

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY SERVICES DIVISION**

**STAFF ACCOUNTING SCHEDULES**

**STAFF RESPONSE TO MISSOURI PUBLIC  
SERVICE COMMISSION'S JULY 19, 2010  
ORDER REGARDING JULY 16, 2010 REVENUE  
REQUIREMENT SCENARIO MODELS**

**REPORT VOLUME 2 OF 2**

**LAKE REGION WATER & SEWER COMPANY**

**CASE NO. SR-2010-0110**

Horseshoe Bend Sewer  
Shawnee Bend Sewer

**&**

**CASE NO. WR-2010-0111**

Shawnee Bend Water

*Jefferson City, Missouri  
July 20, 2010*

**Exhibit No.:**  
**Issue:** Accounting Schedules  
**Witness:** MO PSC Auditors  
**Sponsoring Party:** MO PSC Staff  
**Case No:** SR-2010-0110 Horseshoe Bend Sewer  
**Date Prepared:** July 16, 2010



**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY SERVICES DIVISION**

**June 24 Order Scenario 2- \$2.9M CIAC**

**STAFF ACCOUNTING SCHEDULES**

**LAKE REGION WATER AND SEWER COMPANY**

**CASE NO. SR-2010-0110 Horseshoe Bend Sewer**

**Jefferson City, Missouri**

**July 2010**

Lake Region Water and Sewer Company  
Horseshoe Bend Sewer  
Tracking Number SR-2010-0110  
Test Year Ending 12-31-2008 updated through 9-30-2009 True up ending 3-31-2010  
Expense Schedule - Sewer

Line Number	A Account Number (Optional)	B Expense Description	C Company/ Test Year Amount	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		<b>OPERATIONS EXPENSES</b>					
2	710.000	Purchased Wastewater Maintenance	\$4,710	S-2	\$367	64.02%	\$3,250
3	715.000	Power for Treatment Plants -HB Only	\$12,331	S-3	\$6,204	100.00%	\$18,535
4	715.100	Power for Treatment Plants-Other-2	\$0	S-4	\$0	100.00%	\$0
5	711.100	Sludge Removal	\$1,330	S-5	\$9,600	100.00%	\$10,930
6	718.100	Chemicals	\$0	S-6	\$4,615	100.00%	\$4,615
7	719.000	Wastewater Testing Other	\$0	S-7	\$4,761	100.00%	\$4,761
8	719.100	Effluent Testing Expenses-HB	\$8,997	S-8	-\$8,997	100.00%	\$0
9	721.100	HB Sewer Operating Expenses	\$762	S-9	\$1,799	100.00%	\$2,561
10		<b>TOTAL OPERATIONS EXPENSE</b>	<b>\$28,130</b>		<b>\$18,349</b>		<b>\$44,652</b>
11		<b>MAINTENANCE EXPENSES</b>					
12	720.000	Supplies and Materials (Other)	\$2,184	S-12	\$1,201	64.02%	\$2,167
13	720.100	HB Sewer Supplies	\$7,739	S-13	-\$5,468	64.02%	\$1,454
14	720.200	SB Sewer Supplies	\$1,906	S-14	-\$371	64.02%	\$983
15	720.400	Lagoon Supplies	\$32	S-15	-\$32	64.02%	\$0
16	720.500	Sewer Operating Expenses HB	\$1,776	S-16	\$0	64.02%	\$1,137
17	722.000	Tools and Shop Supplies (Sewer)	\$285	S-17	\$790	64.02%	\$688
18	745.100	Maintenance of Treatment Equip	\$2,628	S-18	\$0	64.02%	\$1,682
19	745.900	HB Miscellaneous Operating Expense	\$1,893	S-19	-\$1,893	100.00%	\$0
20		<b>TOTAL MAINTENANCE EXPENSE</b>	<b>\$18,443</b>		<b>-\$5,773</b>		<b>\$8,111</b>
21		<b>CUSTOMER ACCOUNT EXPENSE</b>					
22	732.000	Contracted Accounting Fees	\$10,930	S-22	\$0	47.68%	\$5,211
23	733.000	Contracted Legal Fees	\$3,386	S-23	\$129	64.02%	\$2,250
24	737.000	PWSD#4 Contracted Labor	\$194,850	S-24	\$8,707	47.68%	\$97,056
25	742.000	Rent	\$18,000	S-25	\$0	47.68%	\$8,582
26	742.100	Rent (Lake Region)	\$0	S-26	\$8,082	47.68%	\$3,853
27		<b>TOTAL CUSTOMER ACCOUNT EXPENSE</b>	<b>\$227,166</b>		<b>\$16,918</b>		<b>\$116,952</b>
28		<b>ADMINISTRATIVE &amp; GENERAL EXPENSES</b>					
29	755.000	Property Insurance	\$3,272	S-29	\$0	85.86%	\$2,809
30	756.000	Auto Insurance (Sewer)	\$5,313	S-30	\$0	64.02%	\$3,401
31	757.000	General Liability (Sewer)	\$2,098	S-31	\$0	64.02%	\$1,343
32	759.000	Other Insurance (Sewer)	\$1,953	S-32	-\$1,953	64.02%	\$0
33	921.000	Office Supplies	\$11,218	S-33	-\$1,993	10.56%	\$974
34	921.500	Billing Expenses	\$2,962	S-34	\$0	10.56%	\$313
35	922.000	Management Fees	\$240,000	S-35	-\$240,000	47.68%	\$0
36	922.100	Executive Management Oversight	\$0	S-36	\$27,901	47.68%	\$13,303
37	923.000	Outside Services	\$947	S-37	\$0	47.68%	\$452
38	925.000	Telephone	\$1,247	S-38	\$0	47.68%	\$595
39	927.000	Travel & Entertainment	\$155	S-39	\$0	47.68%	\$74
40	933.000	Transportation Expense	\$26,580	S-40	\$0	47.68%	\$12,673
41	940.000	Customer Refunds	\$868	S-41	\$0	47.68%	\$414
42	950.000	Bad Debt Expense	\$691	S-42	\$0	47.68%	\$329
43	975.000	Miscellaneous Expense	\$969	S-43	\$357	47.68%	\$632
44	980.000	Rate Case Expense	\$0	S-44	\$2,919	100.00%	\$2,919
45		<b>TOTAL ADMINISTRATIVE AND GENERAL</b>	<b>\$298,273</b>		<b>-\$212,769</b>		<b>\$40,231</b>
46		<b>OTHER OPERATING EXPENSES</b>					
47	767.000	PSC Assessment	\$23,499	S-47	\$11,904	100.00%	\$35,403
48	779.000	License and Permits (Other-2)	\$75	S-48	-\$75	64.02%	\$0
49	779.100	HB Licenses and Permits	\$8,100	S-49	\$1,192	100.00%	\$9,292
50	406.300	Amortization of CIAC (Sewer)	\$0	S-50	-\$9,829	100.00%	-\$9,829
51		Depreciation	\$0	S-51	\$113,381	100.00%	\$113,381
52		<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>\$31,674</b>		<b>\$116,573</b>		<b>\$148,247</b>
53		<b>TAXES OTHER THAN INCOME</b>					
54	967.000	Real Estate Taxes	\$3,324	S-54	\$0	20.90%	\$695
55	967.300	Property Taxes	\$372	S-55	\$0	20.90%	\$78

Lake Region Water and Sewer Company  
 Horseshoe Bend Sewer  
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 Expense Schedule - Sewer

Line Number	A Account Number (Optional)	B Expense Description	C Company/ Test Year Amount	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
56	967.200	Other Taxes	\$46	S-56	-\$46	47.68%	\$0
57		TOTAL TAXES OTHER THAN INCOME	\$3,742		-\$46		\$773
58		TOTAL OPERATING EXPENSES	<u>\$607,428</u>		<u>-\$66,748</u>		<u>\$358,966</u>

**Lake Region Water and Sewer Company**  
**Horseshoe Bend Sewer**  
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**Expense Adjustment Schedule - Sewer**

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
S-2	Purchased Wastewater Maintenance	710.000		\$367
	Made adjustment based on a 2 year average (2006-2007) Herrington		\$367	
S-3	Power for Treatment Plants -HB Only	715.000		\$6,204
	Made adjustment to update amount to reflect accounting change by Company (Herrington)		\$6,204	
S-4	Power for Treatment Plants-Other-2	715.100		\$0
	Staff used Test Year, No adjustment (Herrington)		\$0	
S-5	Sludge Removal	711.100		\$9,600
	Made adjustment based on September 30, 2009. Company had to make changes on how sludge removed. (Herrington)		\$9,600	
S-6	Chemicals	718.100		\$4,615
	Made adjustment based on September 30, 2009. Chemicals were booked incorrectly in 2008 (Herrington)		\$4,615	
S-7	Wastewater Testing Other	719.000		\$4,761
	Adjust to reflect update period September 30, 2009. Based on recent changes causing Company increased costs. (Herrington)		\$4,761	
S-8	Effluent Testing Expenses-HB	719.100		-\$8,997
	Adjust to reflect update period September 30, 2009. Accounting Changes made by Company. (Herrington)		-\$8,997	
S-9	HB Sewer Operating Expenses	721.100		\$1,799

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<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
	Made adjustment based on the K&M period. Staff used most recent data (Herrington)		\$1,799	
S-12	Supplies and Materials (Other)	720.000		\$1,201
	Made adjustment based on the K&M period. Staff used most recent data (Herrington)		\$1,201	
S-13	HB Sewer Supplies	720.100		-\$5,468
	Made adjustment based on the K&M period. Staff used most recent data (Herrington). Account allocated between HB and SB Sewer		-\$5,468	
S-14	SB Sewer Supplies	720.200		-\$371
	Made adjustment based on the K&M period. Staff used most recent data (Herrington). Account allocated between HB and SB Sewer		-\$371	
S-15	Lagoon Supplies	720.400		-\$32
	Adjust to reflect update period September 30, 2009. Lagoon no longer used. (Herrington)		-\$32	
S-16	Sewer Operating Expenses HB	720.500		\$0
	Test Year Used by Staff, No adjustment.		\$0	
S-17	Tools and Shop Supplies (Sewer)	722.000		\$790
	Adjust to reflect update period September 30, 2009 (Herrington)		\$790	
S-18	Maintenance of Treatment Equip	745.100		\$0
	Used Test Year, no adjustment. K&M amount appeared to be abnormal based on historical data		\$0	

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<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
S-19	HB Miscellaneous Operating Expense	745.900		-\$1,893
	Made adjustment to remove Test Year. No activity in account for K&M (Herrington)		-\$1,893	
S-22	Contracted Accounting Fees	732.000		\$0
	No adjustment necessary. Company does not anticipate increased accounting fees. (Herrington)		\$0	
S-23	Contracted Legal Fees	733.000		\$129
	Made adjustment to reflect the update period, Sept. 30, 2009. Amount allocated between HB and SB sewer only. (Herrington)		\$129	
S-24	PWSD#4 Contracted Labor	737.000		\$8,707
	Made adjustment to reflect an annualized payroll for the update period September 30, 2009 (Prenger)		\$8,707	
S-25	Rent	742.000		\$0
	No Adjustment issued. Test Year reflects an accurate amount for the rent. (Herrington)		\$0	
S-26	Rent (Lake Region)	742.100		\$8,082
	Include annualized amount for rent expense-Lake Office. K&M amount used as there was no test year amount. (Herrington)		\$8,082	
S-29	Property Insurance	755.000		\$0
	No adjustment made. Company does not anticipate increase. (Herrington)		\$0	
S-30	Auto Insurance (Sewer)	756.000		\$0

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**Expense Adjustment Schedule - Sewer**

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
	No adjustment made. Company does not anticipate increase. (Herrington)		\$0	
S-31	General Liability (Sewer)	757.000		\$0
	No adjustment made. Company does not anticipate increase. (Herrington)		\$0	
S-32	Other Insurance (Sewer)	759.000		-\$1,953
	Removed Health Care Insurance that is considered a personal expense. (Herrington)		-\$1,953	
S-33	Office Supplies	921.000		-\$1,993
	Based on fluctuations in historical data, Staffed used a two year average (2007-2008).Herrington		-\$1,993	
S-34	Billing Expenses	921.500		\$0
	No adjustment, test year used. Based on upward trend. (Herrington)		\$0	
S-35	Management Fees	922.000		-\$240,000
	Remove Management Fees in Test Year (Herrington)		-\$240,000	
S-36	Executive Management Oversight	922.100		\$27,901
	Include costs for Executive Oversight for Lake Region (William Harris)		\$27,901	
S-37	Outside Services	923.000		\$0
	No adjustment, test year used. Historical data appeared to be abnormal. (Herrington)		\$0	
S-38	Telephone	925.000		\$0



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**Expense Adjustment Schedule - Sewer**

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
	No adjustment, test year used. No historical data to review (Herrington)		\$0	
S-39	Travel & Entertainment	927.000		\$0
	No adjustment, test year used. (Herrington)		\$0	
S-40	Transportation Expense	933.000		\$0
	No adjustment, test year used. (Herrington)		\$0	
S-41	Customer Refunds	940.000		\$0
	No adjustment, test year used. (Herrington)		\$0	
S-42	Bad Debt Expense	950.000		\$0
	Test Year-No adjustment		\$0	
S-43	Miscellaneous Expense	975.000		\$357
	Adjust to reflect update period September 30, 2009 (Herrington)		\$357	
S-44	Rate Case Expense	980.000		\$2,919
	Made adjustment to Include expenses associated with current rate case-5 year amortization (Herrington)		\$0	
	Include Rate Case Expense through True Up Period, March 31, 2010. 3-Year Amortization		\$2,919	
S-47	PSC Assessment	767.000		\$11,904
	Adjust PSC Assessment to reflect 2010 Fiscal Year (Herrington)		\$11,904	
S-48	License and Permits (Other-2)	779.000		-\$75

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**Expense Adjustment Schedule - Sewer**

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
	Made adjustment to remove test year. Account change by Company. (Herrington)		-\$75	
S-49	HB Licenses and Permits	779.100		\$1,192
	Made adjustment to reflect update period September 30, 2009. Increase due to changes in permit requirements. (Herrington)		\$1,192	
S-50	Amortization of CIAC (Sewer)	406.300		-\$9,829
	CIAC Depreciation Based on Commission Order (June 24-2010)-Non Availability Fee related CIAC		-\$1,688	
	CIAC Depreciation Based on Commission Order (June 24-2010)-Additional Rate Base Offset		-\$8,141	
S-51	Depreciation			\$113,381
	1. To Annualize Depreciation		\$113,381	
S-54	Real Estate Taxes	967.000		\$0
	No adjustment, Test Year. Review during True Up (Herrington)		\$0	
S-55	Property Taxes	967.300		\$0
	No adjustment, Test Year. Review during True Up (Herrington)		\$0	
S-56	Other Taxes	967.200		-\$46
	Made adjustment to remove test year. Review during True Up. (Herrington)		-\$46	
<b>Total Expense Adjustments</b>				<b>-\$66,748</b>

Lake Region Water and Sewer Company  
 Horseshoe Bend Sewer  
 Tracking Number SR-2010-0110  
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 Revenue Schedule - Sewer

A	B	C	D	E	F	G	
Line Number	Account Number (Optional)	Revenue Description	Company/ Test Year Amount	Adjustment Number	Jurisdictional Adjustments	Jurisdictional Allocation	Adjusted Jurisdictional
Rev-1		ANNUALIZED REVENUES					
Rev-2		Annualized Rate Revenues	\$0	Rev-2	\$159,427	100.00%	\$159,427
Rev-3		Miscellaneous Revenues	\$0	Rev-3	\$167,731	100.00%	\$167,731
Rev-4		TOTAL ANNUALIZED REVENUES	\$0		\$327,158		\$327,158

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**Revenue Adjustment Schedule - Sewer**

<u>A</u> Revenue Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
Rev-2	Annualized Rate Revenues			\$159,427
	1. To Annualize Rate Revenues		\$159,427	
	2. Description		\$0	
	3. Description		\$0	
Rev-3	Miscellaneous Revenues			\$167,731
	1. To Annualize Miscellaneous Revenues		\$167,731	
	2. Description		\$0	
<b>Total Revenue Adjustments</b>				<b>\$327,158</b>

Lake Region Water and Sewer Company  
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 Revenue Summary Schedule - Sewer

Line Number	A Description	Residential Flat Rate		HB Residential Flat Rate Fourplex-HB	
		B Amount	C Amount	D Amount	E Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	129		4	
3	Bills Per Year	12		12	
4	Customer Bills Per year	1,548		48	
5	Current Customer Charge	<u>\$25.54</u>		<u>\$25.54</u>	
6	Annualized Customer Charge Revenues		\$39,536		\$1,226
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>0</u>		<u>0</u>	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	<u>\$0.00</u>		<u>\$0.00</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	<b>Total Annualized Sewer Rate Revenues</b>		<u><b>\$39,536</b></u>		<u><b>\$1,226</b></u>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units).

Lake Region Water and Sewer Company  
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 Revenue Summary Schedule - Sewer

Line Number	A Description	HB Commercial Flat Rate		HB Commercial HK Rest	
		F Amount	G Amount	H Amount	I Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	0		1	
3	Bills Per Year	0		12	
4	Customer Bills Per year	0		12	
5	Current Customer Charge	<u>\$0.00</u>		<u>\$30.80</u>	
6	Annualized Customer Charge Revenues		\$0		\$370
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>1,000</u>		<u>1,000</u>	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	<u>\$3.57</u>		<u>\$3.57</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	<b>Total Annualized Sewer Rate Revenues</b>		<u><u>\$0</u></u>		<u><u>\$370</u></u>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units.

Lake Region Water and Sewer Company  
Horseshoe Bend Sewer  
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Revenue Summary Schedule - Sewer

Line Number	A Description	HB Commercial Racquet Club Condo POA		HB Commercial Charleston Condo	
		J Amount	K Amount	L Amount	M Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	1		1	
3	Bills Per Year	12		12	
4	Customer Bills Per year	12		12	
5	Current Customer Charge	\$947.05		\$299.75	
6	Annualized Customer Charge Revenues		\$11,365		\$3,597
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	14,502,073		0	
9	Less: Base Gallons Included In Customer Charge	6,000		0	
10	Commodity Gallons	14,496,073		0	
11	Block 1, Commodity Gallons per Block	14,496,073		0	
12	Block 1, Number of Commodity Gallons per Unit	1,000		1,000	
13	Block 1, Commodity Billing Units	14,496.07		0.00	
14	Block 1, Existing Commodity Charge	\$3.57		\$3.57	
15	Block 1, Annualized Commodity Charge Rev.		\$51,751		\$0
16	<b>Total Annualized Sewer Rate Revenues</b>		<b>\$63,116</b>		<b>\$3,597</b>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units.

Lake Region Water and Sewer Company  
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Revenue Summary Schedule - Sewer

Line Number	A Description	HB Commercial FSL POA Lounge		HB Commercial Monarch Cove Condo	
		N Amount	O Amount	P Amount	Q Amount
1	<b>Customer Charge Revenues:</b>				
2	Customer Number	1		1	
3	Bills Per Year	12		12	
4	Customer Bills Per year	12		12	
5	Current Customer Charge	\$7.97		\$432.20	
6	Annualized Customer Charge Revenues		\$96		\$5,186
7	<b>Commodity Charge Revenues:</b>				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	0		0	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	1,000		1,000	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	\$3.57		\$3.57	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	<b>Total Annualized Sewer Rate Revenues</b>		<b>\$96</b>		<b>\$5,186</b>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units.



Lake Region Water and Sewer Company  
Horseshoe Bend Sewer  
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Revenue Summary Schedule - Sewer

Line Number	A Description	HB Commercial Duckhead Townhomes		HB Commercial HRS	
		R Amount	S Amount	I Amount	U Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	1		1	
3	Bills Per Year	12		12	
4	Customer Bills Per year	12		12	
5	Current Customer Charge	<u>\$33.10</u>		<u>\$603.35</u>	
6	Annualized Customer Charge Revenues		\$397		\$7,240
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>1,000</u>		<u>1,000</u>	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	<u>\$3.57</u>		<u>\$3.57</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	<b>Total Annualized Sewer Rate Revenues</b>		<u><u>\$397</u></u>		<u><u>\$7,240</u></u>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units.

Lake Region Water and Sewer Company  
 Horseshoe Bend Sewer  
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 Revenue Summary Schedule - Sewer

Line Number	A Description	HB Commercial Lodge WWTF		HB Commercial Vintage Landing	
		V Amount	W Amount	X Amount	Y Amount
1	<b>Customer Charge Revenues:</b>				
2	Customer Number	1		1	
3	Bills Per Year	12		12	
4	Customer Bills Per year	12		12	
5	Current Customer Charge	<u>\$2,262.70</u>		<u>\$180.92</u>	
6	Annualized Customer Charge Revenues		\$27,152		\$2,171
7	<b>Commodity Charge Revenues:</b>				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	0		0	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>1,000</u>		<u>1,000</u>	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	<u>\$3.57</u>		<u>\$3.57</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	<b>Total Annualized Sewer Rate Revenues</b>		<u>\$27,152</u>		<u>\$2,171</u>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units).

Lake Region Water and Sewer Company  
Horseshoe Bend Sewer  
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Revenue Summary Schedule - Sewer

Line Number	A Description	HB Commercial Big Bear		HB Commerical Treetop Village	
		Z Amount	Amount	B Amount	C Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	1		1	
3	Bills Per Year	12		12	
4	Customer Bills Per year	12		12	
5	Current Customer Charge	<u>\$71.30</u>		<u>\$240.70</u>	
6	Annualized Customer Charge Revenues		\$856		\$2,888
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>1,000</u>		<u>1,000</u>	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	<u>\$3.57</u>		<u>\$3.57</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	<b>Total Annualized Sewer Rate Revenues</b>		<u><b>\$856</b></u>		<u><b>\$2,888</b></u>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units.

Lake Region Water and Sewer Company  
Horseshoe Bend Sewer  
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Revenue Summary Schedule - Sewer

Line Number	A Description	HB Commercial CCC Main		HB Commercial PWSD #4	
		D Amount	E Amount	F Amount	G Amount
1	<b>Customer Charge Revenues:</b>				
2	Customer Number	1		1	
3	Bills Per Year	12		12	
4	Customer Bills Per year	12		12	
5	Current Customer Charge	<u>\$6.72</u>		<u>\$33.63</u>	
6	Annualized Customer Charge Revenues		\$81		\$404
7	<b>Commodity Charge Revenues:</b>				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>1,000</u>		<u>1,000</u>	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	<u>\$3.57</u>		<u>\$3.57</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	<b>Total Annualized Sewer Rate Revenues</b>		<u>\$81</u>		<u>\$404</u>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units.

Lake Region Water and Sewer Company  
Horseshoe Bend Sewer  
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Revenue Summary Schedule - Sewer

Line Number	A Description	HB Commercial Waters Edge		Total	
		H Amount	I Amount	J Amount	K Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	1		147	
3	Bills Per Year	12			
4	Customer Bills Per year	12		1,764	
5	Current Customer Charge	<u>\$425.92</u>			
6	Annualized Customer Charge Revenues		\$5,111		\$107,676
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	0		14,502,073	
9	Less: Base Gallons Included In Customer Charge	0		6,000	
10	Commodity Gallons	0		14,496,073	
11	Block 1, Commodity Gallons per Block	0			
12	Block 1, Number of Commodity Gallons per Unit	<u>1,000</u>			
13	Block 1, Commodity Billing Units	0.00			
14	Block 1, Existing Commodity Charge	<u>\$3.57</u>			
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$51,751
16	<b>Total Annualized Sewer Rate Revenues</b>		<u>\$5,111</u>		<u>\$159,427</u>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units.

**Lake Region Water and Sewer Company**  
**Horseshoe Bend Sewer**  
**Tracking Number SR-2010-0110**  
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**Miscellaneous Revenues Feeder - Sewer**

<b>Line Number</b>	<b><u>A</u> Description</b>	<b><u>B</u> Amount</b>
4	Total Miscellaneous Revenues	<u><u>\$167,731</u></u>

Lake Region Water and Sewer Company  
Horseshoe Bend Sewer  
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Rate Design Schedule - Sewer

A	B	C	D	E	F	
Line Number	Account Number (Optional)	Staff Annualized	Customer Charge	Commodity	Percentage Rate	
Rev-1	ANNUALIZED REVENUES					
Rev-2	Annualized Rate Revenues	(1)	\$159,427			
Rev-3	Miscellaneous Revenues	(1)	\$167,731			
Rev-4	TOTAL ANNUALIZED REVENUES		\$327,158			
1	OPERATIONS EXPENSES	(2)				
2	Purchased Wastewater Maintenance	710.000	\$3,250	\$0	\$3,250	0.00%
3	Power for Treatment Plants -HB Only	715.000	\$18,535	\$0	\$18,535	0.00%
4	Power for Treatment Plants-Other-2	715.100	\$0	\$0	\$0	0.00%
5	Sludge Removal	711.100	\$10,930	\$0	\$10,930	0.00%
6	Chemicals	718.100	\$4,615	\$0	\$4,615	0.00%
7	Wastewater Testing Other	719.000	\$4,761	\$0	\$4,761	0.00%
8	Effluent Testing Expenses-HB	719.100	\$0	\$0	\$0	0.00%
9	HB Sewer Operating Expenses	721.100	\$2,561	\$0	\$2,561	0.00%
10	TOTAL OPERATIONS EXPENSE		\$44,652	\$0	\$44,652	
11	MAINTENANCE EXPENSES					
12	Supplies and Materials (Other)	720.000	\$2,167	\$0	\$2,167	0.00%
13	HB Sewer Supplies	720.100	\$1,454	\$0	\$1,454	0.00%
14	SB Sewer Supplies	720.200	\$983	\$0	\$983	0.00%
15	Lagoon Supplies	720.400	\$0	\$0	\$0	0.00%
16	Sewer Operating Expenses HB	720.500	\$1,137	\$0	\$1,137	0.00%
17	Tools and Shop Supplies (Sewer)	722.000	\$688	\$0	\$688	0.00%
18	Maintenance of Treatment Equip	745.100	\$1,682	\$0	\$1,682	0.00%
19	HB Miscellaneous Operating Expense	745.900	\$0	\$0	\$0	0.00%
20	TOTAL MAINTENANCE EXPENSE		\$8,111	\$0	\$8,111	
21	CUSTOMER ACCOUNT EXPENSE					
22	Contracted Accounting Fees	732.000	\$5,211	\$0	\$5,211	0.00%
23	Contracted Legal Fees	733.000	\$2,250	\$0	\$2,250	0.00%
24	PWSD#4 Contracted Labor	737.000	\$97,056	\$0	\$97,056	0.00%
25	Rent	742.000	\$8,582	\$0	\$8,582	0.00%
26	Rent (Lake Region)	742.100	\$3,853	\$0	\$3,853	0.00%
27	TOTAL CUSTOMER ACCOUNT EXPENSE		\$116,952	\$0	\$116,952	
28	ADMINISTRATIVE & GENERAL EXPENSES					
29	Property Insurance	755.000	\$2,809	\$0	\$2,809	0.00%
30	Auto Insurance (Sewer)	756.000	\$3,401	\$0	\$3,401	0.00%
31	General Liability (Sewer)	757.000	\$1,343	\$0	\$1,343	0.00%
32	Other Insurance (Sewer)	759.000	\$0	\$0	\$0	0.00%
33	Office Supplies	921.000	\$974	\$0	\$974	0.00%
34	Billing Expenses	921.500	\$313	\$0	\$313	0.00%
35	Management Fees	922.000	\$0	\$0	\$0	0.00%
36	Executive Management Oversight	922.100	\$13,303	\$0	\$13,303	0.00%
37	Outside Services	923.000	\$452	\$0	\$452	0.00%
38	Telephone	925.000	\$595	\$0	\$595	0.00%
39	Travel & Entertainment	927.000	\$74	\$0	\$74	0.00%
40	Transportation Expense	933.000	\$12,673	\$0	\$12,673	0.00%
41	Customer Refunds	940.000	\$414	\$0	\$414	0.00%
42	Bad Debt Expense	950.000	\$329	\$0	\$329	0.00%
43	Miscellaneous Expense	975.000	\$632	\$0	\$632	0.00%
44	Rate Case Expense	980.000	\$2,919	\$0	\$2,919	0.00%
45	TOTAL ADMINISTRATIVE AND GENERAL		\$40,231	\$0	\$40,231	
46	OTHER OPERATING EXPENSES					
47	PSC Assessment	767.000	\$35,403	\$0	\$35,403	0.00%
48	License and Permits (Other-2)	779.000	\$0	\$0	\$0	0.00%
49	HB Licenses and Permits	779.100	\$9,292	\$0	\$9,292	0.00%
50	Amortization of CIAC (Sewer)	406.300	-\$9,829	\$0	-\$9,829	0.00%
51	Depreciation		\$113,381	\$0	\$113,381	0.00%
52	TOTAL OTHER OPERATING EXPENSES		\$148,247	\$0	\$148,247	

Lake Region Water and Sewer Company  
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 Tracking Number SR-2010-0110  
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 Rate Design Schedule - Sewer

A	B	C	D	E	F	
Line Number	Account Number (Optional)	Staff Annualized	Customer Charge	Commodity	Percentage Rate	
53	TAXES OTHER THAN INCOME					
54	Real Estate Taxes	967.000	\$695	\$0	\$695	0.00%
55	Property Taxes	967.300	\$78	\$0	\$78	0.00%
56	Other Taxes	967.200	\$0	\$0	\$0	0.00%
57	TOTAL TAXES OTHER THAN INCOME		<u>\$773</u>	<u>\$0</u>	<u>\$773</u>	
58	TOTAL OPERATING EXPENSES		<u>\$358,966</u>	<u>\$0</u>	<u>\$358,966</u>	
59	Interest Expense	(3)	\$36,577	\$0	\$36,577	0.00%
60	Return on Equity	(3)	\$12,143	\$0	\$12,143	0.00%
61	Income Taxes	(3)	\$3,024	\$0	\$3,024	0.00%
62	TOTAL INTEREST RETURN & TAXES		<u>\$51,744</u>	<u>\$0</u>	<u>\$51,744</u>	
63	TOTAL COST OF SERVICE		\$410,710	\$0	\$410,710	
64	Less: Miscellaneous Revenues		<u>\$167,731</u>	<u>\$0</u>	<u>\$167,731</u>	0.00%
65	COST TO RECOVER IN RATES		<u>\$242,979</u>	<u>\$0</u>	<u>\$242,979</u>	
66	INCREMENTAL INCREASE IN RATE REVENUES		<u>\$83,552</u>			
67	PERCENTAGE OF INCREASE		<u>25.54%</u>			
68	REQUESTED INCREASE IN REVENUES		\$0			

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



**Lake Region Water and Sewer Company**  
**Horseshoe Bend Sewer**  
**Tracking Number SR-2010-0110**  
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**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)	<u>14.13%</u>	(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		<u>1.39%</u>	From Capital Structure Schedule
6	Weighted Rate of Return on Equity Including Income Tax		1.74%	B4 x B5
7	Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term		<u>4.19%</u>	From Capital Structure Schedule
8	Total Weighted Rate of Return Including Income Tax		<u><u>5.93%</u></u>	B6+B7

To Rate Base Schedule

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

Equity Income Required \$14,286  
& Preliminary Federal Tax

Tax Rate Table

Net Income Range					
Start	End	Tax Rate	Amount in Range	Tax on Range	
\$0	\$50,000	15.00%	\$14,286	\$2,143	
\$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	\$9,999,999,999	34.00%	\$0	\$0	
			<u>\$14,286</u>	<u>\$2,143</u>	
			Consolidated Tax Rate:		
			Average Tax Rate:		0.15

**Lake Region Water and Sewer Company**  
**Horseshoe Bend Sewer**  
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**Rate Base Required Return on Investment Schedule - Sewer**

Line Number	A Rate Base Description	B Dollar Amount
1	Plant In Service	\$2,190,789 From Plant Schedule
2	Less Accumulated Depreciation Reserve	<u>\$759,882</u> From Depreciation Reserve Schedule
3	Net Plant In Service	\$1,430,908
4	Other Rate Base Items:	\$0
	Materials and Supplies	\$429
	June 24-2010 Commission Order CIAC	-\$104,629
	CIAC Depreciation (June 24-2010 Order)	\$13,862
	June 24-Additional Rate Base Offset	-\$600,552
	June 24-Additional Rate Base offset related CIAC D	\$165,978
	Deferred Taxes	-\$33,036
5	Total Rate Base	<u>\$872,960</u>
6	Total Weighted Rate of Return Including Income Tax	<u>5.93%</u> From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	<u><u>\$51,744</u></u>

Lake Region Water and Sewer Company  
 Horseshoe Bend Sewer  
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 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	\$514,405	16.36%	8.50%	1.391%
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	\$2,629,091	83.64%	5.01%	4.190%
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>	<u>\$3,143,496</u>	<u>100.00%</u>		<u>5.581%</u>

To PreTax Return Rate Schedule

Lake Region Water and Sewer Company  
Horseshoe Bend Sewer  
Tracking Number SR-2010-0110  
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Plant In Service - Sewer

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$22,970			34.42%	\$7,906
3	302.000	Franchises	\$0			100.00%	\$0
4	303.000	Miscellaneous Intangible Plant	\$0			100.00%	\$0
5		TOTAL INTANGIBLE PLANT	\$22,970		\$0		\$7,906
6		SOURCE OF SUPPLY PLANT					
7	350.000	Land & Land Rights	\$5,985			34.42%	\$2,060
8	351.000	Structures & Improvements	\$4,650			100.00%	\$4,650
9		TOTAL SOURCE OF SUPPLY PLANT	\$10,635		\$0		\$6,710
10		COLLECTION PLANT					
11	352.200	Collection Sewers - Gravity HB	\$162,667			100.00%	\$162,667
12	352.100	Collection Sewers-Force HB	\$51,957	P-12	\$203,921	100.00%	\$255,878
13	353.000	Services to Customers	\$194,980	P-13	-\$194,980	34.42%	\$0
14	353.100	Services to Customer (HB)	\$194,980	P-14	-\$5,779	41.71%	\$78,916
15	354.000	Flow Measuring Devices	\$11,297			100.00%	\$11,297
16	355.000	Flow Measuring Devices Installation	\$689			100.00%	\$689
17		TOTAL COLLECTION PLANT	\$616,570		\$3,162		\$509,447
18		PUMPING PLANT					
19	363.000	Electric Pumping Other	\$0	P-19	\$2,905	34.42%	\$1,000
20	363.100	Pumping Equipment (Elec., Diesel, other)	\$435,527	P-20	\$38,683	100.00%	\$474,210
21		TOTAL PUMPING PLANT	\$435,527		\$41,588		\$475,210
22		TREATMENT & DISPOSAL PLANT					
23	372.000	Treatment and Disposal Equip HB	\$838,416	P-23	\$6,760	100.00%	\$845,176
24	373.000	Plant Sewers HB	\$316,647			100.00%	\$316,647
25	375.000	Other Treatment & Disposal Plant Equip.	\$411			34.42%	\$141
26		TOTAL TREATMENT & DISPOSAL PLANT	\$1,155,474		\$6,760		\$1,161,964
27		GENERAL PLANT					
28	391.000	Office Furniture and Equipment	\$11,485			20.90%	\$2,400
29	391.100	Computer Equipment	\$9,989			20.90%	\$2,088
30	392.000	Transportation Equipment	\$10,579			34.42%	\$3,641
31	392.100	Transportation Equipment (Pump Truck)	\$33,445			34.42%	\$11,512
32	392.200	Transportation Equipment (Sierra Truck)	\$19,703			20.90%	\$4,118
33	394.000	Tools, Shop and Garage Equipment	\$6,626			20.90%	\$1,385
34	395.000	Laboratory Equipment	\$1,284			34.42%	\$442
35	396.000	Power Operated Equipment (Company Owned)	\$11,523			34.42%	\$3,966
36		TOTAL GENERAL PLANT	\$104,634		\$0		\$29,552
37		TOTAL PLANT IN SERVICE	\$2,345,810		\$51,510		\$2,190,789

To Rate Base & Depreciation Schedules

**Lake Region Water and Sewer Company**  
**Horseshoe Bend Sewer**  
**Tracking Number SR-2010-0110**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True up ending 3-31-2010**  
**Schedule of Adjustments for Plant in Service - Sewer**

<u>A</u> Plant Adjustment Number	<u>B</u> Plant In Service Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
P-12	Collection Sewers-Force HB	352.100		\$203,921
	Include costs of new Duckhead lift station (Herrington)		\$203,921	
P-13	Services to Customers	353.000		-\$194,980
	Removed balance per company email. Reallocated to two different accounts. (Herrington)		-\$194,980	
P-14	Services to Customer (HB)	353.100		-\$5,779
	Removed Plant (Cornett Cove (HB from 2003. Water District has authority for this property		-\$5,779	
P-19	Electric Pumping Other	363.000		\$2,905
	Rebuilt Pump during Update Period, Sept. 30, 2009 (Herrington)		\$2,905	
P-20	Pumping Equipment (Elec., Diesel, other)	363.100		\$38,683
	Include pumping equipment costs of new Duckhead lift station (Herrington)		\$38,683	
P-23	Treatment and Disposal Equip HB	372.000		\$6,760
	Include Irrigation Pump added during update period of Sept. 30, 2009 (Herrington)		\$6,760	
<b>Total Plant Adjustments</b>				<b>\$51,510</b>

Lake Region Water and Sewer Company  
Horseshoe Bend Sewer  
Tracking Number SR-2010-0110  
Test Year Ending 12-31-2008 updated through 9-30-2009 True up ending 3-31-2010  
Accumulated Depreciation Reserve - Sewer

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$0			34.42%	\$0
3	302.000	Franchises	\$0			100.00%	\$0
4	303.000	Miscellaneous Intangible Plant	\$0			100.00%	\$0
5		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
6		SOURCE OF SUPPLY PLANT					
7	350.000	Land & Land Rights	\$0			100.00%	\$0
8	351.000	Structures & Improvements	\$635	R-8	\$175	100.00%	\$810
9		TOTAL SOURCE OF SUPPLY PLANT	\$635		\$175		\$810
10		COLLECTION PLANT					
11	352.200	Collection Sewers - Gravity HB	\$31,927	R-11	\$4,067	100.00%	\$35,994
12	352.100	Collection Sewers-Force HB	\$7,731	R-12	\$1,299	100.00%	\$9,030
13	353.000	Services to Customers	\$0			0.00%	\$0
14	353.100	Services to Customer (HB)	\$10,941	R-14	\$4,354	41.71%	\$6,380
15	354.000	Flow Measuring Devices	\$2,525	R-15	\$466	100.00%	\$2,991
16	355.000	Flow Measuring Devices Installation	\$227	R-16	\$28	100.00%	\$255
17		TOTAL COLLECTION PLANT	\$53,351		\$10,214		\$54,650
18		PUMPING PLANT					
19	363.000	Electric Pumping Other	\$0			34.42%	\$0
20	363.100	Pumping Equipment (Elec., Diesel, other)	\$185,547	R-20	\$54,441	100.00%	\$239,988
21		TOTAL PUMPING PLANT	\$185,547		\$54,441		\$239,988
22		TREATMENT & DISPOSAL PLANT					
23	372.000	Treatment and Disposal Equip HB	\$364,586	R-23	\$47,432	100.00%	\$412,018
24	373.000	Plant Sewers HB	\$16,439	R-24	\$17,812	100.00%	\$34,251
25	375.000	Other Treatment & Disposal Plant Equip.	\$180	R-25	\$25	34.42%	\$71
26		TOTAL TREATMENT & DISPOSAL PLANT	\$381,205		\$65,269		\$446,340
27		GENERAL PLANT					
28	391.000	Office Furniture and Equipment	\$5,010	R-28	\$718	20.90%	\$1,197
29	391.100	Computer Equipment	\$4,381	R-29	\$625	20.90%	\$1,046
30	392.000	Transportation Equipment	\$23,817	R-30	\$1,719	34.42%	\$8,789
31	392.100	Transportation Equipment (Pump Truck)	\$6,111	R-31	\$5,435	34.42%	\$3,974
32	392.200	Transportation Equipment (Sierra Truck)	\$465	R-32	\$3,202	20.90%	\$766
33	394.000	Tools, Shop and Garage Equipment	\$2,875	R-33	\$414	20.90%	\$687
34	395.000	Laboratory Equipment	\$596	R-34	\$80	34.42%	\$233
35	396.000	Power Operated Equipment (Company Owned)	\$3,106	R-35	\$965	34.42%	\$1,401
36		TOTAL GENERAL PLANT	\$46,361		\$13,158		\$18,095
37		TOTAL DEPRECIATION RESERVE	\$667,099		\$143,257		\$759,882

To Rate Base Schedule

Lake Region Water and Sewer Company  
 Horseshoe Bend Sewer  
 Tracking Number SR-2010-0110  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True up ending 3-31-2010  
 Schedule of Adjustments for Accumulated Depreciation Reserve - Sewer

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
R-8	Structures & Improvements	351.000		\$175
	Adjust Depreciation to reflect the update period. Sept. 30, 2009 (Herrington)		\$105	
	Adjust Reserve to reflect the True Up period. March, 31, 2010 (Herrington)		\$70	
R-11	Collection Sewers - Gravity HB	352.200		\$4,067
	Adjust Depreciation to reflect the update period. Sept. 30, 2009 (Herrington)		\$2,440	
	Adjust Reserve to reflect the True Up period. March, 31, 2010 (Herrington)		\$1,627	
R-12	Collection Sewers-Force HB	352.100		\$1,299
	Adjust Depreciation to reflect the update period. Sept. 30, 2009 (Herrington)		\$779	
	Adjust Reserve to reflect the True Up period. March, 31, 2010 (Herrington)		\$520	
R-14	Services to Customer (HB)	353.100		\$4,354
	Made adjustment to correct depreciation related to Cornett Cove (HB)		-\$520	
	Adjust Reserve to reflect the True Up period. March, 31, 2010 (Herrington)		\$4,874	
R-15	Flow Measuring Devices	354.000		\$466
	Adjust Depreciation to reflect the update period. Sept. 30, 2009 (Herrington)		\$280	

**Lake Region Water and Sewer Company**  
**Horseshoe Bend Sewer**  
**Tracking Number SR-2010-0110**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True up ending 3-31-2010**  
**Schedule of Adjustments for Accumulated Depreciation Reserve - Sewer**

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
	Adjust Reserve to reflect the True Up period. March, 31, 2010 (Herrington)		\$186	
R-16	Flow Measuring Devices Installation	355.000		\$28
	Adjust Depreciation to reflect the update period. Sept. 30, 2009 (Herrington)		\$17	
	Adjust Reserve to reflect the True Up period. March, 31, 2010 (Herrington)		\$11	
R-20	Pumping Equipment (Elec., Diesel, other)	363.100		\$54,441
	Adjust Depreciation to reflect the update period. Sept. 30, 2009 (Herrington)		\$32,665	
	Adjust Reserve to reflect the True Up period. March, 31, 2010 (Herrington)		\$21,776	
R-23	Treatment and Disposal Equip HB	372.000		\$47,432
	Adjust Depreciation to reflect the update period. Sept. 30, 2009 (Herrington)		\$28,416	
	Adjust Reserve to reflect the True Up period. March, 31, 2010 (Herrington)		\$19,016	
R-24	Plant Sewers HB	373.000		\$17,812
	Adjust Depreciation to reflect the update period. Sept. 30, 2009 (Herrington)		\$10,687	
	Adjust Reserve to reflect the True Up period. March, 31, 2010 (Herrington)		\$7,125	
R-25	Other Treatment & Disposal Plant Equip.	375.000		\$25



**Lake Region Water and Sewer Company**  
**Horseshoe Bend Sewer**  
**Tracking Number SR-2010-0110**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True up ending 3-31-2010**  
**Schedule of Adjustments for Accumulated Depreciation Reserve - Sewer**

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
	Adjust Depreciation to reflect the update period. Sept. 30, 2009 (Herrington)		\$15	
	Adjust Reserve to reflect the True Up period. March, 31, 2010 (Herrington)		\$10	
R-28	Office Furniture and Equipment	391.000		\$718
	Adjust Depreciation to reflect the update period. Sept. 30, 2009 (Herrington)		\$431	
	Adjust Reserve to reflect the True Up period. March, 31, 2010 (Herrington)		\$287	
R-29	Computer Equipment	391.100		\$625
	Adjust Depreciation to reflect the update period. Sept. 30, 2009 (Herrington)		\$375	
	Adjust Reserve to reflect the True Up period. March, 31, 2010 (Herrington)		\$250	
R-30	Transportation Equipment	392.000		\$1,719
	Adjust Depreciation to reflect the update period. Sept. 30, 2009 (Herrington)		\$1,031	
	Adjust Reserve to reflect the True Up period. March, 31, 2010 (Herrington)		\$688	
R-31	Transportation Equipment (Pump Truck)	392.100		\$5,435
	Adjust Depreciation to reflect the update period. Sept. 30, 2009 (Herrington)		\$3,261	
	Adjust Reserve to reflect the True Up period. March, 31, 2010 (Herrington)		\$2,174	

**Lake Region Water and Sewer Company**  
**Horseshoe Bend Sewer**  
**Tracking Number SR-2010-0110**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True up ending 3-31-2010**  
**Schedule of Adjustments for Accumulated Depreciation Reserve - Sewer**

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
R-32	Transportation Equipment (Sierra Truck)	392.200		\$3,202
	Adjust Depreciation to reflect the update period. Sept. 30, 2009 (Herrington)		\$1,921	
	Adjust Reserve to reflect the True Up period. March, 31, 2010 (Herrington)		\$1,281	
R-33	Tools, Shop and Garage Equipment	394.000		\$414
	Adjust Depreciation to reflect the update period. Sept. 30, 2009 (Herrington)		\$248	
	Adjust Reserve to reflect the True Up period. March, 31, 2010 (Herrington)		\$166	
R-34	Laboratory Equipment	395.000		\$80
	Adjust Depreciation to reflect the update period. Sept. 30, 2009 (Herrington)		\$48	
	Adjust Reserve to reflect the True Up period. March, 31, 2010 (Herrington)		\$32	
R-35	Power Operated Equipment (Company Owned)	396.000		\$965
	Adjust Depreciation to reflect the update period. Sept. 30, 2009 (Herrington)		\$579	
	Adjust Reserve to reflect the True Up period. March, 31, 2010 (Herrington)		\$386	
<b>Total Reserve Adjustments</b>				<b><u>\$143,257</u></b>

Lake Region Water and Sewer Company  
 Horseshoe Bend Sewer  
 Tracking Number SR-2010-0110  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True up ending 3-31-2010  
 Depreciation Expense - Sewer

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
1		INTANGIBLE PLANT			
2	301.000	Organization	\$7,906	0.00%	\$0
3	302.000	Franchises	\$0	0.00%	\$0
4	303.000	Miscellaneous Intangible Plant	\$0	0.00%	\$0
5		TOTAL INTANGIBLE PLANT	<u>\$7,906</u>		<u>\$0</u>
6		SOURCE OF SUPPLY PLANT			
7	350.000	Land & Land Rights	\$2,060	0.00%	\$0
8	351.000	Structures & Improvements	\$4,650	3.00%	\$140
9		TOTAL SOURCE OF SUPPLY PLANT	<u>\$6,710</u>		<u>\$140</u>
10		COLLECTION PLANT			
11	352.200	Collection Sewers - Gravity HB	\$162,667	2.00%	\$3,253
12	352.100	Collection Sewers-Force HB	\$255,878	2.00%	\$5,118
13	353.000	Services to Customers	\$0	0.00%	\$0
14	353.100	Services to Customer (HB)	\$78,916	2.00%	\$1,578
15	354.000	Flow Measuring Devices	\$11,297	3.30%	\$373
16	355.000	Flow Measuring Devices Installation	\$689	3.30%	\$23
17		TOTAL COLLECTION PLANT	<u>\$509,447</u>		<u>\$10,345</u>
18		PUMPING PLANT			
19	363.000	Electric Pumping Other	\$1,000	10.00%	\$100
20	363.100	Pumping Equipment (Elec., Diesel, other)	\$474,210	10.00%	\$47,421
21		TOTAL PUMPING PLANT	<u>\$475,210</u>		<u>\$47,521</u>
22		TREATMENT & DISPOSAL PLANT			
23	372.000	Treatment and Disposal Equip HB	\$845,176	4.50%	\$38,033
24	373.000	Plant Sewers HB	\$316,647	4.50%	\$14,249
25	375.000	Other Treatment & Disposal Plant Equip.	\$141	5.00%	\$7
26		TOTAL TREATMENT & DISPOSAL PLANT	<u>\$1,161,964</u>		<u>\$52,289</u>
27		GENERAL PLANT			
28	391.000	Office Furniture and Equipment	\$2,400	5.00%	\$120
29	391.100	Computer Equipment	\$2,088	5.00%	\$104
30	392.000	Transportation Equipment	\$3,641	13.00%	\$473
31	392.100	Transportation Equipment (Pump Truck)	\$11,512	13.00%	\$1,497
32	392.200	Transportation Equipment (Sierra Truck)	\$4,118	13.00%	\$535
33	394.000	Tools, Shop and Garage Equipment	\$1,385	5.00%	\$69
34	395.000	Laboratory Equipment	\$442	5.00%	\$22
35	396.000	Power Operated Equipment (Company Owned)	\$3,966	6.70%	\$266
36		TOTAL GENERAL PLANT	<u>\$29,552</u>		<u>\$3,086</u>
37		Total Depreciation	<u>\$2,190,789</u>		<u>\$113,381</u>

**Exhibit No.:**  
**Issue:** Accounting Schedules  
**Witness:** MO PSC Auditors  
**Sponsoring Party:** MO PSC Staff  
**Case No:** SR-2010-0110 Shawnee Bend Sewer  
**Date Prepared:** July 16, 2010



**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY SERVICES DIVISION**

**June 24 Order Scenario 2- \$2.9M CIAC**

**STAFF ACCOUNTING SCHEDULES**

**LAKE REGION WATER AND SEWER COMPANY**

**CASE NO. SR-2010-0110 Shawnee Bend Sewer**

**Jefferson City, Missouri**

**July 2010**

Lake Region Water and Sewer Company  
Shawnee Bend Sewer  
Tracking Number SR-2010-0110  
Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
Expense Schedule - Sewer

Line Number	A Account Number (Optional)	B Expense Description	C Company/ Test Year Amount	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		<b>OPERATIONS EXPENSES</b>					
2	710.000	Purchased Wastewater Maintenance	\$4,710	S-2	\$367	35.98%	\$1,827
3	711.200	Sludge Removal	\$625	S-3	\$2,125	100.00%	\$2,750
4	715.000	Power for Treatment Plants Other	\$0	S-4	\$0	100.00%	\$0
5	715.100	WWTP Power	\$29,652	S-5	-\$11,778	100.00%	\$17,874
6	716.200	SB Lift Station Power	\$0	S-6	\$1,661	100.00%	\$1,661
7	718.200	SB WWTP Chemicals	\$8,262	S-7	-\$5,748	100.00%	\$2,514
8	719.000	Wastewater Testing Other-	\$0			100.00%	\$0
9	719.100	Effluent Testing Expenses	\$5,278	S-9	-\$1,881	100.00%	\$3,397
10	721.200	SB Operating Expenses	\$0	S-10	\$1,344	100.00%	\$1,344
11		<b>TOTAL OPERATIONS EXPENSE</b>	<b>\$48,527</b>		<b>-\$13,910</b>		<b>\$31,367</b>
12		<b>MAINTENANCE EXPENSES</b>					
13	720.000	Supplies and Materials (Other)	\$2,184	S-13	\$1,202	35.98%	\$1,218
14	720.100	HB Sewer Supplies	\$7,739	S-14	-\$5,468	35.98%	\$817
15	720.200	SB Sewer Supplies	\$1,906	S-15	-\$371	35.98%	\$552
16	720.400	Lagoon Supplies	\$32	S-16	-\$32	35.98%	\$0
17	720.500	Sewer Operating Expenses	\$1,776	S-17	\$0	35.98%	\$639
18	722.000	Tools and Shop Supplies (Sewer)	\$285	S-18	\$790	35.98%	\$387
19	745.100	Maintenance of Treatment Equip	\$2,628	S-19	\$0	35.98%	\$946
20	745.950	SB Miscellaneous Operating Expenses	\$275	S-20	\$77	100.00%	\$352
21		<b>TOTAL MAINTENANCE EXPENSE</b>	<b>\$16,825</b>		<b>-\$3,802</b>		<b>\$4,911</b>
22		<b>CUSTOMER ACCOUNT EXPENSE</b>					
23	732.000	Contracted Accounting Fees	\$10,930	S-23	\$0	26.79%	\$2,928
24	733.000	Contracted Legal Fees	\$3,386	S-24	\$129	51.21%	\$1,800
25	737.000	PWSD#4 Contracted Labor (Sewer)	\$194,850	S-25	\$8,707	26.79%	\$54,533
26	742.000	Rent	\$18,000			26.79%	\$4,822
27	742.100	Rent (Lake Office)	\$0	S-27	\$8,082	26.79%	\$2,165
28		<b>TOTAL CUSTOMER ACCOUNT EXPENSE</b>	<b>\$227,166</b>		<b>\$16,918</b>		<b>\$66,248</b>
29		<b>ADMINISTRATIVE &amp; GENERAL EXPENSES</b>					
30	755.000	Property Insurance	\$3,272	S-30	\$0	14.14%	\$463
31	756.000	Auto Insurance (Sewer)	\$5,314	S-31	\$0	35.98%	\$1,912
32	757.000	General Liability (Sewer)	\$2,098	S-32	\$0	35.98%	\$755
33	759.000	Other Insurance (Sewer)	\$1,953	S-33	-\$1,953	35.98%	\$0
34	921.000	Office Supplies	\$11,218	S-34	-\$1,328	43.84%	\$4,336
35	921.500	Billing Expenses	\$2,962	S-35	\$0	43.84%	\$1,299
36	922.000	Management Fees	\$240,000	S-36	-\$240,000	26.79%	\$0
37	922.100	Executive Management Oversight	\$0	S-37	\$27,898	26.79%	\$7,474
38	923.000	Outside Services	\$947	S-38	\$0	26.79%	\$254
39	925.000	Telephone	\$1,247	S-39	\$0	26.79%	\$334
40	927.000	Travel & Entertainment	\$155	S-40	\$0	26.79%	\$42
41	933.000	Transportation Expense	\$26,580	S-41	\$0	26.79%	\$7,121
42	940.000	Customer Refunds	\$868	S-42	\$0	26.79%	\$233
43	950.000	Bad Debt Expense	\$691	S-43	\$0	26.79%	\$185
44	975.000	Miscellaneous Expense	\$969	S-44	\$357	26.79%	\$355
45	980.000	Rate Case Expense	\$0	S-45	\$2,919	100.00%	\$2,919
46		<b>TOTAL ADMINISTRATIVE AND GENERAL</b>	<b>\$298,274</b>		<b>-\$212,107</b>		<b>\$27,682</b>
47		<b>OTHER OPERATING EXPENSES</b>					
48	767.000	PSC Assessment	\$13,206	S-48	\$6,690	100.00%	\$19,896
49	779.000	License and Permits (Other)	\$75	S-49	-\$75	35.98%	\$0
50	779.100	SB Licenses and Permits	\$3,000	S-50	\$147	100.00%	\$3,147
51	406.300	Amortization of CIAC (Sewer)	\$0	S-51	-\$19,450	100.00%	-\$19,450
52		Depreciation	\$0	S-52	\$110,905	100.00%	\$110,905
53		<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>\$16,281</b>		<b>\$98,217</b>		<b>\$114,498</b>
54		<b>TAXES OTHER THAN INCOME</b>					
55	967.000	Real Property Taxes	\$3,324			39.82%	\$1,324

Lake Region Water and Sewer Company  
 Shawnee Bend Sewer  
 Tracking Number SR-2010-0110  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Expense Schedule - Sewer

Line Number	A Account Number (Optional)	B Expense Description	C Company/ Test Year Amount	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
56	967.300	Property Taxes	\$372			39.82%	\$148
57	967.200	Other Taxes	\$46	S-57	-\$46	26.79%	\$0
58		TOTAL TAXES OTHER THAN INCOME	\$3,742		-\$46		\$1,472
59		TOTAL OPERATING EXPENSES	\$610,815		-\$114,730		\$246,178

**Lake Region Water and Sewer Company**  
**Shawnee Bend Sewer**  
**Tracking Number SR-2010-0110**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010**  
**Expense Adjustment Schedule - Sewer**

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
S-2	Purchased Wastewater Maintenance	710.000		\$367
	Made and adjustment based on a two year average (2006-2007) (Herrington-Prenger)		\$367	
S-3	Sludge Removal	711.200		\$2,125
	Made adjustment based on Sept. 30, 2009. Company had to make changes on how sludge was removed. (Herrington-Prenger)		\$2,125	
S-4	Power for Treatment Plants Other	715.000		\$0
	Remove initial adjust of \$616 per general manager email indicating this was a district charge.		\$0	
S-5	WWTP Power	715.100		-\$11,778
	Adjust to reflect update period, Sept. 30, 2009. Company made adjustment to Test Year that appeared abnormal when compared to historical data.(Herrington-Prenger)		-\$11,778	
S-6	SB Lift Station Power	716.200		\$1,661
	Made adjustment to reflect accounting changes made by the Company (Herrington)		\$1,661	
S-7	SB WWTP Chemicals	718.200		-\$5,748
	Made adjustment based most current September 30, 2009. Chemicals were booked incorrectly during the test year. (Herrington-Prenger)		-\$5,748	
S-9	Effluent Testing Expenses	719.100		-\$1,881

**Lake Region Water and Sewer Company**  
**Shawnee Bend Sewer**  
**Tracking Number SR-2010-0110**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010**  
**Expense Adjustment Schedule - Sewer**

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
	Made adjustment to reflect update period Sept.30, 2009. Adjustment based on recent changes with requirements. (Herrington-Prenger)		-\$1,881	
<b>S-10</b>	<b>SB Operating Expenses</b>	<b>721.200</b>		<b>\$1,344</b>
	Made adjustment based on most current data, Update period Sept. 30, 2009 (Herrington-Prenger)		\$1,344	
<b>S-13</b>	<b>Supplies and Materials (Other)</b>	<b>720.000</b>		<b>\$1,202</b>
	Made adjust to reflect update period, Sept. 30, 2009. (Prenger)		\$1,202	
<b>S-14</b>	<b>HB Sewer Supplies</b>	<b>720.100</b>		<b>-\$5,468</b>
	Made adjustment to reflect Sept. 30, 2009. Company allocates account between SB and HB Sewer (Herrington-Prenger)		-\$5,468	
<b>S-15</b>	<b>SB Sewer Supplies</b>	<b>720.200</b>		<b>-\$371</b>
	Made adjustment to reflect Sept. 30, 2009. Company allocates account between SB and HB Sewer (Herrington-Prenger)		-\$371	
<b>S-16</b>	<b>Lagoon Supplies</b>	<b>720.400</b>		<b>-\$32</b>
	Removed Test Year, no activity in account. (Herrington-Prenger)		-\$32	
<b>S-17</b>	<b>Sewer Operating Expenses</b>	<b>720.500</b>		<b>\$0</b>
	Test Year used by Staff, no adjustment		\$0	
<b>S-18</b>	<b>Tools and Shop Supplies (Sewer)</b>	<b>722.000</b>		<b>\$790</b>
	Adjust to reflect update period, Sept. 30, 2009 (Herrington-Prenger)		\$790	



**Lake Region Water and Sewer Company**  
**Shawnee Bend Sewer**  
**Tracking Number SR-2010-0110**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010**  
**Expense Adjustment Schedule - Sewer**

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
S-19	Maintenance of Treatment Equip	745.100		\$0
	No adjustment, Test Year used. K&M appeared abnormal based on historical data		\$0	
S-20	SB Miscellaneous Operating Expenses	745.950		\$77
	Adjust to reflect update period, Sept. 30, 2009 (Herrington-Prenger)		\$77	
S-23	Contracted Accounting Fees	732.000		\$0
	No adjustment necessary. Test Year used. Company does not anticipate increased costs. (Herrington-Prenger)		\$0	
S-24	Contracted Legal Fees	733.000		\$129
	Made adjustment to reflect the update period Sept. 30, 2009. Allocated between HB and SB Sewer (Herrington-Prenger)		\$129	
S-25	PWSD#4 Contracted Labor (Sewer)	737.000		\$8,707
	Adjust to reflect update period, Sept. 30, 2009 (Prenger)		\$8,707	
S-27	Rent (Lake Office)	742.100		\$8,082
	Include annualized rent for the Lake Office (Prenger)		\$8,082	
S-30	Property Insurance	755.000		\$0
	No adjustment, Test Year used. Company does not anticipate increase during rate case. (Herrington)		\$0	
S-31	Auto Insurance (Sewer)	756.000		\$0

**Lake Region Water and Sewer Company**  
**Shawnee Bend Sewer**  
**Tracking Number SR-2010-0110**  
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**Expense Adjustment Schedule - Sewer**

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
	No adjustment, Test Year used. Company does not anticipate increase during rate case. (Herrington)		\$0	
S-32	General Liability (Sewer)	757.000		\$0
	No adjustment, Test Year used. Company does not anticipate increase during rate case. (Herrington)		\$0	
S-33	Other Insurance (Sewer)	759.000		-\$1,953
	Removed Health Insurance that is considered personal insurance (Herrington)		-\$1,953	
S-34	Office Supplies	921.000		-\$1,328
	Based on fluctuations in historical data, Staff used a 2 year average (2007-2008) (Herrington-Prenger)		-\$1,328	
S-35	Billing Expenses	921.500		\$0
	No adjustment necessary. Test Year used. (Herrington)		\$0	
S-36	Management Fees	922.000		-\$240,000
	Remove Management Fees from Test Year. (Harris)		-\$240,000	
S-37	Executive Management Oversight	922.100		\$27,898
	Include costs for Executive oversight (Harris)		\$27,898	
S-38	Outside Services	923.000		\$0
	No adjustment necessary. Test Year used. (Herrington-Prenger)		\$0	

**Lake Region Water and Sewer Company**  
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**Expense Adjustment Schedule - Sewer**

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
S-39	Telephone	925.000		\$0
	No Adjustment necessary. Test Year used. No historical date to review. (Herrington)		\$0	
S-40	Travel & Entertainment	927.000		\$0
	No adjustment necessary. Test Year used. (Herrington)		\$0	
S-41	Transportation Expense	933.000		\$0
	No adjustment necessary. Test Year used. (Herrington)		\$0	
S-42	Customer Refunds	940.000		\$0
	No adjustment necessary. Test Year used. (Herrington)		\$0	
S-43	Bad Debt Expense	950.000		\$0
	Test Year-No adjustment		\$0	
S-44	Miscellaneous Expense	975.000		\$357
	Adjust to reflect update period, Sept. 30, 2009 (Herrington-Prenger)		\$357	
S-45	Rate Case Expense	980.000		\$2,919
	Include expenses associated with current rate case- 5 Year amortization (Herrington)		\$0	
	Include Rate Case expense through the True Up period, March, 31 2010. 3-Year Amortization		\$2,919	
S-48	PSC Assessment	767.000		\$6,690

Lake Region Water and Sewer Company  
 Shawnee Bend Sewer  
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 Expense Adjustment Schedule - Sewer

A Expense Adj Number	B Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
	Adjust to reflect PSC Assessment for Fiscal 2010 (Herrington)		\$6,690	
S-49	License and Permits (Other)	779.000		-\$75
	Adjust to reflect update period, Sept. 30, 2009 (Herrington-Prenger)		-\$75	
S-50	SB Licenses and Permits	779.100		\$147
	Made adjustment to reflect update period Sept. 30, 2009. Increase due to changes in permit requirements (Herrington-Prenger)		\$147	
S-51	Amortization of CIAC (Sewer)	406.300		-\$19,450
	Update CIAC Depreciation per June 24-2010 Commission Order for SB (Herrington)		-\$3,340	
	Update CIAC Depreciation for additional rate base per June 24-2010 Commission Order for SB (Herrington)		-\$16,110	
S-52	Depreciation			\$110,905
	1. To Annualize Depreciation		\$110,905	
S-57	Other Taxes	967.200		-\$46
	Made adjustment to remove test year. Review during True-Up (Herrington-Prenger)		-\$46	
<b>Total Expense Adjustments</b>				<b><u>-\$114,730</u></b>

Lake Region Water and Sewer Company  
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 Revenue Schedule - Sewer

A	B	C	D	E	F	G	
Line Number	Account Number (Optional)	Revenue Description	Company/ Test Year Amount	Adjustment Number	Jurisdictional Adjustments	Jurisdictional Allocation	Adjusted Jurisdictional
Rev-1		ANNUALIZED REVENUES					
Rev-2		Annualized Rate Revenues	\$0	Rev-2	\$162,065	100.00%	\$162,065
Rev-3		Miscellaneous Revenues	\$0	Rev-3	\$215,417	100.00%	\$215,417
Rev-4		TOTAL ANNUALIZED REVENUES	\$0		\$377,482		\$377,482

**Lake Region Water and Sewer Company**  
**Shawnee Bend Sewer**  
**Tracking Number SR-2010-0110**  
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**Revenue Adjustment Schedule - Sewer**

<u>A</u> Revenue Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
<b>Rev-2</b>	<b>Annualized Rate Revenues</b>			<b>\$162,065</b>
	1. To Annualize Rate Revenues		\$162,065	
	2. Description		\$0	
	3. Description		\$0	
<b>Rev-3</b>	<b>Miscellaneous Revenues</b>			<b>\$215,417</b>
	1. To Annualize Miscellaneous Revenues		\$17,024	
	2. To include Availability Fee Charges based on June 24 Commission Order-60% of \$330,665		\$198,393	
<b>Total Revenue Adjustments</b>				<b><u>\$377,482</u></b>

Lake Region Water and Sewer Company  
 Shawnee Bend Sewer  
 Tracking Number SR-2010-0110  
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 Revenue Summary Schedule - Sewer

Line Number	A Description	Residential 5/8"		Shawnee Commercial 5/8"	
		B Amount	C Amount	D Amount	E Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	603		12	
3	Bills Per Year	12		12	
4	Customer Bills Per year	7,236		144	
5	Current Customer Charge	<u>\$21.96</u>		<u>\$21.96</u>	
6	Annualized Customer Charge Revenues		\$158,903		\$3,162
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>1,000</u>		<u>1,000</u>	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	<u>\$3.66</u>		<u>\$3.66</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	<b>Total Annualized Sewer Rate Revenues</b>		<u><b>\$158,903</b></u>		<u><b>\$3,162</b></u>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units.

Lake Region Water and Sewer Company  
 Shawnee Bend Sewer  
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 Revenue Summary Schedule - Sewer

Line Number	A Description	Total	
		F Amount	G Amount
1	<b><u>Customer Charge Revenues:</u></b>		
2	Customer Number	615	
3	Bills Per Year		
4	Customer Bills Per year	7,380	
5	Current Customer Charge		
6	Annualized Customer Charge Revenues		\$162,065
7	<b><u>Commodity Charge Revenues:</u></b>		
8	Total Gallons Sold	0	
9	Less: Base Gallons Included In Customer Charge	0	
10	Commodity Gallons	0	
11	Block 1, Commodity Gallons per Block		
12	Block 1, Number of Commodity Gallons per Unit		
13	Block 1, Commodity Billing Units		
14	Block 1, Existing Commodity Charge		
15	Block 1, Annualized Commodity Charge Rev.		\$0
16	<b>Total Annualized Sewer Rate Revenues</b>		<b>\$162,065</b>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units).



**Lake Region Water and Sewer Company**  
**Shawnee Bend Sewer**  
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**Miscellaneous Revenues Feeder - Sewer**

<b>Line Number</b>	<b><u>A</u> Description</b>	<b><u>B</u> Amount</b>
<b>3</b>	<b>Total Miscellaneous Revenues</b>	<b><u><u>\$215,417</u></u></b>

Lake Region Water and Sewer Company  
 Shawnee Bend Sewer  
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 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	ANNUALIZED REVENUES					
Rev-2	Annualized Rate Revenues		(1) \$162,065			
Rev-3	Miscellaneous Revenues		(1) \$215,417			
Rev-4	TOTAL ANNUALIZED REVENUES		<u>\$377,482</u>			
1	OPERATIONS EXPENSES		(2)			
2	Purchased Wastewater Maintenance	710.000	\$1,827	\$0	\$1,827	0.00%
3	Sludge Removal	711.200	\$2,750	\$0	\$2,750	0.00%
4	Power for Treatment Plants Other	715.000	\$0	\$0	\$0	0.00%
5	WWTP Power	715.100	\$17,874	\$0	\$17,874	0.00%
6	SB Lift Station Power	716.200	\$1,661	\$0	\$1,661	0.00%
7	SB WWTP Chemicals	718.200	\$2,514	\$0	\$2,514	0.00%
8	Wastewater Testing Other-	719.000	\$0	\$0	\$0	0.00%
9	Effluent Testing Expenses	719.100	\$3,397	\$0	\$3,397	0.00%
10	SB Operating Expenses	721.200	\$1,344	\$0	\$1,344	0.00%
11	TOTAL OPERATIONS EXPENSE		<u>\$31,367</u>	\$0	\$31,367	
12	MAINTENANCE EXPENSES					
13	Supplies and Materials (Other)	720.000	\$1,218	\$0	\$1,218	0.00%
14	HB Sewer Supplies	720.100	\$817	\$0	\$817	0.00%
15	SB Sewer Supplies	720.200	\$552	\$0	\$552	0.00%
16	Lagoon Supplies	720.400	\$0	\$0	\$0	0.00%
17	Sewer Operating Expenses	720.500	\$639	\$0	\$639	0.00%
18	Tools and Shop Supplies (Sewer)	722.000	\$387	\$0	\$387	0.00%
19	Maintenance of Treatment Equip	745.100	\$946	\$0	\$946	0.00%
20	SB Miscellaneous Operating Expenses	745.950	\$352	\$0	\$352	0.00%
21	TOTAL MAINTENANCE EXPENSE		<u>\$4,911</u>	\$0	\$4,911	
22	CUSTOMER ACCOUNT EXPENSE					
23	Contracted Accounting Fees	732.000	\$2,928	\$0	\$2,928	0.00%
24	Contracted Legal Fees	733.000	\$1,800	\$0	\$1,800	0.00%
25	PWSD#4 Contracted Labor (Sewer)	737.000	\$54,533	\$0	\$54,533	0.00%
26	Rent	742.000	\$4,822	\$0	\$4,822	0.00%
27	Rent (Lake Office)	742.100	\$2,165	\$0	\$2,165	0.00%
28	TOTAL CUSTOMER ACCOUNT EXPENSE		<u>\$66,248</u>	\$0	\$66,248	
29	ADMINISTRATIVE & GENERAL EXPENSES					
30	Property Insurance	755.000	\$463	\$0	\$463	0.00%
31	Auto Insurance (Sewer)	756.000	\$1,912	\$0	\$1,912	0.00%
32	General Liability (Sewer)	757.000	\$755	\$0	\$755	0.00%
33	Other Insurance (Sewer)	759.000	\$0	\$0	\$0	0.00%
34	Office Supplies	921.000	\$4,336	\$0	\$4,336	0.00%
35	Billing Expenses	921.500	\$1,299	\$0	\$1,299	0.00%
36	Management Fees	922.000	\$0	\$0	\$0	0.00%
37	Executive Management Oversight	922.100	\$7,474	\$0	\$7,474	0.00%
38	Outside Services	923.000	\$254	\$0	\$254	0.00%
39	Telephone	925.000	\$334	\$0	\$334	0.00%
40	Travel & Entertainment	927.000	\$42	\$0	\$42	0.00%
41	Transportation Expense	933.000	\$7,121	\$0	\$7,121	0.00%
42	Customer Refunds	940.000	\$233	\$0	\$233	0.00%
43	Bad Debt Expense	950.000	\$185	\$0	\$185	0.00%
44	Miscellaneous Expense	975.000	\$355	\$0	\$355	0.00%
45	Rate Case Expense	980.000	\$2,919	\$0	\$2,919	0.00%
46	TOTAL ADMINISTRATIVE AND GENERAL		<u>\$27,682</u>	\$0	\$27,682	
47	OTHER OPERATING EXPENSES					
48	PSC Assessment	767.000	\$19,896	\$0	\$19,896	0.00%
49	License and Permits (Other)	779.000	\$0	\$0	\$0	0.00%
50	SB Licenses and Permits	779.100	\$3,147	\$0	\$3,147	0.00%
51	Amortization of CIAC (Sewer)	406.300	-\$19,450	\$0	-\$19,450	0.00%
52	Depreciation		\$110,905	\$0	\$110,905	0.00%

Lake Region Water and Sewer Company  
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 Rate Design Schedule - Sewer

A	B	C	D	E	F	
Line Number	Description	Account Number (Optional)	Staff Annualized	Customer Charge	Commodity	Percentage Rate
53	TOTAL OTHER OPERATING EXPENSES		\$114,498	\$0	\$114,498	
54	TAXES OTHER THAN INCOME					
55	Real Property Taxes	967.000	\$1,324	\$0	\$1,324	0.00%
56	Property Taxes	967.300	\$148	\$0	\$148	0.00%
57	Other Taxes	967.200	\$0	\$0	\$0	0.00%
58	TOTAL TAXES OTHER THAN INCOME		<u>\$1,472</u>	<u>\$0</u>	<u>\$1,472</u>	
59	TOTAL OPERATING EXPENSES		<u>\$246,178</u>	<u>\$0</u>	<u>\$246,178</u>	
60	Interest Expense		(3) \$86,239	\$0	\$86,239	0.00%
61	Return on Equity		(3) \$28,630	\$0	\$28,630	0.00%
62	Income Taxes		(3) \$7,129	\$0	\$7,129	0.00%
63	TOTAL INTEREST RETURN & TAXES		<u>\$121,998</u>	<u>\$0</u>	<u>\$121,998</u>	
64	TOTAL COST OF SERVICE		\$368,176	\$0	\$368,176	
65	Less: Miscellaneous Revenues		<u>\$215,417</u>	<u>\$0</u>	<u>\$215,417</u>	0.00%
66	COST TO RECOVER IN RATES		<u>\$152,759</u>	<u>\$0</u>	<u>\$152,759</u>	
67	INCREMENTAL INCREASE IN RATE REVENUES		<u><u>-\$9,306</u></u>			
68	PERCENTAGE OF INCREASE		<u><u>-2.47%</u></u>			
69	REQUESTED INCREASE IN REVENUES		\$0			

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

**Lake Region Water and Sewer Company**  
**Shawnee Bend Sewer**  
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**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)	<u>14.13%</u>	(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		<u>1.39%</u>	From Capital Structure Schedule
6	Weighted Rate of Return on Equity Including Income Tax		1.74%	B4 x B5
7	Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term		<u>4.19%</u>	From Capital Structure Schedule
8	Total Weighted Rate of Return Including Income Tax		<u><u>5.93%</u></u>	B6+B7

To Rate Base Schedule

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

Equity Income Required \$33,682  
& Preliminary Federal Tax

Tax Rate Table

Net Income Range					
Start	End	Tax Rate	Amount in Range	Tax on Range	
\$0	\$50,000	15.00%	\$33,682	\$5,052	
\$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	\$9,999,999,999	34.00%	\$0	\$0	
			<u>\$33,682</u>	<u>\$5,052</u>	
Consolidated Tax Rate:					
Average Tax Rate:					0.15

**Lake Region Water and Sewer Company**  
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**Rate Base Required Return on Investment Schedule - Sewer**

Line Number	A Rate Base Description	B Dollar Amount
1	Plant In Service	\$3,952,151 From Plant Schedule
2	Less Accumulated Depreciation Reserve	<u>\$836,632</u> From Depreciation Reserve Schedule
3	Net Plant In Service	\$3,115,519
4	Other Rate Base Items:	\$0
	Materials And Supplies	\$805
	June 24 Commission Order Non-Avail Fee CIAC	-\$207,046
	Non-Avail Fee CIAC Dep. Reserve (June 24 Order)	\$27,430
	June 24, 2010-Additional Rate Base Offset per Com	-\$1,188,383
	June 24, 2010 Additional Rate Base Offset related t	\$328,440
	Deferred Taxes	-\$18,562
5	Total Rate Base	<u>\$2,058,203</u>
6	Total Weighted Rate of Return Including Income Tax	<u>5.93%</u> From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	<u><u>\$121,998</u></u>

Lake Region Water and Sewer Company  
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 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	\$514,405	16.36%	8.50%	1.391%
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	\$2,629,091	83.64%	5.01%	4.190%
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>	<u>\$3,143,496</u>	<u>100.00%</u>		<u>5.581%</u>

To PreTax Return Rate Schedule

Lake Region Water and Sewer Company  
 Shawnee Bend Sewer  
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 Plant In Service - Sewer

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$22,970	P-2	\$0	65.58%	\$15,064
3	302.000	Franchises	\$0			100.00%	\$0
4	303.000	Miscellaneous Intangible Plant	\$0			100.00%	\$0
5		TOTAL INTANGIBLE PLANT	\$22,970		\$0		\$15,064
6		SOURCE OF SUPPLY PLANT					
7	350.000	Land & Land Rights	\$5,985			65.58%	\$3,925
8	351.000	Structures & Improvements	\$0			0.00%	\$0
9		TOTAL SOURCE OF SUPPLY PLANT	\$5,985		\$0		\$3,925
10		COLLECTION PLANT					
11	352.100	Collection Sewers - Force- SB	\$2,765,735			100.00%	\$2,765,735
12	353.000	Services to Customers	\$194,980	P-12	-\$194,980	65.58%	\$0
13	353.100	Services To Customers SB	\$194,980			58.29%	\$113,654
14	354.000	Flow Measuring Devices	\$0			0.00%	\$0
15	355.000	Flow Measuring Devices Installations	\$0			0.00%	\$0
16		TOTAL COLLECTION PLANT	\$3,155,695		-\$194,980		\$2,879,389
17		PUMPING PLANT					
18	362.000	Receiving Wells and Pump Pits (SB)	\$258,043			100.00%	\$258,043
19	363.000	Pumping Equipment -Other	\$0	P-19	\$2,905	65.58%	\$1,905
20	363.100	Pumping Equipment (Elec.,Diesel, other) (SB)	\$6,828	P-20	\$3,570	100.00%	\$10,398
21		TOTAL PUMPING PLANT	\$264,871		\$6,475		\$270,346
22		TREATMENT & DISPOSAL PLANT					
23	370.100	Oxidation Lagoon	\$0			0.00%	\$0
24	372.000	Treatment and Disposal Equipment-SB	\$148,798	P-24	\$962	100.00%	\$149,760
25	372.100	Treatment Plant Labor -SB	\$6,006			100.00%	\$6,006
26	373.000	Plant Sewer -SB	\$0			0.00%	\$0
27	375.000	Treatment Plant Other-SB	\$571,087			100.00%	\$571,087
28	375.100	Other Treatment & Disposal Plant Equip.	\$411			65.58%	\$270
29		TOTAL TREATMENT & DISPOSAL PLANT	\$726,302		\$962		\$727,123
30		GENERAL PLANT					
31	391.000	Office Computer and Software	\$9,989			39.82%	\$3,978
32	391.100	Office Furniture & Equipment	\$11,485			39.82%	\$4,573
33	392.000	Transportation Equipment	\$10,579			65.58%	\$6,938
34	392.100	Transportation Equipment (Pump Truck)	\$33,445			65.58%	\$21,933
35	392.200	Transportation Equipment (Sierra Truck)	\$19,703			39.82%	\$7,846
36	394.000	Tools, Shop and Garage Equipment	\$6,626			39.82%	\$2,638
37	395.000	Laboratory Equipment	\$1,284			65.58%	\$842
38	396.000	Power Operated Equipment (Company Owned)	\$11,523			65.58%	\$7,557
39		TOTAL GENERAL PLANT	\$104,634		\$0		\$56,305
40		TOTAL PLANT IN SERVICE	\$4,280,457		-\$187,543		\$3,952,151

To Rate Base & Depreciation Schedules

**Lake Region Water and Sewer Company**  
**Shawnee Bend Sewer**  
**Tracking Number SR-2010-0110**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010**  
**Schedule of Adjustments for Plant in Service - Sewer**

<u>A</u> Plant Adjustment Number	<u>B</u> Plant In Service Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
P-2	Organization	301.000		\$0
	Description		\$0	
P-12	Services to Customers	353.000		-\$194,980
	Removed balance per Company, reallocated to another account. (Herrington)		-\$194,980	
P-19	Pumping Equipment -Other	363.000		\$2,905
	Included addition for Pumping Equipment-Other (Herrington)		\$2,905	
P-20	Pumping Equipment (Elec.,Diesel, other) (SB)	363.100		\$3,570
	Update for addition added to Pumping Equipment for SB (Herrington)		\$3,570	
P-24	Treatment and Disposal Equipment-SB	372.000		\$962
	Include Irrigation Pump added during the Update Period, Sept. 30, 2009		\$962	
<b>Total Plant Adjustments</b>				<b><u><u>-\$187,543</u></u></b>



Lake Region Water and Sewer Company  
 Shawnee Bend Sewer  
 Tracking Number SR-2010-0110  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Accumulated Depreciation Reserve - Sewer

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$0			65.58%	\$0
3	302.000	Franchises	\$0			100.00%	\$0
4	303.000	Miscellaneous Intangible Plant	\$0			100.00%	\$0
5		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
6		SOURCE OF SUPPLY PLANT					
7	350.000	Land & Land Rights	\$0			65.58%	\$0
8	351.000	Structures & Improvements	\$0			0.00%	\$0
9		TOTAL SOURCE OF SUPPLY PLANT	\$0		\$0		\$0
10		COLLECTION PLANT					
11	352.100	Collection Sewers - Force- SB	\$334,025	R-11	\$69,143	100.00%	\$403,168
12	353.000	Services to Customers	\$0			65.58%	\$0
13	353.100	Services To Customers SB	\$10,941	R-13	\$4,874	58.29%	\$9,219
14	354.000	Flow Measuring Devices	\$0			0.00%	\$0
15	355.000	Flow Measuring Devices Installations	\$0			0.00%	\$0
16		TOTAL COLLECTION PLANT	\$344,966		\$74,017		\$412,387
17		PUMPING PLANT					
18	362.000	Receiving Wells and Pump Pits (SB)	\$88,998	R-18	\$16,200	100.00%	\$105,198
19	363.000	Pumping Equipment -Other	\$0			65.58%	\$0
20	363.100	Pumping Equipment (Elec.,Diesel, other) (SB)	\$28,283	R-20	\$1,087	100.00%	\$29,370
21		TOTAL PUMPING PLANT	\$117,281		\$17,287		\$134,568
22		TREATMENT & DISPOSAL PLANT					
23	370.100	Oxidation Lagoon	\$0			0.00%	\$0
24	372.000	Treatment and Disposal Equipment-SB	\$66,371	R-24	\$8,407	100.00%	\$74,778
25	372.100	Treatment Plant Labor -SB	\$1,685	R-25	\$405	100.00%	\$2,090
26	373.000	Plant Sewer -SB	\$0			100.00%	\$0
27	375.000	Treatment Plant Other-SB	\$146,076	R-27	\$32,123	100.00%	\$178,199
28	375.100	Other Treatment & Disposal Plant Equip.	\$180	R-28	\$25	65.58%	\$134
29		TOTAL TREATMENT & DISPOSAL PLANT	\$214,312		\$40,960		\$255,201
30		GENERAL PLANT					
31	391.000	Office Computer and Software	\$4,381	R-31	\$625	39.82%	\$1,993
32	391.100	Office Furniture & Equipment	\$5,010	R-32	\$718	39.82%	\$2,281
33	392.000	Transportation Equipment	\$23,817	R-33	\$1,719	65.58%	\$16,747
34	392.100	Transportation Equipment (Pump Truck)	\$6,111	R-34	\$5,435	65.58%	\$7,572
35	392.200	Transportation Equipment (Sierra Truck)	\$465	R-35	\$3,202	39.82%	\$1,460
36	394.000	Tools, Shop and Garage Equipment	\$2,875	R-36	\$414	39.82%	\$1,310
37	395.000	Laboratory Equipment	\$596	R-37	\$80	65.58%	\$443
38	396.000	Power Operated Equipment (Company Owned)	\$3,106	R-38	\$965	65.58%	\$2,670
39		TOTAL GENERAL PLANT	\$46,361		\$13,158		\$34,476
40		TOTAL DEPRECIATION RESERVE	\$722,920		\$145,422		\$836,632

To Rate Base Schedule

Lake Region Water and Sewer Company  
 Shawnee Bend Sewer  
 Tracking Number SR-2010-0110  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Schedule of Adjustments for Accumulated Depreciation Reserve - Sewer

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
R-11	Collection Sewers - Force- SB	352.100		\$69,143
	Adjust Depreciation through Sept. 30, 2009 (Herrington)		\$41,486	
	Adjust reserve through True Up period, March 31, 2010 (Herrington)		\$27,657	
R-13	Services To Customers SB	353.100		\$4,874
	Adjust reserve through True Up period, March 31, 2010 (Herrington)		\$4,874	
R-18	Receiving Wells and Pump Pits (SB)	362.000		\$16,200
	Adjust Depreciation through Sept. 30, 2009 (Herrington)		\$0	
	Adjust reserve through True Up period, March 31, 2010 (Herrington)		\$16,200	
R-20	Pumping Equipment (Elec., Diesel, other) (SB)	363.100		\$1,087
	Adjust Depreciation through Sept. 30, 2009 (Herrington)		\$567	
	Adjust reserve through True Up period, March 31, 2010 (Herrington)		\$520	
R-24	Treatment and Disposal Equipment-SB	372.000		\$8,407
	Adjust Depreciation through Sept. 30, 2009 (Herrington)		\$5,038	
	Adjust reserve through True Up period, March 31, 2010 (Herrington)		\$3,369	

Lake Region Water and Sewer Company  
 Shawnee Bend Sewer  
 Tracking Number SR-2010-0110  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Schedule of Adjustments for Accumulated Depreciation Reserve - Sewer

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
R-25	Treatment Plant Labor -SB	372.100		\$405
	Adjust Depreciation through Sept. 30, 2009 (Herrington)		\$270	
	Adjust reserve through True Up period, March 31, 2010 (Herrington)		\$135	
R-27	Treatment Plant Other-SB	375.000		\$32,123
	Adjust Depreciation through Sept. 30, 2009 (Herrington)		\$19,274	
	Adjust reserve through True Up period, March 31, 2010 (Herrington)		\$12,849	
R-28	Other Treatment & Disposal Plant Equip.	375.100		\$25
	Adjust Depreciation through Sept. 30, 2009 (Herrington)		\$15	
	Adjust reserve through True Up period, March 31, 2010 (Herrington)		\$10	
R-31	Office Computer and Software	391.000		\$625
	Adjust Depreciation through Sept. 30, 2009 (Herrington)		\$375	
	Adjust reserve through True Up period, March 31, 2010 (Herrington)		\$250	
R-32	Office Furniture & Equipment	391.100		\$718
	Adjust Depreciation through Sept. 30, 2009 (Herrington)		\$431	

Lake Region Water and Sewer Company  
 Shawnee Bend Sewer  
 Tracking Number SR-2010-0110  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Schedule of Adjustments for Accumulated Depreciation Reserve - Sewer

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
	Adjust reserve through True Up period, March 31, 2010 (Herrington)		\$287	
R-33	Transportation Equipment	392.000		\$1,719
	Adjust Depreciation through Sept. 30, 2009 (Herrington)		\$1,031	
	Adjust reserve through True Up period, March 31, 2010 (Herrington)		\$688	
R-34	Transportation Equipment (Pump Truck)	392.100		\$5,435
	Adjust Depreciation through Sept. 30, 2009 (Herrington)		\$3,261	
	Adjust reserve through True Up period, March 31, 2010 (Herrington)		\$2,174	
R-35	Transportation Equipment (Sierra Truck)	392.200		\$3,202
	Adjust Depreciation through Sept. 30, 2009 (Herrington)		\$1,921	
	Adjust reserve through True Up period, March 31, 2010 (Herrington)		\$1,281	
R-36	Tools, Shop and Garage Equipment	394.000		\$414
	Adjust Depreciation through Sept. 30, 2009 (Herrington)		\$248	
	Adjust reserve through True Up period, March 31, 2010 (Herrington)		\$166	
R-37	Laboratory Equipment	395.000		\$80

**Lake Region Water and Sewer Company**  
**Shawnee Bend Sewer**  
**Tracking Number SR-2010-0110**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010**  
**Schedule of Adjustments for Accumulated Depreciation Reserve - Sewer**

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
	Adjust Depreciation through Sept. 30, 2009 (Herrington)		\$48	
	Adjust reserve through True Up period, March 31, 2010 (Herrington)		\$32	
R-38	Power Operated Equipment (Company Owned)	396.000		\$965
	Adjust Depreciation through Sept. 30, 2009 (Herrington)		\$579	
	Adjust reserve through True Up period, March 31, 2010 (Herrington)		\$386	
<b>Total Reserve Adjustments</b>				<b>\$145,422</b>

Lake Region Water and Sewer Company  
 Shawnee Bend Sewer  
 Tracking Number SR-2010-0110  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Depreciation Expense - Sewer

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
1		INTANGIBLE PLANT			
2	301.000	Organization	\$15,064	0.00%	\$0
3	302.000	Franchises	\$0	0.00%	\$0
4	303.000	Miscellaneous Intangible Plant	\$0	0.00%	\$0
5		TOTAL INTANGIBLE PLANT	<u>\$15,064</u>		<u>\$0</u>
6		SOURCE OF SUPPLY PLANT			
7	350.000	Land & Land Rights	\$3,925	0.00%	\$0
8	351.000	Structures & Improvements	\$0	3.00%	\$0
9		TOTAL SOURCE OF SUPPLY PLANT	<u>\$3,925</u>		<u>\$0</u>
10		COLLECTION PLANT			
11	352.100	Collection Sewers - Force- SB	\$2,765,735	2.00%	\$55,315
12	353.000	Services to Customers	\$0	2.00%	\$0
13	353.100	Services To Customers SB	\$113,654	0.00%	\$0
14	354.000	Flow Measuring Devices	\$0	0.00%	\$0
15	355.000	Flow Measuring Devices Installations	\$0	0.00%	\$0
16		TOTAL COLLECTION PLANT	<u>\$2,879,389</u>		<u>\$55,315</u>
17		PUMPING PLANT			
18	362.000	Receiving Wells and Pump Pits (SB)	\$258,043	5.00%	\$12,902
19	363.000	Pumping Equipment -Other	\$1,905	10.00%	\$191
20	363.100	Pumping Equipment (Elec.,Diesel, other) (SB)	\$10,398	10.00%	\$1,040
21		TOTAL PUMPING PLANT	<u>\$270,346</u>		<u>\$14,133</u>
22		TREATMENT & DISPOSAL PLANT			
23	370.100	Oxidation Lagoon	\$0	0.00%	\$0
24	372.000	Treatment and Disposal Equipment-SB	\$149,760	4.50%	\$6,739
25	372.100	Treatment Plant Labor -SB	\$6,006	4.50%	\$270
26	373.000	Plant Sewer -SB	\$0	0.00%	\$0
27	375.000	Treatment Plant Other-SB	\$571,087	5.00%	\$28,554
28	375.100	Other Treatment & Disposal Plant Equip.	\$270	5.00%	\$13
29		TOTAL TREATMENT & DISPOSAL PLANT	<u>\$727,123</u>		<u>\$35,576</u>
30		GENERAL PLANT			
31	391.000	Office Computer and Software	\$3,978	5.00%	\$199
32	391.100	Office Furniture & Equipment	\$4,573	5.00%	\$229
33	392.000	Transportation Equipment	\$6,938	13.00%	\$902
34	392.100	Transportation Equipment (Pump Truck)	\$21,933	13.00%	\$2,851
35	392.200	Transportation Equipment (Sierra Truck)	\$7,846	13.00%	\$1,020
36	394.000	Tools, Shop and Garage Equipment	\$2,638	5.00%	\$132
37	395.000	Laboratory Equipment	\$842	5.00%	\$42
38	396.000	Power Operated Equipment (Company Owned)	\$7,557	6.70%	\$506

**Lake Region Water and Sewer Company**  
**Shawnee Bend Sewer**  
**Tracking Number SR-2010-0110**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010**  
**Depreciation Expense - Sewer**

Line Number	<u>A</u> Account Number	<u>B</u> Plant Account Description	<u>C</u> Adjusted Jurisdictional	<u>D</u> Depreciation Rate	<u>E</u> Depreciation Expense
39		TOTAL GENERAL PLANT	\$56,305		\$5,881
40		Total Depreciation	<u>\$3,952,151</u>		<u>\$110,905</u>

**Exhibit No.:**  
**Issue:** Accounting Schedules  
**Witness:** MO PSC Auditors  
**Sponsoring Party:** MO PSC Staff  
**Case No:** WR-2010-0111 Shawnee Bend Water  
**Date Prepared:** July 16, 2010



**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY SERVICES DIVISION**

**June 24 Order Scenario 2- \$2.9M CIAC**

**STAFF ACCOUNTING SCHEDULES**

**LAKE REGION WATER AND SEWER COMPANY**

**CASE NO. WR-2010-0111 Shawnee Bend Water**

**Jefferson City, Missouri**

**July 2010**



Lake Region Water and Sewer Company  
 Shawnee Bend Water  
 Tracking Number WR-2010-0111  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Expense Schedule - Water

Line Number	A Account Number (Optional)	B Expense Description	C Company/ Test Year Amount	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		<b>OPERATIONS EXPENSES</b>					
2	615.100	Water Tower Power	\$8,881	W-2	\$775	100.00%	\$9,656
3	615.200	Well Pump Power	\$0	W-3	\$1,863	100.00%	\$1,863
4	618.000	Chemicals (Chlorine)	\$2,847	W-4	\$520	100.00%	\$3,367
5	619.000	Water Testing	\$555	W-5	\$470	100.00%	\$1,025
6		<b>TOTAL OPERATIONS EXPENSE</b>	<u>\$12,283</u>		<u>\$3,628</u>		<u>\$15,911</u>
7		<b>MAINTENANCE EXPENSES</b>					
8	620.000	Supplies and Materials	\$2,153	W-8	-\$980	100.00%	\$1,173
9	622.000	Tools and Shop Supplies-	\$749	W-9	-\$666	100.00%	\$83
10	645.100	Maintenance of Well #1 Grand Point	\$200	W-10	\$260	100.00%	\$460
11	645.110	Maintenance of Well #2 Villages	\$1,855	W-11	-\$1,632	100.00%	\$223
12	645.300	Maintenance of Mains	\$4,227	W-12	-\$2,227	100.00%	\$2,000
13	645.400	Maintenance of Services	\$1,120	W-13	\$0	100.00%	\$1,120
14	645.600	Maintenance of Other Plant	\$706	W-14	\$0	100.00%	\$706
15		<b>TOTAL MAINTENANCE EXPENSE</b>	<u>\$11,010</u>		<u>-\$5,245</u>		<u>\$5,765</u>
16		<b>CUSTOMER ACCOUNT EXPENSE</b>					
17		<b>TOTAL CUSTOMER ACCOUNT EXPENSE</b>	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
18		<b>ADMINISTRATIVE &amp; GENERAL EXPENSES</b>					
19	632.000	Contracted Accounting Fee	\$10,930	W-19	\$0	25.52%	\$2,789
20	633.000	Contracted Legal Fee (Water Only)	\$255	W-20	-\$255	100.00%	\$0
21	733.000	Contracted Legal Fee SB Water and Sewer Split	\$3,386	W-21	\$0	48.79%	\$1,652
22	637.000	PWSD#4 Contract Labor	\$194,850	W-22	\$8,707	25.52%	\$51,948
23	642.000	Building Rent	\$18,000	W-23	\$0	25.52%	\$4,594
24	642.100	Rent (Lake Region)	\$0	W-24	\$8,083	25.52%	\$2,063
25	655.000	Property Insurance (Water Only)	\$463	W-25	\$0	100.00%	\$463
26	656.000	Auto Insurance (Water Only)	\$663	W-26	\$0	100.00%	\$663
27	657.000	General Liability (Water Only)	\$720	W-27	\$0	100.00%	\$720
28	659.000	Other Insurance (Water Only)	\$669	W-28	-\$669	100.00%	\$0
29	921.000	Office Supplies-	\$11,218	W-29	-\$1,993	45.60%	\$4,207
30	921.500	Billing Expenses	\$2,962	W-30	\$0	45.60%	\$1,351
31	922.000	Management Fees	\$240,000	W-31	-\$240,000	25.52%	\$0
32	922.100	Executive Management Oversight	\$0	W-32	\$27,898	25.52%	\$7,120
33	923.000	Outside Services	\$947	W-33	\$0	25.52%	\$242
34	925.000	Telephone	\$1,247	W-34	\$0	25.52%	\$318
35	927.000	Travel & Entertainment	\$155	W-35	\$0	25.52%	\$40
36	933.000	Transportation Expense	\$26,582	W-36	\$0	25.52%	\$6,784
37	940.000	Customer Refunds	\$868	W-37	\$0	25.52%	\$222
38	950.000	Bad Debt Expense	\$691	W-38	\$0	25.52%	\$176
39	975.000	Other Misc. Expenses	\$969	W-39	\$357	25.52%	\$338
40	980.000	Rate Case Expense	\$0	W-40	\$2,919	100.00%	\$2,919
41		<b>TOTAL ADMINISTRATIVE AND GENERAL</b>	<u>\$515,575</u>		<u>-\$194,953</u>		<u>\$88,609</u>
42		<b>OTHER OPERATING EXPENSES</b>					
43		MO DNR Fees	\$200	W-43	\$0	100.00%	\$200
44	626.100	John Summers Annual Corp Registration	\$10	W-44	\$0	100.00%	\$10
45	667.000	PSC Assessment	\$1,213	W-45	\$228	100.00%	\$1,441
46	406.200	Water Amortization of CIAC	\$0	W-46	-\$18,438	100.00%	-\$18,438
47		Depreciation	\$0	W-47	\$84,209	100.00%	\$84,209
48		<b>TOTAL OTHER OPERATING EXPENSES</b>	<u>\$1,423</u>		<u>\$65,999</u>		<u>\$67,422</u>
49		<b>TAXES OTHER THAN INCOME</b>					
50	967.000	Real Estate Taxes	\$3,324	W-50	\$0	39.28%	\$1,306
51	967.300	Property Taxes	\$372	W-51	\$0	39.28%	\$146
52	967.200	Other Taxes	\$46	W-52	-\$46	25.52%	\$0
53		<b>TOTAL TAXES OTHER THAN INCOME</b>	<u>\$3,742</u>		<u>-\$46</u>		<u>\$1,452</u>

Lake Region Water and Sewer Company  
 Shawnee Bend Water  
 Tracking Number WR-2010-0111  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Expense Schedule - Water

A	B	C	D	E	F	G	
Line Number	Account Number (Optional)	Expense Description	Company/ Test Year Amount	Adjustment Number	Adjustments	Jurisdictional Allocation	Adjusted Jurisdictional
54		TOTAL OPERATING EXPENSES	<u>\$544,033</u>		<u>-\$130,617</u>		<u>\$179,159</u>

**Lake Region Water and Sewer Company**  
**Shawnee Bend Water**  
**Tracking Number WR-2010-0111**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010**  
**Expense Adjustment Schedule - Water**

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
W-2	Water Tower Power	615.100		\$775
	Adjust to reflect update period, Sept. 30, 2009. Account trending upward (Herrington)		\$775	
W-3	Well Pump Power	615.200		\$1,863
	Adjust to reflect update period, Sept. 30, 2009. Account trending upward (Herrington)		\$1,863	
W-4	Chemicals (Chlorine)	618.000		\$520
	Adjust to reflect update period, Sept. 30, 2009. Also based on how Company is accounting for Chemicals. (Herrington)		\$520	
W-5	Water Testing	619.000		\$470
	Adjust to reflect update period, Sept. 30, 2009. Most current data (Herrington)		\$470	
W-8	Supplies and Materials	620.000		-\$980
	Adjust to reflect update period, Sept. 30, 2009 (Herrington)		-\$980	
W-9	Tools and Shop Supplies-	622.000		-\$666
	Adjust to reflect update period, Sept. 30, 2009 (Herrington)		-\$666	
W-10	Maintenance of Well #1 Grand Point	645.100		\$260
	Adjust to reflect update period, Sept. 30, 2009 (Herrington)		\$260	
W-11	Maintenance of Well #2 Villages	645.110		-\$1,632

Lake Region Water and Sewer Company  
 Shawnee Bend Water  
 Tracking Number WR-2010-0111  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Expense Adjustment Schedule - Water

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
	Adjust to reflect update period, Sept. 30, 2009 (Herrington)		-\$1,632	
W-12	Maintenance of Mains	645.300		-\$2,227
	Included \$2000 in case. Need further information from the Company		-\$2,227	
W-13	Maintenance of Services	645.400		\$0
	No adjustment issued. Revisit during true up (Herrington)		\$0	
W-14	Maintenance of Other Plant	645.600		\$0
	No adjustment issued. Revisit during true up (Herrington)		\$0	
W-19	Contracted Accounting Fee	632.000		\$0
	Test Year, No adjustment issued. Amount allocated between all three systems		\$0	
W-20	Contracted Legal Fee (Water Only)	633.000		-\$255
	Removed Test Year. Appears legal costs for Shawnee Bend for Water and Sewer handled in account 733		-\$255	
W-21	Contracted Legal Fee SB Water and Sewer Split	733.000		\$0
	Test Year, no adjustment. Balance allocated between Shawnee Bend Water and Sewer (Herrington)		\$0	
W-22	PWSD#4 Contract Labor	637.000		\$8,707
	Made adjustment to annualize payroll to reflect update period, Sept. 30, 2009 (Prenger)		\$8,707	

**Lake Region Water and Sewer Company**  
**Shawnee Bend Water**  
**Tracking Number WR-2010-0111**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010**  
**Expense Adjustment Schedule - Water**

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
W-23	Building Rent	642.000		\$0
	Test Year amount used, no adjustment issued. Allocated between all three systems (Herrington)		\$0	
W-24	Rent (Lake Region)	642.100		\$8,083
	Include an annualized amount for rent -Lake Office (Prenger)		\$8,083	
W-25	Property Insurance (Water Only)	655.000		\$0
	Test Year used. Company did not anticipate increase during rate case. (Herrington)		\$0	
W-26	Auto Insurance (Water Only)	656.000		\$0
	Test Year used. Company did not anticipate increase during rate case. (Herrington)		\$0	
W-27	General Liability (Water Only)	657.000		\$0
	Test Year used. Company did not anticipate increase during rate case. (Herrington)		\$0	
W-28	Other Insurance (Water Only)	659.000		-\$669
	Remove Health Insurance that is considered personal insurance. (Herrington)		-\$669	
W-29	Office Supplies-	921.000		-\$1,993
	Used 2 Year average based on historical data (2007- 2008) Herrington		-\$1,993	
W-30	Billing Expenses	921.500		\$0
	Test Year, no adjustment. Review during True Up. (Herrington)		\$0	

**Lake Region Water and Sewer Company**  
**Shawnee Bend Water**  
**Tracking Number WR-2010-0111**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010**  
**Expense Adjustment Schedule - Water**

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
W-31	Management Fees	922.000		-\$240,000
	Remove Test Year Management Fees (Herrington)		-\$240,000	
W-32	Executive Management Oversight	922.100		\$27,898
	Include costs for Executive Oversight		\$27,898	
W-33	Outside Services	923.000		\$0
	Test Year, no adjustment (Herrington)		\$0	
W-34	Telephone	925.000		\$0
	Test Year, no adjustment. Lack of historical data to review (Herrington)		\$0	
W-35	Travel & Entertainment	927.000		\$0
	Test Year, no adjustment		\$0	
W-36	Transportation Expense	933.000		\$0
	Test Year, no adjustment. Review during True Up. (Herrington)		\$0	
W-37	Customer Refunds	940.000		\$0
	Test Year, no adjustment. (Herrington)		\$0	
W-38	Bad Debt Expense	950.000		\$0
	Test Year-No Adjustment		\$0	
W-39	Other Misc. Expenses	975.000		\$357
	Adjust to reflect update period, Sept. 30, 2009 (Herrington)		\$357	

**Lake Region Water and Sewer Company**  
**Shawnee Bend Water**  
**Tracking Number WR-2010-0111**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010**  
**Expense Adjustment Schedule - Water**

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
W-40	Rate Case Expense	980.000		\$2,919
	Include expenses associated with current rate case- 5 Year amortization (Herrington)		\$0	
	Include rate expenses through the True Up period, March 31, 2010- 3-Year Amortization		\$2,919	
W-43	MO DNR Fees			\$0
	Test Year, No adjustment		\$0	
W-44	John Summers Annual Corp Registration	626.100		\$0
	Test Year, No adjustment		\$0	
W-45	PSC Assessment	667.000		\$228
	Increase PSC Assessment amount to 2010 Fiscal Year (Herrington)		\$228	
W-46	Water Amortization of CIAC	406.200		-\$18,438
	Update CIAC related depreciation for Non- Availability Fee related CIAC based on June 24 Commission Order (Herrington)		-\$6,703	
	Update CIAC related depreciation to include additional rate base offset of 2.9M Based on June 24 Commission Order (Herrington)		-\$11,735	
W-47	Depreciation			\$84,209
	1. To Annualize Depreciation		\$84,209	
	Adjustment		\$0	
W-50	Real Estate Taxes	967.000		\$0

Lake Region Water and Sewer Company  
 Shawnee Bend Water  
 Tracking Number WR-2010-0111  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Expense Adjustment Schedule - Water

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
	Test Year, no adjustment. Revisit during True Up (Herrington)		\$0	
W-51	Property Taxes	967.300		\$0
	Test Year, no adjustment. Revisit during True Up (Herrington)		\$0	
W-52	Other Taxes	967.200		-\$46
	Remove Test Year. Need more information for Company (Herrington)		-\$46	
<b>Total Expense Adjustments</b>				<b><u><u>-\$130,617</u></u></b>



Lake Region Water and Sewer Company  
 Shawnee Bend Water  
 Tracking Number WR-2010-0111  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Revenue Schedule - Water

A	B	C	D	E	F	G	
Line Number	Account Number (Optional)	Revenue Description	Company/ Test Year Amount	Adjustment Number	Jurisdictional Adjustments	Jurisdictional Allocation	Adjusted Jurisdictional
Rev-1		ANNUALIZED REVENUES					
Rev-2		Annualized Rate Revenues	\$0	Rev-2	\$113,381	100.00%	\$113,381
Rev-3		Miscellaneous Revenues	\$0	Rev-3	\$190,650	100.00%	\$190,650
Rev-4		TOTAL ANNUALIZED REVENUES	\$0		\$304,031		\$304,031

**Lake Region Water and Sewer Company**  
**Shawnee Bend Water**  
**Tracking Number WR-2010-0111**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010**  
**Revenue Adjustment Schedule - Water**

<u>A</u> Revenue Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
Rev-2	Annualized Rate Revenues			\$113,381
	1. To Annualize Rate Revenues		\$113,381	
Rev-3	Miscellaneous Revenues			\$190,650
	1. To Annualize Miscellaneous Revenues		\$58,388	
	2. To include Availability Fee Charges based on June 24 Commission Order-40% of \$330,665		\$132,262	
	Description			\$0
<b>Total Revenue Adjustments</b>				<b>\$304,031</b>

Lake Region Water and Sewer Company  
 Shawnee Bend Water  
 Tracking Number WR-2010-0111  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Rate Revenue Feeder Schedule - Water

Line Number	A Description	Residential 5/8"		Residential 1"	
		B Amount	C Amount	D Amount	E Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	565		14	
3	Bills Per Year	12		12	
4	Customer Bills Per year	6,780		168	
5	Current Customer Charge	<u>\$11.29</u>		<u>\$21.01</u>	
6	Annualized Customer Charge Revenues		\$76,546		\$3,530
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>1,000</u>		<u>1,000</u>	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	<u>\$2.16</u>		<u>\$2.16</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	<b>Total Annualized Water Rate Revenues</b>		<u><b>\$76,546</b></u>		<u><b>\$3,530</b></u>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units).

Lake Region Water and Sewer Company  
 Shawnee Bend Water  
 Tracking Number WR-2010-0111  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Rate Revenue Feeder Schedule - Water

Line Number	A Description	Residential 1.5"		Residential 2"	
		F Amount	G Amount	H Amount	I Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	21		6	
3	Bills Per Year	12		12	
4	Customer Bills Per year	252		72	
5	Current Customer Charge	<u>\$37.21</u>		<u>\$56.65</u>	
6	Annualized Customer Charge Revenues		\$9,377		\$4,079
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>1,000</u>		<u>1,000</u>	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	<u>\$2.16</u>		<u>\$2.16</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	<b>Total Annualized Water Rate Revenues</b>		<u><u>\$9,377</u></u>		<u><u>\$4,079</u></u>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units).

Lake Region Water and Sewer Company  
 Shawnee Bend Water  
 Tracking Number WR-2010-0111  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Rate Revenue Feeder Schedule - Water

Line Number	A Description	Commercial 5/8"		Commercial 1"	
		J Amount	K Amount	L Amount	M Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	10		7	
3	Bills Per Year	12		12	
4	Customer Bills Per year	120		84	
5	Current Customer Charge	<u>\$11.29</u>		<u>\$21.01</u>	
6	Annualized Customer Charge Revenues		\$1,355		\$1,765
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>1,000</u>		<u>1,000</u>	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	<u>\$2.16</u>		<u>\$2.16</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	<b>Total Annualized Water Rate Revenues</b>		<u><u>\$1,355</u></u>		<u><u>\$1,765</u></u>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units.

Lake Region Water and Sewer Company  
 Shawnee Bend Water  
 Tracking Number WR-2010-0111  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Rate Revenue Feeder Schedule - Water

Line Number	A Description	Commercial 1.5"		Commercial 2"	
		N Amount	O Amount	P Amount	Q Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	3		8	
3	Bills Per Year	12		12	
4	Customer Bills Per year	36		96	
5	Current Customer Charge	<u>\$37.21</u>		<u>\$56.65</u>	
6	Annualized Customer Charge Revenues		\$1,340		\$5,438
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>1,000</u>		<u>1,000</u>	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	<u>\$2.16</u>		<u>\$2.16</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	<b>Total Annualized Water Rate Revenues</b>		<u><u>\$1,340</u></u>		<u><u>\$5,438</u></u>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units.

Lake Region Water and Sewer Company  
 Shawnee Bend Water  
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 Rate Revenue Feeder Schedule - Water

Line Number	A Description	Commercial 4"		Commercial 6"	
		R Amount	S Amount	I Amount	U Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	3		1	
3	Bills Per Year	12		12	
4	Customer Bills Per year	36		12	
5	Current Customer Charge	\$166.81		\$328.81	
6	Annualized Customer Charge Revenues		\$6,005		\$3,946
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	0		0	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	1,000		1,000	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	\$2.16		\$2.16	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	<b>Total Annualized Water Rate Revenues</b>		<b>\$6,005</b>		<b>\$3,946</b>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units.

Lake Region Water and Sewer Company  
 Shawnee Bend Water  
 Tracking Number WR-2010-0111  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Rate Revenue Feeder Schedule - Water

Line Number	A Description	Total	
		V Amount	W Amount
1	<u>Customer Charge Revenues:</u>		
2	Customer Number	638	
3	Bills Per Year		
4	Customer Bills Per year	7,656	
5	Current Customer Charge		
6	Annualized Customer Charge Revenues		\$113,381
7	<u>Commodity Charge Revenues:</u>		
8	Total Gallons Sold	0	
9	Less: Base Gallons Included In Customer Charge	0	
10	Commodity Gallons	0	
11	Block 1, Commodity Gallons per Block		
12	Block 1, Number of Commodity Gallons per Unit		
13	Block 1, Commodity Billing Units		
14	Block 1, Existing Commodity Charge		
15	Block 1, Annualized Commodity Charge Rev.		\$0
16	<b>Total Annualized Water Rate Revenues</b>		<b>\$113,381</b>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units.



**Lake Region Water and Sewer Company**  
**Shawnee Bend Water**  
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**Miscellaneous Revenues Feeder - Water**

<b>Line Number</b>	<b><u>A</u> Description</b>	<b><u>B</u> Amount</b>
<b>5</b>	<b>Total Miscellaneous Revenues</b>	<b><u><u>\$190,650</u></u></b>

Lake Region Water and Sewer Company  
 Shawnee Bend Water  
 Tracking Number WR-2010-0111  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Rate Design Schedule - Water

A	B	C	D	E	F	
Line Number	Description	Account Number (Optional)	Staff Annualized	Customer Charge	Commodity	Percentage Rate
Rev-1	ANNUALIZED REVENUES					
Rev-2	Annualized Rate Revenues		(1) \$113,381			
Rev-3	Miscellaneous Revenues		(1) \$190,650			
Rev-4	TOTAL ANNUALIZED REVENUES		\$304,031			
1	OPERATIONS EXPENSES		(2)			
2	Water Tower Power	615.100	\$9,656	\$0	\$9,656	0.00%
3	Well Pump Power	615.200	\$1,863	\$0	\$1,863	0.00%
4	Chemicals (Chlorine)	618.000	\$3,367	\$0	\$3,367	0.00%
5	Water Testing	619.000	\$1,025	\$0	\$1,025	0.00%
6	TOTAL OPERATIONS EXPENSE		\$15,911	\$0	\$15,911	
7	MAINTENANCE EXPENSES					
8	Supplies and Materials	620.000	\$1,173	\$0	\$1,173	0.00%
9	Tools and Shop Supplies-	622.000	\$83	\$0	\$83	0.00%
10	Maintenance of Well #1 Grand Point	645.100	\$460	\$0	\$460	0.00%
11	Maintenance of Well #2 Villages	645.110	\$223	\$0	\$223	0.00%
12	Maintenance of Mains	645.300	\$2,000	\$0	\$2,000	0.00%
13	Maintenance of Services	645.400	\$1,120	\$0	\$1,120	0.00%
14	Maintenance of Other Plant	645.600	\$706	\$0	\$706	0.00%
15	TOTAL MAINTENANCE EXPENSE		\$5,765	\$0	\$5,765	
16	CUSTOMER ACCOUNT EXPENSE					
17	TOTAL CUSTOMER ACCOUNT EXPENSE		\$0	\$0	\$0	
18	ADMINISTRATIVE & GENERAL EXPENSES					
19	Contracted Accounting Fee	632.000	\$2,789	\$0	\$2,789	0.00%
20	Contracted Legal Fee (Water Only)	633.000	\$0	\$0	\$0	0.00%
21	Contracted Legal Fee SB Water and Sewer Split	733.000	\$1,652	\$0	\$1,652	0.00%
22	PWSD#4 Contract Labor	637.000	\$51,948	\$0	\$51,948	0.00%
23	Building Rent	642.000	\$4,594	\$0	\$4,594	0.00%
24	Rent (Lake Region)	642.100	\$2,063	\$0	\$2,063	0.00%
25	Property Insurance (Water Only)	655.000	\$463	\$0	\$463	0.00%
26	Auto Insurance (Water Only)	656.000	\$663	\$0	\$663	0.00%
27	General Liability (Water Only)	657.000	\$720	\$0	\$720	0.00%
28	Other Insurance (Water Only)	659.000	\$0	\$0	\$0	0.00%
29	Office Supplies-	921.000	\$4,207	\$0	\$4,207	0.00%
30	Billing Expenses	921.500	\$1,351	\$0	\$1,351	0.00%
31	Management Fees	922.000	\$0	\$0	\$0	0.00%
32	Executive Management Oversight	922.100	\$7,120	\$0	\$7,120	0.00%
33	Outside Services	923.000	\$242	\$0	\$242	0.00%
34	Telephone	925.000	\$318	\$0	\$318	0.00%
35	Travel & Entertainment	927.000	\$40	\$0	\$40	0.00%
36	Transportation Expense	933.000	\$6,784	\$0	\$6,784	0.00%
37	Customer Refunds	940.000	\$222	\$0	\$222	0.00%
38	Bad Debt Expense	950.000	\$176	\$0	\$176	0.00%
39	Other Misc. Expenses	975.000	\$338	\$0	\$338	0.00%
40	Rate Case Expense	980.000	\$2,919	\$0	\$2,919	0.00%
41	TOTAL ADMINISTRATIVE AND GENERAL		\$88,609	\$0	\$88,609	
42	OTHER OPERATING EXPENSES					
43	MO DNR Fees		\$200	\$0	\$200	0.00%
44	John Summers Annual Corp Registration	626.100	\$10	\$0	\$10	0.00%
45	PSC Assessment	667.000	\$1,441	\$0	\$1,441	0.00%
46	Water Amortization of CIAC	406.200	-\$18,438	\$0	-\$18,438	0.00%
47	Depreciation		\$84,209	\$0	\$84,209	0.00%
48	TOTAL OTHER OPERATING EXPENSES		\$67,422	\$0	\$67,422	
49	TAXES OTHER THAN INCOME					
50	Real Estate Taxes	967.000	\$1,306	\$0	\$1,306	0.00%
51	Property Taxes	967.300	\$146	\$0	\$146	0.00%

Lake Region Water and Sewer Company  
 Shawnee Bend Water  
 Tracking Number WR-2010-0111  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Rate Design Schedule - Water

A	B	C	D	E	F	
Line Number	Description	Account Number (Optional)	Staff Annualized	Customer Charge	Commodity	Percentage Rate
52	Other Taxes	967.200	\$0	\$0	\$0	0.00%
53	TOTAL TAXES OTHER THAN INCOME		\$1,452	\$0	\$1,452	
54	TOTAL OPERATING EXPENSES		\$179,159	\$0	\$179,159	
55	Interest Expense		(3) \$75,425	\$0	\$75,425	0.00%
56	Return on Equity		(3) \$25,040	\$0	\$25,040	0.00%
57	Income Taxes		(3) \$6,235	\$0	\$6,235	0.00%
58	TOTAL INTEREST RETURN & TAXES		\$106,700	\$0	\$106,700	
59	TOTAL COST OF SERVICE		\$285,859	\$0	\$285,859	
60	Less: Miscellaneous Revenues		\$190,650	\$0	\$190,650	0.00%
61	COST TO RECOVER IN RATES		\$95,209	\$0	\$95,209	
62	INCREMENTAL INCREASE IN RATE REVENUES		<u><u>-\$18,172</u></u>			
63	PERCENTAGE OF INCREASE		<u><u>-5.98%</u></u>			
64	REQUESTED INCREASE IN REVENUES		\$0			

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

**Lake Region Water and Sewer Company**  
**Shawnee Bend Water**  
 Tracking Number WR-2010-0111  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Rate of Return Including Income Tax - Water

		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)	<u>14.13%</u>	(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		<u>1.39%</u>	From Capital Structure Schedule
6	Weighted Rate of Return on Equity Including Income Tax		1.74%	B4 x B5
7	Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term		<u>4.19%</u>	From Capital Structure Schedule
8	Total Weighted Rate of Return Including Income Tax		<u><u>5.93%</u></u>	B6+B7

To Rate Base Schedule

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

Equity Income Required **\$29,459**  
& Preliminary Federal Tax

Tax Rate Table

Net Income Range				
Start	End	Tax Rate	Amount in Range	Tax on Range
\$0	\$50,000	15.00%	\$29,459	\$4,419
\$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	\$9,999,999,999	34.00%	\$0	\$0
			<u>\$29,459</u>	<u>\$4,419</u>
			Consolidated Tax Rate:	
			Average Tax Rate:	0.15

Lake Region Water and Sewer Company  
 Shawnee Bend Water  
 Tracking Number WR-2010-0111  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Rate Base Required Return on Investment Schedule - Water

Line Number	A Rate Base Description	B Dollar Amount	
1	Plant In Service	\$3,970,671	From Plant Schedule
2	Less Accumulated Depreciation Reserve	\$547,797	From Depreciation Reserve Schedule
3	Net Plant In Service	\$3,422,874	
4	Other Rate Base Items:	\$0	
	Materials and Supplies	\$817	
	June 24, 2010-Non-Avail Fee Related CIAC	-\$646,127	
	June 24, 2010-Non Avail Fee related CIAC Depreciation Reserve	\$54,307	
	June 24, 2010-Additional Rate Base offset	-\$1,202,046	
	June 24, 2010-Additional Rate Base Offset related CIAC Depreciation Reserve	\$187,978	
	Deferred Taxes	-\$17,682	
5	Total Rate Base	\$1,800,121	
6	Total Weighted Rate of Return Including Income Tax	5.93%	From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	\$106,700	

Lake Region Water and Sewer Company  
 Shawnee Bend Water  
 Tracking Number WR-2010-0111  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Capital Structure Schedule - Water

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	\$514,405	16.36%	8.50%	1.391%
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	\$2,629,091	83.64%	5.01%	4.190%
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><u>\$3,143,496</u></b>	<b><u>100.00%</u></b>		<b><u>5.581%</u></b>

To PreTax Return Rate Schedule

Lake Region Water and Sewer Company  
 Shawnee Bend Water  
 Tracking Number WR-2010-0111  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Plant In Service - Water

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$31,666			100.00%	\$31,666
3	302.000	Franchises	\$0			100.00%	\$0
4		TOTAL INTANGIBLE PLANT	\$31,666		\$0		\$31,666
5		SOURCE OF SUPPLY PLANT					
6	310.000	Land & Land Rights SP	\$427			100.00%	\$427
7	311.000	Structures & Improvements - SSP	\$20,515			100.00%	\$20,515
8	314.000	Wells & Springs	\$108,205	P-8	\$2,676	100.00%	\$110,881
9	314.100	SB Well Interconnections	\$79,315			100.00%	\$79,315
10	314.200	SB Water Tower	\$275,235			100.00%	\$275,235
11		TOTAL SOURCE OF SUPPLY PLANT	\$483,697		\$2,676		\$486,373
12		PUMPING PLANT					
13	321.000	Structures & Improvements - PP	\$0			100.00%	\$0
14	325.000	Electric Pumping Equipment	\$11,793			100.00%	\$11,793
15	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
16	328.000	Other Pumping Equipment	\$0			100.00%	\$0
17		TOTAL PUMPING PLANT	\$11,793		\$0		\$11,793
18		WATER TREATMENT PLANT					
19	330.000	Land & Land Rights-WTP	\$0			100.00%	\$0
20	331.000	Structures & Improvements - WTP	\$12,799			100.00%	\$12,799
21	332.000	Water Treatment Equipment	\$16,564			100.00%	\$16,564
22		TOTAL WATER TREATMENT PLANT	\$29,363		\$0		\$29,363
23		TRANSMISSION & DISTRIBUTION PLANT					
24	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
25	341.000	Structures & Improvements - T&D	\$0			100.00%	\$0
26	342.000	Distribution Reservoirs & Standpipes	\$0			100.00%	\$0
27	344.000	Fire Mains	\$0			100.00%	\$0
28	345.000	Services	\$254,704	P-28	-\$1,080	100.00%	\$253,624
29	343.000	Transmission & Distribution Mains	\$325,704			100.00%	\$325,704
30	343.100	Transmission & Distribution Mains SB	\$2,716,565			100.00%	\$2,716,565
31	346.000	Meters	\$77,865	P-31	\$1,080	100.00%	\$78,945
32	347.000	Meter Installations	\$17,861			100.00%	\$17,861
33	349.000	Other Transmission & Distribution Plant	\$0			100.00%	\$0
34	348.000	Hydrants	\$0			100.00%	\$0
35		TOTAL TRANS. & DISTRIBUTION PLANT	\$3,392,699		\$0		\$3,392,699
36		GENERAL PLANT					
37	370.000	Land & Land Rights-GP	\$0			100.00%	\$0
38	371.000	Structures & Improvements - GP	\$0			100.00%	\$0
39	372.000	Office Furniture & Equipment	\$11,485			39.28%	\$4,511
40	372.100	Computer Equipment	\$9,989			39.28%	\$3,924
41	373.000	Transportation Equipment - GP	\$10,579			0.00%	\$0
42	373.100	Transportation Equipment-(Pump Truck)	\$33,445			0.00%	\$0
43	373.200	Transportation Equipment (Sierra Truck)	\$19,703			39.28%	\$7,739
44	379.000	Tools, Shop and Garage Equipment	\$6,626			39.28%	\$2,603
45	379.100	Laboratory Equipment	\$0			0.00%	\$0
46		TOTAL GENERAL PLANT	\$91,827		\$0		\$18,777
47		TOTAL PLANT IN SERVICE	\$4,041,045		\$2,676		\$3,970,671

To Rate Base & Depreciation Schedules

**Lake Region Water and Sewer Company**  
**Shawnee Bend Water**  
**Tracking Number WR-2010-0111**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010**  
**Schedule of Adjustments for Plant in Service - Water**

<u>A</u> Plant Adjustment Number	<u>B</u> Plant In Service Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
P-8	Wells & Springs	314.000		\$2,676
	Include addition for Chlorinator Repair. Update through Sept. 30, 2009 (Herrington)		\$2,676	
P-28	Services	345.000		-\$1,080
	Removed Meters that were retired during the update period of Sept. 30, 2009 (Herrington)		-\$1,080	
P-31	Meters	346.000		\$1,080
	Include meter additions for the update period of Sept.30, 2009 (Herrington)		\$1,080	
<b>Total Plant Adjustments</b>				<b>\$2,676</b>



Lake Region Water and Sewer Company  
Shawnee Bend Water  
Tracking Number WR-2010-0111  
Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
Accumulated Depreciation Reserve - Water

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$0			100.00%	\$0
3	302.000	Franchises	\$0			100.00%	\$0
4		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
5		SOURCE OF SUPPLY PLANT					
6	310.000	Land & Land Rights SP	\$0			100.00%	\$0
7	311.000	Structures & Improvements - SSP	\$5,129	R-7	\$641	100.00%	\$5,770
8	314.000	Wells & Springs	\$17,958	R-8	\$2,732	100.00%	\$20,690
9	314.100	SB Well Interconnections	\$10,112	R-9	\$1,983	100.00%	\$12,095
10	314.200	SB Water Tower	\$22,440	R-10	\$6,881	100.00%	\$29,321
11		TOTAL SOURCE OF SUPPLY PLANT	\$55,639		\$12,237		\$67,876
12		PUMPING PLANT					
13	321.000	Structures & Improvements - PP	\$0			100.00%	\$0
14	325.000	Electric Pumping Equipment	\$11,620	R-14	\$1,474	100.00%	\$13,094
15	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
16	328.000	Other Pumping Equipment	\$0			100.00%	\$0
17		TOTAL PUMPING PLANT	\$11,620		\$1,474		\$13,094
18		WATER TREATMENT PLANT					
19	330.000	Land & Land Rights-WTP	\$0			100.00%	\$0
20	331.000	Structures & Improvements - WTP	\$3,200	R-20	\$400	100.00%	\$3,600
21	332.000	Water Treatment Equipment	\$4,294	R-21	\$600	100.00%	\$4,894
22		TOTAL WATER TREATMENT PLANT	\$7,494		\$1,000		\$8,494
23		TRANSMISSION & DISTRIBUTION PLANT					
24	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
25	341.000	Structures & Improvements - T&D	\$0			100.00%	\$0
26	342.000	Distribution Reservoirs & Standpipes	\$0			100.00%	\$0
27	344.000	Fire Mains	\$0			100.00%	\$0
28	345.000	Services	\$15,013	R-28	\$11,064	100.00%	\$26,077
29	343.000	Transmission & Distribution Mains	\$14,578	R-29	\$9,771	100.00%	\$24,349
30	343.100	Transmission & Distribution Mains SB	\$324,447	R-30	\$67,914	100.00%	\$392,361
31	346.000	Meters	\$495	R-31	\$3,168	100.00%	\$3,663
32	347.000	Meter Installations	\$5,672	R-32	\$777	100.00%	\$6,449
33	349.000	Other Transmission & Distribution Plant	\$0			100.00%	\$0
34	348.000	Hydrants	\$0			100.00%	\$0
35		TOTAL TRANS. & DISTRIBUTION PLANT	\$360,205		\$92,694		\$452,899
36		GENERAL PLANT					
37	370.000	Land & Land Rights-GP	\$0			100.00%	\$0
38	371.000	Structures & Improvements - GP	\$1,779	R-38	-\$1,779	100.00%	\$0
39	372.000	Office Furniture & Equipment	\$4,780	R-39	\$718	39.28%	\$2,160
40	372.100	Computer Equipment	\$4,227	R-40	\$624	39.28%	\$1,905
41	373.000	Transportation Equipment - GP	\$22,821	R-41	\$5,483	0.00%	\$0
42	373.100	Transportation Equipment-(Pump Truck)	\$6,111	R-42	\$4,221	0.00%	\$0
43	373.200	Transportation Equipment (Sierra Truck)	\$287	R-43	\$0	39.28%	\$113
44	379.000	Tools, Shop and Garage Equipment	\$2,785	R-44	\$414	39.28%	\$1,257
45	379.100	Laboratory Equipment	\$0			100.00%	\$0
46		TOTAL GENERAL PLANT	\$42,790		\$9,681		\$5,434
47		TOTAL DEPRECIATION RESERVE	\$477,748		\$117,086		\$547,797

**Lake Region Water and Sewer Company**  
**Shawnee Bend Water**  
**Tracking Number WR-2010-0111**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010**  
**Accumulated Depreciation Reserve - Water**

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	
Line Number	Account Number	Depreciation Reserve Description	Total Reserve	Adjustment Number	Adjustments	Jurisdictional Allocation To Rate Base Schedule	Adjusted Jurisdictional

**Lake Region Water and Sewer Company**  
**Shawnee Bend Water**  
**Tracking Number WR-2010-0111**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010**  
**Schedule of Adjustments for Accumulated Depreciation Reserve - Water**

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
R-7	<b>Structures &amp; Improvements - SSP</b>	<b>311.000</b>		<b>\$641</b>
	Update Accumulated Reserve to Updated Period Sept. 30, 2009. (Herrington)		\$385	
	Update Accumulated Reserve thru True Up Period, March 31, 2010. (Herrington)		\$256	
R-8	<b>Wells &amp; Springs</b>	<b>314.000</b>		<b>\$2,732</b>
	Update Accumulated Reserve to Updated Period Sept. 30, 2009. (Herrington)		\$1,623	
	Update Accumulated Reserve thru True Up Period, March 31, 2010. (Herrington)		\$1,109	
R-9	<b>SB Well Interconnections</b>	<b>314.100</b>		<b>\$1,983</b>
	Update Accumulated Reserve to Updated Period Sept. 30, 2009. (Herrington)		\$1,190	
	Update Accumulated Reserve thru True Up Period, March 31, 2010. (Herrington)		\$793	
R-10	<b>SB Water Tower</b>	<b>314.200</b>		<b>\$6,881</b>
	Update Accumulated Reserve to Updated Period Sept. 30, 2009. (Herrington)		\$4,129	
	Update Accumulated Reserve thru True Up Period, March 31, 2010. (Herrington)		\$2,752	
R-14	<b>Electric Pumping Equipment</b>	<b>325.000</b>		<b>\$1,474</b>
	Update Accumulated Reserve to Updated Period Sept. 30, 2009. (Herrington)		\$884	

Lake Region Water and Sewer Company  
 Shawnee Bend Water  
 Tracking Number WR-2010-0111  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Schedule of Adjustments for Accumulated Depreciation Reserve - Water

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
	Update Accumulated Reserve thru True Up Period, March 31, 2010. (Herrington)		\$590	
<b>R-20</b>	<b>Structures &amp; Improvements - WTP</b>	<b>331.000</b>		<b>\$400</b>
	Update Accumulated Reserve to Updated Period Sept. 30, 2009. (Herrington)		\$240	
	Update Accumulated Reserve thru True Up Period, March 31, 2010. (Herrington)		\$160	
<b>R-21</b>	<b>Water Treatment Equipment</b>	<b>332.000</b>		<b>\$600</b>
	Update Accumulated Reserve to Updated Period Sept. 30, 2009. (Herrington)		\$360	
	Update Accumulated Reserve thru True Up Period, March 31, 2010. (Herrington)		\$240	
<b>R-28</b>	<b>Services</b>	<b>345.000</b>		<b>\$11,064</b>
	Update Accumulated Reserve to Updated Period Sept. 30, 2009. (Herrington)		\$7,386	
	Update Accumulated Reserve thru True Up Period, March 31, 2010. (Herrington)		\$3,678	
<b>R-29</b>	<b>Transmission &amp; Distribution Mains</b>	<b>343.000</b>		<b>\$9,771</b>
	Update Accumulated Reserve to Updated Period Sept. 30, 2009. (Herrington)		\$6,514	
	Update Accumulated Reserve thru True Up Period, March 31, 2010. (Herrington)		\$3,257	
<b>R-30</b>	<b>Transmission &amp; Distribution Mains SB</b>	<b>343.100</b>		<b>\$67,914</b>

**Lake Region Water and Sewer Company**  
**Shawnee Bend Water**  
**Tracking Number WR-2010-0111**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010**  
**Schedule of Adjustments for Accumulated Depreciation Reserve - Water**

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
	Update Accumulated Reserve to Updated Period Sept. 30, 2009. (Herrington)		\$40,748	
	Update Accumulated Reserve thru True Up Period, March 31, 2010. (Herrington)		\$27,166	
R-31	Meters	346.000		\$3,168
	Update Accumulated Reserve to Updated Period Sept. 30, 2009. (Herrington)		\$2,102	
	Update Accumulated Reserve thru True Up Period, March 31, 2010. (Herrington)		\$1,066	
R-32	Meter Installations	347.000		\$777
	Update Accumulated Reserve to Updated Period Sept. 30, 2009. (Herrington)		\$518	
	Update Accumulated Reserve thru True Up Period, March 31, 2010. (Herrington)		\$259	
R-38	Structures & Improvements - GP	371.000		-\$1,779
	Update Accumulated Reserve to Updated Period Sept. 30, 2009. (Herrington) Retired Plant		-\$1,779	
	Description		\$0	
R-39	Office Furniture & Equipment	372.000		\$718
	Update Accumulated Reserve to Updated Period Sept. 30, 2009. (Herrington)		\$574	
	Update Accumulated Reserve thru True Up Period, March 31, 2010. (Herrington)		\$144	

Lake Region Water and Sewer Company  
 Shawnee Bend Water  
 Tracking Number WR-2010-0111  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Schedule of Adjustments for Accumulated Depreciation Reserve - Water

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
R-40	Computer Equipment	372.100		\$624
	Update Accumulated Reserve to Updated Period Sept. 30, 2009. (Herrington)		\$499	
	Update Accumulated Reserve thru True Up Period, March 31, 2010. (Herrington)		\$125	
R-41	Transportation Equipment - GP	373.000		\$5,483
	Update Accumulated Reserve to Updated Period Sept. 30, 2009. (Herrington)		\$4,795	
	Update Accumulated Reserve thru True Up Period, March 31, 2010. (Herrington)		\$688	
R-42	Transportation Equipment-(Pump Truck)	373.100		\$4,221
	Update Accumulated Reserve to Updated Period Sept. 30, 2009. (Herrington)		\$2,940	
	Update Accumulated Reserve thru True Up Period, March 31, 2010. (Herrington)		\$1,281	
R-43	Transportation Equipment (Sierra Truck)	373.200		\$0
	Update Accumulated Reserve to Updated Period Sept. 30, 2009. (Herrington)		\$0	
R-44	Tools, Shop and Garage Equipment	379.000		\$414
	Update Accumulated Reserve to Updated Period Sept. 30, 2009. (Herrington)		\$248	
	Update Accumulated Reserve thru True Up Period, March 31, 2010. (Herrington)		\$166	
<b>Total Reserve Adjustments</b>				<b>\$117,086</b>

**Lake Region Water and Sewer Company**  
**Shawnee Bend Water**  
**Tracking Number WR-2010-0111**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010**  
**Schedule of Adjustments for Accumulated Depreciation Reserve - Water**

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Reserve Adjustment Number	Accumulated Depreciation Reserve Adjustments Description	Account Number	Adjustment Amount	Total Adjustment Amount

Lake Region Water and Sewer Company  
 Shawnee Bend Water  
 Tracking Number WR-2010-0111  
 Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010  
 Depreciation Expense - Water

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
1		INTANGIBLE PLANT			
2	301.000	Organization	\$31,666	0.00%	\$0
3	302.000	Franchises	\$0	0.00%	\$0
4		TOTAL INTANGIBLE PLANT	<u>\$31,666</u>		<u>\$0</u>
5		SOURCE OF SUPPLY PLANT			
6	310.000	Land & Land Rights SP	\$427	0.00%	\$0
7	311.000	Structures & Improvements - SSP	\$20,515	2.50%	\$513
8	314.000	Wells & Springs	\$110,881	2.00%	\$2,218
9	314.100	SB Well Interconnections	\$79,315	2.00%	\$1,586
10	314.200	SB Water Tower	\$275,235	2.00%	\$5,505
11		TOTAL SOURCE OF SUPPLY PLANT	<u>\$486,373</u>		<u>\$9,822</u>
12		PUMPING PLANT			
13	321.000	Structures & Improvements - PP	\$0	0.00%	\$0
14	325.000	Electric Pumping Equipment	\$11,793	10.00%	\$1,179
15	326.000	Diesel Pumping Equipment	\$0	0.00%	\$0
16	328.000	Other Pumping Equipment	\$0	0.00%	\$0
17		TOTAL PUMPING PLANT	<u>\$11,793</u>		<u>\$1,179</u>
18		WATER TREATMENT PLANT			
19	330.000	Land & Land Rights-WTP	\$0	0.00%	\$0
20	331.000	Structures & Improvements - WTP	\$12,799	2.50%	\$320
21	332.000	Water Treatment Equipment	\$16,564	2.90%	\$480
22		TOTAL WATER TREATMENT PLANT	<u>\$29,363</u>		<u>\$800</u>
23		TRANSMISSION & DISTRIBUTION PLANT			
24	340.000	Land & Land Rights-T&D	\$0	0.00%	\$0
25	341.000	Structures & Improvements - T&D	\$0	0.00%	\$0
26	342.000	Distribution Reservoirs & Standpipes	\$0	0.00%	\$0
27	344.000	Fire Mains	\$0	0.00%	\$0
28	345.000	Services	\$253,624	2.90%	\$7,355
29	343.000	Transmission & Distribution Mains	\$325,704	2.00%	\$6,514
30	343.100	Transmission & Distribution Mains SB	\$2,716,565	2.00%	\$54,331
31	346.000	Meters	\$78,945	2.70%	\$2,132
32	347.000	Meter Installations	\$17,861	2.90%	\$518
33	349.000	Other Transmission & Distribution Plant	\$0	0.00%	\$0
34	348.000	Hydrants	\$0	2.50%	\$0
35		TOTAL TRANS. & DISTRIBUTION PLANT	<u>\$3,392,699</u>		<u>\$70,850</u>
36		GENERAL PLANT			
37	370.000	Land & Land Rights-GP	\$0	0.00%	\$0
38	371.000	Structures & Improvements - GP	\$0	0.00%	\$0
39	372.000	Office Furniture & Equipment	\$4,511	5.00%	\$226
40	372.100	Computer Equipment	\$3,924	5.00%	\$196



**Lake Region Water and Sewer Company**  
**Shawnee Bend Water**  
**Tracking Number WR-2010-0111**  
**Test Year Ending 12-31-2008 updated through 9-30-2009 True-up ending 3-31-2010**  
**Depreciation Expense - Water**

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
41	373.000	Transportation Equipment - GP	\$0	13.00%	\$0
42	373.100	Transportation Equipment-(Pump Truck)	\$0	13.00%	\$0
43	373.200	Transportation Equipment (Sierra Truck)	\$7,739	13.00%	\$1,006
44	379.000	Tools, Shop and Garage Equipment	\$2,603	5.00%	\$130
45	379.100	Laboratory Equipment	\$0	5.00%	\$0
46		<b>TOTAL GENERAL PLANT</b>	<u>\$18,777</u>		<u>\$1,558</u>
47		<b>Total Depreciation</b>	<u><u>\$3,970,671</u></u>		<u><u>\$84,209</u></u>