

EXHIBIT No.:	
ISSUE(S):	Overearnings
WITNESS:	Ted Robertson
Type of Exhibit:	Direct
SPONSORING PARTY:	Public Counsel
CASE NUMBER:	WC-2007-0038
DATE TESTIMONY PREPARED:	October 2, 2006

**DIRECT TESTIMONY**

**OF**

**TED ROBERTSON**

Submitted on Behalf of  
the Office of the Public Counsel

**CENTRAL JEFFERSON COUNTY UTILITIES, INC.,**

**CASE No. WC-2007-0038**

October 2, 2006

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

Office of the Public Counsel,  
an agency of the State of Missouri,  
COMPLAINANT

v.

Central Jefferson County Utilities, Inc.,  
RESPONDENT

**Case No. WC-2007-0038**

**AFFIDAVIT OF TED ROBERTSON**

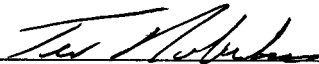
STATE OF MISSOURI    )  
                                  ) ss  
COUNTY OF COLE     )

Ted Robertson, of lawful age and being first duly sworn, deposes and states:

1. My name is Ted Robertson. I am a Public Utility Accountant for the Office of the Public Counsel.

2. Attached hereto and made a part hereof for all purposes is my direct testimony consisting of pages 1 through 6 and Schedules TJR-1 thru TJR-3.


3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

  
\_\_\_\_\_  
Ted Robertson, C.P.A.  
Public Utility Accountant III

Subscribed and sworn to me this 2<sup>nd</sup> day of October 2006.



JERENE A. BUCKMAN  
My Commission Expires  
August 10, 2009  
Cole County  
Commission #05754036

  
\_\_\_\_\_  
Jerene A. Buckman  
Notary Public

My commission expires August 10, 2009.

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**DIRECT TESTIMONY  
OF  
TED ROBERTSON**

**CENTRAL JEFFERSON COUNTY UTILITIES  
CASE NO. WC-2007-0038**

**I. INTRODUCTION**

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. Ted Robertson, P. O. Box 2230, Jefferson City, Missouri 65102.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the Office of the Public Counsel of the State of Missouri ("OPC" or "Public Counsel") as a Public Utility Accountant III.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND OTHER QUALIFICATIONS.

A. I graduated from Southwest Missouri State University in Springfield, Missouri, with a Bachelor of Science Degree in Accounting. In November, 1988, I passed the Uniform Certified Public Accountant ("CPA") Examination, and obtained CPA certification from the State of Missouri in 1989. My Missouri CPA license number is 2004012798.

Q. WHAT IS THE NATURE OF YOUR CURRENT DUTIES WHILE IN THE EMPLOY OF THE PUBLIC COUNSEL?

1 A. Under the direction of the OPC Chief Public Utility Accountant, Mr. Russell W.  
2 Trippensee, I am responsible for performing audits and examinations of the books  
3 and records of public utilities operating within the State of Missouri.

4  
5 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE MISSOURI PUBLIC  
6 SERVICE COMMISSION?

7 A. Yes, I have. Please refer to Schedule No. TJR-1, attached to this direct  
8 testimony, for a listing of cases in which I have previously submitted testimony  
9 before the Missouri Public Service Commission ("MPSC" or "Commission").

10  
11 Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

12 A. The purpose of this direct testimony is to support the Public Counsel's  
13 overearnings complaint against the utility.

14  
15 **II. UTILITY OVEREARNINGS**

16 Q. WHAT IS THE ISSUE IN AN OVEREARNINGS COMPLAINT?

17 A. An overearnings issue concerns what is the appropriate level of revenues to be  
18 recovered from ratepayers by a regulated public utility. In the State of Missouri,  
19 regulation of publicly-owned monopoly utility companies allows a utility the  
20 opportunity to recover through a rate structure prudently incurred operating  
21 expenses plus a return on its used and useful investment. The sum of the utility's  
22 operating expenses plus investment return equals the revenue requirement

1 authorized for collection from ratepayers by the Commission. In the instant case,  
2 Public Counsel believes that Central Jefferson County Utilities ("CJCU") current  
3 rates allow it to collect a level of revenues that far exceed the sum of the current  
4 expense/investment return cost structure of its regulated operations. These excess  
5 revenues are the subject of the Public Counsel's complaint.

6  
7 Q. WHAT DID YOU PRIMARILY RELY ON FOR YOUR ANALYSIS OF  
8 COMPANY OVEREARNINGS?

9 A. I relied on the Exhibit Manipulation System ("EMS") accounting schedules and  
10 workpapers developed by the MPSC Staff during their audit of the utility in  
11 Tracking File Case No. QS-2006-0003. Case No. QS-2006-0003 was an earnings  
12 review conducted in conjunction with Company's proposed new sewer service  
13 connection fee tariff sheet. The EMS accounting schedules for both the water and  
14 sewer operations are attached to this direct testimony as Schedules TJR-2 and  
15 TJR-3, respectively.

16  
17 Q. WHO PREPARED THE EMS ACCOUNTING SCHEDULES?

18 A. It is my understanding that personnel in the St. Louis, Missouri, office of the  
19 MPSC had primary responsibility for conducting the audit along with  
20 development of the overearnings documents upon which I have relied.

21  
22 Q. WHO IN THE STAFF PREPARED THE AUDIT WORK PAPERS?

1 A. It is my understanding that personnel in the St. Louis, Missouri, office of the  
2 MPSC had primary responsibility for conducting the audit along with  
3 development of the overearnings documents upon which I have relied.  
4

5 Q. ARE THESE DOCUMENTS SOMETHING YOU, AS A PUBLIC UTILITY  
6 ACCOUNTANT, WOULD NORMALLY PREPARE IN DOING THIS TYPE  
7 OF ANALYSIS?

8 A. Yes.  
9

10 Q. ARE THE EMS ACCOUNTING SCHEDULES AND AUDIT WORKPAPERS  
11 SOMETHING OTHER PUBLIC UTILITY ACCOUNTANTS WOULD  
12 NORMALLY PREPARE IN DOING THIS TYPE OF ANALYSIS?

13 A. Yes.  
14

15 Q. IS IT YOUR UNDERSTANDING THAT THESE DOCUMENTS ARE BASED  
16 ON COMPANY RECORDS?

17 A. Yes.  
18

19 Q. DID YOU FIND THESE DOCUMENTS TO BE RELIABLE FOR THIS  
20 PURPOSE?

21 A. Yes.  
22

1 Q. WHAT TIME PERIOD DO THESE DOCUMENTS COVER?

2 A. It is my understanding that the test year for the audit consisted of the twelve  
3 months ending December 31, 2005.

4  
5 Q. DO YOU HAVE ANY REASON TO BELIEVE THE DOCUMENTS DO NOT  
6 REFLECT THE CURRENT FINANCIAL SITUATION OF THE COMPANY?

7 A. No.

8  
9 Q. WHAT DO THE DOCUMENTS SHOW?

10 A. The EMS accounting schedules, and the audit workpapers that support them,  
11 indicate that both of CJCU's utility operations are exceeding ("overearning") an  
12 appropriate level of revenue requirement based on their current  
13 expense/investment return cost structure.

14  
15 Q. BASED ON YOUR REVIEW OF THESE DOCUMENTS, WHAT IS YOUR  
16 CONCLUSION, AS A PUBLIC UTILITY ACCOUNTANT?

17 A. The documents show that the annual level of overearnings the utility operations  
18 are currently experiencing is \$51,500 for the sewer operation and \$16,900 for the  
19 water operation. Public Counsel recommends that the rates of the utility  
20 operations be reduced so that the overearnings I have identified are eliminated on  
21 a going forward basis.



1 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

2 A. Yes, it does.

**CASE PARTICIPATION  
OF  
TED ROBERTSON**

<b><u>Company Name</u></b>	<b><u>Case No.</u></b>
Missouri Public Service Company	GR-90-198
United Telephone Company of Missouri	TR-90-273
Choctaw Telephone Company	TR-91-86
Missouri Cities Water Company	WR-91-172
United Cities Gas Company	GR-91-249
St. Louis County Water Company	WR-91-361
Missouri Cities Water Company	WR-92-207
Imperial Utility Corporation	SR-92-290
Expanded Calling Scopes	TO-92-306
United Cities Gas Company	GR-93-47
Missouri Public Service Company	GR-93-172
Southwestern Bell Telephone Company	TO-93-192
Missouri-American Water Company	WR-93-212
Southwestern Bell Telephone Company	TC-93-224
Imperial Utility Corporation	SR-94-16
St. Joseph Light & Power Company	ER-94-163
Raytown Water Company	WR-94-211
Capital City Water Company	WR-94-297
Raytown Water Company	WR-94-300
St. Louis County Water Company	WR-95-145
United Cities Gas Company	GR-95-160
Missouri-American Water Company	WR-95-205
Laclede Gas Company	GR-96-193
Imperial Utility Corporation	SC-96-427
Missouri Gas Energy	GR-96-285
Union Electric Company	EO-96-14
Union Electric Company	EM-96-149
Missouri-American Water Company	WR-97-237
St. Louis County Water Company	WR-97-382
Union Electric Company	GR-97-393
Missouri Gas Energy	GR-98-140
Laclede Gas Company	GR-98-374
United Water Missouri Inc.	WR-99-326
Laclede Gas Company	GR-99-315
Missouri Gas Energy	GO-99-258
Missouri-American Water Company	WM-2000-222
Atmos Energy Corporation	WM-2000-312
UtiliCorp/St. Joseph Merger	EM-2000-292
UtiliCorp/Empire Merger	EM-2000-369
Union Electric Company	GR-2000-512
St. Louis County Water Company	WR-2000-844
Missouri Gas Energy	GR-2001-292
UtiliCorp United, Inc.	ER-2001-672
Union Electric Company	EC-2002-1
Empire District Electric Company	ER-2002-424

**CASE PARTICIPATION  
OF  
TED ROBERTSON**

<b><u>Company Name</u></b>	<b><u>Case No.</u></b>
Missouri Gas Energy	GM-2003-0238
Aquila Inc.	EF-2003-0465
Aquila Inc.	ER-2004-0034
Empire District Electric Company	ER-2004-0570
Aquila Inc.	EO-2005-0156
Aquila, Inc.	ER-2005-0436
Hickory Hills Water & Sewer Company	WR-2006-0250
Empire District Electric Company	ER-2006-0315
Central Jefferson County Utilities	WC-2007-0038

# Schedule TJR-2

14 pages

Central Jefferson County Utilities - WATER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Ending December 31, 2005  
**EXPENSE SCHEDULE**

Line Number	<u>A</u> Description	<u>B</u> Account Number (Optional)	<u>C</u> Company/ Test Year Amount	<u>D</u> Staff Annualized	<u>E</u> Difference (1)	<u>F</u> Adjustment Number
1	OPERATIONS EXPENSES					
2	Management/Staff Salary (1)		\$24,120	\$19,100	(\$5,020)	W-1
3	Operators Salary (1)		\$12,240	\$14,480	\$2,240	W-2
4	Payroll Taxes		\$3,796	\$3,573	(\$223)	W-3
5	Health Insurance Benefits		\$12,791	\$5,077	(\$7,714)	W-4
6	Electricity-(Pumping)		\$15,124	\$13,160	(\$1,964)	W-5
7	Total Operations Expense		\$68,071	\$55,390	(\$12,681)	
8	MAINTENANCE EXPENSES					
9	Contract Labor (1)		\$10,313	\$10,696	\$383	W-6
10	Materials & Supplies		\$0	\$59	\$59	W-7
11	System Maintenance		\$9,939	\$10,053	\$114	W-8
12	Trash Removal		\$607	\$607	\$0	
13	Testing Fees		\$288	\$491	\$203	W-9
14	Permits		\$0	\$36	\$36	W-10
15	Total Maintenance Expense		\$21,146	\$21,941	\$795	
16	ADMINISTRATIVE & GENERAL EXPENSES					
17	Professional Services- Accounting		\$838	\$838	\$0	
18	Professional Services- Surveying		\$600	\$0	(\$600)	W-11
19	Professional Services- Legal		\$2,890	\$0	(\$2,890)	W-12
20	Office Rent		\$1,035	\$1,035	\$0	
21	Office Utilities- Electricity, Gas, Water		\$150	\$150	\$0	
22	Telephone & Internet		\$1,941	\$1,000	(\$941)	W-13
23	Postage		\$1,249	\$1,578	\$329	W-14
24	Office Supplies		\$188	\$188	\$0	
25	Transportation Expense		\$2,400	\$2,400	\$0	W-15
26	Computer Time		\$540	\$0	(\$540)	W-16
27	Bonuses		\$500	\$0	(\$500)	W-17
28	Billing Exp		\$648	\$648	\$0	
29	Insurance- General & Comp		\$3,785	\$3,785	\$0	
30	Bank Service Charges		\$313	\$0	(\$313)	W-18
31	Other Misc. Expenses		\$20,332	\$93	(\$20,239)	W-19
32	Total Administrative and General		\$37,408	\$11,714	(\$25,694)	
33	OTHER OPERATING EXPENSES					
34	Taxes Other Than Income					
35	Property		\$4,965	\$4,965	\$0	
36	PSC Assessment		\$614	\$500	(\$114)	W-20
37	Depreciation		\$0	\$5,911	\$5,911	W-21
38	TOTAL EXPENSES BEFORE INCOME TAX		\$132,205	\$100,423	(\$31,782)	

Central Jefferson County Utilities - WATER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Ending December 31, 2005  
Expense Adjustment Schedule

<u>A</u> Expense Adjustment Number	<u>B</u> Subset Adjustment	<u>C</u> Adjustment Description	<u>D</u> Account Number	<u>E</u> Adjustment Subtotal (2)	<u>F</u> Total Adjustment Amount
W-1 (1)		Management/Staff Salary (1)			-\$5,020
	A	Manager Company Amount		\$0	
		Staff Amount		\$6,500	
	B	Support Staff Company Amount		\$24,120	
		Staff Amount		\$12,600	
		Total		-\$5,020	
W-2 (1)		Operators Salary/Contract Services			\$2,240
	A	Operator Salary Company Amount		\$12,000	
		Staff Amount		\$14,000	
	B	Monitoring (S. Clark) Company Amount		\$240	
		Staff Amount		\$480	
		Total		\$2,240	
W-3		Payroll Taxes			-\$223
	A	To reflect adjustments in payroll Company Amount		\$3,796	
		Staff Amount		\$3,573	
		Total		-\$223	
W-4		Health Insurance Benefits			-\$7,714
		To reflect new policy contract amounts related to employee coverage		-\$1,216	
		Removal of Officers		-\$6,498	
		Total		-\$7,714	
W-5		Electricity-(Pumping) Annualization		-\$1,964	-\$1,964
		Total		-\$1,964	

W-6 (1)		Contract Labor (1)		\$383
	A	Manual Labor		
		Company Amount (Russ)	\$3,309	
		Company Amount (Debra)	\$270	
		Staff Amount (Russ)	\$4,576	
		Staff Amount (Debra)	\$0	
			<u>\$997</u>	
	B	Meter Readers		
		Company Amount (Roger B)	\$6,045	
		Company Amount (Debra)	\$689	
		Staff Amount (Roger B)	\$6,120	
		Staff Amount (Debra)	\$0	
			<u>-\$614</u>	
		Total Adjustment	\$383	
W-7		Materials and Supplies Expense		\$59
		Difference of reclassifying items	\$59	
		Total	<u>\$59</u>	
W-8		System Maintenance		\$114
		Booked to WA materials and Supplies Expense	-\$21	
		Booked to Water Plant	-\$3,130	
		Booked to Sewer Repairs	-\$180	
		Booked to Extraordinary/Other people's responsibility	-\$226	
		Water repairs booked as Sewer Repairs	\$3,672	
		Total	<u>\$114</u>	
W-9		Testing Fees		\$203
		To annualize testing fees	\$203	
		Total	<u>\$203</u>	
W-10		Permits		\$36
		To allocate amount for license	\$36	
			<u>\$36</u>	
W-11		Professional Services- Surveying		-\$600
		Removal of fees assoc with sale	-\$600	
		Total	<u>-\$600</u>	
W-12		Professional Services-Legal		-\$2,890
		Removal of fees assoc with sale	-\$2,890	
		Total	<u>-\$2,890</u>	
W-13		Telephone & Internet		-\$941
		Normalization of phone line charges	-\$941	
		Total	<u>-\$941</u>	
W-14		Postage		\$329
		To adjust for increase in costs assoc with billing	\$329	
		Total	<u>\$329</u>	

W-15	Transportation Expense Expense related to truck (fuel, maint, license, etc)	- <b>\$891</b>	\$0
	<b>Total</b>	<b>-<u>\$891</u></b>	
W-16	Computer Time To eliminate computer charges	- <b>\$540</b>	-\$540
	<b>Total</b>	<b>-<u>\$540</u></b>	
W-17	Bonuses To eliminate year end bonuses	- <b>\$500</b>	-\$500
	<b>Total</b>	<b>-<u>\$500</u></b>	
W-18	Bank Service Charges To remove bank service charges	- <b>\$313</b>	-\$313
	<b>Total</b>	<b>-<u>\$313</u></b>	
W-19	Other Misc. Expenses To remove amount assoc. with tower loan (RB) To remove sales tax (flow thru item, agent) To remove billing corrections To remove ret'd checks (reimbursable item) To annualize ret'd check fees To remove help-wanted ads	- <b>\$16,048</b> - <b>\$1,762</b> - <b>\$116</b> - <b>\$832</b> <b>\$13</b> - <b>1492.88</b>	-\$20,239
	<b>Total</b>	<b>-<u>\$20,239</u></b>	
W-20	PSC Assessment To adjust for new assessment	- <b>\$114</b>	-\$114
	<b>Total</b>	<b>-<u>\$114</u></b>	
W-21	Depreciation To record most recent calculations (Co did not exp.) Note: this amount differs from depreciation sheet due to removal of meter depreciation (\$26)	<b>\$5,911</b>	\$5,911
	<b>Total</b>	<b><u>\$5,911</u></b>	
	<b>Total Expense Adjustments</b>		<b><u><u>-\$31,782</u></u></b>



Central Jefferson County Utilities - WATER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Ending December 31, 2005  
REVENUE SUMMARY SCHEDULE

ANNUALIZED & NORMALIZED REVENUES

Line Number	A Description	Residential		Residential		Commercial		Condo		Total	
		B Amount	C Amount	B Amount	C Amount	D Amount	E Amount	F Amount	G Amount	H Amount	I Amount
1	<u>Customer Charge Revenues:</u>										
2	Customer Number	662		5		4		3		674	
3	Customer Bills Per year	12		12		12		12		48	
4	Existing Monthly Customer Charge Tariff	<u>\$3.45</u>		<u>\$8.50</u>		<u>\$28.00</u>		<u>\$3.45</u>			
5	Annualized Customer Charge Revenues		\$27,407		\$510		\$1,344		\$124		\$29,385
6	<u>Commodity Charge Revenues:</u>										
7	Total Gallons Sold	4,138,067		30,279		188,562		78,318		4,435,226	
8	Less: Base Gallons Included In Customer Charge	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>	
9	Commodity Gallons	4,138,067		30,279		188,562		78,318		4,435,226	
10	Existing Commodity Charge / 1,000 gallons	<u>\$1.81</u>		<u>\$1.81</u>		<u>\$1.81</u>		<u>\$1.81</u>			
11	Annualized Commodity Charge Revenues		\$89,879		\$658		\$4,096		\$1,701		\$96,333
12	Total Annualized Water Rate Revenues		\$117,286		\$1,168		\$5,440		\$1,825		\$125,718
13	Miscellaneous Revenues		\$0		\$0		\$0		\$0		\$1,340
14	Reconnection Fees										\$120
15	Late Payment Fees										\$3,168
14	Total Annualized Water Service Revenues		<u>\$117,286</u>		<u>\$1,168</u>		<u>\$5,440</u>		<u>\$1,825</u>		<u>\$130,346</u>

Central Jefferson County Utilities - WATER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Ending December 31, 2005  
RATE DESIGN SCHEDULE

Rate Making Income Statement - Water

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D	E
	Annualized Revenues	(1)	\$130,346		
1	OPERATIONS EXPENSES	(2)		Customer Charge	Commodity
2	Management/Staff Salary (1)		\$19,100		
3	Operators Salary (1)		\$14,480		
4	Payroll Taxes		\$3,573		
5	Health Insurance Benefits		\$5,077		
6	Electricity-(Pumping)		\$13,160		
7	Total Operations Expense		\$55,390		
8	MAINTENANCE EXPENSES				
9	Contract Labor (1)		\$10,696		
10	Materials & Supplies		\$59		
11	System Maintenance		\$10,053		
12	Trash Removal		\$607		
13	Testing Fees		\$491		
14	Permits		\$36		
15	Total Maintenance Expense		\$21,941		
16	ADMINISTRATIVE & GENERAL EXPENSES				
17	Professional Services- Accounting		\$838		
18	Professional Services- Surveying		\$0		
19	Professional Services- Legal		\$0		
20	Office Rent		\$1,035		
21	Office Utilities- Electricity, Gas, Water		\$150		
22	Telephone & Internet		\$1,000		
23	Postage		\$1,578		
24	Office Supplies		\$188		
25	Transportation Expense		\$2,400		
26	Computer Time		\$0		
27	Bonuses		\$0		
28	Billing Exp		\$648		
29	Insurance- General & Comp		\$3,785		
30	Bank Service Charges		\$0		
31	Other Misc. Expenses		\$93		
32	Total Administrative and General		\$11,714		
33	OTHER OPERATING EXPENSES				
34	Taxes Other Than Income				
35	Property		\$4,965		
36	PSC Assessment		\$500		
37	Depreciation		\$5,911		
38	TOTAL EXPENSES BEFORE INCOME TAX		\$100,423		
39	Return on Investment & Current Income Taxes	(3)	13,028		
40	TOTAL COST OF SERVICE		113,451	\$0	\$0
41	Less: Miscellaneous Revenues	(4)	4,628	4,628	
42	COST TO RECOVER IN RATES		108,823	-4,628	0
43	INCREMENTAL INCREASE IN RATE REVENUES		-16,895	-12.96%	
44	REQUESTED INCREASE IN REVENUES		\$0		

**Central Jefferson County Utilities - WATER**  
**Sewer Connection Fee Case**  
**Tracking Number QS-2006-0003**  
**Test Year Ending December 31, 2005**  
**Rate of Return Including Income Tax**

		<u>A</u>		<u>B</u>
1	State Income Tax Rate Statutory / Effective	<b>6.25%</b>	(2)	<b>5.61%</b>
2	Federal Income Tax Rate Statutory / Effective	<b>21.76%</b>	(1) & (2)	<b>20.53%</b>
3	Composite Effective Income Tax Rate			<b>26.14%</b>
4	Equity Tax Factor			<b>1.3540</b>
5	Recommended Weighted Rate of Return on Equity - Common and Preferred			<b>1.70%</b>
6	Weighted Rate of Return on Equity Including Income Tax			<b>2.30%</b>
7	Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term			<b>6.43%</b>
8	Total Weighted Rate of Return Including Income Tax			<b>8.73%</b>

**Central Jefferson County Utilities - WATER**  
**Sewer Connection Fee Case**  
**Tracking Number QS-2006-0003**  
**Test Year Ending December 31, 2005**  
**RATE BASE, RETURN on INVESTMENT**  
**and INCOME TAX SCHEDULE**

Line Number	<u>A</u> Rate Base Description	<u>B</u> Dollar Amount
1	Plant In Service	\$182,457
2	Less Accumulated Depreciation Reserve	<u>\$33,503</u>
3	Net Plant In Service	\$148,954
4	Other Rate Base Items:	<u>\$277</u>
5	Total Rate Base	\$149,231
6	Total Weighted Rate of Return Including Income Tax	<u>8.73%</u>
7	Required Return & Income Tax	<u>\$13,028</u>

**Central Jefferson County Utilities - WATER**  
**Sewer Connection Fee Case**  
**Tracking Number QS-2006-0003**  
**Test Year Ending December 31, 2005**  
**Capital Structure Schedule**

Line Number	<u>A</u> Description	<u>B</u> Dollar Amount	<u>C</u> Percentage of Total Capital Structure	<u>D</u> Embedded Cost of Capital	<u>E</u> Weighted Cost of Capital
1	Common Stock	\$18,861	14.67%	11.56%	1.696%
2	Preferred Stock	\$0	0.00%	0.00%	0.000%
3	Long Term Debt	\$109,686	85.33%	7.54%	6.434%
4	Short Term Debt	<u>\$0</u>	<u>0.00%</u>	0.00%	<u>0.000%</u>
5	TOTAL CAPITALIZATION	<u><u>\$128,547</u></u>	<u><u>100.00%</u></u>		<u><u>8.1298%</u></u>

Central Jefferson County Utilities - WATE  
 Sewer Connection Fee Case  
 Tracking Number QS-2006-0003  
 Test Year Updated to January 31, 2006  
 Plant In Service

Line Number	<u>A</u> Account # (Optional)	<u>B</u> Plant Account Description	<u>C</u> Total Plant	<u>D</u> Adjustment Number	<u>E</u> Adjustments	<u>F</u> As Adjusted Plant
1		SOURCE OF SUPPLY PLANT				
2	311	Structures & Improvements	\$2,063			\$2,063
3	314	Wells and Springs	\$9,305			\$9,305
4		Total Source of Supply Plant	\$11,368		\$0	\$11,368
5		PUMPING PLANT				
6	325	Electric Pumping Equipment	\$27,470	P-1	-\$14,474	\$12,996
7		Total Pumping Plant	\$27,470		-\$14,474	\$12,996
8		TRANSMISSION & DISTRIBUTION PLANT				
9	342	Distribution Reservoirs & Standpipes	\$142,027			\$142,027
10	346	Meters	\$260			\$260
11	348	Hydrants	\$3,431			\$3,431
12		Total Trans. & Distribution Plant	\$145,718		\$0	\$145,718
13		GENERAL PLANT				
14	390	Structures & Improvements	\$5,956			\$5,956
15	391.1	Office Computer Equipment	\$1,900			\$1,900
16	392	Transportation Equipment	\$0			\$0
17	394	Tools, Shop and Garage Equipment	\$509			\$509
18	395	Laboratory Equipment	\$4,010			\$4,010
19		Total General Plant	\$12,375		\$0	\$12,375
20		TOTAL PLANT IN SERVICE	\$196,931		-\$14,474	\$182,457

**Black font – Text already programmed**

**Green font – Text entered by user or comes from last case**

**Orange font – Comes from previously entered text (can be overridden)**

**Purple font - Data comes from another schedule**

**Red font – Data entered by user**

**Blue font – Calculated by program (can be overridden)**

**Central Jefferson County Utilities - WATER**  
**Sewer Connection Fee Case**  
**Tracking Number QS-2006-0003**  
**Test Year Updated to January 31, 2006**  
**Schedule of Adjustments for**  
**Plant In Service**

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
Plant	Plant In Service Adjustments Description	Adjustment	Total
Adjustment		Subtotal	Adjustment
Number			Amount
P-1	To remove retired plant	-14474	-14474

**Total Plant Adjustments**

**-\$14,474**

**To Plant Schedule**

Black font – Text already programmed

Green font – Text entered by user or comes from last case

Orange font – Comes from previously entered text (can be overridden)

Purple font - Data comes from another schedule

Red font – Data entered by user

Blue font – Calculated by program (can be overridden)

Central Jefferson County Utilities - WATER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Updated to January 31, 2006  
Schedule of Adjustments for  
Accumulated Depreciation Reserve

A  
Reserve  
Adjustment  
Number  
R-1

B  
Accumulated Depreciation Reserve  
Adjustments Description  
To remove retired plant

C  
Adjustment  
Subtotal  
-14474

D  
Total  
Adjustment  
Amount  
(\$14,474)

Total Reserve Adjustments

(\$14,474)

To Reserve Schedule



**Central Jefferson County Utilities - WATER**  
**Sewer Connection Fee Case**  
**Tracking Number QS-2006-0003**  
 Test Year Updated to January 31, 2006  
**Depreciation Expense**

Line Number	<u>A</u> Account Number	<u>B</u> Plant Account Description	<u>C</u> Adjusted Plant	<u>D</u> Depreciation Rate	<u>E</u> Depreciation Expense
1		<b>SOURCE OF SUPPLY PLANT</b>			
2	311	Structures & Improvements	\$2,063	2.5000%	\$52
3	314	Wells and Springs	\$9,305	2.0000%	\$186
4		Total Source of Supply Plant	<u>\$11,368</u>		<u>\$238</u>
5		<b>PUMPING PLANT</b>			
6	325	Electric Pumping Equipment	<u>\$12,996</u>	10.0000%	<u>\$1,300</u>
7		Total Pumping Plant	<u>\$12,996</u>		<u>\$1,300</u>
8		<b>TRANSMISSION &amp; DISTRIBUTION PLANT</b>			
9	342	Distribution Reservoirs & Standpipes	\$142,027	2.5000%	\$3,551
10	346	Meters	\$260	0.0000%	\$0
11	348	Hydrants	<u>\$3,431</u>	2.0000%	<u>\$69</u>
12		Total Trans. & Distribution Plant	<u>\$145,718</u>		<u>\$3,619</u>
13		<b>GENERAL PLANT</b>			
14	390	Structures & Improvements	\$5,956	2.5000%	\$149
15	391.1	Office Computer Equipment	\$1,900	20.0000%	\$380
16	392	Transportation Equipment	\$0	13.0000%	\$0
17	394	Tools, Shop and Garage Equipment	\$509	5.0000%	\$25
18	395	Laboratory Equipment	<u>\$4,010</u>	5.0000%	<u>\$201</u>
19		Total General Plant	<u>\$12,375</u>		<u>\$755</u>
20		Total Depreciation	<u><u>\$182,457</u></u>		<u><u>\$5,911</u></u>

**Central Jefferson County Utilities - WATER**  
**Sewer Connection Fee Case**  
**Tracking Number QS-2006-0003**  
**Test Year Updated to January 31, 2006**  
**Accumulated Depreciation Reserve**

Line Number	<u>A</u> Account Number	<u>B</u> Depreciation Reserve Description	<u>C</u> Total Reserve	<u>D</u> Adjustment Number	<u>E</u> Adjustments	<u>F</u> As Adjusted Reserve
1		<b>SOURCE OF SUPPLY PLANT</b>				
2	311	Structures & Improvements	\$56			\$56
3	314	Wells and Springs	\$207			\$207
4		Total Source of Supply Plant	<u>\$263</u>		<u>\$0</u>	<u>\$263</u>
5		<b>PUMPING PLANT</b>				
6	325	Electric Pumping Equipment	\$15,022	R-1	-\$14,474	\$548
7		Total Pumping Plant	<u>\$15,022</u>		<u>-\$14,474</u>	<u>\$548</u>
8		<b>TRANSMISSION &amp; DISTRIBUTION PLANT</b>				
9	342	Distribution Reservoirs & Standpipes	\$28,403			\$28,403
10	346	Meters	\$306			\$306
11	348	Hydrants	\$119			\$119
12		Total Trans. & Distribution Plant	<u>\$28,827</u>		<u>\$0</u>	<u>\$28,827</u>
13		<b>GENERAL PLANT</b>				
14	390	Structures & Improvements	\$1,526			\$1,526
15	391.1	Office Computer Equipment	\$706			\$706
16	392	Transportation Equipment	\$0		\$0	\$0
17	394	Tools, Shop and Garage Equipment	\$30			\$30
18	395	Laboratory Equipment	\$1,604			\$1,604
19		Total General Plant	<u>\$3,865</u>		<u>\$0</u>	<u>\$3,865</u>
20		<b>TOTAL DEPRECIATION RESERVE</b>	<u><u>\$47,977</u></u>		<u><u>-\$14,474</u></u>	<u><u>\$33,503</u></u>

# Schedule TJR-3

14 pages

Central Jefferson County Utilities - SEWER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Ending December 31, 2005  
**EXPENSE SCHEDULE**

Line Number	<u>A</u> Description	<u>B</u> Account Number (Optional)	<u>C</u> Company/ Test Year Amount	<u>D</u> Staff Annualized	<u>E</u> Difference (1)	<u>F</u> Adjustment Number
1	<b>OPERATIONS EXPENSES</b>					
2	Management/Staff Salary (1)		\$16,080	\$14,900	(\$1,180)	S-1
3	Operators Salary (1)		\$18,360	\$21,720	\$3,360	S-2
4	Payroll Taxes		\$3,643	\$3,787	\$144	S-3
5	Health Insurance Benefits		\$13,736	\$5,077	(\$8,659)	S-4
6	Electricity		\$12,096	\$13,658	\$1,562	S-5
7	Total Operations Expense		\$63,915	\$59,141	(\$4,773)	
8	<b>MAINTENANCE EXPENSES</b>					
9	Contract Labor (1)		\$5,369	\$9,724	\$4,355	S-6
10	Materials & Supplies		\$0	\$201	\$201	S-7
11	System Maintenance		\$30,275	\$6,020	(\$24,254)	S-8
12	Trash Removal		\$607	\$607	\$0	
13	Sludge Removal		\$27,322	\$30,000	\$2,679	S-9
14	Testing Fees		\$883	\$847	(\$37)	S-10
15	Permits		\$3,090	\$3,054	(\$36)	S-11
16	Total Maintenance Expense		\$67,545	\$50,453	(\$17,093)	
17	<b>ADMINISTRATIVE &amp; GENERAL EXPENSES</b>					
18	Professional Services- Accounting		\$838	\$838	\$0	
19	Professional Services- Surveying		\$1,900	\$0	(\$1,900)	S-12
20	Professional Services- Engineering		\$43,108	\$0	(\$43,108)	S-13
21	Professional Services- Legal		\$12,864	\$0	(\$12,864)	S-14
22	Office Rent		\$1,035	\$1,035	\$0	
23	Office Utilities- Electricity, Gas, Water		\$150	\$150	\$0	
24	Telephone & Pagers		\$1,941	\$1,000	(\$941)	S-15
25	Postage		\$1,249	\$1,578	\$329	S-16
26	Office Supplies		\$188	\$188	\$0	
27	Transportation Expense		\$3,600	\$3,600	\$0	S-17
28	Computer Time		\$540	\$0	(\$540)	S-18
29	Bonuses		\$500	\$0	(\$500)	S-19
30	Billing expense		\$648	\$648	\$0	
31	Insurance- General & Comp		\$3,785	\$3,785	\$0	
32	Bank Service Charges		\$313	\$0	(\$313)	S-20
33	Other Misc. Expenses		\$2,797	\$93	(\$2,704)	S-21
34	Total Administrative and General		\$75,454	\$12,914	(\$62,540)	
35	<b>OTHER OPERATING EXPENSES</b>					
36	Taxes Other Than Income					
37	Property		\$4,938	\$4,938	\$0	
38	PSC Assessment		\$15,329	\$16,920	\$1,590	S-22
39	Depreciation		\$0	\$12,590	\$12,590	S-23
40	TOTAL EXPENSES BEFORE INCOME TAX		\$227,182	\$156,956	(\$70,226)	

Central Jefferson County Utilities - SEWER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Ending December 31, 2005  
Expense Adjustment Schedule

<u>A</u> Expense Adjustment Number	<u>B</u> Subset Adjustment	<u>C</u> Adjustment Description	<u>D</u> Account Number	<u>E</u> Adjustment Subtotal (2)	<u>F</u> Total Adjustment Amount
S-1 (1)		Management/Staff Salary (1)			-\$1,180
	A	Manager Company Amount		\$0	
		Staff Amount		<u>\$6,500</u>	
	B	Support Staff Company Amount		\$16,080	
		Staff Amount		<u>\$8,400</u>	
		Total		<u>-\$1,180</u>	
S-2 (1)		Operators Salary/Contract Services			\$3,360
	A	Operator Salary/Contract Services Company Amount		\$18,000	
		Staff Amount		<u>\$21,000</u>	
	B	Monitoring (S. Clark) Company Amount		\$360	
		Staff Amount		<u>\$720</u>	
		Total		<u>\$3,360</u>	
S-3		Payroll Taxes To reflect adjustments in payroll		-\$144	\$144
		Total		<u>-\$144</u>	
S-4		Health Insurance Benefits To reflect new policy contract amounts related to employee coverage Removal of Officers		\$2,160 -\$6,499	-\$8,659
		Total		<u>-\$4,339</u>	
S-5		Electricity Annualization		\$1,562	\$1,562
		Total		<u>\$1,562</u>	
S-6		Contract Labor (1)			\$4,355
	A	Manual Labor To remove contract labor		-\$406	
		To increase contract labor due to customer increase and tariff		<u>\$4,761</u>	
		Total		<u>\$4,355</u>	
S-7		Materials & Supplies Difference of reclassifying items		\$201	\$201
		Total		<u>\$201</u>	
S-8		System Maintenance			-\$24,254

	Booked to Water Repairs	- \$3,672	
	Booked to Wat. Materials and Supplies Expense	- \$38	
	Booked to Water Plant	- \$174	
	Booked to Sewer Materials and Supplies Expense	- \$201	
	Booked to Sewer Rate Base (other than plant)	- \$2,647	
	Booked to Sewer Plant	- \$14,388	
	Booked to Extraordinary or Others' Responsibility	- \$3,715	
	Sewer Repairs booked as WA Maintenance	\$180	
	Sewer Repairs booked as Other misc. Items	\$400	
	<b>Total</b>	<b>- \$24,254</b>	
S-9	Sludge Removal		\$2,679
	To annualize removal costs	\$2,479	
	<b>Total</b>	<b>\$2,479</b>	
S-10	Testing Fees		- \$37
	To annualize testing fees	- \$37	
	<b>Total</b>	<b>- \$37</b>	
S-11	Permits		- \$36
	To allocate amount for license	- \$36	
	<b>Total</b>	<b>- \$36</b>	
S-12	Professional Services- Surveying		- \$1,900
	Removal of fees assoc with new plant	- \$1,000	
	Removal of fees assoc with sale	- \$900	
	<b>Total</b>	<b>- \$1,900</b>	
S-13	Professional Services- Engineering		- \$43,108
	Removal of fees assoc with new plant	- \$43,108	
	<b>Total</b>	<b>- \$43,108</b>	
S-14	Professional Services- Legal		- \$12,864
	Removal of fees assoc with expansion	- \$1,249	
	Removal of fees assoc with violations	- \$5,804	
	Removal of fees assoc with sale	- \$2,890	
	Removal of fees assoc with rate case	- \$2,920	
	<b>Total</b>	<b>- \$12,864</b>	
S-15	Telephone & Pagers		- \$941
	Normalization of phone line charges	- \$941	
	<b>Total</b>	<b>- \$941</b>	
S-16	Postage		\$329
	To adjust for increase in costs assoc with billing	\$329	
	<b>Total</b>	<b>\$329</b>	
S-17	Transportation Expense		\$0
	Expense related to truck (fuel, maint, license, etc)	\$0	
	<b>Total</b>	<b>\$0</b>	
S-18	Computer Time		- \$540
	To eliminate computer charges	- \$540	
	<b>Total</b>	<b>- \$540</b>	

S-19	Bonuses		
	To eliminate year end bonuses	-500	-500
	Total	-500	
S-20	Bank Service Charges		
	To eliminate bank fees	-313	-313
	Total	-313	
S-21	Other Misc. Expenses		
	To remove billing corrections	-116	
	To remove ret'd checks (reimbursable item)	-832	
	To annualize ret'd check fees	13	
	To remove expenses related to grand jury	-275	
	To remove help-wanted ads	-1492.88	
	Total	-2,704	-2,704
S-22	PSC Assessment		
	To adjust for new assessment	1,590	1,590
	Total	1,590	
S-23	Depreciation		
	To record most recent calculations (Co did not exp.)	12,590	12,590
	Total	12,590	
	Total Expense Adjustments		-70,226

Central Jefferson County Utilities - SEWER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Ending December 31, 2005  
REVENUE SUMMARY SCHEDULE

ANNUALIZED & NORMALIZED REVENUES

Line Number	A Description	Residential		Comercial 1		Commercial 2		Condo 1		Condo 2		Total	
		B Amount	C Amount	B Amount	C Amount	D Amount	E Amount	F Amount	G Amount	F Amount	G Amount	H Amount	I Amount
1	<u>Customer Charge Revenues:</u>												
2	Customer Number	664		5		2		2		1		672	
3	Customer Bills Per year	12		12		12		12		12		60	
4	Existing Monthly Customer Charge Tariff	<u>\$25.72</u>		<u>\$25.72</u>				<u>\$123.42</u>		<u>\$143.99</u>			
5	Annualized Customer Charge Revenues		\$204,937		\$1,543		\$0		\$2,962		\$1,728		\$211,170
6	<u>Commodity Charge Revenues:</u>												
7	Total Usage	-		27,487		121,471		-		-		148,958	
8	Less: Base Gallons Included In Customer Charge	<u>-</u>		<u>35,000</u>		<u>-</u>							
9	Commodity Gallons	-		-		121,471		-		-		148,958	
10	Existing Usage Charge	<u>\$0.00</u>		<u>\$3.67</u>		<u>\$3.67</u>		<u>\$0.00</u>		<u>\$0.00</u>			
11	Annualized Commodity Charge Revenues		<u>\$0</u>		<u>\$0</u>		<u>\$5,350</u>		<u>\$0</u>		<u>\$0</u>		<u>\$5,350</u>
12	Total Annualized Sewer Rate Revenues		\$204,937		\$1,543		\$5,350		\$2,962		\$1,728		\$216,520
13	Miscellaneous Revenues		\$0		\$0		\$0		\$0		\$0		\$3,160
14	Late Fee Revenues		\$ -		\$ -		\$ -		\$ -		\$ -		\$3,168
14	Total Annualized Sewer Service Revenues		<u>\$204,937</u>		<u>\$1,543</u>		<u>\$5,350</u>		<u>\$2,962</u>		<u>\$1,728</u>		<u>\$222,848</u>



Central Jefferson County Utilities - SEWER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Ending December 31, 2005  
**RATE DESIGN SCHEDULE**

Rate Making Income Statement - Sewer				
Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D E
	Annualized Revenues	(1)	\$222,848	
1	OPERATIONS EXPENSES	(2)		Customer Charge      Commodity
2	Management/Staff Salary (1)		\$14,900	
4	Operators Salary (1)		\$21,720	
5	Payroll Taxes		\$3,787	
6	Health Insurance Benefits		\$5,077	
7	Electricity-( Pumping)		\$13,658	
8	Total Operations Expense		\$59,141	
9	MAINTENANCE EXPENSES			
10	Contract Labor (1)		\$9,724	
11	Materials & Supplies		\$201	
12	System Maintenance		\$6,020	
	Trash Removal		\$607	
13	Sludge Removal		\$30,000	
14	Testing Fees		\$847	
15	Permits		\$3,054	
16	Total Maintenance Expense		\$50,453	
17	ADMINISTRATIVE & GENERAL EXPENSES			
18	Professional Services- Accounting		\$838	
19	Professional Services- Surveying		\$0	
20	Professional Services- Engineering		\$0	
21	Professional Services- Legal		\$0	
22	Office Rent		\$1,035	
23	Office Utilities- Electricity, Gas, Water		\$150	
24	Telephone & Pagers		\$1,000	
25	Postage		\$1,578	
26	Office Supplies		\$188	
27	Transportation Expense		\$3,600	
28	Computer Time		\$0	
29	Bonuses		\$0	
30	Billing expense		\$648	
31	Insurance- General & Comp		\$3,785	
32	Bank Service Charges		\$0	
33	Other Misc. Expenses		\$93	
34	Total Administrative and General		\$12,914	
32	OTHER OPERATING EXPENSES			
33	Taxes Other Than Income			
34	Property		\$4,938	
35	PSC Assessment		\$16,920	
36	Depreciation		\$12,590	
37	TOTAL EXPENSES BEFORE INCOME TAX		\$156,956	
38	Return on Investment & Current Income Taxes	(3)	\$14,371	
39	TOTAL COST OF SERVICE		\$171,327	\$0
40	Less: Miscellaneous Revenues	(4)	\$6,328	6,328
41	COST TO RECOVER IN RATES		\$164,999	-6,328
42	INCREMENTAL INCREASE IN RATE REVENUES		(\$51,521)	-23.12%
43	REQUESTED INCREASE IN REVENUES		\$0	

**Central Jefferson County Utilities - SEWER**  
**Sewer Connection Fee Case**  
**Tracking Number QS-2006-0003**  
**Test Year Ending December 31, 2005**  
**Rate of Return Including Income Tax**

		<u>A</u>		<u>B</u>
1	State Income Tax Rate Statutory / Effective	<u>6.25%</u>	(2)	<u>5.61%</u>
2	Federal Income Tax Rate Statutory / Effective	21.76%	(1) & (2)	<u>20.53%</u>
3	Composite Effective Income Tax Rate			26.14%
4	Equity Tax Factor			1.3540
5	Recommended Weighted Rate of Return on Equity - Common and Preferred			<u>1.70%</u>
6	Weighted Rate of Return on Equity Including Income Tax			2.30%
7	Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term			<u>6.43%</u>
8	Total Weighted Rate of Return Including Income Tax			<u><u>8.73%</u></u>

**Central Jefferson County Utilities - SEWER**  
**Sewer Connection Fee Case**  
**Tracking Number QS-2006-0003**  
**Test Year Ending December 31, 2005**  
**RATE BASE, RETURN on INVESTMENT**  
**and INCOME TAX SCHEDULE**

<b>Line Number</b>	<b><u>A</u> Rate Base Description</b>	<b><u>B</u> Dollar Amount</b>
1	Plant In Service	\$237,601
2	Less Accumulated Depreciation Reserve	<u>\$84,862</u>
3	Net Plant In Service	\$152,739
4	Other Rate Base Items:	<u>\$11,872</u>
5	Total Rate Base	\$164,611
6	Total Weighted Rate of Return Including Income Tax	<u>8.73%</u>
7	Required Return & Income Tax	<u>\$14,371</u>

**Central Jefferson County Utilities - SEWER**  
**Sewer Connection Fee Case**  
**Tracking Number QS-2006-0003**  
**Test Year Ending December 31, 2005**  
**Capital Structure Schedule**

Line Number	<u>A</u> Description	<u>B</u> Dollar Amount	<u>C</u> Percentage of Total Capital Structure	<u>D</u> Embedded Cost of Capital	<u>E</u> Weighted Cost of Capital
1	Common Stock	\$18,861	14.67%	11.56%	1.696%
2	Preferred Stock	\$0	0.00%	0.00%	0.000%
3	Long Term Debt	\$109,686	85.33%	7.54%	6.434%
4	Short Term Debt	<u>\$0</u>	<u>0.00%</u>	0.00%	<u>0.000%</u>
5	TOTAL CAPITALIZATION	<u><u>\$128,547</u></u>	<u><u>100.00%</u></u>		<u><u>8.1298%</u></u>

Central Jefferson County Utilities - SEWE  
 Sewer Connection Fee Case  
 Tracking Number QS-2006-0003  
 Test Year Updated to January 31, 2006  
 Plant In Service

Line Number	<u>A</u> Account # (Optional)	<u>B</u> Plant Account Description	<u>C</u> Total Plant	<u>D</u> Adjustment Number	<u>E</u> Adjustments	<u>F</u> As Adjusted Plant
1		LAND AND STRUCTURES				
2	311	Structures and Improvements	6315			\$6,315
3		Total Land and Structures	\$6,315		\$0	\$6,315
4		COLLECTION PLANT				
5	355	Flow Measuring Devices	4277			\$4,277
6		Total Collection Plant	\$4,277		\$0	\$4,277
7		PUMPING PLANT				
8	363	Pumping Equipment	\$29,991	P-1	-\$17,450	\$12,541
9		Total Pumping Plant	\$29,991		-\$17,450	\$12,541
10		TREATMENT & DISPOSAL PLANT				
11	373	Treatment and Disposal Facilities	\$205,462			\$205,462
12		Total Treatment & Disposal Plant	\$205,462		\$0	\$205,462
13		GENERAL PLANT				
14	391.1	Office Computer Equipment	\$2,089			\$2,089
15	392	Transportation Equipment	\$0			\$0
16	393	Other General Equipment*	\$6,917			\$6,917
17		Total General Plant	\$9,006		\$0	\$9,006
18		TOTAL PLANT IN SERVICE	\$255,051		-\$17,450	\$237,601

To Rate Base & Depreciation Schedules

\*This amount includes the following items that are required, but have not yet been purchased

Gas Detector	2,000.00
Tripod & Harness	2,300.00

**Black font – Text already programmed**

**Green font – Text entered by user or comes from last case**

**Orange font – Comes from previously entered text (can be overridden)**

**Purple font - Data comes from another schedule**

**Red font – Data entered by user**

**Blue font – Calculated by program (can be overridden)**

**Central Jefferson County Utilities - SEWER**  
**Sewer Connection Fee Case**  
**Tracking Number QS-2006-0003**  
**Test Year Updated to January 31, 2006**  
**Schedule of Adjustments for**  
**Plant In Service**

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
Plant	Plant In Service Adjustments Description	Adjustment	Total
Adjustment		Subtotal	Adjustment
Number			Amount
P-1	To remove retired plant	(\$17,450)	(\$17,450)

**Total Plant Adjustments**

**(\$17,450)**

**To Plant Schedule**

**Central Jefferson County Utilities - SEWER**  
**Sewer Connection Fee Case**  
**Tracking Number QS-2006-0003**  
 Test Year Updated to January 31, 2006  
**Accumulated Depreciation Reserve**

Line Number	<u>A</u> Account Number	<u>B</u> Depreciation Reserve Description	<u>C</u> Total Reserve	<u>D</u> Adjustment Number	<u>E</u> Adjustments	<u>F</u> As Adjusted Reserve
1		LAND AND STRUCTURES				
2	311	Structures and Improvements	<u>\$1,591</u>			<u>\$1,591</u>
3		Total Land and Structures	<u>\$1,591</u>		<u>\$0</u>	<u>\$1,591</u>
4		COLLECTION PLANT				
5	355	Flow Measuring Devices	<u>\$5</u>			<u>\$5</u>
6		Total Collection Plant	<u>\$5</u>		<u>\$0</u>	<u>\$5</u>
7		PUMPING PLANT				
8	363	Pumping Equipment	<u>\$19,663</u>	R-1	<u>-\$17,450</u>	<u>\$2,213</u>
9		Total Pumping Plant	<u>\$19,663</u>		<u>-\$17,450</u>	<u>\$2,213</u>
10		TREATMENT & DISPOSAL PLANT				
11	373	Treatment and Disposal Facilities	<u>\$80,182</u>			<u>\$80,182</u>
12		Total Treatment & Disposal Plant	<u>\$80,182</u>		<u>\$0</u>	<u>\$80,182</u>
13		GENERAL PLANT				
14	391.1	Office Computer Equipment	<u>\$748</u>			<u>\$748</u>
15	392	Transportation Equipment	<u>\$0</u>			<u>\$0</u>
16	393	Other General Equipment*	<u>\$123</u>			<u>\$123</u>
17		Total General Plant	<u>\$871</u>		<u>\$0</u>	<u>\$871</u>
18		TOTAL DEPRECIATION RESERVE	<u><u>\$102,312</u></u>		<u><u>-\$17,450</u></u>	<u><u>\$84,862</u></u>

Central Jefferson County Utilities - SEWER  
Sewer Connection Fee Case  
Tracking Number QS-2006-0003  
Test Year Updated to January 31, 2006  
Schedule of Adjustments for  
Accumulated Depreciation Reserve

A  
Reserve  
Adjustment  
Number  
R-1

B  
Accumulated Depreciation Reserve  
Adjustments Description  
To remove retired plant

<u>C</u> Adjustment Subtotal	<u>D</u> Total Adjustment Amount
(\$17,450)	(\$17,450)

Total Reserve Adjustments

(\$17,450)  
To Reserve Schedule



**Central Jefferson County Utilities - SEWER**  
**Sewer Connection Fee Case**  
**Tracking Number QS-2006-0003**  
**Test Year Updated to January 31, 2006**  
**Depreciation Expense**

Line Number	<u>A</u> Account Number	<u>B</u> Plant Account Description	<u>C</u> Adjusted Plant	<u>D</u> Depreciation Rate	<u>E</u> Depreciation Expense
1		<b>LAND AND STRUCTURES</b>			
2	311	Structures and Improvements	6315	2.5000%	\$158
3		Total Land and Structures	<u>\$6,315</u>		<u>\$158</u>
4		<b>COLLECTION PLANT</b>			
5	355	Flow Measuring Devices	4277	3.3000%	\$141
6		Total Collection Plant	<u>\$4,277</u>		<u>\$141</u>
7		<b>PUMPING PLANT</b>			
8	363	Pumping Equipment	\$12,541	10.0000%	\$1,254
9		Total Pumping Plant	<u>\$12,541</u>		<u>\$1,254</u>
10		<b>TREATMENT &amp; DISPOSAL PLANT</b>			
11	373	Treatment and Disposal Facilities	\$205,462	5.0000%	\$10,273
12		Total Treatment & Disposal Plant	<u>\$205,462</u>		<u>\$10,273</u>
13		<b>GENERAL PLANT</b>			
14	391.1	Office Computer Equipment	\$2,089	20.0000%	\$418
15	392	Transportation Equipment	\$0	13.0000%	\$0
16	393	Other General Equipment*	\$6,917	5.0000%	\$346
17		Total General Plant	<u>\$9,006</u>		<u>\$764</u>
18		<b>TOTAL PLANT IN SERVICE</b>	<u><u>\$237,601</u></u>		<u><u>\$12,590</u></u>