

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

In the Matter of the Application of Highway H)
Utilities, Inc. for a Certificate of Convenience and)
Necessity Authorizing It to Construct, Install, Own,)
Operate, Control, Manage, and Maintain a Water)
System for the Public in an Unincorporated Area)
of Pulaski County, Missouri)
)

File No. WA-2009-0316

In the Matter of the Application of Highway H)
Utilities, Inc. for a Certificate of Convenience and)
Necessity Authorizing It to Construct, Install, Own,)
Operate, Control, Manage, and Maintain a Sewer)
System for the Public in an Unincorporated Area)
of Pulaski County, Missouri)
)

File No. SA-2009-0317

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff), through the undersigned counsel, and respectfully files its *Recommendation* for Highway H Utilities, Inc’s (HHU or Company) *Application* to provide water and sewer service in an expanded area of the Northern Heights Estates Subdivision in Pulaski County, Missouri, stating the following:

Procedural History

1. On March 5, 2009, HHU filed an *Application* with the Missouri Public Service Commission (Commission) for a certificate of convenience and necessity to construct, install, own, operate, control, manage, and maintain water and sewer systems for the public in an unincorporated area of Pulaski County, Missouri. The *Application* was assigned the above two file numbers.
2. On September 12, 2004, in File Nos. WA-2004-0588 and SA-2004-0589, the Commission granted HHU certificates of service authority to provide water and sewer services to Northern Heights Subdivision in Pulaski County, Missouri. The

subdivision has expanded and is continuing to do so, and HHU's *Application* seeks a certificate to provide water and sewer services in this expanded area. HHU currently provides service to over sixty (60) customers in the proposed service area.

3. On March 9, 2009, the Commission issued an *Order Directing Notice And Setting Intervention Date*. Applications to intervene were to be received no later than March 30, 2009. To date, no one has applied to intervene.
4. On March 31, 2009, the Commission's *Order Directing Staff To File Recommendation* allowed until May 15, 2009 for Staff to file its recommendation on HHU's *Application*. Attached is Staff's *Recommendation*, along with Attachment A, depreciation accrual rates for water plant, and Attachment B, depreciation accrual rates for sewer plant.

Case law

5. Pursuant to Section 393.170 RSMo (2000), no water or sewer corporation shall provide service to customers without first having obtained the permission and approval of the Commission. Section 393.170.3 gives the Commission the power to grant a certificate "whenever it shall after due hearing determine that such construction or such exercise of the right, privilege or franchise is necessary or convenient for the public service. The commission may by its order impose such condition or conditions as it may deem reasonable and necessary."
6. In the 1994 case of *In re Tartan Energy Company*, 3 Mo. P.S.C. 3d 173, 177 (1994), the Commission recognized five criteria that should be considered when making that determination: there must be a need for the service; the applicant

must be qualified to provide the service; the applicant must have the financial ability to provide the service; the applicant's proposal must be economically feasible; and the service must promote the public interest.

7. The Commission need not hold a hearing, if, after proper notice and opportunity to intervene, no party requests such a hearing. *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494 (Mo. App. W.D. 1989).

Staff's Recommendation

8. Staff's analysis of the Tartan Energy Criteria, with criterion No. 1 modified by Staff, is included in its *Recommendation*. Staff finds the Company meets the criteria, and granting the relief requested in the *Application* is in the public interest.
9. Based on Staff's preliminary review, Staff recommends the Commission order the Company's existing water and sewer rates apply in the proposed service area. As the Company has filed a small company rate increase request, assigned File Nos. WR-2009-0393 and SR-2009-0392, the Staff will be able to examine more thoroughly the Company's books and records to determine just and reasonable rates for the existing and proposed service areas.
10. The Staff does not find that the Commission issued depreciation accrual rates in HHU's prior certificate cases. Therefore, Staff recommends the Commission approve the depreciation rates within Attachments A and B to apply to both HHU's existing and proposed service areas.

11. HHU did not obtain the required permits from the Missouri Department of Natural Resources (DNR) prior to constructing water mains or sewer pipelines within the proposed service area. Any actions taken by DNR are unknown at this time. Additionally, DNR is currently reviewing information submitted by the Company necessary to permit the construction of an additional well and sewer treatment facility within the proposed service area. From investigation, the Staff believes the water system has adequate capacity to provide service to the proposed area, but that the existing sewer treatment plant is operating beyond its capacity.
12. Staff finds no deficiencies in the Company's history of annual report submissions and annual assessment remittances. HHU has filed a small company rate increase request, File Nos. WR-2009-0393 and SR-2009-0392. HHU has no other matters pending before the Commission, and granting a certificate to HHU will not affect any other matter before the Commission.
13. HHU's *Application* asserts the Company has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates.

WHEREFORE, the Staff recommends the Missouri Public Service Commission issue an order that:

- grants Highway H Utilities, Inc., a certificate for the provision of water and sewer service to the expanded portion of the Northern Heights subdivision as requested in the *Application*, such a certificate to be

effective on the same date as the effective date of the Company's new or revised tariff sheets to be submitted;

- approves Highway H Utilities, Inc.'s existing water and sewer rates and service charges to be applicable to the new service area, noting that a rate case is pending in which the Staff expects new rates to be set for the cost of providing service within the existing and expanded services areas;
- directs Highway H Utilities, Inc. to submit, within thirty (30) days after the date of the Commission's order granting a certificate, new and/or revised tariff sheets for its existing water and sewer tariff to include a map and written description of the expanded Northern Heights Subdivision service area, with the tariff sheets to bear an effective date that is at least thirty (30) days from the date the tariff sheets are submitted to the Commission;
- approves the depreciation accrual rates as shown on Attachments A and B, to be applicable to all of Highway H Utilities, Inc.'s plant facilities;
- requires Highway H Utilities, Inc. to submit to the Manager of the Water and Sewer Department copies of permits and approvals issued by DNR for the construction of wells, tanks, treatment facilities, or other utility plant contemplated by plans approved by DNR, within thirty (30) days after such approval;
- requires that in the event any DNR permits necessary by for Highway H Utilities, Inc. are not obtained by the Company by August 1, 2009, and forwarded to the Manager of the Water and Sewer Department, the

Company submit status reports to the Commission describing the good faith attempts in obtaining the necessary permits from DNR, including but not limited to, the preparation and submission of information required by DNR for approval and issuance of such permits;

- makes no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining to the granting of the requested certificate, including future expenditures of Highway H Utilities, Inc., in any later proceeding; and
- directs Staff to file a recommendation on the tariff sheets filed by Highway H Utilities, Inc., that will be forthcoming thirty (30) days after the Commission's order granting certificate.

Respectfully submitted,

/s/Jennifer Hernandez

Jennifer Hernandez

Legal Counsel

Missouri Bar No. 59814

Attorney for the Staff of the
Missouri Public Service Commission

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(573) 751- 8706 (Telephone)

(573) 751-9285 (Fax)

jennifer.hernandez@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 15th day of May, 2009.

/s/ Jennifer Hernandez

Finally, the Commission granted HHU certificates to provide water and sewer service in another subdivision known as Northern Heights, in Case Nos. WA-2004-0588 SA-2004-0589, effective on September 12, 2004. In its pending *Application*, HHU seeks to expand this Northern Heights service area.

STAFF'S INVESTIGATION

As noted in the header lines of this Memorandum, Staff members from the Auditing, Engineering & Management Services, Water & Sewer and General Counsel Departments participated in the Staff's review of the subject *Application*. All Staff participants, the participants' up-line supervisors, and the assigned Staff attorney were afforded the opportunity to review and comment on this Memorandum prior to it being filed.

The Staff learned of the Company's provision of water and sewer service in the proposed expanded portion of its Northern Heights service area from the Department of Natural Resources (DNR) Public Drinking Water Branch, which was reviewing some water facility plans that HHU's engineer submitted to that agency. The Staff determined that the proposed water facilities DNR was reviewing was intended to provide service outside of HHU's existing certificated service area.

After contact from the Staff about the Northern Heights development expansion beyond the certificated service area boundaries, HHU immediately contacted counsel with instructions to prepare a certificate case filing, resulting in the filing of the subject *Application* within a few weeks.

Items reviewed during the Staff's investigation of HHU's *Application* include 1) the Company's overall technical plans for providing service to the area; 2) the appropriateness of the Company's existing approved rates including expenses that the Staff would expect the Company to incur with respect to serving existing and proposed customers; 3) the applicability of the Company's existing depreciation rates to the system; and 4) the Company's technical, managerial and financial capacities.

The Staff analyzed the Company's ability to meet the "Tartan Energy Criteria," as slightly modified by the Staff, which are the criteria historically used by the Commission in evaluating service area certificate applications. The Staff's positions on the Tartan Energy Criteria, with Criterion No. 1 modified by the Staff, are set out within this Memorandum, below.

STAFF'S FINDINGS AND CONCLUSIONS

The family members who own HHU are also the developers of the Northern Heights subdivision including the expansion. The expanded area includes a total of 133 lots, in addition to 133 existing lots in the current service area. HHU's customer forecast for the service area is for a

total of 225 customers within a three (3) year period, however HHU already serves over 60 customers within the proposed area, and additional homes are presently under construction.

HHU operates three (3) water systems in the aforementioned Original area, the High Point area, and the Northern Heights area. The Original area consists of two deep wells with hydropneumatic tanks, while the other two service areas each utilize single deep wells with hydropneumatic tanks. Each area also utilizes distribution pipelines and meters for each of the customers. HHU presently has approximately 710 residential and multi-family customers. The expansion of the Northern Heights area contemplates the addition of another deep well and possibly some type of storage tank facility.

The Company's currently approved rates for water service is \$5.46 for the first 2,000 gallons per month, plus \$1.00 per 1,000 gallons over the 2,000 included gallons. There has been no increase in water rates since the time they were originally approved by the Commission in 1990. A monthly water bill for a typical customer with water use of 5,500 gallons per month, if subdividing the commodity charge into 100 gallon increments, would be \$8.96. The Staff believes, based on available information and some of its own estimates, that existing water rates would be adequate considering customer growth in the proposed new service area and even including certain new plant items in rate base along with additional expenses associated with operating the expanded Northern Heights water system. However, a positive determination with regard to rates will need to be made in the context of a pending rate case. The Staff believes that newly constructed wells, tanks, associated structures, water meters and meter installations should be included as utility rate base. Water main pipelines should be contributed by developers, as is customary for new development.

HHU operates two sewer systems. The one in the High Point service area consists of an extended aeration type treatment facility, and gravity collecting sewers. The other, in Northern Heights, consists of a re-circulating sand filter type treatment facility and small diameter gravity collecting sewers which receive discharge from customer-owned septic tanks. The proposed expansion of the Northern Heights sewer system includes another treatment facility to be located alongside the existing facility, and additional small diameter collecting sewer pipelines.

The currently approved flat rate for sewer service is \$15.32 per month, also the original sewer rate, which was approved by the Commission in 1991. The Staff recommends that newly constructed treatment facilities be included as rate base, while collecting sewer pipelines be contributed by developers, as is customary for new development. Based on the Staff's estimates, which takes into consideration the addition of the proposed treatment facility, and considering additional customers, the sewer rate could increase to approximately \$29 per month. Although such an increase would be approximately an 89% increase, the Staff believes that the proposed expansion is feasible. A positive determination with regard to rates will need to be made in the context of the pending rate case. Additional treatment facility capacity is already needed for existing customers, based on water usage and the number of customers. There is no flow meter at the treatment facility.

The Staff's position with regard to rates and feasibility is based on a review of information in HHU's feasibility and engineering reports submitted in these cases, the Company's filed annual reports, and the Staff's own estimates. However, the Staff believes that the financial and capital information is not sufficiently reliable without conducting a detailed audit of the Company's operation. At the Staff's request, HHU filed a "Small Company Rate Increase" request on April 30, 2009, docketed as WR-2009-0393 and SR-2009-0392. The Staff therefore recommends that HHU needs to complete its rate case, or the Staff will need to undertake a rate review.

The Staff does not find evidence that the Commission ever prescribed depreciation accrual rates for HHU. Thus, the Staff recommends that the Commission approve depreciation rates as shown on Attachments A and B. These depreciation schedules are intended to apply to all of HHU's plant, existing and future.

Subsequent to the Commission granting HHU a certificate for the subject service area, HHU will need to amend its existing tariff by filing amended service area descriptions and maps for both water and sewer tariffs.

THE TARTAN ENERGY CRITERIA

Is there a need for the proposed services, and is there a need for the Company to provide the proposed services?

The Staff believes that a need for the proposed service clearly exists, since home lots are available for sale and homes are under construction. There are no other water or sewer systems available proximate to Northern Heights except HHU's own existing systems. The provision of water and sewer services within the proposed service area utilizes extensions and expansions of these existing systems.

Is the Company qualified to provide the proposed service?

Based on its investigation and its familiarity with HHU, the Staff believes that HHU has the technical, managerial and financial capacities necessary to provide the proposed service, although sewer plant operations is under investigation by DNR, as discussed within this memorandum, below, likely due to capacity overloading. The owners operate and manage HHU along with their other businesses from an office in the local area. One of the owner's acts as the water operations supervisor has done so for several years, and also has the appropriate water distribution license issued by DNR. He is also available to take emergency after-hours calls. HHU hires a contract operator who provides licensed sewer operators for its sewage treatment facility operations. HHU relies on consultants for legal and technical assistance.

Does the Company have the financial ability to provide the proposed services?

HHU is large enough to be a stand-alone utility operation, and the owner is demonstrating the ability to invest capital in the utility as necessary, both in the capacity of utility owner, and in the capacity of land developer constructing extensions for contribution to a utility.

Is the Company's proposal economically feasible?

The Staff believes that the current water rates are adequate to include the expanded service area and associated new water plant facilities to be constructed. Based upon the Staff's preliminary review, the current sewer rates likely are not adequate to include the investment and expenses associated with expanded service area and new sewer plant facilities, however an estimated 89% increase would result in sewer rates that the Staff would consider reasonable and feasible. As stated above, the Company has filed a small company rate increase for both its water and sewer operations. During the rate case proceedings, Staff will be able to examine the Company books and records more thoroughly to determine just and reasonable rates. This review will include the area that is the subject of this proceeding.

Does the Company's proposal promote the public interest?

Water and sewer service from HHU makes home construction possible in the expanded service area. As such, it is in the public interest. Additionally, the presumption in these types of cases is that if the other four criteria are met, then this criterion is also met.

DNR ISSUES

HHU submitted plans and information, through its consulting engineer, for construction of an additional well to be used as the source of supply for the water system, and for construction of another sewage treatment facility in order to address treatment capacity that is needed to serve the additional customers in the proposed service area. However, those reviews are not yet complete, and no permit has been issued to HHU as yet. It appears that DNR is requiring, in addition to the proposed new well, a storage tank facility designed to provide enough water for one-day use if one of the two wells fails. A standpipe that supplies water pressure by gravity or a ground facility that utilizes pumps to maintain pressure are examples of the types of tanks that could be used for this system.

Although HHU has plans for a proposed sewage treatment facility submitted, DNR is now requiring of HHU, as well as all other sewer providers, additional information with regard to the impact treated sewage discharge has upon the water quality of the stream to which the discharge is being introduced, simply called "antidegradation." That work is not yet accomplished, and thus there is no permit issued to HHU for construction of the additional treatment facility. After the antidegradation information is submitted, DNR will still need to issue a 30-day public notice for the proposed permit. DNR is also investigating discharge compliance with respect to HHU's Northern Heights facility, since there have been violations in the past.

Time frames for completion of the work and information required in order to obtain proper DNR permits is uncertain at this point in time. Based on reported water use, the Staff believes that the water system has adequate capacity to provide service to more than the number of customers that are presently connected, but that the existing sewage treatment plant is operating beyond its capacity.

HHU did not obtain DNR approval to construct water distribution mains nor collecting sewer pipelines within the new development in the proposed service area. It is possible that DNR may require inspections of certain portions of the new water or sewer pipelines, requiring excavation, in order to resolve this matter.

Any specific action undertaken by DNR with respect to discharge violations and construction violations is uncertain at present.

ADDITIONAL INFORMATION

The Staff has reviewed HHU's history regarding the submittal of its Commission annual reports and the payment of its Commission assessments, and finds no deficiencies in this regard. For annual reports the Staff reviewed the Commission's EFIS system records for the calendar years 2002 through 2008, and the Adjudication Division Data Center's records, as posted on the Commission's intranet site, for the calendar years 1997 through 2001. For assessments the Staff reviewed the Administration Division's records, as posted on the intranet site, for the fiscal years 2000 through 2009. The annual report and assessment reviews were conducted by Jennifer Hernandez and Jim Merciel.

HHU has the aforementioned rate cases pending before the Commission. HHU has no other matters pending before the Commission, and the approval of the *Application* in this case will not affect any other matter before the Commission.

STAFF'S RECOMMENDATIONS

Based upon the above, the Staff recommends that the Commission issue an order that:

- Grants HHU a certificate for the provision of water and sewer service to the expanded portion of the Northern Heights subdivision as requested in its Applications, such a certificate to be effective on the same date as the effective date of the Company's new or revised tariff sheets to be submitted, as described herein;
- Approves the Company's existing water and sewer rates and service charges to be applicable to the new service area, noting that a rate case is pending in which the Staff expects rates to be properly set for the cost of providing service within the existing and expanded service areas;

- Directs HHU to submit new and/or revised tariff sheets for its existing water and sewer tariff to include a map and written description of the expanded Northern Heights service, within 30 days after the date the Commission issues its order granting the certificate, with the tariff sheets to bear an effective date that is at least 30 days from the date the tariff sheets are submitted to the Commission;
- Approves the depreciation accrual rates as shown on the attachments to this memorandum, to be applicable to all of HHU's utility plant facilities;
- Requires HHU to submit to the Manager of the Water and Sewer Department copies of permits and approvals issued by DNR for construction of wells, tanks, treatment facilities or other utility plant contemplated by plans approved by DNR, within 30 days after such approval;
- In the event any required permits from DNR are not forthcoming by August 1, 2009, requires HHU to submit status reports to the Commission describing the good faith attempts in obtaining the necessary permits from DNR, including but not limited to the preparation and submission of information required by DNR for approval and issuance of such permits; and,
- Makes no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining to the granting of the requested certificate, including future expenditures by HHU, in any later proceeding.

The Water & Sewer Department Staff will file a further recommendation regarding approval of the tariff sheets that HHU will be submitting in accordance with the Commission's order granting the certificate.

List of Attachments

Attachment A – Depreciation Accrual Rates for Water Plant

Attachment B – Depreciation Accrual Rates for Sewer Plant

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

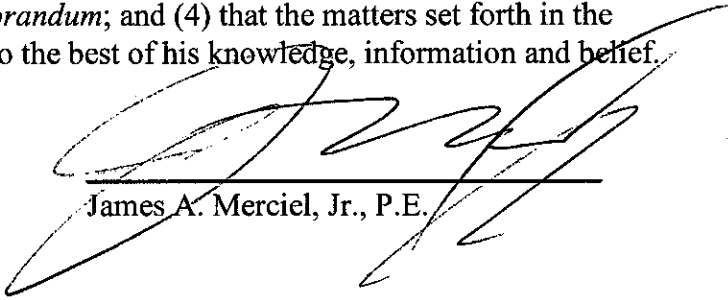
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Area of Pulaski County, Missouri)

Case No. WA-2009-0316
Case No. SA-2009-0317

AFFIDAVIT OF JAMES A. MERCIEL, JR., P.E.

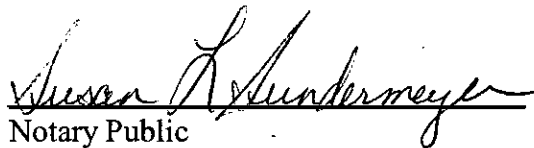
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

James A. Merciel, Jr., of lawful age, on his oath states: (1) that he is the Assistant Manager – Engineering in the Water and Sewer Department of the Missouri Public Service Commission; (2) that he participated in the preparation of the foregoing *Memorandum*; (3) that he has knowledge of the matters set forth in the foregoing *Memorandum*; and (4) that the matters set forth in the foregoing *Memorandum* are true and correct to the best of his knowledge, information and belief.



James A. Merciel, Jr., P.E.

Subscribed and sworn to before me this 14th day of May 2009.



Notary Public



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of)	
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Construct, Install, Own, Operate, Control)	and
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Systems for the Public in an Unincorporated)	Case No. SA-2009-0317
Area of Pulaski County, Missouri)	

AFFIDAVIT OF PAULA MAPEKA

STATE OF MISSOURI)
)
) ss.
COUNTY OF COLE)

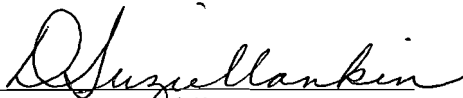
Paula Mapeka, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Staff Memorandum/Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Memorandum/Recommendation was developed by her; that she has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true and correct to the best of her knowledge and belief.



Paula Mapeka

Subscribed and sworn to before me this 14th day of May, 2009.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: December 08, 2012 Commission Number: 08412071
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Notary Public

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Sewer Systems for the Public in an Unincorporated)
Area of Pulaski County, Missouri)

Case No. WA-2009-0316
Case No. SA-2009-0317

AFFIDAVIT OF STEVE LOETHEN.

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Steve Loethen, of lawful age, on his oath states: (1) that he is a Utility Operations Technical Specialist in the Water and Sewer Department of the Missouri Public Service Commission; (2) that he participated in the preparation of the foregoing *Memorandum*; (3) that he has knowledge of the matters set forth in the foregoing *Memorandum*; and (4) that the matters set forth in the foregoing *Memorandum* are true and correct to the best of his knowledge, information and belief.



Steven G. Loethen

Subscribed and sworn to before me this 14th day of May, 2009.



Notary Public



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086

BEFORE THE PUBLIC SERVICE COMMISSION

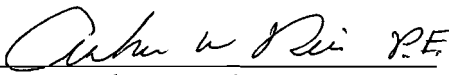
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AFFIDAVIT OF ARTHUR W. RICE, PE

STATE OF MISSOURI)
) ss.
 COUNTY OF COLE)


COMES NOW Arthur W. Rice, PE, being of lawful age, and on his oath states the following: (1) that he is a Utility Regulatory Engineer I in the Missouri Public Service Commission's Engineering and Management Services Department; (2) that he participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that he has knowledge of the foregoing Staff Recommendation/Memorandum ("Memorandum"); (4) that he was responsible for the preparation of Attachment A and B to the Memorandum; (5) that he has knowledge of the matters set forth in Attachment A and B to the Memorandum; and (6) that the matters set forth in Attachment A and B to the are true and correct to the best of his knowledge, information, and belief.



 Arthur W. Rice, PE
 Utility Regulatory Engineer I
 Engineering and Management
 Services Department

Subscribed and sworn to before me this 14th day of May, 2009.

D. SUZIE MANKIN
 Notary Public - Notary Seal
 State of Missouri
 Commissioned for Cole County
 My Commission Expires: December 08, 2012
 Commission Number: 08412071



 Notary Public

Highway H Utilities
DEPRECIATION RATES
(WATER)

WA-2009-0316 Attachment A

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)	NET SALVAGE
311	Structures & Improvements (well house)	2.5%	40	0%
314	Wells & Springs	2.0%	50	0%
316	Supply Mains	2.0%	50	0%
321	Structures & Improvements (pump house)	2.5%	40	0%
325	Electric Pumping Equipment	10.0%	10	0%
342	Distribution Reservoirs & Standpipes	2.5%	40	0%
343	Transmission & Distribution Mains	2.0%	50	0%
345	Services	2.9%	35	0%
346	Meters	10.0%	10	0%
347	Meter Installations	2.9%	35	0%
348	Hydrants	2.5%	40	0%
390	Structures & Improvements (office)	2.5%	40	0%
391	Office Furniture & Equipment	5.0%	20	0%
391.1	Office Computer Equipment	20.0%	5	0%
392	Transportation Equipment	13.0%	7	9%
394	Tools, Shop, Garage Equipment	5.0%	20	0%
395	Laboratory Equipment	5.0%	20	0%
396	Power Operated Equipment	6.7%	13.5	10%
397	Communication Equipment	6.7%	15	0%

Highway H Utilities
DEPRECIATION RATES
(SEWER)

SA-2009-0317 Attachment B

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)	NET SALVAGE
311	Structures & Improvements	3.0%	33	0%
352.1	Collection Sewers (Force)	2.0%	50	0%
352.2	Collection Sewers (Gravity)	2.0%	50	0%
354	Services	2.0%	50	0%
355	Flow Measurement Devices	3.3%	30	0%
362	Receiving Wells	4.0%	25	0%
363	Electric Pumping Equipment	10.0%	10	0%
372	Oxidation Lagoons	4.0%	25	0%
373	Treatment & Disposal Facilities	5.0%	20	0%
374	Plant Sewers	2.5%	40	0%
375	Outfall Sewer Lines	2.0%	50	0%
391	Office Furniture & Equipment	5.0%	20	0%
391.1	Office Computer Equipment	20.0%	5	0%
392	Transportation Equipment	13.0%	7	9%
394	Tools, Shop, Garage Equipment	5.0%	20	0%
395	Laboratory Equipment	5.0%	20	0%
396	Power Operated Equipment	6.7%	13.5	10%
397	Communication Equipment	6.7%	15	0%