

EXHIBIT

Exhibit No.: 200
Issue(s): Rate Base Depreciation
Witness/Type of Exhibit: Robinett/Rebuttal
Sponsoring Party: Public Counsel
Case No.: WR-2017-0343

REBUTTAL TESTIMONY

OF

JOHN A. ROBINETT

FILED

MAR 30 2018

Missouri Public
Service Commission

Submitted on Behalf of the Office of the Public Counsel

GASCONY WATER COMPANY, INC.

CASE NO. WR-2017-0343

January 29, 2018

OPC Exhibit No. 200
Date 3/19/18 Reporter MK
File No. WR-2017-0343

**REBUTTAL TESTIMONY
OF
JOHN A. ROBINETT
GASCONY WATER COMPANY, INC.**

CASE NO. WR-2017-0343

1 **Q. Please state your name and business address.**

2 A. John A. Robinett, PO Box 2230, Jefferson City, Missouri 65102.

3 **Q. By whom are you employed and in what capacity?**

4 A. I am employed by the Missouri Office of the Public Counsel ("OPC") as a Utility Engineering
5 Specialist.

6 **Q. Have you previously provided testimony before the Missouri Public Service
7 Commission?**

8 A. Yes.

9 **Q. Please describe your work and educational background.**

10 A. A copy of my work and educational experience is attached to this testimony as Schedule
11 JAR-R-1.

12 **Q. What is the purpose of your direct testimony?**

13 A. The purpose of this testimony is to address the appropriate depreciation rates to be used for
14 purposes of this case for Gascony Water Company, Inc. ("Gascony" or "Company").
15 Additionally, I will discuss how Gascony applied unauthorized depreciation rates to
16 develop its rate base.

17 **Q. What is OPC's position regarding depreciation rates to be used for Gascony?**

18 A. OPC recommends continued use of the current ordered depreciation rates ordered in WA-
19 97-510. These rates are consistent with many of the other small water depreciation rates
20 currently ordered for other regulated small water systems in the state. Attached as Schedule

1 JAR-R-2 is the Order approving the Stipulation and Agreement in Case No. WA-97-510.

2
3 **Q. Did Gascony use unauthorized depreciation rates to develop its rate base in this case?**

4 A. Based on the work papers provided with Gascony's direct testimony attached as Schedule
5 JAR-R-3, it appears that the Company has used or is recommending different depreciation
6 rates than the ordered rates from WA-97-510.

7 **Q. Does OPC have further concerns related to capitalization of the trencher?**

8 A. Yes. On page 9 of Mr. James Russo's direct testimony, he indicates that the trencher was
9 placed into service in July of 2015 at the value of the promissory note signed by the water
10 company. OPC's concern is that the promissory note for the trencher attached as Schedule
11 JAR-R-4 is dated 2017 not 2015 coinciding with the in service date. Furthermore, as stated
12 in Mr. George Hoesch's direct testimony at page 6: "The Realty Company determined in
13 2015 that it was at that time solely being used by the regulated water utility."

14 **Q. Does OPC have further concerns related to capitalization of the UTV?**

15 A. Yes. On page 10 of Mr. James Russo's direct testimony, he indicates that the UTV was
16 placed into service in September of 2015 at the value of the promissory note signed by the
17 water company. OPC's concern is that the promissory note attached as Schedule JAR-R-5
18 for the UTV is dated 2017 not 2015 coinciding with the in service date.

19 **Q. Does OPC have further concerns related to promissory notes for the UTV and
20 trencher?**

21 A. Yes. The Realty Company and Water Company are both owned/controlled by Mr. Hoesch.
22 Although there is no affiliated transactions rule for water, rest assured this is an affiliated
23 transaction. Additionally the promissory notes only contain the signature of the borrower
24 and does not have a signature from the lender. Additionally no witness signatures are
25 present for the transaction as well.

Rebuttal Testimony of
John A. Robinett
Case No. WR-2017-0343

1 Q. Does this conclude your rebuttal testimony?

2 A. Yes, it does.

John A. Robinett

I am employed as a Utility Engineering Specialist for The Missouri Office of the Public Counsel (OPC). I began employment with OPC in August of 2016. In May of 2008, I graduated from the University of Missouri-Rolla (now Missouri University of Science and Technology) with a Bachelor of Science degree in Mechanical Engineering.

During my time as an undergraduate, I was employed as an engineering intern for the Missouri Department of Transportation (MoDOT) in their Central Laboratory located in Jefferson City, Missouri for three consecutive summers. During my time with MoDOT, I performed various qualification tests on materials for the Soil, Aggregate, and General Materials sections. A list of duties and tests performed are below:

- Compressive strength testing of 4" and 6" concrete cylinders and fracture analysis
- Graduations of soil, aggregate, and reflective glass beads
- Sample preparations of soil, aggregate, concrete, and steel
- Flat and elongated testing of aggregate
- Micro-deval and LA testing of aggregate
- Bend testing of welded wire and rebar
- Tensile testing of welded, braided cable, and rebar
- Hardness testing of fasteners (plain black and galvanized washers, nuts, and bolts)
- Proof loading and tensile testing of bolts
- Sample collection from active road construction sites
- Set up and performed the initial testing on a new piece of equipment called a Linear Traverse / Image Analysis
- Wrote operators manual for the Linear Traverse / Image Analysis Machine
- Trained a fulltime employee on how to operate the machine prior to my return to school
- Assisted in batching concrete mixes for testing, mixing the concrete, slump cone testing, percent air testing, and specimen molding of cylinders and beams

Upon graduation, I accepted a position as an Engineer I in the Product Evaluation Group for Hughes Christensen Company, a division of Baker Hughes, Inc. (Baker), an oil field service company. During my employment with Baker, I performed failure analysis on oil field drill bits as well as composed findings reports which were forwarded to the field engineers in order for them to report to the company the conclusions of the failure causes.

I previously was employed as a Utility Engineering Specialist I, II, III for the Missouri Public Service Commission (Commission). My employment with the Commission spanned from April of 2010 to August of 2016. My duties involved analyzing depreciation rates and studies for utility companies and presenting expert testimony in rate cases before the Commission.

JOHN A. ROBINETT
SUMMARY OF CASE PARTICIPATION

Listed below are the cases in which I have supplied testimony, comments, and/or depreciation rates accompanied by a signed affidavit.

Company	Case Number	Issue	Party
Missouri American Water Company	WR-2017-0285	Direct, Rebuttal Testimony depreciation, ami, negative reserve	Office of Public Counsel (OPC)
Indian Hills Utility Operating Company, Inc.	WR-2017-0259	Direct, Rebuttal, Surrebuttal, and Live Testimony Rate Base (extension of electric service, leak repairs)	OPC
Laclede Gas Company Missouri Gas Energy	GR-2017-0215 GR-2017-0216	Direct, Rebuttal, Surrebuttal, True-up Rebuttal, and Live Testimony depreciation, retirement work in progress, combined heat and power, ISRS	OPC
Empire District Electric Company	EO-2018-0048	IRP Special issues	OPC
Kansas City Power & Light Company	EO-2018-0046	IRP Special issues	OPC
Kansas City Power & Light Company Greater Missouri Operations	EO-2018-0045	IRP Special issues	OPC
Kansas City Power & Light Company Greater Missouri Operations	EO-2017-0230	2017 IRP annual update comments	OPC
Empire District Electric Company	EO-2017-0065	Direct, Rebuttal, Surrebuttal, and Live Testimony FAC Prudence Review Heat Rate	OPC
Ameren Missouri	ER-2016-0179	Direct, Rebuttal, Testimony Heat Rate Testing & Depreciation	OPC
Kansas City Power & Light Company	ER-2016-0156	Direct, Rebuttal, Surrebuttal, and Live Testimony Heat Rate Testing & Depreciation	OPC

**JOHN A. ROBINETT
SUMMARY OF CASE PARTICIPATION**

Company	Case Number	Issue	Party
Empire District Electric Company Merger with Liberty	EM-2016-0213	Rebuttal Testimony	Missouri Public Service Commission (MOPSC)
Empire District Electric Company	ER-2016-0023	Depreciation Study, Direct, Rebuttal, and Surrebuttal Testimony	MOPSC
Hillcrest Utility Operating Company, Inc.	SR-2016-0065	Depreciation Review	MOPSC
Hillcrest Utility Operating Company, Inc.	WR-2016-0064	Depreciation Review	MOPSC
Missouri American Water Company	WR-2015-0301	Depreciation Study, Direct, Rebuttal, and Surrebuttal Testimony	MOPSC
Bilyeu Ridge Water Company, LLC Midland Water Company, Inc. Moore Bend Water Utility, LLC Riverfork Water Company Taney County Water, LLC Valley Woods Utility, LLC(Water) Valley Woods Utility, LLC(Sewer) Consolidated into Ozark International, Inc.	WR-2015-0192 WR-2015-0193 WR-2015-0194 WR-2015-0195 WR-2015-0196 WR-2015-0197 SR-2015-0198 Consolidated into WR-2015-0192	Depreciation Review *filed depreciation rates not accompanied by signed affidavit	MOPSC
I. H. Utilities, Inc. sale to Indian Hills Utility Operating Company, Inc.	WO-2016-0045	Depreciation Rate Adoption CCN	MOPSC
Missouri American Water Company CCN City of Arnold	SA-2015-0150	Depreciation Rate Adoption CCN	MOPSC
Empire District Electric Company	ER-2014-0351	Direct, Rebuttal, and Surrebuttal Testimony	MOPSC
West 16th Street Sewer Company, W.P.C. Sewer Company, Village Water and Sewer Company, Inc. and Raccoon Creek Utility Operating Company, Inc.	SM-2015-0014	Depreciation Rate Adoption	MOPSC
Brandco Investments LLC and Hillcrest Utility Operating Company, Inc.	WO-2014-0340	Depreciation Rate Adoption, Rebuttal Testimony	MOPSC

**JOHN A. ROBINETT
SUMMARY OF CASE PARTICIPATION**

Company	Case Number	Issue	Party
Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities	GR-2014-0152	Direct, Rebuttal, Surrebuttal and Live Testimony	MOPSC
Summit Natural Gas of Missouri, Inc	GR-2014-0086	Depreciation Study, Direct and Rebuttal Testimony	MOPSC
P.C.B., Inc.	SR-2014-0068	Depreciation Review	MOPSC
M.P.B., Inc.	SR-2014-0067	Depreciation Review	MOPSC
Roy-L Utilities	WR-2013-0543	Depreciation Review	MOPSC
Roy-L Utilities	SR-2013-0544	Depreciation Review	MOPSC
Missouri Gas Energy Division of Laclede Gas Company	GR-2014-0007	Depreciation Study, Direct and Rebuttal Testimony	MOPSC
Central Rivers Wastewater Utility, Inc.	SA-2014-00005	Depreciation Rate Adoption	MOPSC
Empire District Electric Company	ER-2012-0345	Depreciation Study, Direct, Rebuttal, and Surrebuttal Testimony	MOPSC
Empire District Electric Company	WR-2012-0300	Depreciation Review	MOPSC
Laclede Gas Company	GO-2012-0363	Depreciation Authority Order Rebuttal, Surrebuttal and Live Testimony	MOPSC
Moore Bend Water Company, Inc. sale to Moore Bend Water Utility, LLC (Water)	WM-2012-0335	Depreciation Rate Adoption	MOPSC
Oakbrier Water Company, Inc.	WR-2012-0267	Depreciation Review	MOPSC
Lakeland Heights Water Co., Inc.	WR-2012-0266	Depreciation Review	MOPSC
R.D. Sewer Co., L.L.C.	SR-2012-0263	Depreciation Review	MOPSC
Canyon Treatment Facility, LLC	SA-2010-0219	Depreciation Rate Adoption- CCN	MOPSC
Taney County Water, LLC	WR-2012-0163	Depreciation Review	MOPSC
Sale of Saddlebrooke Water and Sewer Infrastructure, LLC to Missouri American Water Company (Sewer)	SA-2012-0067	Rebuttal Testimony	MOPSC
Sale of Saddlebrooke Water and Sewer Infrastructure, LLC to Missouri American Water Company (Water)	WA-2012-0066	Rebuttal Testimony	MOPSC

**JOHN A. ROBINETT
SUMMARY OF CASE PARTICIPATION**

Company	Case Number	Issue	Party
Midland Water Company, Inc.	WR-2012-0031	Depreciation Review	MOPSC
Sale of KMB Utility Corporation to Algonquin Water Resources of Missouri, LLC, d/b/a Liberty Water (Sewer)	SO-2011-0351	Depreciation Rate Adoption	MOPSC
Sale of KMB Utility Corporation to Algonquin Water Resources of Missouri, LLC, d/b/a Liberty Water (Water)	WO-2011-0350	Depreciation Rate Adoption	MOPSC
Sale of Noel Water Company, Inc. to Algonquin Water Resources of Missouri, LLC, d/b/a Liberty Water (Water)	WO-2011-0328	Depreciation Rate Adoption	MOPSC
Sale of Taney County Utilities Corporation to Taney County Water, LLC (Water)	WM-2011-0143	Depreciation Rate Adoption	MOPSC
Empire District Electric Company	ER-2011-0004	Depreciation Study, Direct, Rebuttal, and Surrebuttal Testimony	MOPSC
Rex Deffenderfer Enterprises, Inc.	WR-2011-0056	Depreciation Review	MOPSC
Tri-States Utility, Inc	WR-2011-0037	Depreciation Review	MOPSC
Southern Missouri Gas Company, L.P.	GE-2011-0096	Depreciation Study Waiver	MOPSC
Southern Missouri Gas Company, L.P.	GR-2010-0347	Depreciation Review	MOPSC
KMB Utility Corporation (Sewer)	SR-2010-0346	Depreciation Review	MOPSC
KMB Utility Corporation (Water)	WR-2010-0345	Depreciation Review	MOPSC
Middlefork Water Company	WR-2010-0309	Depreciation Review	MOPSC

W.R.K.

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 25th
day of February, 1999.

In the matter of the Application of)
George Hoesch, for a Certificate of)
Convenience and Necessity Authorizing)
Him to Own, Operate, and Maintain a)
Water System for the Public, Located)
in an Unincorporated Area of the)
County of Gasconade, Missouri.)

Case No. WA-97-510

ORDER APPROVING STIPULATION AND AGREEMENT

On May 27, 1997, George Hoesch filed an application for a certificate of public convenience and necessity to provide water service in an unincorporated area of Gasconade County. On November 9, 1998, George Hoesch filed direct testimony. On November 30, the Staff of the Commission (Staff) and the Office of the Public Counsel (Public Counsel) filed rebuttal testimony. On December 17, at the request of the Applicant, Gascony Water Company was substituted for George Hoesch.

On December 18, the parties filed a unanimous stipulation and agreement, attached hereto as Attachment A, that resolved all the issues. On January 6, 1999, Staff filed testimony in support of the stipulation in which it explains how the agreed upon rates were determined.

The stipulation reflects that the parties are in agreement that the Commission should grant Applicant a certificate of convenience and necessity to provide water service in the area described in the

application. Pursuant to the stipulation, Applicant will file tariffs implementing the rates and charges agreed upon by the parties. Applicant will also keep its books and records in accordance with the Uniform System of Accounts, use the depreciation rates agreed upon by the parties, and maintain other records as set out in the stipulation. Staff will conduct a rate review between twelve and eighteen months after the effective date of the certificate.

The Commission finds that granting Applicant a certificate of convenience and necessity is in the public interest. Pursuant to Section 536.060, RSMo 1994, the Commission may accept the Stipulation and Agreement as a resolution of the issues in this case. The Commission has reviewed the Stipulation and Agreement and evidence of record in this matter and finds that substantial and competent evidence of record exists to find the Stipulation and Agreement to be reasonable and in the public interest and will, therefore, approve it.

On January 14, Robert C. Johnson filed for leave to withdraw as counsel for Applicant. Since Applicant is still represented by other counsel, the Commission will allow this withdrawal.

IT IS THEREFORE ORDERED:

1. That the Stipulation and Agreement, marked as Attachment A to this Order and incorporated herein, is hereby approved.

2. That Gascony Water Company is granted a certificate of public convenience and necessity to provide water service in the area described in the application, but is not authorized to provide service until the effective date of the tariffs filed pursuant to Ordered paragraph 3 herein and approved by this Commission.

3. That Gascony Water Company shall file with the Commission tariff sheets as described in the Stipulation and Agreement.

4. That Robert C. Johnson may withdraw as counsel for Applicant.

5. That this order shall become effective March 9, 1999.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton and Drainer, CC., concur
Murray and Schemenauer, CC., absent

Mills, Deputy Chief Regulatory Law Judge

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION FILED

OF THE STATE OF MISSOURI

'98 DEC 18 AM 11 16

MO PSG
RECORDS DEPT.

In the Matter of the Application of George)
Hoesch, for a Certificate of Convenience)
and Necessity Authorizing Him to Own,)
Operate, and Maintain a Water System for)
the Public, Located in an Unincorporated)
Area of the County of Gasconade,)
Missouri.)

Case No. WA-97-510

STIPULATION AND AGREEMENT

On May 27, 1997, George Hoesch (Applicant) filed with the Missouri Public Service Commission (Commission) an Application for a certificate of convenience and necessity for a water system in an unincorporated area of Gasconade County, Missouri.

On June 30, 1997, Gascony Association, Inc. (Association), the homeowner's association within the area sought to be certificated, filed a Request to Intervene. On July 15, 1997, the Association was granted intervention in this matter.

On October 26, 1998, the Association's attorney filed a Withdrawal of Counsel in the referenced matter.

On November 6, 1998, Applicant filed the Direct Testimony of witnesses George R. Hoesch and Ernest Harwig. On November 25, 1998, the Applicant George Hoesch filed a motion requesting that Gascony Water Company, Inc. (Company) be substituted as the Applicant in this proceeding.

On November 30, 1998, the Staff of the Missouri Public Service Commission (Staff) filed the Rebuttal Testimony of witnesses James M. Russo, Guy C. Gilbert, and James A.

Merciel, Jr. Also on November 30, 1998, the Office of the Public Counsel (Public Counsel) filed the Rebuttal Testimony of witness Kimberly K. Bolin.

The Applicant, the Staff, and Public Counsel were represented at the prehearing conference on December 3, 1998. As a result of the prehearing conference and further negotiations, the undersigned parties have reached the following stipulations and agreements:

1. The parties agree that the Company should be substituted as the Applicant in this proceeding.

2. The parties agree that the Commission should issue a Report and Order granting the Company a certificate of public convenience and necessity for the area described in the Application.

3. The Company agrees to file a tariff no later than thirty (30) days after the effective date of a Report and Order granting the Company a certificate of public convenience and necessity. The parties suggest that the Report and Order should provide for the certificate to become effective upon the effective date of the tariff.

4. The parties agree to the rates for water service as set forth on Schedule 1. Schedule 2 shows the Staff's rate calculations. The parties agree that many of the components utilized by the Staff in developing Schedules 1 and 2 are estimates and no party shall be bound by these components or calculations in any future ratemaking proceeding.

5. The Company agrees to install meters at the pool, kitchen and dump station before rates go into effect. Metered rates for these facilities will be developed in the Company's next rate proceeding. Flat rates will apply to these facilities until metered rates take effect.

6. The Staff will conduct a rate review between twelve and eighteen months after the effective date of a certificate so that the reasonableness of the estimated expenses and rates can be checked.

7. The parties agree to the depreciation rates as set out on Schedule 3.
8. Because the Company is a small water company and its residential customers do not yet have meters, the parties agree that the Company's tariff can require advance payment for unmetered water service, in which event, the customer shall have thirty days from rendition to pay the bill.
9. The parties agree that the reconnection fee for a customer whose service is discontinued for non-payment of a bill or other tariff violation will be \$425.00. Schedule 4 shows a break down of this estimated amount.
10. The Company agrees to maintain employee time sheets, telephone usage logs, vehicle logs, equipment use logs, work orders, continuing property records, and customer complaint records, examples of which are attached as Schedules 5, 6, 7, 8, 9, 10 and 11.
11. The Company agrees to maintain its books and records in accordance with the Uniform System of Accounts.
12. The parties agree that the prefiled testimony submitted by the Applicant, the Staff and Public Counsel may be received into evidence without the necessity of their respective witnesses taking the stand.
13. This Stipulation and Agreement represents a negotiated settlement for the sole purpose of disposing of this case. None of the signatories shall be prejudiced or bound in any manner by the terms of this Stipulation and Agreement in any other proceeding, except as otherwise specified herein.
14. None of the signatories shall be deemed to have approved or acquiesced in any ratemaking principle or any method of cost determination or cost allocation underlying or allegedly underlying this Stipulation and Agreement, except to the extent specified herein.

15. This Stipulation and Agreement has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not approve and adopt this Stipulation and Agreement, in total, this Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions thereof.

16. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the signatories waive their respective rights to cross-examine witnesses pursuant to Section 536.070 RSMo 1994 and to present oral argument and written briefs pursuant to Section 536.080.1 RSMo 1994, their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2 RSMo 1994, and their respective rights to judicial review pursuant to Section 386.510 RSMo 1994.

17. If requested by the Commission, the Staff shall have the right to submit to the Commission a memorandum explaining its rationale for entering into this Stipulation and Agreement. Each party of record shall be served with a copy of any memorandum and shall be entitled to submit to the Commission, within five days of receipt of Staff's memorandum, a responsive memorandum which shall also be served on all parties. All memoranda submitted by the parties shall be considered privileged in the same manner as are settlement discussions under the Commission's rules, shall be maintained on a confidential basis by all parties, and shall not become a part of the record of this proceeding or bind or prejudice the party submitting such memorandum in any future proceeding or in this proceeding whether or not the Commission approves this Stipulation and Agreement. The contents of any memorandum provided by any party are its own and are not acquiesced in or otherwise adopted by the other signatories to this Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to any protective order issued in this case.

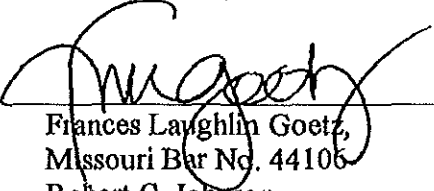
18. The Staff shall have the right to file suggestions or prepared testimony in support of this Stipulation and Agreement and the other parties shall have the right to file responsive suggestions or prepared testimony.

WHEREFORE, the signatories respectfully request that the Commission issue an order which approves the Stipulation and Agreement, which adopts and sets forth the agreed upon depreciation rates, which grants the Company the requested certificate of convenience and necessity, and which authorizes the Company to file tariffs conforming to the terms hereof.

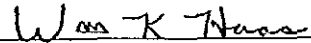
GEORGE HOESCH and GASCONY
WATER COMPANY, INC.

STAFF OF THE MISSOURI PUBLIC
SERVICE COMMISSION


By: _____


Frances Laughlin Goetz,
Missouri Bar No. 44106
Robert C. Johnson
Missouri Bar No. 15755
720 Olive Street, Suite 2400
St. Louis, MO 63101

By: _____

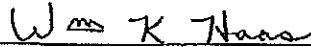

William K. Haas
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OFFICE OF THE PUBLIC COUNSEL

By: 
John Coffman
Deputy Public Counsel
Missouri Bar No. 36591
Shannon Cook
Assistant Public Counsel
Missouri Bar No. 50169
P. O. Box 7800
Jefferson City, MO 65101

Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 18th day of December, 1998.



SERVICE LIST FOR
CASE NO. WA-97-510
December 18, 1998

Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

Robert C. Johnson/Frances L. Goetz
Peper, Martin, Jensen Maichel & Hetlage
720 Olive Street, Suite 2400
St. Louis, MO 63101

George Hoesch
WA-97-510

12/9/98

Stipulated Rates

Quarterly rates		Annual
Pool/Bath	\$ 368.16	\$ 1,472.64
Kitchen	\$ 58.39	\$ 233.56
Dump Station	\$ 170.74	\$ 682.96
Full-Time residential	\$ 103.33	\$ 413.32
Part-time residential and other commercial	\$ 36.88	\$ 147.52

WATER RATE DESIGN

Quarterly billing

Stipulated Rates

Rate base	Item	Orig cost	contribution/depr	depr exp	Years in svc
\$ 20,000	Startup	\$ 20,000.00		20% \$ 4,000.00	-
\$ 150	Meters	\$ 150.00		10% \$ 15.00	
\$ 850	Meter Install	\$ 850.00		3% \$ 24.65	
\$ 21,000.00				\$ 4,039.65	

180 Customers
 20 Full time residential customers
 3 Commercial
 157 Part time residential and small commercial
 2577 Thousand Gallons total annual pumped water
 10% Assumed unaccounted for water

Expenses		Total	customer	commodity
Return	11%	2,310	-	2,310
Deprec		4,040	-	4,040
Electric		500	-	500
Mgt -oper-clerical		15,000	10,000	5,000
Maintenance		1,500	500	1,000
Vehicle		2,829	1,414	1,415
Testing		500	500	-
Rent		1,500	1,500	-
Office equip - suppl		400	400	-
Telephone		600	600	-
Postage		300	300	-
Insurance		-	-	-
Taxes other than income		70	-	70
Income taxes	23.91%	552	-	552
Legal, accounting		1,500	1,500	-
Misc, contingency, M & S,		1,200	1,200	-
Uncollectible	2%	676	676	-
PSC Assess	1.004%	340	340	-
Design Revenue		\$33,817	\$18,930	\$14,887

QUARTERLY RATES
(for flat rate calculation)

Customer charge \$ 26.29 \$
 Commodity charge 6.42 /1,000 gal

DEVELOPMENT OF FLAT RATES

Assume full time customers use , gallons per quarter 12,000
Common property except swimming pool considered part time

Swimming pool est	5 months activity		
	dimensions	60	40
	fill vol	7 feet	126000 gallons/yr
	evaporation	5 inches/mo	7500 gallons/mo
	splashing, loss		2000 gal/mo
	shower	100 people	
		8 weekend days	
		6 gal	4800 gallons/mo
	misc use		3000 gal/mo

Customer	Annual use		QUARTERLY FLAT RATES	annual
Pool/Bath	213 Thousand Gal		368.16	1472.64
Kitchen	20 Thousand Gal	Estimated use per Company	58.39	233.56
Dump Stat	90 Thousand Gal	Estimated use per Company	170.74	682.96
Full time	960 Thousand Gal		103.33	413.32
Part time	1,036 Thousand Gal		36.88	147.52

1,650 Gallons per part-time customer per quarter

REVENUE CHECK

	Quarterly rates	Annual Revenue
Pool/Bath	368.16	\$ 1,472.64
Kitchen	58.39	\$ 233.56
Dump Station	170.74	\$ 682.96
20 Full time customers	103.33	\$ 8,266.40
157 Part time customers	36.88	\$ 23,160.64
	Total	\$ 33,816.20
	Design rev	\$ 33,817.00
	difference	\$ (0.80)

**GEORGE HOESCH
DEPRECIATION RATES**

(WATER)

Case No. WA-97-510

<u>Acct. No.</u>	<u>Description of Account</u>	<u>Annual Rate</u>
311	Structures & Improvements	2.5%
314	Wells & Springs	2.0%
316	Supply Mains	2.0%
317	Other Water Source Plant	2.0%
321	Structures & Improvements	2.5%
325	Electric Pumping Equipment	10.0%
328	Other Pumping Equipment	5.0%
331	Structures & Improvements	2.5%
332	Water Treatment Equipment	2.9%
341	Structures & Improvements	2.5%
343	Transmission & Distribution Mains	2.0%
345	Services	2.9%
346.2	Meters - Plastic Chamber (10 yr, 0 salv)	10.0%
346.3	Meter Installations (Services Rate)	2.9%
348	Hydrants	2.5%
349	Other Transmission & Distribution Plant	3.3%
390	Structures & Improvements	2.9%
391	Office Furniture & Equipment	5.0%
391.1	Office Computer Equipment	20.0%
392	Transportation Equipment (7 yr, +9% salv)	13.0%
394	Tools, Shop, Garage Equipment	5.0%
398	Miscellaneous Equipment	5.0%

Gascony Water Company
WA-97-510

Connection/Reconnection Charge

Meter Setting Breakdown

Meter jumper				\$	10.00
Yoke					50.47
Meter Box					29.74
Connection hardware					12.44
Inserts					1.84
Frame and Cover					22.40
Sales tax					7.99
Backhoe	3.8 hrs	@	\$	60	228.00
Labor	4 hrs	@	\$	15	60.00
					422.88

Stipulated amount \$ 425

Telephone Usage Log

For Period _____, 19____ to _____, 19____

Date	Number Called	Person and/or Firm Called
/ / ()		
Reason: _____		
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Schedule JAR-R-2

17/22

Equipment Use Log

Work Order No. _____ Date: _____ / _____ / _____

Time at Job Site: *(Note if additional days are required)* _____ Equipment Hour Meter Readings:

Time Equipment Returned From Job Site: _____ At Completion of Job: _____

Time Equipment Taken to Job Site: _____ At Start of Job: _____

Hours Equipment Required at Job Site: _____ Actual Equipment Hours Used: _____

Company Hourly Cost Rate of Equipment: \$ _____

Total Equipment Cost for Work Orders: \$ _____ *(Post to Work Order Form)*

Description and Purpose of Work Performed with Equipment: _____

Please describe on back any equipment repairs that were necessary as a result of todays operations.

0004/KK

Equipment Use Log

Work Order No. _____ Date: _____ / _____ / _____

Time at Job Site: *(Note if additional days are required)* _____ Equipment Hour Meter Readings:

Time Equipment Returned From Job Site: _____ At Completion of Job: _____

Time Equipment Taken to Job Site: _____ At Start of Job: _____

Hours Equipment Required at Job Site: _____ Actual Equipment Hours Used: _____

Company Hourly Cost Rate of Equipment: \$ _____

Total Equipment Cost for Work Orders: \$ _____ *(Post to Work Order Form)*

Description and Purpose of Work Performed with Equipment: _____

Please describe on back any equipment repairs that were necessary as a result of todays operations. Schedule JAR-R-2

19/22 0004/KK

CUSTOMER COMPLAINTS

File No. _____
Work Ord. No. 7 _____

CUSTOMER NAME _____ TELEPHONE _____

ADDRESS _____

DATE RECEIVED _____ FOLLOW-UP DATE _____ DATE CLOSED _____

REFER TO - COMPANY REP. _____

CUSTOMER CLASS:

- | | | | | | | | |
|-----------|--------------------------|--------|--------------------------|-----------|--------------------------|-------|--------------------------|
| PERMANENT | <input type="checkbox"/> | RESID. | <input type="checkbox"/> | MOB. HOME | <input type="checkbox"/> | APT. | <input type="checkbox"/> |
| SEASONAL | <input type="checkbox"/> | COMM. | <input type="checkbox"/> | INDUST. | <input type="checkbox"/> | CONDO | <input type="checkbox"/> |

COMPLAINT DISCRIPTION: _____

ACTION TAKEN - MAINT. REQUIRED: _____

RECEIVED

FEB 26 1999

COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION

REMARKS: _____

Depreciation Expense - Water

Account Number	Plant Account Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
INTANGIBLE PLANT				
301.000	Organization	\$0	0.00%	\$0
302.000	Franchises	\$0	0.00%	\$0
	TOTAL INTANGIBLE PLANT	<u>\$0</u>		<u>\$0</u>
310.000	Land & Land Rights - SSP	\$10,000	0.00%	\$0
311.000	Structures & Improvements - SSP	\$0	3.00%	\$0
312.000	Collection & Impounding Reservoirs	\$0	0.00%	\$0
313.000	Lake, River & Other Intakes	\$0	0.00%	\$0
314.000	Infiltration Galleries & Tunnels 1	\$0	2.00%	\$0
315.000	Infiltration Galleries & Tunnels	\$0	0.00%	\$0
316.000	Supply Mains	\$0	2.00%	\$0
	Structures & Improvements - SSP	<u>\$10,000</u>		<u>\$0</u>
	Lake, River & Other Intakes			
321.000	Structures & Improvements - PP	\$0	2.50%	\$0
325.100	Electric Pumping Equipment	\$23,219	10.00%	\$2,322
325.200	Booster Pumping Equipment	\$0	6.70%	\$0
325.300	Shaft Driven Pumping Equipment	\$0	5.00%	\$0
327.000	Hydraulic Pumping Equipment	\$0	10.00%	\$0
328.000	Other Pumping Equipment	\$0	3.30%	\$0
	Structures & Improvements - PP	<u>\$23,219</u>		<u>\$2,322</u>

WATER TREATMENT PLANT				
330.000	Land & Land Rights-WTP	\$0	0.00%	\$0
331.000	Structures & Improvements - WTP	\$0	3.00%	\$0
332.000	Water Treatment Equipment	\$0	2.90%	\$0
	TOTAL WATER TREATMENT PLANT	\$0		\$0
TRANSMISSION & DISTRIBUTION PLANT				
340.000	Land & Land Rights-T&D	\$0	0.00%	\$0
341.000	Structures & Improvements - T&D	\$0	3.00%	\$0
342.000	Distribution Reservoirs & Transmission	\$0	2.50%	\$0
343.000	Transmission and Distribution Mains	\$0	2.00%	\$0
344.000	Fire Mains	\$0	2.50%	\$0
345.000	Services	\$139	2.50%	\$3
346.000	Meters	\$0	2.50%	\$0
347.300	Meter Installations	\$3,177	2.50%	\$79
373.000	Other Transmission & Distribution Plant	\$0	2.00%	\$0
349.000	Hydrants	\$1,055	2.00%	\$21
	TOTAL TRANS. & DISTRIBUTION PLANT	\$4,371		\$103
GENERAL PLANT				
370.000	Land & Land Rights-GP	\$7,500	0.00%	\$0
371.000	Structures & Improvements - GP	\$9,747	2.50%	\$244
391.000	Office Furniture & Equipment	\$0	5.00%	\$0
391.100	Office Computer Equipment	\$1,329	14.30%	\$190
394.000	Transportation Equipment - GP	\$3,500	6.70%	\$235
397.000	Electric Generator	\$0	5.00%	\$0
398.000	Other General Equipment	\$8,000	3.30%	\$264
	TOTAL GENERAL PLANT	\$30,076		\$933
Total Depreciation		\$67,666		\$3,358

PROMISSORY NOTE - BALLOON

1, July, 2017

GRASSCOONY WATER

FOR VALUE RECEIVED, I, We, the undersigned Co. Inc., (Borrower) promises to pay to Case-Ospice Realty Co. (Lender) the sum of 8,000^{00/100} (\$) together with interest thereon at the rate of 18% (18%) percent per annum payable as follows:

6 months after the date hereof and from month to month thereafter for 6 months until 12/31, 2017, payments of interest only shall be due and payable in the amount of \$ 720^{00/100} and a final payment in the amount of \$ 8,000^{00/100}

This Note may be prepaid in whole or in part at any time without premium or penalty. All prepayments shall be applied first to interest, then to principal payments in the order of their maturity.

The undersigned agrees to pay all costs and expenses, including all reasonable attorneys' fees, for the collection of this Note upon default. All payments shall be made at 4948 Theiss Rd St. Louis Mo 63128, or at such other place as the holder hereof may from time to time designate in writing.

Each maker, surety, guarantor and endorser of this Note waives presentment, notice and protest, all surety ship defenses and agrees to all extensions, renewals, or releases, discharge or exchange of any other party or collateral without notice.

George Hoesch (PRESIDENT)

Witness Borrower

COLLATERAL: 1985 Ditch Witch 4010 TRENCHER
MODEL: 4010 DD SERIAL#: 60 0086
BALLHOE: A 420 SERIAL#: 10 0086
TIRES: 31X15.50-15 8 ply REAR STEERING
6 WAY BLADE X HEAVY DUTY ROCK CHAIN
DEUTZ DIESEL 40 HP

PROMISSORY NOTE - BALLOON

7-1, 2017

GRANDWAY WATER

FOR VALUE RECEIVED, I, We, the undersigned Co. Inc., (Borrower) promises to pay to Case-Osage Realty (Lender) the sum of 3,500 (\$) together with interest thereon at the rate of 18% (18%) percent per annum payable as follows:

6 months after the date hereof and from month to month thereafter for 6 months until 12-31, 2017, payments of interest only shall be due and payable in the amount of \$ 315⁰⁰ and a final payment in the amount of \$ 3,500⁰⁰

This Note may be prepaid in whole or in part at any time without premium or penalty. All prepayments shall be applied first to interest, then to principal payments in the order of their maturity.

The undersigned agrees to pay all costs and expenses, including all reasonable attorneys' fees, for the collection of this Note upon default. All payments shall be made at 4948 Theiss Rd St. Louis, Mo 63128, or at such other place as the holder hereof may from time to time designate in writing.

Each maker, surety, guarantor and endorser of this Note waives presentment, notice and protest, all surety ship defenses and agrees to all extensions, renewals, or releases, discharge or exchange of any other party or collateral without notice.

G. Morales (President)

Witness Borrower

Collateral: 6x4 BATOR Hydraulic Dump Diesel 13HP.