Trip England

From: "Johansen, Dale" <dale.johansen@psc.mo.gov>
To: "Trip England" <trip@brydonlaw.com>; "Dean Cooper" <dcooper@brydonlaw.com>; <hockensmith@htzm.com>; "Linda Dennis - Central Jefferson County Utilities" <lldennis@jcn1.com>
Cc: "Krueger, Keith" <keith.krueger@psc.mo.gov>; "Meyer, Greg" <greg.meyer@psc.mo.gov>; "Cassidy, John" <john.cassidy@psc.mo.gov>; "Russo, Jim" <jim.russo@psc.mo.gov>; "Merciel, James" <james.merciel@psc.mo.gov>; "Loethen, Steve" <steve.loethen@psc.mo.gov>
Sent: Thursday, April 27, 2006 11:08 AM
Attach: QS 2006 0003 - 10 Year Analysis with New Plant.pdf
Subject: Central Jefferson County Utilities - 10-Year Analysis

Attached is a copy of the 10-year system analysis that I have previously referenced in messages to you regarding the Staff's audit and review of the Company's proposal for a new service connection fee, which is being processed as a small company rate increase request under our Tracking Number QS-2006-0003.

If you have questions regarding this analysis prior to our teleconference tomorrow afternoon at 1:30, please contact either Greg Meyer or John Cassidy in our St. Louis office. The main number there is 314-340-4680. Greg's extension is 224 and John's extension is 227.

Dale W. Johansen
Manager - Water & Sewer Dept.
Missouri Public Service Commission
Phone: 573-751-7074
Fax: 573-751-1847
E-Mail: dale.johansen@psc.mo.gov

<<QS 2006 0003 - 10 Year Analysis with New Plant.pdf>>

Central Jefferson Exhibit No. 18
Date 12-20-06 Case No. SO-2007-0071
Reporter RF

10 Year Senario
New Treatment Plant
Assume It Goes into Service 1/1of Year 1

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Plant	1,342,920.81	1,342,920.81	1,342,920.81	1,342,920.81	1,342,920.81	1,342,920.81	1,342,920.81	1,342,920.81	1,342,920.81	1,342,920.81	13,429,208.10
Depreciation	70,234.67	70,234.67	70,234.67	70,234.67	70,234.67	70,234.67	70,234.67	70,234.67	70,234.67	70,234.67	702,346.71
Chemicals Expense	500.04	510.04	520.24	530.65	541.26	552.08	563.13	574.39	585.88	597.59	5,475.30
Testing	756.00	771.12	786.54	802.27	818.32	834.69	851.38	868.41	885.77	903.49	8,277.99
Property Taxes	32,492.94	32,492.94	32,492.94	32,492.94	32,492.94	32,492.94	32,492.94	32,492.94	32,492.94	32,492.94	324,929.40
Accumulated Depreciation	70,234.67	140,469.34	210,704.01	280,938.68	351,173.35	421,408.03	491,642.70	561,877.37	632,112.04	702,346.71	3,862,906.90
Return	111,105.50	104,974.01	98,842.53	92,711.04	86,579.55	80,448.07	74,316.58	68,185.09	62,053.61	55,922.12	835,138.09
Revenue Requirement	215,089.15	208,982.78	202,876.92	196,771.57	190,666.74	184,562.45	178,458.70	172,355.50	166,252.87	160,150.81	19,168,282.49
Overearnings	68,416.00	68,416.00	68,416.00	68,416.00	68,416.00	68,416.00	68,416.00	68,416.00	68,416.00	68,416.00	684,160.00
Average revenue per customer	485.81	485.81	485.81	485.81	485.81	485.81	485.81	485.81	485.81	485.81	
Customers entering through year	100.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	
Full Revenue Producing Customers	50.00	126.00	178.00	230.00	282.00	334.00	386.00	438.00	490.00	542.00	
Revenue from additional customers	24,290.50	61,212.06	86,474.18	111,736.30	136,998.42	162,260.54	187,522.66	212,784.78	238,046.90	263,309.02	1,484,635.36
Assuming that only 75% of new customer revenue supports new facilities	128,455.28	94,657.74	69,605.29	44,553.35	19,501.93	(5,548.96)	(30,599.30)	(55,649.09)	(80,698.31)	(105,746.95)	78,530.97
Running Total	**128,455.28**	**223,113.02**	**292,718.30**	**337,271.65**	**356,773.57**	**351,224.62**	**320,625.32**	**264,976.23**	**184,277.92**	**78,530.97**	
Assuming that only 50% of new customer revenue supports new facilities	134,527.90	109,960.75	91,223.83	72,487.42	53,751.53	35,016.18	16,281.37	(2,452.89)	(21,186.58)	(39,919.70)	449,689.81
Running Total	**134,527.90**	**244,488.66**	**335,712.49**	**408,199.91**	**461,951.44**	**496,967.62**	**513,248.98**	**510,796.09**	**489,609.51**	**449,689.81**	
Additional revenues for increased expensives	6,072.63	15,303.02	21,618.55	27,934.08	34,249.61	40,565.14	46,880.67	53,196.20	59,511.73	65,827.26	371,158.84
Running Total	**6,072.63**	**21,375.64**	**42,994.19**	**70,928.26**	**105,177.87**	**145,743.00**	**192,623.67**	**245,819.86**	**305,331.59**	**371,158.84**	

Account	Amount		Rate	Annualized Depreciation
310	$	1,000.00		
311	$	59,000.00	2.50%	1475
352.2	$	5,000.00	2.00%	100
355	$	2,139.39	3.30%	70.59987
363	$	96,000.00	10.00%	9600
373	$	1,179,781.42	5.00%	58989.071
391.1			20.00%	0
392			13.00%	0
393			5.00%	0
	$	1,342,920.81		70234.67087

	/2			
Account	Amount		Rate	Annualized Depreciation
310	$	500.00		
311	$	29,500.00	2.50%	737.50
352.2	$	2,500.00	2.00%	50.00
355	$	1,069.70	3.30%	35.30
363	$	48,000.00	10.00%	4,800.00
373	$	589,890.71	5.00%	29,494.54
391.1	$	-	20.00%	-
392	$	-	13.00%	-
393	$	-	5.00%	-
	$	671,460.41		35,117.34

10 Year Senario
New Treatment Plant
Assume It Goes into Service 1/1of Year 1
SEWER ONLY SCENARIO I

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Plant	1,342,920.81	1,342,920.81	1,342,920.81	1,342,920.81	1,342,920.81	1,342,920.81	1,342,920.81	1,342,920.81	1,342,920.81	1,342,920.81	13,429,208.10
Depreciation	70,234.67	70,234.67	70,234.67	70,234.67	70,234.67	70,234.67	70,234.67	70,234.67	70,234.67	70,234.67	702,346.71
Chemicals Expense	500.04	510.04	520.24	530.65	541.26	552.08	563.13	574.39	585.88	597.59	5,475.30
Testing	756.00	771.12	786.54	802.27	818.32	834.69	851.38	868.41	885.77	903.49	8,277.99
Property Taxes	32,492.94	32,492.94	32,492.94	32,492.94	32,492.94	32,492.94	32,492.94	32,492.94	32,492.94	32,492.94	324,929.40
Accumulated Depreciation	70,234.67	140,469.34	210,704.01	280,938.68	351,173.35	421,408.03	491,642.70	561,877.37	632,112.04	702,346.71	3,862,906.90
Return	111,105.50	104,974.01	98,842.53	92,711.04	86,579.55	80,448.07	74,316.58	68,185.09	62,053.61	55,922.12	835,138.09
Revenue Requirement	215,089.15	208,982.78	202,876.92	196,771.57	190,666.74	184,562.45	178,458.70	172,355.50	166,252.87	160,150.81	19,168,282.49
Overearnings	51,521	51,521	51,521	51,521	51,521	51,521	51,521	51,521	51,521	51,521	515,210
Average revenue per customer	308.64	308.64	308.64	308.64	308.64	308.64	308.64	308.64	308.64	308.64	
Customers entering through year	100.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	
Full Revenue Producing Customers	50.00	126.00	178.00	230.00	282.00	334.00	386.00	438.00	490.00	542.00	
Revenue from additional customers	15,432.00	38,888.64	54,937.92	70,987.20	87,036.48	103,085.76	119,135.04	135,184.32	151,233.60	167,282.88	943,203.84
Assuming that only 75% of new customer revenue supports new facilities	151,994.15	128,295.30	110,152.48	92,010.17	73,868.38	55,727.13	37,586.42	19,446.26	1,306.67	(16,832.35)	653,554.61
Running Total	**151,994.15**	**280,289.46**	**390,441.94**	**482,452.11**	**556,320.49**	**612,047.62**	**649,634.03**	**669,080.29**	**670,386.96**	**653,554.61**	
Assuming that only 50% of new customer revenue supports new facilities	155,852.15	138,017.46	123,886.96	109,756.97	95,627.50	81,498.57	67,370.18	53,242.34	39,115.07	24,988.37	889,355.57
Running Total	**155,852.15**	**293,869.62**	**417,756.58**	**527,513.55**	**623,141.05**	**704,639.62**	**772,009.79**	**825,252.13**	**864,367.20**	**889,355.57**	
Additional revenues for increased expensives	3,858.00	9,722.16	13,734.48	17,746.80	21,759.12	25,771.44	29,783.76	33,796.08	37,808.40	41,820.72	235,800.96
Running Total	**3,858.00**	**13,580.16**	**27,314.64**	**45,061.44**	**66,820.56**	**92,592.00**	**122,375.76**	**156,171.84**	**193,980.24**	**235,800.96**	

10 Year Senario
New Treatment Plant
Assume It Goes into Service 1/1of Year 1
SEWER ONLY SCENARIO II

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Plant	774,191.41	774,191.41	774,191.41	774,191.41	774,191.41	774,191.41	774,191.41	774,191.41	774,191.41	774,191.41	7,741,914.05
Depreciation	40,253.89	40,253.89	40,253.89	40,253.89	40,253.89	40,253.89	40,253.89	40,253.89	40,253.89	40,253.89	402,538.85
Chemicals Expense	-	-	-	-	-	-	-	-	-	-	-
Testing	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation	40,253.89	80,507.77	120,761.66	161,015.54	201,269.43	241,523.31	281,777.20	322,031.08	362,284.97	402,538.85	2,213,963.70
Return	64,072.75	60,558.58	57,044.42	53,530.25	50,016.09	46,501.92	42,987.76	39,473.60	35,959.43	32,445.27	482,590.07
Revenue Requirement	104,326.63	100,812.47	97,298.30	93,784.14	90,269.97	86,755.81	83,241.65	79,727.48	76,213.32	72,699.15	10,841,006.67
Overearnings	-	-	-	-	-	-	-	-	-	-	-
Average revenue per customer	408.00	408.00	408.00	408.00	408.00	408.00	408.00	408.00	408.00	408.00	
Customers entering through year	100.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	
Full Revenue Producing Customers	50.00	126.00	178.00	230.00	282.00	334.00	386.00	438.00	490.00	542.00	
Revenue from additional customers	20,400.00	51,408.00	72,624.00	93,840.00	115,056.00	136,272.00	157,488.00	178,704.00	199,920.00	221,136.00	1,246,848.00
Assuming that only 75% of new customer revenue supports new facilities	89,026.63	62,256.47	42,830.30	23,404.14	3,977.97	(15,448.19)	(34,874.35)	(54,300.52)	(73,726.68)	(93,152.85)	(50,007.08)
Running Total	**89,026.63**	**151,283.10**	**194,113.40**	**217,517.54**	**221,495.51**	**206,047.32**	**171,172.97**	**116,872.45**	**43,145.77**	**(50,007.08)**	
Assuming that only 50% of new customer revenue supports new facilities	94,126.63	75,108.47	60,986.30	46,864.14	32,741.97	18,619.81	4,497.65	(9,624.52)	(23,746.68)	(37,868.85)	261,704.92
Running Total	**94,126.63**	**169,235.10**	**230,221.40**	**277,085.54**	**309,827.51**	**328,447.32**	**332,944.97**	**323,320.45**	**299,573.77**	**261,704.92**	
Additional revenues for increased expensives	5,100.00	12,852.00	18,156.00	23,460.00	28,764.00	34,068.00	39,372.00	44,676.00	49,980.00	55,284.00	311,712.00
Running Total	**5,100.00**	**17,952.00**	**36,108.00**	**59,568.00**	**88,332.00**	**122,400.00**	**161,772.00**	**206,448.00**	**256,428.00**	**311,712.00**	