usage Charge	\$ 18.12
Total Bill	\$ 21.12

Proposed Rates

Customer Charge	\$ 11.74
Usage Charge	\$ 31.84
Total Bill	\$ 43.58

INCREASES

Customer Charge

\$ Increase	\$8.74
% Increase	291.39%

Usage Charge

\$ Increase	\$13.72
% Increase	75.72%

Total Bill

\$ Increase	\$22.46
% Increase	106.35%

ALGONQUIN WATER RESOURCES OF MISSOURI

Timber Creek Rate Making Income Statement-Water

Operating Revenues at Current Rates		Customer Charge	Commodity
Tariffed Rate Revenues *	\$ 23,103	\$ 3,480	\$ 19,623
Other Operating Revenues *	\$ -	\$ -	\$ -
Total Operating Revenues	\$ 23,103	\$ 3,480	\$ 19,623

* See "Revenues - Current Rates" for Details

Cost of Service		Customer Charge	Commodity
Item	Amount		
Purchased Power	\$ 2,995	\$ -	\$ 2,995
Water Treatment Expense-Chemicals	\$ 233	\$ -	\$ 233
Water Treatment -Testing/Laboratory Fees	\$ 145	\$ -	\$ 145
Maintenance Expense-Meters	\$ 122	\$ 122	\$ -
Maintenance Expense-Water Line	\$ 281	\$ -	\$ 281
Maintenance Expense-Water System	\$ 1,243	\$ -	\$ 1,243
Maintenance Expense-Building & Grounds	\$ 162	\$ 81	\$ 81
Professional Fees	\$ 399	\$ 399	\$ -
Corporate Management Fee	\$ 3,999	\$ 2,000	\$ 2,000
Payroll Expense-Contract Labor	\$ 13,706	\$ 6,853	\$ 6,853
Permit Fees	\$ -	\$ -	\$ -
Customer Relations	\$ -	\$ -	\$ -
Administration & General - Salaries	\$ 3,116	\$ 1,558	\$ 1,558
Employee Benefits-Medical Insurance	\$ -	\$ -	\$ -
Office Supplies	\$ 123	\$ 123	\$ -
Telephone	\$ 101	\$ 101	\$ -
Dues & Donations	\$ 14	\$ 14	\$ -
Regulatory Commission Expense	\$ 78	\$ 39	\$ 39
Bad Debt Expense	\$ -	\$ -	\$ -
Miscellaneous Expense-Business Meals	\$ -	\$ -	\$ -
Miscellaneous Expense-Travel	\$ 48	\$ 36	\$ 12
Miscellaneous Expense-Freight	\$ -	\$ -	\$ -
Miscellaneous Expense-Advertising	\$ -	\$ -	\$ -
Miscellaneous Expense-Bank Charges	\$ -	\$ -	\$ -
Miscellaneous Expense-Rental Expense	\$ 221	\$ 111	\$ 111
Miscellaneous Expense-Postage	\$ 52	\$ 52	\$ -
Miscellaneous Expense-Office Furniture & Equip.	\$ 58	\$ 58	\$ -
Sub-Total Operating Expenses	\$ 27,096	\$ 11,546	\$ 15,550
Property Taxes	\$ 4,486	\$ 1,570	\$ 2,916
MO Franchise Taxes	\$ -	\$ -	\$ -
Employer FICA Taxes	\$ -	\$ -	\$ -
Federal Unemployment Taxes	\$ -	\$ -	\$ -
State Unemployment Taxes	\$ -	\$ -	\$ -
State & Federal Income Taxes	\$ 6,614	\$ 2,315	\$ 4,299
Sub-Total Taxes	\$ 11,100	\$ 3,885	\$ 7,215
Depreciation Expense	\$ 29,411	\$ 56	\$ 29,355
Amortization of CIAC Expense	\$ (5,398)	\$ -	\$ (5,398)
Sub-Total Depreciation/Amortization	\$ 24,013	\$ 56	\$ 23,957
Return on Rate Base	\$ 24,270	\$ 123	\$ 24,147
Total Cost of Service	\$ 86,479	\$ 15,610	\$ 70,869
Overall Revenue Increase Needed	\$ 63,376	\$ 12,130	\$ 51,246

ALGONQUIN WATER RESOURCES OF MISSOURI

Timber Creek Revenue Annualizations at Current Rates-Water

Annualized Customer Counts and Customer Charge Revenues

Retail Metered Customers

Meter Size	Residential	Commercial	Total Meters	Rate *	Annual Revenue
5/8"-3/4"	6	2	8	\$ 3.00	\$ 288
1"	0	2	2	\$ 5.00	\$ 120
1 1/2"	0	0	0	\$ 10.00	\$ -
2"	10	6	16	\$ 16.00	\$ 3,072
2 1/2"	0	0	0	\$ 24.00	\$ -
3"	0	0	0	\$ 30.00	\$ -
4"	0	0	0	\$ 50.00	\$ -
Total	16	10	26		\$ 3,480

*monthly customer charge

Annualized Commodity Sales - Volumes and Revenues

sales shown in M gallons

Meter Size	Residential	Commercial	Total Sales	Rate	Annual Revenue
5/8"-3/4"	54.4	242.3	296.6	\$ 3.02	\$ 896
1"	-	381.2	381.2	\$ 3.02	\$ 1,151
1 1/2"	-	-	-	\$ 3.02	\$ -
2"	3,711.4	2,108.5	5,819.9	\$ 3.02	\$ 17,576
2 1/2"	-	-	-	\$ 3.02	\$ -
3"	-	-	-	\$ 3.02	\$ -
4"	-	-	-	\$ 3.02	\$ -
Total	3,765.7	2,731.9	6,497.7		\$ 19,623

Total Operating Revenues

Customer Charge Revenue	\$ 3,480
Commodity Revenues	\$ 19,623
Total Operating Revenues	\$ 23,103

ALGONQUIN WATER RESOURCES OF MISSOURI

Timber Creek Development of Tariffed Rates-Water

Customer Charge

Revenues Generated by Current Tariffed Rates	\$	3,480
Staff COS Overall Revenue Increase	\$	12,130
Percentage Increase Needed		348.569%

Commodity Charge

Revenues Generated by Current Tariffed Rates	\$	19,623
Staff COS Overall Revenue Increase	\$	51,246
Percentage Increase Needed		261.153%

Metered Customer Rates

Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
5/8"-3/4"	\$ 3.00	\$ 13.46	\$ 3.02	\$ 10.907
1"	\$ 5.00	\$ 22.43	\$ 3.02	\$ 10.907
1 1/2"	\$ 10.00	\$ 44.86	\$ 3.02	\$ 10.907
2"	\$ 16.00	\$ 71.77	\$ 3.02	\$ 10.907
2 1/2"	\$ 24.00	\$ 107.66	\$ 3.02	\$ 10.907
3"	\$ 30.00	\$ 134.57	\$ 3.02	\$ 10.907
4"	\$ 50.00	\$ 224.28	\$ 3.02	\$ 10.907

ALGONQUIN WATER RESOURCES OF MISSOURI

Timber Creek Revenue Annualizations at Proposed Rates-Water

Annualized Customer Counts and Customer Charge Revenues

Retail Metered Customers

Meter Size	Residential	Commercial	Total Meters	Rate *	Annual Revenue
5/8"-3/4"	6	2	8	\$ 13.46	\$ 1,292
1"	0	2	2	\$ 22.43	\$ 538
1 1/2"	0	0	0	\$ 44.86	\$ -
2"	10	6	16	\$ 71.77	\$ 13,780
2 1/2"	0	0	0	\$ 107.66	\$ -
3"	0	0	0	\$ 134.57	\$ -
4"	0	0	0	\$ 224.28	\$ -
Total	16	10	26		\$ 15,610

*monthly customer charge

Annualized Commodity Sales - Volumes and Revenues

sales shown in Mgalions

Meter Size	Residential	Commercial	Total Sales	Rate	Annual Revenue
5/8"-3/4"	54	242	296.6	\$ 10.907	\$ 3,235
1"	0	381	381.2	\$ 10.907	\$ 4,157
1 1/2"	0	0	-	\$ 10.907	\$ -
2"	3,711	2,109	5,819.9	\$ 10.907	\$ 63,476
2 1/2"	0	0	-	\$ 10.907	\$ -
3"	0	0	-	\$ 10.907	\$ -
4"	0	0	-	\$ 10.907	\$ -
Total	3,765.7	2,731.9	6,497.7		\$ 70,869

Total Operating Revenues

Customer Charge Revenue	\$ 15,610
Commodity Revenues	\$ 70,869
Total Revenues at Proposed Rates	\$ 86,479

Revenue Check - Proposed Rates vs. Current Rates

Total Revenues at Proposed Rates	\$ 86,479
Total Revenues at Current Rates	\$ 23,103
Increase In Revenues at Proposed Rates	\$ 63,376
Staff COS Increase in Operating Revenues	\$ 63,376

ALGONQUIN WATER RESOURCES OF MISSOURI

Timber Creek Residential Customer Bill Comparison-Water

Rates for 5/8" Meter			
Current Base Customer Charge	Proposed Base Customer Charge	Current Usage Rate	Proposed Usage Rate
\$3.00	\$13.46	\$3.020	\$10.907

current service charge is monthly charge

MONTHLY BILL COMPARISON

Current Rates

Customer Charge	\$	3.00
Usage Charge	\$	18.12
Total Bill	\$	21.12

Proposed Rates

Customer Charge	\$	13.46
Usage Charge	\$	65.44
Total Bill	\$	78.90

INCREASES

Customer Charge

\$ Increase	\$10.46
% Increase	348.57%

Usage Charge

\$ Increase	\$47.32
% Increase	261.15%

Total Bill

\$ Increase	\$57.78
% Increase	273.57%

ALGONQUIN WATER RESOURCES OF MISSOURI
Ozark Mountain Rate Making Income Statement-Sewer

Operating Revenues at Current Rates		Customer Charge	Commodity
Tariffed Rate Revenues *	\$ 81,129	\$ 18,168	\$ 62,961
Other Operating Revenues *	\$ -	\$ -	\$ -
Total Operating Revenues	\$ 81,129	\$ 18,168	\$ 62,961

* See "Revenues - Current Rates" for Details

Cost of Service		Customer Charge	Commodity
Item	Amount		
Purchased Power	\$ 7,468	\$ -	\$ 7,468
Water Treatment Expense-Chemicals	\$ -	\$ -	\$ -
Sewer Treatment -Testing/Laboratory Fees	\$ 2,254	\$ -	\$ 2,254
Maintenance Expense-Meters	\$ -	\$ -	\$ -
Maintenance Expense-Water Line	\$ 190	\$ -	\$ 190
Maintenance Expense-Sewer System	\$ 6,091	\$ -	\$ 6,091
Maintenance Expense-Building & Grounds	\$ 138	\$ 69	\$ 69
Professional Fees	\$ 1,471	\$ 1,471	\$ -
Corporate Management Fee	\$ 8,374	\$ 4,187	\$ 4,187
Payroll Expense-Contract Labor	\$ 20,774	\$ -	\$ 20,774
Permit Fees	\$ 3,000	\$ -	\$ 3,000
Customer Relations	\$ -	\$ -	\$ -
Administration & General - Salaries	\$ 32,136	\$ 16,068	\$ 16,068
Employee Benefits-Medical Insurance	\$ -	\$ -	\$ -
Office Supplies	\$ 580	\$ 580	\$ -
Telephone	\$ 895	\$ -	\$ 895
Dues & Donations	\$ 118	\$ 118	\$ -
Regulatory Commission Expense	\$ 1,954	\$ 977	\$ 977
Bad Debt Expense	\$ -	\$ -	\$ -
Miscellaneous Expense-Business Meals	\$ -	\$ -	\$ -
Miscellaneous Expense-Travel	\$ 325	\$ 244	\$ 81
Miscellaneous Expense-Freight	\$ 302	\$ 151	\$ 151
Miscellaneous Expense-Advertising	\$ 128	\$ 128	\$ -
Miscellaneous Expense-Bank Charges	\$ 12	\$ 12	\$ -
Miscellaneous Expense-Rental Expense	\$ 1,953	\$ 977	\$ 977
Miscellaneous Expense-Postage	\$ 463	\$ 463	\$ -
Miscellaneous Expense-Office Furniture & Equip.	\$ 117	\$ 117	\$ -
Sub-Total Operating Expenses	\$ 88,743	\$ 25,561	\$ 63,182
Property Taxes	\$ 759	\$ 266	\$ 493
MO Franchise Taxes	\$ -	\$ -	\$ -
Employer FICA Taxes	\$ -	\$ -	\$ -
Federal Unemployment Taxes	\$ -	\$ -	\$ -
State Unemployment Taxes	\$ -	\$ -	\$ -
State & Federal Income Taxes	\$ 3,953	\$ 1,384	\$ 2,569
Sub-Total Taxes	\$ 4,712	\$ 1,649	\$ 3,063
Depreciation Expense	\$ 18,777	\$ -	\$ 18,777
Amortization Expense	\$ (3,048)	\$ -	\$ (3,048)
Sub-Total Depreciation/Amortization	\$ 15,729	\$ -	\$ 15,729
Return on Rate Base	\$ 2,146	\$ -	\$ 2,146
Total Cost of Service	\$ 111,330	\$ 27,210	\$ 84,120
Overall Revenue Increase Needed	\$ 30,201	\$ 9,042	\$ 21,159

ALGONQUIN WATER RESOURCES OF MISSOURI
Ozark Mountain Revenue Annualizations at Current Rates-Sewer

Annualized Customer Counts and Customer Charge Revenues

Retail Metered Customers

Meter Size	Residential	Business	Total Meters	Rate *	Annual Revenue
5/8"- 3/4"	224	0	224	\$ 6.00	\$ 16,128
1"	1	0	1	\$ 10.00	\$ 120
1 1/2"	0	0	0	\$ 20.00	\$ -
2"	5	0	5	\$ 32.00	\$ 1,920
2 1/2"	0	0	0	\$ 48.00	\$ -
3"	0	0	0	\$ 60.00	\$ -
4"	0	0	0	\$ 100.00	\$ -
Total	230	0	230		\$ 18,168

*monthly service charge

Annualized Commodity Sales - Volumes and Revenues

sales shown in M gallons

Meter Size	Residential	Business	Total Sales	Rate	Annual Revenue
5/8"- 3/4"	5,993.0	-	5,993.0	\$ 7.570	\$ 45,367
1"	111.1	-	111.1	\$ 7.570	\$ 841
1 1/2"	-	-	-	\$ 7.570	\$ -
2"	2,213.0	-	2,213.0	\$ 7.570	\$ 16,753
2 1/2"	-	-	-	\$ 7.570	\$ -
3"	-	-	-	\$ 7.570	\$ -
4"	-	-	-	\$ 7.570	\$ -
Total	8,317.1	-	8,317.1		\$ 62,961

Total Operating Revenues

Customer Charge Revenue	\$ 18,168
Commodity Revenues - Retail Customers	\$ 62,961
Total Operating Revenues	\$ 81,129

ALGONQUIN WATER RESOURCES OF MISSOURI

Ozark Mountain Development of Tariffed Rates-Sewer

Customer Charge

Revenues Generated by Current Tariffed Rates	\$	18,168
Staff COS Overall Revenue Increase	\$	9,042
Percentage Increase Needed		49.771%

Commodity Charge

Revenues Generated by Current Tariffed Rates	\$	62,961
Staff COS Overall Revenue Increase	\$	21,159
Percentage Increase Needed		33.607%

Metered Customer Rates

Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
5/8"- 3/4"	\$ 6.00	\$ 8.99	\$ 7.570	\$ 10.11
1"	\$ 10.00	\$ 14.98	\$ 7.570	\$ 10.11
2"	\$ 20.00	\$ 29.95	\$ 7.570	\$ 10.11
2"	\$ 32.00	\$ 47.93	\$ 7.570	\$ 10.11
3"	\$ 48.00	\$ 71.89	\$ 7.570	\$ 10.11
4"	\$ 60.00	\$ 89.86	\$ 7.570	\$ 10.11
6"+	\$ 100.00	\$ 149.77	\$ 7.570	\$ 10.11

ALGONQUIN WATER RESOURCES OF MISSOURI

Ozark Mountain Revenue Annualizations at Proposed Rates-Sewer

Annualized Customer Counts and Customer Charge Revenues

Retail Metered Customers

Meter Size	Residential	Business	Total Meters	Rate *	Annual Revenue
5/8"- 3/4"	224	0	224	\$ 8.99	\$ 24,155
1"	1	0	1	\$ 14.98	\$ 180
1 1/2"	0	0	0	\$ 29.95	\$ -
2"	5	0	5	\$ 47.93	\$ 2,876
2 1/2"	0	0	0	\$ 47.93	\$ -
3"	0	0	0	\$ 71.89	\$ -
4"	0	0	0	\$ 89.86	\$ -
Total	230	0	230		\$ 27,210

monthly service charge

Annualized Commodity Sales - Volumes and Revenues

sales shown in Mgallons

Meter Size	Residential	Business	Total Sales	Rate	Annual Revenue
5/8"- 3/4"	5,993	0	5,993.0	\$ 10.114	\$ 60,613
1"	111	0	111.1	\$ 10.114	\$ 1,124
1 1/2"	0	0	-	\$ 10.114	\$ -
2"	2,213	0	2,213.0	\$ 10.114	\$ 22,383
2 1/2"	0	0	-	\$ 10.114	\$ -
3"	0	0	-	\$ 10.114	\$ -
4"	0	0	-	\$ 10.114	\$ -
Total	8,317.1	-	8,317.1		\$ 84,120

Total Operating Revenues

Customer Charge Revenue	\$ 27,210
Commodity Revenues - Retail Customers	\$ 84,120
Total Revenues at Proposed Rates	\$ 111,330

Revenue Check - Proposed Rates vs. Current Rates

Total Revenues at Proposed Rates	\$ 111,330
Total Revenues at Current Rates	\$ 81,129
Increase In Revenues at Proposed Rates	\$ 30,202
Agreed-Upon Increase in Operating Revenues	\$ 30,201

ALGONQUIN WATER RESOURCES OF MISSOURI **Ozark Mountain Residential Customer Bill Comparison-Sewer**

Rates for 5/8" Meter			
Current Base Customer Charge	Proposed Base Customer Charge	Current Usage Rate	Proposed Usage Rate
\$6.00	\$8.99	\$7.570	\$10.114

MONTHLY BILL COMPARISON

Current Rates

Customer Charge	\$ 6.00
Usage Charge	\$ 45.42
Total Bill	\$ 51.42

Proposed Rates

Customer Charge	\$ 8.99
Usage Charge	\$ 60.68
Total Bill	\$ 69.67

INCREASES

Customer Charge

\$ Increase	\$2.99
% Increase	49.77%

Usage Charge

\$ Increase	\$15.26
% Increase	33.61%

Total Bill

\$ Increase	\$18.25
% Increase	35.49%

ALGONQUIN WATER RESOURCES OF MISSOURI

Timber Creek Rate Making Income Statement-Sewer

Operating Revenues at Current Rates		Customer Charge	Commodity
Tariffed Rate Revenues *	\$ 40,812	\$ 5,808	\$ 35,004
Other Operating Revenues *	\$ -	\$ -	\$ -
Total Operating Revenues	\$ 40,812	\$ 5,808	\$ 35,004

* See "Revenues - Current Rates" for Details

Cost of Service		Customer Charge	Commodity
Item	Amount		
Purchased Power	\$ 5,914	\$ -	\$ 5,914
Water Treatment Expense-Chemicals	\$ -	\$ -	\$ -
Sewer Treatment -Testing/Laboratory Fees	\$ 823	\$ -	\$ 823
Maintenance Expense-Meters	\$ -	\$ -	\$ -
Maintenance Expense-Water Line	\$ 75	\$ -	\$ 75
Maintenance Expense-Sewer System	\$ 15,495	\$ -	\$ 15,495
Maintenance Expense-Building & Grounds	\$ 114	\$ 57	\$ 57
Professional Fees	\$ 1,177	\$ 1,177	\$ -
Corporate Management Fee	\$ 1,021	\$ 511	\$ 511
Payroll Expense-Contract Labor	\$ 21,052	\$ 10,526	\$ 10,526
Permit Fees	\$ 3,000	\$ -	\$ 3,000
Customer Relations	\$ -	\$ -	\$ -
Administration & General - Salaries	\$ 650	\$ 325	\$ 325
Employee Benefits-Medical Insurance	\$ -	\$ -	\$ -
Office Supplies	\$ 251	\$ 251	\$ -
Telephone	\$ 89	\$ -	\$ 89
Dues & Donations	\$ -	\$ -	\$ -
Regulatory Commission Expense	\$ 1,157	\$ 579	\$ 579
Bad Debt Expense	\$ -	\$ -	\$ -
Miscellaneous Expense-Business Meals	\$ -	\$ -	\$ -
Miscellaneous Expense-Travel	\$ 96	\$ 72	\$ 24
Miscellaneous Expense-Freight	\$ 25	\$ 13	\$ 13
Miscellaneous Expense-Advertising	\$ -	\$ -	\$ -
Miscellaneous Expense-Bank Charges	\$ 3	\$ 3	\$ -
Miscellaneous Expense-Rental Expense	\$ 195	\$ 98	\$ 98
Miscellaneous Expense-Postage	\$ 46	\$ 46	\$ -
Miscellaneous Expense-Office Furniture & Equip.	\$ 117	\$ 117	\$ -
Sub-Total Operating Expenses	\$ 51,300	\$ 13,773	\$ 37,527
Property Taxes	\$ 3,706	\$ 1,297	\$ 2,409
MO Franchise Taxes	\$ -	\$ -	\$ -
Employer FICA Taxes	\$ -	\$ -	\$ -
Federal Unemployment Taxes	\$ -	\$ -	\$ -
State Unemployment Taxes	\$ -	\$ -	\$ -
State & Federal Income Taxes	\$ 9,130	\$ 3,196	\$ 5,935
Sub-Total Taxes	\$ 12,836	\$ 4,493	\$ 8,343
Depreciation Expense	\$ 35,939	\$ -	\$ 35,939
Amortization Expense	\$ (4,126)	\$ -	\$ (4,126)
Sub-Total Depreciation/Amortization	\$ 31,813	\$ -	\$ 31,813
Return on Rate Base	\$ 30,847	\$ -	\$ 30,847
Total Cost of Service	\$ 126,796	\$ 18,266	\$ 108,530
Overall Revenue Increase Needed	\$ 85,984	\$ 12,458	\$ 73,527

ALGONQUIN WATER RESOURCES OF MISSOURI
Timber Creek Revenue Annualizations at Current Rates-Sewer

Annualized Customer Counts and Customer Charge Revenues

Retail Metered Customers

Meter Size	Residential	Business	Total Meters	Rate *	Annual Revenue
5/8"- 3/4"	8	0	8	\$ 6.00	\$ 576
1"	2	0	2	\$ 10.00	\$ 240
1 1/2"	0	0	0	\$ 20.00	\$ -
2"	13	0	13	\$ 32.00	\$ 4,992
2 1/2"	0	0	0	\$ 48.00	\$ -
3"	0	0	0	\$ 60.00	\$ -
4"	0	0	0	\$ 100.00	\$ -
Total	23	0	23		\$ 5,808

*monthly service charge

Annualized Commodity Sales - Volumes and Revenues

sales shown in Mgallons

Meter Size	Residential	Business	Total Sales	Rate	Annual Revenue
5/8"- 3/4"	378.5	-	378.5	\$ 7.570	\$ 2,865
1"	268.9	-	268.9	\$ 7.570	\$ 2,036
1 1/2"	-	-	-	\$ 7.570	\$ -
2"	3,976.6	-	3,976.6	\$ 7.570	\$ 30,103
2 1/2"	-	-	-	\$ 7.570	\$ -
3"	-	-	-	\$ 7.570	\$ -
4"	-	-	-	\$ 7.570	\$ -
Total	4,624.0	-	4,624.0		\$ 35,004

Total Operating Revenues

Customer Charge Revenue	\$ 5,808
Commodity Revenues - Retail Customers	\$ 35,004
Total Operating Revenues	\$ 40,812

ALGONQUIN WATER RESOURCES OF MISSOURI

Timber Creek Development of Tariffed Rates-Sewer

Customer Charge

Revenues Generated by Current Tariffed Rates	\$ 5,808
Staff COS Overall Revenue Increase	\$ 12,458
Percentage Increase Needed	214.490%

Commodity Charge

Revenues Generated by Current Tariffed Rates	\$ 35,004
Staff COS Overall Revenue Increase	\$ 73,527
Percentage Increase Needed	210.054%

Metered Customer Rates

Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
5/8"- 3/4"	\$ 6.00	\$ 18.87	\$ 7.570	\$ 23.47
1"	\$ 10.00	\$ 31.45	\$ 7.570	\$ 23.47
2"	\$ 20.00	\$ 62.90	\$ 7.570	\$ 23.47
2"	\$ 32.00	\$ 100.64	\$ 7.570	\$ 23.47
3"	\$ 48.00	\$ 150.96	\$ 7.570	\$ 23.47
4"	\$ 60.00	\$ 188.69	\$ 7.570	\$ 23.47
6"+	\$ 100.00	\$ 314.49	\$ 7.570	\$ 23.47

ALGONQUIN WATER RESOURCES OF MISSOURI
Timber Creek Revenue Annualizations at Proposed Rates-Sewer

Annualized Customer Counts and Customer Charge Revenues

Retail Metered Customer

Meter Size	Residential	Business	Total Meters	Rate *	Annual Revenue
5/8"- 3/4"	8	0	8	\$ 18.87	\$ 1,811
1"	2	0	2	\$ 31.45	\$ 755
1 1/2"	0	0	0	\$ 62.90	\$ -
2"	13	0	13	\$ 100.64	\$ 15,699
2 1/2"	0	0	0	\$ 150.96	\$ -
3"	0	0	0	\$ 188.69	\$ -
4"	0	0	0	\$ 314.49	\$ -
Total	23	0	23		\$ 18,266

monthly service charge

Annualized Commodity Sales - Volumes and Revenues

sales shown in Mgallons

Meter Size	Residential	Business	Total Sales	Rate	Annual Revenue
5/8"- 3/4"	378	0	378.5	\$ 23.471	\$ 8,883
1"	269	0	268.9	\$ 23.471	\$ 6,312
1 1/2"	0	0	-	\$ 23.471	\$ -
2"	3,977	0	3,976.6	\$ 23.471	\$ 93,335
2 1/2"	0	0	-	\$ 23.471	\$ -
3"	0	0	-	\$ 23.471	\$ -
4"	0	0	-	\$ 23.471	\$ -
Total	4,624.0	-	4,624.0		\$ 108,530

Total Operating Revenues

Customer Charge Revenue	\$ 18,266
Commodity Revenues - Retail Customers	\$ 108,530
Total Revenues at Proposed Rates	\$ 126,796

Revenue Check - Proposed Rates vs. Current Rates

Total Revenues at Proposed Rates	\$ 126,796
Total Revenues at Current Rates	\$ 40,812
Increase In Revenues at Proposed Rates	\$ 85,984
Agreed-Upon Increase in Operating Revenues	\$ 85,984

ALGONQUIN WATER RESOURCES OF MISSOURI **Timber Creek Residential Customer Bill Comparison-Sewer**

Rates for 5/8" Meter			
Current Base Customer Charge	Proposed Base Customer Charge	Current Usage Rate	Proposed Usage Rate
\$6.00	\$18.87	\$7.570	\$23.471

current service charge is monthly charge

MONTHLY BILL COMPARISON

Current Rates

Customer Charge	\$ 6.00
Usage Charge	\$ 45.42
Total Bill	\$ 51.42

Proposed Rates

Customer Charge	\$ 18.87
Usage Charge	\$ 140.83
Total Bill	\$ 159.70

INCREASES

Customer Charge

\$ Increase	\$12.87
% Increase	214.49%

Usage Charge

\$ Increase	\$95.41
% Increase	210.05%

Total Bill

\$ Increase	\$108.28
% Increase	210.57%