

Exhibit No.:
Issue: Depreciation
Witness: Rosella L. Schad, PE, CPA
Sponsoring Party: MoPSC Staff
Type of Exhibit: Surrebuttal Testimony
Case Nos.: WR-2006-0425 and SR-2006-0426
(Consolidated)
Date Testimony Prepared: January 12, 2007

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

FILED²

FEB 08 2007

SURREBUTTAL TESTIMONY

Missouri Public
Service Commission

OF

ROSELLA L. SCHAD, PE, CPA

ALGONQUIN WATER RESOURCES OF MISSOURI, LLC

**CASE NOS. WR-2006-0425 AND SR-2006-0426
(Consolidated)**

Jefferson City, Missouri
January 2007

Staff Exhibit No. 22
Case No(s) WR-2006-0425
Date 1-22-07 Rptr RF

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 ROSELLA L. SCHAD, PE, CPA

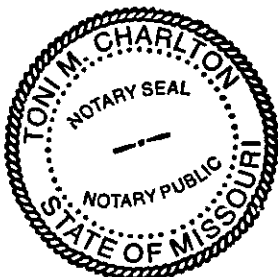
STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

Rosella L. Schad, PE, CPA, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Surrebuttal Testimony in question and answer form, consisting of 2 pages to be presented in the above case; that the answers in the foregoing Surrebuttal Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of her knowledge and belief.

Rosella L. Schad PE, CPA
Rosella L. Schad, PE, CPA

Subscribed and sworn to before me this 11th day of January 2007.

Toni M. Charlton



TONI M. CHARLTON
Notary Public - State of Missouri
My Commission Expires December 28, 2008
Cole County
Commission #04474301

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OF

ROSELLA L. SCHAD, PE, CPA

ALGONQUIN WATER RESOURCES OF MISSOURI, LLC

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(CONSOLIDATED)

EXECUTIVE SUMMARY 1

DEPRECIATION 1

1 A. No. Staff believes that the depreciation rates should reflect the average
2 service life and net cost of removal that water and sewer plant assets in the respective
3 functions experience. In depreciation rate recommendations Staff identifies both the average
4 service life and the net cost of removal percentage that are appropriate for each plant account.
5 Thus, the depreciation rates ordered will reflect those specific underlying parameters and
6 does not include any adjustment to the accumulated depreciation reserve.

7 Q. Does this conclude your Surrebuttal Testimony?

8 A. Yes it does.