

Exhibit No.:

Issue(s):

Payroll Cost/

Mileage Cost/

Allocation of Payroll and Mileage Cost/

Plant Related Cost

Witness:

Ted Robertson

Type of Exhibit:

Rebuttal

Sponsoring Party:

Public Counsel

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WR-2006-0250/SR-2006-0249

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REBUTTAL TESTIMONY

OF

TED ROBERTSON

Submitted on Behalf of
the Office of the Public Counsel

HICKORY HILLS WATER & SEWER COMPANY

Case No. WR-2006-0250 and SR-2006-0249

April 5, 2006

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**HICKORY HILLS WATER & SEWER
COMPANY
CASE NO. WR-2006-0250
AND
CASE NO. SR-2006-0249**

A. I graduated in May, 1988, from Southwest Missouri State University in Springfield, Missouri, with a Bachelor of Science Degree in Accounting. In November of 1988, I

1 passed the Uniform Certified Public Accountant ("CPA") Examination, and I obtained
2 CPA certification from the State of Missouri in 1989. My CPA license number is
3 2004012798.
4

5 Q. HAVE YOU RECEIVED SPECIALIZED TRAINING RELATED TO PUBLIC
6 UTILITY ACCOUNTING?

7 A. Yes. In addition to being employed by the Office of the Public Counsel since 1990, I
8 have attended the NARUC Annual Regulatory Studies Program at Michigan State
9 University, and I have also participated in numerous training seminars relating to this
10 specific area of accounting study.
11

12 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE MISSOURI PUBLIC
13 SERVICE COMMISSION ("COMMISSION" OR "MPSC")?

14 A. Yes. Since beginning my employment with the Public Counsel I have testified on
15 numerous issues before this Commission. Please refer to Schedule TJR-1, attached to
16 this testimony, for a listing of cases in which I have previously submitted testimony.
17

18 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

19 A. The purpose of this testimony is to express the Public Counsel's recommendations
20 regarding the requested revenue increases Hickory Hills Water & Sewer Company
21 ("Hickory Hills" or "Company") is seeking for its water and sewer operations.
22
23

II. EXECUTIVE SUMMARY

Q. PLEASE SUMMARIZE THE PUBLIC COUNSEL'S POSITION.

A. Attached to this testimony as Exhibit 1 and Exhibit 2 are Microsoft Excel based accounting schedules I prepared which show the Public Counsel's recommended revenue requirements for the Hickory Hills water and sewer operations, respectively. Exhibit 1 shows that the water operation is in an over-earnings mode; thus, the revenue requirement (customer rates) for that operation should be reduced. However, Exhibit 2 shows that the sewer operation is under-earning by an amount that is somewhat lower than the amount of the revenue increase Company has requested for the operation.

Q. DOES THE PUBLIC COUNSEL OPPOSE THE REVENUE INCREASE REQUEST SOUGHT BY COMPANY FOR ITS SEWER OPERATION?

A. Yes. In its Application, Company requested a sewer operation revenue increase of \$2,500. I believe that Public Counsel's analysis substantiates that an increase in the revenue for the sewer operation of approximately \$2,161 is reasonable; therefore, the Public Counsel recommends that the amount of the increase requested by the Company for the sewer operation be denied and in its place an increase of \$2,161 be authorized.

Q. DOES THE PUBLIC COUNSEL OPPOSE THE REVENUE INCREASE REQUEST SOUGHT BY THE COMPANY FOR ITS WATER OPERATION?

A. Yes. It is the Public Counsel's position that the Hickory Hills is significantly (i.e., relative to the size of the operation) over-earning above what is an appropriate revenue requirement for this Company's water operation. Referencing Accounting Schedule 1, of

1 the attached Exhibit 1, shows that the current over-earnings approximates \$1,776 on an
2 annual basis. It is the Public Counsel's recommendation that customer rates for the water
3 operation should be reduced by \$1,776 in order to eliminate the effect of the over-
4 earnings.

5
6 Q. REGARDING THE WATER AND SEWER OPERATION COST STRUCTURES,
7 WHERE DO THE OPC AND THE MPSC STAFF ("STAFF") DIFFER?

8 A. The contested issues are limited to the determination and allocation of wages and
9 automobile mileage costs associated with the owner/operators of the Company, along
10 with what Public Counsel believes to be unsupported plant-related cost adjustments
11 included by Staff in its recommendation. The Public Counsel accounting schedules,
12 included in Exhibits 1 and 2, were developed primarily based on the Staff's audit of the
13 utility and the resulting Staff accounting schedules filed on December 15, 2005, as item
14 #3 in the Commission's Electronic Filing Information System (EFIS), titled as Notice of
15 Agreement Regarding Disposition of Small Company Rate Increase Request. Therefore,
16 in most instances there are no differences in the costs/expenses identified for either
17 system's operation; however, with respect to the size of the operations, the differences
18 that do exist have a major impact on the amount of the final revenue requirements
19 recommended by both the OPC and Staff.

20
21 Q. CAN YOU SUMMARIZE THE LARGER ISSUES?

22 A. Yes. OPC believes that Mr. Randy Clifford, the operator of Hickory Hills, has
23 significantly overstated the hours that he works at the utility and the automobile mileage

1 cost allowance that he claims. OPC also believes that the Staff's recommended hourly
2 wage rate is substantially over the level necessary for an operator performing the kind of
3 work that Mr. Clifford performs.
4

5 Q. ARE THE STAFF'S RECOMMENDATIONS IN THIS CASE DIFFERENT FROM
6 THAT WHICH IT HAD PREVIOUSLY FILED WITH THE COMMISSION?

7 A. No, the Staff still supports the requested revenue increase of \$2,000 for the water
8 operation and \$2,500 for the sewer operation, but its supporting accounting schedules
9 have been modified from its original filing in December 2005. In that original filing,
10 EFIS item #3, Staff's audit identified that the revenue increases sought by the Company
11 were reasonable due to a perceived revenue requirement need of \$2,284 for the water
12 operation and \$10,772 for the sewer operation. With the filing of direct testimony in this
13 case Staff's accounting witness, Mr. Scott D. Clark, included subsequently modified
14 accounting schedules still purporting to support the Company revenue increase request,
15 but now showing a perceived revenue requirement need of \$4,417 for the water operation
16 and \$5,912 for the sewer operation. That is, the perceived need for the water operation
17 revenue requirement was increased \$2,133 (94%) while the sewer operation's was
18 decreased \$4,860 (46%).
19

20 Q. HOW DID THE STAFF MODIFY ITS ORIGINAL ACCOUNTING SCHEDULES
21 AND SUPPORTING DOCUMENTATION?

22 A. Staff's subsequent modification of its original accounting schedules and supporting
23 documentation is related to three areas of costs, 1) Staff reduced the hourly wage rate

utilized in its analysis for the owner/operator of the system, Mr. Clifford, from \$22.50 per hour to \$19.00 per hour, 2) Staff modified its allocation of Mr. Clifford's payroll-related and mileage costs from a 50%/50% basis to a 75%/25% basis for the water and sewer operation respectively, and 3) Staff reclassified and/or removed certain items in the water operations plant account 325, the result of which has a minor impact on the difference between Staff and OPC.

III. PAYROLL COSTS

Q. PLEASE EXPLAIN THE DIFFERENCES IN THE PAYROLL COSTS (I.E., WAGES, RETIRMENT BENEFITS AND EMPLOYMENT TAX) PROPOSED BY THE OPC AND STAFF.

A. The primary differences between the Staff and Public Counsel payroll annualizations relate to the determination of a reasonable hourly wage rate for Mr. Clifford along with a determination of his actual time worked and an appropriate allocation basis for all Company payroll costs between the water and sewer operations.

Staff's original payroll annualization, in total, included costs associated with worked performed by both Mr. Randy Clifford and Ms. Kay Clifford along with some miscellaneous test year payments made to Matthew and Scott Clifford and Jared Milligan; all allocated on a 50%/50% basis between the water and sewer operations. Staff subsequently modified its original payroll annualization by reducing Mr. Clifford's hourly wage from \$22.50 per hour to \$19.00 per hour and then by allocating his payroll costs on a 75%/25% basis to the water and sewer operations, respectively. Public

1 Counsel believes that the Staff has reduced the hourly wage it allowed for Mr. Clifford's
2 services due to OPC challenging of the reasonableness of the \$22.50 per hour it included
3 in its original filing. I also believe that Staff moved to the 75%/25% allocation of his
4 payroll costs because my analysis identified that ratio as being more appropriate given
5 the activities he actually performs. However, Public Counsel believes, as I will explain
6 later, that the \$19.00 per hour is still quite excessive based on my market analysis of
7 current wage rates for utility operators doing similar work in this area.

8
9 Furthermore, though the Public Counsel is concerned that the \$10.50 per hour wage rate
10 Staff has allowed Ms. Clifford in its payroll annualization is too high, I do not propose
11 any adjustment (other than to include an appropriate amount of employment tax) to
12 Staff's annualized hours worked or wage rate proposal for her as I believe due to the
13 number of hours she worked it would be immaterial in its impact upon the operation and
14 rates of the Company. I do recommend allocating Ms. Clifford's payroll costs on a
15 slightly different allocation ratio than that utilized by Staff. Based on my review of the
16 Hickory Hills calendar year 2004 time and mileage log, I believe that an allocation ratio
17 of 75% for the water system and 25% for the sewer system is a more realistic
18 representation of the time Ms. Clifford spends working for the respective operations.
19 Staff in its modified accounting schedules filed with Mr. Clark's direct testimony has
20 changed its allocation of Mr. Clifford's costs to match my recommendation of a
21 75%/25% split, but has left Ms. Clifford's payroll cost allocation on a 50%/50% basis.
22

1 Lastly, I do not propose any adjustments that differ from the Staff's recommendation for
2 the work performed by Matthew and Scott Clifford or Jared Milligan as these payroll
3 costs, in total, are only about \$300 and any adjustment, allocation or otherwise, would
4 likely be immaterial.

5
6 Q. PLEASE EXPLAIN THE STAFF'S PAYROLL-RELATED ANNUALIZATION FOR
7 MR. RANDY CLIFFORD.

8 A. The payroll-related costs that Staff now recommends for Mr. Clifford include, 1)
9 annualized hours worked of 675 hours, 2) a wage rate of \$19.00 per hour, 3) Federal
10 Insurance Contributions Act ("FICA") based upon 7.65% of the result of the 675 hours
11 multiplied by the \$19.00 per hour wage rate, and 4) a retirement benefit based upon 9%
12 of the result of the 675 hours multiplied by the \$19.00 per hour wage rate. The Staff's
13 recommended total payroll costs for Mr. Clifford are as follows:

15	Annualized Hours	675
16	Hourly Wage Rate	<u>\$ 19.00</u>
17	Annualized Salary	\$12,832.00
18	Plus:	
19	FICA 7.65%	\$ 982.00
20	Retirement Benefit 9%	<u>\$ 1,155.00</u>
21	Total	\$14,969.00

22
23
24 Staff then allocates the total costs to the Company's water and sewer operations on a
25 75%/25% basis. (Note: I believe Staff's retirement benefits workpaper contains an error
26 wherein those costs are allocated on a basis of approximately 65% and 35% .)

Q. HOW DOES THE PUBLIC COUNSEL PAYROLL ANNUALIZATION FOR MR. CLIFFORD DIFFER FROM THE STAFF'S NEW PAYROLL ANNUALIZATION?

A. The Public Counsel's payroll annualization for Mr. Clifford differs in that my recommendation includes, 1) annualized hours worked of 539 hours, 2) an hourly wage rate of \$13.00 per hour, 3) FICA based upon 7.65% of the result of the 539 hours multiplied by the \$13.00 per hour wage rate, and 4) I eliminated the retirement benefit entirely. I then allocated the following total payroll costs on a 75%/25% ratio between the water and sewer operations:

Annualized Hours	539
Hourly Wage Rate	<u>\$ 13.00</u>
Annualized Salary	\$ 7,010.00
Plus:	
FICA 7.65%	<u>\$ 536.00</u>
Total	\$ 7,546.00

Q. PLEASE STATE THE SOURCE OF THE STAFF AND OPC ANNUALIZED HOURS WORKED RECOMMENDATIONS.

A. The Staff and OPC annualized hours worked recommendations are based upon the entries Mr. Clifford made to the Hickory Hills calendar year 2004 time and mileage log; however, it is my understanding that the hours Mr. Clifford entered into the log may have been "padded." That is, the time he entered into the log was inflated because it is not an accurate representation of the time he actually he spent operating the systems.

Q. WHY DOES THE PUBLIC COUNSEL BELIEVE THAT MR. CLIFFORD "PADDED" HIS CALENDAR YEAR 2004 TIME LOG?

1 A. Our position is based upon the fact that Mr. Clifford has voluntarily admitted he does so
2 on a regular basis. At the public hearing held in California, Mo., on January 19, 2006,
3 Mr. Clifford stated the following in response to a series of questions from the Public
4 Counsel, Mr. Lewis Mills, regarding the time he spent operating the systems (source:
5 Case No. WR-2006-0250 Public Hearing Transcript Of Proceedings, Volume 1,
6 beginning page 22, line 6):

8 Mr. Mills: Let's -- let's talk about your salary and your mileage.
9 You said you logged 675 hours last year?

10
11 Mr. Clifford: Yes.

12
13 MR. MILLS: When do you start
14 charging time with the company and when do you
15 stop? Is it when you arrive at the plant or
16 when you leave your home?

17
18 MR. CLIFFORD: I charge basically a
19 minimum of an hour a day. I think Jim had
20 alluded that there were some days with
21 three-quarters of an hour, half an hour. It --
22 it depends on -- if I'm in the area, I may --
23 the probably (sic) the days where I log less than an
24 hour was I was in the area and -- and just
25 stopped just to do company business.

26
27 But if I leave home, I generally charge an
28 hour minimum is what I write down. I think any
29 service industry you go to, there's generally a
30 minimum charge. And I feel the hour minimum is
31 well within line, seeing that I'm on call 24/7
32 365 days a year and there's no -- nothing
33 billed into this rate structure to -- to
34 accommodate for that.

35
36 MR. MILLS: Who -- who requires you
37 to log your hours? Is that something that the
38 Commission Staff has requested for rate
39 purposes, or is that something that DNR

requires?

MR. CLIFFORD: I don't know that anyone has told me I must log my hours. But I've learned from experience that if I don't have hours and time logged, it's difficult to obtain rate increases to cover those hours.

MR. MILLS: So there are no real standards that you're aware of that govern how you should be recording your time?

MR. CLIFFORD: Not that I am aware of no.

MR. MILLS: Okay. So let's just -- let's just talk about an example that -- that some of your customers have talked about. Say your -- leave your home in the morning, you're on your way to work in Jefferson City. You stop by the system to check things out. You spend 15 minutes, half an hour at the system. How much time would you log?

MR. CLIFFORD: As I stated earlier, I've been -- I'm now logging an hour minimum.

(Emphasis added by OPC.)

Q. PLEASE EXPLAIN YOUR RECOMMENDATION FOR MR. CLIFFORD'S ANNUALIZED HOURS WORKED.

A. Attached as Schedule TJR-2 to this rebuttal testimony is a workpaper I developed that shows the Public Counsel's recommended annualized hours worked for Mr. Clifford. As the workpaper shows, it is the Public Counsel's belief that 2004 time log has been inflated by approximately 119 hours. It is OPC's recommendation that the annualized work hours utilized in the determination of Mr. Clifford's wages for this rate case exclude the 119

1 hours which I believe represents a reasonable value for the inappropriate entries he
2 entered into his time log.

3
4 Q. PLEASE EXPLAIN HOW YOU DETERMINED YOUR RECOMMENDATION FOR
5 MR. CLIFFORD'S ALLOWABLE ANNUALIZED HOURS.

6 A. By far, the majority of time Mr. Clifford spends at the utility site is identified in the time
7 log simply as "cl test/check system" or "water test." I reviewed each of the log entries for
8 Mr. Clifford during calendar year 2004 and where the entries were limited to the
9 identification of these activities, and other non-labor intensive testing-related activities, as
10 the only work performed I made an adjustment to reduce the time logged to one-half
11 (1/2) hour.

12
13 Q. WHY DID YOU LIMIT THE TIME IT TOOK FOR TESTING AND SYSTEM CHECK
14 ACTIVITIES TO ONLY 1/2 HOUR?

15 A. Public Counsel made the adjustments based on Mr. Clifford' admission that he inflated
16 the time he recorded in the 2004 time log. During the recent public hearing Mr. Clifford
17 stated that he logs a minimum of 1 hour each time he visits the operations even if he
18 spends less actual time working. Public Counsel adjusted each of the entries to 1/2 hour
19 to better represent the actual time it takes him to perform the testing and checking
20 activities.

1 Q. WHY DID THE PUBLIC COUNSEL CHOOSE 1/2 HOUR AS A MORE
2 REASONABLE TIME TO PERFORM THE TESTING AND CHECKING
3 ACTIVITIES?

4 A. As described by Mr. Clifford, he logged a great many entries of 1 hour in the 2004 time
5 log. Most of the 1 hour entries included limited descriptions which in most cases were
6 identical to several other entries he logged wherein it only took him 1/2 hour to perform
7 the same activities. Public Counsel concluded that since he admits he inflates his actual
8 time spent working in the log to at least a 1 hour minimum (and it appears to be true due
9 to the large number of 1 hour entries that are recorded in the log), it would not be
10 unreasonable to reduce the suspect inflated time to 1/2 hour since, by his own admission,
11 the log entries show that the work can be performed in that amount of time.

12
13 Q. IS THERE ANOTHER REASON THAT THE PUBLIC COUNSEL BELIEVES 1/2
14 HOUR IS A REASONABLE AMOUNT OF TIME IN WHICH MR. CLIFFORD CAN
15 PERFORM THE TESTING AND SYSTEM CHECKING SERVICES REQUIRED AT
16 THE UTILITY?

17 A. Yes. Mr. Clifford has stated that he can and has performed those services in as little as
18 fifteen (15) minutes. Beginning on page 101 of the Transcript of the Deposition Of
19 Randy Clifford, taken by Public Counsel on March 30, 2006, he states the following in
20 response to a series of questions from the Public Counsel concerning how long it actually
21 takes him to perform his services at the utility :

22
23 Q. Now, going back to -- and I think we had a discussion about this at
24 the local public hearing -- we were talking about the amount of

1 time that shows up in your log versus the amount of time you were
2 actually there. And I think you said that you charge a minimum of
3 an hour a day; is that --

4 A. Yes.

5
6 Q. Is that still your practice?

7 A. Yes.

8
9 Q. Okay. And are you always at the system for an hour a day?

10 A. No.

11
12 Q. **What is -- you know, we've gone through, I think, most of the**
13 **steps that you take when you're there. What is the minimum**
14 **amount of time that you spend at the plant? Just pick a day**
15 **when you had a really quick trip, you were in and out as fast as**
16 **you ever do.**

17 A. **Probably 15 minutes actually at the pump house.**

18
19 Q. **From the time you park your car and get out, get back in the**
20 **car and drive away, 15 minutes?**

21
22 A. **That would be as fast as I could do it. Yes.**

23
24 Q. Okay. And during that 15 minutes, you're spending, according to
25 my mental calculations, probably five to ten minutes doing the
26 chlorine testing.

27 A. Yes.

28
29 Q. What is taking the rest of the time?

30 A. You got to walk to the well house and back from the well house,
31 record the data and clean up the instruments and the test vials and
32 such as that.

33
34 Q. How far from the well house do you have to park?

35 A. Approximately 350 feet.

36
37 (Emphasis added by OPC.)
38
39

40 Since Mr. Clifford has, by his own admission, provided evidence that he can and
41 has performed the required testing and system checking activities at the utility in
42 as few as 15 minutes, it is the Public Counsel belief that it is reasonable, and in

1 fact quite generous, to include in the determination of his daily time allowance 30
2 minutes per day for those days where he has indicated that water testing and
3 checking the systems are the only services he performed.

4
5 Q. DID THE PUBLIC COUNSEL ALSO MAKE ADDITIONAL
6 DISALLOWANCES FOR OTHER ENTRIES IN THE TIME LOG?

7 A. Yes. During the first few months of 2004 it appears that Mr. Clifford was recording
8 three-quarters (3/4) of an hour as a minimum amount time to the log for his services.
9 Then in April 2004 he apparently switched to using in its stead a 1 hour minimum.
10 Public Counsel adjusted the 3/4 hour entries to 1/2 hour for the same reasons that the 1
11 hour minimum was adjusted to 1/2 hour. In addition, there were several entries wherein
12 the descriptions listed in the log did not adequately identify the actual time Mr. Clifford
13 spent working on different activities he performed. If these entries were solely related to
14 testing and system checking activities I reduced the time spent to 1/2 hour per day;
15 otherwise, I accepted the log entries as written.

16
17 Q. DID THE PUBLIC COUNSEL MAKE ADJUSTMENTS TO ADD ADDITIONAL
18 HOURS TO THE 2004 TIME LOG?

19 A. Yes. There were several days during the year where no time was logged for work
20 activities. Because it is my understanding that the water system requires the operator to
21 visit it every day I added 1/2 hour to the development of Mr. Clifford's annualized hours
22 worked for each of those days.

1 Q. PLEASE IDENTIFY THE HOURLY WAGE RATES STAFF AND PUBLIC
2 COUNSEL UTILIZED TO DETERMINE MR. CLIFFORD'S ANNUAL WAGE
3 EXPENSE.

4 A. As I stated previously, the new Staff annualization of Mr. Clifford's wages is based upon
5 an hourly wage rate of \$19.00 per hour while the Public Counsel's recommendation is
6 based upon an hourly wage rate of \$13.00 per hour.

7
8 Q. WHAT IS THE STAFF'S RATIONALE FOR USING THE \$19.00 PER HOUR WAGE
9 RATE?

10 A. Early on in this case, I sent Staff OPC Data Request No. 1 which sought copies of all
11 documentation that supports the calculation and utilization of the original \$22.50 per hour
12 wage rate it first supported. Staff's auditor, Mr. Scott Clark's, response to OPC Data
13 Request No. 1 states:

14
15 The \$22.50 hour rate that was included for Randy Clifford was
16 established and approved in the Company's last rate case. The same
17 hourly rate was agreed to be appropriate in this case by myself and
18 supervisors.
19
20

21 Subsequent to OPC receiving that response, Staff filed its direct testimony wherein it
22 changed its payroll annualization by reducing its recommended hourly wage rate for Mr.
23 Clifford from \$22.50 per hour to \$19.00 per hour. In Mr. Clark's direct testimony
24 beginning on page 6, line 9, he states that after continuous discussion between himself,
25 senior staff members and the Commission's Water and Sewer Department, along with

1 research of other various sources of wage information this rate was determined to be a
2 reasonable amount.

3
4 Q. WHAT OTHER SOURCES OF WAGE INFORMATION DOES HE CITE?

5 A. Beginning on page 7, line 1, of his direct testimony, he identifies the following as
6 additional sources to support Staff's revised wage rate of \$19.00 per hour, 1) researched
7 the U.S. Department of Labor-Bureau of Labor Statistics web-site and the consumer price
8 index (CPI) for Urban Wage Earners and Clerical Workers in the Midwest Region for
9 Size Class D, which applies to areas with population less than 50,000. The CPI factor was
10 then applied to the operator's hourly salary allowed by the Commission in the Bill Gold
11 Investments Complaint Case (Case No. SC-93-576). As a result, the \$15.00 hourly wage
12 allowed in that case was updated to an hourly wage of \$18.99 for this case, and 2) Staff
13 also received information from the City of Tipton, Missouri, which reflected an hourly
14 rate of \$18.62 excluding benefits, for the water and sewer operator of that system. The
15 city of Tipton paid benefits for this position that amounted to an additional \$13.41 per
16 hour for a total hourly wage of \$32.02. The benefits were paid to cover health insurance,
17 short-term disability and retirement.

18
19 Q. DOES THE PUBLIC COUNSEL AGREE WITH STAFF THAT AN HOURLY WAGE
20 RATE OF \$19.00 IS A REASONABLE HOURLY WAGE FOR MR. CLIFFORD'S
21 SERVICES?

22 A. No. I believe that the cost structures of Bill Gold Investments and the City of Tipton,
23 Mo., identified by Staff as support for the \$19.00 hourly wage rate, have little or nothing

1 in common with the case at hand. Neither of those two organizations are related to the
2 Hickory Hills operation and Staff has not provided any support that would link those
3 operations as being even remotely comparable to the utility operations in the instant case.
4

5 Q. HAS THE PUBLIC COUNSEL RESEARCHED WHAT AN APPROPRIATE WAGE
6 RATE WOULD BE FOR THE SERVICES PROVIDED BY MR. CLIFFORD?

7 A. Yes. Suspecting that Staff's original hourly wage rate of \$22.50 was excessive, given that
8 on an annualized basis of 2,080 hours (i.e., a 40 hour work week) per year it represents a
9 wage of \$46,800 per year, I undertook an investigation of how the "local market" might
10 value the services of an operator with Mr. Clifford's credentials and experience. My
11 research uncovered that the original \$22.50 per hour and the revised \$19.00 per hour
12 (annualized on a full year basis this represents income of approximately \$39,520 per
13 year) Staff now recommends are both quite excessive when viewed in light of actual
14 market conditions that exist currently in this geographic area of Missouri.
15

16 Q. PLEASE CONTINUE.

17 A. Recognizing that an extremely small utility with only 49 customers should not be paying
18 an owner/operator a wage, excluding employment taxes, which on a full year annual
19 basis approximates \$39,000 - \$47,000 yearly, I conducted a search of current hourly
20 wage rates for like operating personnel. My research yielded the following:
21

- 22 1. In the Jefferson City New Tribune, Sunday, February 26,2006, the
23 City of Columbia, Missouri (pop. 120,164), advertised an opening
24 for a "Wastewater Treatment Plant Operator I" for an hourly wage

range of \$11.82 - \$16.05 based on experience and possession of a Class "D" operator's certificate.

2. The City of Lebanon, Missouri (pop. 12,155), advertised on the Missouri Rural Water Association website (posted on December 5, 2005; expires March 5, 2006) an opening for a "Wastewater Treatment Operator" with a Class "C" certificate for \$10.00 - \$15.00 per hour based on experience.

3. The City of Republic, Missouri (pop. 8,438), advertised on its website (posted on February 23, 2006; closes March 3, 2006) an opening for a "Wastewater Operator I" with a Class "D" certificate for \$10.40 per hour.

4. In the Jefferson City New Tribune, Friday, March 24, 2006, the Missouri-American water facility in Jefferson City, Missouri (pop. 39,636), advertised an opening for a "Water/Wastewater Plant Operator" for a minimum annual salary of \$31,875 (i.e., hourly wage of \$15.33 based on a 2,080 hour year) based on education and experience in addition to possession of a Class "A" operator's license preferred.

5. The U.S. Department of Labor's Bureau of Labor Statistics website states that in 2004, in the City of Springfield, Missouri (pop. 140,494), water and liquid waste treatment plant and system operators earned a mean hourly wage of \$15.65 per hour.

6. The U.S. Department of Labor's Bureau of Labor Statistics website states that in 2004, the hourly mean wage, by industry, for all water, sewage and other systems operators \$16.44 per hour.

Q. DO YOU BELIEVE THE ADVERTISED SALARIES ARE REPRESENTATIVE OF MARKET WAGES FOR SIMILIAR OPERATIONS IN THIS GEOGRAPHIC AREA?

A. Yes.

Q. PLEASE DESCRIBE THE CLASSIFICATION AND OPERATOR CERTIFICATION REQUIRED FOR THE HICKORY HILLS WATER SYSTEM.

1 A. The Missouri Department of Natural Resources ("DNR") separates water systems into
2 two divisions, 1) water treatment systems, and 2) water distribution systems based upon
3 factors such as the facility size, complexity, source of water and treatment performed.
4 The divisions are further classified into A, B, C, and D systems for water treatment
5 systems, and DS III, DS II and DS I systems for water distribution systems. Classes A
6 and DS III; respectively, being the highest levels requiring more education, experience,
7 etc. For example, Missouri Department of Natural Resources 10 CSR 60-14.010(3)(B)
8 states in part:

9
10 The department will classify each distribution facility by size and
11 complexity. This classification is based on, but may not be limited to, the
12 criteria in Table 2 of this rule. Other distribution technologies will be
13 considered on a case-by-case basis. From this classification process, the
14 department will determine the certification level that a **chief operator**
15 must have to supervise the operation of the distribution system.

- 16
17 1. Systems that only chlorinate, reduce the hardness of the water by
18 ion exchange, or provide no treatment will be classified as
19 distribution systems.

20
21 (Emphasis added by OPC.)
22
23

24 The Hickory Hills water operation is classified as a "water distribution system." It is not
25 a "water treatment system" which entails a much more complex operation in size and
26 scope. As such Mr. Clifford, the system's operator, does not possess the higher Class A,
27 B, C or D operator certificate. He possesses a water distribution system DSIII certificate
28 which is essentially a level higher in education and experience requirements than that
29 needed to actually operate the system, but is lower than the certification requirements of a
30 Class A, B, C or D water treatment operation. Company's response to OPC Data Request

No. 39 verified that the water system is classified as DSI which is the lowest level water distribution system classification.

Q. DOES MR. CLIFFORD POSSESS A VALID CERTIFICATE TO OPERATE THE WATER SYSTEM?

A. Yes. According to the Company's response to OPC Data Request No. 9, Mr. Clifford possesses a valid DSIII level operators certificate.

Q. SHOULD AN OPERATOR THAT HAS A HIGHER LEVEL OPERATING CERTIFICATE THAN REQUIRED TO OPERATE A LOWER CLASSIFIED WATER SYSTEM BE REMUNERATED WITH A HIGHER SALARY AMOUNT?

A. Not necessarily. A higher certification level does mean that the operator is legally allowed to operate a more complex operation; though in this case, the system in question is very simple to operate and does not, in Public Counsel's opinion, necessitate an increase in wages due only to the operator being certified at a slightly higher level.

Q. PLEASE DESCRIBE THE CLASSIFICATION AND OPERATOR CERTIFICATION REQUIRED FOR THE HICKORY HILLS SEWER SYSTEM.

A. The Hickory Hills sewer operation is a Class D system; however, due to its size, it is an "exempt" system. This means that a requirement for its operation by certified personnel does not exist. For example, Missouri Department of Natural Resources 10 CSR 20-9.020(2)(A) states in part:

Requirements for operation by certified personnel shall apply to all wastewater treatment systems, serving population equivalents greater than two hundred (200) or with fifty (50) or more service connections..., and all other systems are exempt from this rule...

Legally, anyone with or without formal training or any actual experience could operate the sewer system.

Q. DOES MR. CLIFFORD POSSESS A VALID CERTIFICATE TO OPERATE THE SEWER SYSTEM?

A. No. Mr. Clifford is not required to possess a certificate to operate the sewer system because, according to DNR rule, it is exempt because of its small size. This fact was corroborated by the Company's response to OPC Data Request No. 9.

Q. DID EACH OF THE JOB ADVERTISEMENTS YOU DESCRIBED EARLIER REQUIRE AN OPERATOR TO HAVE A HIGHER LEVEL CERTIFICATION THAN THAT CURRENTLY HELD BY MR. CLIFFORD?

A. Yes. The advertisements are for water/wastewater treatment plant operators and they required the prospective employee to have a certification level of either A, C or D. Mr. Clifford is not certified at any of these levels. In fact, he is not certified all for the wastewater system and his water operator certification is a DSIII which is a lower certification for a system much much simpler to operate than a water treatment system.

1 Q. IS IT REASONABLE TO BELIEVE THAT THE "MARKET" WOULD VALUE MR.
2 CLIFFORD'S CERTIFICATION LEVEL AND EXPERIENCE AT A LOWER
3 HOURLY WAGE RATE THAN THOSE IDENTIFIED IN THE ADVERTISEMENTS?

4 A. Yes. Based on Mr. Clifford's current certification and experience it is reasonable to
5 assume that the lower ranges of the hourly rates identified in the advertisements might be
6 excessive wages for him unless he were to operate larger systems or able to upgrade his
7 certification to meet the requirements requested.

8
9 Q. SHOULD THE CUSTOMERS OF THE HICKORY HILLS WATER & SEWER
10 SYSTEM BE REQUIRED TO COMPENSATE MR. CLIFFORD AT AN HOURLY
11 WAGE RATE HIGHER THAN WHAT THE "MARKET" IN THIS GEOGRAPHIC
12 AREA DEEMS APPROPRIATE?

13 A. No. Mr. Clifford's hourly wage rate should not exceed the prevailing market rates in this
14 geographic area for the services he provides. The water and sewer systems which he
15 operates are extremely small in relation to the populations of the communities identified
16 in the advertisements I've listed; therefore, the size and complexity of his utility
17 operations along with the certification and experience levels he possesses should be the
18 deciding factors in his payroll costs authorized to be recovered from ratepayers.

19
20 Q. WHAT IS THE PUBLIC COUNSEL'S RECOMMENDATION FOR MR. CLIFFORD'S
21 HOURLY WAGE RATE?

22 A. Recognizing that the two systems he operates are extremely small, and more or less very
23 simple in operation (based upon the description provided in the Missouri Department of

1 Natural Resources rules), and recognizing the fact that Mr. Clifford has operated the
2 systems for approximately fifteen (15) years and has significant experience with the
3 operations, I recommend that his hourly wage rate be set at \$13.00 per hour. This hourly
4 wage rate represents the approximate middle of the range for the operator positions
5 described in the employment advertisements provided above (i.e., $(\$10.00 + \$16.05)/2$).

6
7 Q. WHY DID PUBLIC COUNSEL CHOOSE TO RECOMMEND AN AVERAGE OF
8 THE HOURLY RATE RANGE SHOWN IN THE EMPLOYMENT
9 ADVERTISEMENTS?

10 A. Were it not for Mr. Clifford's years of experience with the Hickory Hills operations, I
11 would have recommended an hourly wage rate approximating the lower ranges shown for
12 the positions advertised by the Cities of Lebanon, Mo. and Republic, Mo., (i.e., low end
13 of the advertised range is \$10.00 & \$10.40 per hour). Both of these cities are
14 representative of smaller more rural-like communities. Yet, their operational needs and
15 certification requirements are also greater than that currently held or provided by Mr.
16 Clifford.

17
18 However, due to his years of experience, I believe it likely he could easily obtain a higher
19 certification level if he so desired; though it is not required or needed for him to do so in
20 order to operate the Hickory Hills systems. Therefore, because of his experience
21 operating the Hickory Hill systems, I believe it reasonable to compensate him at a level
22 higher than the lower end of the "market" range identified in those smaller communities,

1 but not at the high end of larger communities and systems such as Springfield, Mo. and
2 Columbia, Mo., (i.e., high end of the advertised range is \$15.65 & \$16.05 per hour).

3
4 Also, I did not recommend an hourly wage rate based on the U. S. Department of Labor's
5 Bureau of Labor Statistics hourly mean wage, by industry, for all water, sewage and other
6 systems operators (i.e., \$16.44 per hour) because this statistic likely includes large
7 metropolitan areas and operators which would tend to skew the hourly wage rate higher
8 that wages actually paid in rural areas such as California, Missouri. However, I do
9 believe that on a national basis the U. S. Department of Labor's Bureau of Labor
10 Statistics hourly mean wage does represent the average high end limit of hourly wages
11 for these types of utility operations. Thus, Staff's recommendation of a \$19.00 hourly
12 wage rate for Mr. Clifford is definitely too high since it is \$2.56 more per hour than the
13 national average identified in the statistic. I believe that under any scenario identified in
14 this testimony Staff's position on this matter is extreme.

15
16 I also believe an average of the low and high range for the positions advertised represents
17 a reasonable and generous hourly wage rate for Mr. Clifford's services. It does so
18 because it is representative of actual market wages in this geographic area for operators
19 with a higher certification working on larger more complex systems. Setting Mr.
20 Clifford's hour wage rate at an average of that range allows us to recognize his years of
21 experience in operating the systems, but also recognizes that the Hickory Hills systems
22 are extremely small and less complex in their operation.

1 Q. PLEASE EXPLAIN WHY YOU ELIMINATED THE RETIREMENT BENEFIT
2 COSTS STAFF INCLUDED IN ITS RECOMMENDATION FOR MR. CLIFFORD.

3 A. It is the Public Counsel's belief that a system the size of Hickory Hills Water & Sewer
4 Company does not warrant the recovery from ratepayers of costs associated with a
5 retirement benefit. The operation of this Company can easily be classified as nothing
6 more than part-time jobs for Mr. and Ms. Clifford. In fact, it is my understanding that
7 Mr. Clifford has a full-time job in Jefferson City wherein he obtains a majority of the
8 income he requires for his livelihood while Ms. Clifford only works 40 hours per year for
9 the utility. Public Counsel does not believe that it is a widespread business practice, or
10 often used regulatory ratemaking procedure, to provide part-time workers (which in this
11 case are also the owners of the utility) with additional employment benefits (e.g., pension
12 retirement, 401K, medical insurance, dental benefit, etc.) that exceed those directly
13 related to their hourly wage rates. This is especially true concerning a company the size
14 of Hickory Hills Water & Sewer Company with only 49 customers which is reminiscent
15 of a small "mom & pop" business operation. Therefore, I have excluded these costs in
16 their entirety from the Public Counsel recommended payroll annualization.

17
18 **IV. MILEAGE COSTS**

19 Q. DOES PUBLIC COUNSEL'S RECOMMENDATION INCLUDE A MILEAGE COST
20 AMOUNT THAT DIFFERS FROM THE MILEAGE COST AMOUNT
21 RECOMMENDED BY STAFF?

22 A. Yes. Staff is recommending annualized mileage costs of \$3,864 for Mr. and Ms.
23 Clifford. The \$3,864 is based upon Mr. Clifford driving 9,316 miles annually and Ms.

1 Clifford driving 405 miles annually, for the benefit of the regulated operations, multiplied
2 by a per mile rate of \$0.405. Staff originally allocated Mr. & Ms. Clifford's mileage
3 costs 50% to the water system and 50% to the sewer operation, but in its filed direct
4 testimony it revised Mr. Clifford's allocation 75% to the water operation and 25% the
5 sewer operation (i.e., Mr. Clifford \$2,775 water and \$925 sewer and Ms. Clifford \$82
6 water and \$82 sewer). Whereas, Public Counsel recommends an annualized mileage cost
7 of \$1,669 for the Clifford's services based on an annualized miles of 3,716 for Mr.
8 Clifford and 405 miles for Ms. Clifford multiplied by the same per mile rate of \$0.405.
9 Public Counsel allocates the recommended \$1,669 total cost 75% to the water system and
10 25% to the sewer operation (i.e., Mr. Clifford \$1,129 water and \$376 sewer and Ms.
11 Clifford \$123 water and \$41 sewer).

12
13 Q. PLEASE EXPLAIN YOUR RECOMMENDATION FOR THE CLIFFORD'S
14 ANNUALIZED MILEAGE COSTS.

15 A. Other than the allocation of the mileage costs identified for Ms. Clifford's portion of the
16 amount, the positions taken by Staff and OPC with regard to her costs are the same.
17 However, attached as Schedule TJR-3 to this testimony is a workpaper I developed that
18 shows the Public Counsel's recommended annualized mileage costs for Mr. Clifford
19 which is very different from that proposed by Staff (the source for the information shown
20 on the workpaper is Mr. Clifford's actual mileage log for calendar year 2004). As the
21 workpaper shows, it is the Public Counsel's belief that Mr. Clifford has inappropriately
22 inflated (i.e., padded) his 2004 mileage log by approximately 5,421 miles. Therefore,

1 OPC recommends that no mileage costs associated with the 5,421 miles should be
2 allowed in the determination of rates recovered from the ratepayers of this utility.
3

4 Q. WHY DOES THE PUBLIC COUNSEL BELIEVE MR. CLIFFORD "PADDED" THE
5 MILEAGE HE RECORDED IN THE CALENDAR YEAR 2004 MILEAGE LOG?

6 A. Our position is based upon the fact that Mr. Clifford has voluntarily admitted he records
7 mileage to the Hickory Hills utility operations for trips he makes between his home in
8 Tipton, Mo. and his regular employment in Jefferson City, Mo. In response to a series of
9 questions from the Missouri Public Counsel, Mr. Lewis Mills, regarding the mileage he
10 recorded verses what he actual drove, Mr. Clifford stated the following (source: Case No.
11 WR-2006-0250 Public Hearing Transcript Of Proceedings, Volume 1, beginning page 24,
12 line 5):
13

14 MR. MILLS: **Okay. Let's talk about**
15 **mileage. Same situation. You're on your way**
16 **home -- from your home in Tipton to your job in**
17 **Jefferson City, and you stop by here to check**
18 **out the system. How many miles would -- would**
19 **you record?**

20
21 MR. CLIFFORD: **Twenty-two miles.**

22
23 MR. MILLS: Okay. Twenty-two miles
24 each way or --

25
26 MR. CLIFFORD: No. Total.

27
28 MR. MILLS: Twenty-two miles for that
29 trip?

30
31 MR. CLIFFORD: Yes.

32
33 (Emphasis added by OPC.)

1
2
3 It is quite clear from Mr. Clifford's statements that he is attempting to have this
4 Commission order ratepayers of the regulated utility operations reimburse him for at least
5 a portion of the traveling costs he incurs to go to his regular full-time job in Jefferson
6 City, Missouri. It is my belief that the ratepayers of the Hickory Hills Water & Sewer
7 Company should not be required to subsidize any of the costs associated with Mr.
8 Clifford's nonregulated activities; including, but not limited to, other employment or
9 work activities. To do so otherwise would result in a gross violation of the regulatory
10 ratemaking theory and processes utilized by the State of Missouri to regulate public
11 utility companies.
12

13 Q. PLEASE DESCRIBE HOW THE ANNUALIZED MILEAGE COST PUBLIC COUNSEL
14 RECOMMENDS WAS DETERMINED.

15 A. The workpaper shown in Schedule TJR-3 identifies that most of the entries Mr. Clifford
16 recorded in the 2004 mileage log were for 22 miles per day. These entries included the
17 days of Monday through Friday; dates which Mr. Clifford would normally be expected to
18 by driving by the utility systems, located just outside California, Mo., to and from his
19 home in Tipton, Mo. and his employment in Jefferson City, Mo. Because it is obvious
20 that Mr. Clifford has inappropriately inflated the mileage he recorded in the 2004 log for
21 these normal work days, OPC developed an annualized mileage that is a summation of
22 the following:
23

1. For each day where mileage recorded in the 2004 log exceeded 22 miles the excess over the 22 miles was included.
2. For each weekend day, Saturday and Sunday, 22 miles was included.
3. 22 miles per day for a representation for a number of holidays Mr. Clifford might be expected to receive from his employer in Jefferson City, Mo., was also included.

Public Counsel's recommended mileage annualization allows all mileage above the 22 miles per day recorded in the 2004 log even though we can not be sure that those miles were not also inflated. It also includes 22 miles for every weekend day and a representative number of holidays wherein it could be expected that Mr. Clifford would indeed be required to use his time and vehicle to travel to the utility.

The primary result of the Public Counsel's mileage annualization is that it excludes the 22 miles per day Mr. Clifford recorded for travel on Monday through Friday during the year. This exclusion is due to the fact, as admitted by Mr. Clifford, that he records 22 miles on those days even though he is driving by the utility systems to and from his employment in Jefferson City, Mo. It is the Public Counsel's belief that Mr. Clifford's recording of mileage during normal work week days has inflated the utility's 2004 mileage log by approximately 5,421 miles, and that these "phantom" miles, the cost of which if authorized for recovery from the utility's regulated ratepayers, would be a subsidization of Mr. Clifford's driving costs to his nonregulated employment in Jefferson City, Mo.

V. COST ALLOCATION METHDOLOGY

Q. PLEASE EXPLAIN YOUR COST ALLOCATION RECOMMENDATION.

A. In reviewing the Staff's original rate case workpapers, and the various responses to OPC data requests, I noticed that the Staff's original allocation of the Hickory Hills payroll and mileage costs was based on a 50%/50% allocation between the water and sewer operations. To me that allocation did not appear reasonable due to the fact that, as I understand it, the water system must be checked every day, but that the sewer system has less frequent requirements. To determine a more reasonable allocation of the services provided, I reviewed the Clifford's calendar year 2004 time and mileage log and separated each of the logged entries based upon the descriptions provided for time spent on the various water and sewer activities. Though the log was lacking somewhat in the level of detail I would have liked to have seen, the result of my analysis was that approximately 70% of Mr. Clifford's time was spent on the water system and 30% was spent on the sewer system while approximately 79% of Ms. Clifford's time was spent on the water system and 21% was spent on the sewer system. I surmised that a more appropriate allocation basis for their costs would be 75% for water and 25% for sewer due in part to the limited testing requirements described in the sewer system's Missouri State Operating Permit provided in the Company's response to OPC Data Request No. 24.

The Missouri State Operating Permit describes that the operator of the sewer system is required to take the following measurements once a month:

1. Flow
2. Biochemical Oxygen Demands

3. Total Suspended Solids
4. Ammonia as N
5. Temperature
6. pH - Units

Though the measurements listed above are not the only activities likely to take place to operate the sewer company (e.g., the grounds require mowing, spraying, other maintenance, etc.), I believe that the results of the analysis I developed incorporates those activities and provided a more reasonable allocation of the payroll and mileage costs than the unsubstantiated 50%/50% allocation originally proposed by Staff. However, as I've already discussed, Staff in its direct testimony filing modified its accounting schedules so that the payroll and mileage costs associated with Mr. Clifford are now allocated on a 75%/25% basis.

Q. DID STAFF ALSO MODIFIY ITS POSITION TO USE THE SAME 75%/25% ALLOCATION RATIO FOR THE PAYROLL AND MILEAGE COSTS ASSOCIATED WITH THE SERVICES PROVIDED BY MS. CLIFFORD?

A. No. Staff has not changed its allocation for the costs associated with Ms. Clifford's time and mileage.

Q. IS STAFF'S POSITION ON THE ALLOCATION OF HER COSTS REASONABLE?

A. No. Public Counsel's analysis of her time working for the utility clearly indicates that she spends approximately 79% on activities related to the water system and 21% on the sewer system. Therefore, I believe it more reasonable to allocate her payroll costs according to the same 75%/25% allocation ratio I utilized for Mr. Clifford.

VI. PLANT-RELATED COSTS

Q. DO THE OPC AND STAFF REVENUE REQUIREMENT RECOMMENDATIONS FOR THE WATER OPERATION HAVE DIFFERENCES ASSOCIATED WITH PLANT-RELATED COSTS?

A. Yes. There are a number of issues related to plant-related costs included in both Staff's original accounting schedules filing and the revised accounting schedules it filed with the direct testimony of its accounting witness, Mr. Clark. However, since Public Counsel was not provided with copies of Staff's workpapers supporting the changes, identified on page 4 in the filing of Mr. Clark's direct testimony, until late last week we have not had sufficient time to verify and analyze the reasonableness of the modifications. I have recently issued several data requests to both Staff and Mr. Clifford in an attempt to gather information that would ascertain whether the revised plant-related adjustments are proper, but at the time I am writing this testimony the responses to those data requests have not been received.

Q. DO YOU KNOW WHAT EFFECT THE STAFF'S PLANT-RELATED MODIFICATIONS WOULD HAVE ON THE OPC'S RECOMMENDED REVENUE REQUIREMENT FOR THE WATER OPERATION?

A. Yes. I have done a simple calculation of the effect that the Staff's plant-related changes would have on the OPC recommended revenue requirement for the water operation and I believe that effect to be relatively immaterial. Therefore, inasmuch as the Staff modifications to the plant-related accounts of the water operation have not been verified for accuracy or reasonableness, I recommend that the water operation's revenue

requirement be based on the plant-related entries as shown in the OPC's Exhibit 1 accounting schedules. At this time, I believe OPC's rendition of these costs to be more accurate since they have been thoroughly audited.

VII. COMPANY'S CURRENT FINANCIAL POSITION

Q. IS THE HICKORY HILLS WATER & SEWER COMPANY IN FINANCIAL DISTRESS?

A. No, I do not believe that it is. On or about January of 2005 the Company was authorized to increase its water and sewer rates for a total of approximately \$12,226 (i.e., \$8,178 (93%) for the water operation and \$4,048 (142%) for the sewer operation). Then on or about July 2005, approximately six (6) months after those significant increases were authorized by the Commission, Company filed the current cases wherein it now seeks to increase rates again by another \$4,500 (i.e., \$2,000 for the water operation and \$2,500 for the sewer operation).

In an attempt to understand why the Company believed that it needed the additional revenue increases so soon, I sent it OPC Data Request No. 27 seeking to find the level of outstanding unpaid bills it was currently experiencing. Company's response to OPC Data Request No. 27 provided copies of invoices and credit line information that identified the following past due balances occurring during 2004:

1.	Engineering Surveys & Services	6/2004	\$ 80.00
2.	Bobby Medlin, CPA	4/2004	\$582.00
3.	Line of Credit	1/2004	\$ 0.00
4.	USA Blue Book	4/2004	\$ 46.55

1
2
3 However, a review of Company's check register, included in the Staff's rate case
4 workpapers, shows what appears to be payment of most of the Engineering S&S charge
5 with check #2163, it also shows payment of all the Bobby Medlin CPA charges with
6 checks #2158, #2165 and #2178, and payment of the USA Blue Book charge with check
7 #2155. Clearly, the level of unpaid invoices past due is not material, in fact, it is nearly
8 nonexistent. Thus, it is my belief that the Company is not in financial distress with
9 regard to its ability to pay the costs it takes to operate the systems.
10

11 Q. DID PUBLIC COUNSEL INQUIRE OF THE COMPANY IF THE ANNUALIZED
12 LEVEL OF EXPENSES INCLUDED IN THE PROPOSED OPC AND STAFF
13 ACCOUNTING SCHEDULES, EXCLUDING SALARY AND MILEAGE RELATED
14 COSTS, WERE SUFFICIENT TO MEET THE NEEDS OF ITS WATER AND SEWER
15 OPERATIONS?

16 A. Yes. In at least two meetings held with Mr. Clifford I asked him if the level of costs,
17 excluding payroll and mileage costs, being recommended in the current rate cases, by
18 both OPC and Staff, were sufficient to operate the businesses, and if not, to identify the
19 specific costs which were so low as to have a material negative impact on the operations.
20 In neither case was Mr. Clifford able to identify any of the other recommended costs as
21 being materially low. In fact, in the deposition of Mr. Clifford, taken by OPC on March
22 30, 2006, beginning on page 123 of the proceedings transcript, he responded inasmuch in
23 the following exchange with the Public Counsel:
24

1 Q. If you were to get the rate that you asked for in the water increase
2 case and the sewer rate increase case, would that cover all of your
3 expenses for operating the system?

4 A. No.

5
6 Q. What expenses would be left uncovered?

7 A. Labor.
8

9 Q. **Okay. And correct me if I'm wrong, but under the current**
10 **rates and under the proposed rates, if you didn't pay yourself**
11 **as much as you think you should get, you would still be able to**
12 **pay all other operating expenses of the company?**

13 A. **Yes.**
14

15 (Emphasis added by OPC.)
16
17

18 Q. IN YOUR MEETINGS WITH MR. CLIFFORD DID HE EXPRESS
19 CONCERNS THAT OTHER MONIES PREVIOUSLY EXPENDED IN PRIOR
20 YEARS WOULD NOT BE RECOVERED IN THE RATES PROPOSED IN
21 THE INSTANT CASE?

22 A. Yes. Mr. Clifford did express concerns that monies previously expended in prior
23 years for unexpected expenses reduced the amount of salaries they were able to
24 withdraw from the Company.
25

26 Q. IS IT THE RESPONSIBILITY OF COMPANY'S MANAGEMENT TO
27 OPERATE THE UTILITY IN A COST EFFICIENT MANNER?

28 A. Yes. The ratemaking process is in fact a surrogate for competition, but it is
29 management's responsibility to operate the business in a efficient and effective
30 manner. If expenses increased above the level of costs allowed in current rates,
31 then it is up to management to determine its options and courses of action. For

1 example, management can either operate the Company so as to mitigate the
2 impact of the increased costs or ask the Commission for authorization to increase
3 revenues if warranted. However, if costs were to decrease, which is always
4 possible, then the Company would enjoy the resulting economic benefits until
5 rates are again ultimately reset. In either case, the regulatory ratemaking process
6 does not allow Company the right to retroactively recover unexpected increases in
7 expenses not included in current rates.

8
9 **VIII. SUMMARY**

10 Q. IN THE PUBLIC COUNSEL'S OPINION WHAT ARE THE CONTESTED ISSUES
11 SURROUNDING THE REQUESTED RATE INCREASE FOR THE HICKORY HILLS
12 WATER AND SEWER OPERATIONS?

13 A. It is my believe that wages, mileage and plant-related costs are the core contested issues
14 for this rate case. The other annualized costs supported by both Public Counsel and Staff
15 recommendations have not been challenged by the Company, or any other parties, as
16 being materially insufficient to operate the water or sewer operation on a going-forward
17 basis.

18
19 The OPC recommendation and the current Staff recommendation for wages and mileage
20 costs differ primarily due to the following, 1) the OPC and Staff utilized a different
21 hourly wage rate for Mr. Clifford's time; the OPC wage being based on current "market"
22 conditions for operator positions advertised in the geographic area and the Staff's being
23 based on, what I believe to be, unsupported cost structures of two totally unrelated

1 entities, 2) OPC also made a disallowance adjustment to the Company's recorded 2004
2 time and mileage logs to account for the "padding" of time and mileage Mr. Clifford has
3 admitted making to those documents; Staff did not, and 3) Staff has moved to OPC's
4 position of allocating Mr. Clifford's wage and mileage costs on a 75%/25% basis to the
5 water and sewer operations, but it continues to allocate Ms. Clifford's wage and mileage
6 costs a 50%/50% basis. In addition, Staff has very recently made several changes to
7 plant-related accounts which basically have a very small impact on the revenue
8 requirement recommended by the Public Counsel.

9
10 Q. WHAT IS THE PUBLIC COUNSEL'S RECOMMENDATION FOR THE HICKORY
11 HILLS OPERATIONS?

12 A. Public Counsel's recommendation is that the sewer operation be authorized to **increase**
13 its rates by \$2,161 and that the water operation rates be **decreased** by \$1,776. This
14 recommendation is based on my belief that the hourly wage rate allowed in the case for
15 Mr. Clifford's services should be supported by current "market" conditions for similar
16 positions in this geographic area. Further, I believe that a disallowance adjustment to his
17 time and mileage log is appropriate so that a reasonable level of costs for his actual
18 services provided is represented rather than just including the recorded log values since
19 those values are now known to have been inflated. The resulting costs for both Mr. and
20 Ms. Clifford's time and mileage should then be allocated as I have recommended due to
21 the fact that the evidence shows it is a closer representation of the time they allege to
22 have spent in the operation of the utility's water and sewer operations while Staff's
23 recommended allocation of Ms. Clifford's costs is supported by nothing more than a

1 general position that that was the way it was done in the last case. Lastly, Staff's original
2 and most recent plant-related adjustments which differ from those of OPC, though having
3 a relatively minor effect on the water operation revenue requirement proposed by the
4 Public Counsel, have yet to be supported by documentation that would verify their
5 accuracy and reasonableness. Therefore, I recommend that the plant-related entries
6 shown on the OPC's Exhibit 1 water operation accounting schedules, which have been
7 thoroughly scrutinized, should be authorized in the development of the water operation's
8 revenue requirement.

9
10 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

11 A. Yes, it does.

Hickory Hills Water & Sewer Company

Case Nos. SR-2006-0249 & WR-2006-0250

OPC Mr. Clifford Wage Analysis

Sources: MPSC Staff Salary/Mileage Workpaper

2004 Time & Mileage Log Provided By Staff (Russo)

OPC Annualized Hours:

2004 Log	657.75
Disallowance	<u>118.50</u>
Adjusted Annual Hours	<u>539.25</u>

Allocation:

Water Allocation	75%	404.44
Sewer Allocation	25%	<u>134.81</u>
		<u>539.25</u>

Mr. Clifford Hours:

Number	Day	Date	Description	Comments	2004 Log	Water	Sewer	Mixed	Disallow	Reason For Disallowance
1	Thursday	1/1/2004			0.00	0.50			(0.50)	Add in for no entry in log
2	Friday	1/2/2004			0.00	0.50			(0.50)	Add in for no entry in log
3	Saturday	1/3/2004			0.50	0.50				
4	Sunday	1/4/2004			0.00	0.50			(0.50)	Add in for no entry in log
5	Monday	1/5/2004	cl test/check system		1.50	1.50			1.00	No support above min test/check
6	Tuesday	1/6/2004	cl test/check system		2.00	2.00			1.50	Mr. Clifford's admission to logging at least 1 hr. minimu
7	Wednesday	1/7/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimu
8	Thursday	1/8/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimu
9	Friday	1/9/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimu
10	Saturday	1/10/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimu
11	Sunday	1/11/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimu
12	Monday	1/12/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
13	Tuesday	1/13/2004	cl test/check system	Bact. sample at test point1	0.75	0.75			0.25	Adjust to minimum test/check
14	Wednesday	1/14/2004	cl test/check system	Missouri One Call Meeting	2.50			2.50		
15	Thursday	1/15/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
16	Friday	1/16/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimu
17	Saturday	1/17/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
18	Sunday	1/18/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
19	Monday	1/19/2004	cl test/check		0.50			0.50		
20	Tuesday	1/20/2004	system/bookkeeping		0.75	0.75			0.25	Adjust to minimum test/check
21	Wednesday	1/21/2004	cl test/check	Checked pump output, and distribute notices	4.00			4.00		
22	Thursday	1/22/2004	system/prepare for well	Pulled pump, flushed lines, installed well vent, adjusted chlorine	12.50	12.50				

Number	Day	Date	Description	Comments	2004 Log	Water	Sewer	Mixed	Disallow	Reason For Disallowance
			cl test/check system/book							
23	Friday	1/23/2004	work		1.25			1.25		
24	Saturday	1/24/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
25	Sunday	1/25/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
26	Monday	1/26/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
27	Tuesday	1/27/2004	cl test/check system		0.50	0.50				
			cl test/check system/book							
28	Wednesday	1/28/2004	work	Drafted letter to City of California, replaced water	2.00			2.00		
29	Thursday	1/29/2004	cl test/check system		0.50	0.50				
30	Friday	1/30/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
31	Saturday	1/31/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
32	Sunday	2/1/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
			cl test/check system/book							
33	Monday	2/2/2004	work	Compliance report	0.75			0.75		
34	Tuesday	2/3/2004	cl test/check system	.96 free at east drain	0.50	0.50				
			cl test/check system/book							
35	Wednesday	2/4/2004	work 1 hr.	Bank	1.75			1.75	0.25	Adjust to minimum test/check
36	Thursday	2/5/2004	cl test/check system		0.60	0.60			0.10	Adjust to minimum test/check
			cl test/check system/book							
37	Friday	2/6/2004	work		6.00			6.00		
			cl test/check system/book							
38	Saturday	2/7/2004	work		2.50			2.50		
39	Sunday	2/8/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
			cl test/check system/cut							
40	Monday	2/9/2004	brush/book work	Mixed chlorine	8.00			8.00		
41	Tuesday	1/0/1900	cl test/check system	Adjusted feed pump	0.75	0.75			0.25	Adjust to minimum test/check
			cl test/check system/book							
42	Wednesday	2/11/2004	work	Adjusted feed pump	2.75			2.75		
43	Thursday	2/12/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
44	Friday	2/13/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
			cl test/check system/cut							
45	Saturday	2/14/2004	brush		11.00			11.00		
46	Sunday	2/15/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
47	Monday	2/16/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
48	Tuesday	2/17/2004	cl test/check system	Mixed chlorine	0.75	0.75			0.25	Adjust to minimum test/check
49	Wednesday	2/18/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
50	Thursday	2/19/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
			cl test/check system/yar							
51	Friday	2/20/2004	work	Worked on ruts in yard	1.50			1.50		
52	Saturday	2/21/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
				1.13 free at well house bact. sample						
53	Sunday	2/22/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
			cl test/check system/book							
54	Monday	2/23/2004	work		2.00			2.00		
55	Tuesday	2/24/2004	cl test/check system	Mixed chlorine	0.75	0.75			0.25	Adjust to minimum test/check

Number	Day	Date	Description	Comments	2004 Log	Water	Sewer	Mixed	Disallow	Reason For Disallowance
56	Wednesday	2/25/2004	cl test/check system	Cleaned chem. pump	0.75	0.75				
57	Thursday	2/26/2004	cl test/check system cl test/check system/repair		0.75	0.75			0.25	Adjust to minimum test/check
58	Friday	2/27/2004	leaks/cut brush cl test/check system/cut		9.00			9.00		
59	Saturday	2/28/2004	brush cl test/check system/book		7.00			7.00		
60	Sunday	2/29/2004	work cl test/check system/book		1.50			.50		
61	Monday	3/1/2004	work	Mixed chlorine 1.36 gal. 65	2.00			2.00		
62	Tuesday	3/2/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
63	Wednesday	3/3/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
64	Thursday	3/4/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
65	Friday	3/5/2004	cl test/check system cl test/check system/repair		0.75	0.75			0.25	Adjust to minimum test/check
66	Saturday	3/6/2004	ruts/install conduit		6.00			6.00		
67	Sunday	3/7/2004	cl test/check system cl test/check system/book	Mixed chlorine 0.99 free, 0.99 total bact.	0.75	0.75			0.25	Adjust to minimum test/check
68	Monday	3/8/2004	work cl test/check system/book	sample at test pt. #5	2.50			2.50		
69	Tuesday	3/9/2004	work		1.50			1.50		
70	Wednesday	3/10/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
71	Thursday	3/11/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
72	Friday	3/12/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
73	Saturday	3/13/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
74	Sunday	3/14/2004	cl test/check system	Mixed chlorine	0.75	0.75			0.25	Adjust to minimum test/check
75	Monday	3/15/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
76	Tuesday	3/16/2004	cl test/check system	1.08 free @ test pt. #5	0.75	0.75			0.25	Adjust to minimum test/check
77	Wednesday	3/17/2004	cl test/check system	Adjusted feed pump	0.75	0.75			0.25	Adjust to minimum test/check
78	Thursday	3/18/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
79	Friday	3/19/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
80	Saturday	3/20/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
81	Sunday	3/21/2004	cl test/check system cl test/check system/book		0.75	0.75			0.25	Adjust to minimum test/check
82	Monday	3/22/2004	work		2.00			2.00		
83	Tuesday	3/23/2004	cl test/check system cl test/check system/book		0.75	0.75			0.25	Adjust to minimum test/check
84	Wednesday	3/24/2004	work		2.50			2.50		
85	Thursday	3/25/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
86	Friday	3/26/2004	cl test/check system cl test/check system/book		0.75	0.75			0.25	Adjust to minimum test/check
87	Saturday	3/27/2004	work		4.00			4.00		
88	Sunday	3/28/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
89	Monday	3/29/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
90	Tuesday	3/30/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check

Number	Day	Date	Description	Comments	2004 Log	Water	Sewer	Mixed	Disallow	Reason For Disallowance
91	Wednesday	3/31/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
92	Thursday	4/1/2004	cl test/check system		0.00	0.50			(0.50)	Add in for no entry in log
93	Friday	4/2/2004	cl test/check system		0.00	0.50			(0.50)	Add in for no entry in log
94	Saturday	4/3/2004	cl test/check system		0.00	0.50			(0.50)	Add in for no entry in log
95	Sunday	4/4/2004	cl test/check system		0.00	0.50			(0.50)	Add in for no entry in log
			cl test/check system/repair							
96	Monday	4/5/2004	lawn/city council		4.00			4.00		
			cl test/check system/book							
97	Tuesday	4/6/2004	work		1.50			1.50		
98	Wednesday	4/7/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimu
99	Thursday	4/8/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimu
100	Friday	4/9/2004	cl test/check system		0.00	0.50			(0.50)	Add in for no entry in log
101	Saturday	4/10/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimu
102	Sunday	4/11/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimu
103	Monday	4/12/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimu
104	Tuesday	4/13/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimu
105	Wednesday	4/14/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimu
106	Thursday	4/15/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
107	Friday	4/16/2004	cl test/check system		2.50	2.50			2.00	No support above min test/check
108	Saturday	4/17/2004	cl test/check system		3.00	3.00			2.50	No support above min test/check
109	Sunday	4/18/2004	cl test/check system		2.25	2.25			1.75	No support above min test/check
110	Monday	4/19/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
111	Tuesday	4/20/2004	cl test/check system		3.00	3.00			2.50	No support above min test/check
112	Wednesday	4/21/2004	cl test/check system		3.00	3.00			2.50	No support above min test/check
113	Thursday	4/22/2004	cl test/check system		1.25	1.25			0.75	No support above min test/check
114	Friday	4/23/2004	cl test/check system		0.75	0.75			0.25	Adjust to minimum test/check
115	Saturday	4/24/2004	cl test/check system/lagoon	Cleared duck weed at lagoon	4.00			4.00		
116	Sunday	4/25/2004	cl test/check system	Cleared duck weed at lagoon	3.00			3.00		
117	Monday	4/26/2004	cl test/check system	Cleared duck weed at lagoon	3.00			3.00		
118	Tuesday	4/27/2004	cl test/check system	Cleared duck weed at lagoon	2.00			2.00		
119	Wednesday	4/28/2004	cl test/check system	Cleared duck weed at lagoon	2.00			2.00		
120	Thursday	4/29/2004	cl test/check system		0.50	0.50				
121	Friday	4/30/2004	cl test/check system	Cleared duck weed at lagoon	1.50			1.50		
			cl test/check system/work	Turned water on at Nelson						
122	Saturday	5/1/2004	at lagoon/nelson water	residence, lagoon duckweed	2.50			2.50		
123	Sunday	5/2/2004	cl test/check system	1 1/2 hour sewer	2.50	1.00	1.50		0.50	Mr. Clifford's admission to logging at least 1 hr. minimu
124	Monday	5/3/2004	cl test/check system	3.5 hr. sewer	4.00	0.50	3.50			
125	Tuesday	5/4/2004	cl test/check system	0:30 water, 3 hr. sewer	3.50	0.50	3.00			
126	Wednesday	5/5/2004	cl test/check system	:30 water, 1:30 sewer	2.00	0.50	1.50			
127	Thursday	5/6/2004	cl test/check system	45 min. water, 1:15 sewer	2.00	0.75	1.25		0.25	Adjust to minimum test/check
128	Friday	5/7/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimu
129	Saturday	5/8/2004	cl test/check system	Mixed chlorine	1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimu
130	Sunday	5/9/2004	cl test/check system	Ran compressor	1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimu
131	Monday	5/10/2004	cl test/check system	Clean chem pump	2.00	2.00				
132	Tuesday	5/11/2004	cl test/check system	Adj. chem pump	1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimu

Number	Day	Date	Description	Comments	2004 Log	Water	Sewer	Mixed	Disallow	Reason For Disallowance
133	Wednesday	5/12/2004	cl test/check system	Mixed chlorine	1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
134	Thursday	5/13/2004	cl test/check system	Adj. chem pump	1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
135	Friday	5/14/2004	cl test/check system	3 hr. sewer	3.50	0.50	3.00			
136	Saturday	5/15/2004	cl test/check system	Bact. sample	1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
137	Sunday	5/16/2004	cl test/check system	1 hr water, 1 hr sewer	1.50	1.50			1.00	No support above min test/check
138	Monday	5/17/2004	cl test/check system	Meeting with engineer	2.00	1.00	1.00		0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
139	Tuesday	5/18/2004	cl test/check system	1 hr. at lagoon	4.00			4.00		
140	Wednesday	5/19/2004	cl test/check system	Mixed chlorine	1.50	0.50	1.00			
141	Thursday	5/20/2004	cl test/check system	Met with John Gibson of MODNR, collected repeat water samples, mowed at lagoon	1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
142	Friday	5/21/2004	cl test/check system/samples/mowed	Water sample and finished mowing at lagoon	7.00			7.00		
143	Saturday	5/22/2004	system/finished lagoon		3.00			3.00		
144	Sunday	5/23/2004	cl test/check system	Adj. chem pump, 1 hr. sewer	1.00	1.00				
145	Monday	5/24/2004	cl test/check system	Adj. chem pump, mix chlorine, 3 hr. at lagoon	1.50	0.50	1.00		0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
146	Tuesday	5/25/2004	cl test/check system	Adj. chem pump, worked at lagoon 45 min.	4.00	1.00	3.00		0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
147	Wednesday	5/26/2004	cl test/check system	Repaired leak at well house, ran compressor	1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
148	Thursday	5/27/2004	cl test/check system	Checked system, mailed water bills, cleaned chem.	1.50	0.75	0.75		0.25	Adjust to minimum test/check
149	Friday	5/28/2004	cl test/check system	Adjust. chem. pump	2.50	2.50				
150	Saturday	5/29/2004	cl test/check system		1.50			1.50		
151	Sunday	5/30/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
152	Monday	5/31/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
153	Tuesday	6/1/2004	cl test/check system		4.00	4.00			3.50	No support above min test/check
154	Wednesday	6/2/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
155	Thursday	6/3/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
156	Friday	6/4/2004	cl test/check system/clean		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
157	Saturday	6/5/2004	chem pump		1.50	1.50				
158	Sunday	6/6/2004	cl test/check system/bact							
159	Monday	6/7/2004	samples		2.00	2.00			1.50	No support above min test/check
160	Tuesday	6/8/2004	cl test/check system	Consumer conference report	1.00	1.00		3.00	0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
161	Wednesday	6/9/2004	cl test/check system/mixed		3.00					
162	Thursday	6/10/2004	cl test/check		1.00	1.00			1.00	No support above min test/check
163	Friday	6/11/2004	system/worked on mower		3.50			3.50		
164	Saturday	6/12/2004	cl test/check system/rep/lead at well		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
165	Sunday	6/13/2004	cl test/check		4.00	4.00				

Number	Day	Date	Description	Comments	2004 Log	Water	Sewer	Mixed	Disallow	Reason For Disallowance
165	Sunday	6/13/2004	cl test/check system/bact. samples		2.50	2.50			2.00	No support above min test/check
166	Monday	6/14/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
167	Tuesday	6/15/2004	cl test/check system/mowed & sprayed		6.00			6.00		
168	Wednesday	6/16/2004	cl test/check system/sprayed at		4.00			4.00		
169	Thursday	6/17/2004	cl test/check system/wallin letter		2.50			2.50		
170	Friday	6/18/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
171	Saturday	6/19/2004	cl test/check system/trimmed & sprayed at lagoon		10.00			10.00		
172	Sunday	6/20/2004	cl test/check system		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
173	Monday	6/21/2004	water test/worked at lagoon		4.50			4.50		
174	Tuesday	6/22/2004	water test/work at lagoon		2.25			2.25		
175	Wednesday	6/23/2004	water test/work at lagoon		1.75			1.75		
176	Thursday	6/24/2004	water test/worked at lagoon		7.50			7.50		
177	Friday	6/25/2004	read meters/water test/worked at lagoon		4.00			4.00		
178	Saturday	6/26/2004	cl test/spray at lagoon		4.50			4.50		
179	Sunday	6/27/2004	water test/adj. chem pump		1.50	50			1.00	No support above min test/check
180	Monday	6/28/2004	water test/worked at lagoon		4.50			4.50		
181	Tuesday	6/29/2004	water test/spray lagoon/PSC							
182	Wednesday	6/30/2004	inspection/DNR letter		9.00			9.00		
183	Thursday	7/1/2004	water test/worked at lagoon		3.50			3.50		
184	Friday	7/2/2004	water test/check lagoon		1.50			1.50	1.00	Mr. Clifford's admission to logging at least 1hr. minimu
185	Saturday	7/3/2004	water test/mixed cl/work at lagoon		3.00			3.00		
186	Sunday	7/4/2004	water test/worked at lagoon		3.00			3.00		
187	Monday	7/5/2004	water test/mixed cl		4.00			4.00		
188	Tuesday	7/6/2004	water test		1.40	1.40			0.90	No support above min test/check
189	Wednesday	7/7/2004	water test		1.50	1.50			1.00	No support above min test/check
190	Thursday	7/8/2004	water test/book work		2.50			2.50		
191	Friday	7/9/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
192	Saturday	7/10/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
193	Sunday	7/11/2004	water test/mixed cl		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
194	Monday	7/12/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
195	Tuesday	7/13/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
196	Wednesday	7/14/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
197	Thursday	7/15/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
198	Friday	7/16/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu

Number	Day	Date	Description	Comments	2004 Log	Water	Sewer	Mixed	Disallow	Reason For Disallowance
199	Saturday	7/17/2004	water test/mixed cl/mowed							
200	Sunday	7/18/2004	at lagoon water test	.5 water, 6.5 sewer?	1.00	1.00				
201	Monday	7/19/2004	water test/bact sample @ tp		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
202	Tuesday	7/20/2004	3		2.00	2.00			1.00	No support above min test/check
203	Wednesday	7/21/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
204	Thursday	7/22/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
205	Friday	7/23/2004	water test/mixed cl		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
206	Saturday	7/24/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
207	Sunday	7/25/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
208	Monday	7/26/2004	water test/mixed cl/found tank leaking, closed valve to leaking tank, charged							
209	Tuesday	7/27/2004	tank with air water test		1.50	1.50				
210	Wednesday	7/28/2004	water test/disconnected leaking tank/mixed		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
211	Thursday	7/29/2004	cl/worked at lagoon	1.5 water, 1.5 sewer	3.00	1.50	1.50			
212	Friday	7/30/2004	water test/cleaned sewers	.5 water, 3 sewer	3.50	0.50	3.00			
213	Saturday	7/31/2004	water test/cleaned sewers	.5 water, 5.5 sewer	6.00	0.50	5.50			
214	Sunday	8/1/2004	water test/cleaned		4.00	0.50	3.50			
215	Monday	8/2/2004	sewers/read meter water test/book	.5 hr. water, 3.5 sewer	2.00			2.00		
216	Tuesday	8/3/2004	work/mixed sm cl water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
217	Wednesday	8/4/2004	water test/replace chem pump head/retested free cl at 1.19		2.00	2.00				
218	Thursday	8/5/2004	water test/adj. chem pump cleaned check valves/retested free cl @ 1.49		1.50	1.50				
219	Friday	8/6/2004	water test/worked on chem pump		1.50	1.50				
220	Saturday	8/7/2004	water test/adj chem pump		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
221	Sunday	8/8/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
222	Monday	8/9/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
223	Tuesday	8/10/2004	water test/adj chem pump		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
224	Wednesday	8/11/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
225	Thursday	8/12/2004	water test/book work		3.00			3.00		
226	Friday	8/13/2004	water test/book work		2.00			2.00		
227	Saturday	8/14/2004	water test/mixed cl		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
228	Sunday	8/15/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1 hr. minimum
229	Monday	8/16/2004	water test/book work		3.00			3.00		

Number	Day	Date	Description	Comments	2004 Log	Water	Sewer	Mixed	Disallow	Reason For Disallowance
229	Monday	8/16/2004	mowed & sprayed lagoon/bact sample	2 hr. water, 2 hr. sewer	4.00	2.00	2.00			
230	Tuesday	8/17/2004	mowed at lagoon	1 hr. water, 2 hr. sewer	3.00	1.00	2.00			
231	Wednesday	8/18/2004	sprayed and worked at lagoon	1 hr. water, 2.5 hr. sewer	3.50	1.00	2.50			
232	Thursday	8/19/2004	worked at lagoon and well house	1 hr. water, 2 hr. sewer	2.00	1.00	2.00			
233	Friday	8/20/2004	water test water test/adj chem pump/repared fence/mowed and sprayed		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
234	Saturday	8/21/2004	at lagoon	1 hr. water, 7 hr. sewer	8.00	1.00	7.00		0.50	Mr. Clifford's admission to logging at least 1hr. minimu
235	Sunday	8/22/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
236	Monday	8/23/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
237	Tuesday	8/24/2004	water test water test/mixed		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
238	Wednesday	8/25/2004	cl/repared valves in chem		1.75	1.75				
239	Thursday	8/26/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
240	Friday	8/27/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
241	Saturday	8/28/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
242	Sunday	8/29/2004	water test water test/ran compressor to charge tanks/ mixed		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
243	Monday	8/30/2004	cl/cleaned chem pump		2.50	2.50				
244	Tuesday	8/31/2004	water test/adj. chem pump water test/mixed cl/worked		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
245	Wednesday	9/1/2004	at lagoon		2.00			2.00		
246	Thursday	9/2/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
247	Friday	9/3/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
248	Saturday	9/4/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
249	Sunday	9/5/2004	water test/mixed cl		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
250	Monday	9/6/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
251	Tuesday	9/7/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
252	Wednesday	9/8/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
253	Thursday	9/9/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
254	Friday	9/10/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
255	Saturday	9/11/2004	water test/cleaned sewers		7.50			7.50		
256	Sunday	9/12/2004	water test/adj chem pump water test/mixed cl/bact sample/met with		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
257	Monday	9/13/2004	lawyer/repared sewer		3.50			3.50		
258	Tuesday	9/14/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
259	Wednesday	9/15/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
260	Thursday	9/16/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
261	Friday	9/17/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu

Number	Day	Date	Description	Comments	2004 Log	Water	Sewer	Mixed	Disallow	Reason For Disallowance
262	Saturday	9/18/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
263	Sunday	9/19/2004	water test/mixed cl		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
264	Monday	9/20/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
265	Tuesday	9/21/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
266	Wednesday	9/22/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
			water test/adj chem							
			pump/repair							
			manholeWMIS1/auger							
267	Thursday	9/23/2004	sewers		7.00			7.00		
			water test/mixed cl/finished							
268	Friday	9/24/2004	repairs on manhole		5.00			5.00		
269	Saturday	9/25/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
270	Sunday	9/26/2004	water test/adj chem pump		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
271	Monday	9/27/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
			water test/adj chem							
			pump/mowed at							
			lagoon/cleaned sewer							
272	Tuesday	9/28/2004	mains/book work		6.00			6.00		
			water test/adj chem							
			pump/hailed sewer auger							
			and tractor home/met with							
			engineersw at							
			Camdenton/met with							
273	Wednesday	9/29/2004	lawyers at Versailles		6.00			6.00		
274	Thursday	9/30/2004	contractor tested water		0.00	0.50			(0.50)	Add in for no entry in log
275	Friday	10/1/2004	contractor tested water		0.00	0.50			(0.50)	Add in for no entry in log
276	Saturday	10/2/2004	contractor tested water		0.00	0.50			(0.50)	Add in for no entry in log
277	Sunday	10/3/2004	contractor tested water		0.00	0.50			(0.50)	Add in for no entry in log
278	Monday	10/4/2004	contractor tested water		0.00	0.50			(0.50)	Add in for no entry in log
			water test/cleaned sewer							
			mains, checked							
279	Tuesday	10/5/2004	lagoon/mixed cl		3.00			3.00		
280	Wednesday	10/6/2004	water test/mixed cl		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
281	Thursday	10/7/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
282	Friday	10/8/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
283	Saturday	10/9/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
			water test/sewer line							
			clogged at Randy Martins,							
284	Sunday	10/10/2004	cleaned line		2.00			2.00		
			water test/cleaned mess at							
			Martins/repared leak in							
285	Monday	10/11/2004	well house		2.50			2.50		
286	Tuesday	10/12/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
287	Wednesday	10/13/2004	water test/mixed cl		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
288	Thursday	10/14/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu

Number	Day	Date	Description	Comments	2004 Log	Water	Sewer	Mixed	Disallow	Reason For Disallowance
289	Friday	10/15/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
290	Saturday	10/16/2004	water test/adj chem pump		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
291	Sunday	10/17/2004	water test/bact sample		2.00	2.00			1.50	No support above min test/check
292	Monday	10/18/2004	water test/adj chem pump		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
293	Tuesday	10/19/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
			water test/cleared air from							
294	Wednesday	10/20/2004	chem pump		2.50	2.50				
295	Thursday	10/21/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
			water test/cleaned chem							
296	Friday	10/22/2004	pump with acid		2.00	2.00				
297	Saturday	10/23/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
298	Sunday	10/24/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
299	Monday	10/25/2004	water test/adj. chem pump		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
300	Tuesday	10/26/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
301	Wednesday	10/27/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
302	Thursday	10/28/2004	water test/mixed cl		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
303	Friday	10/29/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
			water test/charged tanks							
			with air/changed battery in							
			tester/worked on manhole							
304	Saturday	10/30/2004	M3		6.00			6.00		
305	Sunday	10/31/2004	water test/mixed cl		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
			water test/attended							
			California city council							
306	Monday	11/1/2004	meeting		4.00			4.00		
307	Tuesday	11/2/2004	water test/book work		3.00			3.00		
308	Wednesday	11/3/2004	water test/mixed sm cl		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
309	Thursday	11/4/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
			water test/repaired manhole							
310	Friday	11/5/2004	top		4.50			4.50		
311	Saturday	11/6/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
312	Sunday	11/7/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
313	Monday	11/8/2004	water test/mixed cl		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
314	Tuesday	11/9/2004	water test/2nd notice letters		2.00			2.00		
315	Wednesday	11/10/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
			water test/book							
316	Thursday	11/11/2004	work/mixed sm cl		2.00			2.00		
317	Friday	11/12/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
318	Saturday	11/13/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
319	Sunday	11/14/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
320	Monday	11/15/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
321	Tuesday	11/16/2004	water test/bact sample		1.50	1.50			1.00	No support above min test/check
322	Wednesday	11/17/2004	water test/mixed cl		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
			water test/checked sewer							
323	Thursday	11/18/2004	flow		.00			.00	0.50	Mr. Clifford's admission to logging at least 1hr. minimu

Number	Day	Date	Description	Comments	2004 Log	Water	Sewer	Mixed	Disallow	Reason For Disallowance
324	Friday	11/19/2004	water test/adj chem pump/checked sewer flow		1.00			1.00	0.50	Mr. Clifford's admission to logging at least 1hr. minimum
325	Saturday	11/20/2004	water test/checked sewer flow		1.00			1.00	0.50	Mr. Clifford's admission to logging at least 1hr. minimum
326	Sunday	11/21/2004	water test/checked sewer flow		1.00			1.00	0.50	Mr. Clifford's admission to logging at least 1hr. minimum
327	Monday	11/22/2004	water test/checked sewer flow		1.00			1.00	0.50	Mr. Clifford's admission to logging at least 1hr. minimum
328	Tuesday	11/23/2004	water test/checked sewer flow		1.00			1.00	0.50	Mr. Clifford's admission to logging at least 1hr. minimum
329	Wednesday	11/24/2004	water test/checked sewer flow	1.4" in rain gauge, creek above discharge, lagoon 6" higher than normal	1.00			1.00	0.50	Mr. Clifford's admission to logging at least 1hr. minimum
330	Thursday	11/25/2004	water test/checked sewer flow	Creek above discharge	1.00			1.00	0.50	Mr. Clifford's admission to logging at least 1hr. minimum
331	Friday	11/26/2004	water test/checked sewer flow/worked on manhole M4/augered lines/worked on leaks in manhole WM5	6" snow melt	8.00			8.00		
332	Saturday	11/27/2004	water test/mixed cl/cleared air bubble from chem pump/checked sewer flow/finished repairs in manhole WM5	0.6" rain in gauge	5.00			5.00		
333	Sunday	11/28/2004	water test/checked sewer flow/cleared effluent line	Effluent line partially blocked, cleared line, flow at 100 GPM	2.00			2.00		
334	Monday	11/29/2004	water test/checked sewer flow	0.1" rain in gauge	1.00			1.00	0.50	Mr. Clifford's admission to logging at least 1hr. minimum
335	Tuesday	11/30/2004	water test/checked sewer flow/book work		2.00					
336	Wednesday	12/1/2004	water test worked on fan for sewer		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimum
337	Thursday	12/2/2004	test		4.00		4.00			
338	Friday	12/3/2004	water test/mixed cl		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimum
339	Saturday	12/4/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimum
340	Sunday	12/5/2004	water test worked on fan for sewer	0.1" rain in gauge	1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimum
341	Monday	12/6/2004	test	0.1" rain in gauge	3.00		3.00			
342	Tuesday	12/7/2004	water test/charge tanks	0.1" rain in gauge	1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimum
343	Wednesday	12/8/2004	water test/charged tanks		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimum
344	Thursday	12/9/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimum
345	Friday	12/10/2004	water test/mixed cl		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimum
346	Saturday	12/11/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimum
347	Sunday	12/12/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimum

Number	Day	Date	Description	Comments	2004 Log	Water	Sewer	Mixed	Disallow	Reason For Disallowance
			worked on fan for sewer							
348	Monday	12/13/2004	test/bact test		5.00			5.00		
349	Tuesday	12/14/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
350	Wednesday	12/15/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
351	Thursday	12/16/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
352	Friday	12/17/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
353	Saturday	12/18/2004	water test/mixed cl		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
354	Sunday	12/19/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
355	Monday	12/20/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
356	Tuesday	12/21/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
357	Wednesday	12/22/2004	water test/book work		2.50			2.50		
358	Thursday	12/23/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
359	Friday	12/24/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
360	Saturday	12/25/2004	water test/mixed cl		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
361	Sunday	12/26/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
362	Monday	12/27/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
363	Tuesday	12/28/2004	water test/adj chem pump		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
364	Wednesday	12/29/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
365	Thursday	12/30/2004	water test		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
366	Friday	12/31/2004	water test/mixed cl		1.00	1.00			0.50	Mr. Clifford's admission to logging at least 1hr. minimu
Total					657.75	291.25	56.50	317.50	118.50	

Allocate Mixed 50/50 158.75 158.75 (317.50)
 Total 450.00 215.25 0.00
 68.42% 32.73% 0.00%

Hickory Hills Water & Sewer Company
Case Nos. SR-2006-0249 & WR-2006-0250
OPC Mr. Clifford Mileage Analysis
Sources: MPSC Staff Salary/Mileage Workpaper
2004 Time & Mileage Log Provided By Staff (Russo)

OPC Annualized Mileage:

Log Day >22	1,318.00
Weekend	2,288.00
Holidays	110.00
OPC Annualized Mileage Tot	3,716.00
2004 Mileage Log	9,137.00
Adjustment	(5,421.00)

Allocation:

Water Allocation	75%	2,787.00
Sewer Allocation	25%	929.00
		3,716.00

Mr. Clifford Mileage:

Number	Day	Date	2004 Log	#>22	Weekend Holiday
1	Thursday	1/1/2004	0	0	22
2	Friday	1/2/2004	0	0	
3	Saturday	1/3/2004	22	0	22
4	Sunday	1/4/2004	(22)	0	22
5	Monday	1/5/2004	22	0	
6	Tuesday	1/6/2004	22	0	
7	Wednesday	1/7/2004	22	0	
8	Thursday	1/8/2004	22	0	
9	Friday	1/9/2004	22	0	
10	Saturday	1/10/2004	22	0	22
11	Sunday	1/11/2004	22	0	22
12	Monday	1/12/2004	22	0	
13	Tuesday	1/13/2004	22	0	
14	Wednesday	1/14/2004	22	0	
15	Thursday	1/15/2004	0	0	
16	Friday	1/16/2004	22	0	
17	Saturday	1/17/2004	22	0	22
18	Sunday	1/18/2004	22	0	22
19	Monday	1/19/2004	22	0	
20	Tuesday	1/20/2004	22	0	
21	Wednesday	1/21/2004	45	23	
22	Thursday	1/22/2004	48	26	
23	Friday	1/23/2004	22	0	
24	Saturday	1/24/2004	26	26	22
25	Sunday	1/25/2004	22	0	22
26	Monday	1/26/2004	22	0	
27	Tuesday	1/27/2004	22	0	
28	Wednesday	1/28/2004	22	0	
29	Thursday	1/29/2004	22	0	
30	Friday	1/30/2004	22	0	
31	Saturday	1/31/2004	22	0	22
32	Sunday	2/1/2004	22	0	22
33	Monday	2/2/2004	22	0	
34	Tuesday	2/3/2004	22	0	
35	Wednesday	2/4/2004	22	0	
36	Thursday	2/5/2004	22	0	
37	Friday	2/6/2004	25	3	
38	Saturday	2/7/2004	23	1	22
39	Sunday	2/8/2004	22	0	22
40	Monday	2/9/2004	25	3	
41	Tuesday	2/10/2004	22	0	
42	Wednesday	1/0/1900	22	0	
43	Thursday	2/12/2004	22	0	
44	Friday	2/13/2004	22	0	
45	Saturday	2/14/2004	45	23	22
46	Sunday	2/15/2004	22	0	22

Mr. Clifford Mileage:

Number	Day	Date	2004 Log	#>22	Weekend Holiday
47	Monday	2/16/2004	22	0	
48	Tuesday	2/17/2004	22	0	
49	Wednesday	2/18/2004	22	0	
50	Thursday	2/19/2004	22	0	
51	Friday	2/20/2004	22	0	
52	Saturday	2/21/2004	22	0	22
53	Sunday	2/22/2004	22	0	22
54	Monday	2/23/2004	22	0	
55	Tuesday	2/24/2004	22	0	
56	Wednesday	2/25/2004	22	0	
57	Thursday	2/26/2004	22	0	
58	Friday	2/27/2004	46	24	
59	Saturday	2/28/2004	45	23	22
60	Sunday	2/29/2004	22	0	22
61	Monday	3/1/2004	22	0	
62	Tuesday	3/2/2004	22	0	
63	Wednesday	3/3/2004	22	0	
64	Thursday	3/4/2004	22	0	
65	Friday	3/5/2004	22	0	
66	Saturday	3/6/2004	45	23	22
67	Sunday	3/7/2004	22	0	22
68	Monday	3/8/2004	22	0	
69	Tuesday	3/9/2004	22	0	
70	Wednesday	3/10/2004	22	0	
71	Thursday	3/11/2004	22	0	
72	Friday	3/12/2004	22	0	
73	Saturday	3/13/2004	22	0	22
74	Sunday	3/14/2004	22	0	22
75	Monday	3/15/2004	22	0	
76	Tuesday	3/16/2004	22	0	
77	Wednesday	3/17/2004	22	0	
78	Thursday	3/18/2004	22	0	
79	Friday	3/19/2004	22	0	
80	Saturday	3/20/2004	22	0	22
81	Sunday	3/21/2004	22	0	22
82	Monday	3/22/2004	22	0	
83	Tuesday	3/23/2004	22	0	
84	Wednesday	3/24/2004	22	0	
85	Thursday	3/25/2004	22	0	
86	Friday	3/26/2004	22	0	
87	Saturday	3/27/2004	22	0	22
88	Sunday	3/28/2004	22	0	22
89	Monday	3/29/2004	22	0	
90	Tuesday	3/30/2004	22	0	
91	Wednesday	3/31/2004	22	0	
92	Thursday	4/1/2004	22	0	
93	Friday	4/2/2004	22	0	
94	Saturday	4/3/2004	22	0	22
95	Sunday	4/4/2004	22	0	22
96	Monday	4/5/2004	30	8	
97	Tuesday	4/6/2004	22	0	
98	Wednesday	4/7/2004	22	0	
99	Thursday	4/8/2004	22	0	
100	Friday	4/9/2004	22	0	
101	Saturday	4/10/2004	22	0	22
102	Sunday	4/11/2004	22	0	22
103	Monday	4/12/2004	22	0	
104	Tuesday	4/13/2004	22	0	
105	Wednesday	4/14/2004	22	0	
106	Thursday	4/15/2004	22	0	
107	Friday	4/16/2004	22	0	
108	Saturday	4/17/2004	22	0	22
109	Sunday	4/18/2004	22	0	22
110	Monday	4/19/2004	22	0	
111	Tuesday	4/20/2004	22	0	
112	Wednesday	4/21/2004	22	0	

Mr. Clifford Mileage:

Number	Day	Date	2004 Log	#>22	Weekend Holiday
113	Thursday	4/22/2004	22	0	
114	Friday	4/23/2004	22	0	
115	Saturday	4/24/2004	44	22	22
116	Sunday	4/25/2004	24	2	22
117	Monday	4/26/2004	22	0	
118	Tuesday	4/27/2004	22	0	
119	Wednesday	4/28/2004	22	0	
120	Thursday	4/29/2004	22	0	
121	Friday	4/30/2004	28	6	
122	Saturday	5/1/2004	22	0	22
123	Sunday	5/2/2004	44	22	22
124	Monday	5/3/2004	22	0	
125	Tuesday	5/4/2004	22	0	
126	Wednesday	5/5/2004	22	0	
127	Thursday	5/6/2004	22	0	
128	Friday	5/7/2004	22	0	
129	Saturday	5/8/2004	22	0	22
130	Sunday	5/9/2004	22	0	22
131	Monday	5/10/2004	22	0	
132	Tuesday	5/11/2004	22	0	
133	Wednesday	5/12/2004	22	0	
134	Thursday	5/13/2004	22	0	
135	Friday	5/14/2004	22	0	
136	Saturday	5/15/2004	22	0	22
137	Sunday	5/16/2004	25	3	22
138	Monday	5/17/2004	22	0	
139	Tuesday	5/18/2004	32	10	
140	Wednesday	5/19/2004	22	0	
141	Thursday	5/20/2004	22	0	
142	Friday	5/21/2004	60	38	
143	Saturday	5/22/2004	35	13	22
144	Sunday	5/23/2004	22	0	22
145	Monday	5/24/2004	22	0	
146	Tuesday	5/25/2004	22	0	
147	Wednesday	5/26/2004	22	0	
148	Thursday	5/27/2004	22	0	
149	Friday	5/28/2004	26	4	
150	Saturday	5/29/2004	26	4	22
151	Sunday	5/30/2004	22	0	22
152	Monday	5/31/2004	22	0	22
153	Tuesday	6/1/2004	30	8	
154	Wednesday	6/2/2004	22	0	
155	Thursday	6/3/2004	22	0	
156	Friday	6/4/2004	22	0	
157	Saturday	6/5/2004	22	0	22
158	Sunday	6/6/2004	35	13	22
159	Monday	6/7/2004	22	0	
160	Tuesday	6/8/2004	22	0	
161	Wednesday	6/9/2004	22	0	
162	Thursday	6/10/2004	11	0	
163	Friday	6/11/2004	22	0	
164	Saturday	6/12/2004	35	13	22
165	Sunday	6/13/2004	38	16	22
166	Monday	6/14/2004	22	0	
167	Tuesday	6/15/2004	33	11	
168	Wednesday	6/16/2004	30	8	
169	Thursday	6/17/2004	22	0	
170	Friday	6/18/2004	22	0	
171	Saturday	6/19/2004	45	23	22
172	Sunday	6/20/2004	22	0	22
173	Monday	6/21/2004	22	0	
174	Tuesday	6/22/2004	22	0	
175	Wednesday	6/23/2004	22	0	
176	Thursday	6/24/2004	35	13	
177	Friday	6/25/2004	22	0	
178	Saturday	6/26/2004	35	13	22

Mr. Clifford Mileage:

Number	Day	Date	2004 Log	#>22	Weekend	Holiday
179	Sunday	6/27/2004	22	0	22	
180	Monday	6/28/2004	22	0		
181	Tuesday	6/29/2004	39	17		
182	Wednesday	6/30/2004	22	0		
183	Thursday	7/1/2004	22	0		
184	Friday	7/2/2004	22	0		
185	Saturday	7/3/2004	22	0	22	
186	Sunday	7/4/2004	35	13	22	22
187	Monday	7/5/2004	22	0		
188	Tuesday	7/6/2004	22	0		
189	Wednesday	7/7/2004	22	0		
190	Thursday	7/8/2004	22	0		
191	Friday	7/9/2004	22	0		
192	Saturday	7/10/2004	22	0	22	
193	Sunday	7/11/2004	22	0	22	
194	Monday	7/12/2004	22	0		
195	Tuesday	7/13/2004	22	0		
196	Wednesday	7/14/2004	22	0		
197	Thursday	7/15/2004	22	0		
198	Friday	7/16/2004	22	0		
199	Saturday	7/17/2004	22	0	22	
200	Sunday	7/18/2004	22	0	22	
201	Monday	7/19/2004	75	53		
202	Tuesday	7/20/2004	22	0		
203	Wednesday	7/21/2004	22	0		
204	Thursday	7/22/2004	22	0		
205	Friday	7/23/2004	2	0		
206	Saturday	7/24/2004	22	0	22	
207	Sunday	7/25/2004	22	0	22	
208	Monday	7/26/2004	22	0		
209	Tuesday	7/27/2004	22	0		
210	Wednesday	7/28/2004	22	0		
211	Thursday	7/29/2004	36	14		
212	Friday	7/30/2004	35	13		
213	Saturday	7/31/2004	22	0	22	
214	Sunday	8/1/2004	22	0	22	
215	Monday	8/2/2004	22	0		
216	Tuesday	8/3/2004	22	0		
217	Wednesday	8/4/2004	22	0		
218	Thursday	8/5/2004	22	0		
219	Friday	8/6/2004	22	0		
220	Saturday	8/7/2004	22	0	22	
221	Sunday	8/8/2004	22	0	22	
222	Monday	8/9/2004	22	0		
223	Tuesday	8/10/2004	22	0		
224	Wednesday	8/11/2004	22	0		
225	Thursday	8/12/2004	22	0		
226	Friday	8/13/2004	22	0		
227	Saturday	8/14/2004	22	0	22	
228	Sunday	8/15/2004	22	0	22	
229	Monday	8/16/2004	35	13		
230	Tuesday	8/17/2004	45	23		
231	Wednesday	8/18/2004	35	13		
232	Thursday	8/19/2004	22	0		
233	Friday	8/20/2004	22	0		
234	Saturday	8/21/2004	40	18	22	
235	Sunday	8/22/2004	22	0	22	
236	Monday	8/23/2004	22	0		
237	Tuesday	8/24/2004	22	0		
238	Wednesday	8/25/2004	22	0		
239	Thursday	8/26/2004	22	0		
240	Friday	8/27/2004	22	0		
241	Saturday	8/28/2004	22	0	22	
242	Sunday	8/29/2004	22	0	22	
243	Monday	8/30/2004	22	0		
244	Tuesday	8/31/2004	22	0		

Mr. Clifford Mileage:

Number	Day	Date	2004 Log	#>22	Weekend Holiday
245	Wednesday	9/1/2004	22	0	
246	Thursday	9/2/2004	22	0	
247	Friday	9/3/2004	22	0	
248	Saturday	9/4/2004	22	0	22
249	Sunday	9/5/2004	22	0	22
250	Monday	9/6/2004	22	0	
251	Tuesday	9/7/2004	22	0	
252	Wednesday	9/8/2004	22	0	
253	Thursday	9/9/2004	22	0	
254	Friday	9/10/2004	22	0	
255	Saturday	9/11/2004	40	18	22
256	Sunday	9/12/2004	22	0	22
257	Monday	9/13/2004	35	13	
258	Tuesday	9/14/2004	22	0	
259	Wednesday	9/15/2004	22	0	
260	Thursday	9/16/2004	22	0	
261	Friday	9/17/2004	22	0	
262	Saturday	9/18/2004	22	0	22
263	Sunday	9/19/2004	22	0	22
264	Monday	9/20/2004	22	0	
265	Tuesday	9/21/2004	22	0	
266	Wednesday	9/22/2004	22	0	
267	Thursday	9/23/2004	75	53	
268	Friday	9/24/2004	75	53	
269	Saturday	9/25/2004	22	0	22
270	Sunday	9/26/2004	22	0	22
271	Monday	9/27/2004	22	0	
272	Tuesday	9/28/2004	38	16	
273	Wednesday	9/29/2004	162	140	
274	Thursday	9/30/2004		0	
275	Friday	10/1/2004		0	
276	Saturday	10/2/2004		0	22
277	Sunday	10/3/2004		0	22
278	Monday	10/4/2004		0	
279	Tuesday	10/5/2004	25	3	
280	Wednesday	10/6/2004	22	0	
281	Thursday	10/7/2004	22	0	
282	Friday	10/8/2004	22	0	
283	Saturday	10/9/2004	22	0	22
284	Sunday	10/10/2004	25	3	22
285	Monday	10/11/2004	75	53	
286	Tuesday	10/12/2004	22	0	
287	Wednesday	10/13/2004	22	0	
288	Thursday	10/14/2004	22	0	
289	Friday	10/15/2004	22	0	
290	Saturday	10/16/2004	22	0	22
291	Sunday	10/17/2004	75	53	22
292	Monday	10/18/2004	22	0	
293	Tuesday	10/19/2004	22	0	
294	Wednesday	10/20/2004	22	0	
295	Thursday	10/21/2004	22	0	
296	Friday	10/22/2004	22	0	
297	Saturday	10/23/2004	22	0	22
298	Sunday	10/24/2004	22	0	22
299	Monday	10/25/2004	22	0	
300	Tuesday	10/26/2004	22	0	
301	Wednesday	10/27/2004	22	0	
302	Thursday	10/28/2004	22	0	
303	Friday	10/29/2004	22	0	
304	Saturday	10/30/2004	32	10	22
305	Sunday	10/31/2004	22	0	22
306	Monday	11/1/2004	55	33	
307	Tuesday	11/2/2004	22	0	
308	Wednesday	11/3/2004	22	0	
309	Thursday	11/4/2004	22	0	
310	Friday	11/5/2004	25	3	

Mr. Clifford Mileage:

Number	Day	Date	2004 Log	#>22	Weekend	Holiday
311	Saturday	11/6/2004	22	0	22	
312	Sunday	11/7/2004	22	0	22	
313	Monday	11/8/2004	22	0		
314	Tuesday	11/9/2004	22	0		
315	Wednesday	11/10/2004	22	0		
316	Thursday	11/11/2004	22	0		
317	Friday	11/12/2004	22	0		
318	Saturday	11/13/2004	22	0	22	
319	Sunday	11/14/2004	22	0	22	
320	Monday	11/15/2004	22	0		
321	Tuesday	11/16/2004	35	13		
322	Wednesday	11/17/2004	22	0		
323	Thursday	11/18/2004	22	0		
324	Friday	11/19/2004	22	0		
325	Saturday	11/20/2004	22	0	22	
326	Sunday	11/21/2004	222	200	22	
327	Monday	11/22/2004	22	0		
328	Tuesday	11/23/2004	22	0		
329	Wednesday	11/24/2004	22	0		
330	Thursday	11/25/2004	22	0		22
331	Friday	11/26/2004	60	38		
332	Saturday	11/27/2004	22	0	22	
333	Sunday	11/28/2004	22	0	22	
334	Monday	11/29/2004	22	0		
335	Tuesday	11/30/2004	22	0		
336	Wednesday	12/1/2004	22	0		
337	Thursday	12/2/2004	28	6		
338	Friday	12/3/2004	22	0		
339	Saturday	12/4/2004	22	0	22	
340	Sunday	12/5/2004	22	0	22	
341	Monday	12/6/2004	22	0		
342	Tuesday	12/7/2004	22	0		
343	Wednesday	12/8/2004	22	0		
344	Thursday	12/9/2004	22	0		
345	Friday	12/10/2004	22	0		
346	Saturday	12/11/2004	22	0	22	
347	Sunday	12/12/2004	22	0	22	
348	Monday	12/13/2004	30	8		
349	Tuesday	12/14/2004	22	0		
350	Wednesday	12/15/2004	22	0		
351	Thursday	12/16/2004	22	0		
352	Friday	12/17/2004	22	0		
353	Saturday	12/18/2004	22	0	22	
354	Sunday	12/19/2004	22	0	22	
355	Monday	12/20/2004	22	0		
356	Tuesday	12/21/2004	22	0		
357	Wednesday	12/22/2004	22	0		
358	Thursday	12/23/2004	22	0		
359	Friday	12/24/2004	22	0		
360	Saturday	12/25/2004	22	0	22	
361	Sunday	12/26/2004	22	0	22	
362	Monday	12/27/2004	22	0		22
363	Tuesday	12/28/2004	22	0		
364	Wednesday	12/29/2004	22	0		
365	Thursday	12/30/2004	22	0		
366	Friday	12/31/2004	22	0		
Total			9,137.00	1,318.00	2,288.00	110.00

Exhibit

Hickory Hills Water & Sewer Company
Case No. WR-2006-0250
Twelve Months Ended December 31, 2004

Cost of Capital										
	Amount	Percent	Cost	Weighted Cost	**	11.37%	0.00%	0.00%		
						Weighted Cost				
Equity	\$ 4,553	20.881%	**	**		2.37%	0.00%	0.00%		
Preferred Stock	-	0.000%	0.000%	0.00%		0.00%	0.00%	0.00%		
Long Term Debt	17,251	79.119%	7.500%	5.93%		5.93%	5.93%	5.93%		
Short Term Debt	-	0.000%	0.000%	0.00%		0.00%	0.00%	0.00%		
Total	\$ 21,804	100.000%		Rate of Return		8.30%	5.93%	5.93%		
Tax Weighted Rate of Return										
Tax Multiplier (1/(1-tax rate))						1.255814	1.255814	1.255814		
Weighted cost of equity						2.37%	0.00%	0.00%		
Tax weighted cost of equity						2.98%	0.00%	0.00%		
Weighted cost of debt						5.93%	5.93%	5.93%		
Tax Weighted Rate of Return						8.91%	5.93%	5.93%		

Hickory Hills Water & Sewer Company
Case No. WR-2006-0250
Twelve Months Ended December 31, 2004

Revenue Requirement

		<div>11.37% Equity Return</div>	
(A)		(B)	
	Net Original Cost Rate Base (From Accounting Schedule 2)	\$	1,807
2	Rate of Return		8.30%
3	Net Operating Income Requirement	\$	
4	Net Operating Income Available (From Accounting Schedule 9)		
5	Additional Net Operating Income Requirement	\$	
6	Income Tax Requirement: (From Accounting Schedule 11)		
7	Required Current Income Tax	\$	1
8	Test Year Current Income Tax		0
9	Additional Current Income Tax Requirement	\$	11
10			
	Gross Revenue Requirement	\$	(1,776)

Hickory Hills Water & Sewer Company
Case No. WR-2006-0250
Twelve Months Ended December 31, 2004

Rate Base

Line	Description (A)	Amount (B)
	Plant in Service (From Accounting Schedule 3)	\$ 14,807
2	Less:	
3	Accumulated Depreciation Reserve (From Accounting Schedule 6)	0
4	Net Plant in Service	\$
5	Add:	
6	Cash Working Capital	\$ 0
7	Total Additions to Net Plant in Service	\$ 14,807
8	Deduct:	
9	Interest Offset @ #REF!	\$ 0
10	Federal Income Tax Offset @ #REF!	0
11	State Income Tax Offset @ #REF!	0
12	Contributions In Aid of Construction	13,000
13	Contributions In Aid of Construction Amortized	0
14	Total Deductions from Net Plant in Service	\$
15		
16	Total Rate Base	\$ 1,807

Hickory Hills Water & Sewer Company
Case No. WR-2006-0250
Twelve Months Ended December 31, 2004

Plant In Service

Account No.	Description	Total Company 6/30/2004	Total Company Adjustment	Alloc Factor	Juris Adjustment	Adj. No. Asset Sch 4	Adjusted Balance ((C+D)+(E)+F)
	(B)	(C)	(D)	(E)	(F)	(G)	(H)
2	314.000						
	Source of Supply & Pumping Plant						
	Wells & Springs	\$ 10,000	\$ 0	100.0000%	\$ 0	P-1	\$ 10,000
3	Total	\$ 10,000	\$ 0		\$ 0		\$ 10,000
4	Pumping Plant						
5	325.000						
	Electric Pumping Equipment	\$ 6,393	\$ (4,844)	100.0000%	\$ 0	P-2	\$ 1,549
6	Total	\$ 6,393	\$ (4,844)		\$ 0		\$ 1,549
	Transmission & Distribution Plant						
8	343.000						
	Transmission & Distribution Mains	\$ 3,000	\$ 0	100.0000%	\$ 0	P-3	\$ 3,000
9	346.000						
	Meters	\$ 0	\$ 258	100.0000%	\$ 0	P-4	\$ 258
10	Total	\$ 3,000	\$ 258		\$ 0		\$ 3,258
	General Plant						
12	398.000						
	Miscellaneous Equipment	\$ 869	\$ (869)	100.0000%	\$ 0	P-5	\$ 0
13	399.000						
	Other Tangible Plant	\$ 800	\$ (800)	100.0000%	\$ 0	P-6	\$ 0
14	Total	\$ 1,669	\$ (1,669)		\$ 0		\$ 0
15							
	Total Plant In Service	\$ 21,062	\$ (6,255)		\$ 0		\$ 14,807

Hickory Hills Water & Sewer Company
Case No. WR-2006-0250
Twelve Months Ended December 31, 2004

Adjustments To Plant In Service

Adj. No.	Description	Total Company Adjustment	Mo Juris Adjustment
A/C 314.000	Wells & Springs P-1	\$ 0	\$ 0
A/C 325.000	Electric Pumping Equipment P-2	\$ (4,844)	\$ 0
1	To include cost of new well pump. (Staff)	\$ 1,549	\$
	Exclude as is fully depreciated. (OPC)	(6,393)	
A/C 343.000	Transmission & Distribution Mains P-3	\$ 0	\$ 0
A/C 346.000	Meters P-4	\$ 258	\$ 0
	To include the cost of new master meter. (Staff)		
A/C 398.000	Miscellaneous Equipment P-5	\$ (869)	\$ 0
1	Exclude as is fully depreciated. (OPC)	\$ (869)	\$
A/C 399.000	Other Tangible Plant P-6	\$ (800)	\$ 0
1	Exclude as is fully depreciated. (OPC)	\$ (800)	\$

Hickory Hills Water & Sewer Company

Case No. WR-2006-0250

Twelve Months Ended December 31, 2004

Depreciation Expense

Line	Account No. (A)	Plant Description (B)	Adjusted Jurisdictional (C)	Depr Rate (D)	Depreciation Expense CxD (E)
		Source of Supply & Pumping Plant			
2	314.000	Wells & Springs	\$ 10,000	0.0000%	\$ 0
3		Total	\$ 10,000		<u>0</u>
4		Pumping Plant			
5	325.000	Electric Pumping Equipment	\$ 1,549	10.0000%	\$ 155
6		Total	\$ 1,549		<u>155</u>
7		Transmission & Distribution Plant			
8	343.000	Transmission & Distribution Mains	\$ 3,000	0.0000%	\$ 0
9	346.000	Meters	\$ 258	3.3000%	\$ 9
10		Total	\$ 3,258		<u>9</u>
11		General Plant			
12	398.000	Miscellaneous Equipment	\$ 0	0.0000%	\$ 0
13	399.000	Other Tangible Plant	\$ 0	0.0000%	\$ 0
14		Total	\$ 0		<u>0</u>
15					
16	Total Plant Depreciation Expense		14,807		163

Hickory Hills Water & Sewer Company
Case No. WR-2006-0250
Twelve Months Ended December 31, 2004

Depreciation Reserve

Line	Account No. (A)	Plant Description (B)	Total Company 6/30/2004 (C)	Total Company Adjustment (D)	Alloc Factor (E)	Juris Adjustment (F)	Adj. No. Accg Sch 7 (G)	Adjusted Balance ((C+D)+(F)) (H)
2	314.000	Source of Supply & Pumping Plant						
3		Wells & Springs	\$ 5,967	\$ (5,967)	100.0000%	\$ 0	R-	\$ 0
4		Total	\$ 5,967	\$ (5,967)		\$ 0		\$ 0
5	325.000	Pumping Plant						
6		Electric Pumping Equipment	\$ 6,393	\$ (6,393)	100.0000%	\$ 0	R-2	\$ 0
7		Total	\$ 6,393	\$ (6,393)		\$ 0		\$ 0
8	343.000	Transmission & Distribution Plant						
9	346.000	Transmission & Distribution Mains	\$ 1,790	\$ (1,790)	100.0000%	\$ 0	R-3	\$ 0
10		Meters	\$ 0	\$ 0	100.0000%	\$ 0	R-4	\$ 0
11		Total	\$ 1,790	\$ (1,790)				
12		General Plant						
13	398.000	Miscellaneous Equipment	\$ 869	\$ (869)	100.0000%	\$ 0	R-5	\$ 0
14	399.000	Other Tangible Plant	\$ 800	\$ (800)	100.0000%	\$ 0	R-6	\$ 0
15		Total	\$ 1,669	\$ (1,669)		\$ 0		\$ 0
16		Total Depreciation Reserve	\$ 15,819	\$ (15,819) #		\$ 0		\$ 0

Hickory Hills Water & Sewer Company
Case No. WR-2006-0250
Twelve Months Ended December 31, 2004

Adjustments To Depreciation Reserve

Adj. No.	Description	Total Company Adjustment	Mo Juris Adjustment
A/C 314.000	Wells & Springs	\$ (5,967)	\$ 0
	Exclude CIAC depreciation. (Staff)	\$ (5,967)	\$
A/C 325.000	Electric Pumping Equipment	\$ (6,393)	\$ 0
	Exclude fully depreciated. (OPC)	\$ (6,393)	\$
A/C 343.000	Transmission & Distribution Mains	\$ (1,790)	\$ 0
	Exclude CIAC depreciation. (Staff)		
A/C 346.000	Meters	\$ 0	\$ 0
A/C 398.000	Miscellaneous Equipment	\$ (869)	\$ 0
	Exclude fully depreciated. (OPC)		
A/C 399.000	Other Tangible Plant	\$ (800)	\$ 0
	Exclude CIAC depreciation. (Staff)	\$ (800)	\$

Hickory Hills Water & Sewer Company
Case No. WR-2006-0250
Twelve Months Ended December 31, 2004

Income Statement

Description (A)	Total Company (B)	Total Company Adjustment Acctg Sch 10 (C)	Allocation Factor (D)	Jurisdictional Adjustment (E)	Adj. No. Acctg Sch 10 (F)	Adjusted Jurisdictional ((B+C)x(D))+E (G)
Operating Revenues:						
Water Revenues	\$ 7,954	\$ 8,264	100.0000%	\$ 0	S-1	\$ 16,218
Primacy Fee	92	(92)	100.0000%	0	S-2	0
Total Revenues	\$ 8,046	\$ 8,172		\$ 0		\$ 16,218
Operating Expenses:						
Salaries and Wages	\$ 2,537	\$ 3,182	100.0000%	\$ 0	S-3	\$ 5,719
Automobile	0	1,252	100.0000%	0	S-4	1,252
Retirement	210	(210)	100.0000%	0	S-5	0
Purchased Power for Pumping	745	0	100.0000%	0	S-6	745
Chemicals	176	0	100.0000%	0	S-7	176
Testing Supplies/Services	1,430	0	100.0000%	0	S-8	1,430
Maintenance & Supplies Expense	682	0	100.0000%	0	S-9	682
Primacy Fee	92	(92)	100.0000%	0	S-10	0
Accounting Fee	323	0	100.0000%	0	S-11	323
Annual Registration	23	0	100.0000%	0	S-12	23
PSC Assessment	65	(28)	100.0000%	0	S-13	37
Office Supplies	299	0	100.0000%	0	S-14	299
Postage Expense	247	0	100.0000%	0	S-15	247
Telephone Expense	247	335	100.0000%	0	S-16	582
Insurance Expense	0	1,659	100.0000%	0	S-17	1,659
FICA	0	426	100.0000%	0	S-18	426
Amortize Eng. Exp. - 5 Yrs.	0	127	100.0000%	0	S-19	127
Amortize Well Repair - 5 Yrs.	0	391	100.0000%	0	S-20	391
Total	\$ 7,041	\$ 7,041		\$ 0		\$ 14,117
Other Operating Expenses:						
Depreciation	\$ 260	\$ (96)	100.0000%	\$ 0	S-21	\$ 164
Total Depreciation		(96)				164
Total Operating Expenses	\$ 7,336	\$ 6,945	100.0000%	\$ 0		\$ 14,281
Net Income Before Income Taxes	\$ 710	\$ 1,227	100.0000%	\$ 0		\$ 1,937
Income Taxes:						
Current Income Tax	\$ 0	\$ 0	100.0000%	\$ 0	S-22	\$ 0
Deferred Income Tax	0	0	100.0000%	0	S-23	0
Amortization of ITC	0	0	100.0000%	0	S-24	0
Total Income Taxes	\$ 0	\$ 0		\$ 0		\$ 0
Net Operating Income	\$ 710	\$ 1,227		\$ 0		\$ 1,937

Hickory Hills Water & Sewer Company
Case No. WR-2006-0250
Twelve Months Ended December 31, 2004

Adjustments To Income Statement

Adj. No.	Description	Total Company Adjustment	Mo Juris Adjustment
Water Revenues			
1	Staff	\$ 8,264	\$ 0
		\$ 8,264	\$ 0
Privacy Fee			
1	Staff	\$ (92)	\$ 0
		\$ (92)	\$ 0
Salaries and Wages			
1	Mr. Clifford's salary adjustment, OPC	\$ 1,182	\$ 0
		\$ 3,063	\$ 0
2	Ms. Clifford's salary adjustment, OPC	119	
Automobile			
1	Mr. Clifford's mileage adjustment, OPC	\$ 1,252	\$ 0
		\$ 1,129	\$ 0
2	Ms. Clifford's mileage adjustment, OPC	123	
Retirement			
1	Mr. Clifford's retirement adjustment, OPC	\$ (210)	\$ 0
		\$ (210)	\$ 0
Purchased Power for Pumping			
1	No adjustment	\$ 0	\$ 0
		\$ 0	\$ 0
Chemicals			
1	No adjustment	\$ 0	\$ 0
		\$ 0	\$ 0
Testing Supplies/Services			
1	No adjustment	\$ 0	\$ 0
		\$ 0	\$ 0
Maintenance & Supplies Expense			
1	No adjustment	\$ 0	\$ 0
		\$ 0	\$ 0
Privacy Fee			
1	Staff	\$ (92)	\$ 0
		\$ (92)	\$ 0
Accounting Fee			
1	No adjustment	\$ 0	\$ 0
		\$ 0	\$ 0
Annual Registration			
1	No adjustment	\$ 0	\$ 0
		\$ 0	\$ 0
2			
PSC Assessment			
1	Staff	\$ (28)	\$ 0
		\$ (28)	\$ 0
Office Supplies			
1	No adjustment	\$ 0	\$ 0
		\$ 0	\$ 0
Postage Expense			
1	No adjustment	\$ 0	\$ 0
		\$ 0	\$ 0
2			
Telephone Expense			
1	Staff	\$ 335	\$ 0
		\$ 335	\$ 0
Insurance Expense			
1	Staff	\$ 1,659	\$ 0
		\$ 1,659	\$ 0
FICA			
1	Mr. Clifford's FICA adjustment, OPC	\$ 426	\$ 0
		\$ 402	\$ 0
2	Ms. Clifford's FICA adjustment, OPC	24	
Amortize Eng. Exp. - 5 Yrs.			
1	Staff	\$ 127	\$ 0
		\$ 127	\$ 0
Amortize Well Repair - 5 Yrs.			
1	Staff	\$ 391	\$ 0
		\$ 391	\$ 0
Depreciation			
1	Depreciation Adjustment, OPC	\$ (96)	\$ 0
		\$ (96)	\$ 0
Current Income Tax			
1	No adjustment	\$ 0	\$ 0
		\$ 0	\$ 0
Deferred Income Tax			
1	No adjustment	\$ 0	\$ 0
		\$ 0	\$ 0
2			
Amortization of ITC			
1	No adjustment	\$ 0	\$ 0
		\$ 0	\$ 0

Hickory Hills Water & Sewer Company
Case No. WR-2006-0250
Twelve Months Ended December 31, 2004

Income Tax Calculation

Description		Test Year	8.30% Return
		(B)	(C)
Net Income Before Tax		.937	\$ 16
Book Depreciation		\$ 164	\$ 164
Total Additions		\$ 164	\$ 164
Subtractions to Net Income Before Income Tax			
Interest Expense @ 5.93%		\$ 107	107
Depreciation		164	164
Total Subtractions		271	
Net Taxable Income		\$ 1,830	\$ 54
15 Provision for Federal Income Tax			
16 Net Taxable Income		,830	\$ 54
Deduct Missouri Income Tax 100.00%		106	3
Federal Taxable Income		\$,723	\$
Federal Income Tax 15.00%		\$ 259	\$
21 Provision for Missouri Income Tax			
22 Net Taxable Income		\$ 830	54
23 Deduct Federal Income Tax 50.00%		130	4
24 Missouri Taxable Income		\$	\$
25 Missouri Income Tax 25%		\$	\$
26			
Provision for City Earn			
City Taxable Income		\$,830	\$ 54
City Income Tax @ 0.00%		\$ 0	\$
Summary of Provision For Income Tax			
Federal Income Tax		\$ 259	\$
State Income Tax		106	
City Income Tax			
Total Current Income Tax		\$ 365	\$ 11

Exhibit 2

Hickory Hills Water & Sewer Company
Case No. SR-2006-0249
Twelve Months Ended December 31, 2004

				Cost of Capital				
	Amount	Percent	Cost	Weighted Cost	**	11.37%	0.00%	0.00%
						Weighted Cost		
Equity	\$ 4,553	20.881%	**	**	2.37%	0.00%	0.00%	0.00%
Preferred Stock	-	0.000%	0.000%	0.00%	0.00%	0.00%	0.00%	0.00%
Long Term Debt	17,251	79.119%	7.500%	5.93%	5.93%	5.93%	5.93%	5.93%
Short Term Debt	-	0.000%	0.000%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	21,804	100.000%		Rate of Return	8.30%	5.93%	5.93%	5.93%
Tax Weighted Rate of Return								
Tax Multiplier (1/(1-tax rate))					1.272727	1.272727	1.272727	
Weighted cost of equity					2.37%	0.00%	0.00%	
Tax weighted cost of equity					3.02%	0.00%	0.00%	
Weighted cost of debt					5.93%	5.93%	5.93%	
Tax Weighted Rate of Return					8.95%	5.93%	5.93%	

Hickory Hills Water & Sewer Company
Case No. SR-2006-0249
Twelve Months Ended December 31, 2004

Revenue Requirement

		<div>11.37% Equity Return</div>	
Line	(A)	(B)	
1	Net Original Cost Rate Base (From Accounting Schedule 2)	\$	458
2	Rate of Return		8.30%
3	Net Operating Income Requirement	\$	38
4	Net Operating Income Available (From Accounting Schedule 9)		(2,120)
5	Additional Net Operating Income Requirement	\$	2,158
6	Income Tax Requirement: (From Accounting Schedule 11)		
7	Required Current Income Tax	\$	3
8	Test Year Current Income Tax		0
9	Additional Current Income Tax Requirement	\$	
10			
11	Gross Revenue Requirement	\$	2,161

Hickory Hills Water & Sewer Company
Case No. SR-2006-0249
Twelve Months Ended December 31, 2004

Rate Base

Line	Description	Amount
	(A)	(B)
	Plant in Service (From Accounting Schedule 3)	\$ 22,800
2	Less:	
3	Accumulated Depreciation Reserve (From Accounting Schedule 6)	342
4	Net Plant in Service	\$
5	Add:	
6	Cash Working Capital	\$ 0
7	Total Additions to Net Plant in Service	\$ 22,458
8	Deduct:	
9	Interest Offset @ #REF!	\$ 0
10	Federal Income Tax Offset @ #REF!	0
11	State Income Tax Offset @ #REF!	0
12	Contributions In Aid of Construction	22,000
13	Contributions In Aid of Construction Amortized	0
14	Total Deductions from Net Plant in Service	\$
15		
16	Total Rate Base	\$ 458

Hickory Hills Water & Sewer Company
Case No. SR-2006-0249
Twelve Months Ended December 31, 2004

Plant In Service

Account No.	Description	Total Company 6/30/2004	Total Company Adjustment	Alloc Factor	Juris Adjustment	Adj. No. Acctg Sch 4	Adjusted Balance ((C+D)+(E)-F)
			(1)	(1)	(2)	(3)	(1)
	Collection Plant						
	Gravity Collection Sewer	\$ 19,000	\$ 0	100.0000%	\$ 0	P-1	\$ 19,000
	Total	\$ 19,000	\$ 0		\$ 0		\$ 19,000
	Treatment & Disposal Plant						
72.000	Oxidation Lagoon	\$ 2,200	\$ 0	100.0000%	\$ 0	P-2	\$ 2,200
	Total	\$ 2,200	\$ 0		\$ 0		\$ 2,200
	Transmission & Distribution Plant						
	General Plant						
393.000	Other General Equipment - 1/2 Is CIAC	\$ 1,600	\$ 0	100.0000%	\$ 0	P-3	\$ 1,600
	Total	\$ 1,600	\$ 0		\$ 0		\$ 1,600
	Total Plant In Service	\$ 22,800	\$ 0		\$ 0		\$ 22,800

Hickory Hills Water & Sewer Company
Case No. SR-2006-0249
Twelve Months Ended December 31, 2004

Adjustments To Plant In Service

Adj. No.	Description			Total Company Adjustment	Mo Juris Adjustment
A/C 352.000	Gravity Collection Sewer	P-1		\$ 0	\$ 0
A/C 372.000	Oxidation Lagoon	P-2		\$ 0	\$ 0
A/C 393.000	Other General Equipment - 1/2 Is CIAC	P-3		\$ 0	\$ 0

Hickory Hills Water & Sewer Company
Case No. SR-2006-0249
Twelve Months Ended December 31, 2004

Depreciation Expense

Account No.	Plant Description	Adjusted Jurisdictional	Depr Rate	Depreciation Expense C&D
	(B)	(C)	(D)	(E)
	Collection Plant			
352.000	Gravity Collection Sewer	\$ 19,000	0.0000%	\$ 0
3	Total	\$ 19,000		\$ 0
	Treatment & Disposal Plant			
372.000	Oxidation Lagoon	\$ 2,200	0.0000%	\$ 0
	Total	\$ 2,200		\$ 0
7	Transmission & Distribution Plant			
8	General Plant			
9	Other General Equipment - 1/2 Is CIAC	\$ 1,600	4.0000%	\$ 64
10	Total	\$ 1,600		\$ 64
11				
12	Total Plant Depreciation Expense	22,800		64

Hickory Hills Water & Sewer Company
Case No. SR-2006-0249
Twelve Months Ended December 31, 2004

Depreciation Reserve

Account No.	Plant Description	Total Company 6/30/2004	Total Company Adjustment	Alloc Factor		Adj. No. Acctg Sch 7	Adjusted Balance ((C+D)+E)+F
(A)	(B)	(C)	(D)	(E)			(H)
352.000	Collection Plant						
	Gravity Collection Sewer	\$ 7,333	\$ (7,333)	100.0000%	\$ -		\$ 0
	Total	\$ 7,333	\$ (7,333)		\$ 0		\$ 0
372.000	Treatment & Disposal Plant						
	Oxidation Lagoon	\$ 2,200	\$ (2,200)	100.0000%	\$ -	R-2	\$ -
	Total	\$ 2,200	\$ (2,200)		\$ -		\$ -
393.000	General Plant						
	Other General Equipment - 1/2 Is CIAC	\$ 1,142	\$ (800)	100.0000%	\$ -	R-3	\$ -
	Total	\$ 1,142	\$ (800)		\$ 0		\$ 342
Total Depreciation Reserve		\$ 10,675	\$ (10,333)	#	\$ 0		\$ 342

Hickory Hills Water & Sewer Company
Case No. SR-2006-0249
Twelve Months Ended December 31, 2004

Adjustments To Depreciation Reserve

Adj. No.	Description			Total Company Adjustment	Mo Juris Adjustment
A/C	352.000	Gravity Collection Sewer	R-1	\$ (7,333)	\$ 0
	Staff			\$ (7,333)	\$
2					
A/C	372.000	Oxidation Lagoon	R-2	\$ (2,200)	\$ 0
1	Staff			\$ (2,200)	\$
2					
A/C	393.000	0.00	#REF!	\$ (800)	\$ 0
	Staff			\$ (800)	\$
2					

Hickory Hills Water & Sewer Company
Case No. SR-2006-0249
Twelve Months Ended December 31, 2004

Income Statement

Description	Total Company (B)	Total Company Adjustment Acctg Sch 10 (C)	Allocation Factor (D)	Jurisdictional Adjustment (E)	Adj. No. Acctg Sch 10 (F)	Adjusted Jurisdictional ((B-C)+(D)-E) (G)
Operating Revenues:						
2 Sewer Revenues	\$ 2,862	\$ 4,103	100.0000%	\$ 0	S-1	\$ 6,965
3 Total Revenues	\$ 2,862	\$ 4,103		\$ 0		\$ 6,965
Operating Expenses:						
5 Salaries and Wages	\$ 2,537	\$ (531)	100.0000%	\$ 0	S-2	\$ 2,006
7 Automobile	0	417	100.0000%	0	S-3	417
8 Retirement	210	(210)	100.0000%	0	S-4	0
9 Testing Supplies/Services	870	426	100.0000%	0	S-5	1,296
10 Maintenance & Supplies Expense	1,146	0	100.0000%	0	S-6	1,146
11 Accounting Fee	323	0	100.0000%	0	S-7	323
13 Annual Registration	23	0	100.0000%	0	S-8	23
11 PSC Assessment	225	24	100.0000%	0	S-9	249
15 Office Supplies	299	0	100.0000%	0	S-10	299
16 Postage Expense	247	0	100.0000%	0	S-11	247
17 Telephone Expense	247	54	100.0000%	0	S-12	301
18 Insurance Expense	0	1,659	100.0000%	0	S-13	1,659
19 FICA	0	142	100.0000%	0	S-14	142
20 Amortize Eng. Exp. - 5 Yrs.	0	295	100.0000%	0	S-15	295
21 Sewer Permit	650	0	100.0000%	0	S-16	650
22 Total	\$ 6,777	\$ 2,227		\$ 0		\$ 9,004
Other Operating Expenses:						
24 Depreciation	\$ 260	\$ (228)	100.0000%	\$ 0	S-17	\$ 32
25 Total Depreciation	\$ 260	\$ (228)		\$ 0		\$ 32
27 Total Operating Expenses	\$ 6,517	\$ 1,999	100.0000%	\$ 0		\$ 8,516
28 Net Income Before Income Taxes	\$ (4,175)	\$ 2,055	100.0000%	\$ 0		\$ (2,120)
Income Taxes:						
33 Current Income Tax	\$ 0	\$ 0	100.0000%	\$ 0	S-18	\$ 0
34 Deferred Income Tax	0	0	100.0000%	0	S-19	0
35 Amortization of ITC	0	0	100.0000%	0	S-20	0
36 Total Income Taxes	\$ 0	\$ 0		\$ 0		\$ 0
37 Net Operating Income	\$ (4,175)	\$ 2,055		\$ 0		\$ (2,120)

Hickory Hills Water & Sewer Company
 Case No. SR-2006-0249
 Twelve Months Ended December 31, 200

Adjustments To Income Statement

Add/ Sub	Description	Total Company Adjustment	Mo Juris Adjustment
Sewer Revenue	S-1	\$ 4,103	\$ 0
		4,103	
Salaries and Wages		\$(531)	\$
1	Mr. Clifford's salary adjustment, OPC		
		(89)	
Automobile	S-3	\$ 417	\$ 0
	Large adjustment, OPC		
2	Ms		
	Large adjustment, OPC	41	
Retirement		\$(210)	\$
Testing Supplies/Service		\$ 426	\$ 0
1		426	\$
Maintenance & Supplies Expense	S-4		
1	No adjustment		
Hunting Fee			
Annual Registration	S-4	\$	
PSC Assessment	S-9	\$	
Supplies			
1	No adjust		
Postage Expense	S-11	\$	
1	No adjustment	\$	
Telephone Expense	S-12	\$	
Insurance Expense	S-13	\$ 1,659	\$ 0
1	Staff	1,659	
FIC	S-14		
1	Adjustment, OPC		
Amortize Eng. Exp. - 5 Yrs.		\$	
1	Staff		
Sewer Permit	S-16	\$	\$ 0
Depreciation	17		
1	Staff		
Federal Income Tax	S-18	\$	\$
1	No adjustment		
Deferred Income Tax	S-19	\$ 0	\$
Amortization of FIC	S-20	\$	

Hickory Hills Water & Sewer Company
Case No. SR-2006-0249
Twelve Months Ended December 31, 2004

Income Tax Calculation

	Description (A)	Test Year (B)	8.30% Return (C)
2	Net Income Before Taxes (Acct. Sch. 1)	\$ (2,120)	\$ 41
	Add:		
4	Book Depreciation	\$ 32	\$ 32
5	Total Additions	\$ 32	\$ 32
6			
7	Subtractions to Net Income Before Income Tax:		
8	Interest Expense @ 5.93%	\$ 27	\$ 27
9	Depreciation	\$ 32	\$ 32
	Total Subtractions	\$ 59	\$ 59
	Net Taxable Income	\$ (2,147)	\$ 14
	Provision for Federal Income Tax		
	Net Taxable Income	\$ (2,147)	\$ 14
	Deduct Missouri Income Tax @ 100.00%	0	0
	Federal Taxable Income	\$ (2,147)	\$ 14
19	Federal Income Tax @ 15.00%	\$ 322	\$ 322
20			
21	Provision for Missouri Income Tax		
22	Net Taxable Income	\$ (2,147)	\$ 14
23	Deduct Federal Income Tax @ 50.00%	(161)	(161)
24	Missouri Taxable Income	\$ (1,986)	\$ 14
25	Missouri Income Tax @ 6.25%	\$ 124	\$ 124
	Provision for City Earnings Tax		
	City Taxable Income	\$ (2,147)	\$ 14
	City Income Tax @ 0.00%	\$ 0	\$ 0
	Summary of Provision For Income Tax		
	Federal Income Tax	\$ (322)	\$ (322)
	State Income Tax	(124)	(124)
	City Income Tax	0	0
	Total Current Income Tax	\$ (446)	\$ 3