

CASE: UW 166  
WITNESS: STEPHANIE YAMADA

**PUBLIC UTILITY COMMISSION  
OF  
OREGON**

**ROATS WATER SYSTEM, INC.**

**STAFF EXHIBIT 100**

**Testimony in Support of the Stipulation**

**January 5, 2017**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

**INTRODUCTION**

**Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.**

A. My name is Stephanie Yamada. I am a Utility Analyst in the Telecommunications and Water Division of the Utility Program at the Oregon Public Utility Commission (Commission). My business address is 201 High St SE, Suite 100, Salem, Oregon 97301.

**Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND WORK EXPERIENCE.**

A. Please see my Witness Qualification Statement attached as Exhibit Staff/101, Yamada/1.

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

A. The purpose of my testimony is to introduce and support the Stipulations entered into by the Stipulating Parties in Docket UW 166, Roats Water System, Inc.'s request for a general rate revision.

**Q. WHO IS TESTIFYING IN THIS DOCKET?**

A. I am testifying as the Staff witness in UW 166.

**Q. WHO ARE THE PARTIES IN DOCKET UW 166?**

A. The parties in Docket UW 166 are Roats Water System, Inc. (Roats or Company), Commission Staff (Staff), and intervenors Pat McCabe (representing Woodside Ranch Homeowners Association), Avion Water Company, Inc. (Avion), James Pease, James Powell, William Burton, and Richard Rotondi (Intervenors), collectively referred to as the "Parties."

1 **Q. DID THE PARTIES REACH A SETTLEMENT IN UW 166?**

2 A. Yes. Roats and Staff (the Stipulating Parties) reached agreement on all issues  
3 in this docket. The agreement is outlined in the Partial Stipulation filed  
4 December 6, 2016,<sup>1</sup> and the Second Partial Stipulation filed  
5 December 9, 2016.

6 **Q. DID YOU PREPARE EXHIBITS FOR THIS DOCKET?**

7 A. Yes. I prepared Exhibit Staff/100, consisting of 32 pages, Exhibit Staff/101,  
8 Yamada/1, consisting of one page, Exhibit Staff/102, consisting of 15 pages,  
9 and Exhibit Staff/103 consisting of 28 pages.

10 **Q. HOW IS YOUR TESTIMONY ORGANIZED?**

11 A. My testimony is organized as follows:

12	Issue 1 ---- Summary Recommendation .....	3
13	Issue 2 ---- Roats' Description and Regulatory History .....	4
14	Issue 3 ---- Summary of Roats' General Rate Filing .....	4
15	Issue 4 ---- Customer Concerns .....	10
16	Issue 5 ---- Revenue Requirement Issues .....	13
17	Issue 6 ---- Non-Revenue Requirement Issues.....	24
18	Issue 7 ---- Rate Spread and Rate Design .....	27
19	Table 1 ---- Roats' Current & Proposed Average Bills .....	8
20	Table 2 ---- Proposed Miscellaneous Fees .....	9
21	Table 3 ---- Revenue Requirement Comparison .....	13
22	Table 4 ---- Stipulated Net Invested Utility Plant .....	22
23	Table 5 ---- Stipulated Cost of Capital.....	24
24	Exhibit 101 ---- Witness Qualification .....	Yamada /1
25	Exhibit 102 ---- Revenue Requirement.....	Yamada /1
26	Exhibit 102 ---- Adjustment Summary .....	Yamada /3

---

<sup>1</sup> On December 12, 2016, Staff and Roats re-filed the first Partial Stipulation to provide the Commission with a complete copy that reflects the corrections made via the errata filing on December 9, 2016.

1	Exhibit 102 ---- Cost of Capital .....	Yamada /5
2	Exhibit 102 ---- Company Current and Proposed Rates.....	Yamada /6
3	Exhibit 102 ---- Stipulated Rates .....	Yamada /7
4	Exhibit 102 ---- Invested Plant.....	Yamada /8
5	Exhibit 102 ---- Contributed Plant.....	Yamada /12
6	Exhibit 102 ---- Domestic/Irrigation Split.....	Yamada /14
7	Exhibit 103 ---- Data Responses & Supporting Documentation ...	Yamada /1

## ISSUE 1

### SUMMARY RECOMMENDATION

**Q. PLEASE SUMMARIZE THE STIPULATING PARTIES' RECOMMENDATION  
IN THIS CASE.**

A. The Stipulating Parties recommend that the Commission adopt the Stipulations agreed to by the Stipulating Parties in UW 166. The first Partial Stipulation filed in this case resolves all issues, including revenue requirement, rate spread and rate design, with the exception of the implementation date for new rates. The Second Partial Stipulation reflects the agreement between Staff and Roats relating to the date that new rates should be implemented in this case. Roats' case also includes the acquisition of the former Juniper Utility system (Juniper), which is anticipated to close on or before December 31, 2016. In order to address the contingency that Roats' proposed acquisition of the former Juniper system does not close as planned, the Stipulating Parties have agreed to two separate revenue requirements and rates—one set inclusive of the Juniper acquisition and one set exclusive of the proposed acquisition. The Stipulating Parties further agreed the rates should be effective as soon as practicable after the Commission issues an order in UW 166.

1

**ISSUE 2**

2

**ROATS' DESCRIPTION AND REGULATORY HISTORY**

3

**Q. PLEASE DESCRIBE ROATS WATER SYSTEM, INC.**

4

A. Roats is a rate- and service-regulated investor-owned water utility located in Bend, Oregon. The Company is organized as a Corporation. The system was constructed in 1963 and began providing water service in 1963. Roats currently serves approximately 1,562 residential and 187 commercial customers in the Bend area.

5

6

7

8

9

**Q. PLEASE PROVIDE A SUMMARY OF ROATS' REGULATORY HISTORY.**

10

A. Roats has been providing water service since 1963. Since that time, the Company has filed several rate cases, the most recent being UW 107, which was completed in 2005. The Commission approved a rate increase of 14.2 percent in UW 107, resulting in annual revenues of \$674,987.<sup>2</sup>

11

12

13

14

**ISSUE 3**

15

**SUMMARY OF ROATS' GENERAL RATE FILING**

16

**Q. PLEASE DESCRIBE ROATS' RATE APPLICATION.**

17

A. The Company filed its request for a general rate revision on March 15, 2016. The Company's request was supported by a brief and testimony from William Roats, the President of Roats Water System, Inc. This testimony refers to the Company's filing as its Application. The Company's Application proposed annual domestic revenues of \$1,802,530 and annual irrigation revenues of \$445,451, for a total revenue requirement of \$2,247,981. The Company

18

19

20

21

22

---

<sup>2</sup> *In re Roats Water System, Inc.*, OPUC Docket No. UW 107, Order No. 05-811 (June 24, 2005).

1 proposed a 10.03 percent rate of return on a rate base of \$3,856,886. Roats'  
2 requested revenues represent an increase of 108 percent over test year  
3 revenues of \$1,079,919.<sup>3</sup> While this seems like a significant increase, it is  
4 largely driven by the proposed acquisition of the Juniper system, which would  
5 result in an approximately 95 percent increase in customers. This proposed  
6 acquisition is discussed in greater detail in my testimony, below.

7 **Q. WHAT WERE THE PRIMARY DRIVERS FOR THE COMPANY'S**  
8 **REQUEST FOR A RATE INCREASE?**

9 A. Roats has not filed a request for a general rate revision since 2005, and the  
10 Company's costs have increased since that time. In its Application, Roats  
11 asserts that it requires a rate increase because "current revenues are not  
12 covering the cost of providing service and allowing an opportunity for a  
13 reasonable return on the company's investments. Factors include additional  
14 expenses and inflation on supplies and operating costs."<sup>4</sup> Additionally, Roats  
15 has proposed to acquire a portion of the former Juniper Utility system (Juniper)  
16 from the City of Bend. The acquisition would result in 821 new residential and  
17 839 new irrigation customers, for a total of 1,660 new customers to Roats.  
18 Almost all of the Juniper customers to be acquired will be both residential and  
19 irrigation customers of Roats. As stated above, the 1,660 new customers

---

<sup>3</sup> Although Roats' Application shows test year revenues of \$1,360,277, the Company clarified in response to Staff's Data Requests 43 d, e, and f (mislabeled c, d, and e in Roats' response) that this includes revenue collected from Juniper customers by the City of Bend. In response to Staff's Data Request 53 b, Roats clarified that its actual test year revenue was \$1,079,919. See Exhibit Staff/103 Yamada/1-2.

<sup>4</sup> Roats Water System, Inc. Initial Testimony at 5.

1 represent an almost 95 percent increase in customers compared to Roats'  
2 current customer count of 1,749. Roats' Application states that "the cost of  
3 serving the additional Juniper domestic customers must be included"<sup>5</sup> and that  
4 "Roats' capital improvements and the addition of Juniper's domestic systems  
5 need to be included in rate base."<sup>6</sup> Finally, as Roats does not currently provide  
6 irrigation service and therefore currently has no tariffed rate for irrigation  
7 service, Roats notes that rates for irrigation service must be established.<sup>7</sup>

8 **Q. PLEASE DESCRIBE THE JUNIPER UTILITY SYSTEM.**

9 A. Juniper was condemned by the City of Bend in 2002. While Juniper consists of  
10 a dual-pipe system which separately delivers domestic potable drinking water  
11 as well as non-potable irrigation water, the City of Bend does not otherwise  
12 operate a separate irrigation system. As such, the City had planned to  
13 abandon the irrigation portion of the system and upgrade the domestic portion  
14 according to City of Bend standards. However, the cost to upgrade the Juniper  
15 domestic system to the City of Bend's standards was expected to be  
16 substantial. First, the abandonment of the irrigation system would force  
17 Juniper customers to irrigate using potable drinking water, which in turn would  
18 require the new single-pipe system to have the capacity to meet both the  
19 domestic and irrigation needs of former Juniper customers. Second, the  
20 Company states the PVC pipe with which the legacy Juniper system was  
21 constructed would need to be replaced with more expensive ductile iron pipe in

---

<sup>5</sup> Roats Water System, Inc. Initial Testimony at 5.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

1 order to meet the demand for pressure and flow required to provide both  
2 domestic water and irrigation demands through a one pipe system. As a result  
3 of discussions between Juniper customers, the City of Bend, and private water  
4 utilities serving the area, two Bend utilities agreed to acquire the Juniper  
5 system from the City. The acquisition would enable Juniper customers to keep  
6 their separate irrigation system while eliminating the need to convert the  
7 domestic system to ductile iron. Roats proposes to acquire the portion of the  
8 former Juniper system which serves Tillicum Village, Timber Ridge, Mountain  
9 High, and Blue Ridge, as well as other properties including The Pines Mobile  
10 Home Park and Crown Villa RV Park. A separate water utility, Avion Water  
11 Company, plans to acquire the portion that serves the Nottingham Square and  
12 Stonegate neighborhoods. Currently, Roats does not operate a separate  
13 irrigation system, nor does it have an established rate for irrigation service. As  
14 such, Roats will need to establish an irrigation tariff prior to serving its new  
15 irrigation customers. Roats will also need to establish a tariff for Mobile Home  
16 and RV Park rates, as it will begin serving two such parks upon its acquisition  
17 of Juniper and currently has no tarified rates at which those customers can be  
18 appropriately charged. The Company's Application reflects the inclusion of the  
19 Juniper plant, customers, consumption, and costs in Roats' proposed rates.

20 **Q. DID ROATS SEEK PUC APPROVAL FOR THE PURCHASE OF JUNIPER?**

21 A. No. Because Juniper is owned by a municipality not subject to the  
22 Commission's jurisdiction, Commission approval pursuant to ORS 759.485 is  
23 not required for Roats to purchase Juniper. However, Roats plans to finance



1 the acquisition through a \$1,400,000 loan from the City of Bend. Pursuant to  
 2 ORS 757.415, Roats must obtain an order from the Commission prior to taking  
 3 out this loan for the acquisition of the Juniper property. Staff's analysis of  
 4 Roats' proposed financing was addressed in a separate docket, UF 4298.  
 5 Staff's recommendation to approve that financing Application was adopted by  
 6 the Commission at its November 8, 2016, public meeting.<sup>8</sup>

7 **Q. WHAT ARE THE CURRENT RATES AND WHAT RATE INCREASES DID**  
 8 **ROATS PROPOSE IN ITS APPLICATION?**

9 A. Please see Staff/102, Yamada/6 for the Company's current and proposed rates  
 10 as stated in its Application.

11 **Q. WHAT ARE THE EFFECTS OF ROATS' PROPOSED RATES ON THE**  
 12 **AVERAGE CUSTOMERS?**

13 A. The majority of Roats' current residential and commercial customers  
 14 (83 percent) take service through either 5/8" or 3/4" lines. For those  
 15 customers, Roats' proposed rates result in a 36.87 percent increase in the  
 16 base rate and a 77.63 percent increase in the commodity rate. The customer  
 17 notice that Roats submitted with its Application shows the following proposed  
 18 changes to average monthly bills:

19 **TABLE 1 – ROATS' CURRENT & PROPOSED AVERAGE BILLS**

Class	Line Size	Current Average Monthly Bill	Roats' Proposed Average Monthly Bill
Residential & Commercial	5/8" & 3/4"	\$36.47	\$53.86
Residential & Commercial	1"	\$59.88	\$96.93
Residential & Commercial	1 1/2"	\$104.38	\$174.12
Commercial	2"	\$155.80	\$262.23

<sup>8</sup> *In re Roats Water System, Inc.*, OPUC Docket No. UF 4298, Order No. 16-423 (Nov. 8, 2016).

1 **Q. DID THE COMPANY REQUEST ANY OTHER TARIFF CHANGES?**

2 A. Yes. Roats requested approval of a Power Cost Adjustment tariff (PCA). The  
3 Company also proposed changes to what is currently Schedule 3,  
4 Miscellaneous Service Charges. Table 3 shows the current and proposed  
5 charges as filed in the Company's Application.

6 **TABLE 2 – PROPOSED MISCELLANEOUS FEES**

<b>Miscellaneous Fees</b>	<b>Current</b>	<b>Proposed</b>
Connection for New Service (Standard ¾ inch)	\$450	At Cost
Connection for New Service (Larger than ¾ inch)	\$450	At Cost
Irrigation Hookup	\$450	At Cost
Trouble-Call (Normal office hours)	\$25	\$50
Trouble-Call (After hours)	\$50	\$75
"Disconnect Visit Charge" now "Field Visit Charge"	\$30	\$25
Backflow Prevention Device Repairs - Labor	\$25	\$50

7 **Q. DID THE COMPANY REQUEST ANY CHANGES TO UTILITY PLANT?**

8 A. Yes. Roats requested the inclusion of plant additions through  
9 September 30, 2015, and a service truck with a gross book value of \$60,000  
10 which had not yet been purchased at the time of Roats' filing. Roats also  
11 requested that the Juniper assets planned to be acquired from the City of Bend  
12 be included in Utility Plant with a gross book value of \$1,426,580.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

**ISSUE 4**

**CUSTOMER CONCERNS**

**Q. DID THE CUSTOMERS EXPRESS ANY CONCERNS DURING THE RATE CASE?**

A. Yes. Staff received several letters, emails, and telephone calls from individual customers. Concerns that were expressed by customers during this case are outlined below.

**Juniper Acquisition**

One of the most common concerns expressed to Staff was that the acquisition, operation, and maintenance costs of the Juniper system would place undue strain on current Roats customers. Many customers felt that, if not for the Juniper acquisition, Roats would not require any rate increase at this time. To address this concern, Staff explained that Roats required PUC approval for the financing that would enable it to acquire Juniper. Furthermore, PUC approval of Roats' requested financing would require that current customers not be harmed by the acquisition. Staff directed customers to Docket UF 4298, where Staff's analysis of Roats' Financing Application could be found.

**Customer Notice**

With its Application, Roats submitted a customer notice outlining its proposed rate increases. Upon viewing Roats' Application on the PUC website, a number of customers notified Staff that they had not received the notice that Roats submitted with its Application. Staff contacted Roats, and the Company confirmed that the notice was posted in the Bend Bulletin rather than being

1 mailed to each customer individually. OAR 860-036-0620(3) allows utilities the  
2 option to provide notice of rate increases via a newspaper advertisement, bill  
3 insert, or direct mailer. Staff explained to customers that the notice provided by  
4 Roats was consistent with the Commission's rules regarding noticing  
5 requirements. Many customers urged that the Commission should consider  
6 revisiting these rules, as notices published in the newspaper are easily  
7 overlooked.

8 **Amount of Increase**

9 Roats' Application stated that the Company's rate proposal resulted in "an  
10 overall increase of 32.51 percent." Several customers contacted Staff with  
11 concerns that Roats' proposal would result in a much higher rate increase than  
12 the 32.51 percent quoted in Roats' Application. Staff raised the issue with  
13 Roats, and the Company confirmed that the 32.51 percent figure represents the  
14 increase from test year revenues of \$1,360,277 as shown on the Application to  
15 Roats' requested domestic revenue of \$1,802,530. Roats also confirmed that  
16 the test year revenue shown in the Application included \$280,358 that was  
17 collected from Juniper customers by the City of Bend at City of Bend rates  
18 during Roats' selected test year. As such, the 32.51 percent figure may not  
19 accurately reflect the overall bill increases that current Roats customers will  
20 experience. Instead, Staff advised customers to calculate their own bill impacts  
21 using their specific line size, consumption, and the proposed rates that Roats  
22 provided in its Application. Given the media attention and customer

1 engagement in this proceeding, Staff believes that Roats' customers were  
2 adequately apprised of the Company's request in this case.

3 **Commodity Rate**

4 The majority of customers who contacted Staff during this case were residents  
5 of Woodside Ranch, which is a subdivision of approximately 271 residents  
6 within Roats' current service area. One area of particular concern for  
7 Woodside Ranch residents was Roats' proposed commodity rate of \$1.35 per  
8 100 cubic feet (cf) of water used. Homes in Woodside Ranch are typically built  
9 on relatively large plots of land, with large surrounding yards. Furthermore, as  
10 the subdivision borders Deschutes National Forest, many Woodside Ranch  
11 residents feel it necessary to keep their yards green and well-irrigated as a  
12 measure for protecting their homes against fire damage. However, as  
13 Woodside Ranch is not served by an irrigation system that is separate from  
14 Roats' domestic system, residents of this subdivision have no choice but to  
15 irrigate using potable domestic water, which is significantly more expensive  
16 than irrigating with non-potable irrigation water. A number of residents  
17 expressed the concern that increasing the commodity rate to \$1.35 would have  
18 a particularly significant impact on customers in Woodside Ranch. In order to  
19 address this concern, Staff and Roats agreed to a residential and commercial  
20 allocation of 32.5 percent to the variable rate and 67.5 percent to the base rate.  
21 The resulting commodity rate is \$0.95 per 100 cf of water used, which is an  
22 increase of approximately 24 percent from the current commodity rate of \$0.76

1 per 100 cf, but approximately 30 percent lower than Roats' initial request of  
2 \$1.35 per 100 cf.

3 **Distribution of Water**

4 A number of Woodside Ranch residents expressed concern that water pumped  
5 from wells within Woodside Ranch would be used to serve other Roats  
6 customers outside of Woodside Ranch. Staff informed these customers that  
7 the adjudication and enforcement of water rights and deeds is outside of the  
8 Commission's purview in this case.

9 **ISSUE 5**

10 **REVENUE REQUIREMENT ISSUES**

11 **Q. PLEASE SUMMARIZE THE REVENUE REQUIREMENTS AGREED TO BY**  
12 **THE STIPULATING PARTIES.**

13 A. The agreed-to revenue requirements inclusive and exclusive of the Juniper  
14 acquisition are shown in Table 3.

15 **TABLE 3 – REVENUE REQUIREMENT COMPARISON**

<b>Revenue Requirement</b>	<b>With Juniper</b>	<b>Without Juniper</b>
<b>Domestic</b>	\$1,594,974	\$1,399,633
<b>Irrigation</b>	\$406,724	\$0
<b>Total Company</b>	\$2,001,698	\$1,399,633

16 **Q. WHAT ISSUES DID STAFF INVESTIGATE?**

17 A. Staff's investigation and analysis of Roats' general rate filing included a  
18 comprehensive examination of the Company's revenues, expenses, proposed  
19 adjustments, rate spread and rate design, rate base, capital improvements,

1 cost of capital, capital structure, quality of service, capacity, and customer  
2 concerns. Specific expense issues included the costs of operating and  
3 maintaining both the existing Roats system as well as the Juniper domestic and  
4 irrigation systems, costs of hired and contracted labor, and building rental  
5 costs. Staff further investigated customer concerns expressed during the case.  
6 Finally, Staff reviewed the cost allocations between the Roats domestic and  
7 irrigation systems as they will exist upon completion of the proposed  
8 acquisition.

9 **Q. PLEASE DISCUSS THE STIPULATING PARTIES' AGREEMENT**  
10 **REGARDING ROATS' EXPENSES.**

11 A. Staff examined Roats' expenses with consideration of the prudence and  
12 reasonableness of each expense and in accordance with the rules and statutes  
13 that apply to rate-regulated water utilities. Several expenses were eliminated,  
14 reallocated, or transferred from one account to another. All of the agreed-upon  
15 adjustments are shown in Exhibit Staff/102, Yamada/3. However, the following  
16 is a brief explanation of the most significant adjustments.

17 **Salaries and Wages**

18 Roats' test year wage expense as reported in its Application was \$94,570 for  
19 employees and \$217,100 for officers, for a combined total of \$311,670. Roats'  
20 proposed wage expense as shown in its Application is \$190,470 for employees  
21 and \$249,666 for officers, or a combined total of \$440,136. Test year wages

1 were adjusted to reflect actual wages shown on Roats' payroll summary.<sup>9</sup>

2 Roats' corrected test year wage expense is \$218,100 for officers and \$126,660  
3 for employees, for a combined total of \$344,760.

4 In its Application, Roats requested the addition of a new employee with an  
5 annual salary of \$75,000. Roats also requested a 22.1 percent wage increase  
6 for seven existing employees, including officers. Based on wage information<sup>10</sup>  
7 for comparable positions from the American Water Works Association (AWWA)  
8 and the Oregon Employment Department, Staff determined that the proposed  
9 wages for the new employee and six of the seven existing employees were  
10 justified. These adjustments resulted in a total Employee Salaries & Wages  
11 expense of \$222,270. However, this amount was reduced by \$26,727, to  
12 \$195,547, to fully remove the wages associated with Roats' Cross Connection  
13 Control program from rates, as discussed later in my testimony. Including the  
14 aforementioned 22.1 percent wage increase, the Stipulating Parties agreed to a  
15 total Officer Salaries & Wages expense of \$266,301, for a combined Salaries &  
16 Wages expense of \$461,847.

17 **Employee Pension and Benefits**

18 Roats' test year Pension and Benefits expense, as reported in its Application,  
19 was \$75,469. Roats' proposed Pension and Benefits expense was \$91,237.

20 Based on documentation provided by Roats, the test year expense was

---

<sup>9</sup> See Exhibit Staff/103, Yamada/3-7, Roats' response to Staff Data Request 44 a.

<sup>10</sup> See Exhibit Staff/103, Yamada/8



1 adjusted to \$73,762. This amount was increased to reflect an 11.72 percent  
2 increase in the Company's health insurance rates and a 4 percent increase in  
3 the Company's dental insurance rates.<sup>11</sup> The cost of benefits for Roats' new  
4 employee and for one existing employee who did not previously receive  
5 employee benefits was also included. The Stipulating Parties agreed to an  
6 annual Pension and Benefits Expense of \$114,704.

7 **Purchased Water**

8 The Company had no Purchased Water expense in the test year. Roats'  
9 Application shows a proposed Purchased Water expense of \$29,353 for  
10 domestic service and \$41,740 for irrigation service, for a combined Purchased  
11 Water expense of \$71,093. Roats' proposed domestic Purchased Water  
12 expense consists of the cost to purchase bulk water from the City of Bend to  
13 serve customers in The Pines and Crown Villa. Based on Pines and Crown  
14 Villa consumption information provided by Roats<sup>12</sup> as well as the City of Bend's  
15 new bulk water rate, which increased from \$1.82 to \$1.86 per 100 cf effective  
16 July 1, 2016, the Stipulating Parties agreed to a domestic Purchased Water  
17 expense of \$28,570. Roats' proposed irrigation Purchased Water expense  
18 consists of the cost to purchase irrigation water from Arnold Irrigation District  
19 (Arnold) to serve the Juniper irrigation customers. With its Application, Roats  
20 submitted documentation showing that the City of Bend paid Arnold \$38,030 for  
21 irrigation water to serve Juniper customers throughout the 2016 irrigation

---

<sup>11</sup> See Exhibit Staff/103, Yamada/9-11, Roats' response to Staff Data Request 68.

<sup>12</sup> See Exhibit Roats' Initial Testimony, Page 25

1 season.<sup>13</sup> However, this amount included the cost to serve irrigation customers  
2 in Nottingham Square, which is not included in the portion of the Juniper  
3 system that Roats will acquire. Roats and Staff agreed to decrease the  
4 irrigation Purchased Water expense by 15 percent, to \$32,325, to remove the  
5 cost of serving the Nottingham Square neighborhood. The Stipulating Parties  
6 agree to a final Purchased Water expense of \$60,895, consisting of \$32,325 for  
7 irrigation customers and \$28,570 for domestic (i.e., The Pines and Crown Villa)  
8 customers.

9 **Purchased Power**

10 As shown on its Application, Roats' test year Purchased Power expense was  
11 \$117,321. The test year expense was adjusted to \$118,076 based on actual  
12 bills submitted by the Company. The power costs associated with the portion  
13 of the Juniper system to be acquired by Roats were then added to the test year  
14 amount. Roats submitted documentation showing that the City of Bend's power  
15 costs associated with this portion of the Juniper domestic and irrigation systems  
16 averaged \$98,116 over three fiscal years from 2011 to 2014.<sup>14</sup> The Stipulating  
17 Parties agreed to a Purchased Power expense of \$143,790 for domestic  
18 service and \$72,401 for irrigation service, for a combined Purchased Power  
19 expense of \$216,191.

---

<sup>13</sup> See Exhibit Staff/103, Yamada/12-14.

<sup>14</sup> See Exhibit Staff/103, Yamada/15-18, Roats' response to Staff Data Request 12.

**O&M Materials/Supplies**

Roats' Application shows a test year O&M Materials/Supplies expense of \$26,176. However, based on actual receipts and invoices provided by the Company, Roats' test year expense in this account was adjusted to \$42,301.

The O&M costs associated with the portion of the Juniper system to be acquired by Roats were then added to the test year amount. Roats submitted documentation showing that the City of Bend's O&M Materials/Supplies costs associated with this portion of the Juniper system averaged \$79,505 for the domestic system and \$91,227 for the irrigation system over three fiscal years from 2011 to 2014.<sup>15</sup> The Stipulating Parties' agreed to an O&M Materials/Supplies expense of \$121,819 for domestic service and \$91,227 for irrigation service, for a combined total of \$213,046.

**Contract Services – Accounting**

Roats' test year Contract Services – Accounting expense as reported in its Application was \$15,289. Roats' proposed expense was \$16,818. Roats submitted documentation consisting of invoices for accounting services totaling \$15,942 in the test year. However, these invoices included charges for services relating specifically to the Juniper acquisition. The Stipulating Parties agreed to capitalize \$3,188 of Roats' test year accounting costs, resulting in a Contract Services – Accounting expense of \$12,754.

---

<sup>15</sup> Ibid.

**Contract Services – Legal**

Roats' Contract Services – Legal expense as reported in its Application was \$9,374 in the test year, with a proposed expense of \$10,311 in this account.

While the test year amount was confirmed in invoices submitted by the Company, a charge of \$1,219 was included twice. The duplicate charge was removed, resulting in a revised test year amount of \$8,155. Of this amount, the Stipulating Parties agreed to remove and instead capitalize \$7,408 in legal expenses relating specifically to the Juniper acquisition, as these expenses are more appropriately capitalized. The resulting Contract Services – Legal expense is \$748.

**Contract Services – Labor**

As shown in its Application, Roats' Contract Services – Labor expense was \$1,022 in the test year. Roats requested an increase of \$109,912, for a total of \$110,934 in this account. The requested increase consisted of the City of Bend's labor costs attributable to the irrigation system, averaging \$99,827 over three fiscal years, plus a 10 percent increase "for uncertainty."<sup>16</sup> The Stipulating Parties agreed to remove the requested 10 percent increase and agreed to include the entire average City of Bend expense, resulting in an annual Contract Services – Labor expense of \$100,849.

**Rental of Building/Real Property**

As shown in its Application, Roats' test year Building Rental expense was \$97,400. In its Application, Roats initially requested a total of \$120,257 in this

---

<sup>16</sup> UW 166 – Roats' Initial Testimony at 22.

1 account. However, the Company subsequently revised its request to \$126,036  
2 to match the monthly amount of \$10,503 that was previously approved by the  
3 Commission in UI 326.<sup>17</sup> The Stipulating Parties agreed to allow this increase,  
4 resulting in a total expense of \$126,036 in this account.

5 **Cross Connection Control**

6 As shown in its Application, Roats' test year expense in this account was  
7 \$22,495, and corresponding Cross Connection Control revenues totaled  
8 \$48,988. Roats proposed to increase the expense amount to \$24,745 and to  
9 eliminate the corresponding revenue allocation. As some of the customers in  
10 the portion of the Juniper system that Roats will acquire may receive backflow  
11 testing as part of agreements with their homeowners' associations, and  
12 therefore would not need to participate in Roats' Cross Connection Control  
13 Program, it was not possible to estimate confidently the number of Juniper  
14 customers that would utilize Roats' Cross Connection Control Program, and in  
15 turn impossible to accurately forecast the necessary Cross Connection Control  
16 expense. Therefore, the Stipulating Parties agreed to remove all expenses and  
17 revenues associated with the Cross Connection Control Program from the rates  
18 set in UW 166. To ensure that the removal of the Cross Connection Control  
19 Program would have no net impact on the revenue requirement, the Stipulating  
20 Parties agreed to remove the entire test year Cross Connection Control  
21 expense of \$22,495 as well as \$26,727 from Employee Salaries and Wages.  
22 The resulting Cross Connection Control expense is \$0.

---

<sup>17</sup> Order No. 13-066, issued on February 26, 2013.

1 **Q. PLEASE DISCUSS THE AGREED-UPON CHANGES TO ROATS'**  
2 **PROPOSED PLANT.**

3 A. As shown in its Application, the Company's test year Utility Plant in Service was  
4 \$5,847,599, and Roats proposed no adjustment to this amount. This amount  
5 included the assets that Roats plans to acquire from the City of Bend at an  
6 original cost of \$1,426,580. Roats proposed Accumulated Depreciation of  
7 \$2,170,031, resulting in Net Invested Utility Plant of \$3,677,568.

8 Based on depreciation schedules<sup>18</sup> provided by the Company, Roats' test year  
9 Utility Plant in Service was adjusted to \$4,789,909, which includes \$1,706,782  
10 in Contributions in Aid of Construction (CIAC). The Stipulating Parties also  
11 agreed to include the Juniper assets that Roats plans to acquire at \$1,400,000,  
12 an engineering study relating to the Juniper purchase totaling \$11,484, and  
13 accounting and legal costs relating to the Juniper purchase totaling \$10,596.

14 The Stipulating Parties further agreed that \$104,096 in capital assets that were  
15 put into service during Roats' 2015-2016 fiscal year, ending September 30,  
16 2016, were prudent. After these adjustments, Roats' total Utility Plant in  
17 Service is \$6,316,085. The Stipulating Parties agreed to Accumulated  
18 Depreciation of \$2,415,491, which includes depreciation on in-service assets  
19 through September 30, 2016, totaling \$1,869,936, six months' depreciation on  
20 the Juniper assets totaling \$14,221, and depreciation on CIAC assets totaling

---

<sup>18</sup> See Exhibit Staff/103, Yamada/19-27, Roats' response to Staff Data Request 104.

1           \$545,555. As shown below, the resulting Net Invested Utility Plant that is  
2 included in rate base is \$2,739,367.<sup>19</sup>

3                           **TABLE 4 – STIPULATED NET INVESTED UTILITY PLANT**

Utility Plant in Service	\$6,316,085
Accumulated Depreciation	<u>\$2,415,491</u>
<b>Net Utility Plant</b>	<b>\$3,900,594</b>
CIAC	\$1,706,782
Accum. Amortization of CIAC	<u>\$ 545,555</u>
<b>Net Contributed Plant</b>	<b>\$1,161,227</b>
<b>Net Invested Utility Plant</b>	<b>\$2,739,367</b>

4           **Q. PLEASE DISCUSS THE PRUDENCE OF ROATS' PROPOSED**  
5           **ACQUISITION OF JUNIPER.**

6           A. As discussed above, Staff conducted a comprehensive review of the Juniper  
7 acquisition both in this case and in Docket UF 4298, the Company's application  
8 to finance the purchase. In both cases, Staff concluded that, due to the  
9 purchase, Roats' current customers would experience significant benefits over  
10 a 20-year period. Staff's public meeting memo, including recommendations  
11 adopted by the Commission at its November 8, 2016, public meeting, contains  
12 a detailed discussion of Staff's analysis.<sup>20</sup> Staff therefore finds that the  
13 Company's acquisition of the Juniper Utility system is prudent.

<sup>19</sup> See complete invested & contributed plant depreciation schedules in Exhibit Staff/102, Yamada/8-13.

<sup>20</sup> *In re Roats Water System Inc.*, OPUC Docket No. UF 4298, Order No. 16-423 (Nov. 8, 2016).

1 **Q. PLEASE COMPARE THE COMPANY'S PROPOSED RATE BASE AND THE**  
2 **AGREED-UPON RATE BASE.**

3 A. The Company's proposed rate base as shown in its Application was  
4 \$3,820,141 for the domestic system and \$36,745 for the irrigation system, for a  
5 combined total of \$3,856,886. As discussed above, utility plant was adjusted  
6 to include new assets from Roats' 2015-2016 fiscal year, and the Stipulating  
7 Parties agreed, for purposes of this case, to remove CIAC from rate base.<sup>21</sup>  
8 The Stipulating Parties agreed to a rate base of \$2,860,040 for the domestic  
9 system and \$32,392 for the irrigation system, for a combined total of  
10 \$2,892,432. As there is no book value associated with the Juniper irrigation  
11 plant, irrigation rate base consists only of working cash.

12 **Q. WHAT COST OF CAPITAL DID THE COMPANY REQUEST IN ITS**  
13 **APPLICATION?**

14 A. Roats requested a 10.03 percent cost of capital, which included an  
15 11.5 percent Return on Equity (ROE).

16 **Q. PLEASE SUMMARIZE THE COST OF CAPITAL AGREED TO BY THE**  
17 **STIPULATING PARTIES.**

18 A. Assuming the Juniper acquisition closes, the Stipulating Parties agreed to a  
19 7.89 percent cost of capital for the domestic system and a 9.5 percent cost of  
20 capital for the irrigation system, for an overall cost of capital of 7.91 percent.<sup>22</sup>

---

<sup>21</sup> The first Partial Stipulation in this case also makes clear that the issue of CIAC may be addressed in a future rate case.

<sup>22</sup> The Stipulating Parties agreed to a 9.22 percent overall cost of capital absent the Juniper acquisition. See Exhibit Staff/102 Yamada/1.



1 The derivation of the combined domestic & irrigation cost of capital is shown in  
2 Table 2.

3 **TABLE 5 – STIPULATED COST OF CAPITAL**

	<b>Amount</b>	<b>Cost</b>	<b>Weighted Cost</b>
Debt	\$1,560,000	6.55%	3.53%
Equity	\$1,332,432	9.50%	4.38%
<b>Total</b>	<b>\$2,892,432</b>		<b>7.91%</b>

4 **Q. WHAT COST OF EQUITY DID THE PARTIES STIPULATE TO IN THIS**  
5 **PROCEEDING?**

6 A. As shown in Table 3, the Stipulating Parties agreed to a 9.5 percent ROE in this  
7 docket.

8 **Q. WHAT COST OF DEBT IS BEING USED IN THIS PROCEEDING?**

9 A. As shown in Table 3, the cost of debt is 6.55 percent. Roats' debt consists of a  
10 \$160,000 loan from W.K. Roats at 7 percent interest as well as the proposed  
11 \$1,400,000 loan from the City of Bend at 6.5 percent interest.

12 **ISSUE 6**

13 **NON-REVENUE REQUIREMENT ISSUES**

14 **Q. PLEASE EXPLAIN HOW THE RATES WILL BE IMPLEMENTED.**

15 A. The Stipulating Parties agreed on the following timelines for implementing new  
16 rates in this case:

- 17 • If the Juniper Utility system acquisition closes prior to the rate effective  
18 date, Roats agrees to charge newly acquired domestic customers  
19 pursuant to its current tariffs until new rates, inclusive of the Juniper  
20 acquisition, become effective. For standard irrigation service, and

1 irrigation and domestic service for The Pines and Crown Villa, Roats  
2 agrees to make an advice filing with the Commission requesting  
3 standard irrigation rates for Juniper customers and domestic rates and  
4 irrigation for The Pines and Crown Villa be approved, subject to refund,  
5 equivalent to the “with Juniper” rates agreed to by the Stipulating Parties.

- 6 • If the sale has not closed by the rate effective date, Roats agrees to  
7 charge current customers stipulated rates without the Juniper  
8 acquisition. If the sale closes after the rate effective date but before  
9 September 1, 2017, Roats agrees to file compliance tariffs to implement  
10 stipulated rates inclusive of the Juniper acquisition within three business  
11 days of the date of the closure.
- 12 • If Roats proceeds with the purchase but it does not close prior to  
13 September 1, 2017, Roats agrees that it will file a new general rate case  
14 in order to include the Juniper acquisition in rates no later than three  
15 months following the closing date of the sale.

16 **Q. DID THE STIPULATING PARTIES AGREE TO A RATE IMPLEMENTATION**  
17 **DATE?**

18 A. The Stipulating Parties agreed that approved rates should be implemented as  
19 soon as practicable upon a final Commission order approving rates in this  
20 proceeding. Roats will begin to incur operating costs and revenues associated  
21 with the Juniper property as of the close of the acquisition.

1 **Q. DID THE STIPULATING PARTIES AGREE TO A POWER COST**  
2 **ADJSUTMENT TARIFF?**

3 A. Yes. The Stipulating Parties agreed to a power cost adjustment tariff that will  
4 apply as an addition to the standard domestic commodity rate per 100 cf of  
5 water used. The power cost adjustment rate will be set to zero until the  
6 Company files an updated tariff sheet triggered by an increase in power cost  
7 rates charged by one or more of its electricity suppliers. Changes to the power  
8 cost adjustment rate will be computed as follows:

$$\left[ \begin{array}{c} \text{Power Cost} \\ \text{per 100 cf} \end{array} \right] \times \left[ \begin{array}{c} \text{Supplier} \\ \text{Allocator \%} \end{array} \right] \times \left[ \begin{array}{c} \text{Supplier} \\ \text{Increase or} \\ \text{Decrease \%} \end{array} \right]$$

9 For the purpose of applying this equation, the Stipulating Parties agreed to a  
10 Power Cost of \$0.282 per 100 cf, computed by dividing Roats' domestic power  
11 costs of \$143,790 by Roats' domestic consumption (excluding The Pines and  
12 Crown Villa) of 50,991,198 cf. Based on the portion of Roats' power expense  
13 supplied by each company, the Stipulating Parties agreed to Supplier Allocators  
14 of 78.77 percent for Pacific Power and 21.23 percent for Central Electric  
15 Cooperative (CEC). The Supplier Increase or Decrease Percentage will reflect  
16 the overall percentage rate increase (or decrease) put in place by the  
17 respective supplier.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

**ISSUE 7**

**RATE SPREAD AND RATE DESIGN**

**Q. PLEASE EXPLAIN WHY THE REVENUE REQUIREMENT FOR IRRIGATION IS SEPARATED FROM THE REST OF THE REVENUE REQUIREMENT.**

A. In its Application, Roats submitted separate revenue requirements for its proposed domestic and irrigation operations. During the rate case, Roats further expressed a desire to maintain separate domestic and irrigation revenue requirements. As such, Staff agreed to and developed an irrigation revenue requirement to display revenues, expenses, and rate base information relating to Roats' irrigation operations separately from the rest of Roats' domestic operations.

**Q. PLEASE EXPLAIN THE ISSUE OF COST ALLOCATION TO IRRIGATION.**

A. As stated in Roats' response to Staff's Data Request 7, "[t]he irrigation system is physically separate from the domestic system. Irrigation is a stand-alone system with its own plant and expenses."<sup>23</sup> To expand on this statement, as the Juniper domestic and irrigation systems that Roats plans to acquire from the City of Bend are physically separated from one another, many of the expenses relating to the systems can easily be separated as well. For example, while the domestic Juniper system will be served mainly with water pumped by Roats, Roats will purchase water from Arnold Irrigation District to serve the Juniper irrigation customers. As such, the Purchased Water expense for irrigation can be directly assigned to irrigation, eliminating the need to

---

<sup>23</sup> See Exhibit Staff/103, Yamada/28, Roats' response to Staff Data Request 7.

1 estimate cost allocations between the two systems. Displaying the domestic  
2 and irrigation revenue requirements separately more clearly shows these  
3 distinctions between the two systems.

4 **Q. PLEASE EXPLAIN HOW SHARED EXPENSES ARE ALLOCATED**  
5 **BETWEEN THE DOMESTIC AND THE IRRIGATION REVENUE**  
6 **REQUIREMENTS.**

7 A. While the majority of costs can be directly assigned to either domestic or  
8 irrigation operations as described above, other costs must be allocated to  
9 irrigation on an estimated percentage basis. For example, a portion of Roats'  
10 Building Rental expense must be allocated to irrigation operations, as no  
11 portion of this cost is directly attributable to irrigation. The Stipulating Parties  
12 agreed to four different methods for allocating non-directly-assignable costs to  
13 irrigation. These methods are discussed in further detail below. Specific  
14 methods used for each account can be found in Exhibit Staff/102,  
15 Yamada/14-15.

16 **Percentage of Customers**

17 With the addition of 1,660 Juniper domestic and irrigation customers to Roats'  
18 current customer count of 1,749, Roats will have a total of 3,409 customers  
19 following its acquisition of Juniper. 839 customers, or approximately 24.61  
20 percent of the total, will be irrigation customers. As such, certain expenses  
21 were allocated 24.61 percent to the irrigation revenue requirement, particularly  
22 for accounts consisting of fixed expenses that span an entire year. For

1 example, 24.61 percent of the Property Tax expense was allocated to  
2 irrigation, while the remaining 75.39 percent was allocated to domestic service.

3 **Percentage of Customers, Adjusted for Irrigation Months**

4 The irrigation allocation in a number of expense accounts was adjusted to  
5 reflect the fact that irrigation service is only offered for approximately seven  
6 months each year. To achieve this, the irrigation customer percentage  
7 discussed above was multiplied by seven twelfths, resulting in an allocation of  
8 14.36 percent to irrigation.

9 **Percentage of Salaries**

10 As some expenses vary depending on employee salaries, some expense  
11 accounts were allocated according to the overall percentage of employee labor  
12 that will be dedicated to irrigation operations. Roats' Application proposed to  
13 use contract labor for the irrigation system; as such, Roats' employees are  
14 planned to work exclusively on the domestic system. However, the duties of  
15 Roats' officers apply to both irrigation and domestic services. Therefore, for  
16 certain accounts, the 14.36 percent irrigation allocation discussed above was  
17 further adjusted according to the proportion of officer salaries to total salaries.  
18 As approximately 57.7 percent of total salaries and wages are attributable to  
19 officers, this method results in an allocation of approximately 8.28 percent to  
20 the irrigation revenue requirement.

21 **No Allocation to Irrigation**

22 Finally, for some accounts, no portion of the expense was allocated to  
23 irrigation. The Training and Certification expense, for example, was allocated

1 entirely to domestic service. Operation of an irrigation system does not require  
2 domestic water distribution certifications; only the domestic customers would  
3 benefit from Roats' Training and Certification expense, and so no portion was  
4 assigned to irrigation.

5 **Q. WHAT RATES DID THE PARTIES STIPULATE TO IN UW 166?**

6 A. The Stipulating Parties stipulated to the rates shown in Staff/102, Yamada/7.

7 **Q. WHAT ARE THE RATE COMPONENTS?**

8 A. Domestic rates are comprised of a base rate that is charged regardless of  
9 water use and a commodity rate that is charged per 100 cf of water used. As  
10 irrigation water is unmetered, irrigation rates consist of a flat monthly fee. The  
11 standard commodity rate for residential/commercial customers (excluding  
12 those in The Pines/Crown Villa) is \$0.95 for each 100 cf of water used. Base  
13 rates differ due to the size of the meter. Larger meters will have increasingly  
14 higher base rates.

15 **Q. ARE THE RESULTING RATES FAIR AND REASONABLE?**

16 A. Yes.

17 **Q. PLEASE EXPLAIN THE DIFFERENCE BETWEEN ROATS' PROPOSED**  
18 **RATES/RATE DESIGN AND THE STIPULATED RATES/RATE DESIGN.**

19 A. The stipulated 3/4" and 5/8" base rate, which applies to the majority of current  
20 Roats customers, is approximately 9 percent lower than the rate proposed in  
21 Roats' Application. The stipulated standard variable rate is approximately  
22 30 percent lower than the rate proposed in Roats' Application. Additionally, the  
23 Stipulation includes an irrigation rate for customers in The Pines and Crown

1 Villa which is separate from the standard irrigation rate. Although Roats did not  
2 initially request a separate irrigation rate for The Pines and Crown Villa in its  
3 Application, the Stipulating Parties agreed that, due to the small size of these  
4 lots, a lower irrigation rate was appropriate. Furthermore, following its initial  
5 Application, Roats requested that base rates be established for standard  
6 domestic 3", 4", and 6" service. Though there are currently no customers at  
7 these line sizes in either Roats' current service territory or the areas it proposes  
8 to acquire, the Stipulating Parties agreed to establish rates for these line sizes.  
9 Finally, while the rates proposed in Roats' initial Application were inclusive of  
10 the Juniper acquisition, the Stipulating Parties agreed to two sets of rates—one  
11 which includes the Juniper acquisition, and one which does not, in  
12 consideration of the timing differences between when rates may be  
13 implemented in this case and when the acquisition may close, as discussed  
14 below.

15 **Q. PLEASE EXPLAIN THE DEVELOPMENT OF RATES BOTH INCLUSIVE**  
16 **AND EXCLUSIVE OF THE JUNIPER ACQUISITION.**

17 A. Due to a lack of certainty about the exact date upon which the transaction  
18 between Roats and the City of Bend would close, the Stipulating Parties agreed  
19 that rates should be developed to address the possible scenario of the sale not  
20 closing as expected. To determine rates without Juniper, all expenses,  
21 revenues, and plant associated with Juniper was removed from the Juniper-  
22 inclusive revenue requirement. The specific adjustments to the revenue  
23 requirement can be found in Exhibit Staff/102, Yamada/1. The two sets of rates



1 can be found in Exhibit Staff/102, Yamada/7. As the Juniper acquisition would  
2 nearly double Roats' customer count, distributing costs over more customers  
3 (economies of scale) the rates inclusive of the Juniper acquisition are lower  
4 than the rates exclusive of it. Unless otherwise noted, any discussion of the  
5 new rates throughout this testimony refers to the set which is inclusive of the  
6 Juniper acquisition.

7 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

8 A. Yes.

CASE: UW 166  
WITNESS: STEPHANIE YAMADA

**PUBLIC UTILITY COMMISSION  
OF  
OREGON**

**STAFF EXHIBIT 101**

**Witness Qualification Statement**

**January 5, 2017**

Staff/101  
Yamada/1

## WITNESS QUALIFICATION STATEMENT

NAME: Stephanie Yamada

EMPLOYER: Public Utility Commission of Oregon

TITLE: Utility Analyst, Telecommunications and Water Division.

ADDRESS: 201 High St SE, Suite 100, Salem, OR, 97301

EDUCATION: Bachelor of Science, Accounting, University of Oregon

EXPERIENCE: Employed with the Oregon Public Utility Commission since 2013. I am currently a Utility Analyst for the Telecommunications and Water Division.

CASE: UW 166  
WITNESS: STEPHANIE YAMADA

**PUBLIC UTILITY COMMISSION  
OF  
OREGON**

**STAFF EXHIBIT 102**

**Exhibits in Support of Testimony**

**January 5, 2017**

Roats Water System Inc.  
Docket # UW 166  
Test Year: Oct 1, 2014 to Sept 30, 2015

### Combined Domestic & Irrigation Revenue Requirement

Acct No.	REVENUES	Proposed Company Adjustments	Proposed Company Totals	Total PUC Adjustments	PUC Proposed Results With Juniper	Adjustments to Remove Juniper	PUC Proposed Results Without Juniper
460	Unmetered Water Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
461.1	Residential Water Sales (Domestic)	\$ 790,675	\$ 296,977	\$ 1,087,652	\$ 265,548	\$ 1,353,199	\$ (217,458)
461.2	Commercial Water Sales (Domestic)	\$ 225,517	\$ 84,704	\$ 310,221	\$ (97,851)	\$ 212,370	\$ 22,117
462	Fire Protection (Domestic)	\$ 14,200	\$ 4,797	\$ 18,997	\$ 10,407	\$ 29,404	\$ -
	JUNIPER Residential	\$ 220,793	\$ 82,929	\$ 303,722	\$ (303,722)	\$ -	\$ -
	The Pines (Domestic)	\$ 49,651	\$ 18,648	\$ 68,299	\$ (68,299)	\$ -	\$ -
	Crown Villa (Domestic)	\$ 9,914	\$ 3,724	\$ 13,638	\$ (13,638)	\$ -	\$ -
465	JUNIPER Irrigation	\$ -	\$ 399,443	\$ 399,443	\$ 7,281	\$ 406,724	\$ (406,724)
	JUNIPER Irrigation - Common Areas	\$ -	\$ 46,008	\$ 46,008	\$ (46,008)	\$ -	\$ -
471	Miscellaneous Revenues	\$ 539	\$ (539)	\$ -	\$ -	\$ -	\$ -
472	Cell Tower/Rent from Util. Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
475	Cross Connection Control Revenue	\$ 48,988	\$ (48,988)	\$ -	\$ -	\$ -	\$ -
0	Juniper Surcharge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL REVENUE</b>	<b>\$ 1,360,277</b>	<b>\$ 887,704</b>	<b>\$ 2,247,981</b>	<b>\$ (246,283)</b>	<b>\$ 2,001,698</b>	<b>\$ (602,064)</b>
	<b>OPERATING EXPENSES</b>						
601	Salaries and Wages - Employees	\$ 94,570	\$ 95,900	\$ 190,470	\$ 5,077	\$ 195,547	\$ -
603	Salaries and Wages - Officers	\$ 217,100	\$ 32,566	\$ 249,666	\$ 16,635	\$ 266,301	\$ -
604	Employee Pension & Benefits	\$ 75,469	\$ 15,768	\$ 91,237	\$ 23,466	\$ 114,704	\$ -
610	Purchased Water	\$ -	\$ 71,093	\$ 71,093	\$ (10,198)	\$ 60,895	\$ (60,895)
611	Telephone/Communications	\$ 11,179	\$ 1,118	\$ 12,297	\$ (798)	\$ 11,499	\$ -
615	Purchased Power	\$ 117,321	\$ 119,660	\$ 236,981	\$ (20,790)	\$ 216,191	\$ (98,116)
616	Fuel for Power Production	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
617	Other Utilities	\$ 2,032	\$ 203	\$ 2,235	\$ (196)	\$ 2,039	\$ -
618	Chemical / Treatment Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
619	Office Supplies	\$ 12,109	\$ 1,211	\$ 13,320	\$ (4,589)	\$ 8,731	\$ (794)
619.1	Postage	\$ 977	\$ 1,821	\$ 2,798	\$ (1,028)	\$ 1,770	\$ (878)
620	O&M Materials/Supplies	\$ 26,176	\$ 188,833	\$ 215,009	\$ (1,963)	\$ 213,046	\$ (170,732)
621	Repairs to Water Plant	\$ 14,848	\$ 742	\$ 15,590	\$ (737)	\$ 14,854	\$ -
631	Contract Svcs - Engineering	\$ 315	\$ 31	\$ 346	\$ (31)	\$ 315	\$ -
632	Contract Svcs - Accounting	\$ 15,289	\$ 1,529	\$ 16,818	\$ (4,064)	\$ 12,754	\$ -
633	Contract Svcs - Legal	\$ 9,374	\$ 937	\$ 10,311	\$ (9,564)	\$ 748	\$ -
634	Contract Svcs - Management Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
635	Contract Svcs - Testing	\$ 5,463	\$ (2,535)	\$ 2,928	\$ -	\$ 2,928	\$ -
636	Contract Svcs - Labor	\$ 1,022	\$ 109,912	\$ 110,934	\$ (10,085)	\$ 100,849	\$ (99,827)
637	Contract Svcs - Billing/Collection	\$ 19,253	\$ 16,286	\$ 35,539	\$ (2,170)	\$ 33,369	\$ (16,753)
638	Contract Svcs - Meter Reading	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
639	Contract Svcs - Other	\$ 8,841	\$ 884	\$ 9,725	\$ (1,238)	\$ 8,487	\$ -
641	Rental of Building/Real Property	\$ 97,400	\$ 22,857	\$ 120,257	\$ 5,779	\$ 126,036	\$ -
642	Rental of Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
643	Small Tools	\$ 948	\$ 95	\$ 1,043	\$ (132)	\$ 910	\$ -
648	Computer/Electronic Expenses	\$ 3,659	\$ 366	\$ 4,025	\$ (366)	\$ 3,659	\$ -
650	Transportation	\$ 36,142	\$ 7,228	\$ 43,370	\$ (2,920)	\$ 40,451	\$ -
656	Vehicle Insurance	\$ 8,117	\$ 1,000	\$ 9,117	\$ (335)	\$ 8,782	\$ -
657	General Liability Insurance	\$ 10,891	\$ 2,739	\$ 13,630	\$ 5,957	\$ 19,587	\$ -
658	Workers' Comp Insurance	\$ 5,906	\$ 4,433	\$ 10,339	\$ (136)	\$ 10,203	\$ -
659	Insurance - Other	\$ 85	\$ -	\$ 85	\$ (85)	\$ -	\$ -
666	Amortz. of Rate Case	\$ -	\$ 2,800	\$ 2,800	\$ 6,667	\$ 9,467	\$ -
	Gross Revenue Fee (PUC)	\$ -	\$ 6,744	\$ 6,744	\$ (738)	\$ 6,005	\$ (1,806)
670	Bad Debt Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
671	Cross Connection Control Program	\$ 22,495	\$ 2,250	\$ 24,745	\$ (24,745)	\$ -	\$ -
673	Training and Certification	\$ 1,570	\$ 658	\$ 2,228	\$ 601	\$ 2,828	\$ -
674	Consumer Confidence Report	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
675	Miscellaneous Expense	\$ 13,329	\$ 1,333	\$ 14,662	\$ 5,671	\$ 20,333	\$ (8,043)
OE1	Public Relations/Advertising	\$ 189	\$ 19	\$ 208	\$ (19)	\$ 189	\$ -
OE2	Wheeling Fee	\$ 12,589	\$ 1,259	\$ 13,848	\$ (362)	\$ 13,486	\$ -
OE3	Meter Change Out	\$ 8,475	\$ (5,650)	\$ 2,825	\$ 6,998	\$ 9,823	\$ (9,823)
OE4		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OE5		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 853,133</b>	<b>\$ 704,090</b>	<b>\$ 1,557,223</b>	<b>\$ (20,438)</b>	<b>\$ 1,536,786</b>	<b>\$ (467,666)</b>
	<b>OTHER REVENUE DEDUCTIONS</b>						
	Depreciation Expense	\$ 136,081	\$ -	\$ 136,081	\$ (49,526)	\$ 86,555	\$ (14,221)
406	Amort of Plant Acquisition Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
407	Amortization Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
408.11	Property Tax	\$ 14,759	\$ 22,738	\$ 37,497	\$ (2,512)	\$ 34,985	\$ (21,368)
408.12	Payroll Tax	\$ 32,189	\$ 15,720	\$ 47,909	\$ 488	\$ 48,397	\$ -
408.13	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
409.1	Federal Income Tax	\$ -	\$ 54,991	\$ 54,991	\$ (1,521)	\$ 53,470	\$ (2,844)
409.11	Oregon Income Tax	\$ -	\$ 27,594	\$ 27,594	\$ (14,871)	\$ 12,723	\$ (515)
409.13	Extraordinary Items Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL REVENUE DEDUCTIONS</b>	<b>\$ 1,036,162</b>	<b>\$ 825,133</b>	<b>\$ 1,861,295</b>	<b>\$ (88,379)</b>	<b>\$ 1,772,917</b>	<b>\$ (506,615)</b>

**NET OPERATING INCOME**

\$	324,115	\$	62,571	\$	386,686	\$	(157,904)	\$	228,781	\$	(95,449)	\$	133,332
----	---------	----	--------	----	---------	----	-----------	----	---------	----	----------	----	---------

**UTILITY RATE BASE**

	\$	5,847,599	\$	-	\$	5,847,599	\$	(1,238,296)	\$	4,609,303	\$	(1,422,080)	\$	3,187,223
271	\$	-	\$	-	\$	-	\$	1,706,782	\$	1,706,782	\$	-	\$	1,706,782
	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	<b>\$</b>	<b>5,847,599</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>5,847,599</b>	<b>\$</b>	<b>468,486</b>	<b>\$</b>	<b>6,316,085</b>	<b>\$</b>	<b>(1,422,080)</b>	<b>\$</b>	<b>4,894,005</b>
	\$	2,170,031	\$	-	\$	2,170,031	\$	(300,095)	\$	1,869,936	\$	(14,221)	\$	1,855,716
	\$	-	\$	-	\$	-	\$	545,555	\$	545,555	\$	-	\$	545,555
271	\$	-	\$	-	\$	-	\$	1,706,782	\$	1,706,782	\$	-	\$	1,706,782
281	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
272	\$	-	\$	-	\$	-	\$	545,555	\$	545,555	\$	-	\$	545,555
	<b>\$</b>	<b>3,677,568</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>3,677,568</b>	<b>\$</b>	<b>(938,201)</b>	<b>\$</b>	<b>2,739,367</b>	<b>\$</b>	<b>(1,407,859)</b>	<b>\$</b>	<b>1,331,508</b>
151	\$	50,000	\$	-	\$	50,000	\$	(25,000)	\$	25,000	\$	-	\$	25,000
WrkCash	\$	71,094	\$	58,224	\$	129,318	\$	(1,253)	\$	128,065	\$	(38,972)	\$	89,093
	<b>\$</b>	<b>3,798,662</b>	<b>\$</b>	<b>58,224</b>	<b>\$</b>	<b>3,856,886</b>	<b>\$</b>	<b>(964,454)</b>	<b>\$</b>	<b>2,892,432</b>	<b>\$</b>	<b>(1,446,831)</b>	<b>\$</b>	<b>1,445,601</b>
		8.53%				10.03%				7.91%		1.31%		9.22%

Roats Water System Inc.  
Docket # UW 166  
Test Year: Oct 1, 2014 to Sept 30, 2015

### Adjustment Summary (Juniper-Inclusive)

Acct No.	REVENUES	Company Proposed	PUC Adjustments	PUC Proposed Results	Explanation of PUC Proposal
460	Unmetered Water Sales	\$ -	\$ -	\$ -	
461.1	Residential Water Sales (Domestic)	\$ 1,087,652	\$ 265,548	\$ 1,353,199	Added Juniper, The Pines & Crown Villa to Account 461.1
461.2	Commercial Water Sales (Domestic)	\$ 310,221	\$ (97,851)	\$ 212,370	Reduced overall expenses
462	Fire Protection (Domestic)	\$ 18,997	\$ 10,407	\$ 29,404	Added public fire revenue
	JUNIPER Resi - Timb, Tillic, Blue, Mtn (	\$ 303,722	\$ (303,722)	\$ -	Moved to Acct 461.1 - Residential Water Sales
	The Pines (Domestic)	\$ 68,299	\$ (68,299)	\$ -	Moved to Acct 461.1 - Residential Water Sales
	Crown Villa (Domestic)	\$ 13,638	\$ (13,638)	\$ -	Moved to Acct 461.1 - Residential Water Sales
465	JUNIPER Irrigation	\$ 399,443	\$ 7,281	\$ 406,724	Combined Common Area Irrigation into Account 465; reduced overall expenses
	JUNIPER Irrigation - Common Areas	\$ 46,008	\$ (46,008)	\$ -	Moved to Acct 465 - Irrigation Water Sales
471	Miscellaneous Revenues	\$ -	\$ -	\$ -	
472	Cell Tower/Rent from Util. Property	\$ -	\$ -	\$ -	
475	Cross Connection Control Revenue	\$ -	\$ -	\$ -	
0	Juniper Surcharge	\$ -	\$ -	\$ -	
	<b>TOTAL REVENUE</b>	<b>\$ 2,247,981</b>	<b>\$ (246,283)</b>	<b>\$ 2,001,698</b>	

#### OPERATING EXPENSES

601	Salaries and Wages - Employees	\$ 190,470	\$ 5,077	\$ 195,547	Added excluded employees; reduced by \$26,724 to remove Cross-Connection effect.
603	Salaries and Wages - Officers	\$ 249,666	\$ 16,635	\$ 266,301	Corrected wage allocation to Officers; included 22.1% increase for 3 officers.
604	Employee Pension & Benefits	\$ 91,237	\$ 23,466	\$ 114,704	Reflects 2016 insurance increases; added benefits for two employees.
610	Purchased Water	\$ 71,093	\$ (10,198)	\$ 60,895	Removed cost of irrigation for Nottingham Square.
611	Telephone/Communications	\$ 12,297	\$ (798)	\$ 11,499	Reduced to actual bills; removed late fees, duplicates, & 10% increase
615	Purchased Power	\$ 236,981	\$ (20,790)	\$ 216,191	Includes Bend's 3-year average cost; 10% increase removed.
616	Fuel for Power Production	\$ -	\$ -	\$ -	
617	Other Utilities	\$ 2,235	\$ (196)	\$ 2,039	Based on actual bills; removed 10% increase
618	Chemical / Treatment Expense	\$ -	\$ -	\$ -	
619	Office Supplies	\$ 13,320	\$ (4,589)	\$ 8,731	Documented actuals less than reported; removed unnecessary purchases.
619.1	Postage	\$ 2,798	\$ (1,028)	\$ 1,770	Consists of \$977 test year expense plus adjustment for new customers.
620	O&M Materials/Supplies	\$ 215,009	\$ (1,963)	\$ 213,046	Test year cost plus City of Bend's 3-year average cost.
621	Repairs to Water Plant	\$ 15,590	\$ (737)	\$ 14,854	Used documented test year actuals
631	Contract Svcs - Engineering	\$ 346	\$ (31)	\$ 315	Removed 10% increase
632	Contract Svcs - Accounting	\$ 16,818	\$ (4,064)	\$ 12,754	Removed 10% increase and capitalized costs associated with Juniper acquisition
633	Contract Svcs - Legal	\$ 10,311	\$ (9,564)	\$ 748	Removed 10% increase and capitalized costs associated with Juniper acquisition
634	Contract Svcs - Management Fees	\$ -	\$ -	\$ -	
635	Contract Svcs - Testing	\$ 2,928	\$ -	\$ 2,928	No Adjustment
636	Contract Svcs - Labor	\$ 110,934	\$ (10,085)	\$ 100,849	Test year actuals plus City of Bend's 3-year average irrigation labor cost.
637	Contract Svcs - Billing/Collection	\$ 35,539	\$ (2,170)	\$ 33,369	Increased to account for new customers; removed 10% increase.
638	Contract Svcs - Meter Reading	\$ -	\$ -	\$ -	
639	Contract Svcs - Other	\$ 9,725	\$ (1,238)	\$ 8,487	Removed 10% increase & costs outside of test year
641	Rental of Building/Real Property	\$ 120,257	\$ 5,779	\$ 126,036	Increased to UI 326 approved amount.
642	Rental of Equipment	\$ -	\$ -	\$ -	
643	Small Tools	\$ 1,043	\$ (132)	\$ 910	Removed 10% increase, duplicates, and expenses not in test year.
648	Computer/Electronic Expenses	\$ 4,025	\$ (366)	\$ 3,659	Removed 10% increase
650	Transportation	\$ 43,370	\$ (2,920)	\$ 40,451	Removed 50% of requested increase for new vehicle
656	Vehicle Insurance	\$ 9,117	\$ (335)	\$ 8,782	Test year actuals plus adjustment for new vehicle (DR 82)
657	General Liability Insurance	\$ 13,630	\$ 5,957	\$ 19,587	Test year actuals.
658	Workers' Comp Insurance	\$ 10,339	\$ (136)	\$ 10,203	Test year actuals plus adjustment based on pay increases & new employee.
659	Insurance - Other	\$ 85	\$ (85)	\$ -	
666	Amortz. of Rate Case	\$ 2,800	\$ 6,667	\$ 9,467	\$37,866 over four years.
667	Gross Revenue Fee (PUC)	\$ 6,744	\$ (738)	\$ 6,005	Calculated from revenue.
670	Bad Debt Expense	\$ -	\$ -	\$ -	
671	Cross Connection Control Program	\$ 24,745	\$ (24,745)	\$ -	Removed.
673	Training and Certification	\$ 2,228	\$ 601	\$ 2,828	Test year actuals plus agreed-upon adjustment.
674	Consumer Confidence Report	\$ -	\$ -	\$ -	
675	Miscellaneous Expense	\$ 14,662	\$ 5,671	\$ 20,333	Added bank charges that were previously excluded.
OE1	Public Relations/Advertising	\$ 208	\$ (19)	\$ 189	Test year actuals; removed 10% increase
OE2	Wheeling Fee	\$ 13,848	\$ (362)	\$ 13,486	Test year actuals; removed 10% increase
OE3	Meter Change Out	\$ 2,825	\$ 6,998	\$ 9,823	\$58,938 over six years. Includes adjustment for additional costs not known previously.
OE4		\$ -	\$ -	\$ -	
OE5		\$ -	\$ -	\$ -	
	<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 1,557,223</b>	<b>\$ (20,438)</b>	<b>\$ 1,536,786</b>	

#### OTHER REVENUE DEDUCTIONS

403	Depreciation Expense	\$ 136,081	\$ (49,526)	\$ 86,555	Includes invested assets through 9/30/16 + 6 months on Juniper.
406	Amort of Plant Acquisition Adjustment	\$ -	\$ -	\$ -	
407	Amortization Expense	\$ -	\$ -	\$ -	
408.11	Property Tax	\$ 37,497	\$ (2,512)	\$ 34,985	Actuals plus adjustment for Juniper acquisition
408.12	Payroll Tax	\$ 47,909	\$ 488	\$ 48,397	Test year actuals plus proportional increase for salary increases & new employee.

408.13	Other	\$ -	\$ -	\$ -	
409.1	Federal Income Tax	\$ 54,991	\$ (1,521)	\$ 53,470	Calculated.
409.11	Oregon Income Tax	\$ 27,594	\$ (14,871)	\$ 12,723	Calculated.
409.13	Extraordinary Items Income Tax	\$ -	\$ -	\$ -	
	<b>TOTAL REVENUE DEDUCTIONS</b>	<b>\$ 1,861,295</b>	<b>\$ (88,379)</b>	<b>\$ 1,772,917</b>	
	<b>NET OPERATING INCOME</b>	<b>\$ 386,686</b>	<b>\$ (157,904)</b>	<b>\$ 228,781</b>	

**UTILITY RATE BASE**

	Utility Plant Invested by Company	\$ 5,847,599	\$ (1,238,296)	\$ 4,609,303	Adjusted/corrected Plant & CIAC schedules.
271	+ Contributions in Aid of Construction	\$ -	\$ 1,706,782	\$ 1,706,782	Adjusted/corrected Plant & CIAC schedules.
	- Excess Capacity	\$ -	\$ -	\$ -	
	<b>Equals: Total Utility Plant</b>	<b>\$ 5,847,599</b>	<b>\$ 468,486</b>	<b>\$ 6,316,085</b>	
	- Accum. Depreciation--Invested Plant	\$ 2,170,031	\$ (300,095)	\$ 1,869,936	Adjusted/corrected Plant & CIAC schedules.
	- Accum. Depreciation--CIAC	\$ -	\$ 545,555	\$ 545,555	Adjusted/corrected Plant & CIAC schedules.
271	- Contributions in Aid of Construction	\$ -	\$ 1,706,782	\$ 1,706,782	Adjusted/corrected Plant & CIAC schedules.
281	- Accumulated Deferred Income Tax	\$ -	\$ -	\$ -	
272	+ Accum. Amortization of CIAC	\$ -	\$ 545,555	\$ 545,555	Adjusted/corrected Plant & CIAC schedules.
	<b>Equals: Net Invested Utility Plant</b>	<b>\$ 3,677,568</b>	<b>\$ (938,201)</b>	<b>\$ 2,739,367</b>	
	Plus: (working capital)	\$ -	\$ -	\$ -	
151	Materials and Supplies Inventory	\$ 50,000	\$ (25,000)	\$ 25,000	Reduced to match Annual Report.
WrkCash	Working Cash (Total Op Exp /12)	\$ 129,318	\$ (1,253)	\$ 128,065	Calculated based on operating expenses.
	<b>TOTAL RATE BASE</b>	<b>\$ 3,856,886</b>	<b>\$ (964,454)</b>	<b>\$ 2,892,432</b>	
	Rate of Return	10.03%		7.91%	



Roats Water System Inc.  
Docket # UW 166  
Test Year: Oct 1, 2014 to Sept 30, 2015

### Cost of Capital

Utility Proposed Rate of Return	10.03%
Test Year Rate of Return	8.53%
Staff Proposed Rate of Return	7.91%

### Debt

Type	Debt	Balance	Capital Structure	Cost	Weighted Cost
Domestic	W.K. Roats	\$ 160,000	5.53%	7.00%	0.39%
Domestic	City of Bend	\$ 1,400,000	48.40%	6.50%	3.15%
	<b>TOTAL DEBT</b>	<b>\$ 1,560,000</b>	<b>53.93%</b>		<b>3.53%</b>

### Equity

Type	Equity	Balance	Capital Structure	Cost	Weighted Cost
Domestic	Working Cash	\$ 95,673	3.31%	9.50%	0.31%
Domestic	Other	\$ 1,204,367	41.64%	9.50%	3.96%
Irrigation	Working Cash	\$ 32,392	1.12%	9.50%	0.11%
	<b>TOTAL EQUITY</b>	<b>\$ 1,332,432</b>	<b>46.07%</b>		<b>4.38%</b>
	<b>TOTAL DEBT + EQUITY</b>	<b>\$ 2,892,432</b>	<b>100.00%</b>		<b>7.91%</b>

Rate of Return

Roats Water System Inc.  
Docket # UW 166  
Test Year: Oct 1, 2014 to Sept 30, 2015

Roats' Current vs. Proposed Rates

Rate	Roats Current	Roats Application	Increase/ Decrease (\$)	Increase/ Decrease (%)
Resi/Comm 3/4" and 5/8" Base Rate	\$ 26.80	\$ 36.68	\$ 9.88	37%
Resi/Comm 1" Base Rate	\$ 32.16	\$ 47.69	\$ 15.53	48%
Resi/Comm 1 1/2" Base Rate	\$ 38.59	\$ 57.23	\$ 18.64	48%
Resi/Comm 2" Base Rate	\$ 49.50	\$ 73.37	\$ 23.87	48%
Resi/Comm Commodity Rate	\$ 0.76	\$ 1.35	\$ 0.59	78%
The Pines/Crown Villa Base Rate	None	\$ 17.58	N/A	N/A
The Pines/Crown Villa Commodity Rate	None	\$ 1.82	N/A	N/A
4" Private Fire	\$ 5.00	\$ 2.74	\$ (2.26)	-45%
6" Private Fire	\$ 11.00	\$ 6.04	\$ (4.96)	-45%
8" Private Fire	\$ 15.00	\$ 8.39	\$ (6.61)	-44%
10" Private Fire	\$ 25.00	\$ 13.40	\$ (11.60)	-46%
12" Private Fire	None	\$ 25.36	N/A	N/A
Public Fire	None	\$ 0.37	N/A	N/A
Irrigation - Standard	None	\$ 47.23	N/A	N/A

Roats Water System Inc.  
Docket # UW 166  
Test Year: Oct 1, 2014 to Sept 30, 2015

Stipulated Rates

Rate	Including Juniper	Excluding Juniper
Resi/Comm 3/4" and 5/8" Base Rate	\$ 33.45	\$ 40.24
Resi/Comm 1" Base Rate	\$ 48.17	\$ 57.94
Resi/Comm 1 1/2" Base Rate	\$ 57.80	\$ 69.53
Resi/Comm 2" Base Rate	\$ 74.26	\$ 89.32
Resi/Comm 3" Base Rate	\$ 501.75	\$ 603.53
Resi/Comm 4" Base Rate	\$ 836.26	\$ 1,005.89
Resi/Comm 6" Base Rate	\$ 1,672.51	\$ 2,011.77
Resi/Comm Commodity Rate	\$ 0.95	\$ 0.95
The Pines/Crown Villa Base Rate	\$ 17.58	N/A
The Pines/Crown Villa Commodity Rate	\$ 1.86	N/A
4" Private Fire	\$ 5.34	\$ 5.34
6" Private Fire	\$ 10.67	\$ 10.67
8" Private Fire	\$ 17.07	\$ 17.07
10" Private Fire	\$ 24.54	\$ 24.54
12" Private Fire	\$ 33.94	\$ 33.94
Public Fire	\$ 0.46	\$ 0.68
Irrigation - Standard	\$ 48.80	N/A
Irrigation - Pines/Crown Villa	\$ 23.16	N/A







Roats Water System Inc.  
Docket # UW 166  
Test Year Oct 1, 2014 to Sept 30, 2015

Invested Plant		C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP	AQ	AR	
Acct No.	Account Description	Date Acquired	Utility Plant Orig Cost	LESS CIAC	Other Basis Adj	Total Adj Plant	NARUC Asset Life	Annual Deprec	Final Month of Deprec	Before 1985	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Accumulated Deprec. Ending 2015	Remain Plant Beg. 2016	2016
			3,157,468	(20,068)	(54,273)	3,083,127		0		28,366	8,456	9,047	9,899	11,114	14,202	19,000	19,723	22,269	23,805	27,712	38,667	45,527	53,811	58,291	64,395	74,508	85,883	85,999	89,274	92,103	92,272	87,692	85,211	79,797	79,866	81,369	78,222	78,859	80,796	76,736	80,511	1,783,381	1,299,746	71,280

Assets added

	Parrell/Sage Trans/Dist	Jun 2015	31,133			31,133	50	623	May 2066	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31,133	623		
	Parrell/Sage Trans/Dist	Jun 2015	4,512			4,512	50	90	May 2066	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,512	90
	Murphy/Parrell Trans/Dist	Jun 2016	68,451			68,451	50	1,369	May 2066	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	68,451	342
	Engineering Study	Jan 2016	11,484			11,484	50	230	Jun 2066	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,484	115
	Services relating to Juniper purchase st	Jan 2016	10,596			10,596	50	212	May 2066	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,596	106
	Juniper	Jun 2016	1,400,000			1,400,000	50	28,000	May 2066	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,400,000	14,000
						4,609,303				28,366	8,456	9,047	9,899	11,114	14,202	19,000	19,723	22,269	23,805	27,712	38,667	45,527	53,811	58,291	64,395	74,508	85,883	85,999	89,274	92,103	92,272	87,692	85,211	79,797	79,866	81,369	78,222	78,859	80,796	76,736	80,511	1,783,381	2,825,922	86,555				

Total Accumulated Depr 9/30/2016 1,869,936





Roats Water System Inc.  
Docket # UW 166  
Test Year: Oct 1, 2014 to Sept 30, 2015

**Contributed Plant**

Acc No.	Account Description	Date Acquired	Utility Plant Orig Cost	Total Adj Plant	NARUC Asset Life	Annual Deprec	Final Month of Deprec	Before 1985	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Accumulated Deprec. Ending 2015	Remain Plant Bgn. 2016	2016				
344	<b>Laboratory Equipment</b>																																													
345	<b>Power Operated Equipment</b>																																													
	Peterson Cat forks/broom	Jun 2006	7,161	0	10	0	May 2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	716	716	716	716	716	716	716	716	716	716	716	716	7,161	0	0			
	Trailer World Trailer	Jun 2006	68	5,143	10	514	May 2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7	7	7	7	7	7	7	7	7	7	7	7	68	0	0			
346	<b>Communication Equipment</b>																																													
347	<b>ELECTRONICS/COMPUTER</b>																																													
348	<b>Miscellaneous Equipment</b>																																													
	Pro Screen	Jun 2008	20,000	3,699	7	0	May 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20,000	0	2,857
				0	10	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	<b>TOTALS</b>		<b>1,706,782</b>	<b>0</b>	<b>4,715,752</b>	<b>0</b>		<b>90,222</b>	<b>6,184</b>	<b>6,184</b>	<b>6,184</b>	<b>6,184</b>	<b>6,184</b>	<b>6,184</b>	<b>6,184</b>	<b>6,184</b>	<b>6,184</b>	<b>6,184</b>	<b>6,184</b>	<b>6,184</b>	<b>6,184</b>	<b>6,184</b>	<b>6,184</b>	<b>6,244</b>	<b>6,173</b>	<b>5,797</b>	<b>6,884</b>	<b>7,216</b>	<b>9,088</b>	<b>16,217</b>	<b>22,158</b>	<b>18,430</b>	<b>24,104</b>	<b>25,009</b>	<b>25,866</b>	<b>28,922</b>	<b>42,198</b>	<b>58,430</b>	<b>59,835</b>	<b>545,555</b>	<b>1,161,227</b>	<b>56,691</b>				

Roats Water System Inc.  
Docket # UW 166  
Test Year: Oct 1, 2014 to Sept 30, 2015

## Domestic/Irrigation Split

Allocation Methods			
Method	Basis for Allocation	Domestic	Irrigation
1	Specific costs assignable to dom/irrig	Direct	Direct
2	Irrigation customers as % of total customers	75.39%	24.61%
3	Irrigation customer %, adjusted for 7 out of 12 months	85.64%	14.36%
4	Portion of salaries attributable to irrigation	91.72%	8.28%
5	No Allocation to Irrigation	100.00%	0.00%

OPERATING EXPENSES		Staff Proposed	Allocated to Domestic	Allocated to Irrigation	Domestic Allocation	Irrigation Allocation	Allocation Method
601	Salaries and Wages - Employees	\$ 195,547	\$ 195,547	\$ -	Direct		1
603	Salaries and Wages - Officers	\$ 266,301	\$ 228,069	\$ 38,232	86%	14%	3
604	Employee Pension & Benefits	\$ 114,704	\$ 105,208	\$ 9,495	92%	8%	4
610	Purchased Water	\$ 60,895	\$ 28,570	\$ 32,325	Direct		1
611	Telephone/Communications	\$ 11,499	\$ 9,848	\$ 1,651	86%	14%	3
615	Purchased Power	\$ 216,191	\$ 143,790	\$ 72,401	Direct		1
616	Fuel for Power Production						-
617	Other Utilities	\$ 2,039	\$ 1,747	\$ 293	86%	14%	3
618	Chemical / Treatment Expense		\$ -	\$ -			-
619	Office Supplies	\$ 8,731	\$ 7,477	\$ 1,253	86%	14%	3
619.1	Postage	\$ 1,770	\$ 1,516	\$ 254	86%	14%	3
620	O&M Materials/Supplies	\$ 213,046	\$ 121,819	\$ 91,227	Direct		1
621	Repairs to Water Plant	\$ 14,854	\$ 14,854	\$ -	100%	0%	5
631	Contract Svcs - Engineering	\$ 315	\$ 270	\$ 45	86%	14%	3
632	Contract Svcs - Accounting	\$ 12,754	\$ 10,923	\$ 1,831	86%	14%	3
633	Contract Svcs - Legal	\$ 748	\$ 640	\$ 107	86%	14%	3
634	Contract Svcs - Management Fees			\$ -			-
635	Contract Svcs - Testing	\$ 2,928	\$ 2,928	\$ -	Direct		1
636	Contract Svcs - Labor	\$ 100,849	\$ 1,022	\$ 99,827	Direct		1
637	Contract Svcs - Billing/Collection	\$ 33,369	\$ 28,578	\$ 4,791	86%	14%	3
638	Contract Svcs - Meter Reading			\$ -			-
639	Contract Svcs - Other	\$ 8,487	\$ 8,487	\$ -	100%	0%	5
641	Rental of Building/Real Property	\$ 126,036	\$ 107,942	\$ 18,094	86%	14%	3
642	Rental of Equipment			\$ -			-
643	Small Tools	\$ 910	\$ 780	\$ 131	86%	14%	3
648	Computer/Electronic Expenses	\$ 3,659	\$ 3,134	\$ 525	86%	14%	3
650	Transportation	\$ 40,451	\$ 34,643	\$ 5,807	86%	14%	3
656	Vehicle Insurance	\$ 8,782	\$ 7,521	\$ 1,261	86%	14%	3
657	General Liability Insurance	\$ 19,587	\$ 16,775	\$ 2,812	86%	14%	3
658	Workers' Comp Insurance	\$ 10,203	\$ 9,358	\$ 845	92%	8%	4
659	Insurance - Other	\$ -	\$ -	\$ -			-
666	Amortz. of Rate Case	\$ 9,467	\$ 8,108	\$ 1,359	86%	14%	3
	Gross Revenue Fee (PUC)	\$ 6,005	\$ 4,785	\$ 1,220	Direct		1
670	Bad Debt Expense						-
671	Cross Connection Control Program	\$ -	\$ -	\$ -			-
673	Training and Certification	\$ 2,828	\$ 2,828	\$ -	100%	0%	5
674	Consumer Confidence Report			\$ -			-
675	Miscellaneous Expense	\$ 20,333	\$ 17,414	\$ 2,919	86%	14%	3

OE1	Public Relations/Advertising	\$ 189	\$ 189	\$ -	100%	0%	5
OE2	Wheeling Fee	\$ 13,486	\$ 13,486	\$ -	Direct		1
OE3	Meter Change Out - 6 Yr Amort	\$ 9,823	\$ 9,823	\$ -	Direct		1
OE4		\$ -	\$ -	\$ -			
OE5		\$ -	\$ -	\$ -			
	<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 1,536,786</b>	<b>\$ 1,148,080</b>	<b>\$ 388,706</b>			

**OTHER REVENUE DEDUCTIONS**

	Depreciation Expense	\$ 86,555	\$ 86,555	\$ -	Direct		1
406	Amort of Plant Acquisition Adjustment	\$ -	\$ -	\$ -			-
407	Amortization Expense	\$ -	\$ -	\$ -			-
408.11	Property Tax	\$ 34,985	\$ 26,375	\$ 8,610	75%	25%	2
408.12	Payroll Tax	\$ 48,397	\$ 44,391	\$ 4,006	92%	8%	4
408.13	Other	\$ -	\$ -	\$ -			-
409.1	Federal Income Tax	\$ 53,470	\$ 51,502	\$ 1,967	Direct		1
409.11	Oregon Income Tax	\$ 12,723	\$ 12,367	\$ 356	Direct		1
409.13	Extraordinary Items Income Tax	\$ -	\$ -	\$ -			-
	<b>TOTAL REVENUE DEDUCTIONS</b>	<b>\$ 1,772,917</b>	<b>\$ 1,369,270</b>	<b>\$ 403,647</b>			

CASE: UW 166  
WITNESS: STEPHANIE YAMADA

**PUBLIC UTILITY COMMISSION  
OF  
OREGON**

**STAFF EXHIBIT 103**

**Exhibits in Support of Testimony**

**January 5, 2017**

**OPUC Data Request 43 d, e, f**

Page 8 of the testimony that Roats filed with its Rate Case Application contains a table showing Roats' revenues, including a column labeled "Balance Per Test Year."

Regarding the values in this column,

- d. Please provide documentation showing that Roats Water System, Inc. collected \$220,793 in revenue attributable to "JUNIPER RESI Timber Ridge, Tillicum, Blue & Mtn Hi" during the test year period of October 1, 2014 to September 30, 2015.
- e. Please provide documentation showing that Roats Water System, Inc. collected \$49,651 in revenue attributable to The Pines during the test year period of October 1, 2014 to September 30, 2015.
- f. Please provide documentation showing that Roats Water System, Inc. collected \$9,914 in revenue attributable to Crown Villa during the test year period of October 1, 2014 to September 30, 2015.

**Response to OPUC Data Request d, e, f**

Roats does not own the Juniper system yet, so obviously, Roats has not collected any revenue from Juniper. The revenue listed in the test year column is what the City of Bend collected from Juniper. The revenue requirement form is not conducive to including test year revenue from another entity; therefore, Juniper revenue was listed in the test year. This allowed a transparent allocation of the cross connection revenue to the customers as shown in the proposed company adjustments.

**OPUC Data Request 53 b**

In its Rate Case Application, Roats states that the company is requesting “an overall increase of 32.51 percent.” Regarding the proposed increase of 32.51%,

- b. Please provide Roats’ desired percentage increase over test year revenues after removing revenue attributable to Juniper, The Pines, and Crown Villa from Roats’ test year.

**Response to OPUC Data Request 53 b**

To remove the revenues for Juniper from the test year, you zero out the income from Juniper, The Pines, and Crown Villa as shown below:

	WITH JUNIPER	WITHOUT JUNIPER
REVENUES	Balance per Test Year	Revenue-Sensitive Adjustments
Unmetered Water Sales	0	0
Residential Water Sales	790,675	790,675
Commercial Water Sales	225,517	225,517
Fire Protection	14,200	14,200
JUNIPER RESI Timber Rdge, Tillicum, Blue & Mtn Hi	220,793	0
The Pines	49,651	0
Crown Villa	9,914	0
Miscellaneous Fees Income (pas	539	539
Cross Connection Control Reven	48,988	48,988
Totals	1,360,277	1,079,919

To determine the percentage increase, take \$1,079,919 and the proposed revenues of \$1,802,530 and calculate as follows:  $(\$1,802,530 - \$1,079,919) / \$1,079,919 = 66.91\%$ . However, this reflects the total proposed revenue including Juniper, The Pines, and Crown Villa, (including expenses and return); but does not reflect the additional income that was collected during the test year from Juniper customers.

### **OPUC Data Request 44 a**

Page 9 of the testimony that Roats filed with its Rate Case Application contains a table showing Roats' operating expenses. Regarding the values in the "Balance Per Test Year" column,

- a. Please provide documentation showing that Roats Water System, Inc. had \$94,570 in expenses attributable to Employee Salaries and Wages during the test year period of October 1, 2014 to September 30, 2015. Please include documentation showing amounts paid to each individual throughout the test year period.

### **Response to OPUC Data Request 44 a**

Actual employee salaries and wages should be \$126,660. Roats mistakenly understated employee salaries and wages. See Attachment: payroll documentation in the amount of \$126,659.70.

44a

SALARIES EMPLOYEES  
+ WAGES  
SALARIES OFFICERS  
+ WAGES

1:09 PM  
05/25/16

ROATS WATER SYSTEM INC  
Payroll Summary  
October 2014 through September 2015

	Carter, Greg A			Cutsforth, Trent D			Martin, Lisa M			Martinez, Jennifer L.A		
	Hours	Rate	Oct '14 - Sep 15	Hours	Rate	Oct '14 - Sep 15	Hours	Rate	Oct '14 - Sep 15	Hours	Rate	Oct '14 - Sep 15
<b>Employee Wages, Taxes and Adjustme...</b>												
Gross Pay												
Bonus			0.00			0.00			0.00			541.42
Salary			0.00			0.00			0.00			0.00
Holiday			0.00			0.00			0.00	30	17.50	501.00
Hourly Pay	1,138.5	20.00	22,770.00	612.5	18.00	11,025.00	283.5	20.00	5,670.00	1,462.25	17.50	24,670.15
Hourly Sick			0.00			0.00			0.00	42	16.50	693.00
Hourly Vacation			0.00			0.00			0.00	8	16.50	132.00
Overtime	8.5	30.00	255.00	33.5	27.00	904.50			0.00			0.00
Sick Hours			0.00			0.00			0.00	30	17.50	501.00
Vacation Hourly Rate			0.00			0.00			0.00	24	16.50	396.00
Weekend Duty #1			0.00			0.00			0.00			0.00
Payroll Advance			0.00			0.00			0.00			0.00
<b>Total Gross Pay</b>	<b>1,147</b>		<b>29,025.00</b>	<b>646</b>		<b>11,929.50</b>	<b>283.5</b>		<b>5,670.00</b>	<b>1,596.25</b>		<b>27,434.57</b>
Deductions from Gross Pay												
401k Emp.			0.00			0.00			0.00			-806.81
Payroll Advance Deduction			0.00			0.00			0.00			0.00
<b>Total Deductions from Gross Pay</b>			<b>0.00</b>			<b>0.00</b>			<b>0.00</b>			<b>-806.81</b>
<b>Adjusted Gross Pay</b>	<b>1,147</b>		<b>23,025.00</b>	<b>646</b>		<b>11,929.50</b>	<b>283.5</b>		<b>5,670.00</b>	<b>1,596.25</b>		<b>26,627.76</b>
Taxes Withheld												
Advance Earned Income Credit			0.00			0.00			0.00			0.00
Federal Withholding			-2,211.00			-1,107.00			0.00			-2,516.00
Medicare Employee			-333.86			-172.98			-93.96			-397.80
Social Security Employee			-1,427.55			-739.63			-440.79			-1,700.94
OR - Withholding			-1,467.00			-750.00			0.00			-1,696.00
Medicare Employee Addl Tax			0.00			0.00			0.00			0.00
OR - Wkr's. Assessment Emp.			-17.97			-8.86			-4.09			-23.06
<b>Total Taxes Withheld</b>			<b>-5,457.38</b>			<b>-2,778.47</b>			<b>-538.84</b>			<b>-6,332.80</b>
Deductions from Net Pay												
Miller 401k Repay			0.00			0.00			0.00			0.00
<b>Total Deductions from Net Pay</b>			<b>0.00</b>			<b>0.00</b>			<b>0.00</b>			<b>0.00</b>
<b>Net Pay</b>	<b>1,147</b>		<b>17,667.62</b>	<b>646</b>		<b>9,151.03</b>	<b>283.5</b>		<b>5,131.16</b>	<b>1,596.25</b>		<b>20,294.96</b>
<b>Employer Taxes and Contributions</b>												
FUTA			42.00			42.00			34.02			42.00
Medicare Company			333.86			172.98			89.62			397.80
Social Security Company			1,427.55			739.63			422.19			1,700.94
OR - Unemployment Company			437.48			226.66			109.57			523.77
401k Co. Match			0.00			0.00			0.00			806.81
401k Profit Sharing			0.00			0.00			0.00			537.89
OR - Special Payroll Tax			0.00			0.00			0.00			0.00
OR - Wkr's. Assessment Co.			19.10			9.43			4.37			24.49
<b>Total Employer Taxes and Contributions</b>			<b>2,259.99</b>			<b>1,190.70</b>			<b>659.77</b>			<b>4,033.70</b>



**ROATS WATER SYSTEM INC**  
**Payroll Summary**  
 October 2014 through September 2015

	Martinez, Julia A			Miller, Michael A			OConnor, Ryan D			Roats, Shirley E.		
	Hours	Rate	Oct '14 - Sep 15	Hours	Rate	Oct '14 - Sep 15	Hours	Rate	Oct '14 - Sep 15	Hours	Rate	Oct '14 - Sep 15
<b>Employee Wages, Taxes and Adjustme...</b>												
<b>Gross Pay</b>												
Bonus			0.00			541.42			0.00			0.00
Salary			0.00			0.00			0.00			65,540.87
Holiday			0.00	48	20.75	992.00			0.00			0.00
Hourly Pay	418	10.00	4,068.40	1,810	20.75	37,463.00	194	20.00	3,880.00			0.00
Hourly Sick			0.00			0.00			0.00			0.00
Hourly Vacation			0.00			0.00			0.00			0.00
Overtime			0.00	19	31.13	588.81	7.5	30.00	225.00			0.00
Sick Hours			0.00			0.00			0.00			0.00
Vacation Hourly Rate			0.00	108	20.75	2,239.50			0.00			0.00
Weekend Duty #1			0.00	39	25.00	975.00			0.00			0.00
Payroll Advance			0.00			0.00			0.00			0.00
<b>Total Gross Pay</b>	<b>418</b>		<b>4,068.40</b>	<b>2,024</b>		<b>42,799.73</b>	<b>201.5</b>		<b>4,105.00</b>			<b>65,540.87</b>
<b>Deductions from Gross Pay</b>												
401k Emp.			0.00			-2,112.92			0.00			-23,000.00
Payroll Advance Deduction			0.00			-5,500.00			0.00			0.00
<b>Total Deductions from Gross Pay</b>			<b>0.00</b>			<b>-7,612.92</b>			<b>0.00</b>			<b>-23,000.00</b>
<b>Adjusted Gross Pay</b>	<b>418</b>		<b>4,068.40</b>	<b>2,024</b>		<b>35,186.81</b>	<b>201.5</b>		<b>4,105.00</b>			<b>42,540.87</b>
<b>Taxes Withheld</b>												
Advance Earned Income Credit			0.00			0.00			0.00			0.00
Federal Withholding			-22.00			-3,879.00			-307.00			-3,316.00
Medicare Employee			-58.99			-620.59			-59.53			-950.34
Social Security Employee			-252.24			-2,653.59			-254.51			-4,063.53
OR - Withholding			-144.00			-2,618.00			-233.00			-2,512.00
Medicare Employee Addl Tax			0.00			0.00			0.00			0.00
OR - Wkr's. Assessment Emp.			-6.57			-27.70			-3.23			0.00
<b>Total Taxes Withheld</b>			<b>-483.80</b>			<b>-9,798.88</b>			<b>-857.27</b>			<b>-10,841.87</b>
<b>Deductions from Net Pay</b>												
Miller 401k Repay			0.00			-2,006.04			0.00			0.00
<b>Total Deductions from Net Pay</b>			<b>0.00</b>			<b>-2,006.04</b>			<b>0.00</b>			<b>0.00</b>
<b>Net Pay</b>	<b>418</b>		<b>3,584.60</b>	<b>2,024</b>		<b>23,381.89</b>	<b>201.5</b>		<b>3,247.73</b>			<b>31,699.00</b>
<b>Employer Taxes and Contributions</b>												
FUTA			24.41			42.00			0.00			42.00
Medicare Company			58.99			620.59			59.53			950.34
Social Security Company			252.24			2,653.59			254.51			4,063.53
OR - Unemployment Company			78.50			718.11			86.20			672.00
401k Co. Match			0.00			1,690.33			0.00			1,260.00
401k Profit Sharing			0.00			845.17			0.00			0.00
OR - Special Payroll Tax			0.00			0.00			0.00			0.00
OR - Wkr's. Assessment Co.			6.98			29.43			3.42			0.00
<b>Total Employer Taxes and Contributions</b>			<b>421.12</b>			<b>6,599.22</b>			<b>403.66</b>			<b>6,987.87</b>

1:09 PM  
05/25/16

**ROATS WATER SYSTEM INC**  
**Payroll Summary**  
October 2014 through September 2015

	Roats, Stacie A			Roats, William C.			Roats, William K.			Topliff, Robert G		
	Hours	Rate	Oct '14 - Sep 15	Hours	Rate	Oct '14 - Sep 15	Hours	Rate	Oct '14 - Sep 15	Hours	Rate	Oct '14 - Sep 15
<b>Employee Wages, Taxes and Adjustme...</b>												
Gross Pay												
Bonus			0.00			0.00			0.00			0.00
Salary			0.00			47,633.30			94,566.32			0.00
Holiday			0.00			0.00			0.00			0.00
Hourly Pay	247.5	15.00	3,712.50	360	28.00	9,360.00			0.00	80	20.00	1,200.00
Hourly Sick			0.00			0.00			0.00			0.00
Hourly Vacation			0.00			0.00			0.00			0.00
Overtime			0.00			0.00			0.00			0.00
Sick Hours			0.00			0.00			0.00			0.00
Vacation Hourly Rate			0.00			0.00			0.00			0.00
Weekend Duty #1			0.00			0.00			0.00			0.00
Payroll Advance			0.00			0.00			0.00			0.00
<b>Total Gross Pay</b>	<b>247.5</b>		<b>7,125.00</b>	<b>360</b>		<b>56,993.80</b>			<b>94,566.32</b>	<b>80</b>		<b>1,200.00</b>
Deductions from Gross Pay												
401k Emp.			0.00			-1,709.80			-23,000.00			-120.00
Payroll Advance Deduction			0.00			-4,500.00			0.00			0.00
<b>Total Deductions from Gross Pay</b>			<b>0.00</b>			<b>-6,209.80</b>			<b>-23,000.00</b>			<b>-120.00</b>
<b>Adjusted Gross Pay</b>	<b>247.5</b>		<b>3,712.50</b>	<b>360</b>		<b>50,783.50</b>			<b>71,566.32</b>	<b>60</b>		<b>1,080.00</b>
Taxes Withheld												
Advance Earned Income Credit			0.00			0.00			0.00			0.00
Federal Withholding			0.00			-4,901.00			-7,680.00			0.00
Medicare Employee			-53.83			-826.40			-1,371.21			-17.40
Social Security Employee			-230.16			-3,533.59			-5,863.11			-74.40
OR - Withholding			-252.00			-3,298.00			-4,664.00			-800.00
Medicare Employee Addl Tax			0.00			0.00			0.00			0.00
OR - Wkr's. Assessment Emp.			-3.37			-5.76			0.00			-0.97
<b>Total Taxes Withheld</b>			<b>-539.38</b>			<b>-12,564.75</b>			<b>-19,578.32</b>			<b>-892.77</b>
Deductions from Net Pay												
Miller 401k Repay			0.00			0.00			0.00			0.00
<b>Total Deductions from Net Pay</b>			<b>0.00</b>			<b>0.00</b>			<b>0.00</b>			<b>0.00</b>
<b>Net Pay</b>	<b>247.5</b>		<b>3,173.12</b>	<b>360</b>		<b>38,218.75</b>			<b>51,988.00</b>	<b>60</b>		<b>187.23</b>
Employer Taxes and Contributions												
FUTA			22.28			42.00			42.00			7.20
Medicare Company			53.83			826.40			1,371.21			17.40
Social Security Company			230.18			3,533.59			5,863.11			74.40
OR - Unemployment Company			70.54			678.30			678.30			23.64
401k Co. Match			0.00			1,709.80			2,160.00			12.60
401k Profit Sharing			0.00			0.00			0.00			8.40
OR - Special Payroll Tax			0.00			0.00			0.00			0.00
OR - Wkr's. Assessment Co.			3.37			6.12			0.00			1.03
<b>Total Employer Taxes and Contributions</b>			<b>380.20</b>			<b>5,796.21</b>			<b>10,114.62</b>			<b>144.67</b>

1:09 PM  
05/25/16

**ROATS WATER SYSTEM INC**  
**Payroll Summary**  
October 2014 through September 2015

	Vanci, Richard I			Vaughan, Kenneth R			TOTAL		
	Hours	Rate	Oct '14 - Sep 15	Hours	Rate	Oct '14 - Sep 15	Hours	Rate	Oct '14 - Sep 15
<b>Employee Wages, Taxes and Adjustme...</b>									
<b>Gross Pay</b>									
Bonus			0.00			0.00			1,082.84
Salary			0.00			0.00			207,740.49
Holiday			0.00			0.00	78.00		1,493.00
Hourly Pay	135	10.00	1,350.00	45.5	30.00	1,365.00	6,766.75		126,534.05
Hourly Sick			0.00			0.00	42.00		693.00
Hourly Vacation			0.00			0.00	8.00		132.00
Overtime			0.00			0.00	68.50		1,973.31
Sick Hours			0.00			0.00	30.00		501.00
Vacation Hourly Rate			0.00			0.00	132.00		2,635.50
Weekend Duty #1			0.00			0.00	39.00		975.00
Payroll Advance			0.00			0.00			0.00
<b>Total Gross Pay</b>	<b>135</b>		<b>1,350.00</b>	<b>45.5</b>		<b>1,365.00</b>	<b>7,164.25</b>		<b>343,760.19</b>
<b>Deductions from Gross Pay</b>									
401k Emp.			0.00			0.00			-50,749.53
Payroll Advance Deduction			0.00			0.00			-10,000.00
<b>Total Deductions from Gross Pay</b>			<b>0.00</b>			<b>0.00</b>			<b>-60,749.53</b>
<b>Adjusted Gross Pay</b>	<b>135</b>		<b>1,350.00</b>	<b>45.5</b>		<b>1,365.00</b>	<b>7,164.25</b>		<b>283,010.66</b>
<b>Taxes Withheld</b>									
Advance Earned Income Credit			0.00			0.00			0.00
Federal Withholding			-13.00			0.00			-25,951.00
Medicare Employee			-19.58			-19.79			-4,996.26
Social Security Employee			-83.70			-84.63			-21,402.39
OR - Withholding			-26.00			0.00			-18,460.00
Medicare Employee Addl Tax			0.00			0.00			0.00
OR - Wkr's. Assessment Emp.			-1.89			-0.73			-104.20
<b>Total Taxes Withheld</b>			<b>-144.17</b>			<b>-105.15</b>			<b>-70,913.85</b>
<b>Deductions from Net Pay</b>									
Miller 401k Repay			0.00			0.00			-2,006.04
<b>Total Deductions from Net Pay</b>			<b>0.00</b>			<b>0.00</b>			<b>-2,006.04</b>
<b>Net Pay</b>	<b>135</b>		<b>1,205.83</b>	<b>45.5</b>		<b>1,259.85</b>	<b>7,164.25</b>		<b>210,090.77</b>
<b>Employer Taxes and Contributions</b>									
FUTA			8.10			8.19			398.20
Medicare Company			19.58			19.79			4,991.92
Social Security Company			83.70			84.63			21,383.79
OR - Unemployment Company			26.31			26.43			4,355.81
401k Co. Match			0.00			0.00			7,639.54
401k Profit Sharing			0.00			0.00			1,391.46
OR - Special Payroll Tax			0.00			0.00			0.00
OR - Wkr's. Assessment Co.			2.01			0.77			110.52
<b>Total Employer Taxes and Contributions</b>			<b>139.70</b>			<b>139.81</b>			<b>40,271.24</b>

Roats – Contract Labor for Irrigation

Duties per data request response: Repairs, Maint., and monitor Irrigation System

City of Bend required: 12 hours/day – approx. 2584 hours annually

Ave wage = \$42.50 / seasonal 6-7 months/yr / 7 days/week

-----  
AWWA Compensation Survey – 2014:

Job D140 – Water Distribution Operator – Senior

Operates & maintains a water distribution system. Is fully qualified to perform the most complex functions and may direct the work of other operators. Holds a high level water distribution certificate.

Pacific NW region average salary range:	<u>Min</u>	<u>Mid</u>	<u>Max</u>
	\$54,244	\$59,912	\$66,479
		\$28.80/hr	\$31.96

Per Oregon Employment Dept. (OLMIS):

Wage Range 2016  
For Water and Wastewater Treatment Plant and System Operators

Area	10th Percentile	25th Percentile	50th Percentile (median)	75th Percentile	90th Percentile	Average Hourly	Average Annual
Area Oregon	10th Percentile \$18.70	25th Percentile \$22.24	50th Percentile (median) \$26.53	75th Percentile \$30.19	90th Percentile \$36.00	Average Hourly \$26.87	Average Annual \$55,875
Area Central Oregon	10th Percentile \$18.41	25th Percentile \$22.61	50th Percentile (median) \$26.82	75th Percentile \$29.90	90th Percentile \$33.40	Average Hourly \$26.11	Average Annual \$54,302

\$28.80 x 2584 hours = \$74,419

\$31.96 x 2584 hours = \$82,585

\$33.40 x 2584 hours = \$86,306

\$31.78 x 2584 hours = \$83,120 (City of Hillsboro job)

Average of 3 highest paid positions: \$84,004

**OPUC Data Request 68**

Roats provided documentation for employee health, dental & vision, and life insurance totaling \$ \$64,744 in the test year. Please provide documentation for all requested increases to this amount.

**Response to OPUC Data Request 68**

See attached documents for increases. Documentation for expenses are included in the test year test year data Health Insurance.

11-68

Agent Services  
475 Fallbrook Blvd./Lincoln, NE 68521  
Bus: 855-517-5307  
E-mail: agentservices@ameritas.com



April 11, 2016

WILLIAM ROATS  
ROATS WATER SYSTEM INC  
61147 HAMILTON LN  
BEND, OR 97702-2629

Group # 010-409897 Edge Plus

July 01, 2016 marks the renewal date of your Ameritas group dental insurance plan. Your covered employees' specific utilization and cost of dental care are considered in determining your renewal rating.

Effective July 01, 2016, your **monthly** dental rates will be as follows:

Plan 1	Current Rates	Renewal Rates
Employee	\$69.44	\$72.22
Employee +1 Dependent	\$135.97	\$141.41
Employee +2 or More Dependents	\$200.01	\$208.01

Your eligible employees may enroll during the open enrollment period, which normally coincides with the policy anniversary date. You may begin enrolling these employees now for an effective date of July 01, 2016.

Thank you for choosing Ameritas. We are happy to help you, your employees and their families maintain overall health while controlling health care costs. Your coverage will renew automatically with **no further action required by you**. If you need assistance, please call us toll free at 855-517-5307 or contact your broker.

Agent Services  
Ameritas Life Insurance Corp.

cc: WIX AGENCY LLC

0222103100036302



# 68



P.O. Box 9103  
Van Nuys, CA 91409-9103

# Group Bill

Date Prepared: 12-16-2015

ROATS WATER SYSTEM, INC.		
GROUP ID	PAYMENT DUE DATE	COVERED PERIOD
U6395A	01-01-2016	01-01-2016 - 01-31-2016

16/972/OES



ROATS WATER SYSTEM, INC.  
CASEY ROATS  
61147 HAMILTON LN  
BEND OR 97702-2629

Please Make Check Payable to: **Health Net of Oregon**  
**PO BOX 749393**  
**Los Angeles, CA 90074-9393**

Please include your Group ID on your check and return the entire bill with your payment. For billing information call: (888) 802-7001. Return bank items are subject to a \$35.00 fee.

BILL INFORMATION			
<b>LAST PERIOD AMOUNT DUE</b>		5,060.27	
<b>ACTIVITY SINCE LAST BILL</b>			
Amount Received		5,060.27	
Amount Applied through 12-16-2015		5,060.27	
Manual Adjustments		0.00	
Balance Forward			0.00
<b>CURRENT BILL (See Bill Recap Section for Details)</b>			
Current Period New Charges		5,653.50	
Adjustments to Membership		0.00	
Administration fee		0.00	
Total New Charges			<b>5,653.50</b>

Please Pay this Amount







Staff/103  
Yamada/13

19604 Buck Canyon Rd., Bend, OR 97702  
Phone (541) 382-7664 Fax (541) 382-0833

**Delivery Address**

20505 Murphy Rd

Desc	Factor	Rate	Charge
Capital Improvement	348.000	\$21.92	\$7,628.16
Construction	348.000	\$44.11	\$15,350.28
Debt Retirement	348.000	\$7.82	\$2,721.36
Maintenance Fees	348.000	\$17.83	\$6,204.84
Operations for Hdgt# MAIN 22366	0.500	\$242.25	\$121.12
Operations for Hdgt# MAIN 28042	0.500	\$242.25	\$121.12
Operations for Hdgt# NORTH 19277	1.000	\$242.25	\$242.25
Owner Account	1.000	\$226.78	\$226.78
Tax Lot Fees	56.000	\$65.60	\$3,673.60
Water Right Protection Effort	348.000	\$5.00	\$1,740.00
<b>Total Assessed</b>			\$38,029.51
<b>Previous Balance</b>			\$0.00
<b>Total Due</b>			\$38,029.51

**If Paying by Mail Please Return Stub with Payment**

To cut down on mailing costs, please provide us with your e-mail address so that we may email you newsletters and notices.

E-mail Address \_\_\_\_\_

Return to Arnold Irrigation District  
19604 Buck Canyon Rd., Bend, OR 97702

Acctnbr 1248  
Name City of Bend  
Due Date: 3/31/2016

Prevs Bal	\$0.00
Current Assessment	\$38,029.51
Other Chg	\$0.00
Interest	\$0.00
Amount Paid	\$0.00
<b>Balance Due</b>	<b>\$38,029.51</b>



19604 Buck Canyon Rd., Bend, OR 97702  
Phone (541) 382-7664 Fax (541) 382-0833

Annual charges shall be due and payable on January 1, 2016 and shall be deemed delinquent if not paid by March 31, 2016. The District shall withhold delivery of water from any tract of land until the charges for the current year and any prior year(s), including interest, lien and collection costs and fees, are paid in full. Any charge not paid in full when due shall accrue interest at the statutory rate of 1 1/3 percent per month until paid dating back to January 1, 2016. Water will not be delivered until payment is received in full. Payment is due whether or not water is used or received.

**ASSESSMENT EXTENSION PAYMENT PLANS WILL NOT BE AVAILABLE THIS YEAR. Please see attached insert for explanation.**

The Secretary of the District shall cause a late payment notice to be mailed to each parcel for which delinquent charges are owed. Said notice shall be provided and mailed to landowner on or after June 1, 2016 advising the landowner that an administrative fee of \$150 will be added to the unpaid balance if not paid by June 30, 2016.

For each account remaining delinquent and unpaid as of August 31, 2016 a second notice will be mailed to each parcel for which delinquent charges are owed. Said notice shall be provided on or after September 1, 2016. The land owner will be advised that the unpaid charges are accruing interest and that a Notice of Claim of Lien for any unpaid and accrued charges will be prepared and recorded if all charges are not paid by September 30, 2016.

For each account remaining delinquent and unpaid as of October 1, 2016, the Secretary shall refer to the District's legal counsel to prepare and record in the County Clerk's office, a Notice of Claim of Lien for the amount of the unpaid charges, the delinquent charge, the administrative fee, cost of preparing, recording and releasing said Lien and any legal fees.

On October 1, 2016 for each account remaining delinquent and unpaid from September 30, 2015, the Secretary of the District shall refer to the District's legal counsel for collection, including foreclosure as provided by law, each parcel that remains unpaid.

If you have questions or concerns about your assessment, you may present them to the Board of Directors for changes or relief at the Board of Equalization on January 12, 2016, at 3:00 pm at 19604 Buck Canyon Road in Bend.

**We now have various payment options:**

1. Pay with check by mail.
2. Pay with cash, check or credit/debit card in office.
3. Pay over phone with credit/debit card.
4. Pay online with credit card or e-check.

**Visit our website at [www.arnoldirrigationdistrict.com](http://www.arnoldirrigationdistrict.com) to make your payment online.**

**Please Note: Customer is responsible for additional fees for making payment with a debit or credit card or e-check. See fees below.**

E-check payment - \$2.95 flat fee

Debit or Credit card - \$3.00 per every \$100

**If Paying by Mail Please Return Stub with Payment**

To cut down on mailing costs, please provide us with your e-mail address so that we may email you newsletters and notices.

E-mail Address \_\_\_\_\_

Return to Arnold Irrigation District  
19604 Buck Canyon Rd., Bend, OR 97702

Acctnbr 1248  
Name City of Bend  
Due Date: 3/31/2016

Prevs Bal	\$0.00
Current Assessment	\$38,029.51
Other Chg	\$0.00
Interest	\$0.00
Amount Paid	\$0.00
<b>Balance Due</b>	<b>\$38,029.51</b>

### **OPUC Data Request 12**

With its Rate Case Application, Roats submitted an Excel file labeled “Rate Case Attachments-Roats.” This file contains tabs labeled “Juniper Domestic” and “Juniper Irrigation,” showing the City of Bend’s costs attributable to serving customers of the former Juniper Water from 2012 through 2014. Please provide a copy of the City of Bend’s documentation showing the original source of these numbers.

### **Response to OPUC Data Request 12**

See enclosed documents from the City of Bend.

## Juniper Utility Divestiture - Maintenance Costs

	FY11-12 Maintenance Costs	FY12-13 Maintenance Costs	FY13-14 Maintenance Costs
<b>Timber Ridge</b>			
Connections			88
<b>Domestic</b>	\$ 8,542	\$ 844	\$ 3,767
Labor	4,448	756	2,099
Parts/Equipment	4,094	88	1,668
<b>Irrigation</b>	15,087	2,466	8,823
Labor	10,208	1,741	5,785
Parts/Equipment	4,879	725	3,038
<b>Total Timber Ridge</b>	23,629	3,310	12,590
<b>Mountain High</b>			
Connections			258
<b>Domestic</b>	96,450	46,867	76,016
Labor	50,443	30,521	37,283
Parts/Equipment	46,007	16,346	38,733
<b>Irrigation</b>	67,250	246,334	84,166
Labor	35,534	89,622	54,769
Parts/Equipment	31,716	156,712	29,397
<b>Total Mountain High</b>	163,700	293,201	160,182
<b>Nottingham</b>			
Connections			163
<b>Domestic</b>	998	1,303	943
Labor	625	727	242
Parts/Equipment	373	576	701
<b>Irrigation</b>	8,395	2,902	8,133
Labor	5,639	2,174	5,663
Parts/Equipment	2,756	728	2,470
<b>Total Nottingham</b>	9,393	4,205	9,076
<b>Tillicum</b>			
Connections			197
<b>Domestic</b>	5,281	8,224	20,939
Labor	4,189	5,434	7,074
Parts/Equipment	1,092	2,790	13,865
<b>Irrigation</b>	24,142	15,262	40,861
Labor	17,768	8,991	23,848
Parts/Equipment	6,374	6,271	17,013
<b>Total Tillicum</b>	29,423	23,486	61,800

**The Pines**

Connections				187
<b>Domestic</b>	<b>98,141</b>		-	-
Labor	37,338		-	-
Parts/Equipment	60,803		-	-
<b>Irrigation</b>	<b>6,756</b>		<b>5,006</b>	<b>5,273</b>
Labor	5,700		2,105	3,518
Parts/Equipment	1,056		2,901	1,755
<b>Total The Pines</b>	<b>104,897</b>		<b>5,006</b>	<b>5,273</b>

**Crown Villa**

Connections				76
<b>Domestic</b>	<b>66,438</b>		<b>2,577</b>	<b>25,860</b>
Labor	28,946		1,594	11,324
Parts/Equipment	37,492		983	14,536
<b>Irrigation</b>	<b>7,004</b>		<b>2,739</b>	<b>6,596</b>
Labor	5,413		1,993	4,867
Parts/Equipment	1,591		746	1,729
<b>Total Crown Villa</b>	<b>73,442</b>		<b>5,316</b>	<b>32,456</b>

**Blue Ridge Subdivision**

Connections				28
<b>Domestic</b>	-		<b>66</b>	<b>46</b>
Labor	-		47	46
Parts/Equipment	-		19	-
<b>Irrigation</b>	-		-	-
Labor	-		-	-
Parts/Equipment	-		-	-
<b>Total BR Subdivision</b>	-		<b>66</b>	<b>46</b>

**Stonegate Subdivision**

Connections				98
<b>Domestic</b>	-		<b>356</b>	<b>77</b>
Labor	-		170	77
Parts/Equipment	-		187	-
<b>Irrigation</b>	-		-	-
Labor	-		-	-
Parts/Equipment	-		-	-
<b>Total SG Subdivision</b>	-		<b>356</b>	<b>77</b>

**15th St. Irrigation**

<b>Irrigation</b>	<b>10,835</b>		<b>19,281</b>	<b>5,283</b>
Labor	7,678		15,804	4,138
Parts/Equipment	3,157		3,477	1,145
<b>Total 15th St. Irrigation</b>	<b>10,835</b>		<b>19,281</b>	<b>5,283</b>

**Total Maintenance Costs**

Domestic	275,850	60,237	127,648
Irrigation	139,469	293,990	159,135
<b>Total Maint. Costs</b>	<b>\$ 415,319</b>	<b>\$ 354,227</b>	<b>\$ 286,783</b>

Date Acquired	Description	Method	Life	Cost	Basis Adjust	Depreciation Cost	Accum Depr 09/30/14	10/1 - 9/30 2015	Accum Depr 9/30/15	CIAC Plant	CIAC Acum Depr
<b>Structure &amp; Wells (Acct 102)</b>											
2014	Structure & Improvements	SL	30	6,324.95	-	6,324.95	210.83	210.83	421.66		
<b>Structures &amp; improvements (acct # 304) and Wells &amp; Springs (acct # 307)</b>											
VAR	Structures & Wells	SL	50	22,040.26	-	22,040.26	21,353.55	440.81	21,794.35		
	Structures & Wells (CIAC portion)			8,412.81	-	8,412.81	7,919.74	168.26	8,087.99	8,412.81	8,087.99
VAR	Wells & Springs	SL	50	7,324.00	-	7,324.00	5,811.70	146.48	5,958.18		
VAR	Other structures & input	SL	20	6,368.00	-	6,368.00	6,368.23	(0.23)	6,368.00		
1982	Pumphouse	SL	15	2,890.63	-	2,890.63	2,890.63	-	2,890.63		
1983	Water tank - Pinebrook	SL	30	17,830.64	-	17,830.64	17,830.64	-	17,830.64		
1984	Water tank - Woodside	SL	20	3,254.67	-	3,254.67	3,254.67	-	3,254.67		
1984	3-door garage	SL	25	8,880.76	-	8,880.76	8,880.76	-	8,880.76		
1985	Finish work - garage	SL	25	2,939.00	-	2,939.00	2,939.11	(0.11)	2,939.00		
1986	Fees - New well	SL	25	697.00	-	697.00	697.00	-	697.00		
1986	Valve housings	SL	15	392.08	-	392.08	392.08	-	392.08		
1987	Pinebrook well	SL	50	21,073.86	-	21,073.86	11,476.95	421.48	11,898.42		
1988	Pinebrook pumphouse	SL	30	9,990.16	-	9,990.16	8,741.76	333.01	9,074.76		
1989	Pinebrook back-up plant	SL	30	26,579.88	-	26,579.88	22,371.50	886.00	23,257.49		
1989	Pinebrook 300k reservoir	SL	30	95,694.70	-	95,694.70	80,546.03	3,189.82	83,735.86		
1989	Pinebrook pumphouse	SL	30	6,469.50	-	6,469.50	5,450.81	215.65	5,666.46		
1990	Pinebrook well pipe	SL	30	1,375.92	-	1,375.92	1,114.33	45.86	1,160.20		
1990	Pinebrook landscape/fence	SL	30	2,500.00	-	2,500.00	2,016.16	83.33	2,099.50		
1991	Woodside well	SL	50	28,050.50	-	28,050.50	13,043.80	561.01	13,604.81		
1993	Brookwood well	SL	50	21,496.20	-	21,496.20	9,136.80	429.92	9,566.73		
1994	Cyclone fencing	SL	30	3,750.00	-	3,750.00	2,531.75	125.00	2,656.75		
1997	Cyclone fencing	SL	30	5,542.00	-	5,542.00	3,188.41	184.73	3,373.15		
1997	Chain link fence	SL	30	1,000.00	-	1,000.00	572.66	33.33	606.00		
2003	Parker Buildings	SL	40	1,200.00	-	1,200.00	337.50	30.00	367.50		
2005	DRW - new well	SL	50	82,969.00	-	82,969.00	15,349.27	1,659.38	17,008.65	82,969.00	17,008.65
2006	WSR #7	SL	50	37,850.18	-	37,850.18	6,245.25	757.00	7,002.26	37,850.18	7,002.26
2007	Structures & Improvements	SL	30	2,643.88	-	2,643.88	638.96	88.13	727.09		
2008	Structures & Improvements	SL	50	50,204.60	-	50,204.60	6,275.62	1,004.09	7,279.71	50,204.60	7,279.71
2009	Shop yard structures & improvements	SL	50	43,022.35	-	43,022.35	4,517.32	860.45	5,377.76	43,022.35	5,377.76
2010	Shop yard Improvements	SL	50	2,496.42	-	2,496.42	436.81	49.93	486.74		
2010	Telementary	SL	50	30,915.18	-	30,915.18	5,410.13	618.30	6,028.44		
2010	Data Processing Center Remodel	SL	50	30,108.85	-	30,108.85	5,269.08	602.18	5,871.25		
2011	Telementary	SL	50	37,009.15	-	37,009.15	2,405.59	740.18	3,145.78		
2012	Equipment Lot	SL	30	10,322.79	-	10,322.79	774.21	344.09	1,118.31		
2012	Storage Building	SL	30	8,445.79	-	8,445.79	633.43	281.53	914.95		
2014	Telementary	SL	30	1,240.00	-	1,240.00	41.33	41.33	82.67		
2015	Structures & Improvements	SL	30	43,391.26	-	43,391.26		1,446.38	1,446.38	43,391.26	1,446.38
<b>Structures and Wells TOTALS</b>				<b>686,372.02</b>	<b>-</b>	<b>686,372.02</b>	<b>286,863.58</b>	<b>15,787.32</b>	<b>302,650.90</b>		

Date Acquired	Description	Method	Life	Cost	Basis Adjust	Depreciation Cost	Accum Depr 09/30/14	10/1 - 9/30 2015	Accum Depr 9/30/15	CIAC Plant	CIAC Acum Depr
1982	Pump equipment - Hamilton	SL	10	4,931.72	-	4,931.72	4,931.72	-	4,931.72	14,169.98	14,169.98
1981	Pump equipment - Hamilton	SL	10	9,866.67	-	9,866.67	9,866.67	-	14,169.98	14,169.98	14,169.98
1983	Pump equipment - Hamilton	SL	10	375.00	-	375.00	375.00	-	375.00		
1984	Pump equipment - Backup	SL	10	5,809.56	-	5,809.56	5,809.56	-	5,809.56		
1985	Woodside booster pump	SL	10	1,448.95	-	1,448.95	1,448.95	-	1,448.95		
1987	Woodside pump	SL	10	1,772.91	-	1,772.91	1,772.91	-	1,772.91		
1988	Pinewood pumps	SL	10	2,720.60	-	2,720.60	2,720.60	-	2,720.60		
1991	Woodside pumps - New well	SL	10	6,762.74	-	6,762.74	6,762.74	-	6,762.74		
1994	Brookwood pump set	SL	10	15,562.47	-	15,562.47	15,562.47	1.00	15,562.47		
2001	Pump (Homeplace)	SL	10	15,878.70	-	15,878.70	15,878.70	-	15,878.70		
2001	Pump (Pinelake)	SL	10	884.52	-	884.52	884.52	-	884.52		
2001	Pinelake pump circuit box	SL	10	1,310.00	-	1,310.00	1,310.00	-	1,310.00		
2001	Motor (well #1)	SL	10	620.00	-	620.00	620.00	-	620.00		
2001	Micrometer	SL	10	1,483.20	-	1,483.20	1,483.20	-	1,483.20		
2001	Saffronics & New Pump	SL	10	655.50	-	655.50	655.50	-	655.50		
2005	Pump (DRW)	SL	20	11,912.70	-	11,912.70	7,297.75	595.64	7,893.38	11,912.70	7,893.38
2005	Pump Equipment (DRW)	SL	10	32,278.00	-	32,278.00	29,857.15	3,227.80	33,084.95	32,278.00	33,084.95
2005	Well Panels	SL	10	43,157.00	-	43,157.00	39,920.23	4,315.70	44,235.93		
2005	DRW Pump Equipment (DRW)	SL	10	8,795.00	-	8,795.00	8,135.38	879.50	9,014.88		
2005	Pump Equipment (DRW)	SL	10	811.67	-	811.67	751.05	81.17	832.21		
2006	2006 pump equipment	SL	10	3,089.77	-	3,089.77	2,858.21	308.98	3,167.18		
2008	Pump (well #9)	SL	10	4,521.16	-	4,521.16	3,729.86	452.12	4,181.97		
2013	Pump equipment	SL	10	20,747.00	-	20,747.00	12,966.88	2,074.70	15,041.58	20,747.00	15,041.58
2014	DRW Pump Equipment (DRW)	SL	10	2,861.52	-	2,861.52	500.79	286.15	786.94		
	Pumping Plant TOTALS			123,325.00	-	123,325.00	12,332.50	12,332.50	24,665.00	123,325.00	24,665.00
	Water Treatment Plant (acct 320) (AIF/CIAC)			335,741.34	-	335,741.34	202,591.31	24,555.25	227,146.55	400.00	400.00
				400.00	-	400.00	400.00	-	400.00		



Date Acquired	Description	Method	Life	Cost	Basis Adjust	Depreciation Cost	Accum Depr 09/30/14	10/1 - 9/30 2015	Accum Depr 9/30/15	CIAC Plant	CIAC Accum Depr
<b>Transfer and Distribution</b>											
VAR	Transfer & Distribution mains	SL	40	148,754.80	-	148,755.00	148,754.80	0.20	148,754.80	148,754.80	148,754.80
VAR	Services (part of meters in '60s)	SL	40	32,505.06	-	32,505.06	32,310.48	194.63	32,505.06	32,505.08	32,505.00
VAR	Meters (original meters in late '60s)	SL	25	22,765.34	-	22,765.00	22,764.34	0.66	22,765.00		
VAR	Meter installation (labor, boxes late '60s)	SL	25	14,557.89	-	14,558.00	14,557.89	0.11	14,558.00		
VAR	Other equipment	SL	25	41,467.73	-	41,468.00	41,467.73	0.27	41,468.00		
	Other equipment (CIAC portion)			14,877.27		14,877.27	14,877.27	(0.27)	14,877.00	14,877.27	14,877.00
1981	Meters - Woodside	SL	25	4,705.20	-	4,705.00	4,705.20	(0.20)	4,705.00		
1981	Mains - Parrell Road (CIAC)	SL	40	15,359.29	-	15,359.00	12,959.79	383.98	13,343.76	15,359.29	13,343.76
1981	Meters - Homeplace	SL	25	1,277.39	-	1,277.00	1,277.39	(0.39)	1,277.00		
1981	Services - Woodside	SL	40	1,400.00	-	1,400.00	1,181.25	35.00	1,216.25		
1982	Meters & mainline	SL	25	2,110.68	-	2,111.00	2,110.68	0.32	2,111.00		
1983	Meters & services	SL	25	1,336.85	-	1,337.00	1,336.85	0.15	1,337.00		
1984	Meters & mainline	SL	25	2,524.61	-	2,525.00	2,524.61	0.39	2,525.00		
1986	Meters - Murphy Road	SL	25	1,430.58	-	1,431.00	1,430.58	0.42	1,431.00		
1986	Mainline - Murphy Road	SL	25	16,259.82	-	16,260.00	16,259.82	0.18	16,260.00		
1987	Meters - Woodside	SL	25	1,877.26	-	1,877.00	1,877.26	(0.26)	1,877.00		
1987	Murphy Road - valves	SL	25	907.38	-	907.00	907.38	(0.38)	907.00		
1988	Pinebrook - transfer main	SL	40	2,091.16	-	2,091.00	1,367.42	52.28	1,419.69		
1988	12" trans main - Badges to Pinebrook	SL	40	35,742.34	-	35,742.00	23,463.56	893.55	24,357.11		
1988	Head gate meters	SL	25	2,200.66	-	2,201.00	2,200.66	0.34	2,201.00		
1988	Residential meters - Woodside	SL	25	2,299.85	-	2,300.00	2,299.85	0.15	2,300.00		
1989	Pinebrook to Badges - 12" main	SL	40	77,381.59	-	77,382.00	48,854.31	1,934.55	50,788.86		
1990	Woodside meters	SL	25	1,240.32	-	1,240.00	1,209.00	31.00	1,240.00		
1989	Woodside meters	SL	25	4,210.11	-	4,210.00	4,245.50	(35.50)	4,210.00		
1990	12" Reed Lane crossing	SL	40	8,059.24	-	8,059.00	4,878.92	201.48	5,080.39		
1992	12" Powers Road crossing	SL	40	17,809.22	-	17,809.00	9,903.73	445.23	10,348.95		
1992	Badges/Parrell 12" (quality contr.)	SL	40	75,816.89	-	75,817.00	42,167.98	1,895.43	44,063.40		
1992	Woodside meters	SL	25	1,500.00	-	1,500.00	1,335.00	60.00	1,395.00		
1993	Powers Road - extension	SL	40	73,348.94	54,272.89	19,076.00	10,134.88	476.90	10,611.78		
1993	Benham Road	SL	40	6,769.11	(county reimb.)	6,769.00	3,593.73	169.23	3,762.95		
1994	Parrell Road 12" main	SL	40	142,000.00	-	142,000.00	71,887.50	3,550.00	75,437.50		
1994	Hwy 97 crossing - Badger	SL	40	8,741.76	-	8,742.00	4,430.31	218.55	4,648.86		
1995	Parrell Road - completion	SL	40	6,748.25	-	6,748.00	3,250.13	168.70	3,418.83		
1997	Murphy Road - line extensions	SL	40	21,800.53	-	21,801.00	9,401.98	545.03	9,947.00		
1998	Parkway(10558.5)/Moose(13788.1)/Blakely(6464.52+50	SL	40	35,811.12	-	35,811.00	14,553.67	895.28	15,448.94		
2000	New hookups - CIAC	SL	40	2,412.72	-	2,413.00	857.85	60.33	918.17	2,412.72	918.17
2001	New hookups - CIAC	SL	40	13,677.29	-	13,677.00	4,531.35	341.93	4,873.27	13,677.29	4,873.27
2002	Blakely Heights - CIAC	SL	40	11,225.58	-	11,226.00	3,439.52	260.65	3,720.17	11,225.58	3,720.17
2002	New hookups - CIAC	SL	40	3,925.76	-	3,926.00	1,152.81	98.15	1,250.96	3,925.76	1,250.96
2003	New hookups - CIAC	SL	40	9,145.78	-	9,146.00	2,571.99	228.65	2,800.64	9,145.78	2,800.64
2003	Parkway project	SL	40	11,500.00	-	11,500.00	3,234.38	287.50	3,521.88		
2003	Blakely/Powers 2003 costs)	SL	50	8,693.82	-	8,694.00	1,782.27	173.88	1,956.15		

Date Acquired	Description	Method	Life	Cost	Basis Adjust	Depreciation Cost	Accum Depr 09/30/14	10/1 - 9/30 2015	Accum Depr 9/30/15	CIAC Plant	CIAC Accum Depr
2004	Blakely/Powers 2004 costs)	SL	50	56,166.61		56,167.00	11,514.24	1,123.34	12,637.58		
2004	Benham Road	SL	50	1,780.72		1,781.00	365.11	35.62	400.73		
2004	Parrell Road	SL	50	63,857.88		63,858.00	13,090.89	1,277.16	14,368.05		
2004	Porter/James	SL	50	24,778.06		24,778.00	6,189.49	495.56	6,685.05		
2004	Stonehaven # 1	SL	50	37,754.36		37,754.00	7,739.53	755.08	8,494.61		
2004	Stonehaven # 2	SL	50	30,161.21		30,161.00	6,183.01	603.22	6,786.23		
2004	South Village	SL	50	59,081.01		59,081.00	12,111.61	1,181.62	13,293.23		
2004	New hookups - CIAC	SL	50	27,000.00		27,000.00	5,535.00	540.00	6,075.00	27,000.00	6,075.00
2005	New hookups - CIAC	SL	50	52,942.73		52,943.00	9,794.46	1,058.86	10,853.32	52,942.73	10,853.32
2005	1/2 of waterline	SL	50	12,498.00		12,498.00	2,312.13	249.96	2,562.09		
2005	Coulter 2005 costs	SL	50	4,461.61		4,462.00	825.47	89.24	914.71		
2005	Reed Lane East	SL	50	44,768.90		44,769.00	8,282.27	895.38	9,177.65		
2006	Reed lane west	SL	50	85,820.15		85,820.00	14,160.30	1,716.40	15,876.70	85,820.15	15,876.70
2006	PRME project	SL	50	140,064.91		140,065.00	23,110.73	2,801.30	25,912.03	140,064.91	25,912.03
2006	Benham road extension	SL	50	15,350.89		15,351.00	2,532.92	307.02	2,839.94	15,350.89	2,839.94
2006	Deerfield line extension/parrell road	SL	50	110,892.90		110,893.00	18,297.35	2,217.86	20,515.21	110,892.90	20,515.21
2006	Blakely road extension	SL	50	30,817.34		30,817.00	5,084.81	616.34	5,701.15		
2006	DRW project	SL	50	99,746.94		99,747.00	16,458.26	1,994.94	18,453.20		
2007	DRW Project	SL	50	10,241.81		10,242.00	1,485.09	204.84	1,689.93		
2007	Fincham/Parrell extension	SL	50	23,853.00		23,853.00	3,458.69	477.06	3,935.75		
2007	Blakely road extension	SL	50	3,288.22		3,288.00	476.76	65.76	542.52		
2007	Badger 12" (quality contr.)	SL	50	11,308.26		11,308.00	1,639.66	226.16	1,865.82		
2007	2007 Capitalized labor	SL	50	12,202.73		12,203.00	1,769.44	244.06	2,013.50		
2007	New hookups - CIAC	SL	50	19,980.00		19,980.00	2,997.10	369.60	3,296.70	19,980.00	3,296.70
2008	Pioneer Crossing	SL	50	11,425.44		11,425.00	1,428.13	228.50	1,656.63		
2008	COB Transfer	SL	50	7,374.56		7,375.00	921.88	147.50	1,069.38		
2008	Badger Road	SL	50	1,147.00		1,147.00	143.38	22.94	166.32		
2008	New hookups - CIAC	SL	50	18,909.56		18,910.00	2,263.75	378.20	2,741.95	18,909.56	2,741.95
2009	Shop Yard Line extension	SL	50	5,165.45		5,165.00	542.33	103.30	645.63		
2009	Toyota	SL	50	5,934.69		5,935.00	623.18	118.70	741.88		
2009	New hookups - CIAC	SL	50	1,955.00		1,955.00	205.28	39.10	244.38	1,955.00	244.38
2009	Telementary System	SL	50	22,914.70		22,915.00	2,406.08	458.30	2,864.38		
2010	New hookups - CIAC	SL	50	5,979.47		5,979.00	568.01	119.58	687.59	5,979.47	687.59
2010	Toyota	SL	50	2,337.22		2,337.00	198.65	46.74	245.39		
2010	Murphy Rd Job	SL	50	27,988.23		27,988.00	2,378.98	559.76	2,938.74	27,988.23	2,938.74
2011	New hookups - CIAC	SL	50	6,240.00		6,240.00	405.60	124.80	530.40	6,240.00	530.40
2011	Main Line - Parkway	SL	50	75,250.00		75,250.00	4,891.25	1,505.00	6,396.25	75,250.00	6,396.25
2011	Meters - AMR	SL	25	59,363.37		59,363.37	7,123.60	2,374.53	9,498.14		
2012	New hookups - CIAC	SL	50	31,203.98		31,203.98	1,404.18	624.08	2,028.26	31,203.98	2,028.26
2012	Mt. Bachelor MC	SL	50	49,642.66		49,642.66	2,233.91	992.85	3,226.77		
2012	Brookwood Roundabout	SL	50	18,432.59		18,432.59	829.46	368.65	1,198.11		
2012	Meters	SL	25	167,787.21		167,787.21	15,100.85	6,711.49	21,812.34	167,787.21	21,812.34
2013	New hookups - CIAC	SL	50	17,960.00		17,960.00	628.60	359.20	987.80	17,960.00	987.80
2014	New hookups - CIAC	SL	50	17,680.00		17,680.00	353.60	353.60	707.20	17,680.00	707.20
2015	New hookups - CIAC	SL	50	20,280.00		20,280.00	-	405.60	405.60	20,280.00	405.60
2014	Murphy Road Interchange	SL	50	8,789.84		8,789.84	175.80	175.80	351.59	8,789.84	351.59
2014	Borden Road	SL	50	18,870.54		18,870.54	377.41	377.41	754.82	18,870.54	754.82
2014	Shire Pipe Installation	SL	50	20,000.00		20,000.00	400.00	400.00	800.00	20,000.00	800.00
2015	Supplies	SL	50	18,005.61		18,005.61	-	360.11	360.11	18,005.61	360.11
Transfer and Distribution TOTALS				2,527,723.98	54,272.89	2,473,452.80	819,069.80	50,520.07	869,589.87		

Date Acquired	Description	Method	Life	Cost	Basis Adjust	Depreciation Cost	Accum Depr 09/30/14	10/1 - 9/30 2015	Accum Depr 9/30/15	CIAC Plant	CIAC Acum Depn
<b>Distribution Reservoirs &amp; Standpipes (Acct 330)</b>											
VAR	Distribution mains & standpipes	SL	40	3,000.00	-	3,000.00	3,000.00	-	3,000.00		
2004	Joint venture storage tank	SL	30	373,310.63	-	373,310.63	127,547.92	12,443.69	139,991.61		
2012	WSR Storage Tank	SL	30	835.00	-	835.00	76.54	27.83	104.38		
2013	WSR Loop Piv	SL	30	12,265.99	-	12,265.99	715.52	408.87	1,124.38		
2013	WSR Storage Tank	SL	30	300.00	-	300.00	17.50	10.00	27.50		
				<u>389,711.62</u>	<u>-</u>	<u>389,711.62</u>	<u>131,357.48</u>	<u>12,890.39</u>	<u>144,247.86</u>		
<b>Meters and Meter installations (acct 334)</b>											
6/24/2004	Master Fire Hydrant meter	SL	20	580.00	-	580.00	297.25	29.00	326.25		
2005	Master Fire Hydrant meter	SL	20	618.67	-	618.67	286.27	30.93	317.21		
				<u>1,198.67</u>	<u>-</u>	<u>1,198.67</u>	<u>583.52</u>	<u>59.93</u>	<u>643.46</u>		
<b>Hydrants (acct 335)</b>											
VAR	Hydrants	SL	40	2,500.00	-	2,500.00	2,500.00	-	2,500.00		
				<u>2,500.00</u>	<u>-</u>	<u>2,500.00</u>	<u>2,500.00</u>	<u>-</u>	<u>2,500.00</u>		
<b>Transportation Equipment (Acct 341)</b>											
1994	Chevrolet pickup (standby)	SL	5	25,528.00	-	25,528.00	25,528.00	-	25,528.00		
1995	Service truck (retired)	SL	5	4,385.00	-	4,385.00	4,385.00	-	4,385.00		
1998	Dodge 4x4 Duayl pickup	SL	5	31,778.00	-	31,778.00	31,778.00	-	31,778.00		
1999	Freightliner truck	SL	5	15,000.00	-	15,000.00	15,000.00	-	15,000.00		
1999	Rock tub (for Freightliner)	SL	10	3,500.00	-	3,500.00	3,500.00	-	3,500.00		
2001	93 Dodge pickup	SL	5	6,000.00	-	6,000.00	6,600.00	(600.00)	6,000.00		
2002	99 ford (plumbing truck)	SL	5	15,000.00	-	15,000.00	15,000.00	-	15,000.00		
2002	90 Ford - 2 ton	SL	5	17,500.00	-	17,500.00	17,500.00	-	17,500.00		
2002	95 Dodge 1 ton	SL	5	12,463.00	-	12,463.00	12,463.00	-	12,463.00		
2004	Rando Water Truck	SL	7	22,575.00	-	22,575.00	22,575.00	-	22,575.00		
2005	2001 F-350	SL	5	15,000.00	-	15,000.00	15,000.00	-	15,000.00		
2006	Dump truck	SL	5	12,000.00	-	12,000.00	12,000.00	-	12,000.00		
2008	1995 Ford Truck	SL	5	8,750.00	-	8,750.00	8,750.00	-	8,750.00		
2008	2001 Dakota	SL	5	5,355.00	-	5,355.00	5,355.00	-	5,355.00		
2009	Polaris Ranger (meter reading vehicle)	SL	5	10,999.00	-	10,999.00	10,449.05	549.95	10,999.00		
2011	5th Wheel Trailer	SL	5	7,500.00	-	7,500.00	4,875.00	1,500.00	6,375.00		
2012	1998 F800	SL	5	11,655.00	-	11,655.00	5,244.75	2,331.00	7,575.75		
2013	2012 Dodge Pickup	SL	5	50,034.51	-	50,034.51	17,512.08	10,006.90	27,518.98	50,034.51	27,518.98
				<u>275,022.51</u>	<u>-</u>	<u>275,022.51</u>	<u>233,514.88</u>	<u>13,787.85</u>	<u>247,302.73</u>		

Date Acquired	Description	Method	Life	Cost	Basis Adjust	Depreciation Cost	Accum Depr 09/30/14	10/1 - 9/30 2015	Accum Depr 9/30/15	CIAC Plant	CIAC Accum Depr
<b>General Equipment</b>											
1981	Desk	SL	5	500.00	-	500.00	500.00	-	500.00		
1968	Tools	SL	10	218.03	-	218.00	218.03	(0.03)	218.00		
1969	Tools	SL	10	85.88	-	86.00	86.00	-	86.00		
1995	Shelves & counters	SL	10	1,552.15	-	1,552.00	1,552.00	-	1,552.00		
1995	Saw	SL	5	707.99	-	708.00	708.00	-	708.00		
1995	Shop Vac	SL	5	169.99	-	170.00	170.00	-	170.00		
1995	Backhoe bucket	SL	5	535.00	-	535.00	535.00	-	535.00		
1996	Excavator bucket	SL	5	3,400.00	-	3,400.00	3,400.00	-	3,400.00		
1997	Hot tap drill	SL	5	1,194.95	-	1,195.00	1,195.00	-	1,195.00		
1999	Wacker	SL	5	2,945.00	-	2,945.00	2,945.00	-	2,945.00		
2000	Portable water tank	SL	5	2,700.00	-	2,700.00	2,700.00	-	2,700.00		
2000	Laser level	SL	5	1,600.00	-	1,600.00	1,600.00	-	1,600.00		
2001	Weed trimmer	SL	5	499.00	-	499.00	499.00	-	499.00		
2001	Ackley tool	SL	5	12,000.00	-	12,000.00	12,000.00	-	12,000.00		
2001	Trench shoring	SL	10	3,670.00	-	3,670.00	3,670.00	-	3,670.00		
2002	Equipment Bucket	SL	5	3,834.14	-	3,834.00	3,834.00	-	3,834.00		
2002	Backflow Tester	SL	5	626.25	-	626.00	626.00	-	626.00		
2005	desks & chairs	SL	20	1,040.00	-	1,040.00	481.00	52.00	533.00		
2005	file cabinets	SL	20	239.88	-	240.00	111.00	12.00	123.00		
2005	map file cabinet	SL	20	479.37	-	479.00	221.54	23.95	245.49		
2006	2006 camera/vacuum	SL	10	1,377.99	-	1,378.00	1,102.30	137.80	1,240.10		
2006	2006 tool box/lawn mower	SL	10	685.49	-	685.00	548.01	68.50	616.51		
2007	Toshiba Laptop	SL	5	749.00	-	749.00	749.00	-	749.00		
2007	ACH Lockbox	SL	5	2,000.00	-	2,000.00	2,000.00	-	2,000.00		
2007	3rd party Interfact	SL	5	1,500.00	-	1,500.00	1,500.00	-	1,500.00		
2007	Office equipment	SL	5	792.97	-	793.00	793.00	-	793.00		
2007	Furniture	SL	7	150.00	-	150.00	155.36	(5.36)	150.00		
2007	Heater/Pump house	SL	7	1,346.29	-	1,346.00	1,394.07	(48.07)	1,346.00		
2007	Hydrant program tools	SL	7	1,614.73	-	1,615.00	1,672.68	(57.68)	1,615.00		
2007	Data logger & accessories	SL	5	868.33	-	868.00	868.33	(0.33)	868.00		
2007	Service Line puller kit	SL	7	1,004.30	-	1,004.00	1,039.86	(35.86)	1,004.00		
2008	Industrial Shelving	SL	7	2,034.86	-	2,035.00	1,816.96	218.04	2,035.00		
2008	Compactors	SL	7	1,100.00	-	1,100.00	982.14	117.86	1,100.00		
2009	Mantis Cultivator	SL	7	479.99	-	480.00	360.00	68.57	428.57		
2009	Meter reading devices	SL	7	800.00	-	800.00	600.00	114.29	714.28		
2009	Computer	SL	5	768.50	-	769.00	807.45	(38.45)	769.00		
2010	Hydrant software	SL	5	236.48	-	236.00	200.60	35.40	236.00		
2010	Computer Monitor	SL	5	899.99	-	900.00	765.00	135.00	900.00		
2012	Safe	SL	7	2,916.00	-	2,916.00	937.28	416.57	1,353.85		
2012	Air Compressor	SL	5	2,469.00	-	2,469.00	1,111.05	493.80	1,604.85		
2014	Shelving	SL	5	1,605.00	-	1,605.00	321.00	321.00	642.00		
<b>General Equipment TOTALS</b>				<b>63,396.55</b>	<b>-</b>	<b>63,395.00</b>	<b>56,775.66</b>	<b>2,028.99</b>	<b>58,804.66</b>		

Date Acquired	Description	Method	Life	Cost	Basis Adjust	Depreciation Cost	Accum Depr 09/30/14	10/1 - 9/30 2015	Accum Depr 9/30/15	CIAC Plant	CIAC Acum Depn
<b>Power Operated Equipment (acct #345)</b>											
1994	Hydraulic hammer/couples	SL	5	12,425.00	-	12,425.00	12,425.00	-	12,425.00		
1995	Dump truck & service body	SL	5	20,764.00	-	20,764.00	20,764.00	-	20,764.00		
1996	Hitachi excavator	SL	5	48,800.00	-	48,800.00	48,800.00	-	48,800.00		
1997	Utility trailer	SL	5	5,195.00	-	5,195.00	5,195.00	-	5,195.00		
1998	Scoop forks	SL	5	1,380.28	-	1,380.00	1,380.28	(0.28)	1,380.00		
1999	(1998) CAT 426C backhoe loader	SL	5	53,970.00	-	53,970.00	53,970.00	-	53,970.00		
1999	5x10 Flatbed tilt trailer	SL	5	980.00	-	980.00	980.00	-	980.00		
2000	320 CAT excavator	SL	5	76,500.00	-	76,500.00	76,500.00	-	76,500.00		
2000	950 CAT loader	SL	5	32,850.00	-	32,850.00	32,850.00	-	32,850.00		
2001	Econoline trailer	SL	5	3,700.00	-	3,700.00	3,700.00	-	3,700.00		
2001	Muval trailer	SL	5	13,000.00	-	13,000.00	13,000.00	-	13,000.00		
2003	Cement Mixer	SL	5	265.00	-	265.00	265.00	-	265.00		
2003	Breaking Hammer	SL	5	30,000.00	-	30,000.00	30,000.00	-	30,000.00		
2004	Trimmer	SL	10	299.99	-	300.00	299.99	0.01	300.00		
2004	Compressor	SL	10	298.95	-	299.00	298.95	0.05	299.00		
2004	Cutoff Saw	SL	10	849.99	-	850.00	849.99	0.01	850.00		
2005	Mini Excavator	SL	7	42,800.00	-	42,800.00	42,800.00	-	42,800.00		
2006	peterson cat forks/broom	SL	7	7,161.00	-	7,161.00	7,161.00	-	7,161.00	7,161.00	
2006	trailer world trailer	SL	7	5,210.95	-	5,211.00	5,210.95	0.05	5,211.00	68.00	7,161.00
2006	allu trailer	SL	7	14,000.00	-	14,000.00	14,000.00	-	14,000.00		68.00
2013	Welder	SL	7	1,411.01	-	1,411.01	352.75	201.57	554.33		
2013	Vac truck	SL	7	40,300.00	-	40,300.00	10,075.00	5,757.14	15,832.15		
2015	Peterbilt Truck & Trailer	SL	7	50,000.00	-	50,000.00	-	7,142.86	7,142.86		
				<u>462,161.17</u>	<u>-</u>	<u>462,161.01</u>	<u>380,877.92</u>	<u>13,101.41</u>	<u>393,979.33</u>		
<b>Communication Equipment (Acct 346)</b>											
1994	Radios	SL	10	1,754.00	-	1,754.00	1,754.00	-	1,754.00		
1995	Cell phone (245) 2-way radio (613)	SL	10	857.90	-	858.00	858.00	-	858.00		
1998	Radios	SL	5	962.00	-	962.00	962.00	-	962.00		
				<u>3,573.90</u>	<u>-</u>	<u>3,574.00</u>	<u>3,574.00</u>	<u>-</u>	<u>3,574.00</u>		

Date Acquired	Description	Method	Life	Cost	Basis Adjust	Depreciation Cost	Accum Depr 09/30/14	10/1 - 9/30 2015	Accum Depr 9/30/15	CIAC Plant	CIAC Acum Depn
<b>Electronic/computer Equipment (acct 347)</b>											
1965	Office equipment	SL	30	976.73	-	977.00	976.73	0.27	977.00		
1966	Office equipment	SL	29	150.50	-	151.00	150.50	0.50	151.00		
1965	Office equipment	SL	10	100.00	-	100.00	100.00	-	100.00		
1971	Miscellaneous equipment	SL	10	44.60	-	45.00	44.60	0.40	45.00		
1975	General equipment	SL	5	403.94	-	404.00	403.94	0.06	404.00		
1976	Equipment	SL	3	83.95	-	84.00	83.95	0.05	84.00		
1986	Mita Copier	SL	5	1,224.00	-	1,224.00	1,224.00	-	1,224.00		
1994	Printer (448) Radios (1754)	SL	10	448.00	-	448.00	448.00	-	448.00		
1995	Copier	SL	5	1,443.00	-	1,443.00	1,443.00	-	1,443.00		
1995	Video camera	SL	10	925.73	-	926.00	925.73	0.27	926.00		
1997	Microsphere computer	SL	5	3,100.00	-	3,100.00	3,100.00	-	3,100.00		
1995	AutoCad computer software	SL	10	830.00	-	830.00	830.00	-	830.00		
1992	Computer & Software	SL	10	4,326.00	-	4,326.00	4,113.00	213.00	4,326.00		
1993	Laptop Computer	SL	10	2,285.00	-	2,285.00	2,285.00	-	2,285.00		
1995	486 computer	SL	10	2,075.00	-	2,075.00	2,075.00	-	2,075.00		
1998	Pentium computer	SL	5	1,008.00	-	1,008.00	1,008.00	-	1,008.00		
1999	Computer printer	SL	5	455.00	-	455.00	455.00	-	455.00		
2001	AutoCad computer software	SL	3	571.05	-	571.00	571.05	(0.05)	571.00		
2001	Computer	SL	5	1,610.90	-	1,611.00	1,610.90	0.10	1,611.00		
2004	Dell computer	SL	5	2,394.00	-	2,394.00	2,394.00	-	2,394.00		
2004	Dell computer	SL	5	1,166.59	-	1,167.00	1,166.59	0.41	1,167.00		
2004	Dell computer	SL	5	942.00	-	942.00	942.00	-	942.00		
2005	computer	SL	5	1,538.00	-	1,538.00	1,538.00	-	1,538.00		
2005	hand held meter reader	SL	5	2,630.00	-	2,630.00	2,630.00	-	2,630.00		
2005	web remote	SL	5	199.95	-	200.00	199.95	0.05	200.00		
2008	copier	SL	7	1,292.78	-	1,293.00	1,154.49	138.51	1,293.00		
2009	3000 Gallon fuel tank	SL	7	12,612.85	-	12,613.00	9,459.75	1,801.86	11,261.60		
2009	Gas Rammer 4 cycle	SL	7	2,062.00	-	2,062.00	1,546.50	294.57	1,841.07		
2011	SEMS Program	SL	3	6,750.00	-	6,750.00	7,312.50	(562.50)	6,750.00		
2011	WorkStation	SL	5	850.00	-	850.00	552.50	170.00	722.50		
2015	SEMS Program	SL	3	2,400.00	-	2,400.00	-	800.00	800.00		
				<u>56,899.57</u>	<u>-</u>	<u>56,902.00</u>	<u>50,744.68</u>	<u>2,857.49</u>	<u>53,602.18</u>		

Date Acquired	Description	Method	Life	Cost	Basis Adjust	Depreciation Cost	Accum Depr 09/30/14	10/1 - 9/30 2015	Accum Depr 9/30/15	CIAC Plant	CIAC Acum Depn
<b>General Plant Misc. Equipment (acct # 348)</b>											
2004	Air Cooler	SL	10	399.99	-	400.00	399.99	0.01	400.00		
2008	Gas Rammer	SL	7	2,199.99	-	2,200.00	1,964.78	235.22	2,200.00		
2008	Compressor	SL	7	5,650.00	-	5,650.00	5,045.14	604.86	5,650.00		
2008	Pro Screen	SL	7	23,699.00	-	23,699.00	21,160.32	2,538.68	23,699.00	20,000.00	20,000.00
				<u>31,948.98</u>	<u>-</u>	<u>31,949.00</u>	<u>28,570.23</u>	<u>3,378.77</u>	<u>31,949.00</u>		
<b>Utility Plant - Future</b>											
		SL	10	1,200.60	-	1,200.60	450.26	120.06	570.32		
				<u>1,200.60</u>	<u>-</u>	<u>1,200.60</u>	<u>450.26</u>	<u>120.06</u>	<u>570.32</u>		
<b>Less SOLD</b>										CIAC Plant	CIAC Acum Depn
<b>Grand TOTALS</b>				<u>4,844,175.86</u>	<u>54,272.89 #</u>	<u>4,789,905.52 #</u>	<u>2,198,084.15 #</u>	<u>139,298.38 #</u>	<u>2,337,382.53</u>	1,706,781	546,365

OLD CIAC -ALL HOOKUPS POST 2000 and old contrib. plant      494,597.10      -      494,597.77      267,701.14      6,159.01      273,859.94

### **OPUC Data Request 7**

Why did Roats submit two separate revenue requirements (one for domestic and one for irrigation water) in its Rate Case Application?

### **Response to OPUC Data Request 7**

The irrigation system is physically separate from the domestic system. Irrigation is a stand-alone system with its own plant and expenses. The irrigation water is delivered from Arnold Irrigation District and will be distributed by Roats. Because the plant and expenses associated with the irrigation system are separate and identifiable, it should be treated in ratemaking as an independent water system. Therefore, it should have its own revenue requirements to avoid cross subsidization between domestic and irrigation customers. The customers of domestic service will not receive any benefit from and should not be responsible for any costs associated with the irrigation system, and vice-versa.