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(LICENSED IN NEW YORK ONLY)

July 9, 2008

Ms. Patti Daniel
Chief Bureau of Certification
Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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08 JUL -9 PM 4:19
COMMISSION
CLERK

Re: Application for certificates to provide water and wastewater service in Hardee and Polk Counties by TBBT Utility LLC; PSC Docket No. 080103
Our File No. 42064.01

Dear Ms. Daniel:

As promised yesterday, I am enclosing revised schedules to our original certificate filing, in order to change several aspects of the filing, including several types of expenses, the proposed rate structure, and the amount of the service availability charges. I have outlined below the specific changes made and schedules affected:

1. Water Service Availability - We have changed the service availability charges for the water system, in order to propose a main extension charge of \$300 and no plant capacity charge. This causes a revision to Schedule B-6.
2. Wastewater Service Availability - We have changed the service availability charges for the wastewater system, in order to propose a main extension charge of \$760 and no plant capacity charge. This causes a revision to Schedule C-6.
3. Effect of Changes in Service Availability - The above changes to the service availability charges have also caused revisions in Schedule A-1, A-2, B-1, B-7, B-8, B-11, C-1, C-7, C-8 and C-11, as a result of changes in CIAC and CIAC amortization.
4. Changes in Wastewater Operating Expenses - Several categories of wastewater operating expenses were reduced based upon issues raised by the Commission staff. These are:
 - A. Salaries were reduced to agree to the May 30, 2008 response to the Commission of \$260,000.

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July 9, 2008

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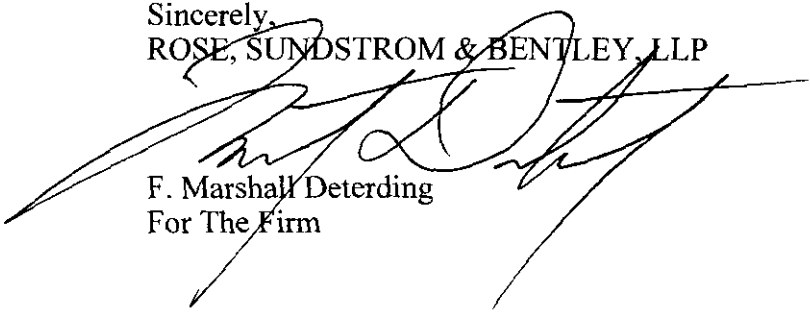
- B. Management fees and plant maintenance were reduced to a single allowance of \$20,000.
- C. Engineering expense was reduced to \$10,000.
- D. Miscellaneous expense was reduced to \$9,284 using the ratio of water miscellaneous expense to water salaries as compared to wastewater salaries.

These changes required revisions to Schedule C-9.

- 5. Effect of Wastewater Expense Changes - The changes to operating expenses as outlined above required changes in Schedule A-1, C-8, C-10, and C-11.
- 6. Rate Structure - Because the rate structure as proposed by the Utility had only a small inclining block, the Utility has chosen to revise the proposed rates so that a simple base facility charge is utilized with only one usage rate instead of a tiered usage rate. This required a change to Schedule B-11 and Schedule A-1.
- 7. Legal Descriptions - As requested, I have forwarded a Word version of the legal descriptions for both Polk and Hardee Counties to Staff Engineer, Tom Walden by email today.

I am attaching a revised version of each of these schedules and have submitted 15 revised versions of each of these schedules to the Commission Clerk's office, by copy of this letter. I believe with this information we have now responded to each of the questions raised by you. If you need anything further, please let me know.

Sincerely,
ROSE, SUNDSTROM & BENTLEY, LLP


F. Marshall Deterding
For The Firm

FMD/tms

cc: Ann Cole (15 copies)
Cheryl Johnson
Lisa Bennett
Tom Walden
Terrie Hall
Bob Nixon, CPA
Paul DeChario, CPA
Robert Stephens
R.J. "Red" Clanton, P.E.

TBBT Utility, LLC
Original Certificate Application
Total System
Proposed Rates and Service Availability Charges

Line No.		Potable Water System	Wastewater System	Reuse System
1	<u>Residential</u>			
2	Base Facility Charges:			
3	5/8" x 3/4"	\$ 7.92	\$ 22.94	
4	Gallonge charge per 1,000 gallons	1.64		0.25
5	(Maximum of 10,000 gallons)		3.13	
6	<u>General Service</u>			
7	Base Facility Charges:			
8	5/8" x 3/4"	7.92	22.94	
9	1"	19.80	57.35	
10	1.5"	39.60	114.70	
11	2"	63.36	183.52	
12	3"	126.72	367.04	
13	4"	198.00	573.50	
14	6"	396.00	1,147.00	
15	8"	633.60	1,835.20	
16	Gallonge charge per 1,000 gallons	1.64	3.75	0.25
17	<u>Service Availability Charges</u>			
18	System Capacity Charge:			
19	Residential per ERC - 350 gpd	\$ -	\$ -	
20	Main Extension Charges	\$ 300	\$ 760	
21	Meter Fee:			
22	5/8" x 3/4"	\$ 300	N/A	
23	Over 5/8 x 3/4"	Actual Cost	N/A	

DOCUMENT NUMBER-DATE

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TBBT Utility, LLC
Original Certificate Application
Total System
Proforma Capital Structure and Cost of Capital
When Plant is Operating at 80% of Designed Capacity and
Statement Regarding Financing of Utility Operations

Line No.		Estimated Amount	Percent Ratio	Cost of Each Percent (3)	Weighted Cost
1	Equity (2)	\$ 1,638,941	40%	12.01%	4.80%
2	Debt (2)	<u>2,458,411</u>	<u>60%</u>	7.00%	<u>4.20%</u>
3	Total	<u>\$ 4,097,352</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 current Prime Rate (6%) plus 1.00%.

TBBT Utility, LLC
Original Certificate Application
Potable Water System
Proforma Rate Base, Rate of Return and Operating Income
When Operating at 80% of Designed Capacity

<u>Line No.</u>		<u>Schedule Reference</u>	<u>Proforma Balance</u>
1	Utility Plant in Service	B-2	\$ 1,908,065
2	Accumulated Depreciation	B-2	(565,458)
3	Contributions in Aid of Construction (CIAC)	B-7	(1,298,400)
4	Accumulated Amortization of CIAC	B-7	<u>427,925</u>
5			472,132
6	Allowance For Working Capital (1)		<u>70,365</u>
7	Proforma Rate Base		<u>\$ 542,497</u>
8	Proforma Rate of Return	A-2	<u>9.00%</u>
9	Proforma Operating Income	B-8	<u>\$ 48,825</u>
10	Notes: (1) Based on 12.5% of O&M expense per Schedule No. B-9.		

TBBT Utility, LLC
Original Certificate Application
Potable Water System
Calculation of Proposed Service Availability Charges, CIAC Level at Designed Capacity 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	Depreciable plant cost per Schedule No. B-2 (excluding			
3	transmission and distribution mains and meters)			
	\$ 306,646	2,667	\$ 115	\$ -
4	<u>Calculation of proposed Main Extension Charge</u>			
5	Transmission and distribution mains per schedule			
6	No. B-2			
7	\$ 953,419	2,667	\$ 357	\$ 300
	<u>\$ 1,260,065</u>			<u>\$ 300</u>
8	<u>Calculation of Meter & Installation Fee (5/8x3/4")</u>			
9	Cost of ERT meter & fittings			
10	\$ 200			
11	Meter Box			
12	20			
13	Installation - outside plumber			
	<u>60</u>			
	Administration			
	<u>280</u>			
	<u>20</u>			
14	Total			
	<u>\$ 300</u>			
15	<u>CIAC Level at Designed Capacity</u>			
16	Utility plant in service			
17	Accumulated depreciation to build out			
			\$ 2,070,065	
			<u>(775,653)</u>	
18	Net Plant			
			<u>1,294,412</u>	
19	CIAC			
20	Accumulated amortization of CIAC to build-out			
			1,600,200	
			<u>(444,539)</u>	
21	Net CIAC			
			<u>1,155,661</u>	
22	Net Investment			
			<u>\$ 138,751</u>	
23	Percent CIAC			
24	Percent Investment			
			89.28%	
			<u>10.72%</u>	
25	Total			
			<u>100.00%</u>	
26	<u>Statement Regarding Proposed Service Availability Policy</u>			
27	The Company proposes a service availability policy based on			
28	a main extension charge and meter fees.			

TBBT Utility, LLC
Original Certificate Application
Potable Water System
CIAC , Accumulated Amortization of CIAC and Annual Amortization
When Plant is Operating at 80% of Designed Capacity

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	Accumulated Amortization at 80% & Build-out	Annual Amortization at 80% Level Operation
1	1	Plant Capacity Charge - plant	180	-	\$ -	3.28%	14.5	\$ -		
2		Main Extension Charge	180	300	54,000	2.33%	14.5	18,244		
3		Meter Fees	180	300	54,000	5.00%	14.5	39,150		
4	2	Plant Capacity Charge - plant	180	-	-	3.28%	13.5	-		
5		Main Extension Charge	180	300	54,000	2.33%	13.5	16,986		
6		Meter Fees	180	300	54,000	5.00%	13.5	36,450		
7	3	Plant Capacity Charge - plant	180	-	-	3.28%	12.5	-		
8		Main Extension Charge	180	300	54,000	2.33%	12.5	15,728		
9		Meter Fees	180	300	54,000	5.00%	12.5	33,750		
10	4	Plant Capacity Charge - plant	180	-	-	3.28%	11.5	-		
11		Main Extension Charge	180	300	54,000	2.33%	11.5	14,469		
12		Meter Fees	180	300	54,000	5.00%	11.5	31,050		
13	5	Plant Capacity Charge - plant	180	-	-	3.28%	10.5	-		
14		Main Extension Charge	180	300	54,000	2.33%	10.5	13,211		
15		Meter Fees	180	300	54,000	5.00%	10.5	28,350		
16	6	Plant Capacity Charge - plant	180	-	-	3.28%	9.5	-		
17		Main Extension Charge	180	300	54,000	2.33%	9.5	11,953		
18		Meter Fees	180	300	54,000	5.00%	9.5	25,650		
19	7	Plant Capacity Charge - plant	180	-	-	3.28%	8.5	-		
20		Main Extension Charge	180	300	54,000	2.33%	8.5	10,695		
21		Meter Fees	180	300	54,000	5.00%	8.5	22,950		
22	8	Plant Capacity Charge - plant	180	-	-	3.28%	7.5	-		
23		Main Extension Charge	180	300	54,000	2.33%	7.5	9,437		
24		Meter Fees	180	300	54,000	5.00%	7.5	20,250		
25	9	Plant Capacity Charge - plant	181	-	-	3.28%	6.5	-		
26		Main Extension Charge	181	300	54,300	2.33%	6.5	8,224		
27		Meter Fees	181	300	54,300	5.00%	6.5	17,648		
28	10	Plant Capacity Charge - plant	181	-	-	3.28%	5.5	-		
29		Main Extension Charge	181	300	54,300	2.33%	5.5	6,959		
30		Meter Fees	181	300	54,300	5.00%	5.5	14,933		

TBBT Utility, LLC
Original Certificate Application
Potable Water System
CIAC, Accumulated Amortization of CIAC and Annual Amortization
When Plant is Operating at 80% of Designed Capacity

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	Accumulated Amortization at 80% & Build-out	Annual Amortization at 80% Level Operation
31	11	Plant Capacity Charge - plant	181	-	-	3.28%	4.5	-		
32		Main Extension Charge	181	300	54,300	2.33%	4.5	5,693		
33		Meter Fees	181	300	54,300	5.00%	4.5	12,218		
34	12	Plant Capacity Charge - plant	181	-	-	3.28%	3.5	-		
35		Main Extension Charge	181	300	54,300	2.33%	3.5	4,428		
36		Meter Fees	181	300	54,300	5.00%	3.5	9,503		
			<u>2,164</u>		<u>1,298,400</u>				<u>\$ 427,925</u>	<u>\$ 47,584</u>
37	13	Plant Capacity Charge - plant	168	-	-	3.28%	2.5	-		
38		Main Extension Charge	168	300	50,400	2.33%	2.5	2,936		
39		Meter Fees	168	300	50,400	5.00%	2.5	6,300		
40	14	Plant Capacity Charge - plant	168	-	-	3.28%	1.5	-		
41		Main Extension Charge	168	300	50,400	2.33%	1.5	1,761		
42		Meter Fees	168	300	50,400	5.00%	1.5	3,780		
43	15	Plant Capacity Charge - plant	167	-	-	3.28%	0.5	-		
44		Main Extension Charge	167	300	50,100	2.33%	0.5	584		
45		Meter Fees	167	300	50,100	5.00%	0.5	1,253		
37		Total	<u>2,667</u>		<u>\$ 1,600,200</u>				<u>\$ 444,539</u>	

38 Note (1): The composite amortization rate is calculated as follows:

39	Total depreciation expense	\$ 64,665
40	Less: depreciation expense - meters	(32,400)
	depreciation expense - transmission and distribution mains	<u>(22,215)</u>
41	System depreciation expense	<u>\$ 10,050</u>
42	Total depreciable plant excluding meters and transmission and distribution mains	<u>\$ 306,646</u>
43	Composite capacity charge amortization rate	<u>3.28%</u>

TBBT Utility, LLC
Original Certificate Application
Potable Water System
Constructed Statement of Operations
When Operating at 80% of Designed Capacity

Line No.		Estimated Amount	Proforma Adjustments	Proforma Amount	Schedule Reference
1	Operating Revenue		\$ 691,440 (A)	\$ 691,440	
2	Operating Expenses:				
3	O&M expense	\$ 562,917		562,917	B-9
4	Depreciation	64,665		64,665	B-5
5	Amortization of CIAC	(47,584)		(47,584)	B-7
6	Taxes other than income	31,503	31,115 (B)	62,618	B-10
7		<u>611,501</u>	<u>31,115</u>	<u>642,616</u>	
8	Operating Income (loss)	<u>\$ (611,501)</u>	<u>\$ 660,325</u>	<u>\$ 48,825</u>	
9	Rate Base	<u>\$ 542,497</u>		<u>\$ 542,497</u>	B-1
10	Rate of Return	<u>-113.00%</u>		<u>9.00%</u>	A-2
11	Proforma Adjustments:				
12	(A) Total revenue requested to realize a 9.0% rate of return			<u>\$ 691,440</u>	
13	(B) <u>Regulatory assessment fees (RAF's):</u>				
14	Total revenue requested			\$ 691,440	
15	RAF rate			<u>4.50%</u>	
16	Regulatory Assessment Fees			<u>\$ 31,115</u>	

TBBT Utility, LLC
Original Certificate Application
Potable Water System
Rate Computation

Line No.		Total	Percent Allocation		Rate Component	
			BFC	Gallorage	BFC	Gallorage
1	Operation & Maintenance (O&M):					
2	Salaries & Wages (1)	\$ 174,400	50.00%	50.00%	\$ 87,200	\$ 87,200
3	Purchased Power (1)	224,282	10.00%	90.00%	22,428	201,854
4	Chemicals (1)	6,231	50.00%	50.00%	3,116	3,116
5	Contractual Services:					
6	Engineering	13,708	50.00%	50.00%	6,854	6,854
7	Outside Accounting - Annual Report, RAF Return, Index					
8	Adjustments & Tax Returns	4,000	50.00%	50.00%	2,000	2,000
9	Legal	3,115	50.00%	50.00%	1,558	1,558
10	Testing (1)	6,231	50.00%	50.00%	3,116	3,116
11	Management Fees (Accounting, Customer Accounts,					
12	Billing, Management)	35,200	50.00%	50.00%	17,600	17,600
13	Plant Maintenance	12,461	50.00%	50.00%	6,231	6,231
14		<u>74,715</u>				
15	Rental of Building/Real property (Incl Royalties)	69,058	0.00%	100.00%	-	69,058
16	Insurance - Property, Casualty & Liability	8,000	50.00%	50.00%	4,000	4,000
17	Miscellaneous	<u>6,231</u>	50.00%	50.00%	3,116	3,116
18	Total Estimated O&M Expenses	<u>562,917</u>				
19	Depreciation Expense - Net	<u>17,081</u>	100.00%	0.00%	17,081	-
20	Taxes Other than Income:					
21	Real estate & property taxes	18,161	50.00%	50.00%	9,080	9,080
22	Payroll Taxes	13,342	50.00%	50.00%	6,671	6,671
23	Regulatory Assessment Fees	<u>31,115</u>	50.00%	50.00%	15,558	15,558
24		<u>62,618</u>				
25	Operating Income	<u>48,825</u>		100.00%	-	<u>48,825</u>
26	Total revenue requested	<u>\$ 691,440</u>			<u>\$ 205,607</u>	<u>\$ 485,834</u>
26	No. of ERC's at buildout level of operation				2,164	2,164
27	No of months				<u>12</u>	
28	Annual No. of monthly ERC's				25,968	
29	Average daily demand per ERC (gpd)					<u>375</u>
30	Daily demand per ERC					811,500
31	Days in year					<u>365</u>
32	Estimated annual gallons sold - thousands					<u>296,198</u>
33	Rates - Base Facility Charge / Gallorage Charge per 1,000 Gallons				<u>\$ 7.92</u>	<u>\$ 1.64</u>

TBBT Utility, LLC
Original Certificate Application
Wastewater System
Proforma Rate Base, Rate of Return and Operating Income
When Operating at 80% of Designed Capacity

Line No.		Schedule Reference	Proforma Balance
1	Utility Plant in Service	C-2	\$ 10,978,577
2	Accumulated Depreciation	C-2	(5,457,744)
3	Excess Capacity of Treatment Plant (2)		(1,077,934)
4	Contributions in Aid of Construction (CIAC)	C-7	(1,644,640)
5	Accumulated Amortization of CIAC	C-7	<u>649,592</u>
6			3,447,851
7	Allowance For Working Capital (1)		<u>107,004</u>
8	Proforma Rate Base		<u>\$ 3,554,855</u>
9	Proforma Rate of Return	A-2	<u>9.00%</u>
10	Proforma Operating Income	C-8	<u>\$ 319,937</u>
11	Notes: (1) Based on 12.5% of O&M expense per Schedule No. C-9.		
12	(2) For economies of scale, the treatment plant is designed with excess capacity. Proposed		
13	rates are designed with flows at 80% of water build-out, therefore, an adjustment is necessary to		
14	match water build-out to wastewater design.		
15	ERC's @ 80% of Water Build-out		<u>2,164</u>
16	ERC capacity of Wastewater plant at buildout:		<u>3,623</u>
17	Percentage of Wastewater capacity used		<u>59.73%</u>
18	Percentage not used		<u>40.27%</u>
19	Net cost of Treatment and Reuse Storage (Accts. 374 and 380)		<u>\$ 2,676,768</u>
20	Net excess capacity		<u>\$ 1,077,934</u>

TBBT Utility, LLC
Original Certificate Application
Wastewater System
Calculation of Proposed Service Availability Charges, CIAC Level at Designed Capacity
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				
3				
4				
5	\$ 7,478,571	3,623	2,064	\$ -
6	<u>Calculation of proposed Main Extension Charge</u>			
7				
8				
9	<u>3,500,006</u>	<u>3,623</u>	<u>966</u>	<u>760</u>
10	<u>\$ 10,978,577</u>			<u>\$ 760</u>
11	<u>CIAC Level at Designed Capacity</u>			
12				\$ 10,978,577
13				<u>(8,779,846)</u>
14				<u>2,198,731</u>
15				2,753,480
16				<u>(767,434)</u>
17				<u>1,986,046</u>
18				<u>\$ 212,685</u>
19				90.33%
20				<u>9.67%</u>
21				<u>100.00%</u>
22	<u>Statement Regarding Proposed Service Availability Policy</u>			
23	The Company proposes a service availability policy based on a			
24	main extension charge.			

TBBT Utility, LLC
Original Certificate Application
Wastewater System
CIAC , Accumulated Amortization of CIAC and Annual Amortization
When Plant is Operating at 80% of Designed Capacity and Build out

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	Accumulated Amortization	Annual Amortization
1	1	Plant Capacity Charge - plant	180	\$ -	\$ -	4.92%	18.5	\$ -		
2		Main Extension Charge	180	\$ 760	136,800	3.04%	18.5	76,936		
3	2	Plant Capacity Charge - plant	180	-	-	4.92%	17.5	-		
4		Main Extension Charge	180	760	136,800	3.04%	17.5	72,778		
5	3	Plant Capacity Charge - plant	180	-	-	4.92%	16.5	-		
6		Main Extension Charge	180	760	136,800	3.04%	16.5	68,619		
7	4	Plant Capacity Charge - plant	180	-	-	4.92%	15.5	-		
8		Main Extension Charge	180	760	136,800	3.04%	15.5	64,460		
9	5	Plant Capacity Charge - plant	180	-	-	4.92%	14.5	-		
10		Main Extension Charge	180	760	136,800	3.04%	14.5	60,301		
11	6	Plant Capacity Charge - plant	180	-	-	4.92%	13.5	-		
12		Main Extension Charge	180	760	136,800	3.04%	13.5	56,143		
13	7	Plant Capacity Charge - plant	180	-	-	4.92%	12.5	-		
14		Contributed On-site Mains	180	760	136,800	3.04%	12.5	51,984		
15	8	Plant Capacity Charge - plant	180	-	-	4.92%	11.5	-		
16		Main Extension Charge	180	760	136,800	3.04%	11.5	47,825		
17	9	Plant Capacity Charge - plant	181	-	-	4.92%	10.5	-		
18		Main Extension Charge	181	760	137,560	3.04%	10.5	43,909		
19	10	Plant Capacity Charge - plant	181	-	-	4.92%	9.5	-		
20		Main Extension Charge	181	760	137,560	3.04%	9.5	39,727		
21	11	Plant Capacity Charge - plant	181	-	-	4.92%	8.5	-		
22		Main Extension Charge	181	760	137,560	3.04%	8.5	35,546		
23	12	Plant Capacity Charge - plant	181	-	-	4.92%	7.5	-		
24		Main Extension Charge	<u>181</u>	<u>760</u>	<u>137,560</u>	<u>3.04%</u>	<u>7.5</u>	<u>31,364</u>		
			<u>2,164</u>		<u>1,644,640</u>				<u>\$ 649,592</u>	<u>\$ 50,000</u>

TBBT Utility, LLC
Original Certificate Application
Wastewater System
CIAC , Accumulated Amortization of CIAC and Annual Amortization
When Plant is Operating at 80% of Designed Capacity and Build out

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	Accumulated Amortization	Annual Amortization
17	13	Plant Capacity Charge - plant	208	-	-	4.92%	6.5	-		
18		Main Extension Charge	208	760	158,080	3.04%	6.5	31,237		
19	14	Plant Capacity Charge - plant	208	-	-	4.92%	5.5	-		
20		Main Extension Charge	208	760	158,080	3.04%	5.5	26,431		
21	15	Plant Capacity Charge - plant	208	-	-	4.92%	4.5	-		
22		Main Extension Charge	208	760	158,080	3.04%	4.5	21,625		
23	16	Plant Capacity Charge - plant	208	-	-	4.92%	3.5	-		
24		Main Extension Charge	208	760	158,080	3.04%	3.5	16,820		
17	17	Plant Capacity Charge - plant	209	-	-	4.92%	2.5	-		
18		Main Extension Charge	209	760	158,840	3.04%	2.5	12,072		
19	18	Plant Capacity Charge - plant	209	-	-	4.92%	1.5	-		
20		Main Extension Charge	209	760	158,840	3.04%	1.5	7,243		
21	19	Plant Capacity Charge - plant	209	-	-	4.92%	0.5	-		
22		Main Extension Charge	<u>209</u>	760	<u>158,840</u>	3.04%	0.5	<u>2,414</u>		
25		Total	<u>3,623</u>		<u>\$ 2,753,480</u>			<u>\$ 767,434</u>		

26 Note (1): The composite amortization rate is calculated as follows:

	Capacity	Main Ext.
27 Total depreciation expense	\$ 474,586	
Less: Depreciation expense - Organization	(750)	
28 Depreciation expense - Force Mains	(21,260)	\$ 21,260
29 Depreciation expense - Gravity Mains	(25,575)	25,575
30 Depreciation expense - Services	(11,181)	11,181
30 Depreciation expense - Lift Stations	<u>(48,236)</u>	<u>48,236</u>
31 System depreciation expense	<u>\$ 367,584</u>	<u>\$ 106,252</u>
32 Total plant for rate calculation	<u>\$ 7,478,571</u>	<u>\$3,500,006</u>
33 Composite capacity charge / main extension charge		
34 amortization rate	<u>4.92%</u>	<u>3.04%</u>

TBBT Utility, LLC
Original Certificate Application
Wastewater System
Constructed Statement of Operations
When Operating at 80% of Designed Capacity

Line No.		Estimated Amount	Proforma Adjustments	Proforma Amount	Schedule Reference
1	Operating Revenue		\$ 1,633,852 (A)	\$ 1,633,852	
2	Operating Expenses:				
3	O&M expense	\$ 856,031		856,031	C-9
4	Depreciation	474,586	(120,890) (C)	353,696	C-5
5	Amortization of CIAC	(50,000)		(50,000)	C-7
6	Taxes other than income	95,482	58,706 (B)	154,188	C-10
7		<u>1,376,099</u>	<u>(62,184)</u>	<u>1,313,915</u>	
8	Operating Income (loss)	\$ (1,376,099)	\$ 1,696,036	\$ 319,937	
9	Rate Base	\$ 3,554,855		\$ 3,554,855	C-1
10	Rate of Return	-39.00%		9.00%	A-2
11	Proforma Adjustments:				
12	(A) Total revenue requested to realize a 9.0% rate of return			\$ 1,633,852	
13	(B) <u>Taxes Other than Income</u>				
14	<u>Regulatory assessment fees (RAF's):</u>				
15	Total revenue requested			\$ 1,633,852	
16	RAF rate			4.50%	
17	Regulatory Assessment Fees			<u>73,523</u>	
18	<u>Property Taxes</u>				
19	Net taxable value of treatment plant and reuse storage per Schedule C-1			2,676,768	
20	Excess percentage of treatment and reuse storage per Schedule C-1			40.27%	
21				(1,077,934)	
22	Millage Rate			<u>1.37453%</u>	
23	Reduction in property tax for excess treatment and reuse storage capacity			<u>(14,817)</u>	
24	Total Taxes Other than Income adjustment			\$ <u>58,706</u>	
25	(B) <u>Depreciation</u>				
26	Excess capacity of treatment and reuse storage per Schedule C-1			40.27%	
27	Annual Depreciation of treatment and reuse storage per Schedule C-5,				
28	Acct. 374 and Acct. 380.			\$ <u>300,198</u>	
29	Annual Depreciation expense adjustment			\$ <u>120,890</u>	

TBBT Utility, LLC
Original Certificate Application
Wastewater System
Detail of Proforma O&M Expenses and
Engineer's Estimate of Plant Operating Expenses
When Plant is Operating at 60% of Designed Capacity

Line No.	NARUC Acct. No.	Description	Estimated Amount
1	701	Salaries & Wages (1)	\$ 260,000
2	711	Sludge Removal Expense (1)	152,042
3	715	Purchased Power (1)	180,614
4	718	Chemicals (1)	55,213
5		Contractual Services:	
6	731	Engineering	10,000
7	732	Outside Accounting - Annual Report, RAF Return, Index	
8		Adjustments, and Tax Returns	4,000
9	733	Legal	3,115
10	734	Testing (1)	20,705
11	735	Management Fees (Accounting, Customer Accounts,	
12		Billing, Management, Plant Maintenance)	<u>20,000</u>
13			<u>57,820</u>
14	741	Rental of Building/Real property	69,058
15	755	Insurance - Property, Casualty & Liability	72,000
16	775	Miscellaneous	<u>9,284</u>
17		Total estimated O&M expense	<u>\$ 856,031</u>
18		(1) Per engineering estimate of KCI Technologies, Inc. Other costs were estimated by	
19		Carlstedt, Jackson, Nixon, and Wilson, CPA's, based on their experience with costs for	
20		similar sized utilities.	

TBBT Utility, LLC
Original Certificate Application
Wastewater System
Projected Taxes Other Than Income Taxes

Line No.	Description	Cost	Millage Rate	Projected Tax
1	<u>Tangible Personal Property</u>			
2	Total projected cost excluding Organization Costs	\$ 10,948,577		
3	Accumulated depreciation when operating at 80%			
4	of designed capacity, excluding Organization Costs	<u>(5,449,119)</u>		
5	Estimated taxable value	<u>\$ 5,499,458</u>	1.37453%	\$ 75,592
6	<u>Payroll Taxes</u>			
7	Total Salaries & Wages	<u>\$ 260,000</u>	7.65%	<u>19,890</u>
8	Total Taxes other than income			<u>\$ 95,482</u>

TBBT Utility, LLC
Original Certificate Application
Wastewater System
Rate Computation

Line No.	Total	Percent Allocation		Rate Component		
		BFC	Gallage	BFC	Gallage	
1	<u>Operation & Maintenance (O&M):</u>					
2	Salaries & Wages	260,000	50.00%	50.00%	130,000	130,000
3	Sludge Removal	152,042		100.00%	-	152,042
4	Purchased Power	180,614	10.00%	90.00%	18,061	162,553
5	Chemicals	55,213	50.00%	50.00%	27,607	27,607
6	Contractual Services:					
7	Engineering	10,000	50.00%	50.00%	5,000	5,000
8	Outside Accounting - Annual Report, RAF Return, Index					
9	Adjustments & Tax Returns	4,000	50.00%	50.00%	2,000	2,000
10	Legal	3,115	50.00%	50.00%	1,558	1,558
11	Testing	20,705	50.00%	50.00%	10,353	10,353
12	Management Fees (Accounting, Customer Accounts,					
13	Billing, Management)	20,000	50.00%	50.00%	10,000	10,000
14		<u>57,820</u>				
15	Rental of Building/Real property	69,058	50.00%	50.00%	34,529	34,529
16	Insurance - Property, Casualty & Liability	72,000	50.00%	50.00%	36,000	36,000
17	Miscellaneous	9,284	50.00%	50.00%	4,642	4,642
18	Total Estimated O&M Expenses	<u>856,031</u>				
19	Depreciation Expense - Net	<u>303,696</u>	50.00%	50.00%	151,848	151,848
20	<u>Taxes Other than Income:</u>					
21	Real estate & property taxes	75,592	50.00%	50.00%	37,796	37,796
22	Payroll Taxes	19,890	50.00%	50.00%	9,945	9,945
23	Regulatory Assessment Fees	58,706	50.00%	50.00%	29,353	29,353
24		<u>154,188</u>				
25	Operating Income	<u>319,937</u>	50.00%	50.00%	<u>159,968</u>	<u>159,968</u>
26	Total revenue requested	1,633,852			668,659	965,193
27	Reuse Revenue (800 x 365 x \$0.25)	<u>(73,000)</u>			<u>(73,000)</u>	
28	Revenue excluding reuse	<u>\$ 1,560,852</u>			<u>\$ 595,659</u>	<u>\$ 965,193</u>
29	Factored ERC's and Gallons (Gallons based on water billing basis)					
30	A) ERC's					
31	Residential (@80%)			2,143	1,714	
32	Commercial (@80%)			<u>562</u>	<u>450</u>	
34	No. of ERC's at build-out level of operation			<u>2,705</u>	2,164	
35	No of months				<u>12</u>	
36	Annual No. of monthly ERC's				<u>25,968</u>	
37	B) Factored Gallons for rate differential (@350gpd x 80%).					
38		ERC's		Total	Factored	
39	Residential @ 80%	1,714		234,604	187,683	
40	General Service @ 96%	<u>450</u>		<u>61,594</u>	<u>59,130</u>	
42	Total ERC's / Gallons	<u>2,164</u>		<u>296,198</u>	<u>246,813</u>	
44	Rates - Base Facility Charge / Factored gallonage Charge per 1,000 Gallons			<u>\$ 22.94</u>	<u>\$ 3.91</u>	
45	Residential gallonage rate @ 80% of factored gallonage rate				<u>\$ 3.13</u>	
46	General service gallonage rate @ 96% of factored gallonage rate				<u>\$ 3.75</u>	