



December 19, 2011 Staff filed a second *Motion for Extension of Time* due to some newly available information regarding this case. On December 20, 2011 the Commission issued an *Order Granting Staff's Motion for Extension of Time*, extending the date by which Staff must file its Recommendation to January 6, 2012. On December 22, 2011 MAWC submitted a *Supplement to Application* which addressed some of the new information.

## **STAFF'S INVESTIGATION, FINDINGS, AND CONCLUSIONS**

### **COMPANY AND SYSTEM BACKGROUND**

MAWC is a regulated water and sewer utility serving more than 450,000 customers throughout the state. It has been in business for many years, and over the years it has acquired some of its systems, both large and small, through various mergers and acquisitions.

In a previous case, Case No. WO-2011-0213, MAWC acquired the Stonebridge water and sewer utility assets from Roark Water and Sewer, Inc. (Roark) with the approval of the Commission, and adopted Roark's effective tariffs. This area is referred to herein as MAWC's "Stone and Taney Counties Service District." Saddlebrooke is located in the general vicinity of the Stonebridge Village development. For Saddlebrooke, MAWC proposed in its *Application* to adopt the existing water and sewer "Rate B" rates, along with the water and sewer rules currently applicable to the Stone and Taney Counties Service District. MAWC's proposal would include tariff rules and monthly rates, applicable to the former Roark systems. However, Staff's recommendation includes some proposed modifications to sewer tariff rules different from those that existed for the former Roark systems, rates calculated specifically for Saddlebrooke rather than adopting other existing rates, and a water connection fee of \$300 to pay for the service connection pipeline and meter setting at each lot, and service charges for various activities including turn-on and turn-off of service as discussed further herein.

Currently, the water and sewer utility systems in the village of Saddlebrooke are owned and operated by Saddlebrooke Water and Sewer Infrastructure, LLC or Saddlebrooke West, Inc. (referred to hereafter as the Developer's Companies), both of which are companies founded by the developer of the area. The developer's long-term plan for Saddlebrooke is for the development to include a total of approximately 1,100 residential lots along with associated subdivision amenities including an office building and park areas. At present, water and sewer pipelines have been constructed to serve 565 lots. Construction of residential homes has taken place on 81 of those developed lots, including

# PR

APPENDIX A

a subdivision sales office, all of which are connected to the water and sewer systems. The water system consists of a single deep well with a 600 gallon-per-minute pump, a 250,000 gallon storage tank, and a distribution system that is capable of providing domestic water service and residential-level fire protection. The water system has sufficient capacity to serve more than the existing 565 developed lots.

The sewer system consists of septic tanks with effluent pumps at each residence for which maintenance responsibility lies with customers, a pressurized collection system, and a 50,000 gallon-per-day recirculating textile filter treatment facility along with acreage for land application of the treatment facility effluent. The sewage treatment facility has sufficient treatment capacity to serve approximately 200 residential customers.

Although Saddlebrooke is an incorporated village, MAWC requests a water service area that is based on United States Geological Survey (USGS) sections, and a sewer service area that is based on a watershed. The requested service areas are different, but each includes the entire Saddlebrooke development. Staff prefers that the water service area and sewer service area be the same because it is likely that any customer requesting one service would also request the other. MAWC expressed its agreement with the Staff on this point. Staff thus recommends that the service area for sewer service requested by MAWC in its *Application* also become the service area for water service.

Staff reviewed MAWC's *Application*, supporting documents, and other available information during its investigation. Staff is unable to obtain complete records for the original construction of the utility systems and recent operations expenses from the Developer's Companies because the records no longer exist. Despite the unavailability of these records, Staff was able to determine a reasonable approximation of plant in service and expenses by using the information that was available, documentation of the developer's activities, and estimates of the cost of existing plant.

#### **CAPITAL COSTS, CONTRIBUTION-IN-AID-OF-CONSTRUCTION, AND CAPACITY ADJUSTMENT**

MAWC proposed in its *Application* to file tariff sheets that would require new customers connecting to the existing water and sewer pipelines to pay \*\* \_\_\_\_\_ \*\* as a contribution-in-aid-of-construction (CIAC) fee for each connection to the water system and each connection to the sewer system. Staff understands, based on its investigation, that the Developer's Companies have these CIAC fees in place at present and are charging new customers these same fees. Thus, MAWC would be continuing with these existing charges. \*\* \_\_\_\_\_

**PR**

**APPENDIX A**



to estimate that total plant in service, excepting distribution mains and collecting sewers, is \$878,460, and current rate base considering depreciation reserve at the time of acquisition would be approximately \$693,167. In consideration of the capacity adjustments, current customers should only be supporting approximately \$414,628 in rate base. These amounts may be compared to the Company's purchase price of \*\* \_\_\_\_\_ \*\*.

Staff will work with MAWC, in future rate cases, to refine proper levels of plant in service values, to determine what amounts should be included in future rates, and to determine proper treatment of any future CIAC fees. Staff notes that MAWC will expend capital funds for improvements upon acquisition in the estimated amount of \$31,000 which is included in proposed rates on a pro-forma basis, both for safety, security and reliability, and to correct construction and operating shortcomings as required by the Missouri Department of Natural Resources (MDNR).

**OPERATING EXPENSES AND MONTHLY RATES**

Based upon its investigation, which included estimating expenses and its calculation of net plant in service adjusted for capacity in use, Staff recommends that new rates be developed specifically for Saddlebrooke, instead of utilizing the existing water Rate B and sewer Rate B currently effective in MAWC's Stone and Taney Counties Service District, formerly Roark, as was requested in the *Application*. Rates recommended by Staff for residential service in Saddlebrooke, using a 5/8 inch water meter, are as follows:

Water	Customer Charge -- \$15.30 per month
	Commodity Charge -- \$2.83 per 1,000 gallons usage
Sewer	Customer Charge -- \$12.57 per month
	Commodity Charge -- \$4.32 per 1,000 gallons. For residential customers, this charge shall be applied to the average water usage during the months of December, January and February, and that amount will be included for billings for each of the following twelve (12) months.

**PR**

**APPENDIX A**

The Staff's workpaper calculating these rates, using the estimated expenses, is included and incorporated herein by reference as Attachment D. In studying billing amounts for various usages, Staff's proposal of rates to apply to Saddlebrooke are comparable to billing amounts customers currently receive from the Developer's Companies.

MAWC has a pending rate case, Case No WR-2011-0337. Staff recommends that the rates developed for Saddlebrooke in this case **should not be subject to change as a result of MAWC's pending rate case.** Staff also recommends that the rates developed and adopted in this case not be consolidated with any other system as a result of MAWC's pending rate case. The rates approved in this CCN case would be subject to change when MAWC files its next company-wide request for a rate increase with the Commission. Due to the uncertainty of current operating expenses, customer revenues, other revenues that might be forthcoming, and estimates of rate base, Staff will review Saddlebrooke rates in the context of actual operating historical records, in any future rate case.

Upon acquisition, MAWC must include the Saddlebrooke system expenses into its books and records in accordance with the Uniform System of Accounts, including recording in the Company's ledger adjustments for new capital items placed into service and recording the cost of removal and gross salvage for all replaced or retired plant. MAWC also must utilize a work order system to track material, labor, and overhead costs for this acquired system.

Staff recommends that MAWC adopt the existing depreciation rate schedule that is presently approved for MAWC water systems as ordered in Case No. WR-2010-0131, and the generic depreciation rates for small sewer companies presently approved for MAWC's other existing sewer systems. For clarification, copies of the depreciation schedules Staff proposes for water and sewer are included as Attachments B and C to this memorandum and incorporated herein.

Staff understands that the Developer's Companies are becoming less able to continue operation of the water and sewer systems, and there is a need for transfer of ownership. Based on its familiarity with MAWC and its existing operations, Staff determines that MAWC has adequate technical, managerial, and financial capacity to own and operate the water and sewer systems in Saddlebrooke.

#### **CUSTOMER SERVICE AND BILLING ISSUES**

In recent MAWC acquisition cases, customer service and billing issues were stipulated in order to ensure: 1) transparency to the former customers during the transition period, 2) that the Company's

**PR**

**APPENDIX A**

billing information was accurate, 3) the former customers were being properly billed, and 4) that the Company adhered to applicable rules and regulations and its tariffs.

In the context of the past acquisitions cases, Staff has monitored customer billing statements for several months. Some of the issues noted during the monitoring of these customer billing statements included: 1) inaccurate customer water charge on some customers' billing statements, 2) some customers were not being charged the customer charge for wastewater, 3) proration of customer charges, water usage charges and primacy fees due to customers being billed for more than 35 days or less than 26 days of service, and 4) identifying customers that were not being monthly billed by the Company. Staff also noted that there were numerous credit and debit adjustments on the customer billing statements, and that some billing statements lacked the notation of the billing period and the meter readings. After the first month's review, Staff broadened its request for copies of billing statements. Staff made the Company aware of the errors on the billing statements and worked closely with the Company to ensure all billing errors were corrected.

Staff wants to ensure that the Saddlebrooke customers are accurately billed by the Company and includes its specific requests for information in Staff's Recommendations below. MAWC should provide bills to the customers within a 26-35 day service billing period, beginning upon the effective date of rate tariff sheets to be approved for Saddlebrooke. MAWC should further distribute an informational brochure to Saddlebrooke customers within twenty (20) days after closing of the assets, detailing the rights and responsibilities of the utility and its customers. The informational brochure shall adhere to Commission Rule 4 CSR 240-13.040(3).

MAWC is currently providing monthly reporting regarding its call center activity to the EMSU staff, which was developed over the course of several past cases. The reporting items include 1) Average Abandoned Call Rate, 2) Average Speed of Answer, 3) 1<sup>st</sup> Call effectiveness and 4) Average Customer Response Time, which were approved in the Stipulation and Agreement between the parties in Case No. WM-2001-309; 5) Call Volumes, 6) CSC staffing, 7) CSC staffing levels, including job titles and the number of people employed in each category, which were approved in the Stipulation and Agreement between the parties in Case No. WR-2003-0500; and 8) the number of actual monthly meter reads in total and by district, 9) the number of monthly estimated meter reads, 10) the number of consecutive estimated reads, and 11) the meter reader staffing levels, which were approved in the Stipulation and Agreement between the parties in Case No. WR-2007-0216. Staff proposes no changes to the current reporting except that activity with respect to newly acquired Saddlebrooke customers be included in the call center activity reporting.

**NP**

**APPENDIX A**

Additionally, Staff has ongoing concerns with MAWC regarding billing issues and practices. As with other newly acquired systems, the EMSU Staff recommends that MAWC provide adequate training to all customer service representatives with respect to Saddlebrooke rates and rules, prior to the Saddlebrooke customers receiving their first bill from MAWC. EMSU Staff recommends that MAWC provide, on a monthly basis, a listing of the Saddlebrooke customers that were issued bills for greater than 35 days of service. Further, MAWC should provide a sample of ten (10) billing statements of its first month bills issued to the Saddlebrooke customers, in order to check for accuracy.

Staff noted during its review of customer billing statements that billing errors happened due to meter changes occurring close to the meter read date. To assist the Company and the customers in its billing of customer with meter changes during the month, Staff recommends the Company implement immediately its current meter exchange blackout policy and procedure in the Saddlebrooke development.

### **OTHER MATTERS**

Staff recommends some modifications, described in Attachment E, to the existing tariffs that MAWC proposes apply to Saddlebrooke. The water tariff and sewer tariff will each need new pages with written descriptions and maps of the service area. Additionally, each tariff will need a new rate sheet, with monthly rates to be included in those tariffs, and CIAC fees with the limitation conditions, as described herein. Due to operational differences between MAWC's existing sewer system in its Stone and Taney Counties Service District and the Saddlebrooke sewer system, specifically that involving septic tanks and septic tank effluent pumps within customers' lots, some definitions and rules will need to be modified. Specifically Rules 1 d., e. and f., and Rule 5 i. should be modified in order to fit both the Stonebridge and Saddlebrooke situations. In addition to those modifications, new rules regarding septic tank and effluent pump installation and maintenance need to be added to Rule 5. Staff's proposed changes to MAWC's tariff rules are included and incorporated by reference herein as Attachment E. Staff will assist MAWC in making these changes. Since MAWC will begin operating the water and sewer system immediately upon closing of assets, the Company may seek expedited treatment of the tariff sheets.

There are several issues with respect to requirements set by the MDNR. Some of the issues the system faces involve past deficiencies with respect to sampling, testing, reporting, and emergency

**NP**

**APPENDIX A**



planning, which are ongoing operational activities. MAWC will be able to comply with these requirements on a going forward basis after acquisition, just as it complies with these requirements with respect to its other utility systems. Some deficiencies require construction or minor modifications to the sewer system, such as adequate fencing to protect the sewage treatment facility, and a groundwater monitoring well within the treatment facility effluent irrigation field. MAWC also desires to construct adequate fencing at the water supply and storage facilities, and keep a spare pump for the single well. Staff understands that MAWC intends to undertake the necessary improvements immediately after acquisition and deems this reasonable action for the benefit of the customers and the system. Staff has included the capital costs for these items, and recommends this specific purchase of the spare pump and construction of fencing and the monitoring well be undertaken as a condition of approving the CCN.

As previously stated, MAWC has a pending rate case before the Commission, Case No. WR-2011-0337. The acquisition of the Saddlebrooke systems will have no impact upon this pending case. Staff recommends that the rates authorized in the pending rate case should not be applied to Saddlebrooke; therefore, the pending rate case would have no direct impact upon this CCN case. MAWC also has another acquisition case, SO-2012-0091, in which it seeks to acquire the assets of Meramec Sewer Co., a regulated sewer utility in Fenton, Missouri. That case likewise will have no impact on the Saddlebrooke acquisition, nor will this matter affect that pending case.

MAWC has no issues with respect to the submission of annual reports and assessments to the Commission. It has filed annual reports, as shown on the Commission's Electronic Filing and Information System (EFIS), through calendar year 2010, and is current on its quarterly payments for the annual assessment through the 2<sup>nd</sup> quarter of fiscal year 2012.

### **THE TARTAN ENERGY CRITERIA**

As is customary with most cases involving a CCN, the Staff is using criteria similar to that which was studied by the Commission in a past CCN case that was filed by the Tartan Energy Company to justify granting a CCN, as follows:

#### **Is there a need for service?**

Yes, there is a need for service, in that residential customers desire and need water and sewer service. Additionally, water and sewer systems are necessary in order for this development to exist and be in compliance with drinking water and water pollution control regulations.

**NP**

**APPENDIX A**

**Is the Company qualified to provide the service?**

Yes, MAWC is qualified to provide the service, as is demonstrated by its providing the same or similar service in other areas of Missouri. Staff has determined that MAWC is able to assume operations of the existing systems, and is capable of undertaking necessary improvements for continued operations of those systems.

**Does the Company have the financial ability to provide the service?**

Yes, MAWC has demonstrated that it has sufficient financial resources, and is able to evaluate the costs of alternatives for operations and capital improvements.

**Is the Company's proposal economically feasible?**

Yes, the proposal is economically feasible based on Staff's overall evaluation and MAWC's ability to combine the proposed operation into its existing operations.

**Does the Company's proposal promote the public interest?**

Yes, MAWC's proposal to acquire the responsibility from current owners and provide future service promotes the public interest.

**Could the service be provided by another entity?**

No, there are no other entities readily available to provide service. The current owner desires that the systems be transferred to MAWC; and neither the village of Saddlebrooke, nor any organization of the homeowners or property owners appear willing to acquire and operate this system. There are no other privately-owned utilities in a position to acquire these systems at this time.

**STAFF'S RECOMMENDATIONS**

Staff recommends the Commission approve MAWC's *Application* and its Amendment for a CCN for water and sewer service and acquisition of water and sewer utility assets. Staff specifically recommends the Commission issue an order that includes the following:

1. Grants a Certificate of Convenience and Necessity to MAWC for water and sewer service, and that the service area requested by the Company for sewer service be applicable to both water and sewer service areas.

**NP**

**APPENDIX A**

2. Requires MAWC to notify the Commission when it has closed on the Saddlebrooke assets within five (5) business days after such closing has occurred. If closing has not occurred within thirty (30) days after the effective date of the Order approving this Application, require MAWC to file a status report on the status of the sale and file a status report every thirty (30) days thereafter until the closing has occurred.
3. Authorizes MAWC to file water and sewer tariff sheets as thirty (30) day filings in its existing Stone and Taney Counties Service District water and sewer tariffs, depicting the service areas to apply to Saddlebrooke, and that contain monthly rates as described herein in each tariff, the existing \$300 water connection fee, and CIAC fees of \*\* \_\_\_\_\_ \*\* in each tariff applying to new residential customers connecting to existing water mains and existing collecting sewers \*\* \_\_\_\_\_ \*\*, with a limitation of 200 customers or ten (10) years, whichever occurs first. Such rate sheets should be filed as soon as practical to coincide with the date of closing, but no later than ten (10) days after closing has occurred
4. Rates, CIAC fees, expenses and total revenue for Saddlebrooke shall be subject to review by the next company-wide rate case filed by MAWC, as well as in subsequent rate cases; but such rates that result from this matter shall not be subject to change as a result of MAWC's pending rate case, Case Nos. WR-2011-0337 and SR-2011-0338.
5. Requires MAWC to file sewer tariff sheets, with modifications and additions to sewer tariff rules as discussed herein, to be filed as thirty (30)-day tariff filings, in MAWC's Stone and Taney Counties water and sewer tariffs, within twenty (20) days after closing of the assets as contemplated by recommendation number 2, above. Such tariff sheets may be filed separately from rate sheets, as contemplated by recommendation number 3, above, in order to allow time for MAWC and the Staff to agree on the exact wording on such tariff sheets.
6. Requires MAWC to complete the proposed system improvements, specifically fencing for the water storage tank and well, fencing for the sewage treatment facility, acquisition of a spare well pump, and construction of the sewer effluent field monitoring well, to the satisfaction of DNR as necessary, by June 30, 2012, with notification of completion of each item sent to the Manager of the Water and Sewer Department within five (5) business days of completion. For any item not completed by June 30, 2012, MAWC shall file a status

**NP**

**APPENDIX A**

report in this case by July 6, 2012 stating the status of the project, and expected date completion is expected.

7. Requires MAWC to apply the depreciation schedules presently approved for MAWC for its existing service areas, as shown in Attachments B and C, attached and incorporated by reference herein.
8. Requires MAWC to maintain utility plant records and customer account records, and to keep all books and records, including plant property records, in accordance with the Uniform System of Accounts, version 1973 and revised in 1976 for water, and version 1976 for sewer, as described in this memorandum.
9. Makes no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining to the granting of the certificate, including future expenditures by MAWC, in any later proceeding.
10. MAWC shall ensure adherence to Commission Rule 4 CSR 240-13.020(1) regarding the production of customer bills within a 26-35 days of service billing period beginning upon the effective date of tariff sheets with Saddlebrooke rates.
11. MAWC shall distribute to Saddlebrooke customers an informational brochure detailing the rights and responsibilities of the utility and its customers within twenty (20) days after closing of the assets. The informational brochure shall adhere to Commission Rule 4 CSR 240-13.040(3).
12. MAWC's current monthly reporting of call center activity to EMSU staff shall include Saddlebrooke customers on a going forward basis.
13. MAWC shall provide adequate training to all customer service representatives with respect to Saddlebrooke rates and rules prior to the Saddlebrooke customers receiving their first bill from MAWC.
14. MAWC shall provide to the EMSU staff on a quarterly basis a document detailing the bills to Saddlebrooke customers that were issued for greater than thirty-five (35) days of service.

**NP**

**APPENDIX A**

15. MAWC shall provide to the EMSU staff a sample of ten (10) billing statements of its first month bills issued to the Saddlebrooke customers, in order to check for accuracy, within ten (10) days of issuance of those bills.
16. MAWC shall implement immediately upon acquisition its current meter exchange blackout policy and procedure in the Saddlebrooke service area.

Attachment: A – EMS run  
B – Water Depreciation Schedule  
C – Sewer Depreciation Schedule  
D – Rate Design Workpaper  
E -- Draft Sewer Tariff Rule Modifications

**NP**

**APPENDIX A**

**Exhibit No.:**  
**Issue:** Accounting Schedules  
**Witness:** MO PSC Auditors  
**Sponsoring Party:** MO PSC Staff  
**Case No:** WA-2012-0066  
**Date Prepared:** 1/6/2012



**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY SERVICES**

**STAFF ACCOUNTING SCHEDULES**

**SADDLEBROOKE WATER AND SEWER**

**CASE NO. WA-2012-0066**

**Jefferson City, Missouri**

**January  
2012**

Saddlebrooke Water and Sewer  
Small Company Rate Case  
Tracking Number WA-2012-0066  
Test Year Ending  
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		<b>OPERATIONS EXPENSES</b>					
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		<b>TOTAL OPERATIONS EXPENSE</b>	<u>\$27,157</u>		<u>\$0</u>		<u>\$27,157</u>
19		<b>MAINTENANCE EXPENSES</b>					
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		<b>TOTAL MAINTENANCE EXPENSE</b>	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
35		<b>CUSTOMER ACCOUNT EXPENSE</b>					
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		<b>TOTAL CUSTOMER ACCOUNT EXPENSE</b>	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
42		<b>ADMINISTRATIVE &amp; GENERAL EXPENSES</b>					
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
59	675.625	Misc. Expense - Sales Tax Short/Long	\$0			100.00%	\$0

Saddlebrooke Water and Sewer  
Small Company Rate Case  
Tracking Number WA-2012-0066  
Test Year Ending  
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
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	\$0			100.00%	\$0
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	\$1,000			100.00%	\$1,000
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		<b>TOTAL ADMINISTRATIVE AND GENERAL</b>	<b>\$2,620</b>		<b>\$0</b>		<b>\$2,620</b>
95		<b>OTHER OPERATING EXPENSES</b>					
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	\$6,205	100.00%	\$6,205
103		<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>\$0</b>		<b>\$6,205</b>		<b>\$6,205</b>
104		<b>TAXES OTHER THAN INCOME</b>					
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		<b>TOTAL TAXES OTHER THAN INCOME</b>	<b>\$3,644</b>		<b>\$0</b>		<b>\$3,644</b>
111		<b>TOTAL OPERATING EXPENSES</b>	<b>\$33,421</b>		<b>\$6,205</b>		<b>\$39,626</b>



**Saddlebrooke Water and Sewer**  
**Small Company Rate Case**  
**Tracking Number WA-2012-0066**  
**Test Year Ending**  
**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			\$6,205
	1. To Annualize Depreciation		\$6,205	
	2. To Eliminate Depreciation on CIAC		\$0	
<b>Total Expense Adjustments</b>				<b>\$6,205</b>

Saddlebrooke Water and Sewer  
 Small Company Rate Case  
 Tracking Number WA-2012-0066  
 Test Year Ending  
 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		<b>ANNUALIZED REVENUES</b>					
Rev-2		Annualized Rate Revenues	\$0	Rev-2	\$56,747	100.00%	\$56,747
Rev-3		Miscellaneous Revenues	\$0	Rev-3	\$0	100.00%	\$0
Rev-4		<b>TOTAL ANNUALIZED REVENUES</b>	<b>\$0</b>		<b>\$56,747</b>		<b>\$56,747</b>

**Saddlebrooke Water and Sewer**  
**Small Company Rate Case**  
**Tracking Number WA-2012-0066**  
**Test Year Ending**  
**Revenue Adjustment Schedule - Water**

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Revenue Adj Number	Adjustment Description	Account Number	Adjustment Amount	Total Adjustment
Rev-2	Annualized Rate Revenues			\$56,747
	1. To Annualize Rate Revenues		\$56,747	
Rev-3	Miscellaneous Revenues			\$0
	1. To Annualize Miscellaneous Revenues		\$0	
<b>Total Revenue Adjustments</b>				<b>\$56,747</b>

**Saddlebrooke Water and Sewer**  
**Small Company Rate Case**  
**Tracking Number WA-2012-0066**  
**Test Year Ending**  
**Rate Revenue Feeder Schedule - Water**

Line Number	A Description	Total	
		A Amount	B Amount
1	<u>Customer Charge Revenues:</u>		
2	Customer Number	81	
3	Bills Per Year		
4	Customer Bills Per year	972	
5	Current Customer Charge		
6	Annualized Customer Charge Revenues		\$12,179
7	<u>Commodity Charge Revenues:</u>		
8	Total Gallons Sold	0	
9	Less: Base Gallons Included In Customer Charge	0	
10	Commodity Gallons	0	
11	Block 1, Commodity Gallons per Block		
12	Block 1, Number of Commodity Gallons per Unit		
13	Block 1, Commodity Billing Units		
14	Block 1, Existing Commodity Charge		
15	Block 1, Annualized Commodity Charge Rev.		\$44,568
16	Summer, Commodity Gallons per Block		
17	Summer, Number of Commodity Gallons per Unit		
18	Summer, Commodity Billing Units		
19	Summer, Existing Commodity Charge		
20	Summer, Annualized Commodity Charge Rev.		\$0
21	<b>Total Annualized Water Rate Revenues</b>		<b>\$56,747</b>

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 and Sewer  
Small Company Rate Case  
Tracking Number WA-2012-0066  
Test Year Ending  
Miscellaneous Revenues Feeder - Water

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

Saddlebrooke Water and Sewer  
Small Company Rate Case  
Tracking Number WA-2012-0066  
Test Year Ending  
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) \$56,747			
Rev-3	Miscellaneous Revenues		(1) \$0			
Rev-4	TOTAL ANNUALIZED REVENUES		<u>\$56,747</u>			
1	OPERATIONS EXPENSES		(2)			
2	Operation Labor & Expenses	601.000	\$6,075	\$0	\$6,075	0.00%
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>	\$0	\$27,157	
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>	\$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		<u>\$0</u>	\$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%
53	Insurance - Life	659.100	\$0	\$0	\$0	0.00%

Saddlebrooke Water and Sewer  
Small Company Rate Case  
Tracking Number WA-2012-0066  
Test Year Ending  
Rate Design Schedule - Water

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
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	\$0	\$1,620	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	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	\$0	\$0	\$0	0.00%
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	\$1,000	\$0	\$1,000	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	Rents - Equipment	931.100	\$0	\$0	\$0	0.00%
93	Transportation Expenses	933.000	\$0	\$0	\$0	0.00%
94	<b>TOTAL ADMINISTRATIVE AND GENERAL</b>		<b>\$2,620</b>	<b>\$0</b>	<b>\$2,620</b>	
95	<b>OTHER OPERATING EXPENSES</b>					
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	\$0	\$6,205	0.00%
103	<b>TOTAL OTHER OPERATING EXPENSES</b>		<b>\$6,205</b>	<b>\$0</b>	<b>\$6,205</b>	
104	<b>TAXES OTHER THAN INCOME</b>					
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	\$0	\$3,644	0.00%
109	Other Taxes	408.200	\$0	\$0	\$0	0.00%
110	<b>TOTAL TAXES OTHER THAN INCOME</b>		<b>\$3,644</b>	<b>\$0</b>	<b>\$3,644</b>	
111	<b>TOTAL OPERATING EXPENSES</b>		<b>\$39,626</b>	<b>\$0</b>	<b>\$39,626</b>	
112	Interest Expense	(3)	\$0	\$0	\$0	0.00%

Saddlebrooke Water and Sewer  
 Small Company Rate Case  
 Tracking Number WA-2012-0066  
 Test Year Ending  
 Rate Design Schedule - Water

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
113	Return on Equity	(3)	\$20,213	\$0	\$20,213	0.00%
114	Income Taxes	(3)	\$5,033	\$0	\$5,033	0.00%
115	TOTAL INTEREST RETURN & TAXES		<u>\$25,246</u>	\$0	<u>\$25,246</u>	
116	TOTAL COST OF SERVICE		\$64,872	\$0	\$64,872	
117	Less: Miscellaneous Revenues		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	0.00%
118	COST TO RECOVER IN RATES		<u>\$64,872</u>	<u>\$0</u>	<u>\$64,872</u>	
119	INCREMENTAL INCREASE IN RATE REVENUES		<u>\$8,125</u>			
120	PERCENTAGE OF INCREASE		<u>14.32%</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 and Sewer  
 Small Company Rate Case  
 Tracking Number WA-2012-0066  
 Test Year Ending  
 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>7.58%</u>	From Capital Structure Schedule
6	Weighted Rate of Return on Equity Including Income Tax		9.47%	B4 x B5
7	Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term		<u>0.00%</u>	From Capital Structure Schedule
8	Total Weighted Rate of Return Including Income Tax		<u><u>9.47%</u></u>	B6+B7

To Rate Base Schedule

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

Equity Income Required      \$23,780  
 & Preliminary Federal Tax

Tax Rate Table

Net Income Range				
Start	End	Tax Rate	Amount in Range	Tax on Range
\$0	\$50,000	15.00%	\$23,780	\$3,567
\$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>\$23,780</u>	<u>\$3,567</u>
			Consolidated Tax Rate:	
			Average Tax Rate:	0.15

**Saddlebrooke Water and Sewer**  
**Small Company Rate Case**  
**Tracking Number WA-2012-0066**  
**Test Year Ending**  
**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	
	Materials & Supplies	\$0	
	Customer Deposits	\$0	
	Customer Credit Balance	\$0	
	CIAC Depreciation Offset	\$0	
	Contribution in Aid of Construction	\$0	
	Accumulated Deferred Income Taxes	\$0	
5	Total Rate Base	\$266,660	
6	Total Weighted Rate of Return Including Income Tax	9.47%	From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	\$25,246	

**Saddlebrooke Water and Sewer**  
**Small Company Rate Case**  
**Tracking Number WA-2012-0066**  
**Test Year Ending**  
**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	\$1,978,022	100.00%	7.58%	7.580%
2	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%
3	Preferred Stock	\$0	0.00%	0.00%	0.000%
4	Long Term Debt	\$0	0.00%	8.00%	0.000%
5	Short Term Debt	\$0	0.00%	0.00%	0.000%
6	Other Security-Tax Deductible	\$0	0.00%	0.00%	0.000%
7	<b>TOTAL CAPITALIZATION</b>	<b><u>\$1,978,022</u></b>	<b><u>100.00%</u></b>		<b><u>7.580%</u></b>

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 and Sewer  
Small Company Rate Case  
Tracking Number WA-2012-0066  
Test Year Ending  
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 and Sewer**  
**Small Company Rate Case**  
**Tracking Number WA-2012-0066**  
**Test Year Ending**  
**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 and Sewer**  
**Small Company Rate Case**  
**Tracking Number WA-2012-0066**  
**Test Year Ending**  
**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	
<b>Total Plant Adjustments</b>				<b><u><u>-\$1,826,846</u></u></b>

Saddlebrooke Water and Sewer  
Small Company Rate Case  
Tracking Number WA-2012-0066  
Test Year Ending  
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 and Sewer**  
**Small Company Rate Case**  
**Tracking Number WA-2012-0066**  
**Test Year Ending**  
**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	<u>\$78,321</u>		<u>-\$32,955</u>		<u>\$45,366</u>

To Rate Base Schedule



Saddlebrooke Water and Sewer  
 Small Company Rate Case  
 Tracking Number WA-2012-0066  
 Test Year Ending

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	
<b>Total Reserve Adjustments</b>				<b><u><u>-\$32,955</u></u></b>

Saddlebrooke Water and Sewer  
Small Company Rate Case  
Tracking Number WA-2012-0066  
Test Year Ending  
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	\$0		\$0
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	\$148,372		\$2,479
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	\$7,960		\$208
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	\$0		\$0
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

Saddlebrooke Water and Sewer  
Small Company Rate Case  
Tracking Number WA-2012-0066  
Test Year Ending  
Depreciation Expense - Water

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
41		TOTAL TRANS. & DISTRIBUTION PLANT	\$155,694		\$3,518
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	\$0		\$0
56		Total Depreciation	<u>\$312,026</u>		<u>\$6,205</u>

**Exhibit No.:**  
**Issue:** Accounting Schedules  
**Witness:** MO PSC Auditors  
**Sponsoring Party:** MO PSC Staff  
**Case No:** SA-2012-0067  
**Date Prepared:** 1/6/2012



**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY SERVICES**

**STAFF ACCOUNTING SCHEDULES**

**SADDLEBROOKE WATER AND SEWER**

**CASE NO. SA-2012-0067**

**Jefferson City, Missouri**

**January  
2012**

**ATTACHMENT A - 2**

**Saddlebrooke Water and Sewer**  
**File No. SA-2012-0067**  
**Sewer District**  
**Test Year Ending**  
**Revenue Requirement**

Line Number	A Description	B 7.58% Return	C 8.00% Return	D 8.50% Return
1	Net Orig Cost Rate Base	\$178,966	\$178,966	\$178,966
2	Rate of Return	7.58%	8.00%	8.50%
3	Net Operating Income Requirement	\$13,566	\$14,317	\$15,212
4	Net Income Available	\$11,990	\$11,990	\$11,990
5	Additional Net Income Required	\$1,576	\$2,327	\$3,222
6	Income Tax Requirement			
7	Required Current Income Tax	\$5,362	\$5,557	\$5,789
8	Current Income Tax Available	\$4,954	\$4,954	\$4,954
9	Additional Current Tax Required	\$408	\$603	\$835
10	Revenue Requirement	\$1,984	\$2,930	\$4,057
11	Allowance for Known and Measureable Changes/True-Up Estimate	\$0	\$0	\$0
12	<b>Gross Revenue Requirement</b>	<b>\$1,984</b>	<b>\$2,930</b>	<b>\$4,057</b>

**Saddlebrooke Water and Sewer**  
**File No. SA-2012-0067**  
**Sewer District**  
**Test Year Ending**  
**RATE BASE SCHEDULE**

Line Number	<u>A</u> Rate Base Description	<u>B</u> Percentage Rate	<u>C</u> Dollar Amount
1	Plant In Service		\$233,383
2	Less Accumulated Depreciation Reserve		\$54,417
3	Net Plant In Service		\$178,966
4	<b>ADD TO NET PLANT IN SERVICE</b>		
5	Cash Working Capital		\$0
6	Materials & Supplies		\$0
7	Prepayments		\$0
8	Meter Rerouting Project		\$0
9	<b>TOTAL ADD TO NET PLANT IN SERVICE</b>		<b>\$0</b>
10	<b>SUBTRACT FROM NET PLANT</b>		
11	Federal Tax Offset	0.0000%	\$0
12	State Tax Offset	0.0000%	\$0
13	City Tax Offset	0.0000%	\$0
14	Interest Expense Offset	0.0000%	\$0
15	Contribution In Aid of Construction		\$0
16	CIAC offset at 2% avg plant life of 50yrs		\$0
17	Customer Advances		\$0
18	Customer Deposits		\$0
19	Deferred Income Taxes		\$0
20	Accrued Pension Liability		\$0
21	<b>TOTAL SUBTRACT FROM NET PLANT</b>		<b>\$0</b>
22	<b>Total Rate Base</b>		<b>\$178,966</b>

Saddlebrooke Water and Sewer  
File No. SA-2012-0067  
Sewer District  
Test Year Ending  
Plant In Service

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjust. Number	E Adjustments	F As Adjusted Plant	G Jurisdictional Allocations	H Jurisdictional Adjustments	I MO Adjusted Jurisdictional
1		INTANGIBLE PLANT							
2	303.000	Other Plant & Misc. Equipment - IP	\$0	P-2	\$0	\$0	100.00%	\$0	\$0
3		TOTAL PLANT INTANGIBLE	\$0		\$0	\$0		\$0	\$0
4		COLLECTION PLANT							
5	350.000	Land and Land Rights - CP	\$30,000	P-5	\$0	\$30,000	100.00%	\$0	\$30,000
6	351.000	Structures and Improvements - CP	\$0	P-6	\$0	\$0	100.00%	\$0	\$0
7	352.100	Collection Mains - Forced - CP	\$0	P-7	\$0	\$0	100.00%	\$0	\$0
8	352.200	Collection Main - Gravity - CP	\$1,855,000	P-8	-\$1,855,000	\$0	100.00%	\$0	\$0
9	353.000	Services to Customers - CP	\$0	P-9	\$0	\$0	100.00%	\$0	\$0
10	356.000	Other Collection Plant - CP	\$0	P-10	\$0	\$0	100.00%	\$0	\$0
11		TOTAL COLLECTION PLANT	\$1,885,000		-\$1,855,000	\$30,000		\$0	\$30,000
12		SYSTEM PUMPING PLANT							
13	360.000	Land and Land Rights - SPP	\$0	P-13	\$0	\$0	100.00%	\$0	\$0
14	361.000	Structures and Improvements - SPP	\$0	P-14	\$0	\$0	100.00%	\$0	\$0
15	362.000	Receiving Wells - SSP	\$0	P-15	\$0	\$0	100.00%	\$0	\$0
16	363.000	Electric Pumping Equipment - SPP	\$0	P-16	\$0	\$0	100.00%	\$0	\$0
17	364.000	Diesel Pumping Equipment - SPP	\$0	P-17	\$0	\$0	100.00%	\$0	\$0
18	365.000	Other Pumping Equipment - SPP	\$0	P-18	\$0	\$0	100.00%	\$0	\$0
19		TOTAL SYSTEM PUMPING PLANT	\$0		\$0	\$0		\$0	\$0
20		TREATMENT & DISPOSAL PLANT							
21	370.000	Land and Land Rights - TDP	\$0	P-21	\$0	\$0	100.00%	\$0	\$0
22	371.000	Structures and Improvements - TDP	\$15,000	P-22	\$0	\$15,000	100.00%	\$0	\$15,000
23	371.000	Structures and Improvements - fence	\$9,000	P-23	\$0	\$9,000	100.00%	\$0	\$9,000
24	372.000	Treatment & Disposal Equipment - TDP	\$185,493	P-24	-\$97,516	\$87,977	100.00%	\$0	\$87,977
25	372.100	Treatment & Disposal units electrical components	\$10,000	P-25	\$0	\$10,000	100.00%	\$0	\$10,000
26	373.000	Plant Sewers - TDP	\$161,095	P-26	-\$84,689	\$76,406	100.00%	\$0	\$76,406
27	374.000	Outfall Sewer Lines - TDP - sampling well	\$5,000	P-27	\$0	\$5,000	100.00%	\$0	\$5,000
28		TOTAL TREATMENT & DISPOSAL PLANT	\$385,588		-\$182,205	\$203,383		\$0	\$203,383
29		GENERAL PLANT							
30	389.000	Land and Land Rights - GP	\$0	P-30	\$0	\$0	100.00%	\$0	\$0
31	390.000	Structures and Improvements - GP	\$0	P-31	\$0	\$0	100.00%	\$0	\$0
32	390.900	Structures & Improvements-Leasehold	\$0	P-32	\$0	\$0	100.00%	\$0	\$0
33	391.000	Office Furniture and Equipment - GP	\$0	P-33	\$0	\$0	100.00%	\$0	\$0
34	391.100	Computer & Peripheral Equip.	\$0	P-34	\$0	\$0	100.00%	\$0	\$0
35	391.200	Computer Equipment	\$0	P-35	\$0	\$0	100.00%	\$0	\$0
36	391.300	Other Office Equipment	\$0	P-36	\$0	\$0	100.00%	\$0	\$0
37	392.100	Trans Equipment - Light Trucks GP	\$0	P-37	\$0	\$0	100.00%	\$0	\$0
38	392.200	Trans Equipment - Heavy Trucks GP	\$0	P-38	\$0	\$0	100.00%	\$0	\$0
39	392.300	Trans Equipment - Autos GP	\$0	P-39	\$0	\$0	100.00%	\$0	\$0
40	392.400	Trans Equipment - Other GP	\$0	P-40	\$0	\$0	100.00%	\$0	\$0
41	393.000	Stores Equipment - GP	\$0	P-41	\$0	\$0	100.00%	\$0	\$0
42	394.000	Tools, Shop and Garage Equipment - GP	\$0	P-42	\$0	\$0	100.00%	\$0	\$0
43	395.000	Laboratory Equipment - GP	\$0	P-43	\$0	\$0	100.00%	\$0	\$0
44	396.000	Power Operated Equipment - GP	\$0	P-44	\$0	\$0	100.00%	\$0	\$0
45	397.100	Communication Equipment - Non Telephone GP	\$0	P-45	\$0	\$0	100.00%	\$0	\$0
46	397.200	Communication Equipment - Telephone GP	\$0	P-46	\$0	\$0	100.00%	\$0	\$0
47	398.000	Miscellaneous Equipment - GP	\$0	P-47	\$0	\$0	100.00%	\$0	\$0
48	399.000	Other Tangible Plant	\$0	P-48	\$0	\$0	100.00%	\$0	\$0
49		TOTAL GENERAL PLANT	\$0		\$0	\$0		\$0	\$0
50		TOTAL PLANT IN SERVICE	\$2,270,588		-\$2,037,205	\$233,383		\$0	\$233,383

Saddlebrooke Water and Sewer  
File No. SA-2012-0067  
Sewer District  
Test Year Ending  
Adjustments to Plant in Service

A Plant Adj. Number	B Plant In Service Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment Amount	F Jurisdictional Adjustments	G Total Jurisdictional Adjustments
P-8	Collection Main - Gravity - CP	352.200		-\$1,855,000		\$0
	Adjustment to disallow mains for investment (Merciel)		-\$1,855,000		\$0	
P-24	Treatment & Disposal Equipment - TDP	372.000		-\$97,516		\$0
	Adjustment to disallow 52.6% of plant components (Merciel)		-\$97,516		\$0	
P-26	Plant Sewers - TDP	373.000		-\$84,689		\$0
	Adjustment to disallow 52.6% of drain field (Merciel)		-\$84,689		\$0	
<b>Total Plant Adjustments</b>				<b>-\$2,037,205</b>		<b>\$0</b>



Saddlebrooke Water and Sewer  
File No. SA-2012-0067  
Sewer District  
Test Year Ending  
Depreciation Expense

Line Number	A Account Number	B Plant Account Description	C MO Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
1		<b>INTANGIBLE PLANT</b>			
2	303.000	Other Plant & Misc. Equipment - IP	\$0	0.00%	\$0
3		<b>TOTAL PLANT INTANGIBLE</b>	\$0		\$0
4		<b>COLLECTION PLANT</b>			
5	350.000	Land and Land Rights - CP	\$30,000	0.00%	\$0
6	351.000	Structures and Improvements - CP	\$0	3.00%	\$0
7	352.100	Collection Mains - Forced - CP	\$0	2.00%	\$0
8	352.200	Collection Main - Gravity - CP	\$0	2.00%	\$0
9	353.000	Services to Customers - CP	\$0	2.00%	\$0
10	356.000	Other Collection Plant - CP	\$0	2.00%	\$0
11		<b>TOTAL COLLECTION PLANT</b>	\$30,000		\$0
12		<b>SYSTEM PUMPING PLANT</b>			
13	360.000	Land and Land Rights - SPP	\$0	0.00%	\$0
14	361.000	Structures and Improvements - SPP	\$0	0.00%	\$0
15	362.000	Receiving Wells - SSP	\$0	0.00%	\$0
16	363.000	Electric Pumping Equipment - SPP	\$0	0.00%	\$0
17	364.000	Diesel Pumping Equipment - SPP	\$0	0.00%	\$0
18	365.000	Other Pumping Equipment - SPP	\$0	0.00%	\$0
19		<b>TOTAL SYSTEM PUMPING PLANT</b>	\$0		\$0
20		<b>TREATMENT &amp; DISPOSAL PLANT</b>			
21	370.000	Land and Land Rights - TDP	\$0	0.00%	\$0
22	371.000	Structures and Improvements - TDP	\$15,000	2.50%	\$375
23	371.000	Structures and Improvements - fence	\$9,000	2.50%	\$225
24	372.000	Treatment & Disposal Equipment - TDP	\$87,977	5.00%	\$4,399
25	372.100	Treatment & Disposal units electrical components	\$10,000	5.00%	\$500
26	373.000	Plant Sewers - TDP	\$76,406	2.00%	\$1,528
27	374.000	Outfall Sewer Lines - TDP - sampling well	\$5,000	2.00%	\$100
28		<b>TOTAL TREATMENT &amp; DISPOSAL PLANT</b>	\$203,383		\$7,127
29		<b>GENERAL PLANT</b>			
30	389.000	Land and Land Rights - GP	\$0	0.00%	\$0
31	390.000	Structures and Improvements - GP	\$0	2.50%	\$0
32	390.900	Structures & Improvements-Leasehold	\$0	0.00%	\$0
33	391.000	Office Furniture and Equipment - GP	\$0	5.00%	\$0
34	391.100	Computer & Peripheral Equip.	\$0	0.00%	\$0
35	391.200	Computer Equipment	\$0	0.00%	\$0
36	391.300	Other Office Equipment	\$0	0.00%	\$0
37	392.100	Trans Equipment - Light Trucks GP	\$0	0.00%	\$0
38	392.200	Trans Equipment - Heavy Trucks GP	\$0	0.00%	\$0
39	392.300	Trans Equipment - Autos GP	\$0	0.00%	\$0

**Saddlebrooke Water and Sewer**  
**File No. SA-2012-0067**  
**Sewer District**  
**Test Year Ending**  
**Depreciation Expense**

Line Number	A Account Number	B Plant Account Description	C MO Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
40	392.400	Trans Equipment - Other GP	\$0	0.00%	\$0
41	393.000	Stores Equipment - GP	\$0	4.00%	\$0
42	394.000	Tools, Shop and Garage Equipment - GP	\$0	5.00%	\$0
43	395.000	Laboratory Equipment - GP	\$0	0.00%	\$0
44	396.000	Power Operated Equipment - GP	\$0	0.00%	\$0
45	397.100	Communication Equipment - Non Telephone GP	\$0	0.00%	\$0
46	397.200	Communication Equipment - Telephone GP	\$0	0.00%	\$0
47	398.000	Miscellaneous Equipment - GP	\$0	0.00%	\$0
48	399.000	Other Tangible Plant	\$0	0.00%	\$0
49		<b>TOTAL GENERAL PLANT</b>	<b>\$0</b>		<b>\$0</b>
50		<b>Total Depreciation</b>	<b>\$233,383</b>		<b>\$7,127</b>

Saddlebrooke Water and Sewer  
File No. SA-2012-0067  
Sewer District  
Test Year Ending  
Accumulated Depreciation Reserve

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjust. Number	E Adjustments	F As Adjusted Reserve	G Jurisdictional Allocations	H Jurisdictional Adjustments	I MO Adjusted Jurisdictional
1		INTANGIBLE PLANT							
2	303.000	Other Plant & Misc. Equipment - IP	\$0	R-2	\$0	\$0	100.00%	\$0	\$0
3		TOTAL PLANT INTANGIBLE	\$0		\$0	\$0		\$0	\$0
4		COLLECTION PLANT							
5	350.000	Land and Land Rights - CP	\$0	R-5	\$0	\$0	100.00%	\$0	\$0
6	351.000	Structures and Improvements - CP	\$0	R-6	\$0	\$0	100.00%	\$0	\$0
7	352.100	Collection Mains - Forced - CP	\$0	R-7	\$0	\$0	100.00%	\$0	\$0
8	352.200	Collection Main - Gravity - CP	\$0	R-8	\$0	\$0	100.00%	\$0	\$0
9	353.000	Services to Customers - CP	\$0	R-9	\$0	\$0	100.00%	\$0	\$0
10	356.000	Other Collection Plant - CP	\$0	R-10	\$0	\$0	100.00%	\$0	\$0
11		TOTAL COLLECTION PLANT	\$0		\$0	\$0		\$0	\$0
12		SYSTEM PUMPING PLANT							
13	360.000	Land and Land Rights - SPP	\$0	R-13	\$0	\$0	100.00%	\$0	\$0
14	361.000	Structures and Improvements - SPP	\$0	R-14	\$0	\$0	100.00%	\$0	\$0
15	362.000	Receiving Wells - SSP	\$0	R-15	\$0	\$0	100.00%	\$0	\$0
16	363.000	Electric Pumping Equipment - SPP	\$0	R-16	\$0	\$0	100.00%	\$0	\$0
17	364.000	Diesel Pumping Equipment - SPP	\$0	R-17	\$0	\$0	100.00%	\$0	\$0
18	365.000	Other Pumping Equipment - SPP	\$0	R-18	\$0	\$0	100.00%	\$0	\$0
19		TOTAL SYSTEM PUMPING PLANT	\$0		\$0	\$0		\$0	\$0
20		TREATMENT & DISPOSAL PLANT							
21	370.000	Land and Land Rights - TDP	\$0	R-21	\$0	\$0	100.00%	\$0	\$0
22	371.000	Structures and Improvements - TDP	\$3,000	R-22	\$0	\$3,000	100.00%	\$0	\$3,000
23	371.000	Structures and Improvements - fence	\$0	R-23	\$0	\$0	100.00%	\$0	\$0
24	372.000	Treatment & Disposal Equipment - TDP	\$74,197	R-24	-\$39,005	\$35,192	100.00%	\$0	\$35,192
25	372.100	Treatment & Disposal units electrical components	\$4,000	R-25	\$0	\$4,000	100.00%	\$0	\$4,000
26	373.000	Plant Sewers - TDP	\$25,775	R-26	-\$13,550	\$12,225	100.00%	\$0	\$12,225
27	374.000	Outfall Sewer Lines - TDP - sampling well	\$0	R-27	\$0	\$0	100.00%	\$0	\$0
28		TOTAL TREATMENT & DISPOSAL PLANT	\$106,972		-\$52,555	\$54,417		\$0	\$54,417
29		GENERAL PLANT							
30	389.000	Land and Land Rights - GP	\$0	R-30	\$0	\$0	100.00%	\$0	\$0
31	390.000	Structures and Improvements - GP	\$0	R-31	\$0	\$0	100.00%	\$0	\$0
32	390.900	Structures & Improvements-Leasehold	\$0	R-32	\$0	\$0	100.00%	\$0	\$0
33	391.000	Office Furniture and Equipment - GP	\$0	R-33	\$0	\$0	100.00%	\$0	\$0
34	391.100	Computer & Peripheral Equip.	\$0	R-34	\$0	\$0	100.00%	\$0	\$0
35	391.200	Computer Equipment	\$0	R-35	\$0	\$0	100.00%	\$0	\$0
36	391.300	Other Office Equipment	\$0	R-36	\$0	\$0	100.00%	\$0	\$0
37	392.100	Trans Equipment - Light Trucks GP	\$0	R-37	\$0	\$0	100.00%	\$0	\$0
38	392.200	Trans Equipment - Heavy Trucks GP	\$0	R-38	\$0	\$0	100.00%	\$0	\$0
39	392.300	Trans Equipment - Autos GP	\$0	R-39	\$0	\$0	100.00%	\$0	\$0
40	392.400	Trans Equipment - Other GP	\$0	R-40	\$0	\$0	100.00%	\$0	\$0
41	393.000	Stores Equipment - GP	\$0	R-41	\$0	\$0	100.00%	\$0	\$0
42	394.000	Tools, Shop and Garage Equipment - GP	\$0	R-42	\$0	\$0	100.00%	\$0	\$0
43	395.000	Laboratory Equipment - GP	\$0	R-43	\$0	\$0	100.00%	\$0	\$0
44	396.000	Power Operated Equipment - GP	\$0	R-44	\$0	\$0	100.00%	\$0	\$0
45	397.100	Communication Equipment - Non Telephone GP	\$0	R-45	\$0	\$0	100.00%	\$0	\$0
46	397.200	Communication Equipment - Telephone GP	\$0	R-46	\$0	\$0	100.00%	\$0	\$0
47	398.000	Miscellaneous Equipment - GP	\$0	R-47	\$0	\$0	100.00%	\$0	\$0
48	399.000	Other Tangible Plant	\$0	R-48	\$0	\$0	100.00%	\$0	\$0
49		TOTAL GENERAL PLANT	\$0		\$0	\$0		\$0	\$0
50		TOTAL DEPRECIATION RESERVE	\$106,972		-\$52,555	\$54,417		\$0	\$54,417

**Saddlebrooke Water and Sewer**  
**File No. SA-2012-0067**  
**Sewer District**  
**Test Year Ending**  
**Adjustments for Depreciation Reserve**

<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	<u>F</u> Jurisdictional Adjustments	<u>G</u> Total Jurisdictional Adjustments
R-24	Treatment & Disposal Equipment - TDP	372.000		-\$39,005		\$0
	Adjustment to remove 52.57% of \$74,197 (Merciel)		-\$39,005		\$0	
R-26	Plant Sewers - TDP	373.000		-\$13,550		\$0
	Adjustment to remove 52.57% of \$25,775 (Merciel)		-\$13,550		\$0	
<b>Total Reserve Adjustments</b>				<b>-\$52,555</b>		<b>\$0</b>

Saddlebrooke Water and Sewer  
File No. SA-2012-0067  
Sewer District  
Test Year Ending  
Cash Working Capital

Line Number	A Description	B Test Year Adj. Expenses	C Revenue Lag	D Expense Lag	E Net Lag C - D	F Factor (Col E / 365)	G CWC Req B x F
1	<b>OPERATION AND MAINT. EXPENSE</b>						
2	Base Payroll	\$0	0.00	0.00	0.00	0.000000	\$0
3	Tax Withholding	\$0	0.00	0.00	0.00	0.000000	\$0
4	Pensions and Employee Benefits	\$0	0.00	0.00	0.00	0.000000	\$0
5	Electric	\$0	0.00	0.00	0.00	0.000000	\$0
6	Telephone	\$0	0.00	0.00	0.00	0.000000	\$0
7	Office Rents	\$0	0.00	0.00	0.00	0.000000	\$0
8	Intercompany Billing	\$0	0.00	0.00	0.00	0.000000	\$0
9	Uncollectible Accounts	\$0	0.00	0.00	0.00	0.000000	\$0
10	PSC Assessment	\$0	0.00	0.00	0.00	0.000000	\$0
11	Expense Allocations	\$0	0.00	0.00	0.00	0.000000	\$0
12	Cash Vouchers	\$17,011	0.00	0.00	0.00	0.000000	\$0
13	<b>TOTAL OPERATION AND MAINT. EXPENSE</b>	<b>\$17,011</b>					<b>\$0</b>
14	<b>TAXES</b>						
15	FICA - Employer Portion	\$0	0.00	0.00	0.00	0.000000	\$0
16	Unemployment	\$0	0.00	0.00	0.00	0.000000	\$0
17	Property Tax	\$0	0.00	0.00	0.00	0.000000	\$0
18	Gross Receipts Tax	\$0	0.00	0.00	0.00	0.000000	\$0
19	Corporate Franchise	\$0	0.00	0.00	0.00	0.000000	\$0
20	Sales Tax	\$0	0.00	0.00	0.00	0.000000	\$0
21	<b>TOTAL TAXES</b>	<b>\$0</b>					<b>\$0</b>
22	<b>CWC REQ'D BEFORE RATE BASE OFFSETS</b>						<b>\$0</b>
23	<b>TAX OFFSET FROM RATE BASE</b>						
24	Federal Tax Offset	\$3,784	0.00	0.00	0.00	0.000000	\$0
25	State Tax Offset	\$1,556	0.00	0.00	0.00	0.000000	\$0
26	City Tax Offset	\$217	0.00	0.00	0.00	0.000000	\$0
27	Interest Expense Offset	\$0	0.00	0.00	0.00	0.000000	\$0
28	<b>TOTAL OFFSET FROM RATE BASE</b>	<b>\$5,557</b>					<b>\$0</b>
29	<b>TOTAL CASH WORKING CAPITAL REQUIRED</b>						<b>\$0</b>

Saddlebrooke Water and Sewer  
File No. SA-2012-0067  
Sewer District  
Test Year Ending  
Income Statement Detail

Line Number	A Account Number	B Income Description	C Test Year Total (D+E)	D Test Year Labor	E Test Year Non Labor	F Adjust. Number	G Total Company Adjustments (From Adj. Sch.)	H Total Company Adjusted (C+G)	I Jurisdictional Allocations	J Jurisdictional Adjustments (From Adj. Sch.)	K MO Final Adj Jurisdictional (H x I) + J	L MO Adj. Juris. Labor L + M = K	M MO Adj. Juris. Non Labor
Rev-1		<b>OPERATING REVENUES</b>											
Rev-2	461.000	Residential	\$0	See note (1)	See note (1)	Rev-2	See note (1)	\$0	100.00%	\$44,158	\$44,158	See note (1)	See note (1)
Rev-3	461.000	Commercial	\$0			Rev-3		\$0	100.00%	\$0	\$0		
Rev-4	461.000	Industrial	\$0			Rev-4		\$0	100.00%	\$0	\$0		
Rev-5	462.000	Private Fire Fighting	\$0			Rev-5		\$0	100.00%	\$0	\$0		
Rev-6	463.000	Public Fire Fighting	\$0			Rev-6		\$0	100.00%	\$0	\$0		
Rev-7	470.000	Forfieted Discounts	\$0			Rev-7		\$0	100.00%	\$0	\$0		
Rev-8	472.000	Rents From Sewer Property	\$0			Rev-8		\$0	100.00%	\$0	\$0		
Rev-9	464.000	Other Public Authority	\$0			Rev-9		\$0	100.00%	\$0	\$0		
Rev-10	471.000	Other Sewer Revenue - Oper. Rev.	\$0			Rev-10		\$0	100.00%	\$0	\$0		
Rev-11		<b>TOTAL OPERATING REVENUES</b>	<b>\$0</b>					<b>\$0</b>		<b>\$44,158</b>	<b>\$44,158</b>		
1		<b>COLLECTION OPERATIONS EXPENSES</b>											
2	600.000	Supervision & Engineering - COE	\$0	\$0	\$0	E-2	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
3	601.000	Labor & Expenses- COE	\$6,075	\$6,075	\$0	E-3	\$0	\$6,075	100.00%	\$0	\$6,075	\$6,075	\$0
4	602.000	Purchased Water - COE	\$0	\$0	\$0	E-4	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
5		<b>TOTAL COLLECTION OPERATIONS EXPENSES</b>	<b>\$6,075</b>	<b>\$6,075</b>	<b>\$0</b>		<b>\$0</b>	<b>\$6,075</b>		<b>\$0</b>	<b>\$6,075</b>	<b>\$6,075</b>	<b>\$0</b>
6		<b>COLLECTION MAINT. EXPENSES</b>											
7	610.000	Supervision & Engineering - CME	\$0	\$0	\$0	E-7	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
8	612.000	Collect & Impound Mtce - CME	\$0	\$0	\$0	E-8	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
9	617.000	Misc. Plant Mtce - CME	\$0	\$0	\$0	E-9	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
10		<b>TOTAL COLLECTION MAINT. EXPENSES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
11		<b>PUMPING OPERATIONS EXPENSES</b>											
12	620.000	Supervision & Engineering - POE	\$0	\$0	\$0	E-12	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
13	621.000	Fuel For Purchased Power - POE	\$0	\$0	\$0	E-13	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
14	622.000	Labor & Eng Oper Pwr Prod - POE	\$0	\$0	\$0	E-14	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
15	623.000	Purchased Fuel/Power For Pump - POE	\$2,484	\$0	\$2,484	E-15	\$0	\$2,484	100.00%	\$0	\$2,484	\$0	\$2,484
16	624.000	Labor & Eng Oper Pump - POE	\$0	\$0	\$0	E-16	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
17	626.000	Misc. Exp Oper - POE	\$0	\$0	\$0	E-17	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
18	627.000	Rents Oper - POE	\$0	\$0	\$0	E-18	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
19		<b>TOTAL PUMPING OPERATIONS EXPENSES</b>	<b>\$2,484</b>	<b>\$0</b>	<b>\$2,484</b>		<b>\$0</b>	<b>\$2,484</b>		<b>\$0</b>	<b>\$2,484</b>	<b>\$0</b>	<b>\$2,484</b>
20		<b>PUMPING MAINTENANCE EXPENSES</b>											
21	630.000	Supervision & Engineering - PME	\$0	\$0	\$0	E-21	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
22	631.000	Structures & Improve Mtce - PME	\$0	\$0	\$0	E-22	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
23	632.000	Power Prod Equip Mtce - PME	\$0	\$0	\$0	E-23	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
24	633.000	Pump Equip Mtce - PME	\$0	\$0	\$0	E-24	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
25	634.000	Misc. Exp Mtce - PME	\$0	\$0	\$0	E-25	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
26		<b>TOTAL PUMPING MAINTENANCE EXPENSES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
27		<b>WATER TREATMENT EXP - OPER &amp; MTCE</b>											
28	640.000	Supervision & Engineering - Oper-WT	\$0	\$0	\$0	E-28	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
29	641.000	Chemicals - Oper-WT	\$0	\$0	\$0	E-29	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
30	642.000	Labor & Exp - Oper-WT	\$0	\$0	\$0	E-30	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
31	643.000	Misc Exp - Oper-WT	\$0	\$0	\$0	E-31	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
32	644.000	Rents - Oper-WT	\$0	\$0	\$0	E-32	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
33	650.000	Supervision & Engineering - Mtce-WT	\$0	\$0	\$0	E-33	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
34	651.000	Structures & Improvements - Mtce-WT	\$0	\$0	\$0	E-34	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
35	652.000	Misc. Equipment - Mtce-WT - testing	\$5,832	\$0	\$5,832	E-35	\$0	\$5,832	100.00%	\$0	\$5,832	\$0	\$5,832

Saddlebrooke Water and Sewer  
File No. SA-2012-0067  
Sewer District  
Test Year Ending  
Income Statement Detail

Line Number	A Account Number	B Income Description	C Test Year Total (D+E)	D Test Year Labor	E Test Year Non Labor	F Adjust. Number	G Total Company Adjustments (From Adj. Sch.)	H Total Company Adjusted (C+G)	I Jurisdictional Allocations	J Jurisdictional Adjustments (From Adj. Sch.)	K MO Final Adj Jurisdictional (H x I) + J	L MO Adj. Juris. Labor L + M = K	M MO Adj. Juris. Non Labor
36		TOTAL WATER TREATMENT EXP - OPER & MTCE	\$5,832	\$0	\$5,832		\$0	\$5,832		\$0	\$5,832	\$0	\$5,832
37		TREAT. & DISP. OPER. EXPENSE											
38	660.000	Supervision & Engineering - TDO	\$0	\$0	\$0	E-38	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
39	661.000	Storage Facility Expense - TDO	\$0	\$0	\$0	E-39	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
40	662.000	TD Line Expense - TDO	\$0	\$0	\$0	E-40	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
41	663.000	Meter Expense - TDO	\$0	\$0	\$0	E-41	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
42	665.000	Misc. Exp - TDO	\$0	\$0	\$0	E-42	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
43	666.000	Rents - TDO	\$0	\$0	\$0	E-43	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
44		TOTAL TREAT. & DISP. OPER. EXPENSE	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0
45		TREAT. & DISP. MAINT. EXPENSES											
46	670.000	Supervision & Engineering - TDM	\$0	\$0	\$0	E-46	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
47	671.000	Structures & Improve - TDM	\$0	\$0	\$0	E-47	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
48	672.000	Dist. Res. Stand. Maint. - TDM	\$0	\$0	\$0	E-48	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
49	673.000	TD Maint. - TDM	\$0	\$0	\$0	E-49	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
50	674.000	Fire Maint. Exp. - TDM	\$0	\$0	\$0	E-50	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
51	675.000	Services Maint. - TDM	\$0	\$0	\$0	E-51	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
52	676.000	Meter Maint. - TDM	\$0	\$0	\$0	E-52	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
53	677.000	Hydrant Maint. - TDM	\$0	\$0	\$0	E-53	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
54	678.000	Misc. Plant Maint. - TDM	\$0	\$0	\$0	E-54	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
55		TOTAL TREAT. & DISP. MAINT. EXPENSES	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0
56		CUSTOMER ACCOUNTS EXPENSE											
57	901.000	Supervision & Engineering - CAE	\$0	\$0	\$0	E-57	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
58	903.000	Cust. Rec & Collection - CAE	\$0	\$0	\$0	E-58	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
59	904.000	Uncollectible Accounts- CAE	\$0	\$0	\$0	E-59	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
60	905.000	Misc. Customer Account Exp. - CAE	\$0	\$0	\$0	E-60	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
61	907.000	Customer Service & Info Exp. - CAE	\$0	\$0	\$0	E-61	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
62		TOTAL CUSTOMER ACCOUNTS EXPENSE	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0
63		ADMIN. & GENERAL EXPENSES											
64	920.000	Admin. & General Salaries	\$0	\$0	\$0	E-64	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
65	921.000	Office Supplies & Expenses	\$0	\$0	\$0	E-65	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
66	922.000	Admin. Expenses Transferred - Corporate Allocations	\$1,620	\$0	\$1,620	E-66	\$0	\$1,620	100.00%	\$0	\$1,620	\$0	\$1,620
67	923.000	Outside Services Employed	\$0	\$0	\$0	E-67	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
68	924.000	Property Insurance	\$0	\$0	\$0	E-68	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
69	925.000	Injuries & Damages	\$0	\$0	\$0	E-69	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
70	926.000	Employee Pensions & Benefits	\$0	\$0	\$0	E-70	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
71	927.000	Franchise Requirements	\$0	\$0	\$0	E-71	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
72	928.100	PSC Assessment	\$0	\$0	\$0	E-72	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
73	928.200	Rate Case Expense	\$0	\$0	\$0	E-73	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
74	929.000	Duplicate Charges - Credit	\$0	\$0	\$0	E-74	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
75	930.100	Institutional or Goodwill Advertising Expenses	\$0	\$0	\$0	E-75	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
76	930.200	Misc. General Expenses	\$0	\$0	\$0	E-76	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
77	930.300	Research & Development Expenses - AGE	\$0	\$0	\$0	E-77	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
78	931.000	Rents - AGE	\$0	\$0	\$0	E-78	\$0	\$1,000	100.00%	\$0	\$0	\$0	\$0
79	932.000	Maint. of General Plant - AGE	\$1,000	\$0	\$1,000	E-79	\$0	\$1,000	100.00%	\$0	\$1,000	\$0	\$1,000
80		TOTAL ADMIN. & GENERAL EXPENSES	\$2,620	\$0	\$2,620		\$0	\$2,620		\$0	\$2,620	\$0	\$2,620

Saddlebrooke Water and Sewer  
File No. SA-2012-0067  
Sewer District  
Test Year Ending  
Income Statement Detail

Line Number	A Account Number	B Income Description	C Test Year Total (D+E)	D Test Year Labor	E Test Year Non Labor	F Adjust. Number	G Total Company Adjustments (From Adj. Sch.)	H Total Company Adjusted (C+G)	I Jurisdictional Allocations	J Jurisdictional Adjustments (From Adj. Sch.)	K MO Final Adj Jurisdictional (H x I) + J	L MO Adj. Juris. Labor L + M = K	M MO Adj. Juris. Non Labor
81		DEPRECIATION EXPENSE											
82	403.000	Depreciation Expense, Dep. Exp.	\$0	See note (1)	See note (1)	E-82	See note (1)	\$0	100.00%	\$7,127	\$7,127	See note (1)	See note (1)
83		TOTAL DEPRECIATION EXPENSE	\$0	\$0	\$0		\$0	\$0		\$7,127	\$7,127	\$0	\$0
84		AMORTIZATION EXPENSE											
85	405.000	Amort-Other UP	\$0	\$0	\$0	E-85	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
86	406.000	Amort-Intangible Fin	\$0	\$0	\$0	E-86	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
87	407.000	Amort-Property Losses	\$0	\$0	\$0	E-87	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
88		TOTAL AMORTIZATION EXPENSE	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0
89		OTHER OPERATING EXPENSES											
90	403.900	Amortization of Net Cost of Removal	\$0	\$0	\$0	E-90	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
91	408.000	Property Taxes	\$3,076	\$0	\$3,076	E-91	\$0	\$3,076	100.00%	\$0	\$3,076	\$0	\$3,076
92	408.000	Payroll Taxes	\$0	\$0	\$0	E-92	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
93	408.000	Gross Receipts Tax	\$0	\$0	\$0	E-93	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
94	408.000	Other Taxes & Licenses	\$0	\$0	\$0	E-94	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
95	403.001	Transportation Depr Clearing	\$0	\$0	\$0	E-95	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
96		TOTAL OTHER OPERATING EXPENSE	\$3,076	\$0	\$3,076		\$0	\$3,076		\$0	\$3,076	\$0	\$3,076
97		TOTAL OPERATING EXPENSE	\$20,087	\$6,075	\$14,012		\$0	\$20,087		\$7,127	\$27,214	\$6,075	\$14,012
98		NET INCOME BEFORE TAXES	-\$20,087					-\$20,087		\$37,031	\$16,944		
99		INCOME TAXES											
100	409.000	Current Income Taxes	\$3,382	See note (1)	See note (1)	E-100	See note (1)	\$3,382	100.00%	\$1,572	\$4,954	See note (1)	See note (1)
101		TOTAL INCOME TAXES	\$3,382					\$3,382		\$1,572	\$4,954		
102		DEFERRED INCOME TAXES											
103	410.000	Deferred Income Taxes - Def. Inc. Tax.	\$0	See note (1)	See note (1)	E-103	See note (1)	\$0	100.00%	\$0	\$0	See note (1)	See note (1)
104	412.000	Amortization of Deferred ITC	\$0			E-104		\$0	100.00%	\$0	\$0		
105	411.000	Deferred Income Taxes - Prior Years	\$0			E-105		\$0	100.00%	\$0	\$0		
106		TOTAL DEFERRED INCOME TAXES	\$0					\$0		\$0	\$0		
107		NET OPERATING INCOME	-\$23,469					-\$23,469		\$35,459	\$11,990		

(1) Labor and Non Labor Detail not applicable to Revenue & Taxes



Saddlebrooke Water and Sewer  
File No. SA-2012-0067  
Sewer District  
Test Year Ending  
Adjustments to Income Statement Detail

A Income Adj. Number	B Income Adjustment Description	C Account Number	D Company Adjustment Labor	E Company Adjustment Non Labor	F Company Adjustments Total	G Jurisdictional Adjustment Labor	H Jurisdictional Adjustment Non Labor	I Jurisdictional Adjustments Total
Rev-2	Residential	461.000	\$0	\$0	\$0	\$0	\$44,158	\$44,158
	1. To Annualize Residential Revenue		\$0	\$0		\$0	\$44,158	
E-82	Depreciation Expense, Dep. Exp.	403.000	\$0	\$0	\$0	\$0	\$7,127	\$7,127
	1. To Annualize Depreciation Expense		\$0	\$0		\$0	\$7,127	
	Adjustment to offset CIAC		\$0	\$0		\$0	\$0	
E-100	Current Income Taxes	409.000	\$0	\$0	\$0	\$0	\$1,572	\$1,572
	1. To Annualize Current Income Taxes		\$0	\$0		\$0	\$1,572	
	No Adjustment		\$0	\$0		\$0	\$0	
Total Operating Revenues			\$0	\$0	\$0	\$0	\$44,158	\$44,158
Total Operating & Maint. Expense			\$0	\$0	\$0	\$0	\$8,699	\$8,699

Saddlebrooke Water and Sewer  
File No. SA-2012-0067  
Sewer District  
Test Year Ending  
Income Tax Calculation

Line Number	A Description	B Percentage Rate	C Test Year	D 7.58% Return	E 8.00% Return	F 8.50% Return
1	TOTAL NET INCOME BEFORE TAXES		\$16,944	\$18,928	\$19,874	\$21,001
2	ADD TO NET INCOME BEFORE TAXES					
3	Book Depreciation Expense		\$7,127	\$7,127	\$7,127	\$7,127
4	Test		\$0	\$0	\$0	\$0
5	TOTAL ADD TO NET INCOME BEFORE TAXES		\$7,127	\$7,127	\$7,127	\$7,127
6	SUBT. FROM NET INC. BEFORE TAXES					
7	Interest Expense calculated at the Rate of	0.0000%	\$0	\$0	\$0	\$0
8	Tax Straight-Line Depreciation		\$0	\$0	\$0	\$0
9	Excess Tax Depreciation		\$0	\$0	\$0	\$0
10	TOTAL SUBT. FROM NET INC. BEFORE TAXES		\$0	\$0	\$0	\$0
11	NET TAXABLE INCOME		\$24,071	\$26,055	\$27,001	\$28,128
12	PROVISION FOR FED. INCOME TAX					
13	Net Taxable Inc. - Fed. Inc. Tax		\$24,071	\$26,055	\$27,001	\$28,128
14	Deduct Missouri Income Tax at the Rate of	100.000%	\$1,387	\$1,501	\$1,556	\$1,621
15	Deduct City Inc Tax - Fed. Inc. Tax		\$193	\$209	\$217	\$226
16	Federal Taxable Income - Fed. Inc. Tax		\$22,491	\$24,345	\$25,228	\$26,281
17	Federal Income Tax at the Rate of	See Tax Table	\$3,374	\$3,652	\$3,784	\$3,942
18	Subtract Federal Income Tax Credits					
19	Credit - Wind		\$0	\$0	\$0	\$0
20	Credit - Solar		\$0	\$0	\$0	\$0
21	Net Federal Income Tax		\$3,374	\$3,652	\$3,784	\$3,942
22	PROVISION FOR MO. INCOME TAX					
23	Net Taxable Income - MO. Inc. Tax		\$24,071	\$26,055	\$27,001	\$28,128
24	Deduct Federal Income Tax at the Rate of	50.000%	\$1,687	\$1,826	\$1,892	\$1,971
25	Deduct City Income Tax - MO. Inc. Tax		\$193	\$209	\$217	\$226
26	Missouri Taxable Income - MO. Inc. Tax		\$22,191	\$24,020	\$24,892	\$25,931
27	Missouri Income Tax at the Rate of	6.250%	\$1,387	\$1,501	\$1,556	\$1,621
28	PROVISION FOR CITY INCOME TAX					
29	Net Taxable Income - City Inc. Tax		\$24,071	\$26,055	\$27,001	\$28,128
30	Deduct Federal Income Tax - City Inc. Tax		\$3,374	\$3,652	\$3,784	\$3,942
31	Deduct Missouri Income Tax - City Inc. Tax		\$1,387	\$1,501	\$1,556	\$1,621
32	City Taxable Income		\$19,310	\$20,902	\$21,661	\$22,565
33	City Income Tax at the Rate of	1.000%	\$193	\$209	\$217	\$226
34	SUMMARY OF CURRENT INCOME TAX					
35	Federal Income Tax		\$3,374	\$3,652	\$3,784	\$3,942
36	State Income Tax		\$1,387	\$1,501	\$1,556	\$1,621
37	City Income Tax		\$193	\$209	\$217	\$226
38	TOTAL SUMMARY OF CURRENT INCOME TAX		\$4,954	\$5,362	\$5,557	\$5,789
39	DEFERRED INCOME TAXES					
40	Deferred Income Taxes - Def. Inc. Tax.		\$0	\$0	\$0	\$0
41	Amortization of Deferred ITC		\$0	\$0	\$0	\$0
42	Deferred Income Taxes - Prior Years		\$0	\$0	\$0	\$0
43	TOTAL DEFERRED INCOME TAXES		\$0	\$0	\$0	\$0
44	TOTAL INCOME TAX		\$4,954	\$5,362	\$5,557	\$5,789

Saddlebrooke Water and Sewer  
 File No. SA-2012-0067  
 Sewer District  
 Test Year Ending  
 Income Tax Calculation

Line Number	<u>A</u> Description	<u>B</u> Percentage Rate	<u>C</u> Test Year	<u>D</u> 7.58% Return	<u>E</u> 8.00% Return	<u>F</u> 8.50% Return
----------------	-------------------------	--------------------------------	--------------------------	-----------------------------	-----------------------------	-----------------------------

<b>Federal Tax Table</b>						
Federal Income Taxes		\$22,491		\$24,345	\$25,228	\$26,281
15% on first \$50,000		\$3,374		\$3,652	\$3,784	\$3,942
25% on next \$25,000		\$0		\$0	\$0	\$0
34% > \$75,000 < \$100,001		\$0		\$0	\$0	\$0
39% > \$100,000 < \$335,001		\$0		\$0	\$0	\$0
34% > \$335,000 < \$10,000,001		\$0		\$0	\$0	\$0
35% > \$10MM < \$15,000,001		\$0		\$0	\$0	\$0
38% > \$15MM < \$18,333,334		\$0		\$0	\$0	\$0
35% > \$18,333,333		\$0		\$0	\$0	\$0
<b>Total Federal Income Taxes</b>		<b>\$3,374</b>		<b>\$3,652</b>	<b>\$3,784</b>	<b>\$3,942</b>

Saddlebrooke Water and Sewer  
File No. SA-2012-0067  
Sewer District  
Test Year Ending  
Capital Structure Schedule

Line Number	A Description	B Dollar Amount	C Percentage of Total Capital Structure	D Embedded Cost of Capital	E Weighted Cost of Capital 7.58%	F Weighted Cost of Capital 8.00%	G Weighted Cost of Capital 8.50%
1	Common Stock	\$2,143,480	100.00%		7.580%	8.000%	8.500%
2	Other Security Tax Deductible	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
3	Preferred Stock	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
4	Long Term Debt	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
5	Short Term Debt	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
6	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
7	<b>TOTAL CAPITALIZATION</b>	<b>\$2,143,480</b>	<b>100.00%</b>		<b>7.580%</b>	<b>8.000%</b>	<b>8.500%</b>
8	PreTax Cost of Capital				9.544%	10.073%	10.703%

**Saddlebrooke Water and Sewer**  
**File No. SA-2012-0067**  
**Sewer District**  
**Test Year Ending**  
**Executive Case Summary**

<b>A</b>	<b>B</b>	
<b>Line Number</b>	<b>Description</b>	<b>Amount</b>
1	Annualized Missouri Retail Revenues	\$44,158
2	Annualized Customer Numbers	81
3	Annualized Customer Usage	0
4	Profit (Return on Equity)	\$14,317
5	Interest Expense	\$0
6	Annualized Payroll	\$6,075
7	Utility Employees	0
8	Depreciation	\$7,127
9	Net Investment Plant	\$178,966
10	Pensions	\$0

**MISSOURI AMERICAN WATER COMPANY - Saddlebrooke Water**  
**SCHEDULE of DEPRECIATION RATES File No. WA-2012-0066**  
**DIVISIONS: Saddlebrooke Addition**

NARUC USOA ACCOUNT NUMBER	ACCOUNT DESCRIPTION	% DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)	IOWA CURVE	% NET SALVAGE
<b>Source of Supply</b>					
311.0	Structures & Improvements	2.36	55	R4	-30
312.0	Collecting & Impoundment Reservoirs	1.25	80	R2.5	0
313.0	Lake, River & Other Intakes	1.77	65	R1.5	-15
314.0	Wells & Springs	1.82	55	R2.5	0
315.0	Infiltration Galleries and Tunnels	1.67	60	R2.5	0
316.0	Supply Mains	1.79	70	R3	-25
317.0	Miscellaneous Source of Supply - Other	4.00	25	SQ	0
<b>Pumping Plant</b>					
321.0	Structures & Improvements	1.80	75	R2.5	-35
322.0	Boiler Plant Equipment	2.22	45	R4	0
323.0	Power Generation Equipment	2.00	50	R3	0
324.0	Steam Pumping Equipment	2.62	42	R1.5	-10
325.0	Electric Pumping Equipment	2.62	42	R1.5	-10
326.0	Diesel Pumping Equipment	2.62	42	R1.5	-10
327.0	Hydraulic Pumping Equipment	2.62	42	R1.5	-10
328.0	Other Pumping Equipment	2.62	42	R1.5	-10
<b>WaterTreatment Plant</b>					
331.0	Structures & Improvements	1.69	80	R3	-35
332.0	Water Treatment Equipment	2.89	45	R2.5	-30
333.0	Miscellaneous Water Treat, Other	3.33	30	SQ	0
<b>Transmission and Distribution</b>					
341.0	Structures & Improvements	2.40	50	R2.5	-20
341.1	Structures & Improve - Special Crossing	N/A	N/A	N/A	N/A
342.0	Distribution Reservoirs & Standpipes	2.25	60	R3	-35
343.0,1,2,3	Transmission & Distribution Mains	1.39	90	R2.5	-25
344.0	Fire Mains	1.56	80	S1	-25
345.0	Customer Services	2.92	65	S0.5	-90
346.0	Customer Meters	2.40	40	R1	4
347.0	Customer Meter Pits & Installation	2.40	40	R1	4
348.0	Fire Hydrants	1.85	65	R1.5	-20
349.0	Misc Trans & Dist - Other	2.00	50	R3	0
<b>General Plant</b>					
390.0	Structures & Improve - Shop & Garage	2.40	50	R3	-20
390.9	Structures & Improve - Leasehold	5.00	20	R4	0
391.0	Office Furniture	5.00	20		0
391.1	Computer & Peripheral Equipment	20.00	5		0
391.2	Computer Hardware & Software	20.00	5		0
391.3	Other Office Equipment	6.67	15		0
392.1	Transportation Equipment - Light trucks	11.25	8	L1.5	10
392.2	Transportation Equipment - Heavy trucks	10.00	9	L2	10
392.3	Transportation Equipment - Autos	18.00	5	L2	10
392.4	Transportation Equipment - Other	5.67	15	S2.5	15
393.0	Stores Equipment	4.00	25		0
394.0	Tools, Shop, Garage Equipment	5.00	20		0
395.0	Laboratory Equipment	6.67	15		0
396.0	Power Operated Equipment	7.73	11	L1.5	15
397.1	Communication Equip - Non Telephone	6.67	15		0
397.2	Communication Equip - Telephone	10.00	10		0
398.0	Miscellaneous Equip	6.67	15		0
399.0	Other Tangible Equipment	5.00	20		0

**SADDLEBROOKE SEWER  
DEPRECIATION RATES  
(SEWER)**

**SA-2012-0067**

Approved Roark W & S Company Depreciation Rates WO-2011-0213

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT DESCRIPTION</u>	<u>DEPRECIATION RATE %</u>	<u>AVERAGE SERVICE LIFE (YEARS)</u>
351	Structures & Improvements	2.50%	40
352.1	Collection Sewers (Force)	2.00%	50
352.2	Collection Sewers (Gravity)	2.00%	50
354	Flow Measurement Devices	3.30%	30
362	Receiving Wells & Pump Pits	4.00%	25
363	Pumping Equipment	10.00%	10
372	Treatment & Disposal Facilities	5.00%	20
373	Plant Sewers	2.50%	40
374	Outfall Sewers	2.00%	50
391	Office Furniture & Equipment	5.00%	20
393	Stores Equipment	4.00%	25
394	Tools, Shop, Garage Equipment	5.00%	20

RATE DESIGN - SADDLEBROOKE

Updated 1/5

	7.58%	Weighted Rate of Return W/IT			Income Tax			
		9.47%	1.89%					
return on capital of								
		water	customer	comm		sewer	customer	comm
depreciation		\$ 6,206	\$ 2,069	\$ 4,137		\$ 7,127	\$ 2,376	\$ 4,751
return		\$ 20,213	\$ 6,738	\$ 13,475		\$ 13,566	\$ 4,522	\$ 9,044
income tax		\$ 5,040	\$ 1,680	\$ 3,360		\$ 3,382	\$ 1,127	\$ 2,255
labor -operations		\$ 6,075	\$ 2,025	\$ 4,050		\$ 6,075	\$ 2,025	\$ 4,050
chemicals		\$ 900		\$ 900				
testing		\$ 5,832	\$ -	\$ 5,832		\$ 5,832	\$ -	\$ 5,832
corp allocations		\$ 1,620	\$ 810	\$ 810		\$ 1,620	\$ 810	\$ 810
property taxes		\$ 3,644	\$ 1,215	\$ 2,429		\$ 3,076	\$ 1,025	\$ 2,051
electric		\$ 14,350		\$ 14,350		\$ 2,484		\$ 2,484
other maintenance		\$ 1,000	\$ 333	\$ 667		\$ 1,000	\$ 333	\$ 667

Totals	water	customer	commodity	sewer	customer	commodity
	\$ 64,880	\$ 14,869	\$ 50,011	\$ 44,162	\$ 12,218	\$ 31,944

<b>81 customers</b>	<b>per month</b>	<b>\$ 15.30</b>	<b>\$ 2.83</b>	<b>\$ 12.57</b>	<b>\$ 4.32</b>
---------------------	------------------	-----------------	----------------	-----------------	----------------

18195 **17,686** kgal annual water commodity 250 **7,391** billed sewer commodity



Name of Utility: Missouri-American Water Company  
Service Area: Stone and Taney Counties, Missouri

Rules Governing Rendering of Sewer Service

Rule 1 DEFINITIONS

- (a) The "COMPANY" is Missouri-American Water Company, acting through its officers, managers, or other duly authorized employees or agents.
- (b) The "CUSTOMER" is any person, individual, partnership, association, corporation or governmental body which has contracted with the Company for sewer service or is receiving service from the Company, or whose facilities are connected for utilizing such service.
- (c) The word "UNIT" shall be used herein to define the standard user or property served and shall include mobile homes or any building, residential, commercial, or industrial, owned or leased and each unit of any multi-unit structure.
- (d) A "COLLECTING SEWER" is a pipeline, including force lines, gravity sewers, interceptors, laterals, trunk sewers, manholes, lamp holes, and necessary appurtenances, including service wyes **and saddles**, or pressure pump units **that are** owned and maintained by the Company, located on public property or on private easements, and used to transport sewage waste from the Customer's service connection to the point of disposal.
- (e) A "CUSTOMER'S SERVICE SEWER" is a pipe with appurtenances installed, owned and maintained by the Customer, used to conduct sewage from the Customer's premises to the collecting sewer, **including pressure pump units and sewage tanks owned by the Customer**, and excluding service wyes **or saddles, and pressure pump units that are owned by the Company. For Customers connected to a pressure collecting sewer and utilizing a pump unit, the portion of the Service Sewer between the pump unit and the collecting sewer is a pressurized portion of the Service Sewer. In addition to other parts and fittings this shall include a stop cock accessible to the Company for turn-off of sewerage flow and a check valve to prevent backflow of waste-water under pressure in the pressure collecting sewer. The Service Sewer is constructed, owned and maintained by the Customer.**

\* Indicates new rate or text  
+ Indicates change

DATE OF ISSUE \_\_\_\_\_ DATE EFFECTIVE \_\_\_\_\_  
Month Day Year Month Day Year

ISSUED BY: Frank Kartmann, President 727 Craig Road, St. Louis, MO 63141  
name of officer title address

Name of Utility: Missouri-American Water Company  
Service Area: Stone and Taney Counties, Missouri

Rules Governing Rendering of  
Sewer Service

Rule 1 DEFINITIONS (Continued)

- (f) A "SERVICE CONNECTION" is the connection of a service sewer to the Company's collecting sewer either at the bell of a wye branch, or the bell of a saddle placed on the barrel of the collecting sewer, or at the tank of a **Company-owned** pressure pump unit.
- (g) The "DATE OF CONNECTION" shall be the date the permit for a service connection is issued by the Company. In the event no permit is taken and a service connection is made, the date of connection shall be determined based on available information, such as construction/occupancy permits, or water or electric service turn-on dates.
- (h) "DOMESTIC SEWAGE" is sewage, excluding storm and surface water, resulting from normal household activities.
- (i) "NON-DOMESTIC SEWAGE" is all sewage other than domestic sewage including, but not limited to, commercial or industrial wastes. (See Rule 6 pertaining to Improper **or** Excessive Use)
- (j) A "FOUNDATION DRAIN" is a pipe installed inside or outside the foundation of a structure for the purpose of draining ground or subsurface water away from the foundation.
- (k) "**pH**" is the relative degree of acidity or alkalinity of water as indicated by the hydrogen ion concentration. **pH** is indicated on a scale reading from 1-14, with 7.0 being neutral, below 7.0 acid, and above 7.0 alkaline; more technically defined as the logarithm of the reciprocal of the hydrogen ion concentration.
- (l) "B.O.D" denotes Biochemical Oxygen Demand. It is the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory conditions expressed in milligrams per liter.
- (m) "SUSPENDED SOLIDS" are the concentration of insoluble materials suspended or dispersed waste expressed in milligrams per liter on a dry weight basis as determined by standard procedures.

\* Indicates new rate or text  
+ Indicates change

DATE OF ISSUE \_\_\_\_\_ DATE EFFECTIVE \_\_\_\_\_  
Month Day Year Month Day Year

ISSUED BY: Frank Kartmann, President 727 Craig Road, St. Louis, MO 63141  
name of officer title address

Name of Utility: Missouri-American Water Company  
Service Area: Stone and Taney Counties, Missouri

Rules Governing Rendering of Sewer Service	
<p>Rule 1 DEFINITIONS (Continued)</p> <p>(n) “EFFLUENT PUMP UNIT” or “PRESSURE PUMP UNIT”– a self contained facility consisting generally of a tank and an electric pump, which separates solid from liquid waste, retaining the solid waste in the tank, and pumping the liquid waste under pressure to collecting sewer pipelines. The device also contains level controls for interim storage of liquid waste in the tank and intermittent pump operation as a function of liquid level with appropriate malfunction alarms, pressure controls and check valves to insure cooperative operation with similar units.</p> <p>(o) “GRINDER PUMP UNIT” or “PUMP UNIT”– a self contained facility consisting generally of a small tank, and an electric pump that is capable of pumping liquid waste with contained solids to a pressure collecting sewer for transportation of liquid waste with solids to a treatment facility.</p> <p>(p) “PRESSURE COLLECTING SEWER” – a collecting sewer pipeline owned and maintained by the company, including wyes, tees, and saddles, operated under pressure from pump units connected to the pipeline, located within easements, used to transport wastewater under pressure to a treatment facility. A Pressure Collecting Sewer is sometimes referred to generically as a collecting sewer.</p> <p>(q) “TANK” – a watertight vessel which holds wastewater from the customer’s premises, and in which an electric and pump associated electrical controls and connections may be installed if necessary, and provides access from ground level to the internal parts and for other maintenance.</p> <p>(r) A “SADDLE” is a fitting that connects the Customer’s Service Sewer to the collecting sewer whether it be a gravity collecting sewer or a pressure collecting sewer; the saddle clamps around the collecting sewer pipeline into which pipeline a hole is cut, and the Service Sewer is connected to the Saddle thereby connecting it to the collecting sewer.</p> <p>(s) A “WYE” or “WYE BRANCH” or “Y” or “Y BRANCH” is a three-way, one-piece pipe fitting in the shape of the letter “y” that is a part of the collecting sewer pipeline, and to which the Customer’s service sewer is connected.</p> <p>* Indicates new rate or text + Indicates change</p>	

DATE OF ISSUE \_\_\_\_\_ DATE EFFECTIVE \_\_\_\_\_  
Month Day Year Month Day Year

ISSUED BY: Frank Kartmann, President 727 Craig Road, St. Louis, MO 63141  
name of officer title address

Name of Utility: Missouri-American Water Company  
Service Area: Stone and Taney Counties, Missouri

Rules Governing Rendering of Sewer Service	
<p>Rule 5 INSIDE PIPING AND CUSTOMER SERVICE SEWER (Continued)</p> <p>(g) In all buildings in which any building drain is too low to permit adequate gravity flow to the collecting sewer, sanitary sewage carried by such drains shall be lifted by approved artificial means and discharged to the building sewer. No water operated sewage ejector shall be used.</p> <p>(h) All excavations required for the installation of a Customer’s service sewer shall be open trench work unless otherwise approved by the Company. Pipe laying and backfill shall be performed in accordance with the latest published engineering specifications of the manufacturer of the materials used and all applicable local plumbing codes, except that no backfill shall be placed until the work has been inspected by the Company. Only those jointing materials and methods which are approved by the Company may be used.</p> <p>(i) (1) The connection of the Customer’s service sewer, <b>with or without a pressure pump unit</b>, into the gravity collecting sewer shall be made at the “Y” branch, if such branch is available at a suitable location. If the Company’s collecting sewer is vitrified clay pipe of twelve inch (12”) diameter or less and there is no properly located “Y” branch at a suitable location, a “Y” branch shall be installed at a location specified by the Company. If the Company’s collecting sewer is greater than twelve inches (12”) in diameter, or is PVC of any size, a neat hole may be cut at a location specified by the Company, and a saddle installed to which the Customer’s service sewer will be connected. The invert of the customer’s service sewer at the point of connection shall be at the centerline or higher elevation than the invert of the Company’s collecting sewer. A smooth neat joint shall be made, and the connection made secure and watertight by encasement in concrete.</p> <p>(2) The connection of the customer service sewer into a pressure collecting system, <b>if a customer-owned pressure pump unit exists</b>, shall be made at Company’s pressure collecting sewer; <b>or if a Company-owned pressure pump unit exists</b>, at the Company-owned pressure pump unit tank inlet.</p> <p>* Indicates new rate or text + Indicates change</p>	

DATE OF ISSUE \_\_\_\_\_ DATE EFFECTIVE \_\_\_\_\_  
Month Day Year Month Day Year

ISSUED BY: Frank Kartmann, President 727 Craig Road, St. Louis, MO 63141  
name of officer title address

Name of Utility: Missouri-American Water Company  
Service Area: Stone and Taney Counties, Missouri

Rules Governing Rendering of Sewer Service	
<p>Rule 5 INSIDE PIPING AND CUSTOMER SERVICE SEWER (Continued)</p> <p>(m) In the Company's Stonebridge Service District operation, the Company will provide, install and maintain pressure pump units where necessary, including electric power.</p> <p>In all other operations, any customer proposed to be connected and to be discharging less than 1,200 gallons per day domestic sewage, and where a tank or pressure pump unit is necessary for discharge of sewage into the Company's collecting sewer, or as a part of the treatment process, or both, shall install at his own expense within the lot, one pump unit of suitable capacity. All components utilized in a pump unit must be either purchased from the Company or meet its specifications which shall be on file at the Company's office, and approved by the Company prior to installation. Installation costs of the pump unit, electrical wiring and components and service sewers between the dwelling and the pump unit and Company's collecting sewers shall be the responsibility of the Customer. Electricity costs for pump operation shall be the responsibility of the Customer. Customers discharging greater than 1,200 gallons per day, upon applying for service with the Company, must enter into an agreement with the Company with regard to operation of a pump unit that is of suitable capacity for the customer and that will be compatible with the Company's operation of its collecting sewer system and treatment facility.</p> <p>(n) The Company will locate the point to which the service connection to the pressure collecting sewer will be made, and the Customer shall furnish materials for the connection. All taps to the pressure collecting sewer shall be done by the Company. One connection shall not service more than one property.</p> <p>(o) A stop cock shall be placed on the service sewer near the service connection. Said stop cock shall include a provision for locking. The stop cock will be furnished, owned and maintained by the Customer for use by the Customer for maintenance or by the Company.</p> <p>(p) In addition to other methods outlined within these Rules for discontinuance of sewer service, sewer service may be turned-off by the Company by locking the stop cock in the closed position. Service shall not be resumed again except upon payment of all delinquent charges, plus any applicable approved service charge to cover the costs of resuming service, in accordance with these Rules.</p> <p>* Indicates new rate or text + Indicates change</p>	

DATE OF ISSUE \_\_\_\_\_  
Month Day Year

DATE EFFECTIVE \_\_\_\_\_  
Month Day Year

ISSUED BY: Frank Kartmann, President 727 Craig Road, St. Louis, MO 63141  
name of officer title address

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

**AFFIDAVIT OF PAULA MAPEKA**

In the Matter of Missouri-American Water )  
Company for a Certificate of Convenience and )  
Necessity Authorizing it to Install, Own, )  
Acquire, Construct, Operate, Control, Manage )  
and Maintain Water and Sewer Systems in )  
Christian and Taney Counties, Missouri )

File No. WA-2012-0066

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

**COMES NOW** Paula Mapeka, being of lawful age, and on her oath states the following: (1) that she is a Utility Regulatory Auditor III in the Missouri Public Service Commission’s Regulatory Review Division, Auditing Unit; (2) that she participated in the Staff’s investigation that is the subject of the instant case; (3) that she has knowledge of the foregoing *Appendix A – Staff Recommendation Regarding Certificate of Convenience and Necessity* (“Appendix A”); (4) that she was responsible for the preparation of Attachment A to Appendix A; (5) that she has knowledge of the matters set forth in Attachment A to Appendix A; and (6) that the matters set forth in Attachment A to Appendix A are true and correct to the best of her knowledge, information, and belief.

  
\_\_\_\_\_  
Paula Mapeka  
Utility Regulatory Auditor III  
Auditing Unit

Subscribed and sworn to before me this 5<sup>th</sup> day of January, 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

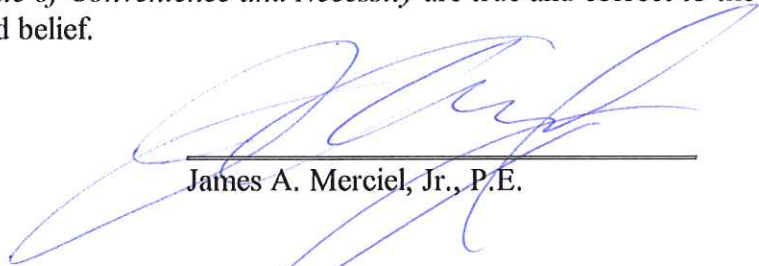
**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

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

AFFIDAVIT OF JAMES A. MERCIEL, JR., P.E.

STATE OF MISSOURI     )  
  ) ss  
COUNTY OF COLE     )

James A. Merciel, Jr., P.E., of lawful age, on his oath states: (1) that he is the Assistant Manager – Engineering in the Water and Sewer Unit of the Missouri Public Service Commission; (2) that he participated in the preparation of the foregoing *Staff Recommendation Regarding Certificate of Convenience and Necessity* in memorandum form; (3) that certain information in the *Staff Recommendation Regarding Certificate of Convenience and Necessity* were provided by him; (4) that he has knowledge of matters set forth in the *Staff Recommendation Regarding Certificate of Convenience and Necessity*; and (5) that such matters set forth in the *Staff Recommendation Regarding Certificate of Convenience and Necessity* are true and correct to the best of his knowledge, information and belief.

  
\_\_\_\_\_  
James A. Merciel, Jr., P.E.

Subscribed and sworn to before me this 6<sup>th</sup> day of December 2012.

  
\_\_\_\_\_  
Notary Public

LAURA HOLSMAN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: June 21, 2015  
Commission Number: 11203914

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

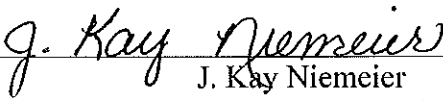
**AFFIDAVIT OF J. KAY NIEMEIER**

In the Matter of Missouri-American Water )  
Company for a Certificate of Convenience and )  
Necessity Authorizing it to Install, Own, )  
Acquire, Construct, Operate, Control, Manage )  
and Maintain Water and Sewer Systems in )  
Christian and Taney Counties, Missouri )

File No. WA-2012-0066

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

**COMES NOW** J. Kay Niemeier, being of lawful age, and on her oath states the following: (1) that she is a Utility Management Analyst III in the Missouri Public Service Commission's Regulatory Review Division, Engineering & Management Services Unit; (2) that she has participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; (3) that the information in the Staff Recommendation was developed by her; (4) that she has knowledge of the matters set forth in such Staff Recommendation; and (5) that such matters are true and correct to the best of her knowledge and belief.

  
\_\_\_\_\_  
J. Kay Niemeier  
Utility Management Analyst III  
Engineering & Management Services Unit

Subscribed and sworn to before me this 5<sup>th</sup> day of January, 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



**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

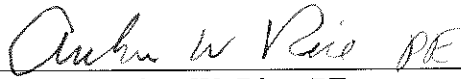
**AFFIDAVIT OF ARTHUR W. RICE, PE**

In the Matter of Missouri-American Water )  
Company for a Certificate of Convenience and )  
Necessity Authorizing it to Install, Own, )  
Acquire, Construct, Operate, Control, Manage )  
and Maintain Water and Sewer Systems in )  
Christian and Taney Counties, Missouri )

File No. WA-2012-0066

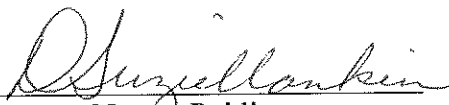
STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

COMES NOW, Arthur W. Rice, PE, being of lawful age, and on his oath states the following: (1) that he is a Utility Regulatory Engineer I in the Missouri Public Service Commission’s Regulatory Review Division, Engineering & Management Services Unit; (2) that he participated in the Staff’s investigation that is the subject of the instant case; (3) that he has knowledge of the foregoing *Appendix A – Staff Recommendation Regarding Certificate of Convenience and Necessity* (“Appendix A”); (4) that he was responsible for the preparation of Attachments B and C to Appendix A; (5) that he has knowledge of the matters set forth in Attachments B and C to Appendix A; and (6) that the matters set forth in Attachments B and C to Appendix A are true and correct to the best of his knowledge, information, and belief.

  
\_\_\_\_\_  
Arthur W. Rice, PE  
Utility Regulatory Engineer I  
Engineering & Management Services Unit

Subscribed and sworn to before me this 5<sup>th</sup> day of January, 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

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

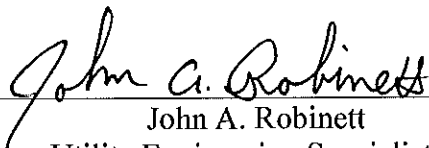
**AFFIDAVIT OF JOHN A. ROBINETT**

In the Matter of Missouri-American Water )  
Company for a Certificate of Convenience and )  
Necessity Authorizing it to Install, Own, )  
Acquire, Construct, Operate, Control, Manage )  
and Maintain Water and Sewer Systems in )  
Christian and Taney Counties, Missouri )

File No. WA-2012-0066

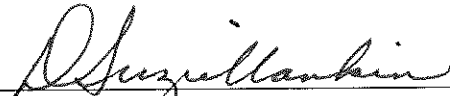
STATE OF MISSOURI     )  
  )  
COUNTY OF COLE     )     ss.

**COMES NOW** John A. Robinett, being of lawful age, and on his oath states the following: (1) that he is a Utility Engineering Specialist II in the Missouri Public Service Commission's Regulatory Review Division, Engineering & Management Services Unit; (2) that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; (3) that the information in the Staff Recommendation was developed by him; (4) that he has knowledge of the matters set forth in such Staff Recommendation; and (5) that such matters are true and correct to the best of his knowledge and belief.

  
\_\_\_\_\_  
John A. Robinett  
Utility Engineering Specialist II  
Engineering & Management Services Unit

Subscribed and sworn to before me this 6<sup>th</sup> day of January, 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