

**Raccoon Creek Utility Operating Company, Inc.**

	REVISED			
	<u>Total</u>	<u>Villages</u>	<u>WPC</u>	<u>WSS</u>
Total Revenues	\$158,403	\$73,821	\$29,734	\$54,848
	\$1,733	\$0	\$578	\$1,155
	<u>\$160,136</u>	<u>\$73,821</u>	<u>\$30,312</u>	<u>\$56,003</u>
Total Operating Expense	\$347,444	\$166,466	\$66,024	\$114,954
Total Interest Return &	\$243,825	\$104,799	\$67,539	\$71,487
Total Cost of Services	<u>\$591,269</u>	<u>\$271,265</u>	<u>\$133,563</u>	<u>\$186,441</u>
Incremental Increase in Rate Revenues	\$431,133	\$197,444	\$103,251	\$130,438
Percent Increase	269.23%	267.46%	340.63%	232.91%

Updated for Property Tax, Audit Fees, Tax Return Fees  
 Debt @ 14%  
 Equity @ 15.75%

Raccoon Creek Utility Operating Company, Inc.

Raccoon Creek - Villages

Case No. SR-2016-0202

Test Year Ending 12-31-2015 Updated through 3-31-2016

Rate Design Schedule - Sewer

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
Rev-1	<b>ANNUALIZED REVENUES</b>					
Rev-2	Annualized Rate Revenues		(1) \$73,821			
Rev-3	Miscellaneous Revenues		(1) \$0			
Rev-4	<b>TOTAL ANNUALIZED REVENUES</b>		<u>\$73,821</u>			
			(2)			
1	<b>OPERATIONS EXPENSES</b>					
2	Chemicals (Treatment and Disposal Exp)	741.000	\$0	\$0	\$0	0.00%
3	Treatment and Labor	742.000	\$31,000	\$0	\$31,000	0.00%
4	Fuel & Power for Sewage Treatment and Pumping	743.000	\$3,250	\$0	\$3,250	0.00%
5	<b>TOTAL OPERATIONS EXPENSE</b>		<u>\$34,250</u>	\$0	<u>\$34,250</u>	
6	<b>MAINTENANCE EXPENSES</b>					
7	Sewer Maintenance Collection - Maint of Service to Customers	713.000	\$0	\$0	\$0	0.00%
8	Misc Maintenance Expense	744.000	\$0	\$0	\$0	0.00%
9	Maintenance of Treatment & Disposal Plant	752.000	\$896	\$0	\$896	0.00%
10	<b>TOTAL MAINTENANCE EXPENSE</b>		<u>\$896</u>	\$0	<u>\$896</u>	
11	<b>CUSTOMER ACCOUNT EXPENSE</b>					
12	Customer Records & Collection Expense (Billing & Collections)	903.100	\$7,252	\$0	\$7,252	0.00%
13	Customer Records & Collection Expense (Office Supplies & Postage)	903.200	\$677	\$0	\$677	0.00%
14	Customer Records & Collection Expense (Bank Fees)	903.280	\$2,449	\$0	\$2,449	0.00%
15	Uncollectible Accounts	904.000	\$831	\$0	\$831	0.00%
16	Customer Service & Information Expense (web page) - CSWR 17.01%	907.000	\$39	\$0	\$39	0.00%
17	<b>TOTAL CUSTOMER ACCOUNT EXPENSE</b>		<u>\$11,248</u>	\$0	<u>\$11,248</u>	
18	<b>ADMINISTRATIVE &amp; GENERAL EXPENSES</b>					
19	Administrative and General Salaries - CSWR 17.01%	920.000	\$26,002	\$0	\$26,002	0.00%
20	Office Supplies & Other Expenses (Meals, Travel, Incidental Expense) - CSWR 17.01%	921.110	\$1,040	\$0	\$1,040	0.00%
21	Office Supplies & Other Expenses (Communication Service) - CSWR 17.01%	921.500	\$427	\$0	\$427	0.00%
22	Office Supplies & Other Expenses (Office Supplies) - Cswr 17.01%	921.800	\$604	\$0	\$604	0.00%
23	Outside Services Employed (Bank Fees)	923.100	\$20	\$0	\$20	0.00%
24	Outside Services Employed (Attorneys/Legal Fees)	923.400	\$4,396	\$0	\$4,396	0.00%
25	Outside Services Employed (Attorneys/Legal Fees) - CSWR 17.01%	923.400	\$0	\$0	\$0	0.00%
26	Outside Services Employed (Accountants/Auditors) - CSWR 17.01%	923.500	\$5,375	\$0	\$5,375	0.00%
27	Outside Services Employed (Management Consultants) - CSWR 17.01%	923.600	\$1,231	\$0	\$1,231	0.00%
28	Outside Services Employed (Payroll Fees) - CSWR 17.01%	923.800	\$125	\$0	\$125	0.00%
29	Outside Services Employed (IT) - CSWR 17.01%	923.900	\$251	\$0	\$251	0.00%
30	Property Insurance (Environmental)	924.200	\$8,085	\$0	\$8,085	0.00%
31	Property Insurance (Workers' Comp) - CSWR 17.01%	924.300	\$140	\$0	\$140	0.00%
32	Property Insurance (Commercial)	924.400	\$10,297	\$0	\$10,297	0.00%
33	Employee Pension & Benefits (Keyman) - CSWR 17.01%	926.100	\$0	\$0	\$0	0.00%
34	Employee Pension & Benefits (United Healthcare) - CSWR 17.01%	926.200	\$4,964	\$0	\$4,964	0.00%
35	Employee Pension & Benefits (401k) - CSWR 17.01%	926.300	\$780	\$0	\$780	0.00%
36	Employee Pension & Benefits (Life/STD/LTD/AD&D) - CSWR 17.01%	926.400	\$2,069	\$0	\$2,069	0.00%
37	Misc. General Expense	930.200	\$28	\$0	\$28	0.00%
38	Rents - CSWR 17.01%	931.000	\$7,794	\$0	\$7,794	0.00%
39	<b>TOTAL ADMINISTRATIVE AND GENERAL</b>		<u>\$73,628</u>	\$0	<u>\$73,628</u>	
40	<b>OTHER OPERATING EXPENSES</b>					
41	Amortization Expense (Account 301 - Organization)	408.000	\$2,133	\$0	\$2,133	0.00%
42	Amortization Expense (Account 303 - Misc Intangible Plant)	408.000	\$3,794	\$0	\$3,794	0.00%
43		928.100	\$1,000	\$0	\$1,000	0.00%
44	Regulatory Commission Expense (DNR)	928.200	\$1,816	\$0	\$1,816	0.00%
45	Regulatory Commission Expense (PSC)	928.200	\$20	\$0	\$20	0.00%
46	Regulatory Commission Expense (Sec of State Bus License) - Depreciation	928.400	\$28	\$0	\$28	0.00%
47	<b>TOTAL OTHER OPERATING EXPENSES</b>		<u>\$41,112</u>	\$0	<u>\$41,112</u>	

Raccoon Creek Utility Operating Company, Inc.

Raccoon Creek - Villages

Case No. SR-2016-0202

Test Year Ending 12-31-2015 Updated through 3-31-2016

Rate Design Schedule - Sewer

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
48	<b>TAXES OTHER THAN INCOME</b>					
49	Federal and State Income Taxes	408.100	\$0	\$0	\$0	0.00%
50	SS & Medicare - CSWR 17.01%	408.120	\$1,989	\$0	\$1,989	0.00%
51	Unemployment Tax - CSWR 17.01%	408.140	\$642	\$0	\$642	0.00%
52	Property Tax	408.160	\$2,701	\$0	\$2,701	0.00%
53	<b>TOTAL TAXES OTHER THAN INCOME</b>		<u>\$5,332</u>	<u>\$0</u>	<u>\$5,332</u>	
54	<b>TOTAL OPERATING EXPENSES</b>		<u>\$166,466</u>	<u>\$0</u>	<u>\$158,587</u>	
55	Interest Expense		(3) \$87,947	\$0	\$87,947	0.00%
56	Return on Equity		(3) \$13,492	\$0	\$13,492	0.00%
57	Income Taxes		(3) \$3,360	\$0	\$3,360	0.00%
58	<b>TOTAL INTEREST RETURN &amp; TAXES</b>		<u>\$104,799</u>	<u>\$0</u>	<u>\$104,799</u>	
59	<b>TOTAL COST OF SERVICE</b>		<u>\$271,265</u>	<u>\$0</u>	<u>\$271,265</u>	
60	Less: Miscellaneous Revenues		\$0	\$0	\$0	0.00%
61	<b>COST TO RECOVER IN RATES</b>		<u>\$271,265</u>	<u>\$0</u>	<u>\$271,265</u>	
62	<b>INCREMENTAL INCREASE IN RATE REVENUES</b>		<u>\$197,444</u>			
63	<b>PERCENTAGE OF INCREASE</b>		<u>267.46%</u>			
64	<b>REQUESTED INCREASE IN REVENUES</b>		<u>\$277,488</u>			

(1) From Revenue Schedule

(2) From Expense Schedule

(3) From PreTax Rate of Return Schedule, Rate Base & Return Schedule

Raccoon Creek Utility Operating Company, Inc.

Raccoon Creek - Villages

Case No. SR-2016-0202

Test Year Ending 12-31-2015 Updated through 3-31-2016

Capital Structure Schedule - Sewer

Line Number	A Description	B Dollar Amount	C Percentage of Total Capital Structure	D Embedded Cost of Capital	E Weighted Cost of Capital
1	Common Stock	\$196,513	12.00%	15.75%	1.890%
2	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%
3	Preferred Stock	\$0	0.00%	0.00%	0.000%
4	Long Term Debt	\$1,441,095	88.00%	14.00%	12.320%
5	Short Term Debt	\$0	0.00%	0.00%	0.000%
6	Other Security-Tax Deductible	\$0	0.00%	0.00%	0.000%
7	<b>TOTAL CAPITALIZATION</b>	<b>\$1,637,608</b>	<b>100.00%</b>		<b>#</b>

To PreTax Return Rate Schedule

Raccoon Creek Utility Operating Company, Inc.

Raccoon Creek - Villages

Case No. SR-2016-0202

Test Year Ending 12-31-2015 Updated through 3-31-2016

Rate of Return Including Income Tax - Sewer

	A	B	formulas
1 State Income Tax Rate Statutory / Effective	6.25%	(2)	5.81% (1 - (B2 x .5)) x A1
2 Federal Income Tax Rate Statutory / Effective	15.00%	(1) & (2)	14.13% (1 - B1) x A2
3 Composite Effective Income Tax Rate			19.94% B1 + B2
4 Equity Tax Factor			1.2490 1 / (1-B3)
5 Recommended Weighted Rate of Return on Equity - Common and Preferred			1.89% From Capital Structure Schedule
6 Weighted Rate of Return on Equity Including Income Tax			2.36% B4 x B5
7 Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term			12.32% From Capital Structure Schedule
8 Total Weighted Rate of Return Including Income Tax			14.68% B6+B7
			To Rate Base Schedule

(1) If Sub-Chapter S Corporation, Enter Y:

N

Equity Income Required & Preliminary Federal Tax \$15,873

Tax Rate Table

Net Income Range				
Start	End	Tax Rate	Amount in Range	Tax on Range
\$0	\$50,000	15.00%	\$15,873	\$2,381
\$50,001	\$75,000	25.00%	\$0	\$0
\$75,001	\$100,000	34.00%	\$0	\$0
\$100,001	\$335,000	39.00%	\$0	\$0
\$335,001	#	34.00%	\$0	\$0
			\$15,873	\$2,381
			Consolidated Tax Rate:	
			Average Tax Rate:	0.15

Raccoon Utility Operating Company, Inc.

Raccoon Creek - WPC  
 Case No. SR-2016-0202  
 Test Year Ending 12-31-2015 Updated through 3-31-2016  
 Rate Design Schedule - Sewer

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
Rev-1	<b>ANNUALIZED REVENUES</b>					
Rev-2	Annualized Rate Revenues		(1) \$29,734			
Rev-3	Miscellaneous Revenues		(1) \$578			
Rev-4	<b>TOTAL ANNUALIZED REVENUES</b>		<u>\$30,312</u>			
			(2)			
1	<b>OPERATIONS EXPENSES</b>					
2	Treatment and Labor	742.000	\$7,691	\$0	\$7,691	0.00%
3	Fuel & Power for Sewage Treatment and Pumping	743.000	\$3,681	\$0	\$3,681	0.00%
4	<b>TOTAL OPERATIONS EXPENSE</b>		<u>\$11,372</u>	\$0	<u>\$11,372</u>	
5	<b>MAINTENANCE EXPENSES</b>					
6	Sewer Maintenance Collection (Maintenance of Services to Customers)	713.000	\$127	\$0	\$127	0.00%
7	Misc Maintenance Expense	744.000	\$0	\$0	\$0	0.00%
8	Maintenance of Treatment & Disposal Plant	752.000	\$0	\$0	\$0	0.00%
9	<b>TOTAL MAINTENANCE EXPENSE</b>		<u>\$127</u>	\$0	<u>\$127</u>	
10	<b>CUSTOMER ACCOUNT EXPENSE</b>					
11	Customer Records & Collection Expense (Billings & Collections)	903.100	\$1,799	\$0	\$1,799	0.00%
12	Customer Records & Collection Expense (Office Supplies & Postage)	903.200	\$168	\$0	\$168	0.00%
13	Customer Records & Collection Expense (Bank Fees)	903.280	\$608	\$0	\$608	0.00%
14	Uncollectible Accounts	904.000	\$206	\$0	\$206	0.00%
15	Customer Service & Information Expense (web Page) - CSWR 17.0.1%	907.000	\$10	\$0	\$10	0.00%
16	<b>TOTAL CUSTOMER ACCOUNT EXPENSE</b>		<u>\$2,791</u>	\$0	<u>\$2,791</u>	
17	<b>ADMINISTRATIVE &amp; GENERAL EXPENSES</b>					
18	Administrative and General Salaries - CSWR 17.01%	920.000	\$6,451	\$0	\$6,451	0.00%
19	Office Supplies & Other Expenses (Meals, Travel, Incidental Expense) - CSWR 17.01%	921.110	\$266	\$0	\$266	0.00%
20	Office Supplies & Other Expenses (Communication Service) - CSWR 17.01%	921.500	\$106	\$0	\$106	0.00%
21	Office Supplies & Other Expenses (Office Supplies & Expense) - CSWR 17.01%	921.800	\$150	\$0	\$150	0.00%
22	Outside Services Employed (Bank Fees)	923.100	\$5	\$0	\$5	0.00%
23	Outside Services Employed (Attorneys/Legal Fees)	923.400	\$1,091	\$0	\$1,091	0.00%
24	Outside Services Employed (Attorneys/Legal Fees) - CSWR 17.01%	923.400	\$49	\$0	\$49	0.00%
25	Outside Services Employed (Accountants/Auditors) - CSWR 17.01%	923.500	\$5,375	\$0	\$5,375	0.00%
26	Outside Services Employed (Management Consultants) - CSWR 17.01%	923.600	\$305	\$0	\$305	0.00%
27	Outside Services Employed (Payroll Fees) - CSWR 17.01%	923.800	\$31	\$0	\$31	0.00%
28	Outside Services Employed (IT) - CSWR 17.01%	923.900	\$62	\$0	\$62	0.00%
29	Property Insurance (Environmental)	924.200	\$2,006	\$0	\$2,006	0.00%
30	Property Insurance (Workers' Comp) - CSWR 17.01%	924.300	\$35	\$0	\$35	0.00%
31	Property Insurance (Commercial)	924.400	\$2,555	\$0	\$2,555	0.00%
32	Employee Pension & Benefits (Keyman) - CSWR 17.01%	926.100	\$0	\$0	\$0	0.00%
33	Employee Pension & Benefits (United Healthcare) - CSWR 17.01%	926.200	\$1,231	\$0	\$1,231	0.00%
34	Employee Pension & Benefits (401k) - CSWR 17.01%	926.300	\$194	\$0	\$194	0.00%
35	Employee Pension & Benefits (Life/STD/LTD/AD&D) - CSWR 17.01%	926.400	\$513	\$0	\$513	0.00%
36	Administration & General - Misc. General Expense	930.200	\$7	\$0	\$7	0.00%
37	Rents - CSWR 17.01%	931.000	\$1,934	\$0	\$1,934	0.00%
38	<b>TOTAL ADMINISTRATIVE AND GENERAL</b>		<u>\$22,366</u>	\$0	<u>\$22,366</u>	
39	<b>OTHER OPERATING EXPENSES</b>					
40	Amortization Expense (Account 301 Organization)	408.000	\$2,517	\$0	\$2,517	0.00%
41	Amortization Expense (Account 303, Misc Intangible Plant)	408.000	\$435	\$0	\$435	0.00%
42	Regulatory Commission Expense (DNR)	928.100	\$600	\$0	\$600	0.00%
43	Regulatory Commission Expense (PSC)	928.200	\$1,096	\$0	\$1,096	0.00%
44	Regulatory Commission Expense (Sec of State Bus License) - CSWR 17.01%	928.400	\$5	\$0	\$5	0.00%
45	Depreciation		<u>\$21,588</u>	\$0	<u>\$21,588</u>	0.00%
46	<b>TOTAL OTHER OPERATING EXPENSES</b>		<u>\$26,241</u>	\$0	<u>\$26,241</u>	

Raccoon Utility Operating Company, Inc.

Raccoon Creek - WPC  
 Case No. SR-2016-0202  
 Test Year Ending 12-31-2015 Updated through 3-31-2016  
 Rate Design Schedule - Sewer

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
47	<b>TAXES OTHER THAN INCOME</b>					
48	Federal & State Income Taxes	408.100	\$0	\$0	\$0	0.00%
49	SS & Medicare - CSWR 17.01%	408.120	\$494	\$0	\$494	0.00%
50	Unemployment Tax - CSWR 17.01%	408.140	\$159	\$0	\$159	0.00%
51	Property Tax	408.160	\$2,474	\$0	\$2,474	0.00%
52	<b>TOTAL TAXES OTHER THAN INCOME</b>		<u>\$3,127</u>	<u>\$0</u>	<u>\$3,127</u>	
53	<b>TOTAL OPERATING EXPENSES</b>		<u>\$66,024</u>	<u>\$0</u>	<u>\$58,525</u>	
54	Interest Expense		(3) \$56,679	\$0	\$56,679	0.00%
55	Return on Equity		(3) \$8,695	\$0	\$8,695	0.00%
56	Income Taxes		(3) \$2,165	\$0	\$2,165	0.00%
57	<b>TOTAL INTEREST RETURN &amp; TAXES</b>		<u>\$67,539</u>	<u>\$0</u>	<u>\$67,539</u>	
58	<b>TOTAL COST OF SERVICE</b>		<u>\$133,563</u>	<u>\$0</u>	<u>\$133,563</u>	
59	Less: Miscellaneous Revenues		-\$578	\$0	\$578	0.00%
60	<b>COST TO RECOVER IN RATES</b>		<u>\$132,985</u>	<u>\$0</u>	<u>\$132,985</u>	
61	<b>INCREMENTAL INCREASE IN RATE REVENUES</b>		<u>\$103,251</u>			
62	<b>PERCENTAGE OF INCREASE</b>		<u>340.63%</u>			
63	<b>REQUESTED INCREASE IN REVENUES</b>		<u>\$68,842</u>			

- (1) From Revenue Schedule
- (2) From Expense Schedule
- (3) From PreTax Rate of Return Schedule, Rate Base & Return Schedule

Raccoon Utility Operating Company, Inc.

Raccoon Creek - WPC

Case No. SR-2016-0202

Test Year Ending 12-31-2015 Updated through 3-31-2016

Capital Structure Schedule - Sewer

Line Number	A Description	B Dollar Amount	C Percentage of Total Capital Structure	D Embedded Cost of Capital	E Weighted Cost of Capital
1	Common Stock	\$196,513	12.00%	15.75%	1.890%
2	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%
3	Preferred Stock	\$0	0.00%	0.00%	0.000%
4	Long Term Debt	\$1,441,095	88.00%	14.00%	12.320%
5	Short Term Debt	\$0	0.00%	0.00%	0.000%
6	Other Security-Tax Deductible	\$0	0.00%	0.00%	0.000%
7	<b>TOTAL CAPITALIZATION</b>	<b>\$1,637,608</b>	<b>100.00%</b>		<b>14.210%</b>

To PreTax Return Rate Schedule



Raccoon Creek Utility Operating Company, Inc.

Raccoon Creek - WPC  
 Case No. SR-2016-0202  
 Test Year Ending 12-31-2015 Updated through 3-31-2016  
 Rate of Return Including Income Tax - Sewer

	A	B	formulas
1 State Income Tax Rate Statutory / Effective	6.25%	(2)	5.81% (1 - (B2 x .5)) x A1
2 Federal Income Tax Rate Statutory / Effective	15.00%	(1) & (2)	14.13% (1 - B1) x A2
3 Composite Effective Income Tax Rate			19.94% B1 + B2
4 Equity Tax Factor			1.2490 1 / (1-B3)
5 Recommended Weighted Rate of Return on Equity - Common and Preferred			1.89% From Capital Structure Schedule
6 Weighted Rate of Return on Equity Including Income Tax			2.36% B4 x B5
7 Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term			12.32% From Capital Structure Schedule
8 Total Weighted Rate of Return Including Income Tax			14.68% B6+B7
			To Rate Base Schedule

(1) If Sub-Chapter S Corporation, Enter Y:

N

Equity Income Required **\$10,229**  
 & Preliminary Federal Tax

Tax Rate Table

Net Income Range				
Start	End	Tax Rate	Amount in Range	Tax on Range
\$0	\$50,000	15.00%	\$10,229	\$1,534
\$50,001	\$75,000	25.00%	\$0	\$0
\$75,001	\$100,000	34.00%	\$0	\$0
\$100,001	\$335,000	39.00%	\$0	\$0
\$335,001	#	34.00%	\$0	\$0
			\$10,229	\$1,534
Consolidated Tax Rate:				
Average Tax Rate:				0.15

Raccoon Creek Utility Operating Company, Inc.

Raccoon Creek - WSS  
 Case No. SR-2016-0202  
 Test Year Ending 12-31-2015 Updated through 3-31-2016  
 Rate Design - Sewer

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
Rev-1	<b>ANNUALIZED REVENUES</b>					
Rev-2	Annualized Rate Revenues		(1) \$54,848			
Rev-3	Miscellaneous Revenues		(1) \$1,155			
Rev-4	<b>TOTAL ANNUALIZED REVENUES</b>		\$56,003			
			(2)			
1	<b>OPERATIONS EXPENSES</b>					
2	Chemicals (Treatment and Disposal Exp)	741.000	\$0	\$0	\$0	0.00%
3	Treatment and Labor	742.000	\$20,469	\$0	\$20,469	0.00%
4	Fuel & Power for Sewage Treatment and Pumping	743.000	\$4,791	\$0	\$4,791	0.00%
5	<b>TOTAL OPERATIONS EXPENSE</b>		\$25,260	\$0	\$25,260	
6	<b>MAINTENANCE EXPENSES</b>					
7	Maintenance of Services to Customers	713.000	\$96	\$0	\$96	0.00%
8	Misc. Maintenance Expense	744.000	\$0	\$0	\$0	0.00%
9	Maintenance of Treatment & Disposal Plant	752.000	\$0	\$0	\$0	0.00%
10	<b>TOTAL MAINTENANCE EXPENSE</b>		\$96	\$0	\$96	
11	<b>CUSTOMER ACCOUNT EXPENSE</b>					
12	Customer Records & Collection Expense (Billing & Collections)	903.100	\$4,789	\$0	\$4,789	0.00%
13	Customer Records & Collection Expense (Office Supplies & Postage)	903.200	\$446	\$0	\$446	0.00%
14	Customer Records & Collection Expense (Bank Fees)	903.280	\$1,617	\$0	\$1,617	0.00%
15	Uncollectible Accounts	904.000	\$549	\$0	\$549	0.00%
16	Customer Service & Information Expense (web page) CSWR 17.01%	907.000	\$26	\$0	\$26	0.00%
17	<b>TOTAL CUSTOMER ACCOUNT EXPENSE</b>		\$7,427	\$0	\$7,427	
18	<b>ADMINISTRATIVE &amp; GENERAL EXPENSES</b>					
19	Administrative and General Salaries - CSWR 17.01%	920.000	\$17,170	\$0	\$17,170	0.00%
20	Office Supplies & Other Expenses (Meals, Travel, Incidental Expenses) - CSWR 17.01%	921.110	\$687	\$0	\$687	0.00%
21	Office Supplies & Other Expenses (Communication Service) - CSWR 17.01%	921.500	\$282	\$0	\$282	0.00%
22	Office Supplies & Other Expenses (Office Supplies)	921.800	\$399	\$0	\$399	0.00%
23	Outside Services Employed (Bank Fees)	923.100	\$13	\$0	\$13	0.00%
24	Outside Services Employed (Attorneys/Legal Fees)	923.400	\$2,903	\$0	\$2,903	0.00%
25	Outside Services Employed (Attorneys/Legal Fees) - CSWR 17.01%	923.400	\$0	\$0	\$0	0.00%
26	Outside Services Employed Accountants/Auditors) - CSWR 17.01%	923.500	\$5,375	\$0	\$5,375	0.00%
27	Outside Services Employed (Management Consultants) - CSWR 17.01%	923.600	\$813	\$0	\$813	0.00%
28	Outside Services Employed (Payroll Fees) - CSWR 17.01%	923.800	\$83	\$0	\$83	0.00%
29	Outside Services Employed (IT) - CSWR 17.01%	923.900	\$166	\$0	\$166	0.00%
30	Property Insurance (Environmental)	924.200	\$5,339	\$0	\$5,339	0.00%
31	Property Insurance (Workers' Comp) - CSWR 17.01%	924.300	\$92	\$0	\$92	0.00%
32	Property Insurance (Commercial)	924.400	\$6,799	\$0	\$6,799	0.00%
33	Employee Pension & Benefits (Keyman) - CSWR 17.01%	926.100	\$0	\$0	\$0	0.00%
34	Employee Pension & Benefits (United Healthcare - CSWR 17.01%	926.200	\$3,278	\$0	\$3,278	0.00%
35	Employee Pension & Benefits (401k) - CSWR 17.01%	926.300	\$515	\$0	\$515	0.00%
36	Employee Pension & Benefits (Life/STD/LTD/AD&D) - CSWR 17.01%	926.400	\$1,366	\$0	\$1,366	0.00%
37	Misc General Expense	930.200	\$19	\$0	\$19	0.00%
38	Rents - CSWR 17.01%	931.000	\$5,146	\$0	\$5,146	0.00%
39	<b>TOTAL ADMINISTRATIVE AND GENERAL</b>		\$50,445	\$0	\$50,445	
40	<b>OTHER OPERATING EXPENSES</b>					
41	Amortization Expense (Account 301 - Organization)	408.000	\$1,010	\$0	\$1,010	0.00%
42	Amortization Expense (Account 303 - Misc Intangible Plant)	408.000	\$108	\$0	\$108	0.00%
43	Regulatory Commission Expense (DNR)	928.100	\$3,000	\$0	\$3,000	0.00%
44	Regulatory Commission Expense (PSC)	928.200	\$1,311	\$0	\$1,311	0.00%
45	Regulatory Commission Expense (Sec of State Business License) - CSWR 17.01%	928.400	\$13	\$0	\$13	0.00%
46	Depreciation		\$21,817	\$0	\$21,817	0.00%
47	<b>TOTAL OTHER OPERATING EXPENSES</b>		\$27,259	\$0	\$27,259	

Raccoon Creek Utility Operating Company, Inc.

Raccoon Creek - WSS  
 Case No. SR-2016-0202  
 Test Year Ending 12-31-2015 Updated through 3-31-2016  
 Rate Design - Sewer

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
48	<b>TAXES OTHER THAN INCOME</b>					
49	Federal and State Income Taxes	408.100	\$0	\$0	\$0	0.00%
50	SS & Medicare - CSWR 17.01%	408.120	\$1,313	\$0	\$1,313	0.00%
51	Unemployment Tax - CSWR 17.01%	408.140	\$424	\$0	\$424	0.00%
52	Property Tax	408.160	\$2,730	\$0	\$2,730	0.00%
53	<b>TOTAL TAXES OTHER THAN INCOME</b>		<u>\$4,467</u>	<u>\$0</u>	<u>\$4,467</u>	
54	<b>TOTAL OPERATING EXPENSES</b>		<u>\$114,954</u>	<u>\$0</u>	<u>\$114,954</u>	
55	Interest Expense		(3) \$59,992	\$0	\$59,992	0.00%
56	Return on Equity		(3) \$9,203	\$0	\$9,203	0.00%
57	Income Taxes		(3) \$2,292	\$0	\$2,292	0.00%
58	<b>TOTAL INTEREST RETURN &amp; TAXES</b>		<u>\$71,487</u>	<u>\$0</u>	<u>\$71,487</u>	
59	<b>TOTAL COST OF SERVICE</b>		<u>\$186,441</u>	<u>\$0</u>	<u>\$186,441</u>	
60	Less: Miscellaneous Revenues		<u>-\$1,155</u>	<u>\$0</u>	<u>-\$1,155</u>	0.00%
61	<b>COST TO RECOVER IN RATES</b>		<u>\$185,286</u>	<u>\$0</u>	<u>\$185,286</u>	
62	<b>INCREMENTAL INCREASE IN RATE REVENUES</b>		<u>\$130,438</u>			
63	<b>PERCENTAGE OF INCREASE</b>		<u>232.91%</u>			
64	<b>REQUESTED INCREASE IN REVENUES</b>		<u>\$183,227</u>			

- (1) From Revenue Schedule
- (2) From Expense Schedule
- (3) From PreTax Rate of Return Schedule, Rate Base & Return Schedule

**Raccoon Creek Utility Operating Company, Inc.**

**Raccoon Creek - WSS**

**Case No. SR-2016-0202**

**Test Year Ending 12-31-2015 Updated through 3-31-2016**

**Capital Structure Schedule - Sewer**

Line Number	Description	Dollar Amount	Percentage of Total Capital Structure	Embedded Cost of Capital	Weighted Cost of Capital
1	Common Stock	\$196,513	12.00%	15.75%	1.890%
2	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%
3	Preferred Stock	\$0	0.00%	0.00%	0.000%
4	Long Term Debt	\$1,441,095	88.00%	14.00%	12.320%
5	Short Term Debt	\$0	0.00%	0.00%	0.000%
6	Other Security-Tax Deductible	\$0	0.00%	0.00%	0.000%
7	<b>TOTAL CAPITALIZATION</b>	<b>\$1,637,608</b>	<b>100.00%</b>	<b>To PreTax Return Rate Schedule</b>	
					<b>14.210%</b>

Raccoon Creek Utility Operating Company, Inc.

Raccoon Creek - WSS

Case No. SR-2016-0202

Test Year Ending 12-31-2015 Updated through 3-31-2016

Rate of Return Including Income Tax - Sewer

	A	B	formulas
1 State Income Tax Rate Statutory / Effective	6.25%	(2)	5.81% (1 - (B2 x .5)) x A1
2 Federal Income Tax Rate Statutory / Effective	15.00%	(1) & (2)	14.13% (1 - B1) x A2
3 Composite Effective Income Tax Rate			19.94% B1 + B2
4 Equity Tax Factor			1.2490 1 / (1-B3)
5 Recommended Weighted Rate of Return on Equity - Common and Preferred			1.89% From Capital Structure Schedule
6 Weighted Rate of Return on Equity Including Income Tax			2.36% B4 x B5
7 Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term			12.32% From Capital Structure Schedule
8 Total Weighted Rate of Return Including Income Tax			14.68% B6+B7
			To Rate Base Schedule

(1) If Sub-Chapter S Corporation, Enter Y:

N

Equity Income Required  
& Preliminary Federal Tax

\$10,827

Tax Rate Table

Net Income Range				
Start	End	Tax Rate	Amount in Range	Tax on Range
\$0	\$50,000	15.00%	\$10,827	\$1,624
\$50,001	\$75,000	25.00%	\$0	\$0
\$75,001	\$100,000	34.00%	\$0	\$0
\$100,001	\$335,000	39.00%	\$0	\$0
\$335,001	#	34.00%	\$0	\$0
			\$10,827	\$1,624
			Consolidated Tax Rate:	
			Average Tax Rate:	0.15