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ROBERT M. C. ROSE, (1924-2006)

November 26, 2007

VIA HAND DELIVERY

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: Town and Country Utilities Company;
Revised Cost of Service Study
Docket No. 060602
Our File No. 40050.03

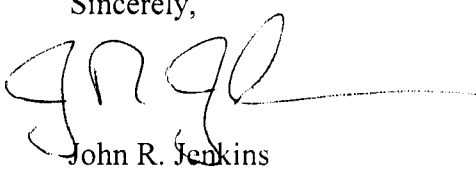
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COMMISSION CLERK
-JRM

Dear Ms. Cole:

Based on recent discussions with Commission Staff, enclosed please find an original and fifteen (15) copies of a Town and Country Utilities Company, Revised Cost of Service Study for filing in the above referenced docket. This Revised Cost of Service Study will replace the original submitted as Exhibit "B" to the Application for Approval of Initial Water and Wastewater Rates and Charges previously filed in this case. Should you have any questions regarding this matter, please

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL 1
- JPC _____
- RCA _____
- SCR _____
- GA _____
- EC _____
- TH _____

JRJ/kem
Enclosures
cc: Terry Holihen, Esq. (without enclosure)
Mr. Michael Acosta (without enclosure)
Mr. Neal Blacketter (without enclosure)

Sincerely,

John R. Jenkins
For the Firm

DOCUMENT NUMBER-DATE
10521 NOV 26 07
FPSC-COMMISSION CLERK

Town & Country Utilities Company

Special Report

Original Certificate Application

Cost of Service Study

Revision to Filing 11/19/2007

DOCUMENT NUMBER-DATE

10521 NOV 26 8

FPSC-COMMISSION CLERK

Town & Country Utilities Company
Original Certificate Application
Special Report
Cost of Service Study

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DOCUMENT NO. DATE

10521-07 11/26/07
FPSC - COMMISSION CLERK

Town & Country Utilities Company
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Town & Country Utilities Company
Original Certificate Application
Proposed Rates and Service Availability Charges

Line No.		<u>Proposed Monthly Rates</u>	
		<u>Water</u>	<u>Wastewater</u>
1	<u>Residential and General Service</u>		
2	<u>Base Facility Charges:</u>		
3	5/8" x 3/4"	\$ 18.18	\$ 24.77
4	1"	45.45	61.93
5	1.5"	90.90	123.85
6	2"	145.44	198.16
7	3"	290.88	396.32
8	4"	454.50	619.25
9	6"	909.00	1,238.50
10	8"	1,454.40	1,981.60
11	10"	2,090.70	2,848.55
12	<u>Residential Gallonage Charges per 1,000 Gallons:</u>		
13	Gallonage charge 0 to 5,000 gallons	3.61	
14	Gallonage charge over 5,000 gallons	5.27	
15	Gallonage charge (maximum of 10,000		
16	gallons)		4.39
17	<u>General Service Gallonage Charges per 1,000 Gallons:</u>		
18	Gallonage charge per 1,000 gallons	3.61	
19	Gallonage charge per 1,000 gallons		5.17
20	<u>Reuse</u>		
21	Reuse rate per 1,000 gallons		0.30
22	<u>Service Availability Charges</u>		
23	<u>Plant Capacity Charge:</u>		
24	Per ERC - 225 gpd	2,700	3,800
25	General Service per gallon		
26	of daily demand	12.00	16.89
27	Main Extension Charge:		
28	Per ERC - 225 gpd	2,500	4,000
29	Meter Fee:		
30	5/8" x 3/4"	300	
31	Over 5/8 x 3/4"	Actual Cost	
32	<u>Guranteed Revenue Charge (Monthly)</u>		
33	Per ERC	<u>\$ 18.18</u>	<u>\$ 24.77</u>

Town & Country Utilities Company
Original Certificate Application
Proforma Capital Structure and Cost of Capital
When Plant is Operating at the Designed Capacity and
Statement Regarding Financing of Utility Operations

Line No.		Estimated Amount	Percent Ratio	Cost of Each Percent (3)	Weighted Cost
1	Equity (1)	\$ 18,979,903	40%	12.01%	4.80%
2	Debt (2)	<u>28,469,854</u>	<u>60%</u>	7.00%	<u>4.20%</u>
3	Total	<u>\$ 47,449,757</u>	<u>100%</u>		<u>9.00%</u>

4 Notes: (1) Equity contributions or advances from Related Entities will be made as
5 required by the Utility ownership to finance Utility operations in the initial years of
6 development.

7 (2) A Proforma capital structure consisting of 40% equity and 60% debt is
8 proposed in order that the initial rates established in this proceeding will provide
9 adequate financial resources to the Company.

10 (3) The cost of equity is based on the current PSC leverage graph. The cost of
11 debt is based on the anticipated effective rate of an IDR bond issue.

Town & Country Utilities Company
Original Certificate Application
Schedule of Water & Wastewater ERC's by Year & Customer Classification

Line No.	Water Year	Increase In Resid.	Daily Demand	Increase in Total		Commerc. Flow	Commerc. ERC's @	Resid. ERC's @	Annual Increase in	Year
		Units per Eng. Exh. 1-1	Per ERC	Daily Flow - Resid.	AADF per Eng. Exh. 1-3	(H-G)	225 GPD	225 GPD	ERC's	
1	1	35	225	7,875	10,000	2,125	9	35	44	2,011
2	2	212	225	47,700	70,000	22,300	99	212	311	2,012
3	3	444	225	99,900	120,000	20,100	89	444	533	2,013
4	4	755	225	169,875	200,000	30,125	134	755	889	2,014
5	5	1,294	225	291,150	340,000	48,850	217	1,294	1,511	2,015
6	6	1,674	225	376,650	450,000	73,350	326	1,674	2,000	2,016
7	7	1,746	225	392,850	490,000	97,150	432	1,746	2,178	2,017
8	8	1,837	225	413,325	550,000	136,675	607	1,837	2,444	2,018
9	9	<u>2,126</u>	225	<u>478,350</u>	<u>650,000</u>	<u>171,650</u>	<u>763</u>	<u>2,126</u>	<u>2,889</u>	2,019
10	Total	<u>10,123</u>		<u>2,277,675</u>	<u>2,880,000</u>	<u>602,325</u>	<u>2,676</u>	<u>10,123</u>	<u>12,799</u>	

11 **Wastewater - Based on water flows as the basis of billing & equal No. of water & sewer customers**

Town & Country Utilities Company
Original Certificate Application
Proforma Water Rate Base, Rate of Return and Operating Income
When Operating at the Designed Capacity of Phase 2 Plant

Line No.		Schedule Reference	Proforma Balance
1	Utility Plant in Service	B-3	\$ 106,413,126
2	Capacity allocated to Future Phases (net)	B-2	(4,688,308)
3	Accumulated Depreciation	B-3	(17,984,221)
4	Contributions in Aid of Construction (CIAC)	B-9	(70,394,500)
5	Accumulated Amortization of CIAC	B-9	<u>5,692,333</u>
6			19,038,430
7	Allowance For Working Capital (1)		<u>381,488</u>
8	Proforma Rate Base		<u>\$ 19,419,919</u>
9	Proforma Rate of Return	A-2	<u>9.00%</u>
10	Proforma Operating Income	B-10	<u>\$ 1,747,793</u>
11	Notes: (1) Based on 12.5% of O&M expense per Schedule No. B-10.		
12	(2) See Schedule B -2 for calculation of costs allocated to future Phases of Development.		

Town & Country Utilities Company
Original Certificate Application
Allocation of Estimated Water Plant Costs Incurred in Phases 1 & 2 to Future Development Phases

Line No.	Description	Account No.	Cost	Phases Sized For	ADF Sized Flow (MGD)	ADF Phase 2 Flow (MGD)	Phase 2 Percent	Future Phases Percent	Future Phases Costs	Factor for AFUDC & Other Alloc. Costs (1)	Total Future Phase Costs	Total Accum. Depr.	Factor for Accum. Depr. (2)	Future Phase Accum. Depr.
1	Organization Costs	301	\$ 250,000	3	6.00	2.88	48.00%	52.00%	\$ 130,000	-	\$ 130,000	\$ 53,125	0.5200	\$ 27,625
2	Land	303	720,000	3	6.00	2.88	48.00%	52.00%	374,400	-	374,400	-	-	-
3	Structures & Improvements:	304												
4	Operations/process building		2,940,000	3	6.00	2.88	48.00%	52.00%	1,528,800	1.386	2,118,917			
5	Deep Inj. Well heads, piping		90,000	3	6.00	2.88	48.00%	52.00%	46,800	1.386	64,865			
6			3,030,000						1,575,600		2,183,782	3,961,318	0.1092	432,576
7	Wells:	307												
8	Test wells, monitoring, testing		1,600,000	3	6.00	2.88	48.00%	52.00%	832,000	1.386	1,153,152			
9	Tube & packer injection well		2,190,000	3	6.00	2.88	48.00%	52.00%	1,138,800	1.386	1,578,377			
10	Monitoring well		720,000	3	6.00	2.88	48.00%	52.00%	374,400	1.386	518,918			
11			4,510,000						2,345,200		3,250,447	3,541,551	0.2231	790,120
12	Total (3)		\$ 8,510,000						\$ 4,425,200		\$ 5,938,629	\$ 7,555,994		\$ 1,250,321

13 Notes: (1) The factor for allocating AFUDC, engineering & construction management costs was determined by dividing the total costs for each plant account including such costs by the total cost
14 of each plant account before allocation per Schedules No. B-3 & B-4.

15 (2) Total Future Phase plant costs for each respective account divided by the related total plant cost shown on Schedule B-3.

16 (3) Net plant allocated to future Phases is calculated as follows:

17	Total future Phase plant costs	\$ 5,938,629
18	Accumulated depreciation	(1,250,321)
19	Net plant allocated to future Phases	\$ 4,688,308

Town & Country Utilities Company
Original Certificate Application
Summary of Proposed Water Utility Plant Cost, Capacities, Accumulated Depreciation and Expense
When Operating at the Designed Capacity of Phase 2 Plant

Line No.	NARUC Acct. No.	Description	Estimated	PSC	Depreciation Expense	Accumulated Depreciation	Capacities(2)	
			Original Cost	Depreciation Rate %			ERC's	Gallons (MGD)
1	301	Organization (1)	\$ 250,000	2.50	\$ 6,250	\$ 53,125	26,667	6.0
2	303	Land	720,000	-	-	-	26,667	6.0
3	304	Structures & Improvements	19,994,293	3.13	625,821	3,961,318	13,333	3.0
4	307	Wells	14,566,610	3.33	485,069	3,541,551	13,333	3.0
5	309	Supply Mains	6,514,363	2.86	186,310	1,524,160	13,333	3.0
6	310	Power Generation Equipment	1,524,601	5.00	76,230	438,505	13,333	3.0
7	311	Pumping Equipment	3,762,685	5.00	188,135	1,168,687	13,333	3.0
8	320	Water Treatment Equipment	6,791,084	4.55	308,994	1,777,580	13,333	3.0
9	330	Distribution Reservoirs	5,364,125	2.70	144,832	961,619	13,333	3.0
10	331	Transmission & Distribution Mains (Spine Syst.)	11,088,165	2.33	258,355	1,963,488	13,333	3.0
11	331	Transmission & Distribution Mains (Contributed)	31,997,500	2.33	745,542	2,062,953	13,333	3.0
12	334	Meters & Installations	3,839,700	5.00	191,985	531,235	13,333	3.0
13		Total	<u>\$ 106,413,126</u>		<u>\$ 3,217,523</u>	<u>\$ 17,984,221</u>	<u>13,333</u>	<u>3.0</u>

14 Notes:(1) Organization costs are based on 50% of the total estimated legal, accounting and engineering costs incurred to
15 obtain an original PSC certificate. Such costs have been allocated equally between water & wastewater.

16 (2) The AADF capacity of Phase 2 plant is 3.0 MGD, as presented in the Engineering Report prepared by CDM
17 Engineering. However, because 80% of ADF capacity is reached in early 2019, we have used the predicted flow at the end
18 2019 for purposes of calculating the initial rates and charges requested. Such flow amounts to approximately 96% of the AADF
19 capacity. This will benefit the customer and recognizes economies of scale. A daily demand of 225 GPD per the engineering report
20 was used to determine the ERC capacity of the Phase 2 plant shown above.

Town & Country Utilities Company
Original Certificate Application
Allocation of Engineering, Permitting, Construction Management, and AFUDC to Water Utility Plant in Service
By Phase and Primary Account

Line	Account	Plant Costs	Engineering & Permitting (12%)	Total Costs Before	Percent	AFUDC	Total Plant Costs	
No.	No.	Description	Excl. AFUDC	Construction Mgt.(15%)	AFUDC	Percent	AFUDC	Costs
1	304	Structures & Improvements - Phase 1	\$ 3,989,882	1,077,268	\$ 5,067,150	7.95%	463,209	\$ 5,530,359
2	304	Structures & Improvements - Phase 2	10,435,118	2,817,482	13,252,600	20.79%	1,211,334	14,463,934
3	307	Wells - Phase 1	6,310,000	1,703,700	8,013,700	12.56%	731,812	8,745,512
4	307	Wells - Phase 2	4,200,000	1,134,000	5,334,000	8.36%	487,098	5,821,098
5	309	Supply Mains - Phase 1	4,200,000	1,134,000	5,334,000	8.36%	487,098	5,821,098
6	309	Supply Mains - Phase 2	500,000	135,000	635,000	1.00%	58,265	693,265
7	310	Power Generation Equipment - Phase 1	92,736	25,039	117,775	0.18%	10,488	128,263
8	310	Power Generation Equipment - Phase 2	1,007,264	271,961	1,279,225	2.01%	117,113	1,396,338
9	311	Pumping Equipment - Phase 1	644,417	173,993	818,410	1.28%	74,580	892,990
10	311	Pumping Equipment - Phase 2	2,070,584	559,058	2,629,642	4.12%	240,053	2,869,695
11	320	Water Treatment Equipment - Phase 1	412,965	111,500	524,465	0.82%	47,778	572,243
12	320	Water Treatment Equipment - Phase 2	4,487,034	1,211,499	5,698,533	8.93%	520,308	6,218,841
13	330	Distribution Reservoirs - Phase 1	1,470,000	396,900	1,866,900	2.93%	170,717	2,037,617
14	330	Distribution Reservoirs - Phase 2	2,400,000	648,000	3,048,000	4.78%	278,508	3,326,508
15	331	Transmission & Distribution Mains (spine) - Ph.1	5,600,000	1,512,000	7,112,000	11.15%	649,657	7,761,657
16	331	Transmission & Distribution Mains (spine) - Ph.2	2,400,000	648,000	3,048,000	4.78%	278,508	3,326,508
17		Total Utility Plant Cost	<u>\$ 50,220,000</u>	<u>\$ 13,559,400</u>	<u>\$ 63,779,400</u>	<u>100.00%</u>	<u>\$ 5,826,526</u>	<u>\$ 69,605,926</u>

Town & Country Utilities Company
Original Certificate Application
Assignment of Total Phase 1 and 2 Water Engineering Cost Estimates to Primary Plant Accounts Before Engineering, Permitting,
Construction Management and AFUDC

Line No.	Eng. Table Reference	NARUC Account No.							Total	
		304	307	309	310	311	320	330		331
1	2.5	<u>Central WTP cost estimates</u>								
2							\$ 2,450,000		\$ 2,450,000	
3							2,450,000		2,450,000	
4						\$1,715,000			1,715,000	
5								\$ 1,470,000	1,470,000	
6		\$ 3,920,000							3,920,000	
7		2,940,000							2,940,000	
8		3,800,000							3,800,000	
9					\$ 1,100,000				1,100,000	
10		3,675,000							3,675,000	
11									<u>23,520,000</u>	
12	2-6	<u>Potable water mains/offsite storage</u>								
13								\$ 7,000,000	7,000,000	
14							2,400,000		2,400,000	
15					1,000,000				1,000,000	
16								1,000,000	1,000,000	
17									<u>11,400,000</u>	
18	2-3	<u>Raw water supply wells</u>								
19			\$ 1,600,000						1,600,000	
20			6,000,000						6,000,000	
21									<u>7,600,000</u>	
22	2-3	<u>Raw Water Supply Main</u>								
23				\$ 4,700,000					4,700,000	
24	2-7	<u>Deep Injection Well</u>								
25		50% of costs - shared with wastewater:								
26			2,190,000						2,190,000	
27			720,000						720,000	
28		90,000							90,000	
29		-	-	-	-	-	-	-	<u>3,000,000</u>	
30	Total	<u>\$ 14,425,000</u>	<u>\$ 10,510,000</u>	<u>\$ 4,700,000</u>	<u>\$ 1,100,000</u>	<u>\$2,715,000</u>	<u>\$ 4,900,000</u>	<u>\$ 3,870,000</u>	<u>\$ 8,000,000</u>	<u>\$ 50,220,000</u>
31	Note (1): 25% of the cost of the operations & process building is allocated to wastewater since those operations will also be housed in that building.									

Town & Country Utilities Company
Original Certificate Application
Water Plant Additions By Phase, Year In-Service and Primary Account
Before Engineering, Permitting, Construction Management Services & AFUDC

Line No.	Account No.		Phase and In-Service Date		Total
			Phase 1 2011	Phase 2 2014	
1	304	Structures & Improvements	\$ 3,989,882	\$ 10,435,118	\$14,425,000
2	307	Wells	6,310,000	4,200,000	10,510,000
3	309	Supply Mains	4,200,000	500,000	4,700,000
4	310	Power Generation Equipment	92,736	1,007,264	1,100,000
5	311	Pumping Equipment	644,417	2,070,584	2,715,001
6	320	Water Treatment Equipment	412,965	4,487,034	4,899,999
7	330	Distribution Reservoirs	1,470,000	2,400,000	3,870,000
8	331	Transmission & Distribution System - Spine	5,600,000	2,400,000	8,000,000
9		Total	<u>\$ 22,720,000</u>	<u>\$ 27,500,000</u>	<u>\$50,220,000</u>

Town & Country Utilities Company
Original Certificate Application
Calculation of Phase 2 Water AFUDC Excluding Organization, Meters, and Contributed Property

Line No.	Month	Estimated Monthly CWIP Increase	Accumulated CWIP Beginning Of Month	Accumulated CWIP End Of Month	Average CWIP Balance	Monthly AFUDC	Total Capitalized
1	1	\$ 2,657,475		\$ 2,657,475	\$ 1,328,738	\$ 9,577	\$ 2,667,052
2	2	2,657,475	\$ 2,667,052	5,324,527	3,995,789	28,799	5,353,326
3	3	2,657,475	5,353,326	8,010,801	6,682,063	48,160	8,058,960
4	4	2,657,475	8,058,960	10,716,435	9,387,698	67,660	10,784,096
5	5	2,657,475	10,784,096	13,441,571	12,112,833	87,301	13,528,872
6	6	2,657,475	13,528,872	16,186,347	14,857,609	107,084	16,293,430
7	7	2,657,475	16,293,430	18,950,905	17,622,168	127,009	19,077,914
8	8	2,657,475	19,077,914	21,735,389	20,406,651	147,077	21,882,466
9	9	2,657,475	21,882,466	24,539,941	23,211,204	167,291	24,707,232
10	10	2,657,475	24,707,232	27,364,707	26,035,969	187,650	27,552,357
11	11	2,657,475	27,552,357	30,209,832	28,881,094	208,155	30,417,987
12	12	2,657,475	30,417,987	33,075,462	31,746,724	228,809	33,304,271
13	13	2,657,475	33,304,271	35,961,746	34,633,008	249,611	36,211,357
14	14	2,657,475	36,211,357	38,868,832	37,540,095	270,564	39,139,396
15	15	2,657,475	39,139,396	41,796,871	40,468,133	291,667	42,088,538
16	16	2,657,475	42,088,538	44,746,013	43,417,275	312,922	45,058,935
17	17	2,657,475	45,058,935	47,716,410	46,387,672	334,331	48,050,741
18	18	2,657,475	48,050,741	50,708,216	49,379,478	355,894	51,064,110
19	19	2,657,475	51,064,110	53,721,585	52,392,847	377,612	54,099,197
20	20	2,657,475	54,099,197	56,756,672	55,427,934	399,487	57,156,159
21	21	2,657,475	57,156,159	59,813,634	58,484,897	421,520	60,235,154
22	22	2,657,475	60,235,154	62,892,629	61,563,891	443,711	63,336,339
23	23	2,657,475	63,336,339	65,993,814	64,665,077	466,062	66,459,877
24	24	2,657,475	66,459,877	69,117,352	67,788,614	488,574	69,605,926
25	TOTAL	<u>\$ 63,779,400</u>				<u>\$ 5,826,526</u>	<u>\$ 69,605,926</u>

26 Note: AFUDC is based on the annual rate of return (Schedule No. A-2) discounted to a
27 monthly rate of 0.72073233%

Town & Country Utilities Company
Original Certificate Application
Projected Water Accumulated Depreciation and Expense
When Operating at the Designed Capacity of Phase 2 Plant

Line No.	NARUC Acct. No.	Description	Estimated Cost	Year in Service	Years to Design Capacity	PSC Depreciation Rate	Accumulated Depreciation	Depreciation Expense
1	301	Organization	\$ 250,000	2,011	9	2.50	\$ 53,125	\$ 6,250
2	304	Structures & Improvements - Phase 1	5,530,359	2,011	9	3.13	1,471,352	173,100
3	304	Structures & Improvements - Phase 2	14,463,935	2,014	6	3.13	2,489,966	452,721
4	307	Wells - Phase 1	8,745,512	2,011	9	3.33	2,475,417	291,226
5	307	Wells - Phase 2	5,821,098	2,014	6	3.33	1,066,134	193,843
6	309	Supply Mains - Phase 1	5,821,098	2,011	9	2.86	1,415,109	166,483
7	309	Supply Mains - Phase 2	693,265	2,014	6	2.86	109,051	19,827
8	310	Power Generation Equipment - Phase 1	128,263	2,011	9	5.00	54,512	6,413
9	310	Power Generation Equipment - Phase 2	1,396,338	2,014	6	5.00	383,993	69,817
10	311	Pumping Equipment - Phase 1	892,990	2,011	9	5.00	379,521	44,650
11	311	Pumping Equipment - Phase 2	2,869,695	2,014	6	5.00	789,166	143,485
12	320	Water Treatment Equipment - Phase 1	572,243	2,011	9	4.55	221,315	26,037
13	320	Water Treatment Equipment - Phase 2	6,218,841	2,014	6	4.55	1,556,265	282,957
14	330	Distribution Reservoirs - Phase 1	2,037,617	2,011	9	2.70	467,633	55,016
15	330	Distribution Reservoirs - Phase 2	3,326,508	2,014	6	2.70	493,986	89,816
16	331	Transmission & Distribution Mains (spine) - Ph 1	7,761,657	2,011	9	2.33	1,537,196	180,847
17	331	Transmission & Distribution Mains (spine) - Ph.2	3,326,508	2,014	6	2.33	426,292	77,508
18	331	Contributed Transmission & Distribution Mains - Year 1	110,000	2,011	9	2.33	21,786	2,563
19	331	Contributed Transmission & Distribution Mains - Year 2	777,500	2,012	8	2.33	135,868	18,116
20	331	Contributed Transmission & Distribution Mains - Year 3	1,332,500	2,013	7	2.33	201,807	31,047
21	331	Contributed Transmission & Distribution Mains - Year 4	2,222,500	2,014	6	2.33	284,813	51,784
22	331	Contributed Transmission & Distribution Mains - Year 5	3,777,500	2,015	5	2.33	396,071	88,016
23	331	Contributed Transmission & Distribution Mains - Year 6	5,000,000	2,016	4	2.33	407,750	116,500
24	331	Contributed Transmission & Distribution Mains - Year 7	5,445,000	2,017	3	2.33	317,171	126,869
25	331	Contributed Transmission & Distribution Mains - Year 8	6,110,000	2,018	2	2.33	213,545	142,363
26	331	Contributed Transmission & Distribution Mains - Year 9	7,222,500	2,019	1	2.33	84,142	168,284
27	334	Meters & Installations - Year 1	13,200	2,011	9	5.00	5,610	660
28	334	Meters & Installations - Year 2	93,300	2,012	8	5.00	34,988	4,665
29	334	Meters & Installations - Year 3	159,900	2,013	7	5.00	51,968	7,995
30	334	Meters & Installations - Year 4	266,700	2,014	6	5.00	73,343	13,335
31	334	Meters & Installations - Year 5	453,300	2,015	5	5.00	101,993	22,665
32	334	Meters & Installations - Year 6	600,000	2,016	4	5.00	105,000	30,000
33	334	Meters & Installations - Year 7	653,400	2,017	3	5.00	81,675	32,670
34	334	Meters & Installations - Year 8	733,200	2,018	2	5.00	54,990	36,660
35	334	Meters & Installations - Year 9	866,700	2,019	1	5.00	21,668	43,335
35		Total	\$105,693,126				\$ 17,984,221	\$ 3,217,523

36 Note: Meters and meter installations are based on projected ERC absorption per year and a proposed charge of \$300 per
37 meter. See Schedule No B-8 for calculation of the proposed meter charge.

Town & Country Utilities Company
Original Certificate Application
Calculation of Proposed Water Service Availability Charges, CIAC Level at Build-out of Phase 2 Plant and
Statement Regarding Proposed Service Availability Policy

Line No.	Plant Cost	Plant Capacity (ERC's)	Total Cost per ERC	Proposed Capacity Charge per ERC
1	<u>Calculation of Proposed Plant Capacity Charge</u>			
2	Plant cost per Schedule No. B-3 (excluding			
3	Meters and Contributed Property) (note 1)			
	\$ 65,887,618	13,333	\$ 4,942	\$ 2,700
4	<u>Calculation of Main Extension Charge</u>			
5	Total cost of contributed transmission & distribution mains			
	\$ 31,997,500	12,799	\$ 2,500	\$ 2,500
6	<u>Calculation of Meter & Installation Fee (5/8x3/4")</u>			
7	Cost of ERT meter & fittings			
8	Meter Box			
9	Installation - outside contractor			
10	Administration			
11	\$ 200	20	60	280
12	300	20	20	300
13	<u>CIAC Level at Build-out of Phase 2</u>			
14	Utility plant in service			\$ 106,413,126
15	Accumulated depreciation			(17,984,221)
16	Net plant related to future phases			(4,688,308)
17	Net Plant			83,740,597
18	CIAC			70,394,500
19	Accumulated amortization of CIAC			(5,692,333)
20	Net CIAC			64,702,167
21	Net Investment			\$ 19,038,430
22	Percent CIAC			77.26%
23	Percent Investment			22.74%
24	Total			100.00%
25	<u>Statement Regarding Proposed Service Availability Policy</u>			
26	The Company proposes a service availability policy based on a plant capacity charge and meter fees,			
27	as well as developer contribution of the on-site transmission and distribution mains. This policy is designed to			
28	comply with the CIAC Guideline Levels in Rule 25-30.580.			
29	Note 1: The plant cost on which the proposed service availability charge is based is as follows:			
30	Total plant cost per Schedule No. B-3 .			\$ 106,413,126
31	Less contributed transmission & distribution mains			(31,997,500)
32	less Meters & installations			(3,839,700)
33	Less net plant related to future phases			(4,688,308)
34	Costs to be recovered in service availability charge			\$ 65,887,618

Town & Country Utilities Company
Original Certificate Application
CIAC , Accumulated Amortization of CIAC and Annual Amortization
When Water Plant is Operating at Designed Capacity of Phase 2 Plant

Line No.	Year	Description	No. of New ERC's	Proposed Charge Per ERC	Total CIAC	Amortization Rate(1)	Factor For Years to Build-out	Accumulated Amortization	Annual Amortization	
1	1	Plant Capacity Charge	44	\$ 2,700	\$ 118,800	3.24%	8.5	\$ 32,718	3,849	
2		Meter Fees	44	300	13,200	5.00%	8.5	5,610	660	
3		Contributed On-site Mains	44	2,500	110,000	2.33%	8.5	21,786	2,563	
4	2	Plant Capacity Charge	311	2,700	839,700	3.24%	7.5	204,047	27,206	
5		Meter Fees	311	300	93,300	5.00%	7.5	34,988	4,665	
6		Contributed On-site Mains	311	2,500	777,500	2.33%	7.5	135,868	18,116	
7	3	Plant Capacity Charge	533	2,700	1,439,100	3.24%	6.5	303,074	46,627	
8		Meter Fees	533	300	159,900	5.00%	6.5	51,968	7,995	
9		Contributed On-site Mains	533	2,500	1,332,500	2.33%	6.5	201,807	31,047	
10	4	Plant Capacity Charge	889	2,700	2,400,300	3.24%	5.5	427,733	77,770	
11		Meter Fees	889	300	266,700	5.00%	5.5	73,343	13,335	
12		Contributed On-site Mains	889	2,500	2,222,500	2.33%	5.5	284,813	51,784	
13	5	Plant Capacity Charge	1511	2,700	4,079,700	3.24%	4.5	594,820	132,182	
14		Meter Fees	1511	300	453,300	5.00%	4.5	101,993	22,665	
15		Contributed On-site Mains	1511	2,500	3,777,500	2.33%	4.5	396,071	88,016	
16	6	Plant Capacity Charge	2000	2,700	5,400,000	3.24%	3.5	612,360	174,960	
17		Meter Fees	2000	300	600,000	5.00%	3.5	105,000	30,000	
18		Contributed On-site Mains	2000	2,500	5,000,000	2.33%	3.5	407,750	116,500	
19	7	Plant Capacity Charge	2178	2,700	5,880,600	3.24%	2.5	476,329	190,531	
20		Meter Fees	2178	300	653,400	5.00%	2.5	81,675	32,670	
21		Contributed On-site Mains	2178	2,500	5,445,000	2.33%	2.5	317,171	126,869	
22	8	Plant Capacity Charge	2444	2,700	6,598,800	3.24%	1.5	320,702	213,801	
23		Meter Fees	2444	300	733,200	5.00%	1.5	54,990	36,660	
		Contributed On-site Mains	2444	2,500	6,110,000	2.33%	1.5	213,545	142,363	
24	9	Plant Capacity Charge	2889	2,700	7,800,300	3.24%	0.5	126,365	252,730	
25		Meter Fees	2889	300	866,700	5.00%	0.5	21,668	43,335	
26		Contributed On-site Mains	<u>2889</u>	2,500	<u>7,222,500</u>	2.33%	0.5	<u>84,142</u>	<u>168,284</u>	
27		Total	<u>12,799</u>		<u>\$ 70,394,500</u>			<u>\$ 5,692,333</u>	<u>\$ 2,057,183</u>	
28		Note (1): The composite amortization rate for capacity charges was calculated as follows:								
29		Total depreciation expense						\$ 3,217,523		
30		Less depreciation expense - contributed property & meters						(937,527)		
		Less depreciation on future phase property						<u>(169,242)</u>		
31		System depreciation expense						<u>\$ 2,110,754</u>		
32		Total plant excluding land, contributed property, meters & future phase property						<u>\$ 65,167,618</u>		
33		Composite capacity charge amortization rate						<u>3.24%</u>		

Town & Country Utilities Company
Original Certificate Application
Constructed Statement of Operations - Water
When Operating at the Designed Capacity of Phase 2 Plant

Line No.		Estimated Amount	Proforma Adjustments	Proforma Amount	Schedule Reference
1	Operating Revenue		<u>\$ 7,056,572</u> (A)	<u>\$ 7,056,572</u>	
2	Operating Expenses:				
3	O&M expense	\$ 3,051,907		3,051,907	B-11
4	Depreciation	3,217,523	(169,242) (C)	3,048,281	B-7
5	Amortization of CIAC	(2,057,183)		(2,057,183)	B-9
6	Taxes other than income	948,228	317,546 (B)	1,265,774	B-12
7	Income Taxes	-	-	-	
8		<u>5,160,475</u>	<u>148,304</u>	<u>5,308,779</u>	
9	Operating Income (loss)	<u>\$ (5,160,475)</u>	<u>\$ 6,908,267</u>	<u>\$ 1,747,793</u>	
10	Rate Base	<u>\$ 19,419,919</u>		<u>\$ 19,419,919</u>	B-1
11	Rate of Return	<u>-26.57%</u>		<u>9.00%</u>	A-2
12	<u>Proforma Adjustments:</u>				
13	(A) Total revenue requested to realize an 9.00% rate of return			<u>\$ 7,056,572</u>	
14	(B) <u>Regulatory assessment fees (RAF's):</u>				
15	Total revenue requested			\$ 7,056,572	
16	RAF rate			4.50%	
17	Regulatory Assessment Fees			<u>\$ 317,546</u>	
18	(C) <u>Depreciation expense</u>				
19	Total depreciation expense			\$ 3,217,523	B-7
20	Total Plant allocated to future phases		\$ 5,938,629		B-2
21	Less Land allocated to future Phases		<u>(374,400)</u>		B-2
22	Depreciable future Phase plant		<u>\$ 5,564,229</u>		
23	Divide by total depreciable plant		<u>\$ 105,693,126</u>		B-7
24	Percentage of depreciation expense related to future Phases			<u>5.26%</u>	
25	Depreciation related to future Phase plant			<u>\$ 169,242</u>	

Town & Country Utilities Company
Original Certificate Application
Detail of Proforma Water O&M Expenses and
Engineer's Estimate of Plant Operating Expenses
When Operating at the Designed Capacity of Phase 2 Plant

Line No.	NARUC Acct. No.	Description	Estimated Amount
1	601	Salaries & Wages (1)	\$ 759,718
2	615	Purchased Power (1)	709,070
3	618	Chemicals (1)	360,163
4		Contractual Services:	
5	631	Engineering (1)	22,510
6	632	Outside Accounting - Annual Report, RAF Return, Index Adjustments	
7		& Tax Returns	10,000
8	633	Legal (1)	18,008
9	634	Testing (1)	38,267
10	635	Management Fees (Accounting, Customer Accounts, Billing, Management)	200,000
11	636	Membrane replacement (1)	135,061
12	636	Contract plant operation & maintenance (1)	450,203
13	655	Insurance - Property, Casualty & Liability (1)	180,081
14	675	Miscellaneous (1)	<u>168,826</u>
15		Total estimated O&M expense	<u>\$ 3,051,907</u>
16		(1) Per engineering estimate of CDM Engineering. Other costs were estimated by	
17		Carlstedt, Jackson, Nixon, and Wilson, CPA's, based on their experience with costs for	
18		similar sized utilities.	

Town & Country Utilities Company
Original Certificate Application
Water Projected Taxes Other Than Income Taxes
When Plant is Operating at the Design Capacity of Phase 2 Plant

Line No.	<u>Description</u>	<u>Cost</u>	<u>Millage Rate</u>	<u>Projected Tax</u>	<u>Reference</u>
1	<u>Real Estate & Personal Property</u>				
2	Total projected cost - Phases 1 & 2	\$ 106,413,126			B-3
3	Accumulated depreciation when operating at the				
4	designed capacity of Phases 1 & 2	(17,984,221)			B-3, B-7
5	Net plant allocated to future phases	<u>(4,688,308)</u>			B-2
6	Estimated taxable value	<u>\$ 83,740,597</u>	<u>1.13234%</u>	<u>\$ 948,228</u>	

Town & Country Utilities Company
Original Certificate Application
Water Service Rate Computation

Line No.	Description	Percent Allocation		Rate Component		
		Total	BFC	Gallorage	BFC	Gallorage
1	Operation & Maintenance (O&M):					
2	Salaries & Wages	\$ 759,718	50.00%	50.00%	\$ 379,859	\$ 379,859
3	Purchased Power	709,070	50.00%	50.00%	354,535	354,535
4	Chemicals	360,163	50.00%	50.00%	180,082	180,082
5	Contractual Services:					
6	Engineering	22,510	50.00%	50.00%	11,255	11,255
7	Outside Accounting - Annual Report, RAF Return, Index					
8	Adjustments & Tax Returns	10,000	50.00%	50.00%	5,000	5,000
9	Legal	18,008	50.00%	50.00%	9,004	9,004
10	Testing	38,267	50.00%	50.00%	19,134	19,134
11	Management Fees (Accounting, Customer Accounts,					
12	Billing, Management)	200,000	40.00%	60.00%	80,000	120,000
13	Membrane replacement	135,061	50.00%	50.00%	67,531	67,531
14	Contract plant operation & maintenance	450,203	50.00%	50.00%	225,102	225,102
15	Insurance - Property, Casualty & Liability	180,081	0.00%	100.00%	-	180,081
16	Miscellaneous	<u>168,826</u>	50.00%	50.00%	84,413	84,413
17	Total Estimated O&M Expenses	<u>3,051,907</u>				
18	Depreciation Expense - Net	<u>991,098</u>	75.00%	25.00%	743,324	247,775
19	Taxes Other than Income:					
20	Real estate & property taxes	948,228	50.00%	50.00%	474,114	474,114
21	Regulatory Assessment Fees	<u>317,546</u>	50.00%	50.00%	158,773	158,773
22		<u>1,265,774</u>				
23	Income Taxes	-	100.00%	0.00%	-	-
24	Operating Income	<u>1,747,793</u>	0.00%	100.00%	-	<u>1,747,793</u>
25	Total revenue requested	<u>\$ 7,056,572</u>			<u>\$ 2,792,124</u>	<u>\$ 4,264,448</u>
26	Gallorage revenue in first block					<u>\$ 2,771,891</u>
27	Gallorage revenue in second block					<u>\$ 1,492,557</u>
28	No. of ERC's at capacity operation of Phases 1 & 2				12,799	12,799
29	No of months/ 5,000 gallons per month usage in first block (000)				<u>12</u>	<u>5</u>
30	Annual No. of monthly ERC's / GPD for 5,000 gallons per month usage				<u>153,588</u>	63,995
31	Months					<u>12</u>
32	Annual No. of gallons at 5,000 gallons per month usage per ERC (000)					767,940
33	Total annual gallons sold @ 225GPD (000) (225 x 365 x 12,799 ERC's / 1,000)					<u>1,051,118</u>
34	Annual gallons in 2nd block (000)					<u>283,178</u>
35					<u>\$ 18.18</u>	
36	Gallorage rate first block (0 - 5,000 gallons)					<u>\$ 3.61</u>
37	Gallorage rate 2nd block (over 5,000 gallons usage)					<u>\$ 5.27</u>

Town & Country Utilities Company
Original Certificate Application
Proforma Wastewater Rate Base, Rate of Return and Operating Income
When Operating at the Designed Capacity of Phase 3 Plant

Line No.		Schedule Reference	Proforma Balance
1	Utility Plant in Service	C-3	\$ 147,163,449
2	Capacity related to future Phases	C-2	(4,159,736)
3	Accumulated Depreciation	C-3, C-7	(23,490,205)
4	Contributions in Aid of Construction (CIAC)	C-9	(99,832,200)
5	Accumulated Amortization of CIAC	C-9	<u>7,962,821</u>
6			27,644,129
7	Allowance For Working Capital (1)		<u>385,709</u>
8	Proforma Rate Base		<u>\$ 28,029,838</u>
9	Proforma Rate of Return	A-2	<u>9.00%</u>
10	Proforma Operating Income	C-10	<u>\$ 2,522,685</u>
11	Note (1): Based on 12.5% of O&M expense per Schedule No. C-10.		

Town & Country Utilities Company
Original Certificate Application
Allocation of Estimated Wastewater Plant Costs Incurred in Phases 1 Through 3 to Future Development Phases

Line No.	Description	Account No.	Cost	Phases Sized For	ADF Sized Flow (MGD)	ADF Phase 3 Flow (MGD)	Phase 3 Percent	Future Phases Percent	Future Phases Costs	Factor for AFUDC & Other Alloc. Costs (1)	Total Future Phase Costs	Total Accum. Depr.	Factor for Accum. Depr. (2)	Future Phase Accum. Depr.
1	Organization Costs	351	\$ 250,000	4	5.38	2.59	48.14%	51.86%	\$ 129,650	-	\$ 129,650	\$ 53,125	0.5186	\$ 27,551
2	Land	353	1,080,000	4	5.38	2.59	48.14%	51.86%	560,088	-	560,088	-	-	-
3	Structures & Improvements:	354												
4	Wellheads, piping & equipment		90,000	4	5.38	2.59	48.14%	51.86%	46,674	1.386	64,690	5,028,439	0.0021	10,560
5	Reuse Transmission Main	375	3,800,000	4	5.38	2.59	48.14%	51.86%	1,970,680	1.386	2,731,362	978,450	0.5186	507,424
6	Other Plant / Miscellaneous Eq.:	389												
7	Tube & packer injection well		2,190,000	4	5.38	2.59	48.14%	51.86%	1,135,734	1.386	1,574,127			
8	Monitoring well		720,000	4	5.38	2.59	48.14%	51.86%	373,392	1.386	517,521			
			2,910,000						1,509,126		2,091,649	2,522,906	0.3457	872,169
9	Total		\$ 8,130,000						\$ 4,216,218		\$ 5,577,439	\$ 8,529,795		\$ 1,417,703

10 Notes: (1) The factor for allocating AFUDC, engineering & construction management costs was determined by dividing the total costs for each plant account including such costs by the total cost
11 of each plant account before allocation per Schedules No C-3 & C4.

12 (2) Total Future Phase plant costs for each respective account divided by the related total plant cost shown on Schedule C-3.

13 (3) Net plant allocated to future Phases is calculated as follows:

14	Total future Phases cost	\$ 5,577,439
15	Accumulated depreciation	(1,417,703)
16	Net future Phase cost	\$ 4,159,736

Town & Country Utilities Company
Original Certificate Application
Summary of Proposed Wastewater Utility Plant Cost, Capacities, Accumulated Depreciation and Expense
When Operating at the Designed Capacity of Phase 3 Plant

Line No.	NARUC Acct. No.	Description	Estimated	PSC	Depreciation	Accumulated	Capacities (2)	
			Original Cost	Depreciation Rate %	Expense	Depreciation	ERC's	Gallons (MGD)
1	351	Organization (1)	\$ 250,000	2.50	\$ 6,250	\$ 53,125	23,911	5.38
2	353	Land	1,080,000	-	-	-	23,911	5.38
3	354	Structures & Improvements	30,963,037	3.13	969,143	5,028,439	11,956	2.69
4	355	Power Generation Equipment	1,039,640	5.00	51,982	238,699	11,956	2.69
5	360	Collection Sewers-Force (Spine System)	6,375,140	3.33	212,292	1,712,199	11,956	2.69
6	361	Collection Sewers-Gravity (Contributed On-site)	51,196,000	2.22	1,136,550	3,144,898	11,956	2.69
7	370	Receiving Wells (Master Force Main Pump Sta.)	13,860,551	3.33	461,557	3,553,983	11,956	2.69
8	371	Pumping Equipment	4,503,788	5.56	250,411	1,149,882	11,956	2.69
9	374	Reuse Distribution Reservoirs	8,316,331	2.70	224,540	1,549,341	11,956	2.69
10	375	Reuse Transmission & Distribution Main	5,266,455	2.33	122,709	978,450	23,911	5.38
11	380	Treatment & Disposal Equipment	9,252,799	5.56	514,456	2,374,971	11,956	2.69
12	381	Plant Sewers	9,009,160	2.86	257,663	1,183,312	11,956	2.69
13	389	Other Plant & Miscellaneous Equipment	6,050,548	5.56	336,411	2,522,906	23,911	5.38
14		Total	<u>\$ 147,163,449</u>		<u>\$ 4,543,964</u>	<u>\$ 23,490,205</u>	<u>11,956</u>	<u>2.69</u>

15 Notes:(1) Organization costs are based on 50% of the total estimated legal, accounting and engineering costs incurred to
16 obtain an original PSC certificate and initial rates. Such costs have been allocated equally between water & wastewater.

17 (2) The AADF capacity of Phase 3 plant is 2.69 MGD, as presented in the Engineering Report prepared by CDM
18 Engineering. However, because 80% of ADF capacity is reached in early 2019, we have used the predicted flow at the end
19 2019 for purposes of calculating the initial rates and charges requested. Such flow amounts to approximately 96% of the AADF
20 capacity. This will benefit the customer and recognizes economies of scale. A daily demand of 225 GPD per the engineering report
21 was used to determine the ERC capacity of the Phase 3 plant shown above.

Town & Country Utilities Company
Original Certificate Application
Allocation of Engineering, Permitting, Construction Management & AFUDC to Wastewater Utility Plant in Service
By Phase and Primary Account

Line No.	Actt. No.	Description	Plant Costs Excl. AFUDC	Engineering & Permitting (12%) Construction Mgt. (15%)	Total Costs Before AFUDC	Percent	AFUDC	Total Plant Costs
1	354	Structures & Improvements - Phase 1	\$ 2,130,660	\$ 575,278	\$ 2,705,938	3.12%	247,162	\$ 2,953,100
2	354	Structures & Improvements - Phase 2	9,022,950	2,436,197	11,459,147	13.21%	1,046,476	12,505,623
3	354	Structures & Improvements - Phase 3	11,186,390	3,020,325	14,206,715	16.38%	1,297,599	15,504,314
4	355	Power Generation equipment - Phase 1	46,200	12,474	58,674	0.07%	5,545	64,219
5	355	Power Generation equipment - Phase 2	195,600	52,812	248,412	0.29%	22,973	271,385
6	355	Power Generation equipment - Phase 3	508,200	137,214	645,414	0.74%	58,622	704,036
7	360	Collection Sewers-Force - Phase 1	3,600,000	972,000	4,572,000	5.27%	417,481	4,989,481
8	360	Collection Sewers-Force - Phase 2	1,000,000	270,000	1,270,000	1.46%	115,659	1,385,659
9	370	Receiving wells (master force main pump stations) - Ph. 1	6,000,000	1,620,000	7,620,000	8.79%	696,331	8,316,331
10	370	Receiving wells (master force main pump stations) - Ph. 2	4,000,000	1,080,000	5,080,000	5.86%	464,220	5,544,220
11	371	Pumping equipment - Phase 1	200,000	54,000	254,000	0.29%	22,973	276,973
12	371	Pumping equipment - Phase 2	850,000	229,500	1,079,500	1.24%	98,231	1,177,731
13	371	Pumping equipment - Phase 3	2,200,000	594,000	2,794,000	3.22%	255,084	3,049,084
14	374	Reuse Distribution Reservoirs - Phase 1	1,200,000	324,000	1,524,000	1.76%	139,425	1,663,425
15	374	Reuse Distribution Reservoirs - Phase 2	4,800,000	1,296,000	6,096,000	7.03%	556,906	6,652,906
16	375	Reuse transmission & distribution main - Phase 1	2,800,000	756,000	3,556,000	4.10%	324,796	3,880,796
17	375	Reuse transmission & distribution main - Phase 2	1,000,000	270,000	1,270,000	1.46%	115,659	1,385,659
18	380	Treatment & Disposal Equipment - Phase 1	410,000	110,700	520,700	0.61%	48,323	569,023
19	380	Treatment & Disposal Equipment - Phase 2	1,800,000	486,000	2,286,000	2.64%	209,137	2,495,137
20	380	Treatment & Disposal Equipment - Phase 3	4,465,000	1,205,550	5,670,550	6.54%	518,089	6,188,639
21	381	Plant sewers - Phase 1	400,000	108,000	508,000	0.59%	46,739	554,739
22	381	Plant sewers - Phase 2	1,700,000	459,000	2,159,000	2.49%	197,254	2,356,254
23	381	Plant sewers - Phase 3	4,400,000	1,188,000	5,588,000	6.44%	510,167	6,098,167
24	389	Other plant & miscellaneous Equipment (Deepwell) - Ph. 1	2,993,140	808,148	3,801,288	4.38%	346,977	4,148,265
25	389	Other plant & miscellaneous Equipment (Deepwell) - Ph. 2	831,450	224,492	1,055,942	1.22%	96,647	1,152,588
26	389	Other plant & miscellaneous Equipment (Deepwell) - Ph. 3	540,410	145,911	686,321	0.80%	63,375	749,695
27		Total Utility Plant Cost	<u>\$ 68,280,000</u>	<u>\$ 18,435,600</u>	<u>\$ 86,715,600</u>	<u>100.00%</u>	<u>\$ 7,921,849</u>	<u>\$ 94,637,449</u>

28 Note: See Schedule No. C - 5 for allocation of plant components to NARUC primary accounts.

Town & Country Utilities Company
Original Certificate Application
Assignment of Total Wastewater Engineering Cost Data to Primary Plant Accounts - Phases 1 Through 3
Before Engineering, Permitting, Construction Management and AFUDC

Line No.	Eng. Exh. Reference	NARUC Account No.										Total
		354	355	360	370	371	374	375	380	381	389	
1	3-7	<u>Central WWTP cost estimates</u>										
2									\$ 6,500,000		\$ 6,500,000	
3		\$ 8,125,000									8,125,000	
4						\$3,250,000					3,250,000	
5		7,375,000									7,375,000	
6									\$ 6,500,000		6,500,000	
7			\$ 750,000								750,000	
8	3-5	3,900,000									3,900,000	
9		980,000									980,000	
10											<u>37,380,000</u>	
11	2-11	<u>Deep Injection well (50% of cost)</u>										
12										\$ 2,190,000	2,190,000	
13										720,000	720,000	
14		90,000									90,000	
15											<u>3,000,000</u>	
16	3-5	<u>Effluent Reclaimed Water System</u>										
17								\$ 3,800,000			3,800,000	
18						\$6,000,000					6,000,000	
19											<u>9,800,000</u>	
20	4-2	<u>Solids Processing & Biosolids Management</u>										
21									150,000		150,000	
22								1,305,000			1,305,000	
23		1,870,000									1,870,000	
24									175,000		175,000	
29											<u>3,500,000</u>	
25	3-2	<u>Collection & Transmission System (Spine)</u>										
26			\$ 4,600,000								4,600,000	
27					\$10,000,000						10,000,000	
28		-	-	-	-	-	-	-	-	-	<u>14,600,000</u>	
29	Total	<u>\$22,340,000</u>	<u>\$ 750,000</u>	<u>\$ 4,600,000</u>	<u>\$10,000,000</u>	<u>\$3,250,000</u>	<u>\$6,000,000</u>	<u>\$ 3,800,000</u>	<u>\$ 8,130,000</u>	<u>\$ 6,500,000</u>	<u>\$ 2,910,000</u>	<u>\$ 68,280,000</u>

30 Note (1): 25% of the operations / process building cost (Table 2-5) is allocated to wastewater operations.

Town & Country Utilities Company
Original Certificate Application
Wastewater Plant Additions By Phase, Year In-Service and Primary Account
Before Engineering, Permitting, Construction Management and AFUDC

Line No	Account No.		Phase and In-Service Date			
			Phase 1	Phase 2	Phase 3	Total
			2011	2013	2016	
1	354	Structures & Improvements	\$ 2,130,660	\$ 9,022,950	\$ 11,186,390	\$ 22,340,000
2	355	Power Generation Equipment	46,200	195,600	508,200	750,000
3	360	Collection Sewers - Force (Spine)	3,600,000	1,000,000		4,600,000
4	370	Receiving Wells - Force Pump Stations	6,000,000	4,000,000		10,000,000
5	371	Pumping Equipment	200,000	850,000	2,200,000	3,250,000
6	374	Reuse Distribution Reservoirs	1,200,000	4,800,000		6,000,000
7	375	Reuse Transmission & Dist. Main	2,800,000	1,000,000		3,800,000
8	380	Treatment & Disposal Equipment	410,000	1,800,000	4,465,000	6,675,000
9	381	Plant Sewers	400,000	1,700,000	4,400,000	6,500,000
10	389	Other Plant & Misc. Equipment	2,993,140	831,450	540,410	4,365,000
11		Total	<u>\$ 19,780,000</u>	<u>\$ 25,200,000</u>	<u>\$ 23,300,000</u>	<u>\$ 68,280,000</u>

Town & Country Utilities Company
Original Certificate Application
Calculation of Wastewater AFUDC Excluding Organization & Contributed Property

Line No.	Month	Estimated Monthly CWIP Increase	Accumulated CWIP Beginning Of Month	Accumulated CWIP End Of Month	Average CWIP Balance	Monthly AFUDC	Total Capitalized
1	1	\$ 3,613,150		\$ 3,613,150	\$ 1,806,575	\$ 13,021	\$ 3,626,171
2	2	3,613,150	\$ 3,626,171	7,239,321	5,432,746	39,156	7,278,477
3	3	3,613,150	7,278,477	10,891,627	9,085,052	65,479	10,957,106
4	4	3,613,150	10,957,106	14,570,256	12,763,681	91,992	14,662,248
5	5	3,613,150	14,662,248	18,275,398	16,468,823	118,696	18,394,094
6	6	3,613,150	18,394,094	22,007,244	20,200,669	145,593	22,152,837
7	7	3,613,150	22,152,837	25,765,987	23,959,412	172,683	25,938,670
8	8	3,613,150	25,938,670	29,551,820	27,745,245	199,969	29,751,789
9	9	3,613,150	29,751,789	33,364,939	31,558,364	227,451	33,592,390
10	10	3,613,150	33,592,390	37,205,540	35,398,965	255,132	37,460,672
11	11	3,613,150	37,460,672	41,073,822	39,267,247	283,012	41,356,834
12	12	3,613,150	41,356,834	44,969,984	43,163,409	311,093	45,281,077
13	13	3,613,150	45,281,077	48,894,227	47,087,652	339,376	49,233,603
14	14	3,613,150	49,233,603	52,846,753	51,040,178	367,863	53,214,616
15	15	3,613,150	53,214,616	56,827,766	55,021,191	396,556	57,224,322
16	16	3,613,150	57,224,322	60,837,472	59,030,897	425,455	61,262,927
17	17	3,613,150	61,262,927	64,876,077	63,069,502	454,562	65,330,639
18	18	3,613,150	65,330,639	68,943,789	67,137,214	483,880	69,427,669
19	19	3,613,150	69,427,669	73,040,819	71,234,244	513,408	73,554,227
20	20	3,613,150	73,554,227	77,167,377	75,360,802	543,150	77,710,527
21	21	3,613,150	77,710,527	81,323,677	79,517,102	573,105	81,896,782
22	22	3,613,150	81,896,782	85,509,932	83,703,357	603,277	86,113,209
23	23	3,613,150	86,113,209	89,726,359	87,919,784	633,666	90,360,025
24	24	<u>3,613,150</u>	<u>90,360,025</u>	<u>93,973,175</u>	<u>92,166,600</u>	<u>664,274</u>	<u>94,637,449</u>
25	TOTAL	<u>\$ 86,715,600</u>				<u>\$ 7,921,849</u>	<u>\$ 94,637,449</u>

26 Note: AFUDC is based on the annual rate of return (Schedule No. A-2) discounted to a
27 monthly rate of 0.72073233% .

Town & Country Utilities Company
Original Certificate Application
Projected Wastewater Accumulated Depreciation and Expense
When Operating at the Designed Capacity of Phase 3 Plant

Line No.	NARUC Acct. No.	Description	Estimated Cost	Year in Service	Years to Design Capacity	PSC Depreciation Rate	Accumulated Depreciation	Depreciation Expense
1	351	Organization	\$ 250,000	2,011	9	2.50	\$ 53,125	\$ 6,250
2	354	Structures & Improvements - Phase 1	2,953,100	2,011	9	3.13	785,672	92,432
3	354	Structures & Improvements - Phase 2	12,505,623	2,013	7	3.13	2,544,269	391,426
4	354	Structures & Improvements - Phase 3	15,504,314	2,016	4	3.13	1,698,498	485,285
5	355	Power Generation equipment - Phase 1	64,219	2,011	9	5.00	27,293	3,211
6	355	Power Generation equipment - Phase 2	271,385	2,013	7	5.00	88,200	13,569
7	355	Power Generation equipment - Phase 3	704,036	2,016	4	5.00	123,206	35,202
8	360	Collection Sewers-Force - Phase 1	4,989,481	2,011	9	3.33	1,412,273	166,150
9	360	Collection Sewers-Force - Phase 2	1,385,659	2,013	7	3.33	299,926	46,142
10	361	Contributed Gravity Mains (on-site)	176,000	2,011	9	2.22	33,211	3,907
11	361	Contributed Gravity Mains (on-site)	1,244,000	2,012	8	2.22	207,126	27,617
12	361	Contributed Gravity Mains (on-site)	2,132,000	2,013	7	2.22	307,648	47,330
13	361	Contributed Gravity Mains (on-site)	3,556,000	2,014	6	2.22	434,188	78,943
14	361	Contributed Gravity Mains (on-site)	6,044,000	2,015	5	2.22	603,796	134,177
15	361	Contributed Gravity Mains (on-site)	8,000,000	2,016	4	2.22	621,600	177,600
16	361	Contributed Gravity Mains (on-site)	8,712,000	2,017	3	2.22	483,516	193,406
17	361	Contributed Gravity Mains (on-site)	9,776,000	2,018	2	2.22	325,541	217,027
18	361	Contributed Gravity Mains (on-site)	11,556,000	2,019	1	2.22	128,272	256,543
19	370	Receiving wells - force main pump stations - Ph. 1	8,316,331	2,011	9	3.33	2,353,937	276,934
20	370	Receiving wells - force main pump stations - Ph. 2	5,544,220	2,013	7	3.33	1,200,046	184,623
21	371	Pumping equipment - Phase 1	276,973	2,011	9	5.56	130,898	15,400
22	371	Pumping equipment - Phase 2	1,177,731	2,013	7	5.56	425,632	65,482
23	371	Pumping equipment - Phase 3	3,049,084	2,016	4	5.56	593,352	169,529
24	374	Reuse Distribution Reservoirs - Phase 1	1,663,425	2,011	9	2.70	381,756	44,912
25	374	Reuse Distribution Reservoirs - Phase 2	6,652,906	2,013	7	2.70	1,167,585	179,628
26	375	Reuse transmission & distribution main - Phase 1	3,880,796	2,011	9	2.33	768,592	90,423
27	375	Reuse transmission & distribution main - Phase 2	1,385,659	2,013	7	2.33	209,858	32,286
28	380	Treatment & Disposal Equipment - Phase 1	569,023	2,011	9	5.56	268,920	31,638
29	380	Treatment & Disposal Equipment - Phase 2	2,495,137	2,013	7	5.56	901,742	138,730
30	380	Treatment & Disposal Equipment - Phase 3	6,188,639	2,016	4	5.56	1,204,309	344,088
31	381	Plant sewers - Phase 1	554,739	2,011	9	2.86	134,857	15,866
32	381	Plant sewers - Phase 2	2,356,254	2,013	7	2.86	438,028	67,389
33	381	Plant sewers - Phase 3	6,098,167	2,016	4	2.86	610,427	174,408
34	389	Other plant & misc. Equipment - Phase 1	4,148,265	2,011	9	5.56	1,960,470	230,644
35	389	Other plant & misc. Equipment - Phase 2	1,152,588	2,013	7	5.56	416,545	64,084
36	389	Other plant & misc. Equipment - Phase 3	749,695	2,016	4	5.56	145,891	41,683
37		Total	\$ 146,083,449				\$ 23,490,205	\$ 4,543,964

Town & Country Utilities Company
Original Certificate Application
Calculation of Proposed Wastewater Service Availability Charges, CIAC Level at Build-out of Phase 3 Plant
and Statement Regarding Proposed Service Availability Policy

Line No.	<u>Plant Cost</u>	<u>Plant Capacity (ERC's)</u>	<u>Total Cost per ERC</u>	<u>Proposed Capacity Charge per ERC</u>
1	<u>Calculation of Proposed Plant Capacity charge</u>			
2				
3	\$ 91,807,713	13,333	\$ 6,886	\$ 3,800
4	<u>Calculation of Proposed Main Extension Charge</u>			
5	\$ 51,196,000	12,799	\$ 4,000	\$ 4,000
6	<u>CIAC Level at Build-out of Phase 3</u>			
7				\$ 147,163,449
8				(23,490,205)
9				<u>(4,159,736)</u>
10				<u>119,513,508</u>
11				99,832,200
12				<u>(7,962,821)</u>
13				<u>91,869,379</u>
14				<u>\$ 27,644,129</u>
15				76.87%
16				<u>23.13%</u>
17				<u>100.00%</u>
18	<u>Statement Regarding Proposed Service Availability Policy</u>			
19	The Company proposes a service availability policy based on a plant capacity charge as well as developer			
20	contribution of the on-site collection mains. This policy is designed to generally comply with			
21	the CIAC Guideline Levels in Rule 25-30.580.			
22	Note 1: The total plant cost on which the proposed service availability charge is based is as follows:			
23				\$ 147,163,449
24				(51,196,000)
25				<u>(4,159,736)</u>
26				<u>\$ 91,807,713</u>

Town & Country Utilities Company
Original Certificate Application
CIAC , Accumulated Amortization of CIAC and Annual Amortization
When Wastewater Plant is Operating at the Designed Capacity of Phase 3 Plant

Line No.	Year	Description	No. of New ERC's	Proposed Charge Per ERC	Total CIAC	Amortization Rate(1)	Factor For Years to Build-out	Accumulated Amortization	Annual Amortization	
1	1	System Capacity Charge - plant	44	\$ 3,800	\$ 167,200	3.58%	8.5	\$ 50,879	\$ 5,986	
2		Contributed On-site Property	44	4,000	176,000	2.22%	8.5	33,211	3,907	
3	2	System Capacity Charge - plant	311	3,800	1,181,800	3.58%	7.5	317,313	42,308	
4		Contributed On-site Property	311	4,000	1,244,000	2.22%	7.5	207,126	27,617	
5	3	System Capacity Charge - plant	533	3,800	2,025,400	3.58%	6.5	471,311	72,509	
6		Contributed On-site Property	533	4,000	2,132,000	2.22%	6.5	307,648	47,330	
7	4	System Capacity Charge - plant	889	3,800	3,378,200	3.58%	5.5	665,168	120,940	
8		Contributed On-site Property	889	4,000	3,556,000	2.22%	5.5	434,188	78,943	
9	5	System Capacity Charge - plant	1,511	3,800	5,741,800	3.58%	4.5	925,004	205,556	
10		Contributed On-site Property	1,511	4,000	6,044,000	2.22%	4.5	603,796	134,177	
11	6	System Capacity Charge - plant	2,000	3,800	7,600,000	3.58%	3.5	952,280	272,080	
12		Contributed On-site Property	2,000	4,000	8,000,000	2.22%	3.5	621,600	177,600	
13	7	System Capacity Charge - plant	2,178	3,800	8,276,400	3.58%	2.5	740,738	296,295	
14		Contributed On-site Property	2,178	4,000	8,712,000	2.22%	2.5	483,516	193,406	
15	8	System Capacity Charge - plant	2,444	3,800	9,287,200	3.58%	1.5	498,723	332,482	
16		Contributed On-site Property	2,444	4,000	9,776,000	2.22%	1.5	325,541	217,027	
17	9	System Capacity Charge - plant	2,889	3,800	10,978,200	3.58%	0.5	196,510	393,020	
18		Contributed On-site Property	<u>2,889</u>	4,000	<u>11,556,000</u>	2.22%	0.5	<u>128,272</u>	<u>256,543</u>	
19		Total	<u>12,799</u>		<u>\$ 99,832,200</u>			<u>\$ 7,962,821</u>	<u>\$ 2,877,727</u>	
20		Note (1): The composite amortization rate for capacity charges is calculated as follows:								
21		Total depreciation expense						\$ 4,543,964		
22		Less depreciation expense - contributed property						(1,136,550)		
23		Less depreciation on future phase property						<u>(155,858)</u>		
24		System depreciation expense						<u>\$ 3,251,556</u>		
25		Total plant excluding land, contributed property & future phase property						<u>\$90,727,713</u>		
26		Composite capacity charge amortization rate						<u>3.58%</u>		

Town & Country Utilities Company
Original Certificate Application
Constructed Statement of Operations - Wastewater
When Operating at the Designed Capacity of Phase 3 Plant

Line No.	Estimated Amount	Proforma Adjustments	Proforma Amount	Schedule Reference	
1	Operating Revenue		\$ 8,871,243 (A)	\$ 8,871,243	
2	Operating Expenses:				
3	O&M expense (note 1)	\$ 3,085,674		3,085,674	C-11
4	Depreciation	4,543,964	(155,858) (C)	4,388,106	C-7
5	Amortization of CIAC	(2,877,727)		(2,877,727)	C-9
6	Taxes other than income	1,353,299	399,206 (B)	1,752,505	C-12
7	Income Taxes	-	-	-	
8		<u>6,105,210</u>	<u>243,348</u>	<u>6,348,558</u>	
9	Operating Income (loss)	<u>\$ (6,105,210)</u>	<u>\$ 8,627,895</u>	<u>\$ 2,522,685</u>	C-1
10	Rate Base	<u>\$ 28,029,838</u>		<u>\$ 28,029,838</u>	C-1
11	Rate of Return	<u>-21.78%</u>		<u>9.00%</u>	A-2
12	Proforma Adjustments:				
13	(A) Total revenue requested to realize an 9.00% rate of return			<u>\$ 8,871,243</u>	
14	(B) <u>Taxes Other than Income</u>				
15	<u>Regulatory assessment fees (RAF's):</u>				
16	Total revenue requested			\$ 8,871,243	
17	RAF rate			<u>4.50%</u>	
18	Regulatory Assessment Fees			<u>\$ 399,206</u>	
19	(C) <u>Depreciation expense</u>				
20	Total depreciation expense			\$ 4,543,964	C-7
21	Total Plant allocated to future phases	\$ 5,577,439			C-2
22	Less Land allocated to future Phases	<u>(560,088)</u>			C-2
23	Depreciable future Phase plant	<u>\$ 5,017,351</u>			
24	Divide by total depreciable plant	<u>\$ 146,083,449</u>			C-7
25	Percentage of depreciation expense related to future Phases			<u>3.43%</u>	
26	Depreciation related to future Phase plant			<u>\$ 155,858</u>	

Town & Country Utilities Company
Original Certificate Application
Detail of Proforma Wastewater O&M Expenses and
Engineer's Estimate of Plant Operating Expenses
When Operating at the Designed Capacity of Phase 3 Plant

Line No.	NARUC Acct. No.	Description	Estimated Amount
1	701	Salaries & Wages (1)	\$ 799,111
2	711	Sludge Removal (1)	562,754
3	715	Purchased Power (1)	382,673
4	718	Chemicals (1)	99,045
5		Contractual Services:	
6	731	Engineering (1)	45,020
7	732	Outside Accounting - Annual Report, RAF Return, Index	
8		Adjustments, and Tax Returns	10,000
9	733	Legal (1)	27,012
10	734	Testing (1)	48,397
11	735	Management Fees (Accounting, Customer Accounts,	
12		Billing, Management)	200,000
13	736	Contract Plant Operation, Maintenance & Management (1)	467,086
14	755	Insurance - Property, Casualty & Liability (1)	236,357
15	775	Miscellaneous (1)	<u>208,219</u>
16		Total estimated O&M expense	<u>\$ 3,085,674</u>
17		(1) Per engineering estimate of CDM Engineering. Other costs were	
18		estimated by Carlstedt, Jackson, Nixon, and Wilson, CPA's, based on their	
19		experience with costs for similar sized utilities.	

Town & Country Utilities Company
Original Certificate Application
Wastewater Projected Taxes Other Than Income Taxes
When Plant is Operating at the Design Capacity of Phase 3 Plant

Line No.	Description	Cost	Millage Rate	Projected Tax	Reference
1	<u>Real Estate & Personal Property</u>				
2	Total projected cost	\$ 147,163,449			C-3
3	Accumulated depreciation when operating at the				
4	designed capacity of Phase 3	(23,490,205)			C-7
5	Net plant allocated to future phases	<u>(4,159,736)</u>			C-2
6	Estimated taxable value	<u>\$ 119,513,508</u>	<u>1.13234%</u>	<u>\$ 1,353,299</u>	

Town & Country Utilities Company
Original Certificate Application
Proposed Wastewater Service Rate Calculations

Line No.		Total	Percent Allocation		Rate Component	
			BFC	Gallorage	BFC	Gallorage
1	<u>Operation & Maintenance (O&M):</u>					
2	Salaries & Wages	799,111	50.00%	50.00%	399,556	399,556
3	Sludge Removal	562,754	50.00%	50.00%	281,377	281,377
4	Purchased Power	382,673	50.00%	50.00%	191,337	191,337
5	Chemicals	99,045	50.00%	50.00%	49,523	49,523
6	Contractual Services:					
7	Engineering	45,020	50.00%	50.00%	22,510	22,510
8	Outside Accounting - Annual Report, RAF Return, Index				-	-
9	Adjustments & Tax Returns	10,000	50.00%	50.00%	5,000	5,000
10	Legal	27,012	50.00%	50.00%	13,506	13,506
11	Testing	48,397	50.00%	50.00%	24,199	24,199
12	Management Fees (Accounting, Customer Accounts, Billing, Management)	200,000	50.00%	50.00%	100,000	100,000
14	Contract Plant Operation, Maintenance & Management	467,086	50.00%	50.00%	233,543	233,543
15	Insurance - Property, Casualty & Liability	236,357	50.00%	50.00%	118,179	118,179
16	Miscellaneous	208,219	50.00%	50.00%	104,110	104,110
17	Total Estimated O&M Expenses	<u>3,085,674</u>			-	-
18	Depreciation Expense - Net	<u>1,510,379</u>	50.00%	50.00%	755,189	755,189
19	<u>Taxes Other than Income:</u>					
20	Real estate & property taxes	1,353,299	50.00%	50.00%	676,650	676,650
21	Regulatory Assessment Fees	<u>399,206</u>	50.00%	50.00%	199,602	199,603
22		<u>1,752,505</u>			-	-
23	<u>Income Taxes</u>	-	10.00%	90.00%	-	-
24	<u>Operating Income</u>	<u>2,522,685</u>	25.00%	75.00%	<u>630,671</u>	<u>1,892,014</u>
25	Total revenue requested	8,871,243			3,804,949	5,066,293
26	Less: Reuse Revenue	<u>(283,605)</u>	0.00%	100.00%	-	<u>(283,605)</u>
27	Net revenue for service rate calculations	<u>\$ 8,587,638</u>			<u>\$ 3,804,949</u>	<u>\$ 4,782,688</u>
28	No. of ERC's at build-out level of operation - Phase 3				12,799	12,799
29	No of months				<u>12</u>	
30	Annual No. of monthly ERC's / average daily demand per ERC (gpd)				<u>153,588</u>	<u>225</u>
31	Daily average usage at 225 gpd					<u>2,879,775</u>
32	Days in year					<u>365</u>
33	Estimated annual gallons sold - thousands					<u>1,051,118</u>
34	Residential gallons					<u>831,351</u>
35	General Service gallons					<u>219,767</u>
36	Total Gallons					<u>1,051,118</u>
37	Factored Gallons for rate differential:					
38	Residential @ 80%					<u>665,081</u>
39	General Service @ 94%					<u>206,581</u>
40	Total factored gallons					<u>871,662</u>
41	Rates - Base Facility Charge / Factored gallonage Charge per 1,000 Gallons				<u>\$ 24.77</u>	<u>\$ 5.49</u>
42	Residential gallonage rate @ 80% of factored gallonage rate					<u>\$ 4.39</u>
43	General service gallonage rate @ 94% of factored gallonage rate					<u>\$ 5.17</u>
44	Reuse Gallons Sold (2,590 GPD x 365 days) (000)					<u>945,350</u>
45	Proposed reuse rate per 1,000 gallons					<u>\$ 0.30</u>
46	Annual reuse revenue					<u>\$ 283,605</u>

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