

## **Timber Creek Sewer Company**

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### **History of Customer Rates**

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- 1) The Current Rates Were Set in the Company's First Certificate Case in 1995 (SA-95-110) \*
- 2) The Current Rates Were Reviewed in 2000 Pursuant to a Small Company Rate Increase Request \* \*
- 3) The Proposed Rates Were Developed Pursuant to the Pending Rate Increase Request

\* The current rates are the original rates set for the company. The original rates were based on estimates of the Company's operating expenses, projected plant investments and projected customer numbers.

\* \* Result of the audit was that an increase in operating revenues was not needed and a formal rate case was thus not established. (See income statement on page 3 for audit information.)

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**Timber Creek Sewer Company**

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**Plant In Service from Staff Audit Workpapers**

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	<u>Current Case</u>	<u>2000 Rate Review</u>
Total Plant In Service	\$ 1,625,065	\$ 139,233
Depreciation Reserve	\$ 78,902	\$ 25,627
Net Plant In Service	\$ 1,546,163	\$ 113,606
Contributions In Aid of Construction	\$ 568,000	\$ 113,606
<u>Ratemaking Rate Base</u>	<u>\$ 978,163</u>	<u>- 0 -</u>

## Timber Creek Sewer Company

### Income Statements from Staff Audit Workpapers

	<u>Current Case</u>	<u>2000 Rate Review</u>
<b>Operating Revenues</b>	<b>\$ 152,264</b>	<b>\$ 52,073</b>
<b>Cost of Service</b>		
Liability Insurance	\$ 2,386	\$ 257
Worker's Compensation	\$ 7,477	\$ -
Health Insurance	\$ 2,102	\$ -
Licenses & Permits	\$ 3,600	\$ 3,600
Postage and Delivery	\$ 1,100	\$ 786
PSC Assessment	\$ 9,206	\$ 2,365
Legal Fees	\$ 577	\$ 2,154
Accounting Fees	\$ 2,800	\$ 537
Office Expense	\$ 900	\$ 2,400
Sludge Removal	\$ 9,224	\$ 3,360
Maintenance and Repair	\$ 10,168	\$ 2,072
Trash Service	\$ 840	\$ 285
Telephone Service	\$ 1,844	\$ 876
Electric Service	\$ 15,991	\$ -
Gas Service	\$ 2,221	\$ -
Water Utilities	\$ 2,405	\$ 252
Taxes Other	\$ 1,681	\$ -
Tractor/Truck Maint/Fuel	\$ 858	\$ -
Payroll	\$ 66,040	\$ 18,667
<b>Subtotal - Operating Expenses</b>	<b>\$ 141,420</b>	<b>\$ 37,611</b>
<b>Depreciation Expense</b>	<b>\$ 62,850</b>	<b>\$ 5,529</b>
<b>Return on Investment</b>	<b>\$ 73,264</b>	<b>\$ -</b>
<b>Income Tax</b>	<b>\$ -</b>	<b>\$ 2,884</b>
<b>Total Cost of Service</b>	<b>\$ 277,534</b>	<b>\$ 46,024</b>
<b>Revenue Increase Needed</b> (to recover total cost of service)	<b>\$ 125,270</b>	<b>\$ (6,049)</b>
<b>Revenue Increase Requested</b> (proposed rates based on this amount)	<b>\$ 80,000</b>	