

Exhibit No.:
Issues: *Rate Case Expense,*
Construction Overruns, Plant
in Service, CIAC
Witness: *Graham A. Vesely*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Surrebuttal testimony*
Case No.: *WR-2006-0425*
Date Testimony Prepared: *January 12, 2007*

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

SURREBUTTAL TESTIMONY

OF

GRAHAM A. VESELY

ALGONQUIN WATER RESOURCES OF MISSOURI, LLC

CASE NOS. WR-2006-0425 and SR-2006-0426

(Consolidated)

Jefferson City, Missouri
January 2007

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

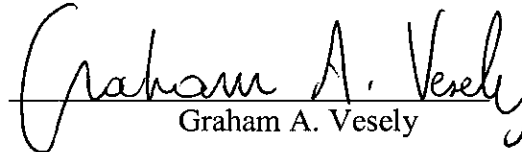
In the Matter of the Tariff Filing Algonquin Water)
Resources of Missouri, LLC to Implement a)
General Rate Increase for Water and Sewer Service)
Provided to Customers in Its Missouri Service)
Areas.)

Case No. WR-2006-0425

AFFIDAVIT OF GRAHAM A. VESELY

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

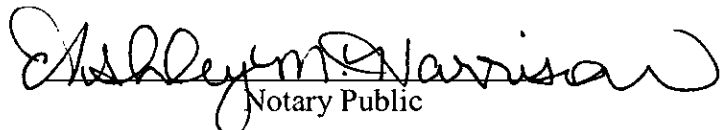
Graham A. Vesely, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Surrebuttal Testimony in question and answer form, consisting of 15 pages to be presented in the above case; that the answers in the foregoing Surrebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.


Graham A. Vesely

Subscribed and sworn to before me this 14th day of January 2007.



ASHLEY M. HARRISON
My Commission Expires
August 31, 2010
Cole County
Commission #06888878


Notary Public

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TABLE OF CONTENTS

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EXECUTIVE SUMMARY 1

RESPONSE TO ALGONQUIN WITNESS CHARLES A. HERNANDEZ 2

RESPONSE TO ALGONQUIN WITNESS LARRY W. LOOS 4

SUMMARY OF ALL ISSUES 13

SURREBUTTAL TESTIMONY

OF

GRAHAM A. VESELY

ALGONQUIN WATER RESOURCES OF MISSOURI, LLC

CASE NOS. WR-2006-0425 and SR-2006-0426

(Consolidated)

Q. Please state your name and business address.

A. Graham A. Vesely, 615 East 13th Street, Kansas City, MO 64106.

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

A. I am a Regulatory Auditor for the Missouri Public Service Commission (Commission).

Q. Are you the same Graham A. Vesely who filed Direct and Rebuttal Testimonies in this Case No. WR-2006-0425?

A. Yes, I am. I filed Direct testimony on December 4, 2006, on payroll expense, plant in service, depreciation reserve, and contributions in aid of construction (CIAC), and I filed Rebuttal testimony on December 28, 2006, on these same areas.

Q. What is the purpose of your Surrebuttal testimony?

A. I will respond to the Rebuttal testimony of Algonquin witness Larry W. Loos in the areas of rate case expense, plant in service, and CIAC; I will also respond to Algonquin witness Charles A. Hernandez's Rebuttal testimony on the issue of construction cost overruns.

EXECUTIVE SUMMARY

Q. Please provide an executive summary of your Surrebuttal testimony

1 A. Construction cost overruns on the project to add Well No. 2 to the water supply
2 system at Holiday Hills Resort were caused by Silverleaf Resorts's abnormal and
3 unreasonable lack of preparation prior to awarding the construction contract.

- 4 • Algonquin's cited example of a small company rate request requiring seventeen
5 months to process is not typical of the time that such cases require. It does not justify
6 Algonquin's decision to bypass the small company process prior to filing the current
7 formal rate case.
- 8 • Staff has reflected all documented pre-Certificate plant in service for which Staff
9 assumes Silverleaf had not achieved recovery.
- 10 • Silverleaf's tariffs regarding Contributions In Aid of Construction (CIAC) were clear,
11 were followed in setting rates, should have been known to Algonquin, and provided
12 for equitable treatment of all ratepayers.

13 **RESPONSE TO ALGONQUIN WITNESS CHARLES A. HERNANDEZ**

14 **Construction Overruns**

15 Q. Beginning on page 4, line 3, of his Rebuttal testimony, Mr. Hernandez says
16 Silverleaf's decision to replace a "failing contractor that was requesting a disproportional
17 amount and cost of change orders for a project that was competitively bid was a required
18 decision since the contractor would not and could not complete the project." Do you agree
19 that the contractor was failing?

20 A. No, I have not been presented with any evidence of that. As I described in my
21 Direct testimony filed in this case, the contractor in question, Larry Snyder & Company
22 (LSC), was a firm that had a proven track record of successfully completing utility
23 construction projects for Silverleaf. The projects that LSC completed for Silverleaf included,

1 at a minimum, the water supply and distribution system at Timber Creek Resort, and the
2 booster station at Holiday Hills

3 Q. Were the lengthy delays experienced by the Well No. 2 project due to the
4 contractor requesting a lot of change orders?

5 A. No, not according to the facts provided by Silverleaf in Staff's earnings
6 investigation, Case Nos. WC-2002-1040 and SC-2002-1039. In that investigation, Staff
7 issued Data Request No. 29, which stated as follows:

8 Please provide a copy of all documentation related to the termination of
9 the contract with Larry Snyder & Co. for the Well No. 2 project at
10 Holiday Hills Resort. Emphasis should be placed on clearly
11 distinguishing whether termination was for convenience or default, as
12 may have been provided for by the contract.

13 Documentation supplied in response should include, among others, all
14 correspondence, whether internal, with external legal counsel,
15 consultants (Wasteline Engineering, etc), the contractor, the
16 contractor's representative(s), or the contractor's bonding company, as
17 applicable.

18 The timeline of the facts being documented should cover the period
19 starting with the earliest evidence of factors or events contributing to
20 the termination, and ending with measures taken to achieve a final
21 settlement binding upon all parties to the contract.

22 Also, please clarify how these events, and any subsequent ones,
23 required delaying the start of the work on the second contract (with
24 Construction Management Specialists) until December 2001.

25 The first document provided by Silverleaf in response to this data request was a copy
26 of the March 17, 1999, internal memo by an un-named Silverleaf employee, who said that the
27 contractor was told to stop work on the project, and that "the whole site is moving." I
28 provided a copy of this document as Schedule 4, attached to my Direct testimony in the
29 current case.

1 Q. Was the contractor, as Mr. Hernandez suggests, incapable of completing the
2 project?

3 A. No, the documentation supplied in response to Data Request No. 29 during the
4 Staff's earnings investigation suggests otherwise. Again, in my Direct testimony, beginning
5 on page 34, I listed the documents that show that Silverleaf continued to hold up the progress
6 of the work, beginning on March 17, 1999, and ending on April 1, 2001. This is a staggering
7 amount of delay to a project that, by contract, was required to be completed in 180 days. This
8 is a clear sign of just exactly how unprepared Silverleaf was to go forward with construction
9 when it awarded the contract to LSC on December 18, 1998. Staff remains of the opinion that
10 the Silverleaf-imposed delays are the reason the contract could not be completed at the price
11 LSC had committed itself to.

12 **RESPONSE TO ALGONQUIN WITNESS LARRY W. LOOS**

13 **Rate Case Expense**

14 Q. Beginning on line 17, page 4, of his Rebuttal testimony, Mr. Loos states that
15 "the small company process took approximately seventeen months from initiation to the
16 effective date of the new rates." Do you wish to comment?

17 A. Yes. Silverleaf applied for a rate increase under the small company process,
18 on April 4, 1997. However, this filing could not be processed immediately, because at the
19 time that it was filed, it was Ascension Resorts, Ltd., rather than Silverleaf, that owned and
20 held the certificate of convenience and necessity from the Commission. Ascension had
21 undergone a business combination that included changing its name to Silverleaf Resorts, Inc.
22 But Ascension only filed a merger approval request with the Commission after being notified
23 by Staff of the requirement to do so. On July 30, 1997, Ascension and Silverleaf filed a joint

1 application with the Commission in Case No. WM-98-46, seeking approval of the merger.
2 The Commission approved this merger on November 26, 1997. Therefore, it can be seen that
3 although the request for the small company case was filed on April 4, 1997, as Mr. Loos
4 mentions, the prerequisite merger case was not filed, and did not receive Commission
5 approval, until nearly eight months later.

6 Furthermore, in the small company case Mr. Loos refers to, the Staff had to determine
7 plant in service at the start of 1994, as well as additions through 1997. That also helps to
8 explain why the case took so long to process. We should recall that by 1994, at the two
9 resorts covered by that small company case, utility operations had been in existence for about
10 10 years.

11 Q. Next, Mr. Loos mentions at page 4, of his Rebuttal testimony, that "Silverleaf
12 later initiated another small company case on August 3, 2000." When did Staff present its
13 findings in that case to Silverleaf?

14 A. Less than seven months later, by memorandum dated February 20, 2001, Staff
15 notified Silverleaf of its findings. Staff found Silverleaf to be over-earning at Holiday Hills
16 and Ozark Mountain.

17 My point is that in spite of what Mr. Loos is portraying, only under abnormal
18 circumstances dictated by the specifics of the small company filing itself, would such a case
19 extend over a 17-month period. Staff witness Agyenim "Kofi" Boateng, in his Direct,
20 Rebuttal and Surrebuttal Testimonies, and Staff witness Dale W. Johansen, in his Surrebuttal
21 testimony, all filed in the current case, describe why Algonquin should have filed its current
22 rate increase request under the small company process.

Plant in Service

Q. Beginning on page 12, line 12, of his Rebuttal testimony, Mr. Loos asserts he has no problem with the integrity of the process you have applied in determining plant in service, but he believes that the data you relied on, as provided in the past by Silverleaf, is incomplete. Further, that it was unreasonable to hold Silverleaf to such a high standard. Do you wish to comment?

A. Yes, I do. The burden is on the utility to show, by sufficient and competent evidence, the amount of its investment in plant. Staff has not held Silverleaf to an unreasonable standard. To the contrary, to the extent there was any cost documentation of utility property at the time of the Certificate case, Staff has included this pre-1993 plant investment in its rate base investment.

Q. Do you agree with Mr. Loos that the method you employed in calculating plant in service tends to understate, rather than overstate, plant in service?

A. To the extent that Silverleaf maintained supporting documentation of its plant activity, no difference need exist between its assessment and Staff's. However, a utility is responsible for maintaining documentation to support its claims to investment in plant. I don't believe this burden is unreasonably onerous, as Mr. Loos asserts, or that expecting such a standard is unusual. In fact, to include plant investment in rate base that has absolutely no support in any respect is completely foreign to utility regulation and would be a completely unreasonable standard. If no documentation exists to substantiate this plant investment, one must conclude that Silverleaf built this plant as resort property as a developer would have, and that it maintained the proper documentation to identify the construction cost of the projects for resort operations purposes.

1 For purposes of internal accounting, financial reporting, taxation, warranties, and to
2 assist in cost estimating when planning future resort expansion, Silverleaf had, from the
3 beginning of its activities as a developer, good reason to take care in document preservation.
4 Staff can overcome problems such as items being incorrectly expensed, capitalized or
5 classified if Staff has access to adequate original documentation. The total absence of cost
6 support records, on the other hand, suggests a mindset that does not look to the future for
7 further recovery of past expenditures.

8 Even though Silverleaf had reason to know about these investments, it is not Silverleaf
9 that is presenting arguments to increase its pre-Certificate plant. Nor did Silverleaf raise this
10 issue during the 10 or so years that it held a Certificate for providing service. Rather,
11 Algonquin is making these arguments in order to support recovery of its acquisition premium.

12 Q. What is Algonquin's approach to pre-Certificate plant?

13 A. As Algonquin witness Loos states, beginning on page 17, line 16, of his
14 Rebuttal testimony, "While we do not know the precise cost of the plant when originally
15 constructed, nor the precise facilities, I make a reasonable estimate and include that estimate
16 in rate base. The Company has also reflected that investment on its books".

17 Q. Do you agree that Mr. Loos's estimate can be used for setting rates?

18 A. No, for several reasons. First, none of it is based on original cost documents of
19 the sort Staff obtained from Silverleaf in the beginning of its tenure as a regulated utility in
20 Missouri, a copy of which was attached to my Rebuttal testimony in the current case as
21 Schedule 4. Second, Staff's understanding of the method Mr. Loos used to produce his
22 estimate raises serious questions. Third, as discussed in my Rebuttal testimony, it is likely
23 impossible to know how Silverleaf planned to recover utility costs during the 10-year pre-

1 Certificate period during which it was only carrying out non-regulated transactions for the
2 sale of vacation stays at its resorts. Though the utility systems in question were operational
3 and providing service to users of all facilities, Silverleaf was not recovering its utility costs by
4 billing users for utility service. It is not reasonable, however, to claim that in planning its
5 transactions during the pre-Certificate period, Silverleaf was not providing for the recovery of
6 its utility costs.

7 Q. You mentioned that Mr. Loos's approach to estimating the original cost of
8 plant installed in the pre-Certificate period raises serious questions. Please explain.

9 A. Mr. Loos begins his estimating process by assuming that Silverleaf recorded
10 on its utility books no plant installed before 1993. He makes this assumption even though,
11 starting on page 15, line 14, of his Direct testimony, he acknowledged that "Silverleaf began
12 reporting investment in plant in 1993 and the investment reported appears as a lump sum with
13 no designation as to the type of investment."

14 He explained that he then reviewed a set of Silverleaf's drawings, which show the
15 layout of Holiday Hills Resort and Ozark Mountain Resort. From these drawings he decided
16 which utility customer facilities were installed before 1993; these facilities would have
17 required water and/or sewer service to be installed to serve them, also before 1993, he said.
18 In order to know which facilities were installed prior to 1993, as he explains on page 19,
19 line 6, of his Direct testimony, Mr. Loos "inquired of Algonquin's manager regarding what
20 portion of the Ozark Mountain and Holiday Hills Resorts were completed prior to about 1993.
21 Since this was about the time she started, she was able to do so with some confidence." Then,
22 based on the memory of one of Algonquin's employees, of which facilities were installed pre-

1 1993, Mr. Loos estimated both the lengths of piping that would have been required to serve
2 these facilities, and ultimately their resulting cost.

3 My concerns with this approach are: 1) it describes no attempt to understand what is
4 included in the “lump sum” amounts Silverleaf recorded in 1993; 2) it does not acknowledge
5 the original cost documents Staff received in the past from Silverleaf, which I included as
6 Schedule 4 to my Rebuttal testimony; 3) it does not mention any attempt to contact Silverleaf
7 resort development personnel to establish pre-1993 activity; and 4) it relies on the
8 recollections of a non-development employee as to the level of resort development *circa*
9 1993. If facilities are mistakenly assumed to have been installed pre-1993, when their cost
10 was actually already included in the post-1992 balance, a duplication results; Mr. Loos
11 completely ignores the possibility that a developer who was responsible for installing the
12 resort operations may have paid for those construction activities.

13 Mr. Loos’s approach amounts to speculation, pure and simple. Mr. Loos has not
14 provided any guidance on the limits of the accuracy we should expect from his estimate.
15 Does he believe the estimate is good to within \$500,000 of the actual cost? Or is it only good
16 to within \$1,000,000 of the actual cost? This amount of uncertainty has a material impact on
17 the cost of service for the utility systems in question.

18 Q. Does Staff have a different recommendation regarding these plant in service
19 issues?

20 A. Yes, Staff recommends that for pre-Certificate plant, rates continue to be set
21 based on the plant levels Silverleaf and Staff have agreed upon in the past several cases. The
22 original cost records Silverleaf has provided to Staff, included as Schedule 4 attached to my
23 Rebuttal testimony, indicate Silverleaf contracted for **\$68,500** towards items included in a

1 **water treatment plant**, and **\$69,750** towards items included in a **sewer treatment plant**,
2 both at Holiday Hills in 1984. These costs are the best known indicators of what Silverleaf
3 also spent on the same types of plant at Ozark Mountain. These are the two resorts where pre-
4 Certificate plant is at issue. In its assessment of plant in service at Ozark Mountain, for 1994
5 Staff showed **\$66,498** for items (accounts 325,332, and 342) included in a **water treatment**
6 **plant**, as well as \$114,869 for all types of water plant. Staff further showed **\$68,045** for items
7 (accounts 362, 363, 373, and 375) included in a **sewer treatment plant**, as well as \$182,914
8 for all types of sewer plant. Staff's assessment of plant in service in 1994 at Holiday Hills
9 includes **\$84,082** for items (accounts 325, 332, and 342) included in a **water treatment**
10 **plant**, as well as \$327,234 for all types of water plant. The sewer plant at Holiday Hills was
11 sold off in the past. All of Staff's 1994 plant values were understood to relate to costs
12 incurred in 1984, therefore Staff depreciated them to reflect net 1994 levels. These figures are
13 shown on the plant depreciation schedule produced during the 1997 small company case,
14 attached to this Surrebuttal testimony as Schedule 1. This schedule shows that Staff has made
15 a good faith effort to fully reflect the original pre-1993 plant expenditures for which Silverleaf
16 provided sound evidence.

17 Q. Why would Silverleaf not have presented cost evidence of the pre-1993 plant
18 that it constructed?

19 A. Staff believes it is reasonable to assume that Silverleaf did not request rate
20 treatment for any additional costs because it had treated these costs as developer costs, and
21 that Silverleaf recovered these costs by including them in the price that it charged for the
22 residential lots, time shares and/or condominiums. Therefore, Silverleaf believed that no
23 additional recovery of these construction expenditures was needed.

1 Q. Did Algonquin pay Silverleaf for the pre-1993 plant investment?

2 A. Yes, to the extent this plant investment was reflected on the books of
3 Silverleaf. However, Algonquin would not have paid for any pre-1993 plant investment not
4 reflected on the books of Silverleaf because Algonquin was not aware of its existence. It was
5 not until December 2005, four months after Algonquin acquired the Silverleaf properties, and
6 almost a year and a half after the two companies negotiated the purchase price, that
7 Algonquin was notified of the unrecorded plant levels that Mr. Loos proposed in this case.

8 **Contributions in Aid of Construction (CIAC)**

9 Q. What is the issue with regard to CIAC?

10 A. Staff considers the language of the tariffs to be straightforward in requiring the
11 developer to contribute certain plant, at no cost to the utility. Silverleaf attempted to
12 recognize this requirement; however Algonquin is contesting the whole concept behind
13 CIAC. Indeed, Algonquin's witness on this issue, Mr. Loos, refers to "phantom CIAC" on
14 page 19, of his Rebuttal testimony.

15 Q. Can you tell why he objects to considering some of the plant in service
16 acquired from Silverleaf as CIAC?

17 A. His first objection is easy enough to follow; namely, that no CIAC exists
18 because the transactions were not documented as the tariffs required, and no funds changed
19 hands.

20 Q. What is your response to this first objection?

21 A. An obvious question is: Since Silverleaf did not follow the above-described
22 tariff requirements, are the tariff requirements to be seen as inoperative? Staff believes the
23 answer to this question is an emphatic "No." The failure to observe the tariff procedures that
24 Mr. Loos refers to occurred simply because Silverleaf, the utility, was affiliated with

1 Silverleaf, the developer. No funds would be expected to be exchanged under these
2 conditions, as the matter would simply be handled by properly accounting for the resort
3 operations by treating the plant in question as contributed by the resort developer, Silverleaf.
4 Besides, the tariffs permit the developer to build the necessary plant at its own expense and
5 then contribute it at no cost to the utility at which time it becomes utility property. Under this
6 option no funds would be paid to the utility, even by a non-affiliated developer. While it
7 would have been preferable to actually document the developer's application for being
8 connected to the utility systems, this omission is easily explained by the affiliate relationship
9 the utility had with the developer.

10 Q. Why is it important to observe the substance of the tariffs' CIAC requirements,
11 even though Silverleaf may not have observed the procedural aspects?

12 A. The substance of the CIAC provisions requires certain plants to be paid for
13 directly by the developer that needs that plant in order to receive utility service. This results
14 in that developer assuming the CIAC plant costs, rather than in having them spread to other
15 potential developers/customers that will never use that plant. The developer paying for the
16 costs of the CIAC, is able to recover these costs from the ultimate users of the facility the
17 developer is constructing. In prior cases, the Staff focused on recognizing CIAC plant in
18 service. To do otherwise and to permit rate basing such plant could have resulted in an
19 abusive double-charging of non-affiliated customers of Silverleaf utilities: they would pay
20 once, when they acquired a property developed by Silverleaf; and they would then pay again,
21 in utility rates. Now, under current Algonquin ownership, if CIAC plant is rate-based,
22 customers that purchased properties developed by Silverleaf could likewise be charged again
23 for the same plant they have already paid for.

1 Q. How do you respond to Mr. Loos's second objection that recognizing the
2 existence of CIAC plant violates the idea of intergenerational equity?

3 A. This claim seems to rest on his assertion that "existing customers did not pay
4 for extending lines." Staff assumes, instead, that all developers paid for the plant that was
5 first required to be installed to connect the facilities they were building to the utility systems.
6 Silverleaf's tariffs required the developers to do so. Developers, rather than the utility, then
7 were able to recover these costs when transacting with the end-users of these facilities. If
8 Silverleaf had not been paid by Algonquin for CIAC plant, these costs would have remained
9 with Silverleaf, the developer, to be recovered as developers are able. Staff asserts that this
10 would have been the proper course of action for Algonquin to take, leading to an equitable
11 result for itself and for all utility customers.

12 Q. Finally, Mr. Loos ends his discussion of CIAC by stating Staff's approach
13 favors Silverleaf, as Algonquin's main customer. How do you respond?

14 A. Staff sees any such consequence to be the result of Algonquin's offer to pay
15 Silverleaf for CIAC plant, in spite of the plain language of the tariffs, the recognition of CIAC
16 shown by Silverleaf on its Annual Report, and the ratemaking treatment afforded this plant by
17 Staff during the sale case, Case No. WO-2005-0206. Staff is not aware of any remedy to this
18 situation that would not require non-Silverleaf utility customers to pay twice for the same
19 plant, as explained above.

20 **SUMMARY OF ALL ISSUES**

21 Q. Please summarize your Surrebuttal testimony regarding construction cost
22 overruns.

1 A. The facts provided to Staff surrounding the contract between Silverleaf and
2 Larry Snyder & Company do not support Mr. Hernandez's claim that the contract terminated
3 prematurely due to the contractor's inability to perform. Instead, the facts point to Silverleaf
4 not being prepared to proceed with the work, as contracted, and imposing an unreasonable
5 delay on the contract.

6 Q. Please summarize your Surrebuttal testimony regarding rate case expense.

7 A. Mr. Loos's suggestion that Algonquin could not have gotten timely action if it
8 had filed its rate increase request under the Commission's small company process is not
9 supported by his contention. The 1997 small company case he cites as taking seventeen
10 months was not a typical example of the time required to resolve such cases. I cite the seven-
11 month duration of the 2000 small company case Silverleaf submitted as an example of a more
12 typical turnaround time.

13 Q. Please summarize your Surrebuttal testimony regarding pre-Certificate plant in
14 service and CIAC plant.

15 A. Staff believes the original 1984 cost documents it obtained from Silverleaf
16 indicate that Silverleaf was aware of what its pre-Certificate investment in utility plant was,
17 and what recovery of said investment it still sought to achieve through regulated rates. Staff
18 has reflected these investments in utility plant. Staff believes the tariff requirements for
19 certain plant to be contributed at no cost to the utility are straightforward. They resulted in
20 the resort operations paying for the plant investment, without any monies being exchanged
21 between Silverleaf's resort operations and its utility operations. Staff pointed out these
22 requirements to Silverleaf, which acknowledged them in principle, and they were made

1 | known to Algonquin before it acquired the utility systems from Silverleaf. They produce
2 | equitable results.

3 | Q. Does this conclude your testimony?

4 | A. Yes, it does.

Sewer - HHR														12/31/97	
Acct No		1994	Rate	Dep Exp	1995	Dep Exp	1996	Dep Exp	1997	Dep Exp	Year	Expense	Reserve	Acct #	Reserve
352.1	Collection sewers - force	\$3,000	0.02	\$60	\$3,000	\$60	<u>\$3,000</u>	\$60	\$3,000	\$60	1994	\$11,484	\$11,484	314	\$6,638
352.2	Collection sewers - gravity	\$357,455	0.02	\$7,149	\$357,455	\$7,149	\$492,404	\$9,848	\$492,404	\$9,848	1995	\$11,484	\$22,968	325	\$28,071
354	Services	\$1,850	0.02	\$37	\$1,850	\$37	\$1,850	\$37	\$1,850	\$37	1996	\$15,506	\$38,474	332	\$1,824
362	Receiving Wells pump pits	\$78,916	0.05	\$3,946	\$78,916	\$3,946	\$86,310	\$4,316	\$86,310	\$4,316	1997	<u>\$15,506</u>	<u>\$53,980</u>	342	\$21,242
373	Treatment and disposal	\$6,495	0.045	\$292	\$6,495	\$292	\$6,495	\$292	\$6,495	\$292	Total	\$53,980	\$53,980	343	\$62,237
374	Plant sewer	\$0	0.045	\$0	\$0	\$0	\$386	\$17	\$386	\$17	84-93	<u>\$114,840</u>	<u>\$114,840</u>	345	\$285
391.1	Office furniture and equip	<u>\$0</u>	0.143	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,547</u>	<u>\$936</u>	<u>\$6,547</u>	<u>\$936</u>	Total	\$168,820	\$168,820	346	\$1,093
	Total	\$447,716		\$11,484	\$447,716	\$11,484	\$596,992	\$15,506	\$596,992	\$15,506				391.1	\$13,003
														Total	\$134,457
Water - HHR														12/31/97	
Acct No		1994	Rate	Dep Exp	1995	Dep Exp	1996	Dep Exp	1997	Dep Exp	Year	Expense	Reserve	Acct #	Reserve
314	Wells and springs	\$23,709	0.02	\$474	\$23,709	\$474	\$23,709	\$474	\$23,709	\$474	1994	\$9,212	\$9,212	314	\$12,676.44
325	Electric pump equip	\$18,896	0.1	\$1,890	\$18,896	\$1,890	\$26,975	\$2,698	\$26,975	\$2,698	1995	\$9,212	\$18,424	325	\$27,658.40
332	Water treatment equip	\$4,493	0.029	\$130	\$4,493	\$130	\$4,493	\$130	\$4,493	\$130	1996	\$11,957	\$30,381	332	\$958.57
342	Distribution res and stand	\$60,693	0.025	\$1,517	\$60,693	\$1,517	\$60,693	\$1,517	\$60,693	\$1,517	1997	<u>\$11,957</u>	\$42,338	342	\$15,533.35
343	T & D mains	\$210,398	0.02	\$4,208	\$210,398	\$4,208	\$293,539	\$5,871	\$293,539	\$5,871	Total	\$42,338	\$42,338	343	\$5,968.72
345	Services	\$0	0.029	\$0	\$0	\$0	\$1,106	\$32	\$1,106	\$32	84-93	<u>\$92,120</u>	<u>\$92,120</u>	346	\$4,738.80
346	Meters	\$0	0.1	\$0	\$0	\$0	\$1,423	\$142	\$1,423	\$142	Total	\$134,458	\$134,458	346	\$67,534.28
348	Hydrants	\$2,550	0.025	\$64	\$2,550	\$64	\$6,550	\$164	\$6,550	\$164					
391.1	Office furniture and equip	<u>\$6,495</u>	0.143	<u>\$929</u>	<u>\$6,495</u>	<u>\$929</u>	<u>\$6,495</u>	<u>\$929</u>	<u>\$6,495</u>	<u>\$929</u>					
	Total	\$327,234		\$9,212	\$327,234	\$9,212	\$424,983	\$11,957	\$424,983	\$11,957				Total	\$134,457
Depreciation from 1984 to 1993		\$11,484	10	\$114,840											
Depreciation from 1984 to 1993		\$9,212	10	\$92,120											
OMR - Water														12/31/97	
Acct No		1994	Rate	Dep Exp	1995	Dep Exp	1996	Dep Exp	1997	Dep Exp	Year	Expense	Reserve	Acct #	Reserve
314	Wells and springs	\$45,273	0.02	\$905	\$45,273	\$905	\$45,273	\$905	\$45,273	\$905	1994	\$4,369	\$4,369	314	\$12,676.44
325	Electric pump equip	\$19,756	0.1	\$1,976	\$19,756	\$1,976	\$19,756	\$1,976	\$19,756	\$1,976	1995	\$4,369	\$8,738	325	\$27,658.40
332	Water treatment equip	\$2,361	0.029	\$68	\$2,361	\$68	\$2,361	\$68	\$2,361	\$68	1996	\$8,848	\$17,586	332	\$958.57
342	Distribution res and stand	\$44,381	0.025	\$1,110	\$44,381	\$1,110	\$44,381	\$1,110	\$44,381	\$1,110	1997	<u>\$8,848</u>	<u>\$26,434</u>	342	\$15,533.35
343	T & D mains	\$0	0.02	\$0	\$0	\$0	\$149,218	\$2,984	\$149,218	\$2,984	Total	\$26,434	\$26,434	343	\$5,968.72
346	Meters	\$3,098	0.1	\$310	\$3,098	\$310	\$5,106	\$511	\$5,106	\$511	84-93	<u>\$43,690</u>	<u>\$43,690</u>	346	\$4,738.80
392	Transportation equip	<u>\$0</u>	0.13	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$9,950</u>	<u>\$1,294</u>	<u>\$9,950</u>	<u>\$1,294</u>	Total	\$70,124	\$70,124	Total	\$67,534.28
	Total	\$114,869		\$4,369	\$114,869	\$4,369	\$276,045	\$8,848	\$276,045	\$8,848					
Depreciation from 1984 to 1993		\$4,369	10	\$43,690											
OMR - Sewer														12/31/97	
Acct No		1994	Rate	Dep Exp	1995	Dep Exp	1996	Dep Exp	1997	Dep Exp	Year	Expense	Reserve	Acct #	Reserve
352.1	Collection sewers - force	\$3,276	0.02	\$66	\$3,276	\$66	\$3,276	\$66	\$3,276	\$66	1994	\$4,415	\$4,415	352.1	\$917
352.2	Collection sewers - gravity	\$30,606	0.02	\$612	\$30,606	\$612	\$132,201	\$2,644	\$132,201	\$2,644	1995	\$4,415	\$8,830	352.2	\$12,633
354	Services	\$3,205	0.02	\$64	\$3,205	\$64	\$6,359	\$127	\$6,359	\$127	1996	\$14,720	\$23,550	354	\$1,024
362	Receiving wells pump pits	\$2,275	0.05	\$114	\$2,275	\$114	\$2,275	\$114	\$2,275	\$114	1997	<u>\$14,720</u>	<u>\$38,270</u>	362	\$1,593
363	Pumping equipment	\$12,674	0.1	\$1,267	\$12,674	\$1,267	\$94,778	\$9,478	\$94,778	\$9,478	Total	\$38,270	\$38,270	363	\$34,164
373	Treatment and disposal	\$49,204	0.045	\$2,214	\$49,204	\$2,214	\$49,204	\$2,214	\$49,204	\$2,214	84-93	<u>\$44,150</u>	<u>\$44,150</u>	373	\$30,999
375	Outfall sewers	<u>\$3,892</u>	0.02	<u>\$78</u>	<u>\$3,892</u>	<u>\$78</u>	<u>\$3,892</u>	<u>\$78</u>	<u>\$3,892</u>	<u>\$78</u>	Total	\$82,420	\$82,420	375	\$1,090
	Total	\$105,132		\$4,415	\$105,132	\$4,415	\$291,985	\$14,720	\$291,985	\$14,720					
Depreciation from 1984 to 1993		\$4,415	10	\$44,150											