

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

July 21, 2015

Docket No. 140147-WS – Application for staff-assisted rate case in Sumter County by Jumper Creek Utility Company.

Issue 1: Is the overall quality of service provided by Jumper Creek satisfactory?

Recommendation: Yes. Staff recommends that the condition of the water and wastewater treatment facilities are satisfactory and the water provided by Jumper Creek is meeting applicable water quality standards, including primary and secondary standards, as prescribed in the Florida Department of Environmental Protection's (DEP) rules. It also appears that the Utility has attempted to address the customers' concerns. Therefore, staff recommends that the overall quality of service for the Jumper Creek water and wastewater systems in Sumter County is satisfactory.

APPROVED with oral modification to reflect Settlement Agreement.*

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

[Handwritten signatures in blue ink]

REMARKS/DISSENTING COMMENTS:

Oral Modification, assigned DN 04472-15, is attached.

Docket No. 140147-WS – Application for staff-assisted rate case in Sumter County by Jumper Creek Utility Company.

(Continued from previous page)

Issue 2: What are the used and useful (U&U) percentages of Jumper Creek's WTP, WWTP, and distribution and collection systems?

Recommendation: Jumper Creek's WTP should be considered 90.6 percent U&U, its WWTP should be considered 7.8 percent U&U, and its distribution and collection systems should each be considered 100 percent U&U. There is no indication of excessive unaccounted for water (EUW) or excessive inflow and infiltration (I&I).

APPROVED *

Issue 3: What is the appropriate average test year water rate base and wastewater rate base for Jumper Creek?

Recommendation: The appropriate average test year water rate base for Jumper Creek is \$53,253 and the average test year wastewater rate base is a negative \$12,038.

APPROVED *

Issue 4: What is the appropriate return on equity and overall rate of return for Jumper Creek?

Recommendation: The appropriate return on equity (ROE) is 8.74 percent with a range of 7.74 percent to 9.74 percent. The appropriate overall rate of return is 8.62 percent.

APPROVED *

Issue 5: What are the appropriate test year revenues for the Utility's water and wastewater systems?

Recommendation: The appropriate test year revenues for Jumper Creek's water and wastewater systems are \$13,370 and \$20,662, respectively.

APPROVED *

Docket No. 140147-WS – Application for staff-assisted rate case in Sumter County by Jumper Creek Utility Company.

(Continued from previous page)

Issue 6: What is the appropriate amount of total operating expense?

Recommendation: The appropriate amount of total operating expense for the Utility is \$20,095 for water and \$27,024 for wastewater.

APPROVED *

Issue 7: Should the Commission utilize the operating ratio methodology as an alternative means to calculate the wastewater revenue requirement for Jumper Creek, and, if so, what is the appropriate margin?

Recommendation: Yes, the Commission should utilize the operating ratio methodology for calculating the wastewater revenue requirement for Jumper Creek. The margin should be 10.00 percent of O&M expense.

APPROVED *

Issue 8: What is the appropriate revenue requirement?

Recommendation: The appropriate revenue requirement is \$24,683 for water and \$29,461 for wastewater, resulting in an annual increase of \$11,313 for water (84.62 percent), and an annual increase of \$8,799 for wastewater (42.59 percent).

APPROVED *

Docket No. 140147-WS – Application for staff-assisted rate case in Sumter County by Jumper Creek Utility Company.

(Continued from previous page)

Issue 9: What are the appropriate rate structures and rates for Jumper Creek's water and wastewater systems?

Recommendation: The recommended rate structures and monthly water and wastewater rates are shown on Schedule Nos. 4-A and 4-B, respectively, of staff's memorandum dated July 9, 2015. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given within 10 days of the date of the notice.

APPROVED *

Issue 10: In determining whether any portion of the interim increase granted should be refunded, how should the refund be calculated, and what is the amount of the refund, if any?

Recommendation: The proper refund amount should be calculated by using the same data used to establish final rates, excluding pro forma and other items not in effect during the interim period. This revised revenue requirement for the interim collection period should be compared to the amount of interim revenue requirement granted. Based on this calculation, no refunds are required. Further, upon issuance of the Consummating Order in this docket, the surety bond should be released.

APPROVED *

Docket No. 140147-WS – Application for staff-assisted rate case in Sumter County by Jumper Creek Utility Company.

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Issue 11: What is the appropriate amount by which rates should be reduced in four years after the published effective date to reflect the removal of the amortized rate case expense as required by Section 367.0816 F.S.?

Recommendation: The water and wastewater rates should be reduced as shown on Schedule Nos. 4-A and 4-B of staff's memorandum dated July 9, 2015, to remove rate case expense grossed up for RAFs and amortized over a four-year period. The decrease in rates should become effective immediately following the expiration of the four-year rate case expense recovery period, pursuant to Section 367.0816, F.S. Jumper Creek should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for the reduction no later than one month prior to the actual date of the required rate reduction. If the Utility files this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

APPROVED *

Issue 12: What are the appropriate initial customer deposits for Jumper Creek?

Recommendation: The appropriate initial customer deposits should be \$96 and \$118 for the residential 5/8" x 3/4" meter size for water and wastewater, respectively. The initial customer deposits for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill for water and wastewater. The approved customer deposits should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, F.A.C. The Utility should be required to charge the approved charges until authorized to change them by the Commission in a subsequent proceeding.

APPROVED *

Docket No. 140147-WS – Application for staff-assisted rate case in Sumter County by Jumper Creek Utility Company.

(Continued from previous page)

Issue 13: Should the recommended rates be approved for the Utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility?

Recommendation: Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the Utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility. Jumper Creek should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. Prior to implementation of any temporary rates, the Utility should provide appropriate security. If the recommended rates are approved on a temporary basis, the rates collected by the Utility should be subject to the refund provisions discussed in the analysis portion of staff's memorandum dated July 9, 2015. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission's Office of Commission Clerk no later than the 20th of each month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.

APPROVED *

Issue 14: Should the Utility be required to provide proof, within 90 days of an effective order finalizing this docket, that it has adjusted its books for all applicable National Association of Regulatory Commissioners Uniform System of Accounts (NARUC USOA) primary accounts associated with the Commission-approved adjustments?

Recommendation: Yes. To ensure that the Utility adjusts its books in accordance with the Commission's decision, Jumper Creek should provide proof, within 90 days of the final order in this docket, that the adjustments for all applicable NARUC USOA primary accounts have been made.

APPROVED *

Vote Sheet
July 21, 2015

Item 4

Docket No. 140147-WS – Application for staff-assisted rate case in Sumter County by Jumper Creek Utility Company.

(Continued from previous page)

Issue 15: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff. Once these actions are complete, this docket should be closed administratively.

APPROVED *

Christopher Cooney

From: Mary Macko
Sent: Friday, July 17, 2015 4:43 PM
To: Braulio Baez; Lisa Harvey; Apryl Lynn; Carlotta Stauffer; Charlie Beck; Cindy Muir; CLK - Agenda Staff; Commissioners & Staffs; Mary Anne Helton; Lee Eng Tan; Keino Young; Matthew Vogel; Todd Brown; Mark Cicchetti; Cheryl Bulecza-Banks; Andrew Maurey; Lynn Deamer; Laura King; Melinda Watts; Shannon Hudson; Kelly Thompson; Patti Daniel; Greg Shafer; Paul Vickery; Tom Ballinger
Cc: Kate Hamrick; Jacqueline Moore; Terri Fleming; Delores Reecy
Subject: FW: Request for Oral Modification to Item 4 - Docket No. 140147-WS - Staff Assisted Rate Case for Jumper Creek

Please see the approved request below.

From: Lisa Harvey
Sent: Friday, July 17, 2015 4:29 PM
To: Mary Macko
Subject: FW: Request for Oral Modification to Item 4 - Docket No. 140147-WS - Staff Assisted Rate Case for Jumper Creek

Mary,
Please forward to the appropriate staff.

From: Braulio Baez
Sent: Friday, July 17, 2015 4:00 PM
To: Andrew Maurey
Cc: Lisa Harvey
Subject: RE: Request for Oral Modification to Item 4 - Docket No. 140147-WS - Staff Assisted Rate Case for Jumper Creek

Approved. Thanks

Sent from my T-Mobile 4G LTE Device

----- Original message -----

From: Andrew Maurey <AMaurey@PSC.STATE.FL.US>
Date: 7/17/2015 3:48 PM (GMT-05:00)
To: Braulio Baez <BBaez@PSC.STATE.FL.US>
Cc: Lisa Harvey <LSHarvey@PSC.STATE.FL.US>
Subject: FW: Request for Oral Modification to Item 4 - Docket No. 140147-WS - Staff Assisted Rate Case for Jumper Creek

Staff is requesting approval to make an oral modification to Item 4 of the July 21 Agenda.

From: Cheryl Bulecza-Banks
Sent: Friday, July 17, 2015 12:52 PM

To: Andrew Maurey

Subject: Request for Oral Modification to Item 4 - Docket No. 140147-WS - Staff Assisted Rate Case for Jumper Creek

Importance: High

Staff requests approval to make an oral modification to Item 4 scheduled for the July 21, 2015 Commission Agenda Conference. (Docket No. 140147-WS – Application for staff-assisted rate case in Sumter County by Jumper Creek Utility Company.)

At the June 18, 2015 Commission Agenda Conference, Jumper Creek Utility Company (Jumper Creek) and the Office of Public Counsel (OPC), were directed by the Commission to meet and discuss the few areas of disagreement between the two parties to see if a settlement could be reached. Subsequent to the Commission Agenda Conference, Jumper Creek and the OPC reached agreement on all rate case issues and as a result, filed a joint motion requesting Commission approval of the settlement agreement.

The settlement agreement states that the parties agree to a water revenue requirement of \$23,115 and a wastewater revenue requirement of \$28,187, both which are lower than staff's recommended revenue requirement calculations.

A copy of the settlement and the resulting rate case schedules reflecting the effect of the settlement are attached to this e-mail and are the subject of Item 4.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for staff-assisted rate case
in Sumter County by Jumper Creek Utility
Company.

Docket No.140147-WS

Filed: June 26, 2015

**JOINT MOTION REQUESTING COMMISSION APPROVAL OF
SETTLEMENT AGREEMENT**

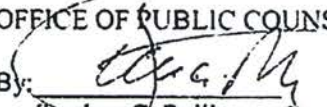
The Office of Public Counsel ("OPC") and Jumper Creek Utility Company. ("Utility") file this Joint Motion requesting the Florida Public Service Commission ("Commission") to approve the Settlement Agreement. attached as Exhibit "A." In support of the Joint Motion, OPC and the Utility state:

1. To avoid the time, expense and uncertainty associated with adversarial litigation, and in keeping with the Commission's long-standing policy and practice of encouraging parties to settle issues whenever possible, OPC, and the Utility entered into this Settlement Agreement.

WHEREFORE, OPC and the Utility respectfully request the Commission to issue an Order which approves the terms of the June 4, 2015 staff recommendation, as amended by the attached Settlement Agreement.

Respectfully submitted this 26th day of June, 2015.

OFFICE OF PUBLIC COUNSEL

By:  6/26/15
Stephen C. Reilly Date
Associate Public Counsel

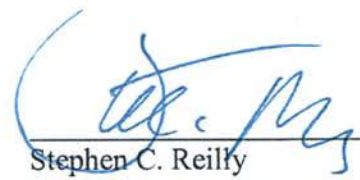
JUMPER CREEK UTILITY COMPANY

By:  6/26/15
Gary Deremer Date
President

**CERTIFICATE OF SERVICE
DOCKET NO. 140147-WS**

I HEREBY CERTIFY that a true and correct copy of the foregoing Joint Motion Requesting Commission Approval of Settlement Agreement has been furnished by electronic mail to the following party on this 26th day of June, 2015.

Theresa Tan, Esquire
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850



Stephen C. Reilly
Associate Public Counsel

EXHIBIT "A" TO JOINT MOTION

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for staff-assisted rate case
In Sumter County by Jumper Creek
Utility Company

Docket No. 140147-WS

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is made and entered into this 26th day of June, 2015, by and between Jumper Creek Utility Company ("Jumper Creek", "Utility" or "Company") and the Office of Public Counsel ("OPC"), on behalf of the customers of the Utility.

WITNESSETH

WHEREAS, on August 1, 2014, Jumper Creek filed an application for a staff-assisted rate case with the Florida Public Service Commission ("Commission"); and

WHEREAS, on June 4, 2015 the Commission's staff issued its Recommendation ("Recommendation") in this docket; and

WHEREAS, at the June 18, 2015 Agenda Conference held to consider the Recommendation, the Utility and OPC expressed a willingness to discuss the possible settlement of this case in response to a question posed by the Chairman; and

WHEREAS, as a result of these discussions the Utility and OPC have entered into this Agreement to settle this case as provided below.

WHEREAS, as a result of these discussions the Utility and OPC have entered into this Agreement to settle this case as provided below.

NOW, THEREFORE, for and in consideration of the mutual covenants set forth below, the sufficiency of which is hereby acknowledged, the parties agree to accept the Recommendation, except for the following:


1. The prospective water miscellaneous expense should be reduced by \$1,500 to \$620. Including the fallout reduction in regulatory assessment fee expense of \$68, the reduced revenue requirement for the water system should be \$23,115.
2. There should be no interim refund for water service provided during the pendency of the rate case.
3. The Utility and OPC have agreed to a reduced revenue requirement of \$28,187 for wastewater service. The Commission order should not mention any language from Issue 7 regarding the discussion of the revenue requirement calculation and an operating ratio.
4. The Rate Base and Cost of Capital Schedules (1 and 2) should be included as reflected in the Recommendation. Schedule 3-A, 3-C, and 3-D should be adjusted as agreed to in Paragraph 1 for water. Schedule 3-B for wastewater should only

reflect the columns up to the Staff Adjusted Test Year with the last two columns removed.

5. The balance of Staff's recommendation and the resulting language of the Commission's Order should remain unchanged except for those provisions that would be fall-out changes as a result of the stipulated reduced revenue requirements for the water and wastewater operations.

IN WITNESS WHEREOF, the Parties have hereunder caused this Settlement Agreement to be executed as of the date next to each signature, in counterparts, each counterpart to be considered an original.

OFFICE OF PUBLIC COUNSEL

By:  6/26/15
Stephen C. Reilly Date
Associate Public Counsel

JUMPER CREEK UTILITY COMPANY

By:  6-26-15
Gary DeRemer Date
President

Docket No. 140147-WS

Date: July 10, 2015

JUMPER CREEK UTILITY COMPANY
TEST YEAR ENDED 06/30/14
SCHEDULE OF WATER RATE BASE

SCHEDULE NO. 1-A
DOCKET NO. 140147-WS

UTILITY PLANT IN SERVICE	\$511,881	\$0	\$511,881
LAND & LAND RIGHTS	2,272	0	2,272
NON-USED AND USEFUL COMPONENTS	0	(9,095)	(9,095)
CIAC	(157,236)	0	(157,236)
ACCUMULATED DEPRECIATION	(151,215)	11,885	(139,330)
AMORTIZATION OF CIAC	38,790	(8,625)	30,166
ACQUISITION ADJUSTMENT	(208,895)	0	(208,895)
ACCUMULATED DEPRECIATION OF AA	0	21,268	21,268
WORKING CAPITAL ALLOWANCE	<u>0</u>	<u>2,035</u>	<u>2,035</u>
WATER RATE BASE	<u>\$35,597</u>	<u>\$17,469</u>	<u>\$53,066</u>

Docket No. 140147-WS

Date: July 10, 2015

JUMPER CREEK UTILITY COMPANY		SCHEDULE NO. 1-B	
TEST YEAR ENDED 06/30/14		DOCKET NO. 140147-WS	
SCHEDULE OF WASTEWATER RATE BASE			
UTILITY PLANT IN SERVICE	\$389,284	\$965	\$390,249
LAND & LAND RIGHTS	18,722	0	18,722
NON-USED AND USEFUL COMPONENTS	(128,851)	81,606	(47,245)
CIAC	(221,828)	0	(221,828)
ACCUMULATED DEPRECIATION	(126,053)	10,927	(115,126)
AMORTIZATION OF CIAC	54,724	(547)	54,177
ACQUISITION ADJUSTMENT	(104,855)	0	(104,855)
ACCUMULATED DEPRECIATION OF AA	0	10,821	10,821
WORKING CAPITAL ALLOWANCE	<u>0</u>	<u>3,047</u>	<u>3,047</u>
WASTEWATER RATE BASE	<u>(\$118,857)</u>	<u>\$106,819</u>	<u>(\$12,038)</u>

Docket No. 140147-WS

Date: July 10, 2015

UTAH POWER & LIGHT COMPANY		SCHEDULE NO. 1-C	
TEST YEAR ENDED 06/30/14		DOCKET NO. 140147-WS	
ADJUSTMENTS TO RATE BASE		(\$ MIL)	
	<u>WATER</u>	<u>WASTEWATER</u>	
<u>UTILITY PLANT IN SERVICE</u>			
1. To reflect pro forma additions.	\$0	\$3,860	
2. To reflect retirements associated with pro forma additions.	<u>0</u>	<u>(2,895)</u>	
Total	<u>\$0</u>	<u>\$965</u>	
<u>NON-USED AND USEFUL PLANT</u>			
1. To reflect non-used and useful plant.	\$(31,926)	\$53,254	
2. To reflect non-used and useful accumulated depreciation.	11,129	(7,065)	
3. To reflect non-used and useful acquisition adjustment.	13,029	39,492	
4. To reflect non-used and useful amortization of acquisition adjustment.	<u>(1,326)</u>	<u>(4,076)</u>	
Total	<u>\$(9,095)</u>	<u>\$81,606</u>	
<u>ACCUMULATED DEPRECIATION</u>			
1. To reflect an averaging adjustment.	\$11,885	\$8,097	
2. To reflect appropriate Acc. Dep. associated with pro forma plant.	<u>0</u>	<u>2,830</u>	
Total	<u>\$11,885</u>	<u>\$10,927</u>	
<u>AMORTIZATION OF CIAC</u>			
1. To reflect the appropriate amount of amortization.	(\$6,430)	\$3,531	
2. To reflect an averaging adjustment.	<u>(2,195)</u>	<u>(4,078)</u>	
Total	<u>\$(8,625)</u>	<u>\$(547)</u>	
<u>AMORTIZATION OF ACQUISITION ADJUSTMENT</u>			
1. To reflect the amount of amortization of AA during the test year.	\$1,125	\$572	
2. To normalize the appropriate amount of amortization of AA.	<u>20,143</u>	<u>10,249</u>	
Total	<u>\$21,268</u>	<u>\$10,821</u>	
<u>WORKING CAPITAL ALLOWANCE</u>			
To reflect 1/8 of test year O&M expenses.	<u>\$2,035</u>	<u>\$3,047</u>	

Docket No. 140147-WS

Date: July 10, 2015

**JUMPER CREEK UTILITY COMPANY
TEST YEAR ENDED 06/30/14
SCHEDULE OF CAPITAL STRUCTURE**

**SCHEDULE NO. 2
DOCKET NO. 140147-WS**

CAPITAL COMPONENT	PER UTILITY	SPECIFIC ADJUST- MENTS	BALANCE BEFORE PROGRAM ADJUSTMENTS	PRO RATA ADJUST- MENTS	BALANCE PER SHARE	PERCENT OF TOTAL	COST	WEIGHTED COST
1. COMMON EQUITY	\$2,810	\$0	\$2,810	\$37,646	\$40,456	98.16%	8.74%	8.58%
2. LONG-TERM DEBT	0	0	0	0	0	0.00%	0.00%	0.00%
3. SHORT-TERM DEBT	0	0	0	0	0	0.00%	0.00%	0.00%
4. PREFERRED STOCK	0	0	0	0	0	0.00%	0.00%	0.00%
5. CUSTOMER DEPOSITS	760	0	760	0	760	1.84%	2.00%	0.04%
6. DEFERRED INCOME TAXES	<u>0</u>	<u>0</u>	<u>\$0</u>	<u>0</u>	<u>\$0</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
7. TOTAL	<u>\$3,570</u>	<u>\$0</u>	<u>\$3,570</u>	<u>\$37,646</u>	<u>\$41,216</u>	<u>100.00%</u>	<u>10.74%</u>	<u>8.62%</u>
RANGE OF REASONABLENESS						<u>LOW</u>	<u>HIGH</u>	
RETURN ON EQUITY						<u>7.74%</u>	<u>9.74%</u>	
OVERALL RATE OF RETURN						<u>7.63%</u>	<u>9.60%</u>	

Docket No. 140147-WS

Date: July 10, 2015

JUMPER CREEK UTILITY COMPANY			SCHEDULE NO. 3-A		
TEST YEAR ENDED 06/30/14			DOCKET NO. 140147-WS		
SCHEDULE OF WATER OPERATING INCOME					
	TEST YEAR PER UTILITY	STAFF ADJUSTMENTS	STAFF ADJUSTED TEST YEAR	ADJUST FOR INCREASE	REVENUE REQUIREMENT
1. OPERATING REVENUES	<u>\$13,078</u>	<u>\$292</u>	<u>\$13,370</u>	<u>\$9,745</u> 72.89%	<u>\$23,115</u>
OPERATING EXPENSES:					
2. OPERATION & MAINTENANCE	\$19,352	(\$3,074)	\$16,278	\$0	\$16,278
3. DEPRECIATION (NET)	16,461	1,161	17,622	0	17,622
4. AMORTIZATION OF AA	0	(18,887)	(18,887)	0	(18,887)
5. TAXES OTHER THAN INCOME	4,319	(1,227)	3,092	439	3,530
6. INCOME TAXES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7. TOTAL OPERATING EXPENSES	<u>\$40,132</u>	<u>(\$22,027)</u>	<u>\$18,105</u>	<u>\$439</u>	<u>\$18,544</u>
8. OPERATING INCOME/(LOSS)	<u>(\$27,054)</u>		<u>(\$4,735)</u>		<u>\$4,572</u>
9. WATER RATE BASE	<u>\$35,597</u>		<u>\$53,066</u>		<u>\$53,066</u>
10. RATE OF RETURN					<u>8.62%</u>

Docket No. 140147-WS

Date: July 10, 2015

JUMPER CREEK UTILITY COMPANY			SCHEDULE NO. 3-B		
TEST YEAR ENDED 06/30/14			DOCKET NO. 140147-WS		
SCHEDULE OF WASTEWATER OPERATING INCOME					
	TEST YEAR PER UTILITY	STATE ADJUSTMENTS	STATE ADJUSTED TEST YEAR	ADJUST FOR INCREASE	REVENUE REQUIREMENT
1. OPERATING REVENUES	<u>\$18,624</u>	<u>\$2,038</u>	<u>\$20,662</u>	<u>\$7,525</u> 36.42%	<u>\$28,187</u>
OPERATING EXPENSES:					
2. OPERATION & MAINTENANCE	\$24,302	\$75	\$24,377		
3. DEPRECIATION (NET)	8,246	(7,139)	1,107		
4. AMORTIZATION OF AA	0	(6,389)	(6,389)		
5. TAXES OTHER THAN INCOME	3,785	(1,535)	2,250		
6. INCOME TAXES	<u>0</u>	<u>0</u>	<u>0</u>		
7. TOTAL OPERATING EXPENSES	<u>\$36,333</u>	<u>(\$14,987)</u>	<u>\$21,346</u>		
8. OPERATING INCOME/(LOSS)	<u>(\$17,709)</u>		<u>(\$684)</u>		
9. WASTEWATER O&M EXPENSES	<u>\$24,377</u>		<u>\$24,377</u>		
10. OPERATING RATIO ON O&M EXPENSES					

		<u>WATER</u>	<u>WASTEWATER</u>
OPERATING REVENUES			
1.	To reflect the appropriate test year services revenues.	\$980	\$1,394
2.	To reflect miscellaneous revenues.	(688)	644
	Subtotal	<u>\$292</u>	<u>\$2,038</u>
OPERATION AND MAINTENANCE EXPENSES			
1.	Purchased Power (615/715)		
	To reflect the appropriate amount of chemicals for the test year.	\$0	(\$55)
	Subtotal	<u>\$0</u>	<u>(\$55)</u>
2.	Contractual Services – Professional (631/731)		
	To remove unsupported invoices.	\$0	(\$833)
	Subtotal	<u>\$0</u>	<u>(\$833)</u>
3.	Contractual Services - Other (636/736)		
	a. To exclude the month of July 2014.	(\$894)	\$0
	b. To reflect the appropriate amount of Contractual Services – Other.	119	184
	c. To reflect administrative contract adjustments.	(121)	(121)
	Subtotal	<u>(\$896)</u>	<u>\$63</u>
4.	Insurance Expense (655/755)		
	a. To reflect appropriate insurance expense.	(\$416)	\$316
	Subtotal	<u>(\$416)</u>	<u>\$316</u>
5.	Bad Debt Expense (670/770)		
	a. To reflect the 3 year average of bad debt expense.	(\$263)	\$584
	Subtotal	<u>(\$263)</u>	<u>\$584</u>
6.	Miscellaneous Expense (675/775)		
	a. To reflect the new DEP licensing annual fee.	(\$1,500)	\$0
	Subtotal	<u>(\$1,500)</u>	<u>\$0</u>
TOTAL OPERATION & MAINTENANCE ADJUSTMENTS		<u>(\$3,075)</u>	<u>\$75</u>
DEPRECIATION EXPENSE			
1.	To reflect appropriate depreciation expense.	(\$4)	(\$40)
2.	To reflect non-used and useful depreciation expense.	(1,756)	(9,797)
3.	To reflect the appropriate amount of amortization expense of CIAC.	2,921	2,698
	Total	<u>\$1,161</u>	<u>(\$7,139)</u>
AMORTIZATION EXPENSE OF AA			
1.	To reflect the appropriate amount of amortization expense of AA.	(\$20,143)	(\$10,249)
2.	To reflect the non-used and useful amortization expense of AA.	1,256	3,860
	Total	<u>(\$18,887)</u>	<u>(\$6,389)</u>

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		<u>WATER</u>	<u>WASTEWATER</u>
TAXES OTHER THAN INCOME			
1.	To reflect the appropriate test year RAFs.	\$49	\$93
2.	To reflect non-used and useful property taxes.	(163)	(797)
3.	To reflect the appropriate test year property taxes.	(1,113)	(842)
4.	To reflect the appropriate allocation of property taxes to plant additions.	<u>0</u>	<u>11</u>
	Total	<u>(\$1,227)</u>	<u>(\$1,535)</u>

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JUMPER CREEK UTILITY COMPANY

SCHEDULE NO. 3-D

TEST YEAR ENDED 06/30/14

DOCKET NO. 140147-WS

ANALYSIS OF WATER OPERATION AND MAINTENANCE EXPENSE

	TOTAL	ADJUST-	
	PER	MENTS	
	UNIT		
(601) SALARIES AND WAGES - EMPLOYEES	\$0	\$0	\$0
(603) SALARIES AND WAGES - OFFICERS	750	0	750
(604) EMPLOYEE PENSIONS AND BENEFITS	0	0	0
(610) PURCHASED WATER	0	0	0
(615) PURCHASED POWER	1,544	0	1,544
(616) FUEL FOR POWER PRODUCTION	0	0	0
(618) CHEMICALS	47	0	47
(620) MATERIALS AND SUPPLIES	0	0	0
(630) CONTRACTUAL SERVICES - BILLING	0	0	0
(631) CONTRACTUAL SERVICES - PROFESSIONAL	1,250	0	1,250
(633) CONTRACTUAL SERVICES - LEGAL	98	0	98
(636) CONTRACTUAL SERVICES - OTHER	11,503	(896)	10,607
(640) RENTS	0	0	0
(650) TRANSPORTATION EXPENSE	0	0	0
(655) INSURANCE EXPENSE	1,098	(416)	682
(665) REGULATORY COMMISSION EXPENSE	118	0	118
(670) BAD DEBT EXPENSE	825	(263)	562
(675) MISCELLANEOUS EXPENSE	<u>2,120</u>	<u>(1,500)</u>	<u>620</u>
	<u>\$19,353</u>	<u>(\$3,075)</u>	<u>\$16,278</u>

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JUMPER CREEK UTILITY COMPANY		SCHEDULE NO. 3-E	
TEST YEAR ENDED 06/30/14		DOCKET NO. 140147-WS	
ANALYSIS OF WASTEWATER OPERATION AND MAINTENANCE EXPENSE			
	TOTAL PER UNIT	ADJUST- MENTS	TOTAL
(701) SALARIES AND WAGES - EMPLOYEES	\$0	\$0	\$0
(703) SALARIES AND WAGES - OFFICERS	750	0	750
(704) EMPLOYEE PENSIONS AND BENEFITS	0	0	0
(710) PURCHASED SEWAGE TREATMENT	0	0	0
(711) SLUDGE REMOVAL EXPENSE	959	0	959
(715) PURCHASED POWER	2,251	(55)	2,196
(716) FUEL FOR POWER PRODUCTION	0	0	0
(718) CHEMICALS	455	0	455
(720) MATERIALS AND SUPPLIES	0	0	0
(730) CONTRACTUAL SERVICES - BILLING	0	0	0
(731) CONTRACTUAL SERVICES - PROFESSIONAL	2,083	(833)	1,250
(735) CONTRACTUAL SERVICES - LEGAL	98	0	98
(736) CONTRACTUAL SERVICES - OTHER	16,391	63	16,454
(740) RENTS	0	0	0
(750) TRANSPORTATION EXPENSE	0	0	0
(755) INSURANCE EXPENSE	366	316	682
(765) REGULATORY COMMISSION EXPENSE	118	0	118
(770) BAD DEBT EXPENSE	174	584	758
(775) MISCELLANEOUS EXPENSE	<u>657</u>	<u>0</u>	<u>657</u>
	<u>\$24,302</u>	<u>\$75</u>	<u>\$24,377</u>

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**JUMPER CREEK UTILITY COMPANY
 TEST YEAR ENDED JUNE 30, 2014
 MONTHLY WATER RATES**

**SCHEDULE NO. 4-A
 DOCKET NO. 140147-WS**

	RATES AT TIME OF FILING	COMMISSION APPROVED INTERIM RATES	RECOMMENDED RATES BASED ON SETTLEMENT	4 YEAR RATE REDUCTION
<u>Residential and General Service</u>				
Base Facility Charge for All Meter Sizes	\$25.25	\$48.77	N/A	N/A
Base Facility Charge by Meter Size				
5/8" x 3/4"	N/A	N/A	\$18.01	\$0.10
3/4"	N/A	N/A	\$27.02	\$0.15
1"	N/A	N/A	\$45.03	\$0.25
1-1/2"	N/A	N/A	\$90.05	\$0.50
2"	N/A	N/A	\$144.08	\$0.81
3"	N/A	N/A	\$288.16	\$1.62
4"	N/A	N/A	\$450.25	\$2.52
6"	N/A	N/A	\$900.50	\$5.05
8"	N/A	N/A	\$1,440.80	\$8.08
Charge per 1,000 gallons	N/A	N/A	\$6.67	\$0.04
0 - 10,000 gallons	\$0.00	\$0.00	N/A	N/A
Over 10,000 gallons	\$2.52	\$4.87	N/A	N/A
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>				
4,000 Gallons	\$25.25	\$48.77	\$44.69	
6,000 Gallons	\$25.25	\$48.77	\$58.03	
10,000 Gallons	\$25.25	\$48.77	\$84.71	

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**JUMPER CREEK UTILITY COMPANY
TEST YEAR ENDED JUNE 30, 2014
MONTHLY WASTEWATER RATES**

**SCHEDULE NO. 4-B
DOCKET NO. 140147-WS**

	RATES AT TIME OF FILING	COMMISSION APPROVED INTERIM RATES	RECOMMENDED RATES BASED ON SETTLEMENT	4 YEAR RATE REDUCTION
<u>Residential Service</u>				
Flat Rate	\$40.44	\$41.25	N/A	N/A
Base Facility Charge for All Meter Sizes	N/A	N/A	\$28.47	\$0.14
Charge per 1,000 gallons - Residential 6,000 gallon cap	N/A	N/A	\$7.08	\$0.03
<u>General Service</u>				
Flat Rate	\$40.44	\$41.25	N/A	N/A
Base Facility Charge by Meter Size				
5/8"X3/4"	N/A	N/A	\$28.47	\$0.14
3/4"	N/A	N/A	\$42.71	\$0.21
1"	N/A	N/A	\$71.18	\$0.34
1-1/2"	N/A	N/A	\$142.35	\$0.69
2"	N/A	N/A	\$227.76	\$1.10
3"	N/A	N/A	\$455.52	\$2.20
4"	N/A	N/A	\$711.75	\$3.44
6"	N/A	N/A	\$1,423.50	\$6.87
8"	N/A	N/A	\$2,277.60	\$10.99
Charge per 1,000 gallons	N/A	N/A	\$8.50	\$0.04
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>				
4,000 Gallons	\$40.44	\$41.25	\$56.79	
6,000 Gallons	\$40.44	\$41.25	\$70.95	
10,000 Gallons	\$40.44	\$41.25	\$70.95	