

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

In the Matter of the Small Company Rate        )  
Increase Request of Hickory Hills Water &        )  
Sewer Company, Inc.                                )        Case No. WR-2006-0250

**PRE-LOCAL PUBLIC HEARING INFORMATIONAL FILING  
REGARDING SMALL COMPANY RATE INCREASE REQUEST**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through Counsel, and for its Pre-Local Public Hearing Informational Filing Regarding Small Company Rate Increase Request ("Informational Filing") states the following to the Missouri Public Service Commission ("Commission").

1. On December 12, 2005, in accordance with Commission Rule 4 CSR 240-3.635, Hickory Hills Water & Sewer Company, Inc. ("Company") filed a revised tariff sheet to implement the provisions of a *Company/Staff Agreement Regarding Disposition of Small Water Company Rate Increase Request* ("Company/Staff Agreement") between the Company and the Staff, and the instant case was established.

2. On December 15, 2005, the Staff filed the above-referenced Company/Staff Agreement in this case. (Additional documents regarding the Company's rate increase request, including the Company's initial customer notice, have also been filed in the case papers, or were previously submitted to the EFIS tracking file for the request [QW-2006-0002]).

3. On December 23, 2005, the Commission issued its **Order Scheduling Local Public Hearing and Directing the Applicant to Send Notice** in this case, pursuant to a request filed by the Office of the Public Counsel. In that order, the Commission established January 19, 2006, as the date for a local public hearing in this case, and directed the Company to send notice of the proposed rates resulting from the Company/Staff Agreement, and the local public hearing, to its customers.

4. Consistent with established internal operating procedures that apply to small company rate cases in which the Commission has scheduled a local public hearing, the Staff documents listed below are included in the document that is attached hereto and identified as Appendix A:

Summary of Company's Annual  
Operating Revenues at Current Rates

Ratemaking Income Statement

Rate Design Worksheet

Summary of Company's Annual  
Operating Revenues at Proposed Rates

Residential Customer Billing Comparison

Revenue Requirement Audit Workpapers

5. The Staff notes that the customer response summary and copies of customer's correspondence that are normally provided with this type of filing are not being provided since the comment period for the combined Second Customer Notice/Local Public Hearing Notice has not yet ended, and that this information will be included in the Staff's recommendation filing packet.

6. Lastly, the Staff states that the Commission does not need to act on the Company's pending revised tariff sheet until after the Staff files its formal recommendation regarding the Commission's approval of that sheet. The Staff will file that recommendation after the completion of any Commission ordered activities (such as the recently scheduled local public hearing) and/or any additional Staff initiated activities (such as investigations of service-related customer complaints noted at the local public hearing). However, consistent with the established internal operating procedures that apply to small company rate increase cases, the Staff will file its formal recommendation at least seven (7) working days prior to the current proposed effective date for the pending revised tariff sheet, unless some action is taken to suspend/extend that date.

**WHEREFORE**, the Staff respectfully submits this Informational Filing for the Commission's information in this case.

Respectfully Submitted,

**/s/ Keith R. Krueger**

Keith R. Krueger  
Deputy General Counsel  
Missouri Bar No. 23857

Attorney for the Staff of the  
Missouri Public Service Commission

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**CERTIFICATE OF SERVICE**


I hereby certify that copies of this Informational Filing have been mailed with first class postage, hand-delivered, transmitted by facsimile or transmitted via e-mail to all counsel and/or parties of record this 10th day of January 2006.

**/s/ Keith R. Krueger**

**AFFIDAVIT OF DALE W. JOHANSEN**

STATE OF MISSOURI    )  
                                  ) ss            Case No. WR-2006-0250  
COUNTY OF COLE     )

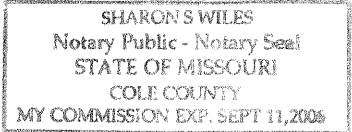
Dale W. Johansen, of lawful age, on his oath states: (1) that he is a member of the Staff of the Missouri Public Service Commission; (2) that he participated in the preparation of this Pre-Local Public Hearing Informational Filing Regarding Small Company Rate Increase Request (Informational Filing) and the attached appendix; (3) that he has knowledge of the matters set forth in this Informational Filing and the attached appendix; and (4) that the matters set forth in this Informational Filing and the attached appendix are true and correct to the best of his knowledge and belief.

  
\_\_\_\_\_  
Dale W. Johansen – Manager  
Water & Sewer Department  
Utility Operations Division

Subscribed and sworn to before me this 10th day of January 2006.

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

My Commission Expires: \_\_\_\_\_



# APPENDIX A

## PRE-LOCAL PUBLIC HEARING INFORMATIONAL FILING

CASE NO. WR-2006-0250

Note: To browse through this document by item, click on the "Bookmark" tab at the top of the menu bar to the left of the screen and then click on the item that you want to see.

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- 6) Revenue Requirement Audit Workpapers

Summary of Company's Annual  
Operating Revenues at Current Rates

# HICKORY HILLS WATER & SEWER COMPANY

## Revenue Annualizations at Current Rates-Water

### Annualized Customer Counts and Service Charge Revenues

#### Retail Metered Customers

Meter Size	Residential	Business	Total Meters	Rate *	Annual Revenue
3/4"	49	0	49	\$ 13.01	\$ 7,650
1"	0	0	0	\$ 13.01	\$ -
2"	0	0	0	\$ 13.01	\$ -
3"	0	0	0	\$ 13.01	\$ -
4"	0	0	0	\$ 13.01	\$ -
6"+	0	0	0	\$ 13.01	\$ -
<b>Total</b>	<b>49</b>	<b>0</b>	<b>49</b>		<b>\$ 7,650</b>

\*monthly service charge

### Annualized Commodity Sales - Volumes and Revenues

sales shown in Mgallons

Meter Size	Residential	Business	Total Sales	Rate	Annual Revenue
3/4"	3,316.9	-	3,316.9	\$ 2.583	\$ 8,567
1"	-	-	-	\$ 2.583	\$ -
2"	-	-	-	\$ 2.583	\$ -
3"	-	-	-	\$ 2.583	\$ -
4"	-	-	-	\$ 2.583	\$ -
6"+	-	-	-	\$ 2.583	\$ -
<b>Total</b>	<b>3,316.9</b>	<b>-</b>	<b>3,316.9</b>		<b>\$ 8,567</b>

**Net Annualized Commodity Revenues** **\$ 8,567**

#### Other Operating Revenues

Bulk Water Sales	\$ -
Sales to Other Public Authorities	\$ -
Late Charge Fees	\$ -
Turn-Off/Turn-On/Penalty Charges	\$ -
Miscellaneous Revenues - Service Lines	\$ -
Rents from Water Property - Tower Rental	\$ -
Discounts Earned	\$ -
<b>Total Other Revenues</b>	<b>\$ -</b>

#### Total Operating Revenues

Service Charges - Retail Customers	\$ 7,650
Commodity Revenues - Retail Customers	\$ 8,567
<b>Sub-Total Tariffed Rate Revenues</b>	<b>\$ 16,217</b>
<b>Other Operating Revenues</b>	<b>\$ -</b>
<b>Total Operating Revenues</b>	<b>\$ 16,217</b>

# Ratemaking Income Statement



# HICKORY HILLS WATER & SEWER COMPANY

## Rate Making Income Statement-Water

### Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	16,217
2	Other Operating Revenues *	\$	-
3	<b>Total Operating Revenues</b>	<b>\$</b>	<b>16,217</b>
4	* See "Revenues - Current Rates" for Details		

### Cost of Service

Item	Amount
1 Pumping Equipment-Purchased Power	\$ 745
2 Water Treatment Expense-Chemicals	\$ 176
3 Water Treatment -Testing/Laboratory Fees	\$ 1,430
4 Maintenance of Parts/Equipment	\$ 682
5 Maintenance Expense-Outside Labor	
6 Administration & General - Salaries	\$ 7,955
7 Office Supplies	\$ 299
8 Bookkeeping	\$ 323
9 Automobile Expense	\$ 1,932
10 Postage Expense	\$ 247
11 Telephone Expense	\$ 582
12 Insurance Expense	\$ 1,659
13 Employee Pensions & Benefits	\$ 702
14 Regulatory Commission Expense	\$ 37
15 Miscellaneous General Expenses	\$ 23
16 <b>Sub-Total Operating Expenses</b>	<b>\$ 16,792</b>
17 Property Taxes	\$ -
18 MO Franchise Taxes	\$ -
19 Employer FICA Taxes	\$ 609
20 Federal Unemployment Taxes	\$ -
21 State Unemployment Taxes	\$ -
22 State & Federal Income Taxes	\$ 11
23 <b>Sub-Total Taxes</b>	<b>\$ 620</b>
24 Depreciation Expense	\$ 1,063
25 CIAC Depreciation	\$ (641)
26 Amortization of Engineering Expense	\$ 127
27 Amortization of Well Repair-5 years	\$ 391
28 <b>Sub-Total Depreciation/Amortization</b>	<b>\$ 940</b>
29 <b>Return on Rate Base</b>	<b>\$ 150</b>
30 <b>Total Cost of Service</b>	<b>\$ 18,502</b>
31 <b>Less Amount over Company's Request</b>	<b>\$ (285)</b>
32 <b>Overall Revenue Increase Needed</b>	<b>\$ 2,000</b>

# Rate Design Worksheet

# HICKORY HILLS WATER & SEWER COMPANY

## Development of Tariffed Rates-Water

Agreement is to increase currently tariffed rates by a percentage equal to the agreed-upon overall revenue increase divided by the revenues generated by the currently tariffed rates.

Revenues Generated by Current Tariffed Rates	\$ 16,217
Agreed-Upon Overall Revenue Increase	\$ 2,000
Percentage Increase Needed	12.330%

### Metered Customer Rates

Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
3/4"	\$ 13.01	\$ 14.61	\$ 2.583	\$ 2.901
1"	\$ 13.01	\$ 14.61	\$ 2.583	\$ 2.901

Summary of Company's Annual  
Operating Revenues at Proposed Rates

# HICKORY HILLS WATER & SEWER COMPANY

## Revenue Annualizations at Proposed Rates-Water

### Annualized Customer Counts and Service Charge Revenues

#### Retail Metered Customers

Meter Size	Residential	Business	Total Meters	Rate *	Annual Revenue
3/4"	49	0	49	\$ 14.61	\$ 8,593
1"	0	0	0	\$ 14.61	\$ -
2"	0	0	0	\$ -	\$ -
3"	0	0	0	\$ -	\$ -
4"	0	0	0	\$ -	\$ -
6"+	0	0	0	\$ -	\$ -
<b>Total</b>	<b>49</b>	<b>0</b>	<b>49</b>		<b>\$ 8,593</b>

monthly service charge

### Annualized Commodity Sales - Volumes and Revenues

sales shown in Mgallons

Meter Size	Residential	Business	Total Sales	Rate	Annual Revenue
3/4"	3,316.9	-	3,316.9	\$ 2.901	\$ 9,624
1"	-	-	-	\$ 2.901	\$ -
2"	-	-	-	\$ -	\$ -
3"	-	-	-	\$ -	\$ -
4"	-	-	-	\$ -	\$ -
6"+	-	-	-	\$ -	\$ -
<b>Total</b>	<b>3,316.9</b>	<b>-</b>	<b>3,316.9</b>		<b>\$ 9,624</b>

volumes adjusted as needed per net revenue annualization at current rates

### Other Operating Revenues

Bulk Water Sales  
 Sales to Other Public Authorities  
 Late Charge Fees  
 Turn-Off/Turn-On/Penalty Charges  
 Miscellaneous Revenues - Service Lines  
 Rents from Water Property - Tower Rental  
 Discounts Earned

**Total Other Revenues** \$ -

### Total Operating Revenues

Service Charges - Retail Customers	\$ 8,593
Commodity Revenues - Retail Customers	\$ 9,624
<b>Sub-Total Tariffed Rate Revenues</b>	<b>\$ 18,217</b>
<b>Other Operating Revenues</b>	<b>\$ -</b>
<b>Total Revenues at Proposed Rates</b>	<b>\$ 18,217</b>

#### Revenue Check - Proposed Rates vs. Current Rates

Total Revenues at Proposed Rates	\$ 18,217
Total Revenues at Current Rates	\$ 16,217
Increase In Revenues at Proposed Rates	\$ 2,000
Agreed-Upon Increase in Operating Revenues	\$ 2,000

# Residential Customer Billing Comparison

# HICKORY HILLS WATER & SEWER COMPANY

## Residential Customer Bill Comparison-Water

### Rates for 5/8" Meter

<u>Current Base Service Charge</u>	<u>Proposed Base Service Charge</u>	<u>Current Usage Rate</u>	<u>Proposed Usage Rate</u>
\$13.01	\$14.61	\$2.583	\$2.901

current service charge is monthly charge

usage rate is per 1,000 gallons used

### MONTHLY BILL COMPARISON

6,000 gallons/month usage

#### Current Rates

Service Charge	\$ 13.01
Usage Charge	\$ 15.50
Total Bill	\$ 28.51

#### Proposed Rates

Service Charge	\$ 14.61
Usage Charge	\$ 17.41
Total Bill	\$ 32.02

#### INCREASES

##### Service Charge

\$ Increase	\$1.60
% Increase	12.33%

##### Usage Charge

\$ Increase	\$1.91
% Increase	12.33%

##### Total Bill

\$ Increase	\$3.52
% Increase	12.33%

# Revenue Requirement Audit Workpapers



Hickory Hills Water & Sewer Company, Inc

Case: QM-06-002

Twelve Months Ended December 31, 2004

Revenue Requirement

Line	(A)	(B)
		8.31% Return
1	Net Orig Cost Rate Base (Sch 2)	\$ 1,807
2	Rate of Return	8.31%
3	Net Operating Income Requirement	\$ 150
4	Net Income Available (Sch 8)	\$ (2,123)
5	Additional NOIPT Needed	\$ 2,273
6	Income Tax Requirement (Sch 10)	
7	Required Current Income Tax	\$ 11
8	Test Year Current Income Tax	\$ 0
9	Additional Current Tax Required	\$ 11
10	Required Deferred ITC	\$ 0
11	Test Year Deferred ITC	\$ 0
12	Additional Deferred ITC Required	\$ 0
13	Total Additional Tax Required	\$ 11
14	Gross Revenue Requirement	\$ 2,284

Hickory Hills Water & Sewer Company, Inc

Case: QW-06-002

Twelve Months Ended December 31, 2004

Rate Base

Line Description		Amount	
(A)		(B)	
1	Total Plant in Service (Sch 3)	\$	22,869
Subtract from Total Plant			
2	Depreciation Reserve (Sch 6)	\$	7,262
-----			
3	Net Plant in Service	\$	15,607
Add to Net Plant in Service			
4	Cash Working Capital (Sch )	\$	0
Subtract from Net Plant			
5	Federal Tax Offset 0.0000 %	\$	0
6	State Tax Offset 0.0000 %		0
7	City Tax Offset 0.0000 %		0
8	Interest Expense Offset 0.0000 %		0
9	Contribution in aid of Construction		13,800
-----			
10	Total Rate Base	\$	1,807
=====			

Hickory Hills Water & Sewer Company, Inc

Case: QW-06-002

Twelve Months Ended December 31, 2004

Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment		Adjusted Jurisdictional
	(A)		(B)	(C)	(D)	(E)		(F)
Source of Supply & Pumping Plant								
1	314.000	Wells & Springs	\$ 10,000	\$ 0	100.0000	\$ 0	P-1	\$ 10,000
2		Total	\$ 10,000	\$ 0		\$ 0		\$ 10,000
Pumping Plant								
3	325.000	Electric Pumping Equipment	\$ 6,393	\$ 0	100.0000	\$ 1,549	P-2	\$ 7,942
4		Total	\$ 6,393	\$ 0		\$ 1,549		\$ 7,942
Transmission & Distribution Plant								
5	343.000	Transmission & Distribution Mains	\$ 3,000	\$ 0	100.0000	\$ 0	P-3	\$ 3,000
6	346.000	Meters	0	0	100.0000	258	P-4	258
7		Total	\$ 3,000	\$ 0		\$ 258		\$ 3,258
General Plant								
8	398.000	Miscellaneous Equipment	\$ 869	\$ 0	100.0000	\$ 0	P-5	\$ 869
9	399.000	Other Tangible Plant	800	0	100.0000	0	P-6	800
10		Total	\$ 1,669	\$ 0		\$ 0		\$ 1,669
11		Total Plant In Service	\$ 21,062	\$ 0		\$ 1,807		\$ 22,869

Hickory Hills Water & Sewer Company, Inc

Case: QW-06-002

Twelve Months Ended December 31, 2004

Adjustments to Total Plant

Adj No Description	Total Co Adjustment	No Juris Adjustment
-----------------------	------------------------	------------------------

Electric Pumping Equipment	P-2	\$ 1,549
----------------------------	-----	----------

1. To include cost of new wellpump. (Pump/Pipe/Fittings) (Clark)		\$ 1,549
---	--	----------

Meters	P-4	\$ 258
--------	-----	--------

1. To include the cost of a new master meter.		\$ 258
---	--	--------

(Clark)

Hickory Hills Water & Sewer Company, Inc

Case: QW-06-002

Twelve Months Ended December 31, 2004

Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
	(A)		(B)	(C)	(D)
Source of Supply & Pumping Plant					
1	314.000	Wells & Springs	\$ 10,000	2.0000	\$ 200
2		Total	\$ 10,000		\$ 200
Pumping Plant					
3	325.000	Electric Pumping Equipment	\$ 7,942	10.0000	\$ 794
4		Total	\$ 7,942		\$ 794
Transmission & Distribution Plant					
5	343.000	Transmission & Distribution Mains	\$ 3,000	2.0000	\$ 60
6	346.000	Meters	258	3.3000	9
7		Total	\$ 3,258		\$ 69
General Plant					
8	398.000	Miscellaneous Equipment	\$ 869	0.0000	\$ 0
9	399.000	Other Tangible Plant	800	0.0000	0
10		Total	\$ 1,669		\$ 0
11		Total Depreciation Expense	\$ 22,869		\$ 1,063

Hickory Hills Water & Sewer Company, Inc

Case: QW-06-002

Twelve Months Ended December 31, 2004

Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
	(A)		(B)	(C)	(D)	(E)	(F)
Source of Supply & Pumping Plant							
1	314.000	Wells & Springs	\$ 5,967	\$ (5,967)	100.0000	\$ 0 R-1	\$ 0
2		Total	\$ 5,967	\$ (5,967)		\$ 0	\$ 0
Pumping Plant							
3	325.000	Electric Pumping Equipment	\$ 6,393	\$ 0	100.0000	\$ 0 R-2	\$ 6,393
4		Total	\$ 6,393	\$ 0		\$ 0	\$ 6,393
Transmission & Distribution Plant							
5	343.000	Transmission & Distribution Mains	\$ 1,790	\$ 0	100.0000	\$ (1,790) R-3	\$ 0
6	346.000	Meters	0	0	100.0000	0 R-4	0
7		Total	\$ 1,790	\$ 0		\$ (1,790)	\$ 0
General Plant							
8	398.000	Miscellaneous Equipment	\$ 869	\$ 0	100.0000	\$ 0 R-5	\$ 869
9	399.000	Other Tangible Plant	800	0	100.0000	(800) R-6	0
10		Total	\$ 1,669	\$ 0		\$ (800)	\$ 869
11		Total Depreciation Reserve	\$ 15,819	\$ (5,967)		\$ (2,590)	\$ 7,262

Hickory Hills Water & Sewer Company, Inc  
Case: QW-06-002  
Twelve Months Ended December 31, 2004

Cash Working Capital

Line No	Acct Description	Test Year Expenses	Revenue Lag	Expense Lag	Net Lag (C) - (D)	Factor (Col E/365)	CMC Req (B) x (F)
(A)		(B)	(C)	(D)	(E)	(F)	(G)
Operation and Maintenance Expense							
1	Cash Vouchers	\$ 17,919	0.0000	0.0000	0.0000	0.000000	\$ 0
2	Total Operation and Maintenance Expense	\$ 17,919					\$ 0
-----							
3	Total Taxes	\$ 0					\$ 0
-----							
4	Total Cash Working Capital Req						\$ 0
-----							

Hickory Hills Water & Sewer Company, Inc

Case: QW-06-002

Twelve Months Ended December 31, 2004

Adjustments to Depreciation Reserve

Adj No	Description		Total Co Adjustment	Mo Juris Adjustment
.....				
	Wells & Springs	R-1	\$ (5,967)	
.....				
1.	To remove reserve associated with contributed plant.		\$ (5,967)	
	(Clark)			
.....				
	Transmission & Distribution Mains	R-3	\$ (1,790)	
.....				
1.	To remove reserve associated with contributed plant.		\$ (1,790)	
	(Clark)			
.....				
	Miscellaneous Equipment	R-5		
.....				
1.				
	(Clark)			
.....				
	Other Tangible Plant	R-6	\$ (800)	
.....				
1.	To remove reserve associated with contributed plant.		\$ (800)	
	(Clark)			



Hickory Hills Water & Sewer Company, Inc

Case: QW-06-002

Twelve Months Ended December 31, 2004

Income Statement

Line No	Acct Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
(A)		(B)	(C)	(D)	(E)	(F)
<b>Operating Revenues</b>						
1	Water Revenues	\$ 7,954	\$ 0	100.0000	\$ 8,264 S-1	\$ 16,218
2	Primacy Fee	92	0	100.0000	(92) S-2	0
3	<b>Total</b>	<b>\$ 8,046</b>	<b>\$ 0</b>		<b>\$ 8,172</b>	<b>\$ 16,218</b>
<b>Operation &amp; Maintenance Expense</b>						
4	Salaries & Wages	\$ 2,537	\$ 0	100.0000	\$ 5,418 S-3	\$ 7,955
5	Automobile Expense	0	0	100.0000	1,932 S-4	1,932
6	Retirement Benefits	210	0	100.0000	492 S-5	702
7	Power Purchased for Pumping	745	0	100.0000	0 S-6	745
8	Chemicals	176	0	100.0000	0 S-7	176
9	Testing Supplies/Services	1,430	0	100.0000	0 S-8	1,430
10	Maintenance & Supplies Expense	682	0	100.0000	0 S-9	682
11	Primacy Fee	92	0	100.0000	(92) S-10	0
12	Accounting Fees	323	0	100.0000	0 S-11	323
13	Annual Registration	23	0	100.0000	0 S-12	23
14	PSC Assessment	65	0	100.0000	(28) S-13	37
15	Office Supplies	299	0	100.0000	0 S-14	299
16	Postage Expense	247	0	100.0000	0 S-15	247
17	Telephone Expense	247	0	100.0000	335 S-16	582
18	Insurance Expense	0	0	100.0000	1,659 S-17	1,659
19	FICA	0	0	100.0000	609 S-18	609
20	AMORTIZE ENGINEERING EXPENSE-5yrs	0	0	100.0000	127 S-19	127
21	AMORTIZE WELL REPAIR 5-years	0	0	100.0000	391 S-20	391
22	<b>Total</b>	<b>\$ 7,076</b>	<b>\$ 0</b>		<b>\$ 10,843</b>	<b>\$ 17,919</b>
<b>Depreciation Expense</b>						
23	Depreciation Expense	\$ 260	\$ 0	100.0000	\$ 803	\$ 1,063
24	CIAC Depreciation	0	0	100.0000	(641) S-21	(641)
25	<b>Total</b>	<b>\$ 260</b>	<b>\$ 0</b>		<b>\$ 162</b>	<b>\$ 422</b>
26	Other Operating Expenses	\$ 0	\$ 0		\$ 0	\$ 0
27	<b>Total Operating Expenses</b>	<b>\$ 7,336</b>	<b>\$ 0</b>		<b>\$ 11,005</b>	<b>\$ 18,341</b>

Hickory Hills Water & Sewer Company, Inc  
 Case: QW-06-002  
 Twelve Months Ended December 31, 2004

Income Statement

Line No	Acct Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
	(A)	(B)	(C)	(D)	(E)	(F)
28	Net Income Before Taxes	\$ 710	\$ 0		\$ (2,833)	\$ (2,123)
<b>Current Income Taxes</b>						
29	Current Income Taxes	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
30	Total	\$ 0	\$ 0		\$ 0	\$ 0
<b>Deferred Income Taxes</b>						
31	Deferred Income Taxes	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
32	Total	\$ 0	\$ 0		\$ 0	\$ 0
33	Total Income Taxes	\$ 0	\$ 0		\$ 0	\$ 0
34	Net Operating Income	\$ 710	\$ 0		\$ (2,833)	\$ (2,123)

Hickory Hills Water & Sewer Company, Inc

Case: QW-06-002

Twelve Months Ended December 31, 2004

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
-----		
Water Revenues	S-1	\$ 8,264
-----		
1. To annualize Water revenues.		\$ 8,264
(Clark)		
-----		
Primacy Fee	S-2	\$ (92)
-----		
1. To remove primacy fees.		\$ (92)
(Clark)		
-----		
Salaries & Wages	S-3	\$ 5,418
-----		
1. To annualize salaries and wages expense.		\$ 5,418
(Clark)		
-----		
Automobile Expense	S-4	\$ 1,932
-----		
1. To include an annualized level of automobile expense.		\$ 1,932
(Clark)		
-----		
Retirement Benefits	S-5	\$ 492
-----		
1. To annualize retirement benefits to level allowed by staff.		\$ 492
(Clark)		

Hickory Hills Water & Sewer Company, Inc

Case: QW-06-002

Twelve Months Ended December 31, 2004

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Primacy Fee	5-10	\$ (92)
*****		
1. To remove primacy fees. (Clark)		\$ (92)
*****		
Accounting Fees	8-11	
*****		
1. (Clark)		
*****		
PSC Assessment	9-13	\$ (28)
*****		
1. Normalizes to reflect current PSC assessment. (Clark)		\$ (28)
*****		
Telephone Expense	5-16	\$ 335
*****		
1. To annualize cell-phone expense to reflect 12 months of minimum usage.		\$ (40)
*****		
(Clark)		
*****		
2. To include an annualized level of toll-free telephone expense.		\$ 375
*****		
(Clark)		

Hickory Hills Water & Sewer Company, Inc

Case: QW-06-002

Twelve Months Ended December 31, 2004

Adjustments to Income Statement

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
-----			
	Insurance Expense	S-17	\$ 1,659
*****			
1.	To include the annual amount for liability insurance expense.		\$ 1,659
	(Clark)		
*****			
	FICA	S-18	\$ 609
*****			
1.	To include FICA.		\$ 609
	(Clark)		
*****			
	AMORTIZE ENGINEERING EXPENSE-5yrs	S-19	\$ 127
*****			
1.	To amortize the expense associated with Krehbiel engineering over a 5 year period. (30% to water, 70% to sewer)		\$ 127
	(Clark)		
*****			
	AMORTIZE WELL REPAIR 5-years	S-20	\$ 391
*****			
1.	To amortize well repair over a 5 year period.		\$ 391
	(Clark)		

Hickory Hills Water & Sewer Company, Inc

Case: QW-06-002

Twelve Months Ended December 31, 2004

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
CIAC Depreciation	8-21	\$ (641)
1. To remove CIAC portion of depreciation expense.		\$ (641)

(Clark)

Hickory Hills Water & Sewer Company, Inc  
 Case: QW-06-002  
 Twelve Months Ended December 31, 2004

Income Tax

Line		Test Year	8.31% Return
(A)		(B)	
1	Net Income Before Taxes (Sch 8)	\$ (2,123)	\$ 161
Add to Net Income Before Taxes			
2	Book Depreciation Expense	\$ 422	\$ 422
3	Total	\$ 422	\$ 422
Subtr from Net Income Before Taxes			
4	Interest Expense 5.9300 %	\$ 107	\$ 107
5	Depreciation Expense	422	422
6	Total	\$ 529	\$ 529
7	Net Taxable Income	\$ (2,230)	\$ 54
Provision for Federal Income Tax			
8	Net Taxable Income	\$ (2,230)	\$ 54
9	Deduct Missouri Income Tax 100.0 %	\$ 0	\$ 3
10	Deduct City Income Tax	0	0
11	Federal Taxable Income	(2,230)	51
12	Total Federal Tax	\$ 0	\$ 8
Provision for Missouri Income Tax			
13	Net Taxable Income	\$ (2,230)	\$ 54
14	Deduct Federal Income Tax 50.0 %	\$ 0	\$ 4
15	Deduct City Income Tax	0	0
16	Missouri Taxable Income	(2,230)	50
17	Total Missouri Tax	\$ 0	\$ 3

Hickory Hills Water & Sewer Company, Inc

Case: QW-06-002

Twelve Months Ended December 31, 2004

Income Tax

Line	(A)	Test Year	(B)	8.31% Return
<b>Provision for City Income Tax</b>				
18	Net Taxable Income	\$	(2,230)	\$ 54
19	Deduct Federal Income Tax	\$	0	\$ 8
20	Deduct Missouri Income Tax		0	3
21	City Taxable Income		(2,230)	43
22	Total City Tax	\$	0	\$ 0
<b>Summary of Provision for Income Tax</b>				
23	Federal Income Tax	\$	0	\$ 8
24	Missouri Income Tax		0	3
25	City Income Tax		0	0
26	Total	\$	0	\$ 11
<b>Deferred Income Taxes</b>				
27	Deferred Investment Tax Credit	\$	0	\$ 0
28	Deferred Repair Allowance		0	0
29	Deferred Tax Depreciation		0	0
30	Amort of Deferred Tax Depreciation		0	0
31	Amort of Repair Allowance		0	0
32	Amort of Deferred ITC		0	0
33	Deferred Unbilled		0	0
34	Total	\$	0	\$ 0
*****				
35	Total Income Tax	\$	0	\$ 11
*****				